This Prospectus comprises a prospectus relating to the New Shares, prepared in accordance with the Prospectus Rules made under Section 73A of the Financial Services and Markets Act 2000 (as amended) (the "FSMA"), and has been approved by the Financial Conduct Authority (the "FCA") under the FSMA. This Prospectus has been made available to the public in accordance with Prospectus Rule 3.2.

Liberty Global and the Liberty Global Directors whose names appear on page 48 of this Prospectus accept responsibility for the information contained in this Prospectus. To the best knowledge and belief of Liberty Global and that of the Liberty Global Directors (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information.

Investors should read the whole of this Prospectus carefully and in its entirety. In particular, investors should take account of the section entitled Risk Factors on pages 23 to 43 of this Prospectus for a discussion of the risks which might affect the value of an investment in the New Shares. Persons who come into possession of this Prospectus should inform themselves about and observe any applicable restrictions and legal, exchange control or regulatory requirements in relation to the Acquisition and the distribution of this Prospectus. Any failure to comply with such restrictions or requirements may constitute a violation of the securities laws of any such jurisdiction. The contents of this Prospectus should not be construed as legal, business or tax advice.

Liberty Global plc

(Incorporated in England and Wales under the Companies Act 2006 with registered number 08379990)

Proposed issue of up to 31,651,616 New Liberty Global Class A Shares, 77,488,978 New Liberty Global Class C Shares, 3,648,524 New LiLAC Class A Shares and 8,939,328 New LiLAC Class C Shares (together, the "New Shares") in connection with the recommended offer for Cable & Wireless Communications Plc, to be implemented by a two-step, integrated process consisting of the Scheme followed by the Merger, or (if Liberty Global elects to implement the Acquisition by way of the Offer) the two-step, integrated process consisting of the Offer followed by the Merger (the "Transaction")

The existing Liberty Global Class A Shares, Liberty Global Class C Shares, LiLAC Class A Shares and LiLAC Class C Shares are currently listed on the NASDAQ Global Select Market ("**NASDAQ**") under the symbols "LBTYA" and "LBTYK" for the Liberty Global Class A Shares and Liberty Global Class C Shares, respectively, and "LILA" and "LILAK" for the LiLAC Class A Shares and LiLAC Class C Shares, respectively. Applications will be made to NASDAQ for the New Shares to be admitted to trading, which is expected to occur on the Effective Date, on the same basis as the existing Liberty Global Shares and LiLAC Shares, respectively. It is expected that NASDAQ Approval will become effective prior to issuance of the New Shares and that dealings in the New Shares will commence at 9.30 a.m. (Eastern Standard Time) on the Effective Date, which, subject to the satisfaction or waiver (if capable of waiver) of certain Conditions, including the sanction of the Scheme by the High Court, is expected to occur on May 16, 2016. The New Shares will, when issued, rank *pari passu* in all respects with the existing Liberty Global Class A Shares, Liberty Global Class C Shares, LiLAC Class A Shares and LiLAC Class C Shares, as applicable. No application has been made for the New Shares to be admitted to listing or dealt with on any other exchange.

Investors should only rely on the information contained in this Prospectus in respect of the securities covered by this Prospectus. No person has been authorized to give any information or make any representations other than those contained in this Prospectus. No representation or warranty, express or implied, is made by us or the Liberty Global Directors or any other person involved in the Transaction as to the accuracy or completeness of such information, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by us as to the past, present or future.

Without prejudice to any legal or regulatory obligation on us to publish a supplementary prospectus pursuant to Section 87G of the FSMA and Prospectus Rule 3.4, neither the delivery of this Prospectus nor NASDAQ Approval nor commencement of dealings in the New Shares on NASDAQ shall, under any circumstances, create any implication that there has been no change in the business or affairs of Liberty Global (including as enlarged post-Acquisition), or those of the CWC Group, since the date of this Prospectus or that the information in it is correct as of any time after the date of this Prospectus.

Notice to overseas shareholders

General

The release, publication or distribution of this Prospectus in jurisdictions other than the United Kingdom and the ability of CWC Shareholders who are not resident in the United Kingdom to participate in the Acquisition may be restricted by laws and/or regulations of those jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their CWC Shares with respect to the Scheme at the CWC Court Meeting, or to execute and deliver forms of proxy appointing another to vote at the CWC Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in the United Kingdom or who are subject to other jurisdictions should inform themselves of, and should observe, any applicable requirements. Any failure to comply with these requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such requirements by any person.

Unless otherwise determined by Liberty Global or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws of that jurisdiction and no person may vote in favor of the Acquisition by any use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Prospectus and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The availability of the New Shares to CWC Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction in which they are resident. In particular, securities to be issued pursuant to the Acquisition have not been and will not be registered under the relevant securities laws of Japan and the relevant clearances have not been, and will not be, obtained from the securities commission of any province of Canada. No prospectus in relation to the securities to be issued pursuant to the Acquisition has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission. Accordingly, such securities are not being, and may not be, offered, sold, resold, delivered or distributed, directly or indirectly in or into Australia, Canada or Japan or any other jurisdiction if to do so would constitute a violation of relevant laws of, or require registration thereof in, such jurisdiction (except pursuant to an exemption, if available, from any applicable registration requirements or otherwise in compliance with all applicable laws).

Therefore, any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom or CWC Shareholders who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements in their jurisdiction. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. None of the securities referred to in this Prospectus have been approved or disapproved by the SEC, any state securities commission in the United States or any other U.S. regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this Prospectus. Any representation to the contrary is a criminal offence in the United States.

Further details in relation to CWC Shareholders in overseas jurisdictions will be contained in the Scheme Document.

Notice about U.S. Securities Laws

This Prospectus, the Scheme Document and certain other documents relating to the Acquisition have been or will be prepared in accordance with the Takeover Code, the Prospectus Rules and other U.K. disclosure requirements, format and style, all of which differ from those in the United States. The New Shares have not been, and are not expected to be, registered under the U.S. Securities Act of 1933 (the "**U.S. Securities Act**") or under the securities laws of any state or other jurisdiction of the United States. It is expected that the New Shares will be issued pursuant to the Scheme in reliance upon an exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof. CWC Shareholders (whether or not U.S. persons) who are or will be affiliates (within the meaning of Rule 144 under the U.S. Securities Act) of Liberty Global prior to, or after, the Effective Date will be subject to certain U.S. transfer restrictions relating to the New Shares received pursuant to the Scheme. Specifically, New Shares delivered to such affiliated CWC Shareholders may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, absent registration under the U.S. Securities Act or an exemption therefrom.

Liberty Global reserves the right, subject to the prior consent of the Panel and in the circumstances described in this announcement, to elect to implement the Acquisition by way of an Offer followed by the Merger. Any securities to be issued in connection with an Offer would be expected to be registered under the U.S. Securities Act. In the event that Liberty Global exercises its right to implement the Acquisition pursuant to an Offer followed by the Merger or otherwise in a manner that is not exempt from the registration requirements of the U.S. Securities Act, it will file a registration statement with the SEC containing a prospectus with respect to any securities that would be issued in the Acquisition. IN THIS EVENT, CWC SHAREHOLDERS SHOULD READ THESE DOCUMENTS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Such documents will be available free of charge at the SEC's website at www.sec.gov. If the Acquisition is implemented by way of an Offer followed by the Merger, the Offer will be conducted in compliance with the applicable tender offer rules under the U.S. Exchange Act, including Section 14(e) of the U.S. Exchange Act and Regulation 14E thereunder.

The date of this Prospectus is March 22, 2016

TABLE OF CONTENTS

SUMMARY		1
RISK FACTORS		23
PRESENTATION OF INFORMATION		44
EXPECTED TIMETABLE OF PRINCIPAL EVENTS		47
LIBERTY GLOBAL DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS		48
Part I	INFORMATION ON THE ACQUISITION	49
Part II	INFORMATION ON LIBERTY GLOBAL	65
Part III	SELECTED FINANCIAL INFORMATION	93
Part IV	OPERATING AND FINANCIAL REVIEW OF LIBERTY GLOBAL	94
Part V	CAPITALIZATION AND INDEBTEDNESS	161
Part VI	HISTORICAL CONSOLIDATED FINANCIAL INFORMATION RELATING TO LIBERTY GLOBAL	162
Part VII	REGULATORY OVERVIEW	163
Part VIII	UNITED KINGDOM TAXATION CONSIDERATIONS	177
Part IX	LIBERTY GLOBAL DIRECTORS, RESPONSIBLE PERSONS, CORPORATE GOVERNANCE AND EMPLOYEES	180
Part X	INFORMATION ON NEW SHARES	211
Part XI	ADDITIONAL INFORMATION	219
Part XII	DEFINITIONS	243
Part XIII	GLOSSARY	264
ANNEX I	2015 CONSOLIDATED FINANCIAL STATEMENTS AND 2014 CONSOLIDATED FINANCIAL STATEMENTS	AI-1
ANNEX II	PROFIT FORECAST OF THE LIBERTY GLOBAL GROUP AND THE LILAC GROUP	AII-1

SUMMARY

Summaries are made up of disclosure requirements known as elements. The elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the elements required to be included in a summary for this type of security and issuer. Because some elements are not required to be addressed, there may be gaps in the numbering sequence of the elements.

Even though elements may be required to be inserted in the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the elements. In this case a short description of the elements is included in the summary with the mention of "not applicable".

Section A – Introduction and warnings		
Element		
A.1	**Warning to investors**	This summary should be read as an introduction to this Prospectus. Any decision to invest in the New Shares should be based on consideration of this Prospectus as a whole. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff might, under the national legislation of the Member States of the European Economic Area, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or if it does not provide, when read together with the other parts of this Prospectus, key information in order to aid shareholders when considering whether to invest in the New Shares.
A.2	**Subsequent resale or final placement of securities by financial intermediaries**	Not applicable.

Section B – Issuer		
Element		
B.1	**Legal and commercial name**	Liberty Global plc
B.2	**Domicile / legal form / legislation / country of incorporation**	Liberty Global is a public limited company which was incorporated and registered in England and Wales on January 29, 2013 with registered number 08379990, originally as a private company limited by shares with the name Lynx Europe Limited. On June 5, 2013, the name of our company was changed to Liberty Global plc upon its re-registration as a public limited company. The principal legislation under which Liberty Global operates, and pursuant to which the New Shares will be created, is the Act and regulations made thereunder. Liberty Global is domiciled in England and Wales and its registered office is Griffin House, 161 Hammersmith Road, London, United Kingdom, W6 8BS.
B.3	**Current operations and principal activities and markets**	We are an international provider of video, broadband internet, fixed-line telephony and mobile services, serving 27.5 million customers across 14 countries at December 31, 2015. Through our wholly-owned subsidiary Virgin Media, we provide video, broadband internet, fixed-line telephony and mobile services in the United Kingdom and Ireland. Through Ziggo Group Holding and Unitymedia, each a wholly-owned subsidiary, and Telenet, a 56.9%-owned subsidiary, we provide video, broadband internet, fixed-line telephony and mobile services in the Netherlands, Germany and Belgium, respectively. Through our wholly-owned subsidiary, UPC Holding, we provide (i) video, broadband internet and fixed-line telephony services in seven other European countries and (ii) mobile services in four other European countries. In Chile, we provide video, broadband internet, fixed-line telephony and mobile services through our wholly-owned subsidiary VTR. In Puerto Rico, we provide video, broadband internet and fixed-line telephony services through Liberty Puerto Rico, a 60%-owned subsidiary.
B.4a	**Significant recent trends affecting Liberty Global and industries in which it operates**	Save as disclosed in this Prospectus, our board of directors are unaware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our company's prospects for the current financial year, or of any significant recent trends since December 31, 2015 to the date of this Prospectus. Liberty Global has provided full-year 2016 financial guidance targets, including the following full-year 2016 financial guidance targets, which are ordinary-course profit forecasts for the purposes of the Code: • 5% to 7% rebased OCF growth, for the Liberty Global Group, excluding the Netherlands and BASE; and • 5% to 7% rebased OCF growth for the LiLAC Group, excluding CWC. Further information in relation to this profit forecast is provided in Section B.9 of this Summary, below.

		The markets for video broadband internet, fixed-line telephony and mobile services are highly competitive and rapidly evolving. In addition, technological advances and product innovations have increased and are likely to continue to increase the number of alternative providers available to our customers. Consequently, our businesses have faced and are expected to continue to face significant competition in these markets in the countries in which they operate and specifically, as a result of deregulation in the EU. In relation to video distribution and interactive services, we are experiencing more and more convergence as customers are increasingly looking to receive all their media services from one provider at attractive prices. As a result, our ability to offer triple-play or quadruple-play bundles is a key marketing concept to continue to attract and retain customers. Some competitors, such as Swisscom in Switzerland, have obtained long-term exclusive contracts for certain sports programs, which limits the opportunities for other providers, including our operations, to offer such programs. Other competitors also have obtained long-term exclusive contracts for programs, but our operations have access to certain of such programming through select contracts with these companies, including Sky Deutschland in Germany and Austria and Sky in the U.K. and in Ireland. If exclusive content offerings increase through other providers, programming options could be a deciding factor for subscribers on selecting a video service. Portions of our systems have been overbuilt by FTTx networks in the Czech Republic, Romania, Slovakia, Hungary, the Netherlands and Switzerland. Based on research of various telecommunication publications, including by the OECD, and internal estimates, approximately 65%, 92%, and 74% of our cable networks in the Czech Republic, Romania and Slovakia, respectively, have been overbuilt by FTTx networks. Also, 13% of our footprint in Hungary, 30% of our footprint in the Netherlands and 36% of our footprint in Switzerland are overbuilt by FTTx networks. Although we have extensive FTTx overbuild in Switzerland, connectivity to the FTTx network is not available at all locations. In addition, government and quasi-government entities in certain of the countries in which we operate in Europe continue to invest in FTTx networks, creating another source of competition. In order to achieve download speeds of up to 100 Mbps or greater for customers, incumbent telecommunications operators are increasingly adopting VDSL with vectoring and bonding technologies as a more cost efficient solution compared to FTTx initiatives. Our Central and Eastern European markets are also experiencing significant competition from other cable operators. These cable operators have significantly overbuilt our operations in Poland, Hungary and Romania and to a lesser extent in Slovakia. Based on research of various telecommunication publications, including the OECD and internal estimates, approximately 49%, 51% and 10% of our operations in Poland, Hungary and Romania, respectively, are overbuilt by other cable providers. Also, approximately 10% of our footprint in Slovakia is overbuilt by other cable providers. In most of our Central and Eastern European markets, we also face intense competition from DTH services. Digi TV, the

DTH platform of RCS & RDS S.A. (Digi TV), a Romanian cable, telephony and internet service provider is targeting our analog cable, MMDS and DTH customers with aggressively-priced DTH packages, in addition to overbuilding portions of our cable network in Hungary and Romania. In the Czech Republic and Slovakia, "SkyLink", the brand name of M7 Group SA, a European provider of DTH services, is a DTH competitor providing aggressively-priced packages of video content. The incumbent telecommunications operator, Telekom Romania Communications S.A., in Romania also operates a competing DTH platform. UPC DTH offers advanced services and functionality, including DVR and premium content, to most of our Central and Eastern European markets. UPC DTH's share of the subscription-based television market is 8% for Hungary, 5% for the Czech Republic, 4% for Slovakia and, through FocusSat, 5% for Romania.

In Latin America, our principal competition is the provision of video services from DTH satellite providers, where we compete with established satellite platforms, as well as other pay television providers. Over-the-top viewing is also a competitive factor.

B.5 **Group description**

On July 1, 2015, we implemented an equity structure consisting of two principal types of ordinary shares: Liberty Global Shares and LiLAC Shares. Both the Liberty Global Shares and the LiLAC Shares are tracking shares, intended to reflect or "track" the economic performance of a particular business or "group" of our subsidiaries, rather than the economic performance of our company as a whole. The Liberty Global Shares and the LiLAC Shares are intended to reflect or "track" the economic performance of the Liberty Global Group and the LiLAC Group, respectively. The LiLAC Group comprises our businesses, assets and liabilities in Latin America and the Caribbean and the Liberty Global Group comprises our businesses, assets and liabilities not otherwise attributed to the LiLAC Group.

While the Liberty Global Group and the LiLAC Group have separate collections of businesses, assets and liabilities attributed to them, neither group is a separate legal entity. Liberty Global is the ultimate parent company of the following significant subsidiaries as at December 31, 2015 through which we conduct our business:

Name of Subsidiary	Country of Incorporation	Holdings	Proportion of Voting Rights and Shares Held	Nature of Business
Liberty Cablevision of Puerto Rico LLC	Puerto Rico	Preferred units Common units	60.0%	Operating company
Liberty Global Broadband I Limited	United Kingdom	Ordinary shares	100.0%	Intermediate holding company
Liberty Global, Inc.	United States	Common stock	100.0%	Intermediate holding company
Telenet Group Holding N.V.	Belgium	Common stock	56.9%	Intermediate holding company

Name of Subsidiary	Country of Incorporation	Holdings	Proportion of Voting Rights and Shares Held	Nature of Business
Unitymedia GmbH	Germany	Shares	100.0%	Intermediate holding company and operating company
UPC Cablecom GmbH	Switzerland	Shares	100.0%	Intermediate holding company and operating company
UPC Holding B.V.	The Netherlands	Ordinary shares	100.0%	Intermediate holding company
Virgin Media Inc.	United States	Common stock	100.0%	Intermediate holding company
VTR Finance B.V.	The Netherlands	Ordinary shares	100.0%	Intermediate holding company
VTR Globalcom SpA	Chile	Shares	100.0%	Intermediate holding company and operating company
Ziggo Group Holding BV	The Netherlands	Ordinary shares	100.0%	Intermediate holding company

B.6 **Major Shareholders**

The following table sets forth information, to the extent known by us or ascertainable from public filings, concerning our ordinary shares beneficially owned by each person or entity known by us to own more than 5% of our outstanding ordinary share capital (in each case, whether Liberty Global Class A, B or C or LiLAC Class A, B or C) as at February 29, 2016, being the latest practicable date before the publication of this Prospectus for which such information was available for all major shareholders (except as otherwise indicated in the notes to the table).

Ordinary shares issuable on or within 60 days after February 29, 2016, upon exercise of options or stock appreciation rights (which we refer to as SARs), vesting of restricted share units (which we refer to as RSUs), conversion of convertible securities or exchange of exchangeable securities, are deemed to be outstanding and to be beneficially owned by the person holding the options, SARs, RSUs or convertible or exchangeable securities for the purpose of computing the percentage ownership of that person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Also, for purposes of the following presentation, beneficial ownership of our Liberty Global Class B Shares and LiLAC Class B Shares, although convertible on a one-for-one basis into our Liberty Global Class A Shares and LiLAC Class A Shares, respectively, is reported as beneficial ownership of our Liberty Global Class B Shares and LiLAC Class B Shares only, and not as beneficial ownership of our Liberty Global Class A Shares or LiLAC Class A Shares, as the case may be. The percentage of voting power is presented on an aggregate basis for each person or entity named below.

Name of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership		Percent of Class	Voting Power
John C. Malone	Liberty Global Class A	1,090,480	(1)(2)(3)	*	24.9%
	Liberty Global Class B	8,787,373	(2)(3)(4)(5)	83.9%	
	Liberty Global Class C	11,989,905	(1)(2)(4)(6)	2.1%	
	LiLAC Class A	54,523	(1)(2)(3)	*	
	LiLAC Class B	439,368	(2)(3)(4)(5)	83.9%	
	LiLAC Class C	650,694	(1)(2)(4)(6)	2.1%	
Robert R. Bennett	Liberty Global Class A	208	(7)	*	2.7%
	Liberty Global Class B	981,873	(7)	9.4%	
	LiLAC Class A	10	(8)	*	
	LiLAC Class B	49,093	(8)	9.4%	
BlackRock, Inc.	Liberty Global Class A	17,651,611	(9)	7.0%	4.8%
	Liberty Global Class B		—	—	
	LiLAC Class A	423,663	(10)	3.4%	
	LiLAC Class B		—	—	
Capital World Investors	Liberty Global Class A	13,923,574	(11)	5.5%	3.8%
	Liberty Global Class B		—	—	
	LiLAC Class A	341,598	(10)	2.7%	
	LiLAC Class B		—	—	
FMR LLC	Liberty Global Class A	14,224,040	(12)	5.6%	4.1%
	Liberty Global Class B		—	—	
	LiLAC Class A	1,206,087	(13)	9.5%	
	LiLAC Class B		—	—	
Kora Management LP	Liberty Global Class A		—	—	*
	Liberty Global Class B		—	—	
	LiLAC Class A	636,624	(14)	5.0%	
	LiLAC Class B		—	—	
New Mountain Vantage Advisers, L.L.C.	Liberty Global Class A		—	—	*
	Liberty Global Class B		—	—	
	LiLAC Class A	674,974	(15)	5.3%	
	LiLAC Class B		—	—	

* Less than one percent

(1) Based on information available to Liberty Global, including the Schedule 13D/A (Amendment No. 8) of Mr. Malone filed with the SEC on November 19, 2015, includes (a) 90,303 Liberty Global Class A Shares, (b) 680,041 Liberty Global Class C Shares, (c) 4,515 LiLAC Class A Shares and (d) 34,002 LiLAC Class C Shares held by Mr. Malone's wife, Mrs. Leslie Malone, as to which Shares Mr. Malone disclaims beneficial ownership.

(2) Based on information available to Liberty Global, including the Schedule 13D/A (Amendment No. 8) of Mr. Malone filed with the SEC on November 19, 2015, includes (a) 48,000 Liberty Global Class A Shares, (b) 110,148 Liberty Global Class B Shares, (c) 56,444 Liberty Global Class C Shares, (d) 2,400 LiLAC Class A Shares, (e) 5,507 LiLAC Class B Shares and (f) 14,222 LiLAC Class C Shares held by two trusts managed by an independent trustee, of which the beneficiaries are Mr. Malone's adult children. Mr. Malone, has no pecuniary interest in these trusts, but he retains the right to substitute assets held by them. Mr. Malone disclaims beneficial ownership of the shares held in these trusts.

		(3) The Irrevocable Undertaking, dated as of November 16, 2015, from Mr. Malone to CWC contains provisions relating, in certain circumstances, to the voting (subject to certain restrictions) of certain Liberty Global Class A Shares, Liberty Global Class B Shares, LiLAC Class A Shares and LiLAC Class B Shares beneficially owned by Mr. Malone and the transferability of such shares. Mr. Malone expressly disclaims the existence of and membership in a group with CWC. (4) Based on information available to Liberty Global, including the Schedule 13D/A (Amendment No. 8) of Mr. Malone filed with the SEC on November 19, 2015, includes (a) 8,677,225 Liberty Global Class B Shares, (b) 433,861 LiLAC Class B Shares, (c) 7,117,225 Liberty Global Class C Shares and (d) 375,861 LiLAC Class C Shares held by a trust with respect to which Mr. Malone is a co-trustee and, with his wife, retains a unitrust interest in the trust (which we refer to as the Malone Trust). (5) Based on the Schedule 13D/A (Amendment No. 7) of Mr. Malone filed with the SEC on February 18, 2014, pursuant to a letter agreement dated as of February 13, 2014, among Mr. Fries, Mr. Malone and the Malone Trust, the parties agreed that, for so long as Mr. Fries is employed as a principal executive officer by us or serving on our board of directors, (a) in the event the Malone Trust or any permitted transferee (as defined in such letter agreement) is not voting the Liberty Global Class B Shares and LiLAC Class B Shares owned by the Malone Trust, Mr. Fries will have the right to vote such Liberty Global Class B Shares and LiLAC Class B Shares and (b) in the event the Malone Trust or any permitted transferee determines to sell such Liberty Global Class B Shares and LiLAC Class B Shares, Mr. Fries (individually or through an entity he controls) will have an exclusive right to negotiate to purchase such shares, and if the parties fail to come to an agreement and the Malone Trust or any permitted transferee subsequently intends to enter into a sale transaction with a third party, Mr. Fries (or an entity controlled by him) will have a right to match the offer made by such third party. (6) Includes 2,200,000 Liberty Global Class C Shares and 110,000 LiLAC Class C Shares subject to a long-dated post-paid variable forward sale contract with an unaffiliated counterparty, divided into 20 components of 110,000 Liberty Global Class C Shares and 5,500 LiLAC Class C Shares, each. The components mature on sequential trading days beginning on August 17, 2017 and ending on September 14, 2017. (7) The number of Liberty Global Class A Shares and the number of Liberty Global Class B Shares are based upon the Schedule 13D/A (Amendment No. 1) dated March 6, 2014, filed by Mr. Bennett with the SEC on April 3, 2014. The Schedule 13D/A reflects that Mr. Bennett has sole voting and dispositive power over the Liberty Global Class A Shares and Liberty Global Class B Shares reported. Of the shares reported, the Schedule 13D/A shows Mr. Bennett and his spouse jointly owning 749,539 Liberty Global Class B Shares and Hilltop Investments, LLC, which is jointly owned by Mr. Bennett and his spouse, owning 232,334 Liberty Global Class B Shares. (8) The number of shares is based on the assumption that Mr. Bennett held the number of Liberty Global Class A Shares and Liberty Global Class B Shares reported in his Schedule 13D on the record date of the LiLAC Share distribution and applying the distribution ratio to such shares. (9) The number of Liberty Global Class A Shares is based upon the Schedule 13G/A (Amendment No. 2) for the year ended December 31, 2015, filed with the SEC on January 26, 2016, by BlackRock, Inc. as a parent holding company of various subsidiaries, which together beneficially own the shares. The Schedule 13G/A reflects that BlackRock, Inc. has sole voting power over 15,031,058 of the Liberty Global Class A Shares. It has sole dispositive power over all of the Liberty Global Class A Shares. (10) The number of shares for the respective shareholder is based upon their respective Form 13F for the quarter ended December 31, 2015. (11) The number of Liberty Global Class A Shares is based upon the Schedule 13G/A (Amendment No. 2) for the year ended December 31, 2015, filed with the SEC on February 2, 2016, by Capital World Investors as a result of Capital Research and Management Company acting as investment advisor to various investment companies, including EuroPacific Growth Fund. The Schedule 13G/A reflects that Capital World Investors has sole

voting and dispositive power over the Liberty Global Class A Shares. EuroPacific Growth Fund filed a Schedule 13G/A (Amendment No. 1) for the year ended December 31, 2015, on February 12, 2016, reporting 7,194,500 of the Liberty Global Class A Shares reported by Capital World Investors and states under certain circumstances it may vote these shares.

(12) The number of Liberty Global Class A Shares is based upon the Schedule 13G/A (Amendment No. 1) for the year ended December 31, 2015, filed with the SEC on February 12, 2016, by FMR LLC, as a parent holding company of various subsidiaries, Edward C. Johnson III and Abigail P. Johnson, which together beneficially own the shares. The Schedule 13G/A reflects that FMR Co. Inc. owns at least 5% of the shares. The family of Edward C. Johnson III, including Abigail P. Johnson, holds 49% of the voting power of FMR LLC. The Schedule 13G/A reflects that FMR LLC has sole voting power over 818,676 of the Liberty Global Class A Shares and sole dispositive power over all of the Liberty Global Class A Shares.

(13) The number of LiLAC Class A Shares is based upon the Schedule 13G/A (Amendment No. 1) for the year ended December 31, 2015, filed with the SEC on February 12, 2016, by FMR LLC, as a parent holding company of various subsidiaries, Edward C. Johnson III and Abigail P. Johnson, which together beneficially own the shares. The Schedule 13G/A reflects that FMR Co. Inc. owns at least 5% of the shares. The family of Edward C. Johnson III, including Abigail P. Johnson, holds 49% of the voting power of FMR LLC. The Schedule 13G/A reflects that FMR LLC has sole voting power over 121,211 of the LiLAC Class A Shares and sole dispositive power over all of the LiLAC Class A Shares.

(14) The number of LiLAC Class A Shares is based upon the Schedule 13G/A for the year ended December 31, 2015, filed with the SEC on February 16, 2016, by Kora Management LP as investment manager to Kora Master Fund PL. The Schedule 13G/A reflects that Kora Management LP has sole voting and sole dispositive power over all the LiLAC Class A Shares.

(15) The number of LiLAC Class A Shares is based upon the Schedule 13G/A (Amendment No. 1) filed with the SEC on February 16, 2016, by New Mountain Vantage Advisers, L.L.C. as an investment advisor to certain private funds and investment entities, and Steven B. Klinsky as managing member of New Mountain Capital Group L.L.C., which is the management member of New Mountain Vantage Advisors L.L.C. The Schedule 13G/A reflects that New Mountain Vantage Advisers, L.L.C. has shared voting and shared dispositive power over all of the LiLAC Class A Shares.

Holders of Liberty Global Class B Shares and LiLAC Class B Shares are each entitled to ten votes per share, thereby disproportionately impacting the voting rights of holders of the Liberty Global Class A Shares and the LiLAC Class A Shares. However, none of our major shareholders has different voting rights attached to the Liberty Global Shares or LiLAC Shares that they hold from any other holder of such shares.

As at March 18, 2016, 2016 (being the latest practicable date prior to the publication date of this Prospectus), we were not aware of any person or persons who, directly or indirectly, jointly or severally, exercise or could exercise control over Liberty Global.

B.7	Selected historical key financial information

The following tables present selected historical financial information of Liberty Global and its consolidated subsidiaries. The following selected financial data was derived from our consolidated financial statements as of and for the years ended December 31, 2015, 2014, and 2013. This information is only a summary and should be read together with Part IV *(Operating and Financial Review of Liberty Global) — Review of Operations* and our 2015 Consolidated Financial Statements and 2014 Consolidated Financial Statements attached as Annex I to this Prospectus.

	December 31,		
	2015	**2014**	**2013**
		in millions	
Summary Balance Sheet Data [(a)]*:*			
Property and equipment, net	$21,684.0	$23,840.6	$23,974.9
Goodwill	$27,020.4	$29,001.6	$23,748.8
Total assets	$67,867.2	$72,841.9	$67,714.3
Debt and capital lease obligations, including current portion	$47,057.3	$46,159.0	$44,704.3
Total equity	$10,174.3	$14,116.0	$11,541.5

	Year ended December 31,		
	2015	**2014**	**2013**
	in millions, except per share amounts		
Summary Statement of Operations Data [(a)]*:*			
Revenue	$ 18,280.0	$ 18,248.3	$ 14,474.2
Operating income	$ 2,349.2	$ 2,228.2	$ 2,012.1
Loss from continuing operations [(b)]	$ (1,049.5)	$ (980.9)	$ (882.0)
Loss from continuing operations attributable to Liberty Global shareholders	$ (1,152.5)	$ (1,028.5)	$ (937.6)
Basic and diluted earnings (loss) from continuing operations attributable to Liberty Global shareholders per share:			
Liberty Global Shares [(c)]	$ (0.19)		
LiLAC Shares [(c)]	$ 0.39		
Old Liberty Global Shares [(d)]	$ (1.13)	$ (1.29)	$ (1.39)

(a) We acquired Choice on June 3, 2015, Ziggo on November 11, 2014 and Virgin Media on June 7, 2013. We also completed a number of less significant acquisitions during the years presented. We sold the Chellomedia Disposal Group on January 31, 2014. Accordingly, our summary statement of operations data presents the Chellomedia Disposal Group as a discontinued operation during the applicable periods.

(b) Includes earnings from continuing operations attributable to noncontrolling interests of $103.0 million, $47.6 million and $55.6 million, respectively.

(c) The amounts presented for 2015 relate to the period from July 1, 2015 through December 31, 2015.

(d) The amount presented for 2015 relates to the period from January 1, 2015 through June 30, 2015.

		The following significant changes to the financial condition and operating results of Liberty Global and its consolidated subsidiaries occurred during the financial years ended December 31, 2015, 2014 and 2013; • In the financial year ended December 31, 2013, Liberty Global completed the Virgin Media Acquisition in a stock and cash merger valued at approximately $24 billion, as a result of which Liberty Global now owns 100 percent of Virgin Media. Virgin Media has been included in the audited consolidated financial statements of Liberty Global since the completion of the Virgin Media Acquisition on June 7, 2013; and • In the financial year ended December 31, 2014, Liberty Global completed the Ziggo Acquisition by way of tender offer for an estimated total acquisition consideration of $8.8 billion, as a result of which Liberty Global now owns 100 percent of Ziggo. Ziggo has been consolidated in the financial information of Liberty Global since November 2014. There has been no significant change in the financial condition or operating results of Liberty Global and its consolidated subsidiaries since December 31, 2015, the date to which the last audited consolidated accounts of Liberty Global and its consolidated subsidiaries were published.
B.8	**Pro Forma financial information**	Not applicable. There is no pro forma financial information included in this Prospectus.
B.9	**Profit forecast or estimate**	In its February Release, Liberty Global provided the following full-year 2016 financial guidance targets, which are ordinary-course profit forecasts for the purposes of the Takeover Code: • 5% to 7% rebased OCF growth, for the Liberty Global Group, excluding the Netherlands and BASE; and • 5% to 7% rebased OCF growth for the LiLAC Group, excluding CWC. While Liberty Global's OCF measure should not be considered a measurement of profit, the above statements for the year ending December 31, 2016 are "profit forecasts" for the purposes of the Prospectus Rules (the "**Liberty Global Profit Forecast**"). The Liberty Global Profit Forecast has been prepared on a basis consistent with the accounting policies for Liberty Global, which are in accordance with GAAP and the basis used to prepare the 2015 Consolidated Financial Statements and the 2014 Consolidated Financial Statements, as well as those which Liberty Global anticipates will also be the basis applicable for the full-year ending December 31, 2016. Liberty Global has prepared the Liberty Global Profit Forecast based on an internal management forecast to December 31, 2016. The principal assumptions upon which the Liberty Global Profit Forecast is based are included below. Our 2016 guidance for Liberty Global Group mentioned above excludes our Dutch business, Ziggo, and the recently acquired BASE in Belgium, whereas the 2016 guidance for the LiLAC Group excludes CWC.

		There is a clear distinction made between assumptions which the Liberty Global Directors (or other members of Liberty Global's management) can influence and those which they cannot influence. The following factors are outside the influence or control of the Liberty Global Directors (and other members of Liberty Global's management): • economic and business conditions and industry trends in the countries in which we operate; • the competitive environment in the industries in the countries in which we operate, including competitor responses to our products and services; • fluctuations in currency exchange rates and interest rates; • instability in global financial markets, including sovereign debt issues and related fiscal reforms; • consumer disposable income and spending levels, including the availability and amount of individual consumer debt; • changes in consumer television viewing preferences and habits; • consumer acceptance of our existing service offerings, including our digital video, broadband internet, fixed-line telephony, mobile and business service offerings, and of new technology, programming alternatives and other products and services that we may offer in the future; • changes in laws or treaties relating to taxation, or the interpretation thereof, in the U.K., U.S. or in other countries in which we operate; • changes in laws and government regulations that may impact the availability and cost of capital and the derivative instruments that hedge certain of our financial risks; • the ability of suppliers and vendors (including our third-party wireless network providers under our MVNO arrangements) to timely deliver quality products, equipment, software, services and access; and • events that are outside of our control, such as political unrest in international markets, terrorist attacks, malicious human acts, natural disasters, pandemics and other similar events. The following factors are within the influence or control of the Liberty Global Directors (or other members of Liberty Global's management): • our ability to maintain or increase the number of subscriptions to our digital video, broadband internet, fixed-line telephony and mobile and business service offerings and our average revenue per household; • our ability to maintain or increase rates to our subscribers or to pass through increased costs to our subscribers;

		• that there will be no material change in the present management or control of Liberty Global or its existing operational strategy; and • that Liberty Global's accounting policies will be consistently applied in the financial year ending December 31, 2016. The Liberty Global Directors have considered the Liberty Global Profit Forecast and confirm that it is valid as at the date of this Prospectus and has been properly compiled on the basis of the assumptions set out above and that the basis of the accounting used is consistent with Liberty Global's accounting policies, including those used in the preparation of the 2015 Consolidated Financial Statements and the 2014 Consolidated Financial Statements.
B.10	**Qualifications in the auditor's report**	Not applicable. There are no qualifications in the auditor's report.
B.11	**Working capital**	In the opinion of Liberty Global, the working capital available to Liberty Global and its subsidiaries is sufficient for their present requirements, that is, for at least 12 months following the date of this Prospectus.

Section C – Securities

Element		
C.1	**Type of security and security codes**	**Type of security** / **Symbol** / **ISIN Code** Liberty Global Class A Shares / LBTYA / GB00B8W67662 Liberty Global Class C Shares / LBTYK / GB00B8W67B19 LiLAC Class A Shares / LILA / GB00BTC0M714 LiLAC Class C Shares / LILAK / GB00BTC0MD78
C.2	**Currency of the securities issue**	The New Liberty Global Shares and New LiLAC Shares are denominated in U.S. dollars.
C.3	**Number of shares issued, nominal value per share**	As at March 21, 2016, the following shares in our company have been issued: (see table below)
C.4	**Rights attached to the securities**	The Liberty Global Shares and the LiLAC Shares are tracking shares. Tracking shares are intended by the issuing company to reflect or "track" the economic performance of a particular business or "group", rather than the economic performance of the company as a whole. The Liberty Global Shares and the LiLAC Shares are intended to track the economic performance of the Liberty Global Group and the LiLAC Group, respectively. The Liberty Global Shares and LiLAC Shares are each split into three classes: classes A, B and C. Each Liberty Global Class A Share and each LiLAC Class A Share carries one vote in respect of all matters on which all voting shares have voting rights and, other than with respect to matters that require individual class votes, form a single class of voting shares in our capital with the other Liberty Global Shares and LiLAC Shares that hold voting rights. Liberty Global Class B Shares and LiLAC Class B Shares are each entitled to ten votes in respect of all matters on which all voting shares have voting rights and, other than with respect to matters that require individual class votes, form a single class of voting shares in our capital with the other Liberty Global Shares and LiLAC Shares that hold voting rights. Each Liberty Global Class B Share may be redesignated at any time at the election of the holder into a Liberty Global Class A Share, and each LiLAC Class B Share may be redesignated at any time at the election of the holder into a LiLAC Class A Share.

C.3 share table:

	Share capital Issued[(a)]
Liberty Global Shares	
Class A	252,884,833
Class C	577,843,769
Class A and Class C Total	830,728,602
Class B	10,805,850
Grand Total	841,534,452
LiLAC Shares	
Class A	12,648,169
Class C	30,776,413
Class A and Class C Total	43,424,582
Class B	523,423
Grand Total	43,948,005

(a) *Includes Liberty Global Class C Shares held in treasury.*

		Neither Liberty Global Class C Shares nor LiLAC Class C Shares carry any voting rights (except as may be required by applicable law), nor do they carry any rights to receive notice of general meetings unless otherwise determined by our board of directors. Each Liberty Global Share and each LiLAC Share ranks equally with all other Liberty Global Shares and LiLAC Shares in our capital for any dividend, bonus issue or distribution (made on a winding up or otherwise), subject to limited exceptions including certain differences in favor of Liberty Global Class B Shares and LiLAC Class B Shares that may be taken into account when a dividend is paid by way of distributing specific assets or as a bonus issue. Dividends may be declared and paid in accordance with the company's Articles, in favor of Liberty Global Shares and LiLAC Shares, in equal or unequal amounts, or only in favor of the Liberty Global Shares, or only in favor of the LiLAC Shares. All three classes of the Liberty Global Shares, the LiLAC Class A Shares and LiLAC Class C Shares are admitted to trading on NASDAQ, while the LiLAC Class B Shares are quoted on OTC Link.
C.5	**Restrictions on transfer of the securities**	Pursuant to Article 44 of the Articles, the board of directors may, in its absolute discretion, refuse to register the transfer of a share in certificated form if it is not fully paid, provided that the refusal does not prevent dealings in Liberty Global shares from taking place on an open and proper basis.
C.6	**NASDAQ Approval and Commencement of dealings in the New Shares on NASDAQ**	The existing Liberty Global Class A and Class C Shares and LiLAC Class A and Class C Shares are currently listed on NASDAQ. Applications will be made to NASDAQ for the New Shares to be approved for listing on the same basis as the existing Liberty Global Shares and LiLAC Shares, respectively. The New Shares will be issued to Cede & Co., as nominee of the DTC. In the case of any CWC Shareholder holding their CWC Shares in uncertificated form prior to the Effective Date, the custodian of the relevant New Shares will either be (i) CREST International Nominees Limited, which will hold the New Shares through book entry interests within the DTC system as nominee for CREST Depository Limited, which will hold the New Shares on trust for the relevant CWC Shareholder to whom it will issue Liberty Global CDIs, being an existing unsponsored depositary interest program administered through CREST; or (ii) if the CWC Shareholder so elects, their own nominated DTC participant. In the case of any CWC Shareholder holding their CWC Shares in certificated form prior to the Effective Date, the custodian of the relevant New Shares will be Computershare Trust Co., N.A.
C.7	**Dividend policy**	We have not paid any cash dividends on any existing Liberty Global Shares or any existing LiLAC Shares, and we have no present intention of doing so. Any future payment of cash dividends, will be determined by our board of directors in light of our earnings, financial condition and other relevant considerations including applicable laws in England and Wales. Except as set out in the Co-operation Agreement, there are currently no contractual restrictions on our ability to pay dividends in cash or shares. The credit facilities to which certain of our subsidiaries are parties restrict our ability to

		access their cash for, among other things, payment of cash dividends. On January 26, 2014, our board of directors approved the 2014 Share Dividend, which constitutes a bonus issue under our Articles and English law, of one Liberty Global Class C Share on each outstanding Liberty Global Class A, Class B and Class C share as of the February 14, 2014 record date. The distribution date for the 2014 Share Dividend was March 3, 2014. On July 1, 2015, we completed the approved steps of the "**LiLAC Transaction**" whereby we (i) reclassified our then outstanding Class A, Class B and Class C Liberty Global shares (the "**Old Liberty Global Shares**") into corresponding classes of new Liberty Global Shares, and (ii) capitalized a portion of our share premium account and distributed as a dividend, or bonus issue under English law, our LiLAC Class A Shares, LiLAC Class B Shares and LiLAC Class C Shares. Pursuant to the LiLAC Transaction, each holder of Class A, Class B and Class C Old Liberty Global Shares remained a holder of the same amount and class of Liberty Global Shares and received one share of the corresponding class of LiLAC Shares for each 20 Old Liberty Global Shares held as of the record date for such distribution and cash was paid in lieu of fractional LiLAC Shares.

Section D – Risks		
Element		
D.1	**Key risks relating to Liberty Global's business and industry**	***We operate in increasingly competitive markets, and there is a risk that we will not be able to effectively compete with other service providers.*** The markets for cable television, broadband internet, fixed-line telephony and mobile services in many of the regions in which we operate are highly competitive. We may face competition from entities not requiring a normal commercial return on their investments, and we may face more vigorous competition than would have been the case if there were no government involvement. We expect the level and intensity of competition to continue to increase from both existing competitors and new market entrants. ***Changes in technology may limit the competitiveness of and demand for our services.*** Technology in the video, telecommunications and data services industries is changing rapidly, including advances in current technologies and the emergence of new technologies, which may impact consumer behaviour and demand for our products. A lack of market acceptance of new products and services that we may offer, or the development of significant competitive products or services by others, could have a material adverse impact on our revenue and Adjusted OIBDA. ***Our property and equipment additions may not generate a positive return.*** The video, broadband internet and telephony businesses in which we operate are capital intensive. Additions to our property and equipment require significant capital expenditures for equipment and associated labor costs. If we are unable to, or elect not to, pay for costs associated with adding new customers, expanding, extending or upgrading our networks or making our other planned or unplanned additions to our property and equipment, our growth could be limited and our competitive position could be harmed. ***We depend almost exclusively on our relationships with third-party programming providers and broadcasters for programming content, and a failure to acquire a wide selection of popular programming on acceptable terms could adversely affect our business.*** The success of our video subscription business depends, in large part, on our ability to provide a wide selection of popular programming to our subscribers, however we generally do not produce our own content and we depend on our agreements, relationships and cooperation with public and private broadcasters and collective rights associations to obtain such content. ***Our businesses that offer mobile telephony and data services rely on the radio access networks of third-party wireless network providers to carry our mobile communications traffic.***

		Our services to mobile customers rely on the use of MVNO arrangements in which we utilize the radio access networks of third-party wireless network providers to carry our mobile communications traffic. ***Failure in our technology or telecommunications systems or leakage of sensitive customer data could significantly disrupt our operations, which could reduce our customer base and result in lost revenue.*** Our success depends, in part, on the continued and uninterrupted performance of our information technology and network systems as well as our customer service centers. ***The "Virgin" brand is used by our subsidiary Virgin Media under licenses from Virgin Enterprises Limited and is not under the control of Virgin Media. The activities of the group of companies utilizing the "Virgin" brand and other licensees could have a material adverse effect on the goodwill of customers towards Virgin Media as a licensee and the licenses from Virgin Enterprises Limited can be terminated in certain circumstances.*** The "Virgin" brand is integral to Virgin Media's corporate identity. Virgin Media is reliant on the general goodwill of consumers towards the Virgin brand. Termination of the licenses from Virgin Enterprises Limited could have a material adverse effect on Virgin Media's and our business and results of operations. ***New legislation may significantly alter the regulatory regime applicable to us, which could adversely affect our competitive position and profitability, and we may become subject to more extensive regulation if we are deemed to possess Significant Market Power in any of the markets in which we operate.*** Significant changes to the existing regulatory regime applicable to the provision of cable television, telephony and internet services have been and are still being introduced. A finding of Significant Market Power can result in our company becoming subject to pricing, open access, unbundling and other requirements that could provide a more favorable operating environment for existing and potential competitors. ***We cannot be certain that we will be successful in acquiring new businesses or integrating acquired businesses with our existing operations, or that we will achieve the expected returns on our acquisitions.*** Historically, our businesses have grown, in part through selective acquisitions that enabled them to take advantage of existing networks, local service offerings and region-specific management expertise. Our ability to acquire new businesses may be limited by many factors, including availability of financing, debt covenants, the prevelence of complex ownership structures among potential targets, government regulation and competition from other potential acquirors, including private equity funds. ***Our substantial leverage could limit our ability to obtain additional financing on the same terms and have other adverse effects.*** We seek to maintain our debt at levels that provide for attractive equity returns without assuming undue risk. As a

		result, we are highly leveraged. Our ability to service or refinance our debt and to maintain compliance with the leverage covenants in the credit agreements and indentures of certain of our subsidiaries is dependent primarily on our ability to maintain or increase the Adjusted OIBDA of our subsidiaries and to achieve adequate returns on our property and equipment additions and acquisitions. ***Mr. Malone has significant voting power with respect to matters considered by our shareholders.*** By virtue of Mr. Malone's voting power in our company, as well as his position as Chairman of our board of directors, Mr. Malone may have significant influence over the outcome of any corporate transaction or other matters submitted to our shareholders for approval. Because Mr. Malone beneficially owns approximately 25% of our aggregate voting power and more than 75% of the outstanding Liberty Global Class B Shares and LiLAC Class B Shares he has the ability to prevent the requisite approval threshold for special resolutions from being met even though the other shareholders may determine that such action or transaction is beneficial for our company.
D.3	**Key risks relating to the securities**	***The value of the New Shares that CWC Shareholders will receive as consideration for their CWC Shares is subject to stock market fluctuations and the exchange ratio.*** The market value of New Shares and CWC Shares at the date on which CWC Shareholders receive their consideration may vary significantly from their prices throughout the stages of the Acquisition. Because the exchange ratios will only be adjusted as a result of changes in the market price of Liberty Global Shares and LiLAC Shares in certain circumstances, the value of the consideration received by the CWC Shareholders may be higher or lower than the market value of those shares on earlier dates. ***The market price of the New Shares may be affected by factors different from those currently affecting the price of CWC Shares.*** Our business differs from that of CWC, and the results of our operations, as well as the price of each class of New Shares, may be affected by factors different from those affecting CWC's results of operations and the price of CWC Shares. ***As holders of the New Shares, CWC Shareholders may be subject to exchange rate risk as a result of adverse movements in the value of their local currencies against the U.S. Dollar.*** Such adverse movements may reduce the value to CWC Shareholders of the New Shares they receive. ***Holders of LiLAC Shares and Liberty Global Shares are shareholders of Liberty Global and are, therefore, subject to risks associated with an investment in our company as a whole, even if a holder does not own both LiLAC Shares and Liberty Global Shares.*** Holders of LiLAC Shares and Liberty Global Shares do not have any legal rights related to specific assets attributed to either group and, in any liquidation, holders of LiLAC Shares and Liberty Global Shares will be entitled to receive a pro-rata share of our available net assets based on their respective entitlements under the company's Articles.

		The market price of LiLAC Shares may be volatile, could fluctuate substantially and could be affected by factors that do not affect traditional ordinary shares. To the extent the market price of LiLAC Shares tracks the performance of more focused groups of businesses, assets and liabilities than the Old Liberty Global Shares did prior to the LiLAC Transaction, the market prices of any class of LiLAC Shares may be more volatile than the market price of Old Liberty Global Shares historically was. ***Our management and allocation policies give our board of directors significant discretion.*** Our management and allocation policies are subject to change by the board of directors without further shareholder approval. Under these policies, the board of directors among other things has discretion with respect to the recognition or adjustment of inter-group interests that the Liberty Global Group may be treated as holding in the LiLAC Group. ***Our board of directors may, in its sole discretion, elect to redesignate, or convert, all of the LiLAC Shares into Liberty Global Shares, thereby changing the nature of the investment of holders of LiLAC Shares and possibly diluting their economic interest in our company, which could result in a loss of value to them.*** There is no current plan or intention to redesignate, or convert, the LiLAC Shares into Liberty Global Shares. Our board of directors may elect to exercise this authority at any time if it determines that such redesignation is in the best interests of the company and all of our shareholders. A redesignation would preclude the holders of LiLAC Shares from retaining their investment in a security that is intended to reflect separately the performance of the LiLAC Group, and our board of directors may effect such a redesignation at a time when the market value of our shares could cause the holders of the LiLAC Shares to be disadvantaged. ***Holders of LiLAC Shares have separate voting rights only on a limited set of matters and could be outvoted by holders of Liberty Global Shares on all other matters.*** Holders of Liberty Global Shares and LiLAC Shares vote together as a single class, except in certain limited circumstances prescribed by our Articles or as required by English law.

Section E – Acquisition		
E.1	**Total net proceeds and estimated total expenses**	Not applicable. There are no net proceeds receivable by Liberty Global. The aggregate fees and expenses expected to be incurred by Liberty Global in connection with the Transaction (excluding any applicable VAT) are expected to be approximately $134.4 million.
E.2a	**Reasons for the offer, use of proceeds, estimated net amount of the proceeds**	The New Shares are being issued as consideration for the Acquisition. We will not receive any proceeds as a result of the issue of the New Shares (and therefore will not receive any net amount of the proceeds). The Acquisition is intended to be effected by way of a Court-sanctioned scheme of arrangement of CWC under Part 26 of the Act, pursuant to which Liberty Global will acquire the entire issued and to be issued ordinary share capital of CWC. We are entering into the Acquisition to acquire all of the CWC Shares because the Acquisition represents an important strategic milestone for Liberty Global, and in particular, for Liberty Global's businesses in Latin America and the Caribbean, which are attributed to the LiLAC Group. The combination of CWC with Liberty Global's LiLAC Group assets, VTR in Chile and Liberty Puerto Rico in Puerto Rico, will create the leading consumer and business-to-business ("**B2B**") communications provider across the Latin America and Caribbean region, with strong market positions, triple- and quadruple-play and B2B upside, underpinned by high-quality broadband, terrestrial and submarine networks.
E.3	**Terms and conditions of the offer**	The New Shares are being issued as consideration for the Acquisition. On November 16, 2015, Liberty Global and CWC issued the Rule 2.7 Announcement disclosing the terms of the Acquisition. It is intended that the Acquisition will be effected by way of a Court-sanctioned scheme of arrangement of CWC under Part 26 of the Act. The purpose of the Scheme will be to provide for Liberty Global to become the holder of the entire issued and to be issued ordinary share capital of CWC. Under the terms of the Acquisition, upon completion of the Acquisition, CWC Shareholders will be entitled to receive up to, in the aggregate: • 31,651,616 New Liberty Global Class A Shares; • 77,488,978 New Liberty Global Class C Shares; • 3,648,524 New LiLAC Class A Shares; and • 8,939,328 New LiLAC Class C Shares. CWC Shareholders will also be entitled to receive the Special Dividend from CWC of £0.03 per CWC Share promptly following the completion of the Acquisition. Under the terms of the Acquisition, CWC Shareholders will be entitled to receive one of the Recommended Offer, including the LiLAC Alternative if they so elect, the First Dual Share Alternative or the Second Dual Share Alternative.

		The completion of the Acquisition is conditional upon, among other things: • prior to the CWC General Meeting, Liberty Global producing this Prospectus, and this Prospectus being approved by the UKLA and being made available to the public by being published on a website in accordance with applicable law; • approval of the Share Issuance Resolution and the Substantial Property Transaction Resolution by the Liberty Global Shareholders at the Liberty Global General Meeting; • approval of the Scheme by the requisite majority of CWC Shareholders at the CWC Court Meeting; • approval of the resolution(s) required to approve and implement the Scheme by the requisite majority of CWC Shareholders at the CWC General Meeting; • sanction of the Scheme by the High Court; • the Scheme becoming effective no later than May 31, 2016, or, if the FCC Condition has not been satisfied by that date, December 16, 2016; • the CWC U.S. Carve-Out and Columbus U.S. Carve-Out remaining in effect or the FCC Regulatory Approval having been obtained; and • the NASDAQ Approval.
E.4	**Material interests**	The Liberty Global Shares and LiLAC Shares to be issued to CWC Shareholders as consideration for the Acquisition will include the issuance of New Liberty Global Shares and New LiLAC Shares to CHLLC, an entity that owns approximately 13% of the CWC Shares and is controlled by Mr. Malone, the chairman of the board of directors of Liberty Global and beneficial owner of shares representing approximately 24.7% of Liberty Global's voting power as at March 18, 2016. Due to his potential conflict of interest as a significant shareholder of CWC (indirectly through CHLLC), Mr. Malone, the chairman of the board of directors of Liberty Global, did not attend any meetings, or participate in any discussions or votes, of the Liberty Global board of directors with respect to any proposed transaction (including the Acquisition) between Liberty Global and CWC. The issuance of the New Liberty Global Shares and New LiLAC Shares pursuant to the Acquisition will dilute Mr. Malone's aggregate voting power in Liberty Global from approximately 24.7% as at March 18, 2016 to approximately 23.7%, regardless of the extent to which other CWC Shareholders elect the Recommended Offer, the LiLAC Alternative under the Recommended Offer, the First Dual Share Alternative or the Second Dual Share Alternative. Other than Mr. Malone, none of Liberty Global's Directors or Liberty Global Executive Officers has any substantial financial interest, direct or indirect, in the Acquisition or the issuance of the New Liberty Global Shares and the New LiLAC Shares to CWC Shareholders as consideration for the Acquisition, other than being a Liberty Global Director or Liberty Global Executive Officer or as a shareholder of Liberty Global.
E.5	**Selling shareholders and lock-up agreements**	None of our securities are being sold in connection with the Acquisition and there are no lock-ups in place in relation to the New Shares following listing on NASDAQ.

E.6	**Dilution and impact of the share issuance on Liberty Global's Existing Shareholders**	If approved and implemented, the issuance of the New Shares to CWC Shareholders in connection with the Acquisition will dilute the ownership and voting interests of our existing shareholders. It is expected that as consideration for the Acquisition up to 31,651,616 New Liberty Global Class A Shares, 77,488,978 New Liberty Global Class C Shares, 3,648,524 New LiLAC Class A Shares and 8,939,328 New LiLAC Class C Shares will be issued to CWC Shareholders, and that, upon completion of the Acquisition, based on the fully diluted number of CWC Shares, Liberty Global Shares and LiLAC Shares issued and outstanding on the date of the Rule 2.7 Announcement, CWC Shareholders will, after giving effect to the Acquisition and the LiLAC Attribution, and treating the Liberty Global Group's inter-group interest in the LiLAC Group as being represented by additional LiLAC Shares, hold approximately 11%, 11%, 7%, and 7% of the total number of Liberty Global Class A Shares, Liberty Global Class C Shares, LiLAC Class A Shares and LiLAC Class C Shares, respectively.
E.7	**Estimated expenses charged to investor**	Not applicable. There are no expenses charged to the investors by us in relation to the issuance of the New Shares.

RISK FACTORS

Any investment in the New Shares is speculative and subject to a high degree of risk. Prior to investing in the New Shares prospective investors should carefully consider the risks and uncertainties associated with any investment in the New Shares, Liberty Global's business and the industry in which it operates, together with all other information contained in this Prospectus including, in particular, the Risk Factors described below. Any of the risks described below, as well as other risks and uncertainties discussed in this Prospectus, could have a material adverse effect on Liberty Global's business and could therefore have a negative effect on the trading price of the New Shares. Prospective investors should note that the risks relating to Liberty Global, its industry and the New Shares summarised in the summary of this Prospectus are the risks that Liberty Global believes to be the most material to an assessment by a prospective investor of whether to make an investment in the New Shares. However, as the risks which Liberty Global faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the summary of this Prospectus but also, among other things, the risks and uncertainties described below.

The following factors do not purport to be a complete list or explanation of all the risk factors involved in investing in the New Shares and should be used as guidance only. Additional risks and uncertainties that are not currently known to Liberty Global, or that it currently deems immaterial, may individually or cumulatively also have an adverse effect on Liberty Global's business, results of operations, financial condition and prospects. If this occurs, the price of the New Shares may decline and investors could lose all or part of their investment. Prospective investors should also consider carefully whether an investment in the New Shares is suitable for them in light of the information in this Prospectus and their personal circumstances.

1. Risks Related to the Acquisition

Even if a material adverse change to CWC's business or prospects were to occur prior to consummating the Acquisition, we may not be able to invoke the offer conditions and terminate the Acquisition, which could reduce the value of our shares.

The Acquisition is subject to a number of conditions, including that there is no material adverse change affecting CWC. Under the Takeover Code, we generally may invoke a condition to the Acquisition to cause the Acquisition not to proceed only if the Panel is satisfied that the circumstances giving rise to that condition not being satisfied are of material significance to Liberty Global in the context of the Acquisition. Because of this Panel consent requirement, the conditions to the Acquisition, including as to a material adverse change affecting CWC, may provide us less protection than similar customary conditions in an offer for a company not subject to the Takeover Code.

The Takeover Code restricts Liberty Global's ability to cause CWC to consummate the Acquisition and limits the relief Liberty Global may obtain in the event CWC's board of directors withdraws its support of the Acquisition.

The Takeover Code limits the contractual commitments that may be obtained from CWC, as a target company, to take actions in furtherance of the Acquisition, and CWC's board of directors may, if its fiduciary and other directors' duties so require, withdraw its recommendation in support of the Acquisition, and withdraw the Scheme, at any time prior to the Scheme becoming effective. The Takeover Code does not permit CWC to pay any break fee to Liberty Global if it does so, nor can CWC be subject to any restrictions on soliciting or negotiating other offers or transactions involving CWC that a purchaser would customarily negotiate in non-U.K. public takeover transactions other than certain restrictions that arise under the Takeover Code against undertaking actions or entering into agreements which might "frustrate" Liberty Global's takeover offer for CWC.

Liberty Global will incur transaction, integration and restructuring costs in connection with the Acquisition.

Liberty Global expects that it will incur certain, non-recurring costs in connection with the consummation of the Acquisition, including advisory, legal and other transaction costs directly associated with the Scheme and the Merger. In addition, Liberty Global will incur integration and restructuring costs following the completion of the Acquisition in connection with the integration of CWC's businesses into Liberty Global's businesses. Although Liberty Global expects that the realization of benefits and efficiencies related to the integration of the businesses will offset such transaction, integration and restructuring costs over time, no assurances can be made that this net benefit will be achieved in the near term, or at all. Liberty Global may also incur additional costs to maintain employee morale and to retain key employees.

Liberty Global will be subject to contractual restrictions while the Acquisition is pending, which could adversely affect Liberty Global's business.

The Co-operation Agreement contains certain customary restrictions on Liberty Global in the period between the signing of the Co-operation Agreement and the completion of the Acquisition. For instance, CWC's consent is required in respect of, among other things, payment of dividends, capital reorganizations and amendments to constitutional documents, in each case, which would reasonably be expected to have a material and adverse impact on the value of, or, in the case of constitutional documents, the rights attaching to, Liberty Global Shares and LiLAC Shares to be issued to CWC Shareholders as consideration for the Acquisition. These restrictions may prevent Liberty Global from taking certain actions or making certain changes it deems beneficial before the Acquisition is completed or the Co-operation Agreement is terminated.

While the Acquisition is pending, Liberty Global will be subject to business uncertainties that could adversely affect its business.

Uncertainty about the effect of the Acquisition on employees, customers and suppliers may have an adverse effect on CWC and, consequently, on Liberty Global following completion thereof. These uncertainties may impair CWC's ability to attract, retain and motivate key personnel until the Acquisition is completed and for a period of time thereafter, and could cause customers, suppliers and others who deal with CWC to seek to change existing business relationships with CWC. Employee retention may be particularly challenging during the pendency of the Acquisition because employees may experience uncertainty about their future roles with the Combined Group. If, despite CWC's and Liberty Global's efforts to retain CWC's key employees, such key employees depart, Liberty Global's business could be harmed and/or integration efforts could become significantly more challenging and the expected benefits thereof may not be realized in full.

2. Risks Relating to the Combined Group

Liberty Global Shareholders and CWC Shareholders will have a reduced ownership and voting interest in the Combined Group, relative to their holdings in CWC and Liberty Global, as applicable, following completion of the Acquisition and the issuance of the New Shares in connection therewith.

Upon completion of the Acquisition and the issuance of the New Shares, each of Liberty Global's shareholders (i.e., holders of Liberty Global Shares and/or LiLAC Shares) as of immediately prior to completion will have a percentage ownership of Liberty Global that is smaller than such shareholder's percentage ownership immediately prior to completion of the Acquisition. As a result, Liberty Global Shareholders, as a group, may have less influence on the management and policies of Liberty Global than they currently have. Similarly, CWC Shareholders will have a reduced ownership and voting interest in the Combined Group relative to their holdings in CWC.

In addition to the regulatory regimes Liberty Global is subject to in its current markets, after giving effect to the Acquisition, the Combined Group will also be subject to the regulatory risks and conditions in the jurisdictions in which CWC operates.

Liberty Global currently operates in 14 countries and will add over 15 countries with the Acquisition. As such, after giving effect to the Acquisition, the Combined Group will be subject to a significant number of additional video, internet, telecommunications and competition regulatory regimes that will govern their operations across the various legal jurisdictions in which the Combined Group will operate. In particular, the Combined Group will be reliant on governments and regulators in the jurisdictions in which CWC operates for access, on mutually beneficial terms, to spectrum for both existing and next-generation mobile services. The Combined Group will also be impacted by key regulatory decisions relating to pricing of CWC's services in certain jurisdictions, such as the determination of termination rates. Failure to comply with regulations or regulatory decisions could result in fines or restrict the ability to operate or provide existing or new services to customers of the Combined Group. Furthermore, the governments in the countries and territories in which the Combined Group will operate differ widely with respect to political structure, constitution, economic philosophy, stability and level of regulation. Moreover, in several of CWC's key markets, including Panama and the Bahamas, governments are CWC's partners and co-owners. Consequently, the Combined Group may not be able to fully utilize CWC's contractual or legal rights or all options available, where to do so might conflict with broader regulatory or governmental considerations.

The Combined Group will be subject to the political risk and conditions in the jurisdictions in which CWC operates.

CWC operates in over 15 countries, almost all of which are different than those in which Liberty Global currently operates. In certain of these countries and territories, political, security and economic changes may result in political and regulatory uncertainty. Governments may expropriate or nationalize assets or increase their participation in the economy generally and in telecommunications operations in particular. In addition, certain countries and territories in which CWC operates face significant challenges relating to the condition of physical infrastructure, including transportation, electricity generation and transmission. Such countries and territories may also be subject to a higher risk of inflationary pressures, which could increase Liberty Global's operating costs and decrease consumer demand and spending power in the region. Each of these factors could, individually or in the aggregate, have an adverse effect on the Combined Group's business, financial condition, results of operations and prospects.

After giving effect to the Acquisition, the Combined Group will be subject to the economic risks and conditions of the markets in which CWC operates, most of which are in developing economies and have historically experienced more volatility in their general economic conditions.

Most of CWC's operations are in developing economies, which historically have experienced more volatility in their general economic conditions than many of the jurisdictions in which Liberty Global currently operates. Should current economic conditions deteriorate in the markets in which CWC operates, there may be volatility in exchange rates, increases in interest rates, and liquidity shortfalls, which would have an adverse effect on the Combined Group's revenue and profits. Additionally, deteriorating economic conditions, along with recessionary pressures and country-specific issues in countries in which CWC operates, could, among other things, affect the level of tourism experienced by some countries (an industry on which the Caribbean is heavily reliant) and the level of local consumer and business expenditure on telecommunications. The impact of poor economic conditions in the markets in which CWC operates could have an adverse effect on the Combined Group's business, financial condition, results of operations and prospects.

Although Liberty Global and CWC expect synergies to result from the combined group, the Combined Group may not realize anticipated synergies in the event of integration challenges.

The Combined Group's ability to realize anticipated synergies will depend, in part, on successfully integrating the businesses of two companies that have operated as independent public companies. There is no assurance that the integration process will be completed smoothly or successfully or within the anticipated time frame. The success and integration of the Combined Group after the Acquisition will depend, among other things, upon Liberty Global and CWC retaining key employees during the periods before and after the Acquisition is completed. Additionally, the integration process could disrupt momentum in each company's ongoing businesses or cause inconsistencies in controls, standards, procedures and policies. Such disruption or inconsistencies could adversely affect the Combined Group's ability to maintain relationships with its customers and employees, achieve the anticipated benefits of the Acquisition or increase the Combined Group's earnings. If the Combined Group is not smoothly or successfully integrated, the anticipated synergies of the Acquisition may not be fully realized or may take longer to realize than expected.

3. **Risks Related to the New Liberty Global Shares and the New LiLAC Shares and Our Equity Capital Structure.**

In this paragraph 3, all references to "LiLAC Shares" and "Liberty Global Shares" include the New LiLAC Shares and the New Liberty Global Shares, respectively.

The value of the New Shares that CWC Shareholders will receive as consideration for their CWC Shares is subject to stock market fluctuations and the exchange ratio.

The market value of New Shares and CWC Shares at the date on which CWC Shareholders receive their consideration may vary significantly from their prices on the date the Acquisition was first publicly announced, the date of this Prospectus, the date of the CWC General Meeting or the date of the Liberty Global General Meeting. Because the exchange ratios will only be adjusted as a result of changes in the market price of Liberty Global Shares and LiLAC Shares in certain circumstances, the value of the consideration received by the CWC Shareholders may be higher or lower than the market value of those shares on earlier dates. Changes in share prices may result from a variety of factors that are beyond Liberty Global's control, including changes in the respective businesses of Liberty Global and CWC, their

operations and prospects, regulatory considerations, governmental actions, and legal proceedings and developments. Market assessments of the benefits of the combination of the operations of Liberty Global and CWC and of the likelihood that the combination will be completed and general and industry specific market and economic conditions may also have an effect on share prices.

***As holders of the New Shares, CWC Shareholders may be subject to exchange rate risk as a result of adverse movements in the value of their local currencies against the U.S. dollar*.**

The New Shares that CWC Shareholders receive in exchange for their CWC Shares will be quoted and traded on NASDAQ in U.S. dollars. Accordingly, CWC Shareholders who are non-U.S. residents will be subject to risks arising from adverse movements in the value of their local currencies against the U.S. dollar, which may reduce the value to them of the New Shares they receive.

The market price of the New Shares may be affected by factors different from those currently affecting the price of CWC Shares.

CWC Shareholders will become holders of Liberty Global Class A Shares, Liberty Global Class C Shares, LiLAC Class A Shares and/or LiLAC Class C Shares (depending on elections made under the Acquisition). Our business differs from that of CWC, and the results of our operations, as well as the price of Liberty Global Class A Shares, Liberty Global Class C Shares, LiLAC Class A Shares and LiLAC Class C Shares, may be affected by factors different from those affecting CWC's results of operations and the price of CWC Shares.

Holders of LiLAC Shares and Liberty Global Shares are shareholders of Liberty Global and are, therefore, subject to risks associated with an investment in our company as a whole, even if a holder does not own both LiLAC Shares and Liberty Global Shares.

Even though we have attributed, for financial reporting purposes, all of our consolidated assets, liabilities, revenue, expenses and cash flows to either the LiLAC Group or the Liberty Global Group in order to prepare the attributed financial information for each of those groups, we retain legal title to all of our assets and our capitalization does not limit our legal responsibility, or that of our subsidiaries, for the liabilities included in any set of financial statement schedules. Holders of LiLAC Shares and Liberty Global Shares do not have any legal rights related to specific assets attributed to either group and, in any liquidation, holders of LiLAC Shares and Liberty Global Shares will be entitled to receive a pro-rata share of our available net assets based on their respective numbers of liquidation units.

Our board of directors' ability to reattribute businesses, assets and liabilities between the Liberty Global Group and the LiLAC Group may make it difficult to assess the future prospects of the LiLAC Group and/or the Liberty Global Group based on past performance.

Our board of directors is vested with discretion to reattribute businesses, assets and liabilities that are attributed to either the Liberty Global Group or the LiLAC Group to the other group, without the approval of any of our shareholders. Any such reattribution made by our board of directors, as well as the existence of the right in and of itself to effect a reattribution, may impact the ability of investors to assess the future prospects of either group, including liquidity and capital resource needs, based on past performance. Liberty Global Shareholders may also have difficulty evaluating the liquidity and capital resources of one group based on past performance, as our board of directors may use the other group's liquidity to fund such group's liquidity and capital expenditure requirements through the use of inter-group loans or other inter-group arrangements.

We could be required to use assets attributed to one group to satisfy liabilities attributed to the other group.

The assets attributed to the LiLAC Group are potentially subject to the liabilities attributed to the Liberty Global Group, even if those liabilities arise from lawsuits, contracts or indebtedness that are attributed to the Liberty Global Group. While our management and allocation policies provide that reattributions of assets between groups will result in the creation of an inter-group loan or an inter-group interest or an offsetting reattribution of cash or other assets, no provision of our Articles prevents us from satisfying liabilities of the Liberty Global Group with assets of the LiLAC Group, and our creditors will not in any way be limited by our equity capital structure from proceeding against any assets they could have proceeded against if we did not have such a structure. Holders of Liberty Global Shares may face similar considerations in that assets attributed to the Liberty Global Group may be required to be used to satisfy liabilities attributed to the LiLAC Group.

The market price of the ordinary shares of each group may not reflect the performance of the respective group.

We cannot assure investors that the market price of the LiLAC Shares will, in fact, reflect the performance of the group of businesses, assets and liabilities attributed to the LiLAC Group. Holders of LiLAC Shares will be ordinary shareholders of our company as a whole and, as such, will be subject to all risks (and many of the corresponding benefits) associated with an investment in our company and all of our businesses, assets and liabilities. As a result, the market price of each class of LiLAC Shares may be affected by the performance or financial condition of our company as a whole. An adverse market reaction to events relating to the assets and businesses attributed to the Liberty Global Group, such as earnings announcements or announcements of new products or services, acquisitions or dispositions that the market does not view favorably, may have an adverse effect on the market price of LiLAC Shares. Holders of Liberty Global Shares may face similar considerations in that the price of the Liberty Global Shares may not reflect the performance of the Liberty Global Group alone and may reflect the performance or financial condition of our company as a whole.

The market price of LiLAC Shares may be volatile, could fluctuate substantially and could be affected by factors that do not affect traditional ordinary shares.

To the extent the market price of LiLAC Shares tracks the performance of more focused groups of businesses, assets and liabilities than the Old Liberty Global Shares did prior to the LiLAC Transaction, the market prices of any class of LiLAC Shares may be more volatile than the market price of Old Liberty Global Shares historically was. The market price of LiLAC Shares could also be more sensitive to events or developments that are material only for the LiLAC Group but would not be material for our company as a whole. The market price of LiLAC Shares may be materially affected by, among other things:

- a potential discount that investors may apply because the LiLAC Shares are issued by a common enterprise, rather than a standalone company;
- actual or anticipated fluctuations in the LiLAC Group's operating results or in the operating results of particular companies attributable to the group;
- events or developments affecting the countries or regions in which the businesses attributed to the LiLAC Group operate;
- potential acquisition activity in the LiLAC Group;
- issuances of debt or equity securities to raise capital by us or the companies in which we invest and the manner in which that debt or the proceeds of an equity issuance are attributed to the LiLAC Group;
- changes in financial estimates by securities analysts regarding the LiLAC Shares or the businesses attributed to the LiLAC Group;
- the complex nature and the potential difficulties investors may have in understanding the terms of the LiLAC Shares, as well as concerns regarding the possible effect of certain of those terms on an investment in our shares;
- the lack of market familiarity with tracking shares issued by an English publicly traded company and of directly applicable legal precedent, given we are not aware of any other English publicly traded company that has issued such shares; and
- general market conditions.

In addition, until an orderly trading market develops for the New LiLAC Shares following the completion of the Acquisition, the trading prices of such shares may fluctuate significantly.

We have not historically paid any cash dividends, and we may not pay dividends equally or at all on any class of our ordinary shares.

We do not presently intend to pay cash dividends on any class of our ordinary shares for the foreseeable future. However, we have the right to pay dividends, effect securities distributions or make bonus issues on the shares of each of the Liberty Global Group and the LiLAC Group in equal or unequal amounts, and we may pay dividends, effect securities distributions or make bonus issues on the shares of one group and not pay dividends, effect securities distributions or make bonus issues on shares of the other group. In addition, any dividends or distributions on, or repurchases of, shares relating to either group will reduce our "distributable reserves" (defined as our accumulated, realized profits less accumulated, realized losses, as

measured for U.K. statutory purposes) legally available to be paid as dividends by our company under English law on any of our ordinary shares, including on the ordinary shares relating to the other group.

The fiduciary requirements on our board of directors may in certain circumstances mean that our board of directors makes decisions that could adversely affect only some holders of our shares or that have a disparate impact on holders of any of our shares.

Our equity capital structure could give rise to occasions when the interests of holders of Liberty Global Shares might diverge or appear to diverge from the interests of holders of LiLAC Shares. The Liberty Global Group and the LiLAC Group are not separate entities and thus holders of Liberty Global Shares and LiLAC Shares do not have the right to elect separate boards of directors. As a result, our company's directors owe fiduciary duties under English law to our company as a whole as opposed to only particular shareholders or groups of shareholders, provided that the board's actions are not found to be unfairly prejudicial to a shareholder's interests. Decisions deemed to promote the success of the company for the benefit of its shareholders as a whole or otherwise deemed to be in the best interest of our company and all of our shareholders could be viewed as not being in the best interest of particular shareholders or groups of shareholders when considered independently. Examples include:

- decisions as to the terms of any business relationships that may be created between the Liberty Global Group and the LiLAC Group or the terms of any reattributions of businesses, assets and liabilities between the groups;
- decisions as to the allocation of consideration among the holders of Liberty Global Shares and LiLAC Shares, or among the classes of shares relating to either of our groups, to be received in connection with a scheme of arrangement involving our company;
- decisions as to the allocation of corporate opportunities between the groups, especially where the opportunities might meet the strategic business objectives of both groups;
- decisions as to operational and financial matters that could be considered detrimental to one group but beneficial to the other;
- decisions resulting in the redesignation, or conversion, of LiLAC Shares into Liberty Global Shares or deferred shares;
- decisions regarding the creation of, and, if created, the subsequent increase or decrease of any inter-group interest or loan that one group may have in or to the other group;
- decisions as to the internal or external financing attributable to businesses or assets attributed to either of our groups;
- decisions as to the dispositions of assets of either of our groups; and
- decisions as to the payment of dividends on the shares or share buybacks relating to either of our groups.

Our directors' or officers' ownership of LiLAC Shares and Liberty Global Shares may create or appear to create conflicts of interest.

If our directors or officers own disproportionate interests (in percentage or value terms) in LiLAC Shares or Liberty Global Shares, that disparity could create or appear to create conflicts of interest when they are faced with decisions that could have different implications for the holders of LiLAC Shares or Liberty Global Shares.

Our management and allocation policies give our board of directors significant discretion.

Our board of directors has adopted, after shareholder approval, certain management and allocation policies to serve as guidelines in making decisions regarding the relationships between the Liberty Global Group and the LiLAC Group with respect to matters such as tax liabilities and benefits, inter-group loans, inter-group interests, attribution of assets, financing alternatives, corporate opportunities, payment of dividends and similar items. Our management and allocation policies give our board of directors significant discretion and are subject to change by the board of directors without further shareholder approval. Under these policies, the board of directors has discretion with respect to the recognition or adjustment of inter-group interests that the Liberty Global Group may be treated as holding in the LiLAC Group. The board's discretion also extends to determining if, how and to what extent such inter-group interests will be taken into account in connection with any dividend or other distribution on the LiLAC Shares, redesignation, or conversion, of

LiLAC Shares or any other transaction affecting the LiLAC Shares. In making such determination, our board of directors may consider any factor that it deems appropriate, including, without limitation, the tax effects of any event or transaction or the use of tax benefits. All determinations made by our board of directors in this regard will be final and binding on all holders of our ordinary shares. The broad discretion that these policies accord our board of directors also extends to other matters, including how future corporate opportunities that may present themselves in Latin America, Europe or elsewhere will be allocated between the LiLAC Group and the Liberty Global Group. The management and allocation policies are further described in paragraph 4 of Part XI (*Additional Information*) below.

Our board of directors may, in its sole discretion, elect to redesignate, or convert, all of the LiLAC Shares into Liberty Global Shares, thereby changing the nature of the investment of holders of LiLAC Shares and possibly diluting their economic interest in our company, which could result in a loss of value to them.

Our Articles permit our board of directors, in its sole discretion, to redesignate, or convert, all of the LiLAC Shares into Liberty Global Shares. There is no current plan or intention to redesignate, or convert, the LiLAC Shares into Liberty Global Shares. Our board of directors may elect to exercise this authority at any time if it determines that such redesignation is in the best interests of the company and all of our shareholders. This could occur, for example, if our board of directors determines that the aggregate equity valuation of our company would be increased by eliminating the separate LiLAC Shares, or in connection with a sale or other strategic transaction. In addition, our board may determine to effect such redesignation in connection with the sale of all or substantially all of the assets of the LiLAC Group. A redesignation would preclude the holders of LiLAC Shares from retaining their investment in a security that is intended to reflect separately the performance of the LiLAC Group. We cannot predict the impact on the market value of our shares of (1) our board of directors' ability to effect any such redesignation or (2) the exercise of this redesignation right by our board of directors. In addition, our board of directors may effect such a redesignation at a time when the market value of our shares could cause the holders of the LiLAC Shares to be disadvantaged.

Under certain circumstances, including in connection with a distribution to holders of LiLAC Shares of securities of another corporation, we may reduce the number of LiLAC Shares proportionally, thereby reducing the voting power and liquidity of such shares.

Our Articles permit us to reduce the number of LiLAC Shares in connection with certain transactions, including a distribution to holders of LiLAC Shares of securities of another corporation or a distribution to holders of LiLAC Shares following a disposition of the LiLAC Group. We expect that our board of directors would exercise this authority, in its discretion, in connection with a distribution to holders of LiLAC Shares that would materially reduce the amount of assets attributed to the LiLAC Group. The purpose of reducing the number of LiLAC Shares in this case would be to readjust the per share valuation and the aggregate voting power of the LiLAC Shares to reflect the value of the assets attributed to the LiLAC Group following such transaction. Such reduction would further decrease the aggregate voting power of the LiLAC Shares as compared to the Liberty Global Shares. We cannot predict the impact on the market value of LiLAC Shares of the possibility of any such reduction in the number of such shares, including any potential effects resulting from reduced liquidity of the remaining LiLAC Shares.

A third-party could acquire control of our company pursuant to an offer to acquire some or all of the Liberty Global Shares only, leaving holders of LiLAC Shares as minority shareholders.

An offer to acquire shares in our company may be structured such that the offer is made to acquire only the Liberty Global Shares. If such an acquisition of Liberty Global Shares is successful, this would result in the holders of the LiLAC Shares not sharing in any control premium paid to holders of the Liberty Global Shares. In that case, holders of LiLAC Shares would continue to be minority shareholders of a company with a third-party majority shareholder, with no ability to vote against such a change, participate in such offer or otherwise realize any control premium.

Holders of Liberty Global Shares or LiLAC Shares may receive less consideration upon a sale of all or substantially all of the assets attributed to that group than if that group were a separate company.

There will be no assurances as to whether the per share consideration to be paid to holders of Liberty Global Shares or LiLAC Shares in connection with a sale of all or substantially all of the assets of the Liberty Global Group or the LiLAC Group, as applicable, will be equal to or more than the per share value of that share prior to or after the announcement of such a sale. In addition, if the Liberty Global Group or the

LiLAC Group were a separate, independent company and its shares were acquired by another person, certain costs of that sale, including corporate level or withholding or other cross-border taxes, might not be payable in connection with that acquisition. As a result, shareholders of a separate, independent company with the same assets might receive a greater amount of proceeds than the holders of Liberty Global Shares or LiLAC Shares, as applicable, would receive upon a sale of all or substantially all of the assets attributed to such group. Further, there is no requirement that the consideration paid be tax-free to the holders of the shares relating to that group. Accordingly, if we sell all or substantially all of the assets attributed to the Liberty Global Group or the LiLAC Group, the holders of the Liberty Global Shares or LiLAC Shares, as applicable, could suffer a loss in the value of their investment in our company.

Certain protections that our Articles provide to holders of LiLAC Shares in connection with a sale of not less than 80% of the fair value of the assets of, or equity interests in, the LiLAC Group may not apply if we do not have sufficient distributable reserves or share premium available following such disposition.

Our Articles provide that in connection with a disposition of not less than 80% of the fair value of the assets of, or equity interests in, the LiLAC Group, subject to certain exempt dispositions, our board of directors will be required to distribute cash or other assets with a fair value equal to the available net proceeds of such disposition to holders of LiLAC Shares (with or without a concurrent proportional reduction in the number of outstanding LiLAC Shares), redesignate, or convert, a portion of LiLAC Shares into Liberty Global Shares at a 10% premium, or do a combination of the foregoing. However, our company’s ability to take any of such actions at the time may depend (and in the case of a dividend or other distribution, will depend) on the availability of sufficient distributable reserves for the payment of a dividend or other distribution or sufficient share premium required for the creation of additional shares. If sufficient distributable reserves or share premium are not available at the time of the disposition, our board of directors will be permitted to effect the disposition without distributing an amount equal to the net proceeds of such disposition to holders of LiLAC Shares or redesignating LiLAC Shares into Liberty Global Shares, subject to the board’s fiduciary duties.

In the event of a liquidation of Liberty Global, neither holders of Liberty Global Shares nor holders of LiLAC Shares will have priority with respect to the assets attributed to the respective group remaining for distribution to shareholders.

Under our Articles, upon Liberty Global’s liquidation, dissolution or winding up, holders of the LiLAC Shares will be entitled to receive, in respect of their respective shares, their proportionate interest in all of Liberty Global’s assets, if any, remaining for distribution to holders of ordinary shares in proportion to their respective number of “liquidation units”. Relative liquidation units were determined based on the volume weighted average prices of the Liberty Global Shares and the LiLAC Shares over the 20 trading-day period commencing shortly after the commencement of ordinary-course (regular-way) trading of the LiLAC Shares. Pursuant to the terms of our Articles, the liquidation units for each Liberty Global Share and each LiLAC Share are 1 and 0.94893, respectively. Hence, the assets to be distributed to a holder of LiLAC Shares upon a liquidation, dissolution or winding up of Liberty Global will not directly relate to the value of the assets attributed to the LiLAC Group and will not reflect changes in the relative value of the Liberty Global Group and the LiLAC Group over time. Holders of the Liberty Global Shares may face similar considerations in the event of a liquidation in that any distribution to them upon a liquidation, dissolution or winding up may not directly relate to the value of the assets attributed to the Liberty Global Group and will not reflect changes to the relative values of the groups over time.

Holders of LiLAC Shares have separate voting rights only on a limited set of matters and could be outvoted by holders of Liberty Global Shares on all other matters.

Holders of Liberty Global Shares and LiLAC Shares vote together as a single class, except in certain limited circumstances prescribed by our Articles or as required by English law. Each Class B ordinary share of each group has ten votes, and each Class A ordinary share of each group has one vote. Holders of Class C ordinary shares of each group have no voting rights at general meetings of the company or meetings of all of the shares relating to one group. When holders of Liberty Global Shares and LiLAC Shares vote together as a single class, holders having a majority of the votes (or 75%, in the case of a vote requiring a special resolution) present and voting will be in a position to control the outcome of the vote even if the matter involves a conflict of interest among our shareholders or has a greater impact on one group than the other. As of February 4, 2016, holders of Liberty Global Shares collectively directed approximately 95% of the aggregate voting power in our company, and holders of LiLAC Shares collectively directed approximately 5% of the aggregate voting power in our company.

Our equity capital structure, as well as the fact that the LiLAC Group and the Liberty Global Group are not independent companies, may inhibit or prevent acquisition bids for either group and may make it difficult for a third-party to acquire us, even if doing so may be beneficial to our shareholders.

If the LiLAC Group and the Liberty Global Group were separate independent companies, any person interested in acquiring the LiLAC Group or the Liberty Global Group without negotiating with management could seek control of that group by obtaining control of its outstanding voting shares, by means of a tender offer, or by means of a scheme of arrangement. Although we intend for the LiLAC Shares to reflect the separate economic performance of the LiLAC Group, neither the LiLAC Group nor the Liberty Global Group are separate entities, and a person interested in acquiring only one group without negotiating with our management could obtain control of that group only by obtaining control of a majority in voting power of all of the outstanding voting shares of our company. The existence of shares, and different classes of shares, relating to different groups could present complexities and in certain circumstances pose obstacles, financial and otherwise, to an acquiring person that are not present in companies that do not have capital structures similar to ours.

Transfers of our shares may become subject to U.K. stamp duty and/or SDRT.

U.K. stamp duty and/or SDRT are taxes that are imposed on certain transfers of or agreements to transfer chargeable securities (which include shares in companies incorporated under English law) at a rate of 0.5% of the consideration for the transfer. Certain issues or transfers of shares into depositary receipt or clearance systems are charged at a higher rate of 1.5%.

An agreement to transfer an interest in the Liberty Global Shares or LiLAC Shares through a clearance service or depositary receipt system should not give rise to a liability to SDRT under current U.K. tax law and HMRC practice (unless, in the case of a clearance service, it has made a relevant election under Section 97A of the U.K. Finance Act 1986). We understand that HMRC regards the facilities of the DTC as a clearance service for these purposes. In addition, no U.K. stamp duty should, in practice, need be paid in respect of a paperless transfer of an interest in the Liberty Global Shares or LiLAC Shares through the DTC. A transfer of title in the Liberty Global Shares or LiLAC Shares or an agreement to transfer such shares from within the DTC system out of the DTC system, and any subsequent transfers or agreements to transfer outside the DTC system, will generally attract a charge to U.K. stamp duty and/or SDRT at a rate of 0.5% of any consideration. Any such duty must be paid (and the relevant transfer document stamped by HMRC) before the transfer can be registered in the books of Liberty Global. Holders of the Liberty Global Shares or LiLAC Shares should note in particular that a deposit or redeposit of the Liberty Global Shares or LiLAC Shares into the DTC system, including by means of an initial transfer into a depositary receipt system, will generally attract U.K. stamp duty and/or SDRT at the higher rate of 1.5%.

Pursuant to certain arrangements which are currently in place with the DTC, Liberty Global Shares or LiLAC Shares, held in certificated form cannot be transferred into the DTC system until the transferor of the shares has first delivered the Liberty Global Shares or LiLAC Shares to a depositary specified by Liberty Global so that any U.K. stamp duty and/or SDRT that may be due in connection with the delivery to the depositary may be collected. Any such shares will be evidenced by a receipt issued by the depositary. Before the transfer can be registered in the books of Liberty Global, the transferor will also be required to put the depositary in funds to settle the resultant liability to U.K. stamp duty and/or SDRT, which will generally be charged at a rate of 1.5% of the value of the relevant shares.

HMRC has indicated in response to certain cases relating to the EU Capital Duties Directive that in general it will no longer seek to apply 1.5% U.K. stamp duty or SDRT when new shares of companies incorporated in the U.K. are first issued to a clearance service (or its nominee) or depositary receipt issuer (or its nominee or agent) anywhere in the world or are transferred to such an entity in the world as an integral part of an issue of share capital. Accordingly, we do not currently expect that U.K. stamp duty and/or SDRT would be imposed under current U.K. tax law and HMRC practice on a future issue of shares by Liberty Global. However, it is possible that the U.K. government may change the relevant law in response to the cases referenced above, and that this may have a material effect on the cost of share issues by Liberty Global and potentially on the cost of dealing in the shares of our company.

If Liberty Global Shares or LiLAC Shares are not eligible for deposit and clearing within the facilities of the DTC, then transactions in our securities may be disrupted.

We expect that, upon the consummation of the Acquisition, the New Shares will be eligible for deposit and clearing within the DTC system.

The DTC will generally have discretion to cease to act as a depositary and clearing agency for Liberty Global Shares and LiLAC Shares. If the DTC determines that the New Shares are not eligible for deposit and clearance within its facilities, then we believe Liberty Global Shares and/or LiLAC Shares would not be eligible for continued listing on a U.S. securities exchange and trading in Liberty Global Shares and/or LiLAC Shares would be disrupted. While we would pursue alternative arrangements to preserve our listing and maintain trading, any such disruption could have a material adverse effect on the trading price of Liberty Global Shares and LiLAC Shares and the U.K. stamp duty and/or SDRT treatment of trading.

4. Risks Related to the Business and Certain Financial Matters

(i) Factors Relating to Competition and Technology

We operate in increasingly competitive markets, and there is a risk that we will not be able to effectively compete with other service providers.

The markets for cable television, broadband internet, fixed-line telephony and mobile services in many of the regions in which we operate are highly competitive. In the provision of video services, we face competition from FTA and DTT broadcasters, video provided via satellite platforms, networks using DSL, VDSL or vectoring technology, MMDS, operators, FTTx networks, over-the-top video content aggregators, and, in some countries where parts of our systems are overbuilt, cable networks, among others. Our operating businesses are facing increasing competition from video services provided by, or over the networks of, incumbent telecommunications operators and other service providers. As the availability and speed of broadband internet increases, we also face competition from over-the-top video content providers utilizing our or our competitors' high-speed internet connections. In the provision of telephony and broadband internet services, we are experiencing increasing competition from the incumbent telecommunications operators and other service providers in each country in which we operate, as well as mobile providers of voice and data. The incumbent telecommunications operators typically dominate the market for these services and have the advantage of nationwide networks and greater resources than we have to devote to the provision of these services. Many of the incumbent operators are now offering double-play, triple-play and quadruple-play bundles of services. In many countries, we also compete with other operators using LLU to provide these services, other facilities-based operators and wireless providers. Developments in the DSL and other technology used by the incumbent telecommunications operators and alternative providers have improved the attractiveness of our competitors' products and services and strengthened their competitive position. Developments in wireless technologies, such as LTE (the next generation of ultra high-speed mobile data) and WiFi, are creating additional competitive challenges.

In some of our markets, national and local government agencies may seek to become involved, either directly or indirectly, in the establishment of FTTx networks, DTT systems or other communications systems. We intend to pursue available options to restrict such involvement or to ensure that such involvement is on commercially reasonable terms. There can be no assurance, however, that we will be successful in these pursuits. As a result, we may face competition from entities not requiring a normal commercial return on their investments. In addition, we may face more vigorous competition than would have been the case if there were no government involvement.

We expect the level and intensity of competition to continue to increase from both existing competitors and new market entrants as a result of changes in the regulatory framework of the industries in which we operate, advances in technology, the influx of new market entrants and strategic alliances and cooperative relationships among industry participants. Increased competition could result in increased customer churn, reductions of customer acquisition rates for some products and services and significant price competition in most of our markets. In combination with difficult economic environments, these competitive pressures could adversely impact our ability to increase or, in certain cases, maintain the revenue, average monthly subscription revenue per average RGU (ARPU), RGUs, adjusted operating income before depreciation and amortization (Adjusted OIBDA), Adjusted OIBDA margins and liquidity of our operating segments.

Changes in technology may limit the competitiveness of and demand for our services.

Technology in the video, telecommunications and data services industries is changing rapidly, including advances in current technologies and the emergence of new technologies. New technologies, products and services may impact consumer behavior and therefore demand for our products and services. The ability to anticipate changes in technology and consumer tastes and to develop and introduce new and enhanced products and services on a timely basis will affect our ability to continue to grow, increase our revenue and number of subscribers and remain competitive. New products and services, once marketed, may not meet consumer expectations or demand, can be subject to delays in development and may fail to operate as intended. A lack of market acceptance of new products and services that we may offer, or the development of significant competitive products or services by others, could have a material adverse impact on our revenue and Adjusted OIBDA.

Our property and equipment additions may not generate a positive return.

The video, broadband internet and telephony businesses in which we operate are capital intensive. Significant additions to our property and equipment are required to add customers to our networks and to upgrade or expand our broadband communications networks and upgrade customer premises equipment to enhance our service offerings and improve the customer experience. These additions require significant capital expenditures for equipment and associated labor costs. Significant competition, the introduction of new technologies, the expansion of existing technologies, such as FTTx and advanced DSL technologies, or adverse regulatory developments could cause us to decide to undertake previously unplanned upgrades of our networks and customer premises equipment in the impacted markets. In addition, no assurance can be given that any future upgrades or extensions of our network (including the Network Extensions) will generate a positive return or that we will have adequate capital available to finance such future upgrades or extensions. If we are unable to, or elect not to, pay for costs associated with adding new customers, expanding, extending or upgrading our networks or making our other planned or unplanned additions to our property and equipment, our growth could be limited and our competitive position could be harmed.

We depend almost exclusively on our relationships with third-party programming providers and broadcasters for programming content, and a failure to acquire a wide selection of popular programming on acceptable terms could adversely affect our business.

The success of our video subscription business depends, in large part, on our ability to provide a wide selection of popular programming to our subscribers. We generally do not produce our own content and we depend on our agreements, relationships and cooperation with public and private broadcasters and collective rights associations to obtain such content. If we fail to obtain a diverse array of popular programming for our pay television services, including a sufficient selection of HD channels, as well as non-linear content (such as VoD and DVR capability), on satisfactory terms, we may not be able to offer a compelling video product to our customers at a price they are willing to pay. Additionally, we are frequently negotiating and renegotiating programming agreements and our annual costs for programming can vary. There can be no assurance that we will be able to renegotiate or renew the terms of our programming agreements on acceptable terms or at all. We expect that programming and copyright costs will continue to rise in future periods as a result of, among other factors, higher costs associated with the expansion of our digital video content, including rights associated with ancillary product offerings and rights that provide for the broadcast of live sporting events, and retransmission or copyright fees payable to public broadcasters.

If we are unable to obtain or retain attractively priced competitive content, demand for our existing and future television services could decrease, thereby limiting our ability to attract new customers, maintain existing customers and/or migrate customers from lower tier programming to higher tier programming, thereby inhibiting our ability to execute our business plans. Furthermore, we may be placed at a competitive disadvantage if certain of our competitors, for example BT and Sky in the U.K., obtain exclusive programming rights, particularly with respect to popular sports and movie programming. In addition, must carry requirements may consume channel capacity otherwise available for more attractive programming.

We depend on third-party suppliers and licensors to supply necessary equipment, software and certain services required for our businesses.

We rely on third-party vendors for the equipment, software and services that we require in order to provide services to our customers. Our suppliers often conduct business worldwide and their ability to meet our needs is subject to various risks, including political and economic instability, natural calamities, interruptions in transportation systems, terrorism and labor issues. As a result, we may not be able to obtain

the equipment, software and services required for our businesses on a timely basis or on satisfactory terms. Any shortfall in customer premises equipment could lead to delays in connecting customers to our services and, accordingly, could adversely impact our ability to maintain or increase our RGUs, revenue and cash flows. Also, if demand exceeds the suppliers' and licensors' capacity or if they experience financial difficulties, the ability of our businesses to provide some services may be materially adversely affected, which in turn could affect our businesses' ability to attract and retain customers. Although we actively monitor the creditworthiness of our key third-party suppliers and licensors, the financial failure of a key third-party supplier or licensor could disrupt our operations and have an adverse impact on our revenue and cash flows. We rely upon intellectual property that is owned or licensed by us to use various technologies, conduct our operations and sell our products and services. Legal challenges could be made against our use of our or our licensed intellectual property rights (such as trademarks, patents and trade secrets) and we may be required to enter into licensing arrangements on unfavorable terms, incur monetary damages or be enjoined from use of the intellectual property rights in question.

Our businesses that offer mobile telephony and data services rely on the radio access networks of third-party wireless network providers to carry our mobile communications traffic.

Our services to mobile customers rely on the use of MVNO arrangements in which we utilize the radio access networks of third-party wireless network providers to carry our mobile communications traffic. If any of our MVNO arrangements are terminated, or if the respective third-party wireless network provider fails to provide the services required under an MVNO arrangement, or if a third-party wireless network provider fails to deploy and maintain its network, and we are unable to find a replacement network operator on a timely and commercial basis or at all, we could be prevented from continuing the mobile services relying on such MVNO arrangement. Additionally, as our MVNO arrangements come to term, we may not be able to renegotiate renewal or replacement MVNO arrangements on the same or more favorable terms.

Failure in our technology or telecommunications systems or leakage of sensitive customer data could significantly disrupt our operations, which could reduce our customer base and result in lost revenue.

Our success depends, in part, on the continued and uninterrupted performance of our information technology and network systems as well as our customer service centers. The hardware supporting a large number of critical systems for our cable network in a particular country or geographic region is housed in a relatively small number of locations. Our systems and equipment (including our routers and set-top boxes) are vulnerable to damage or security breach from a variety of sources, including telecommunications failures, power loss, malicious human acts, security flaws and natural disasters. Moreover, despite security measures, our servers, systems and equipment are potentially vulnerable to physical or electronic break-ins, computer viruses, worms, phishing attacks and similar disruptive actions. Furthermore, our operating activities could be subject to risks caused by misappropriation, misuse, leakage, falsification or accidental release or loss of information maintained in our information technology systems and networks and those of our third-party vendors, including customer, personnel and vendor data. As a result of the increasing awareness concerning the importance of safeguarding personal information, the potential misuse of such information and legislation that has been adopted or is being considered across all of our markets regarding the protection, privacy and security of personal information, information-related risks are increasing, particularly for businesses like ours that handle a large amount of personal customer data. Failure to comply with these data protection laws may result in, among other consequences, fines.

Despite the precautions we have taken, unanticipated problems affecting our systems could cause failures in our information technology systems or disruption in the transmission of signals over our networks or similar problems. Any disruptive situation that causes loss, misappropriation, misuse or leakage of data could damage our reputation and the credibility of our operations. Further, sustained or repeated system failures that interrupt our ability to provide service to our customers or otherwise meet our business obligations in a timely manner could adversely affect our reputation and result in a loss of customers and net revenue.

The "Virgin" brand is used by our subsidiary Virgin Media under licenses from Virgin Enterprises Limited and is not under the control of Virgin Media. The activities of the group of companies utilizing the "Virgin" brand and other licensees could have a material adverse effect on the goodwill of customers towards Virgin Media as a licensee and the licenses from Virgin Enterprises Limited can be terminated in certain circumstances.

The "Virgin" brand is integral to Virgin Media's corporate identity. Virgin Media is reliant on the general goodwill of consumers towards the Virgin brand. Consequently, adverse publicity in relation to the group of companies utilizing the "Virgin" brand or its principals, particularly Sir Richard Branson, who is closely

associated with the brand, or in relation to another licensee of the “Virgin” name and logo (particularly in the U.K., where Virgin Media does business) could have a material adverse effect on Virgin Media’s reputation and on Virgin Media’s and our business and results of operations. In addition, the licenses from Virgin Enterprises Limited can be terminated in certain circumstances. For example, Virgin Enterprises Limited can terminate the licenses, after providing Virgin Media with an opportunity to cure, (1) if Virgin Media or any of its affiliates commits persistent and material breaches or a flagrant and material breach of the licenses, (2) if Virgin Enterprises Limited has reasonable grounds to believe that the use (or lack of use) of the licensed trademarks by Virgin Media has been or is likely to result in a long-term and material diminution in the value of the “Virgin” brand, or (3) if a third-party who is not (or one of whose directors is not) a “fit and proper person”, such as a legally disqualified director or a bankrupt entity, acquires “control” of Liberty Global. Such a termination could have a material adverse effect on Virgin Media’s and our business and results of operations.

(ii) Factors Relating to Overseas Operations and Foreign Regulation

Our businesses are conducted almost exclusively outside of the United States, which gives rise to numerous operational risks.

Our businesses operate almost exclusively in countries outside the United States and are thereby subject to the following inherent risks:

- fluctuations in foreign currency exchange rates;
- difficulties in staffing and managing international operations;
- potentially adverse tax consequences;
- export and import restrictions, custom duties, tariffs and other trade barriers;
- increases in taxes and governmental fees;
- economic and political instability; and
- changes in foreign and domestic laws and policies that govern operations of foreign-based companies.

Operational risks that we may experience in certain countries include disruptions of services or loss of property or equipment that are critical to overseas businesses due to expropriation, nationalization, war, insurrection, terrorism or general social or political unrest.

We are exposed to foreign currency exchange rate risk.

We are exposed to foreign currency exchange rate risk with respect to our consolidated debt in situations where our debt is denominated in a currency other than the functional currency of the operations whose cash flows support our ability to repay or refinance such debt. Although we generally seek to match the denomination of our and our subsidiaries’ borrowings with the functional currency of the operations that are supporting the respective borrowings, market conditions or other factors may cause us to enter into borrowing arrangements that are not denominated in the functional currency of the underlying operations (unmatched debt). In these cases, our policy is to provide for an economic hedge against foreign currency exchange rate movements by using derivative instruments to synthetically convert unmatched debt into the applicable underlying currency. At December 31, 2015, substantially all of our debt was either directly or synthetically matched to the applicable functional currencies of the underlying operations.

In addition to the exposure that results from the mismatch of our borrowings and underlying functional currencies, we are exposed to foreign currency risk to the extent that we enter into transactions denominated in currencies other than our or our subsidiaries’ respective functional currencies (non-functional currency risk), such as equipment purchases, programming contracts, notes payable and notes receivable (including intercompany amounts). Changes in exchange rates with respect to amounts recorded in our consolidated balance sheets related to these items will result in unrealized (based upon period-end exchange rates) or realized foreign currency transaction gains and losses upon settlement of the transactions. Moreover, to the extent that our revenue, costs and expenses are denominated in currencies other than our respective functional currencies, we will experience fluctuations in our revenue, costs and expenses solely as a result of changes in foreign currency exchange rates. In this regard, we currently expect that during 2016, (1) less than 1% of our revenue, (2) approximately 3% to 5% of our aggregate operating and SG&A expenses (exclusive of share-based compensation expense) and (3) approximately 7% to 9% of our property and equipment additions will be denominated in non-functional currencies, including amounts denominated in

(a) U.S. dollars in Chile and Europe and (b) euros in the U.K., Poland, the Czech Republic, Romania, Switzerland and Hungary. Our expectations with respect to our non-functional currency transactions in 2016 may differ from actual results. Generally, we will consider hedging non-functional currency risks when the risks arise from agreements with third parties that involve the future payment or receipt of cash or other monetary items to the extent that we can reasonably predict the timing and amount of such payments or receipts and the payments or receipts are not otherwise hedged. In this regard, we have entered into foreign currency forward contracts to hedge certain of these risks. Certain non-functional currency risks related to our revenue, operating and selling, general and administrative expenses and property and equipment additions were not hedged as of December 31, 2015. For additional information concerning our foreign currency forward contracts, see note 7 to our 2015 Consolidated Financial Statements.

We also are exposed to unfavorable and potentially volatile fluctuations of the U.S. dollar (our reporting currency) against the currencies of our operating subsidiaries when their respective financial statements are translated into U.S. dollars for inclusion in our consolidated financial statements. Cumulative translation adjustments are recorded in accumulated other comprehensive earnings (loss) as a separate component of equity. Any increase (decrease) in the value of the U.S. dollar against any foreign currency that is the functional currency of one of our operating subsidiaries will cause us to experience unrealized foreign currency translation losses (gains) with respect to amounts already invested in such foreign currencies. Accordingly, we may experience a negative impact on our comprehensive earnings (loss) and equity with respect to our holdings solely as a result of foreign currency translation. Our primary exposure to foreign currency translation risk during the three months ended December 31, 2015, was to the euro and British pound sterling as 43.8% and 37.0% of our U.S. dollar revenue during the period was derived from subsidiaries whose functional currencies are the euro and British pound sterling, respectively. In addition, our reported operating results are impacted by changes in the exchange rates for the Swiss franc, the Chilean peso and other local currencies in Europe. We generally do not hedge against the risk that we may incur non-cash losses upon the translation of the financial statements of our subsidiaries and affiliates into U.S. dollars.

Our businesses are subject to risks of adverse regulation.

Our businesses are subject to the unique regulatory regimes of the countries in which they operate. Video distribution, broadband internet, fixed-line telephony and mobile businesses are subject to licensing or registration eligibility rules and regulations, which vary by country. The provision of electronic communications networks and services requires our licensing from, or registration with, the appropriate regulatory authorities and, for telephony services, entrance into interconnection arrangements with other phone companies, including the incumbent phone company. It is possible that countries in which we operate may adopt laws and regulations regarding electronic commerce, which could dampen the growth of the internet services being offered and developed by these businesses. In a number of countries, our ability to increase the prices we charge for our cable television service or make changes to the programming packages we offer is limited by regulation or conditions imposed by competition authorities or is subject to review by regulatory authorities or is subject to termination rights of customers. In addition, regulatory authorities may grant new licenses to third parties and, in any event, in most of our markets new entry is possible without a license, although there may be registration eligibility rules and regulations, resulting in greater competition in territories where our businesses may already be active. More significantly, regulatory authorities may require us to grant third parties access to our bandwidth, frequency capacity, facilities or services to distribute their own services or resell our services to end customers. Consequently, our businesses must adapt their ownership and organizational structure, as well as their pricing and service offerings, to satisfy the rules and regulations to which they are subject. A failure to comply with applicable rules and regulations could result in penalties, restrictions on our business or loss of required licenses or other adverse conditions.

Adverse changes in rules and regulations could:

- impair our ability to use our bandwidth in ways that would generate maximum revenue and Adjusted OIBDA;
- create a shortage of capacity on our networks, which could limit the types and variety of services we seek to provide our customers;
- strengthen our competitors by granting them access and lowering their costs to enter into our markets; and
- have a significant adverse impact on our profitability.

Businesses, including ours, that offer multiple services, such as video distribution as well as internet and telephony, or that are vertically integrated and offer both video distribution and programming content, often face close regulatory scrutiny from competition authorities in several countries in which we operate. This is particularly the case with respect to any proposed business combinations, which will often require clearance from national competition authorities. The regulatory authorities in several countries in which we do business have considered from time to time what access rights, if any, should be afforded to third parties for use of existing cable television networks and have imposed access obligations in certain countries. This has resulted, for example, in obligations with respect to call termination for our telephony business in Europe, video must carry obligations in many markets in which we operate and video and broadband internet access obligations in Belgium.

Should we acquire additional communications companies, these acquisitions may require the approval of governmental authorities (either at country or, in the case of the EU, European level), which can block, impose conditions on, or delay an acquisition, thus hampering our opportunities for growth. In the event conditions are imposed and we fail to meet them in a timely manner, the governmental authority may impose fines and, if in connection with a merger transaction, may require restorative measures, such as mandatory disposition of assets or divestiture of operations.

New legislation may significantly alter the regulatory regime applicable to us, which could adversely affect our competitive position and profitability, and we may become subject to more extensive regulation if we are deemed to possess Significant Market Power in any of the markets in which we operate.

Significant changes to the existing regulatory regime applicable to the provision of cable television, telephony and internet services have been and are still being introduced. For example, in the EU a large element of regulation affecting our business derives from a number of Directives that are the basis of the regulatory regime concerning many of the services we offer across the EU. The various Directives require Member States to harmonize their laws on communications and cover issues such as access, user rights, privacy and competition. These Directives are reviewed by the EU from time to time and any changes to them could lead to substantial changes in the way in which our businesses are regulated and to which we would have to adapt. In addition, we are subject to review by competition or national regulatory authorities in certain countries concerning whether we exhibit Significant Market Power. A finding of Significant Market Power can result in our company becoming subject to pricing, open access, unbundling and other requirements that could provide a more favorable operating environment for existing and potential competitors.

We cannot be certain that we will be successful in acquiring new businesses or integrating acquired businesses with our existing operations, or that we will achieve the expected returns on our acquisitions.

Historically, our businesses have grown, in part, through selective acquisitions that enabled them to take advantage of existing networks, local service offerings and region-specific management expertise. We expect to seek to continue growing our businesses through acquisitions in selected markets, such as the Virgin Media Acquisition, the Ziggo Acquisition completed in November 2014, the Choice Acquisition in June 2015, the BASE acquisition in 2016 and the pending acquisition of CWC. Our ability to acquire new businesses may be limited by many factors, including availability of financing, debt covenants, the prevalence of complex ownership structures among potential targets, government regulation and competition from other potential acquirers, including private equity funds. Even if we are successful in acquiring new businesses, the integration of these businesses, such as Virgin Media, Ziggo, Choice, BASE and CWC, may present significant costs and challenges associated with: realizing economies of scale in interconnection, programming and network operations; eliminating duplicative overheads; integrating personnel, networks, financial systems and operational systems; greater than anticipated expenditures required for compliance with regulatory standards or for investments to improve operating results, and failure to achieve the business plan with respect to any such acquisition. We cannot be assured that we will be successful in acquiring new businesses or realizing the anticipated benefits of any completed acquisition, including, for example, the Virgin Media Acquisition, the Ziggo Acquisition, the Choice Acquisition, the BASE acquisition and the pending acquisition of CWC.

In addition, we anticipate that most, if not all, companies acquired by us will be located outside the United States. Foreign companies may not have disclosure controls and procedures or internal controls over financial reporting that are as thorough or effective as those required by U.S. securities laws. While we intend to conduct appropriate due diligence and to implement appropriate controls and procedures as we integrate acquired companies, we may not be able to certify as to the effectiveness of these companies' disclosure controls and procedures or internal controls over financial reporting until we have fully integrated them.

The expected benefits of the Virgin Media Acquisition may not be realized.

There can be no assurance that the business objectives of our redomestication in the U.K. as a result of the Virgin Media Acquisition will be achieved, particularly as the achievement of the benefits are, in many important respects, subject to factors that we do not control. These factors include such things as the reactions of third parties with whom we enter into contracts and do business and the reactions of investors, analysts and U.K. and U.S. taxing authorities. Our ongoing expenses have increased as a result of the redomestication to the U.K., including those expenses related to complying with U.K. corporate and tax laws. These additional expenses could serve to reduce or offset the benefits realized from the redomestication.

In addition, while we believe that, under the current U.S. tax statute and regulations, the Virgin Media Acquisition would not cause Liberty Global to be treated as a U.S. domestic corporation for federal tax purposes, the IRS may interpret the current statute and regulations differently, or the U.S. Congress, the IRS, the U.K. Parliament or U.K. tax authorities may enact new statutory or regulatory provisions, which, in each case, could adversely affect our status as a non-U.S. corporation, or otherwise adversely affect our anticipated global tax position. Retroactive statutory or regulatory actions have occurred in the past, and there can be no assurance that any such provisions, if enacted or promulgated, would not have retroactive application to us, the Virgin Media Acquisition or any of our subsequent actions. Our results of operations and cash flow would be adversely impacted if we were to be subject to U.S. corporate income tax as a domestic corporation.

We may have exposure to additional tax liabilities.

We are subject to income taxes as well as non-income based taxes, such as value added tax, or VAT, in the U.K., the U.S. and many other jurisdictions around the world. Significant judgment is required in determining our worldwide provision for income taxes and other tax liabilities. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. We are regularly under audit by tax authorities in many of the jurisdictions in which we operate. Although we believe that our tax estimates are reasonable, any material differences as a result of final determinations of tax audits or tax disputes could have an adverse effect on our financial position and results of operations in the period or periods for which determination is made. For example, (1) the U.K. tax authorities have challenged Virgin Media's application of VAT with respect to certain revenue generating activities and in connection with prompt payment discounts, and (2) as a result of an audit, Hungarian tax authorities have assessed our DTH operations in Luxembourg with an obligation to pay VAT of approximately HUF 5,902.2 ($20.3 million), excluding interest and penalties, that we are currently appealing, each as more fully described in note 17 to our 2015 Consolidated Financial Statements.

Because the majority of our subsidiaries have some or all of their ownership through U.S. corporations, our worldwide effective tax rate is subject to provisions of U.S. tax law that defer the imposition of U.S. tax on certain foreign active income until that income is repatriated to the United States. Any repatriation, through our U.S. ownership structure, of assets currently held by subsidiaries in foreign jurisdictions or recognition of income that fails to meet the U.S. tax requirements related to deferral of U.S. income tax, may result in a higher effective tax rate for our company. While the company may mitigate this increase in its effective tax rate through claiming a foreign tax credit against its U.S. federal income taxes or potentially have foreign or U.S. taxes reduced under applicable income tax treaties, we are subject to various limitations.

We are subject to changing tax laws, treaties and regulations in and between countries in which we operate, including treaties between the U.K., the U.S. and the many other jurisdictions in which we have a presence. Also, various income tax proposals in the jurisdictions in which we operate could result in changes to the existing laws on which our deferred taxes are calculated. A change in these tax laws, treaties or regulations, or in the interpretation thereof, could result in a materially higher income or non-income tax expense. Any such material changes could cause a material change in our effective tax rate, such as the new corporate rate enacted in the U.K. in November 2015, as more fully described in note 11 to our 2015 Consolidated Financial Statements.

Further changes in the tax laws of the foreign jurisdictions in which we operate could arise as a result of the base erosion and profit shifting (BEPS) project being undertaken by the OECD. The OECD, which represents a coalition of member countries that encompass most of the jurisdictions in which we operate, is undertaking studies and publishing action plans that include recommendations aimed at addressing what they believe are issues within tax systems that may lead to tax avoidance by companies. It is possible that jurisdictions in which we do business could react to the BEPS initiative or their own concerns by enacting tax legislation that could adversely affect us or our shareholders through increasing our tax liabilities.

The U.K. referendum on membership in the European Union could have a material adverse effect on our business, financial condition or results of operations.

On February 20, 2016, the U.K. government announced its intention to hold a referendum on June 23, 2016 on whether the U.K. should remain in the EU. We are currently unable to predict the potential impact, if any, the outcome of this referendum and the manner of any exit may have on customer behavior, economic conditions, interest rates, currency exchange rates, or other matters either in the U.K., within the EU or more widely.

(iii) Factors Relating to Certain Financial Matters

Our substantial leverage could limit our ability to obtain additional financing on the same terms and have other adverse effects.

We seek to maintain our debt at levels that provide for attractive equity returns without assuming undue risk. In this regard, we generally seek to cause our operating subsidiaries to maintain their debt at levels that result in a consolidated debt balance that is between four and five times our consolidated Adjusted OIBDA (as defined in note 18 to our 2015 Consolidated Financial Statements). As a result, we are highly leveraged. At December 31, 2015, our outstanding consolidated debt and capital lease obligations aggregated $47.1 billion, including $2,537.9 million that is classified as current in our consolidated balance sheet and $42.0 billion that is not due until 2021 or thereafter. We believe that we have sufficient resources to repay or refinance the current portion of our debt and capital lease obligations and to fund our liquidity requirements for at least the next 12 months. As our debt maturities grow in later years we anticipate that we will seek to refinance or otherwise extend our debt maturities. In this regard, we completed refinancing transactions in 2015 that, among other things, resulted in the extension of certain of our subsidiaries' debt maturities. No assurance can be given that we will be able to complete additional refinancing transactions or otherwise extend our debt maturities, or that any additional debt or equity financing will be available on terms that are as favorable as the terms of our existing debt or at all. In this regard, it is difficult to predict how political and economic conditions, sovereign debt concerns or any adverse regulatory developments will impact the credit and equity markets we access and our future financial position.

Our ability to service or refinance our debt and to maintain compliance with the leverage covenants in the credit agreements and indentures of certain of our subsidiaries is dependent primarily on our ability to maintain or increase the Adjusted OIBDA of our subsidiaries and to achieve adequate returns on our property and equipment additions and acquisitions. For example, if the Adjusted OIBDA of our subsidiary, UPC Broadband Holding, were to decline, we could be required to partially repay or limit our borrowings under the UPC Broadband Holding Bank Facility in order to maintain compliance with applicable covenants.

Certain of our subsidiaries are subject to various debt instruments that contain restrictions on how we finance our operations and operate our businesses, which could impede our ability to engage in beneficial transactions.

Certain of our subsidiaries are subject to significant financial and operating restrictions contained in outstanding credit agreements, indentures and similar instruments of indebtedness. These restrictions will affect, and in some cases significantly limit or prohibit, among other things, the ability of those subsidiaries to:

- incur or guarantee additional indebtedness;
- pay dividends or make other upstream distributions;
- make investments;
- transfer, sell or dispose of certain assets, including subsidiary stock;
- merge or consolidate with other entities;
- engage in transactions with us or other affiliates; or
- create liens on their assets.

In addition, most of the credit agreements to which these subsidiaries are parties include financial covenants that require them to maintain certain financial ratios, including ratios of total debt to Adjusted OIBDA and Adjusted OIBDA to interest expense. While we do not expect our subsidiaries to be in breach of their

financial covenants during at least the next 12 months, their ability to meet these financial covenants may be affected by adverse economic, competitive, or regulatory developments and other events beyond their control, and we cannot assure you that these financial covenants will be met in full. In the event of a default under such subsidiaries' credit agreements or indentures, the lenders may accelerate the maturity of the indebtedness under those agreements or indentures, which could result in a default under other outstanding credit facilities or indentures. Any refinancing of this indebtedness is likely to contain similar restrictive covenants.

We are exposed to interest rate risks. Shifts in such rates may adversely affect the debt service obligation of our subsidiaries.

We are exposed to the risk of fluctuations in interest rates, primarily through the credit facilities of certain of our subsidiaries, which are indexed to EURIBOR, LIBOR or other base rates. Although we enter into various derivative transactions to manage exposure to movements in interest rates, there can be no assurance that we will be able to continue to do so at a reasonable cost or at all. If we are unable to effectively manage our interest rate exposure through derivative transactions, any increase in market interest rates would increase our interest rate exposure and debt service obligations, which would exacerbate the risks associated with our leveraged capital structure.

We are subject to increasing operating costs and inflation risks, which may adversely affect our earnings.

While our operations attempt to increase our subscription rates to offset increases in programming and operating costs, there is no assurance that they will be able to do so. In certain countries in which we operate, our ability to increase subscription rates is subject to regulatory controls. Also, our ability to increase subscription rates may be constrained by competitive pressures. Therefore, operating costs may rise faster than associated revenue, resulting in a material negative impact on our cash flow and net earnings (loss). We are also impacted by inflationary increases in salaries, wages, benefits and other administrative costs in certain of our markets.

Continuing uncertainties and challenging conditions in the global economy and in the countries in which we operate may adversely impact our business, financial condition and results of operations.

The current macroeconomic environment is highly volatile, and continuing instability in global markets, including the ongoing struggles in Europe related to sovereign debt issues, the risk of deflation and the stability of the euro, has contributed to a challenging global economic environment. Future developments are dependent upon a number of political and economic factors, including the effectiveness of measures by the EU Commission to address debt burdens of certain countries in Europe and the overall stability of the eurozone. As a result, we cannot predict how long challenging conditions will exist or the extent to which the markets in which we operate may deteriorate. Additional risks arising from the ongoing economic challenges in Europe are described below under the Risk Factor titled: *We are exposed to sovereign debt and currency instability risks in Europe that could have an adverse impact on our liquidity, financial condition and cash flows.*

Unfavorable economic conditions may impact a significant number of our subscribers and/or the prices we are able to charge for our products and services, and, as a result, it may be (1) more difficult for us to attract new subscribers, (2) more likely that subscribers will downgrade or disconnect their services and (3) more difficult for us to maintain ARPUs at existing levels. Countries may also seek new or increased revenue sources due to fiscal deficits. Such actions may further adversely affect our company. Accordingly, our ability to increase, or, in certain cases, maintain, the revenue, ARPUs, RGUs, Adjusted OIBDA, Adjusted OIBDA margins and liquidity of our operating segments could be adversely affected if the macroeconomic environment remains uncertain or declines further. We are currently unable to predict the extent of any of these potential adverse effects.

We are exposed to sovereign debt and currency instability risks that could have an adverse impact on our liquidity, financial condition and cash flows.

Our operations are subject to macroeconomic and political risks that are outside of our control. For example, high levels of sovereign debt in the U.S. and several European countries in which we operate, combined with weak growth and high unemployment, could potentially lead to fiscal reforms (including austerity measures), tax increases, sovereign debt restructurings, currency instability, increased counterparty credit risk, high levels of volatility and disruptions in the credit and equity markets, as well as other outcomes that might adversely impact our company. With regard to currency instability issues, concerns exist in the

eurozone with respect to individual macro-fundamentals on a country-by-country basis, as well as with respect to the overall stability of the European monetary union and the suitability of a single currency to appropriately deal with specific fiscal management and sovereign debt issues in individual eurozone countries. The realization of these concerns could lead to the exit of one or more countries from the European monetary union and the re-introduction of individual currencies in these countries, or, in more extreme circumstances, the possible dissolution of the European monetary union entirely, which could result in the redenomination of a portion or, in the extreme case, all of our euro-denominated assets, liabilities and cash flows to the new currency of the country in which they originated. This could result in a mismatch in the currencies of our assets, liabilities and cash flows. Any such mismatch, together with the capital market disruption that would likely accompany any such redenomination event, could have a material adverse impact on our liquidity and financial condition. Furthermore, any redenomination event would likely be accompanied by significant economic dislocation, particularly within the eurozone countries, which in turn could have an adverse impact on demand for our products and services, and accordingly, on our revenue and cash flows. Moreover, any changes from euro to non-euro currencies within the countries in which we operate would require us to modify our billing and other financial systems. No assurance can be given that any required modifications could be made within a time frame that would allow us to timely bill our customers or prepare and file required financial reports. In light of the significant exposure that we have to the euro through our euro-denominated borrowings, derivative instruments, cash balances and cash flows, a redenomination event could have a material adverse impact on our company.

Concerns also exist with respect to the Puerto Rico government's cash flows and, accordingly, its ability to meet its debt obligations. For example, the Puerto Rico government failed to make bond payments of $58 million in August 2015 and $36 million in January 2016. Before the first payment default, the Puerto Rico government enacted a new tax law that, among other things, (1) increased the sales and use tax rate from 7.0% to 11.5%, effective July 1, 2015, and (2) provided for the taxing of services between businesses at a rate of 4%, effective October 1, 2015. Effective April 1, 2016, the aforementioned sales and use tax will be replaced with a VAT of 10.5% and a sales and use tax of 1.0%. Prior to the new tax law, such services were exempt from taxation. More changes to the Puerto Rico tax system are expected during 2016. Puerto Rico's government is also currently implementing austerity and a number of other measures to improve its solvency. It remains possible, if not likely, that Puerto Rico will be required to restructure its debt obligations to remain solvent. If the fiscal and economic conditions in Puerto Rico were to worsen as a result of these or other factors, (a) the population of Puerto Rico could continue to decline, reducing the future demand for Liberty Puerto Rico's services, and (b) the demand and ability of customers to pay for Liberty Puerto Rico's services could be impaired, which could have a negative impact on Liberty Puerto Rico's results of operations, cash flows and financial condition.

We may not freely access the cash of our operating companies.

Our operations are conducted through our subsidiaries. Our current sources of corporate liquidity include (1) our cash and cash equivalents and (2) interest and dividend income received on our cash and cash equivalents and investments. From time to time, we also receive (1) proceeds in the form of distributions or loan repayments from our subsidiaries or affiliates, (2) proceeds upon the disposition of investments and other assets and (3) proceeds in connection with the incurrence of debt or the issuance of equity securities. The ability of our operating subsidiaries to pay dividends or to make other payments or advances to us depends on their individual operating results and any statutory, regulatory or contractual restrictions to which they may be or may become subject and in some cases our receipt of such payments or advances may be limited due to tax considerations or the presence of noncontrolling interests. Most of our operating subsidiaries are subject to credit agreements or indentures that restrict sales of assets and prohibit or limit the payment of dividends or the making of distributions, loans or advances to shareholders and partners, including us. In addition, because these subsidiaries are separate and distinct legal entities they have no obligation to provide us funds for payment obligations, whether by dividends, distributions, loans or other payments.

We are exposed to the risk of default by the counterparties to our derivative and other financial instruments, undrawn debt facilities and cash investments.

Although we seek to manage the credit risks associated with our derivative and other financial instruments, cash investments and undrawn debt facilities, we are exposed to the risk that our counterparties could default on their obligations to us. Also, even though we regularly review our credit exposures, defaults may arise from events or circumstances that are difficult to detect or foresee. At December 31, 2015, our exposure to counterparty credit risk included (1) derivative assets with an aggregate fair value of

$2,025.2 million, (2) cash and cash equivalent and restricted cash balances of $1,110.0 million and (3) aggregate undrawn debt facilities of $3,910.6 million. While we currently have no specific concerns about the creditworthiness of any counterparty for which we have material credit risk exposures, the current economic conditions and uncertainties in global financial markets have increased the credit risk of our counterparties and we cannot rule out the possibility that one or more of our counterparties could fail or otherwise be unable to meet its obligations to us. Any such instance could have an adverse effect on our cash flows, results of operations, financial condition and/or liquidity. In this regard, (1) the financial failure of any of our counterparties could reduce amounts available under committed credit facilities and adversely impact our ability to access cash deposited with any failed financial institution, thereby causing a default under one or more derivative contracts, and (2) tightening of the credit markets could adversely impact our ability to access debt financing on favorable terms, or at all.

Under our derivative contracts, it is generally only the non-defaulting party that has a contractual option to exercise early termination rights upon the default of the other counterparty and to set off other liabilities against sums due upon such termination. However, in an insolvency of a derivative counterparty, under the laws of certain jurisdictions, the defaulting counterparty or its insolvency representatives may be able to compel the termination of one or more derivative contracts and trigger early termination payment liabilities payable by us, reflecting any mark-to-market value of the contracts for the counterparty. Alternatively, or in addition, the insolvency laws of certain jurisdictions may require the mandatory set off of amounts due under such derivative contracts against present and future liabilities owed to us under other contracts between us and the relevant counterparty. Accordingly, it is possible that we may be subject to obligations to make payments, or may have present or future liabilities owed to us partially or fully discharged by set off as a result of such obligations, in the event of the insolvency of a derivative counterparty, even though it is the counterparty that is in default and not us. To the extent that we are required to make such payments, our ability to do so will depend on our liquidity and capital resources at the time. In an insolvency of a defaulting counterparty, we will be an unsecured creditor in respect of any amount owed to us by the defaulting counterparty, except to the extent of the value of any collateral we have obtained from that counterparty.

The risks we would face in the event of a default by a counterparty to one of our derivative instruments might be eliminated or substantially mitigated if we were able to novate the relevant derivative contracts to a new counterparty following the default of our counterparty. While we anticipate that, in the event of the insolvency of one of our derivative counterparties, we would seek to effect such novations, no assurance can be given that we would obtain the necessary consents to do so or that we would be able to do so on terms or pricing that would be acceptable to us or that any such novation would not result in substantial costs to us. Furthermore, the underlying risks that are the subject of the relevant derivative contracts would no longer be effectively hedged due to the insolvency of our counterparty, unless and until we novate or replace the derivative contract.

We may not report net earnings.

We reported losses from continuing operations of $1,049.5 million, $980.9 million and $882.0 million during 2015, 2014 and 2013, respectively. In light of our historical financial performance, we cannot assure you that we will report net earnings in the near future or ever.

(iv) Other Factors

The loss of certain key personnel could harm our business.

We have experienced employees at both the corporate and operational levels who possess substantial knowledge of our business and operations. We cannot assure you that we will be successful in retaining their services or that we would be successful in hiring and training suitable replacements without undue costs or delays. As a result, the loss of any of these key employees could cause significant disruptions in our business operations, which could materially adversely affect our results of operations.

Mr. Malone has significant voting power with respect to corporate matters considered by our shareholders.

Mr. Malone beneficially owns outstanding ordinary shares of Liberty Global representing 24.7% of our aggregate voting power as at March 18, 2016. By virtue of Mr. Malone's voting power in our company, as well as his position as Chairman of our board of directors, Mr. Malone may have significant influence over the outcome of any corporate transaction or other matters submitted to our shareholders for approval. For

example, under English law and our Articles, certain matters (including amendments to the articles of association) require the approval of 75% of the shareholders who vote (in person or by proxy) on the relevant resolution, and other certain corporate transactions or matters may require the approval of at least 75% of the outstanding shares of each class of our ordinary shares. Because Mr. Malone beneficially owns approximately 25% of our aggregate voting power and more than 75% of the outstanding Liberty Global Class B Shares and LiLAC Class B Shares he has the ability to prevent the requisite approval threshold from being met even though the other shareholders may determine that such action or transaction is beneficial for our company. Mr. Malone's rights to vote or dispose of his equity interests in our company are not subject to any restrictions in favor of us other than as may be required by applicable law and except for customary transfer restrictions pursuant to equity award agreements.

It may be difficult for a third-party to acquire us, even if doing so may be beneficial to our shareholders.

Certain provisions of our Articles and of English law may discourage, delay, or prevent a change in control of our company that a shareholder may consider favorable. These provisions include the following:

- authorizing a capital structure with multiple classes of ordinary shares: two tracking groups, each with a Class B that entitles the holders to 10 votes per share; a Class A that entitles the holders to one vote per share; and a Class C that, except as otherwise required by applicable law, entitles the holder to no voting rights;
- authorizing the issuance of "blank check" shares (both ordinary and preference), which could be issued by our board of directors to increase the number of outstanding shares and thwart a takeover attempt;
- classifying our board of directors with staggered three-year terms, which may lengthen the time required to gain control of our board of directors, although under English law, shareholders of our company can remove a director without cause by ordinary resolution;
- prohibiting shareholder action by written resolution, thereby requiring all shareholder actions to be taken at a meeting of the shareholders;
- requiring the approval of 75% in value of the shareholders (or class of shareholders) and/or English court approval for certain statutory mergers or schemes of arrangements; and
- establishing advance notice requirements for nominations of candidates for election to our board of directors or for proposing matters that can be acted upon by shareholders at shareholder meetings.

Change in control provisions in our incentive plan and related award agreements may also discourage, delay, or prevent a change in control of our company, even if such change of control would be in the best interests of our shareholders.

The enforcement of civil liabilities against us may be more difficult.

Because we are a public limited company incorporated under the laws of England and Wales, investors could experience more difficulty enforcing judgments obtained against us in U.S. courts than would currently be the case for U.S. judgments obtained against a U.S. company. It may also be more difficult (or impossible) to bring some types of claims against us in courts sitting in England than it would be to bring similar claims against a U.S. company in a U.S. court. In particular, English law significantly limits the circumstances under which shareholders of English companies may bring derivative actions. Under English law generally, only our company can be the proper plaintiff in proceedings in respect of wrongful acts committed against us. Our Articles provide for the exclusive jurisdiction of the English courts for shareholder lawsuits against us or our directors.

PRESENTATION OF INFORMATION

1. **General**

Investors should only rely on the information contained in this Prospectus in respect of the securities covered by this Prospectus. No person has been authorized to give any information or make any representations other than those contained in this Prospectus. No representation or warranty, express or implied, is made by us or the Liberty Global Directors or any other person involved in the Transaction as to the accuracy or completeness of such information, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by us as to the past, present or future. Without prejudice to any legal or regulatory obligation on us to publish a supplementary prospectus pursuant to Section 87G of the FSMA and Prospectus Rule 3.4, neither the delivery of this Prospectus nor the NASDAQ Approval and commencement of dealings in the New Shares on NASDAQ shall, under any circumstances, create any implication that there has been no change in our business or affairs or those of the CWC Group, in each case taken as a whole since the date of this Prospectus or that the information in it is correct as of any time after the date of this Prospectus.

We will comply with our obligation to publish supplementary prospectuses containing further updated information required by law or by any regulatory authority but assume no further obligation to publish additional information. Any supplementary prospectus will be subject to approval by the FCA and will be made public in accordance with the Prospectus Rules.

The contents of this Prospectus are not to be construed as legal, financial or tax advice. Each prospective investor should consult a legal adviser, an independent financial adviser duly authorized under the FSMA or a tax adviser for legal, financial or tax advice in relation to any investment in or holding of the New Shares. Each prospective investor should consult with such advisers as needed to make its investment decision and to determine whether it is legally permitted to hold shares under applicable legal investment or similar laws or regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

Investing in and holding Liberty Global Shares or LiLAC Shares involves financial risk. Prior to investing in the New Shares, investors should carefully consider all of the information contained in this Prospectus, paying particular attention to the section entitled Risk Factors on pages 23 to 43 of this Prospectus. Investors should consider carefully whether an investment in the New Shares is suitable for them in light of the information contained in this Prospectus and their personal circumstances.

2. **Presentation of financial information**

Our historical consolidated financial information included in Part VI (*Historical Consolidated Financial Information relating to Liberty Global*) and Annex I to this Prospectus has been prepared in accordance with GAAP. The significant accounting policies are set out within note 3 of our 2015 Consolidated Financial Statements.

3. **Rounding**

Percentages and certain amounts included in this Prospectus have been rounded for ease of presentation. Accordingly, figures shown as totals in certain tables may not be the precise sum of the figures that precede them.

4. **Currencies**

Unless otherwise indicated in this Prospectus, all references to:

- "U.S. dollar", "$" and "cents" are to the lawful currency of the United States;
- "pounds", "pounds Sterling", "Sterling", "£", "pence", "penny" and "p" are to the lawful currency of the U.K.; and
- "Euro" or "€" are to the lawful currency of the European Union (as adopted by certain Member States).

Unless otherwise indicated, translations in this Prospectus into United States (U.S.) dollars are calculated using the rates as set out in Part IV (*Operating and Financial Review of Liberty Global*) – *Quantitative and Qualitative Disclosures about Market Risk*. We present our financial statements in U.S. dollars.

5. **Forward-looking statements**

Certain statements contained in this Prospectus, including those in the sections headed "Summary", "Risk Factors", "Information on Liberty Global" and "Operating and Financial Review of Liberty Global" constitute "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "projects", "aims", "plans", "predicts", "prepares", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Investors should specifically consider the factors identified in this Prospectus, which could cause actual results to differ before making an investment decision. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such risks, uncertainties and other factors are set out more fully in the section of this Prospectus headed "Risk Factors". These forward-looking statements speak only as at the date of this Prospectus. Liberty Global and the Liberty Global Directors expressly disclaim any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this Prospectus to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based whether as a result of new information, future events or otherwise, unless required to do so by applicable law or regulation, including the Prospectus Rules.

The foregoing paragraph should not be construed as a qualification on the opinion of Liberty Global or the Liberty Global Directors as to the working capital position of Liberty Global and its subsidiaries set out in paragraph 9 (*Working Capital*) of Part XI (*Additional Information*).

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future or are beyond our control. Forward-looking statements are not guarantees of future performance. Our actual results of operations, financial condition and the development of the business sector in which we operate may differ materially from those suggested by the forward-looking statements contained in this Prospectus including, but not limited to, U.K. domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities, the impact of competition, currency changes, inflation, deflation, the timing impact and other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which we and our respective affiliates operate. In addition, even if our actual results of operations, financial condition and the development of the business sector in which we operate are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Prospective investors are advised to read, in particular, the following parts of this Prospectus for a more complete discussion of the factors that could affect our future performance and the industry in which we operate: the section entitled Risk Factors on pages 23 to 43 of this Prospectus, Part II (*Information on Liberty Global*), Part IV (*Operating and Financial Review of Liberty Global*) and Part VI (*Historical Consolidated Financial Information relating to Liberty Global*). In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Prospectus may not occur.

6. **Market, economic and industry data**

This Prospectus contains information regarding our businesses and the industry in which Liberty Global and its subsidiaries operate and compete, which have been obtained from various third-party sources. Where information contained in this Prospectus originates from a third-party source, it is identified where it appears in this Prospectus together with the name of its source. Such third-party information has been accurately reproduced and, so far as Liberty Global and the Liberty Global Directors are aware and are able to ascertain from information published by the relevant third-party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

7. **No incorporation of website information**

The contents of our website www.libertyglobal.com, CWC's website www.cwc.com, or any hyperlinks accessible from either such website do not form part of this Prospectus and investors should not rely on them.

8. **Defined terms**

Certain terms used in this Prospectus are defined and certain technical and other terms used in this Prospectus are set out in Part XII (*Definitions*) and Part XIII (*Glossary*).

Except as otherwise noted or where context otherwise requires, references in this Prospectus to "we", "us", "our", "the company" or "our company" refer to Liberty Global.

All times referred to in this Prospectus are, unless otherwise stated, references to London time.

All references to legislation in this Prospectus are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	Time and/or date
Publication of this Prospectus	March 23, 2016
Publication of the Scheme Document	March 23, 2016
Liberty Global General Meeting	5.00 p.m. April 20, 2016
Voting Record Time for the CWC Court Meeting and CWC General Meeting	6.00p.m. on April 26, 2016(1)
CWC Court Meeting	11.00 a.m. on April 28, 2016
CWC General Meeting	11.05 a.m. on April 28, 2016(2)
***The following dates are indicative only and are subject to change*:**	
Court hearing (to sanction the Scheme)	May 11, 2016(3)
Last day of dealings in, and for registration of transfers of, and disablement in CREST of, CWC Shares	May 13, 2016(3)
Election Return Time	4.30 p.m. on May 13, 2016(3)
Dealings in CWC Shares suspended in London	5.00 p.m. on May 13, 2016(3)(4)
Record date for Special Dividend (£0.03)	6.00 p.m. on May 13, 2016(3)(4)
Scheme Record Time	6.00 p.m. on May 13, 2016(3)(4)
Effective Date of the Scheme	May 16, 2016(3)
De-listing of CWC Shares	by 8:00 a.m. on May 16, 2016(3)
New Shares to be issued	by 9.30 a.m. (Eastern Standard Time) on the Effective Date
Commencement of dealings in New Shares on NASDAQ	9.30 a.m. (Eastern Standard Time) on the Effective Date(3)
Crediting of New Shares to CREST accounts	the Effective Date(3)
Despatch of Statements of Ownership relating to New Shares held through the CSN facility	within 14 days of the Effective Date
Despatch of cheques / crediting of CREST accounts in respect of fractional entitlements to New Shares	within 14 days of the Effective Date
Despatch of Letter of Transmittal to Scheme Shareholders in the Liberty Global Facility	within 14 days of the Effective Date
Payment of Special Dividend (£0.03)	within 14 days of the Effective Date
Long Stop Date	May 31, 2016(5)

Notes:

(1) If either the CWC Court Meeting or the CWC General Meeting is adjourned, the Voting Record Time for the relevant adjourned meeting will be 6.00 p.m. on the day which is two days prior to the date of the adjourned meeting.

(2) Or as soon thereafter as the CWC Court Meeting shall have concluded or been adjourned.

(3) This date is indicative only and will depend, among other things, on the date upon which (i) the Conditions are satisfied or (if capable of waiver) waived; (ii) the High Court sanctions the Scheme; and (iii) the Court Order is delivered to the Registrar of Companies. CWC will announce any changes to these dates through a Regulatory Information Service.

(4) Being the Business Day immediately prior to the Effective Date.

(5) Or if the FCC Condition has not been satisfied prior to May 31, 2016, December 16, 2016, or such later date (if any) as may be agreed by Liberty Global and CWC (with the consent of the Panel) and the approval of the High Court (if such approval is required). This is the latest date by which the Scheme may become effective unless CWC and Liberty Global agree, and the Panel, and if required, the High Court, permits, a later date.

All references in this document to times are to London time unless otherwise stated.

LIBERTY GLOBAL DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Liberty Global Directors	John C. Malone (Chairman, Non-executive Liberty Global Director)
	Andrew J. Cole (Independent Non-executive Liberty Global Director)
	John P. Cole, Jr. (Independent Non-executive Liberty Global Director)
	Miranda Curtis (Independent Non-executive Liberty Global Director)
	John W. Dick (Independent Non-executive Liberty Global Director)
	Michael T. Fries (President, Chief Executive Officer and Executive Liberty Global Director)
	Paul A. Gould (Independent Non-executive Liberty Global Director)
	Richard R. Green (Independent Non-executive Liberty Global Director)
	David E. Rapley (Independent Non-executive Liberty Global Director)
	Larry E. Romrell (Independent Non-executive Liberty Global Director)
	J.C. Sparkman (Independent Non-executive Liberty Global Director)
	J. David Wargo (Independent Non-executive Liberty Global Director)
Liberty Global Executive Officers	Michael T. Fries (President and Chief Executive Officer)
	Charles H.R. Bracken (Executive Vice President and Co-Chief Financial Officer (and Principal Financial Officer))
	Bernard G. Dvorak (Executive Vice President and Co-Chief Financial Officer (and Principal Accounting Officer))
	Bryan H. Hall (Executive Vice President, General Counsel and Secretary)
	Diederik Karsten (Executive Vice President and Chief Commercial Officer)
	Balan Nair (Executive Vice President and Chief Technology Officer)
Company Secretary	Bryan H. Hall
Registered Office and Business Address for the Liberty Global Directors and Executive Officers	Griffin House, 161 Hammersmith Road, London, United Kingdom, W6 8BS
Legal advisers to Liberty Global	Shearman & Sterling (London) LLP, 9 Appold Street, London EC2A 2AP, United Kingdom
	Shearman & Sterling LLP, 599 Lexington Avenue, New York, 10022-6069, United States of America
Auditors	KPMG (U.K.), 15 Canada Square, Canary Wharf, London E14 5GL
	KPMG (U.S.), 1225 Seventeenth Street, Suite 800, Denver, CO 80202, United States of America
Receiving Agent and Exchange Agent	Computershare Trust Company, N.A.

PART I

INFORMATION ON THE ACQUISITION

1. Introduction

On November 16, 2015, Liberty Global and CWC issued the Rule 2.7 Announcement disclosing the terms of the Acquisition. Under the terms of the Acquisition, upon completion of the Acquisition, CWC Shareholders will be entitled to receive up to, in the aggregate:

- 31,651,616 New Liberty Global Class A Shares;
- 77,488,978 New Liberty Global Class C Shares;
- 3,648,524 New LiLAC Class A Shares; and
- 8,939,328 New LiLAC Class C Shares.

CWC Shareholders will also be entitled to receive the Special Dividend from CWC of 3 pence per CWC Share promptly following the completion of the Acquisition.

It is intended that the Transaction will be implemented by way of a two-step, integrated process comprising a scheme of arrangement under Part 26 of the Act followed by a merger by formation of a new company under the Cross Border Merger Regulations and Part 3A of Title 7 of Book 2 of the Dutch Civil Code.

Our board of directors unanimously (excluding Mr. Malone, who recused himself from all deliberations and voting on such matters) determined that the Rule 2.7 Announcement and the Co-operation Agreement and the respective transactions contemplated thereby, including the Scheme, the Acquisition and the issuance of the New Shares as consideration for the Acquisition, in each case, subject to the Conditions and on the terms set forth in the Rule 2.7 Announcement and to be set forth in the Scheme Document, were advisable and in the best interests of Liberty Global and its shareholders.

Upon the Scheme becoming effective, it will be binding on all CWC Shareholders, irrespective of whether or not they attended or voted at the CWC Court Meeting and the CWC General Meeting (and, if they attended and voted, whether or not they voted in favor). The consideration due pursuant to the Acquisition (including the Special Dividend) will be paid to CWC Shareholders no later than 14 days after the Effective Date.

In contemplation of the Acquisition, Liberty Global has also entered into certain financing arrangements, including entry into an interim credit agreement for a new term loan for purposes of indirectly financing the Special Dividend payable by CWC to CWC Shareholders and a commitment letter for new senior secured credit facilities for purposes of, among others, refinancing certain existing notes and revolving credit facilities and paying certain costs, fees, and expenses arising in connection with the Acquisition.

2. Summary of the terms of the Acquisition

Under the terms of the Acquisition, CWC Shareholders will be entitled to receive up to, in the aggregate (based on the fully diluted number of CWC Shares outstanding as of the date of this Prospectus):

- 31,651,616 New Liberty Global Class A Shares;
- 77,488,978 New Liberty Global Class C Shares;
- 3,648,524 New LiLAC Class A Shares; and
- 8,939,328 New LiLAC Class C Shares.

CWC Shareholders will also be entitled to receive a Special Dividend from CWC of 3 pence per CWC Share promptly following the completion of the Acquisition.

As of November 13, 2015, the last practicable date prior to the Rule 2.7 Announcement, based on the closing trading prices of Liberty Global Class A Shares, Liberty Global Class C Shares, LiLAC Class A Shares and LiLAC Class C Shares and the exchange rate of $1.5206:£1 on that date, the aggregate consideration for the Acquisition, taking into account the Special Dividend, represented an aggregate value for the CWC Shares of approximately £3.60 billion, or $5.47 billion. Based on the 4,438,594,233 fully diluted CWC Shares outstanding as of that date, the aggregate consideration implied a value of 81.04 pence per CWC Share, representing a premium of approximately 40% to the closing price of 58.00 pence per CWC Share on the Unaffected Date.

As at March 18, 2016, the latest practicable date prior to the date of this Prospectus, based on the closing trading prices of Liberty Global Class A Shares, Liberty Global Class C Shares, LiLAC Class A Shares and LiLAC Class C Shares and the exchange rate of $1.4490:£1 on that date, the aggregate consideration for the Acquisition, taking into account the Special Dividend, represented an aggregate value for the CWC Shares of approximately £3.266 billion, or $4.732 billion. Based on the 4,438,594,233 fully diluted CWC Shares outstanding as of that date, the aggregate consideration implied a value of 73.58 pence per CWC Share, representing a premium of approximately 26.9% to the closing price of 58.00 pence per CWC Share on the Unaffected Date.

The actual value received by each CWC Shareholder for its CWC Shares will depend upon whether such shareholder elects for the Recommended Offer, the LiLAC Alternative or one of the Dual Share Alternatives, as well as on the elections made by other CWC Shareholders.

The Recommended Offer and the Dual Share Alternatives

Under the terms of the Acquisition, CWC Shareholders will be entitled to elect to receive one of the following consideration options: (i) the Recommended Offer, which also includes the LiLAC Alternative; (ii) the First Dual Share Alternative; or (iii) the Second Dual Share Alternative (together with the First Dual Share Alternative, the Dual Share Alternatives). Each consideration option is described in further detail below in this section.

Elections for the Recommended Offer, with or without the LiLAC Alternative, and the Dual Share Alternatives will not change the total number of New Liberty Global Shares or New LiLAC Shares to be issued by Liberty Global in the Acquisition.

Under the Recommended Offer, CWC Shareholders will be entitled to receive, for each CWC Share:

- a number of New Liberty Global Class A Shares as determined by a certain exchange ratio, such number not to be lower than 0.00792064 and not to exceed 0.00830064; and
- a number of New Liberty Global Class C Shares as determined by a certain exchange ratio, such number not to be lower than 0.001939120 and not to exceed 0.02032149.

The exchange ratio will be calculated by reference to certain weighted average prices of the Liberty Global Class A Shares and the Liberty Global Class C Shares (to be based on the relative proportion of each type of share to be included in the Recommended Offer and the Dual Share Alternatives). If the exchange ratio were calculated as at March 18, 2016 (being the latest practicable date prior to the publication date of this Prospectus), CWC Shareholders would be entitled to 0.00830064 New Liberty Global Class A Shares and 0.02032149 New Liberty Global Class C Shares for each CWC Share held by them.

The maximum number of New Liberty Global Shares that Liberty Global will issue under the Recommended Offer is 23,914,687 New Liberty Global Class A Shares and 58,547,554 New Liberty Global Class C Shares.

CWC Shareholders who elect for the Recommended Offer will also be able to elect to receive LiLAC Class A Shares and LiLAC Class C Shares, by reference to a certain exchange ratio (the LiLAC Exchange Ratio), up to their pro-rata entitlement (against their holdings of CWC Shares) of the New Liberty Global Shares to which they would be entitled under the Recommended Offer (the LiLAC Alternative). The LiLAC Exchange Ratio will be determined as the ratio of (i) the weighted average price of the Liberty Global Class A Shares and the Liberty Global Class C Shares (to be based on the relative proportion of each type of share to be included in the Recommended Offer and the Dual Share Alternatives) to (ii) $45.00.

The maximum number of New LiLAC Shares will issue under the LiLAC Alternative is 2,368,235 New LiLAC Class A Shares and 5,802,464 New LiLAC Class C Shares.

Under the First Dual Share Alternative, CWC Shareholders will be entitled to receive, for each CWC Share:

- 0.00559304 New Liberty Global Class A Shares;
- 0.01369281 New Liberty Global Class C Shares;
- 0.00234250 New LiLAC Class A Shares; and
- 0.00573942 New LiLAC Class C Shares.

The maximum number of New Liberty Global Shares and New LiLAC Shares that Liberty Global will issue under the First Dual Share Alternative is 3,216,545 New Liberty Global Class A Shares, 7,874,693 New Liberty Global Class C Shares, 1,347,168 New LiLAC Class A Shares and 3,300,726 New LiLAC Class C Shares.

Under the Second Dual Share Alternative, CWC Shareholders will be entitled to receive, for each CWC Share:

- a number of New Liberty Global Class A Shares as determined by a certain alternative exchange ratio, such number not to be lower than 0.00460121 and not to exceed 0.00571557;
- a number of New Liberty Global Class C Shares as determined by a certain alternative exchange ratio, such number not to be lower than 0.01126461 and not to exceed 0.01399278;
- 0.00234250 New LiLAC Class A Shares; and
- 0.00573942 New LiLAC Class C Shares.

The alternative exchange ratio will be calculated by reference to certain weighted average prices of the Liberty Global Class A Shares and the Liberty Global Class C Shares (to be based on the relative proportion of each type of share to be included in the Recommended Offer and the Dual Share Alternatives). Assuming no valid elections were made for the LiLAC Alternative, if the alternative exchange ratio were calculated as at March 18, 2016 (being the latest practicable date prior to the publication date of this Prospectus), CWC Shareholders would be entitled to 0.00460121 New Liberty Global Class A Shares and 0.01126461 New Liberty Global Class C Shares for each CWC share held.

The maximum number of New Liberty Global Shares and New LiLAC Shares that Liberty Global will issue under the Second Dual Share Alternative is 5,615,171 New Liberty Global Class A Shares, 13,746,973 New Liberty Global Class C Shares, 2,301,356 New LiLAC Class A Shares and 5,638,602 New LiLAC Class C Shares.

CHLLC (an entity controlled by Mr. Malone), which holds approximately 13% of the CWC Shares, has irrevocably undertaken to elect to receive the First Dual Share Alternative. CVBI Holdings (Barbados) Inc. and Clearwater Holdings (Barbados) Limited (each controlled by Mr. Risley), and Mr. Paddick, who, taken together, hold approximately 22% of the CWC Shares, have irrevocably undertaken to elect for the Second Dual Share Alternative.

If valid elections for the LiLAC Alternative are made, the entitlement to receive New LiLAC Shares under the Dual Share Alternatives will be scaled down as nearly as reasonably practicable pro-rata to the size of such elections for the LiLAC Alternative and the size of elections made for either of the Dual Share Alternatives, such that those CWC Shareholders electing for the Dual Share Alternatives would receive fewer New LiLAC Shares and a greater number of New Liberty Global Shares, by reference to the LiLAC Exchange Ratio. The LiLAC Alternative will not be available to shareholders who elect for the First Dual Share Alternative or the Second Dual Share Alternative.

If valid elections for the First Dual Share Alternative are made by CWC Shareholders holding more than 13% of the CWC Shares, the entitlement to receive New Liberty Global Shares and New LiLAC Shares under the First Dual Share Alternative will be scaled down as nearly as reasonably practicable pro-rata to the holdings of CWC Shares of the CWC Shareholders who make such elections and any such amounts so scaled down will be replaced by pro-rata entitlements to New Liberty Global Shares under the Recommended Offer (excluding the LiLAC Alternative).

If valid elections for the Second Dual Share Alternative are made from CWC Shareholders holding more than 22% of the CWC Shares, the entitlement to receive New Liberty Global Shares and New LiLAC Shares under the Second Dual Share Alternative will be scaled down as nearly as reasonably practicable pro-rata to the holdings of CWC Shares of the CWC Shareholders who make such elections and any such amounts so scaled down will be replaced by pro-rata entitlements to New Liberty Global Shares under the Recommended Offer (excluding the LiLAC Alternative).

CWC Shareholders who make a valid election for the LiLAC Alternative or either of the Dual Share Alternatives (whether prior to or following the time of calculation of the exchange ratios) will not know the exact number of New Liberty Global Shares and New LiLAC Shares they will receive pursuant to the Acquisition until settlement of the consideration for the Acquisition, although an announcement will be made of the approximate extent to which elections under the LiLAC Alternative and the Dual Share Alternatives will be satisfied.

The exchange ratio and the alternative exchange ratio will be calculated and fixed upon the earlier to occur of (a) the Business Day falling seven days prior to the date of the CWC Court Meeting (or, in the event that such date is not a Business Day, the Business Day immediately preceding such date) and (b) if, during the period between December 18, 2015 and the Business Day falling seven days prior to the CWC Court Meeting (or, in the event that such date is not a Business Day, the Business Day immediately preceding such

date), there exists a period of 10 consecutive Business Days during which the volume weighted average price of a CWC Share on each such Business Day equals or exceeds 87.00 pence, the Business Day that immediately follows such 10-Business Day period.

Attribution of CWC to the LiLAC Group

Following completion of the Acquisition, Liberty Global will attribute CWC to the LiLAC Group, with the Liberty Global Group being granted an inter-group interest in the LiLAC Group. Based on the fully diluted numbers of Liberty Global Shares, LiLAC Shares and CWC Shares issued and outstanding on the date of the Rule 2.7 Announcement, after giving effect to the Acquisition and the LiLAC Attribution, and treating the Liberty Global Group's inter-group interest in the LiLAC Group as being represented by additional LiLAC Shares:

- CWC Shareholders will own approximately 11% of the total number of Liberty Global Shares;
- CWC Shareholders will own approximately 7.21% of the total number of LiLAC Shares;
- Existing LiLAC Group shareholders will own approximately 25.44% of the total number of LiLAC Shares; and
- The remaining approximately 67.35% of the total number of LiLAC Shares will be represented by the inter-group interest in favor of the Liberty Global Group.

Solely for the purposes of this presentation, the Liberty Global Group's inter-group interest in the LiLAC Group is being treated as represented by additional LiLAC Shares although no LiLAC Shares will in fact be issued to represent this inter-group interest. Such inter-group interest will be a notional interest and represent an economic interest that will not be represented by any outstanding shares or securities of Liberty Global or have any vote in respect of meetings of holders of LiLAC Shares.

The amount of the Liberty Global Group's inter-group interest in the LiLAC Group will be subject to adjustment from time to time, as our board of directors deems fair and equitable to all holders of our ordinary shares, to reflect changes in the economic interest that the Liberty Global Group is treated as holding in the LiLAC Group. For example, whenever we pay a dividend or make any other distribution on the LiLAC Shares, redesignate any LiLAC Shares as Liberty Global Shares, or take any other action with respect to the LiLAC Shares, we will take into account the inter-group interest that the Liberty Global Group holds in the LiLAC Group in such manner as our board of directors deems fair and equitable to all holders of our ordinary shares. This could include, for example, allocating a portion of any cash dividend that might otherwise be paid on the LiLAC Shares to the Liberty Global Group. It could also include retaining an interest for the Liberty Global Group in connection with a distribution of shares in a subsidiary of the LiLAC Group that holds businesses, assets and liabilities attributed to the LiLAC Group to holders of LiLAC Shares.

CWC U.S. Carve-Out / FCC Regulatory Approval

To enable completion of the Acquisition as soon as possible, the CWC FCC Licenses and CWC FCC Business were transferred out of CWC pursuant to the arrangements described in this section.

The CWC FCC Business was transferred into a newly incorporated CWC subsidiary ("**Newco**"), which was transferred to a special purpose vehicle ("**New Holdco**") owned by certain CWC Shareholders collectively holding a majority of the CWC Shares (the "**New Holdco Shareholders**"), including CHLLC, Clearwater Holdings (Barbados) Limited, CVBI Holdings (Barbados) Inc., certain directors and executive officers of CWC, and certain institutional shareholders of CWC. Because the New Holdco Shareholders also held the majority of the CWC Shares, the transfer did not result in a change of control of the CWC FCC Business.

With effect from completion of the transfer of Newco to New Holdco, Newco has outsourced most day-to-day management functions in respect of the CWC FCC Business to certain subsidiaries of CWC pursuant to a management services agreement. However, the New Holdco Shareholders continue to exercise control over New Holdco and its operations.

Upon receipt of the FCC's consent to the transfer of control of the CWC FCC Licenses to us (the FCC Regulatory Approval), Newco will be transferred back to CWC (or the combined Liberty Global and CWC group in the event the FCC Regulatory Approval is obtained after completion of the Acquisition).

The CWC U.S. Carve-Out is based on a similar structure to the carve-out of the Columbus FCC Licenses and related contracts, business and other assets, which were transferred out of the Columbus group in connection with the Columbus Acquisition.

The CWC U.S. Carve-Out and the Columbus U.S. Carve-Out are expected to remain in effect through completion of the Acquisition. The FCC Regulatory Approval would be required to close the Acquisition in the event that the CWC U.S. Carve-Out or the Columbus U.S. Carve-Out were not to remain in effect at the time of the completion such that the CWC FCC Licenses and the Columbus FCC Licenses were no longer held by entities outside the CWC Group.

Conditions to the Acquisition

The Acquisition is subject to the satisfaction or (where applicable) waiver of certain conditions, as summarized below. Certain conditions relate to actions that Liberty Global must take, including:

- Liberty Global obtaining approval from the Liberty Global Shareholders of the Share Issuance Resolution;
- Liberty Global obtaining approval from the Liberty Global Shareholders of the Substantial Property Transaction Resolution;
- NASDAQ Approval and, if the Acquisition is implemented by way of an Offer, a registration statement having been declared effective by the SEC (or there must be an available exemption from the registration requirements of the U.S. Securities Act); and
- prior to the CWC General Meeting, Liberty Global producing this Prospectus, and this Prospectus being approved by the UKLA and being made available to the public by being published on a website in accordance with applicable law.

Certain conditions relating to the approval and effectiveness of the Scheme must also be satisfied, such as:

- the approval of the Scheme by a majority in number representing not less than 75% of the voting rights of the holders of the CWC Shares, present and voting, either in person or by proxy, at the CWC Court Meeting;
- the approval of the resolution(s) required to approve and implement the Scheme by the requisite majority of CWC Shareholders at the CWC General Meeting;
- the sanction of the Scheme by the High Court; and
- the Scheme becoming effective in accordance with its terms on delivery of the order of the High Court to the Registrar of Companies in England and Wales no later than the Long Stop Date.

The completion of the Acquisition is subject to the satisfaction or waiver of certain competition law and regulatory conditions, including (i) the FCC Condition and (ii) to the extent required by law or regulation under the respective jurisdiction, certain approvals and clearances from governmental and regulatory authorities in the Bahamas, Barbados, Jamaica, Trinidad and Tobago, and the Cayman Islands.

Other than in relation to competition law and regulatory approvals referred to in the immediately preceding paragraph, other regulatory conditions to the Acquisition include that: (i) no governmental or regulatory authority or association or professional body has threatened or instituted any action, investigation, or proceeding that might reasonably be expected to materially and adversely prevent, delay, or interfere with the Acquisition or create certain additional obligations with respect to the Acquisition; and (ii) all material filings, applications, and/or notifications in connection with the Acquisition have been made, all statutory and regulatory obligations have been complied with, and all relevant material authorizations have been received.

Certain conditions relate to actions CWC may not take that would be material to CWC or the Acquisition, including, except as previously disclosed by CWC: (i) the entering into or implementing or authorizing acquisitions or dispositions of assets or shares; (ii) issuing additional CWC shares of any class; or (iii) entering into contracts outside the ordinary course of business or the taking of other significant actions that would require the Panel's approval or frustrate the Acquisition.

Certain conditions relate to CWC's business and the condition of CWC generally. The Acquisition is conditioned on, except as previously disclosed by CWC, the absence of a material adverse change or deterioration in the business of CWC and the absence of certain other liabilities, litigation, or changes in regulatory status which would be material to CWC. Additionally, the Acquisition is conditioned on the fact that Liberty Global has not discovered certain liabilities of CWC, except as previously disclosed by CWC or

to the extent such liabilities are not material to CWC, including that information previously disclosed by CWC is misleading or contains a misrepresentation or that CWC or one of its subsidiaries has failed to abide by certain environmental regulations or standards. The Acquisition is also conditioned on the fact that Liberty Global has not discovered that certain of CWC's directors or employees or CWC or one of its subsidiaries have violated laws related to anti-corruption, bribery, international sanctions, and criminal property.

Under the Takeover Code, we generally may invoke a condition to the Acquisition to cause the Acquisition not to proceed only if the Panel is satisfied that the circumstances giving rise to that condition not being satisfied are of material significance to Liberty Global in the context of the Acquisition.

Fractional Shares

Fractions of New Shares will not be issued or delivered to Scheme Shareholders. Fractional entitlements to New Shares will be aggregated and sold in the market as soon as practicable after the Scheme becomes effective. The net proceeds of such sales after deduction of all expenses and commission will then be distributed in cash (in pounds sterling) to the Scheme Shareholders, and who are entitled thereto under the Scheme, pro rata to their entitlements.

Completion of the Acquisition

It is expected that completion of the Acquisition will be announced, in accordance with the Takeover Code, on the date on which the Scheme becomes effective in accordance with its terms.

3. Background to, and reasons for, the Acquisition

On November 15, 2015, the Liberty Global board of directors met with representatives of Liberty Global management, its outside financial advisors and Shearman & Sterling and, after discussion of all of such matters, the Liberty Global board of directors unanimously determined that the Rule 2.7 Announcement and the Co-operation Agreement and the respective transactions contemplated thereby, including the Acquisition and the issuance of Liberty Global Shares and LiLAC Shares as consideration therefor (subject to the approval of Liberty Global's shareholders), in each case, were advisable and in the best interests of Liberty Global and its shareholders and approved the issuance of the Rule 2.7 Announcement and entry into the Co-operation Agreement. The Liberty Global board of directors also discussed, together with Liberty Global management and its outside financial and legal advisors, the attribution of CWC to the LiLAC Group upon completion of the Acquisition and the inter-group interest in the LiLAC Group to be created in favor of the Liberty Global Group in respect of the Liberty Global Shares to be used as partial consideration in the Acquisition. In determining the size of the inter-group interest in accordance with Liberty Global's management and allocation policies, the Liberty Global board of directors considered several factors, including the historical trading prices of the Liberty Global Shares and LiLAC Shares, research analyst estimates for those securities, certain multiples from selected precedent transactions and publicly-traded comparable companies, and discounted cash flow analyses. The Liberty Global board of directors determined that the attribution of CWC to the LiLAC Group and the inter-group interest to be created in favor of the Liberty Global Group, as determined by our board of directors, were fair and reasonable and in the best interests of the Liberty Global Group and LiLAC Group shareholders.

On November 16, 2015, Liberty Global and CWC signed the Co-operation Agreement, the Irrevocable Undertakings were entered into and Liberty Global issued the Rule 2.7 Announcement.

We are entering into the Acquisition to acquire all of the CWC Shares because the Acquisition represents an important strategic milestone for Liberty Global, and in particular, for Liberty Global's businesses in Latin America and the Caribbean, which are attributed to the LiLAC Group. The combination of CWC with Liberty Global's LiLAC Group assets, VTR in Chile and Liberty Puerto Rico in Puerto Rico, will create the leading consumer and business-to-business communications provider across the Latin America and Caribbean region, with strong market positions, triple- and quadruple-play and business-to-business upside, underpinned by high-quality broadband, terrestrial and submarine networks.

In reaching its decision that the Acquisition, including the issuance of New Liberty Global Shares and New LiLAC Shares to CWC Shareholders in connection therewith, was advisable and in the best interests of Liberty Global and its shareholders, our board of directors consulted with Liberty Global's management, as well as its outside legal counsel and outside financial advisors. In recommending that Liberty Global's shareholders vote in favor of the Share Issuance Resolution and the Substantial Property Transaction Resolution, our board of directors also considered a number of factors that it believes support its determination, including (not necessarily in order of importance):

- A review of the potential alternatives to the Acquisition, including remaining independent and growing organically in the Latin America and Caribbean region, pursuing alternative acquisitions and strategic transactions, the perceived value to our shareholders of such alternatives, including the timing and likelihood of accomplishing and creating value from such alternatives, and the assessment of the Liberty Global board of directors that none of these alternatives were reasonably likely to result in greater value for our shareholders than the Acquisition;
- Our board of directors belief that the Acquisition:
  - is expected to enhance the long-term equity value for both the Liberty Global Group and LiLAC Group shareholders;
  - is a strategic milestone for Liberty Global, and in particular its businesses in Latin America and the Caribbean that comprise the LiLAC Group, to which CWC will be attributed;
  - combines high-growth assets in the Latin America and Caribbean region to form the leading consumer and business-to-business communications provider, with 10 million video, broadband, fixed and mobile telephony subscription services;
  - adds a powerful Latin American and Caribbean business-to-business platform to the LiLAC Group, as CWC's comprehensive product portfolio and extensive terrestrial and submarine network will position the LiLAC Group to capitalize on the growth in the business market throughout the region;
  - enables continued network investment and product innovation for the benefit of consumers and business customers alike, taking advantage of efficiencies driven from combined scale, and leveraging both Liberty Global's and CWC's complementary experience in product development and customer-centricity;
  - offers attractive organic growth opportunities in broadband, pay TV and mobile data;
  - is expected to provide incremental financial benefits (which are not quantifiable at the current time) from the Columbus Acquisition over and above those publicly quantified ($125 million of cost synergies) by CWC, including material revenue synergies through cross-selling, expected improvements in the video offering and network quality and enhancements in the business-to-business offering;
  - is expected to provide significant synergy opportunities from combining CWC with the LiLAC Group, including savings related to the elimination of public company expenses, further corporate and administrative rationalization of existing LiLAC Group operations with those of CWC, and the opportunity to leverage the combined scale in areas such as content, procurement, and product development; and
  - is expected to create a leading regional platform to capitalize on further acquisition opportunities, and that the combined businesses of the LiLAC Group and CWC will be well-positioned to exploit the fragmented telecom and pay television landscape;
- Approximately $98 million of the estimated $106 million proportionate cost synergies resulting from the Columbus Acquisition had not been realized as of September 30, 2015;
- The combined business is expected to deliver low double-digit rebased operating cash flow growth over the medium term;
- The fact that the aggregate consideration to be paid by us to CWC Shareholders (including the maximum number of New Liberty Global Shares and New LiLAC Shares to be issued to CWC Shareholders) will not increase as a result of CWC Shareholders electing to receive any combination of the Recommended Offer, the LiLAC Alternative or the Dual Share Alternatives;
- Liberty Global expect to capitalize on the market-leading brands, superior fixed and mobile networks and product leadership of the new combination to take advantage of underlying untapped demand for broadband, pay TV and mobile products and drive customer take-up;
- Liberty Global has received irrevocable undertakings (each subject to certain limited exceptions) from CHLLC (an entity controlled by Mr. Malone), CVBI Holdings (Barbados) Inc. and Clearwater Holdings (Barbados) Limited (entities controlled by Mr. Risley) and Mr. Paddick to vote (or procure the voting) in favor of the Scheme at the CWC Court Meeting and the resolutions relating to the Acquisition to be proposed at the CWC General Meeting in respect of those CWC Shares owned and/or controlled by those CWC Shareholders, which CWC Shares amount to, in the aggregate, approximately 35.7% of the outstanding CWC Shares;

- Liberty Global has received a non-binding letter of support from Orbis Investment Management Limited, pursuant to which Orbis confirmed its intention to vote in favor of the Scheme in respect of those CWC Shares owned and/or controlled by it, representing approximately 9.3% of the outstanding CWC Shares;
- CWC has received an irrevocable undertaking (subject to certain limited exceptions) from Mr. Malone to vote (or procure the voting) in favor of the Share Issuance Resolution and the Substantial Property Transaction Resolution in respect of those Liberty Global Shares and LiLAC Shares owned and/or controlled by Mr. Malone, Mr. Malone's spouse and the Malone Trust, which Liberty Global Shares and LiLAC Shares represent, in the aggregate, approximately 24.3% of the voting power of Liberty Global as at March 18, 2016;
- Liberty Global has the right (with the consent of the Panel) to elect in accordance with the Co-operation Agreement to implement the Acquisition by way of an Offer as an alternative to the Scheme (i) with CWC's consent, (ii) if a third-party announces a firm intention to make an offer for all or part of the issued and to be issued share capital of CWC or (iii) if the CWC board of directors withdraws or modifies its unanimous and unconditional recommendation of the Scheme;
- The Liberty Global board of directors and the CWC board of directors have unanimously recommended the Acquisition;
- The experience of Liberty Global in integrating acquired corporate groups;
- The Liberty Global board of directors and management's knowledge of Liberty Global's business, operations, financial condition, and prospects, and its and their understanding of CWC's business, operations, financial condition and prospects;
- The terms and conditions of the Co-operation Agreement and the Rule 2.7 Announcement, including Liberty Global's ability, under certain circumstances and subject to payment by Liberty Global of a Break Fee in certain cases and/or consent of the Panel, to terminate the Co-operation Agreement;
- The condition to the Acquisition that the issuance of the New Liberty Global Shares and New LiLAC Shares as consideration for the Acquisition must be approved by a majority of votes cast at the general meeting, so that Liberty Global's shareholders will have the right to approve or disapprove of the issuance of such shares;
- The condition to the Acquisition that the acquisition by Liberty Global of CWC Shares held by CHLLC, an entity that owns approximately 13% of the CWC Shares and is controlled by Mr. Malone, must be approved by a majority of votes cast at the Liberty Global General Meeting, so that Liberty Global's shareholders will have the right to approve or disapprove of the acquisition of such shares;
- The likelihood that the Acquisition would be completed, including after consideration of antitrust and regulatory laws and the risks related to certain conditions and requirements that may be imposed by regulators to obtain approvals and clearances; and
- Liberty Global regularly considers its strategic options with respect to the Liberty Global Group and the LiLAC Group, which may include, following completion of the Transaction, the spin-off of the LiLAC Group (including CWC).

The foregoing discussion is not intended to be exhaustive, but Liberty Global believes it addresses the material information and factors considered by the board of Liberty Global in its consideration of the Acquisition, including factors that may support the Acquisition. In view of the variety of factors and the amount of information considered, the board of Liberty Global did not find it practicable to quantify or otherwise assign relative weights to and did not make specific assessments of the factors considered in reaching its determination. In addition, the board of Liberty Global did not undertake to make a specific determination as to whether each factor, or any aspect of any particular factor, was favorable or unfavorable to its ultimate determination, and individual members of the board of Liberty Global may have given different weights to different factors. The board of Liberty Global based its recommendation on the totality of the information presented.

Due to his potential conflict of interest as a significant shareholder of CWC (indirectly through CHLLC), Mr. Malone, the chairman of the board of Liberty Global, did not attend any meetings, or participate in any discussions or votes, of the board of Liberty Global with respect to any proposed transaction (including the Acquisition) between Liberty Global and CWC. Accordingly, all references to the board of Liberty Global in this section of the Prospectus entitled "Background to, and reasons for, the Acquisition" are references to the board of Liberty Global excluding Mr. Malone.

4. **Strategy of the Combined Group**

The strategic combination of the LiLAC Group and CWC will create the leading consumer and B2B communications provider in Latin America and the Caribbean. Together with the meaningful synergy opportunity, the combined operations will create a unique investment vehicle, which includes an attractive combination of organic growth and further consolidation opportunities throughout Latin America and the Caribbean.

The Acquisition will add significant scale and management depth to our fast growing operations in Latin America and the Caribbean, while creating a new regional consumer and B2B powerhouse. Upon completion, the combined business will serve 10 million video, data, voice and mobile subscribers, with leading positions across multiple markets.

The Liberty Global Directors expect that, for the reasons stated above and in addition to the strategy of delivering the synergies identified in paragraph 5 "*Synergies and integration*" below, the Acquisition will enhance the long-term equity value for both the Liberty Global Group and LiLAC Group shareholders.

5. **Synergies and integration**

CWC's integration of Columbus

In its November 5 Announcement, CWC stated that it expected the ongoing integration between CWC and Columbus to generate $125 million of run-rate cost savings and $145 million of one-time capital expenditure synergies by March 31, 2018, as well as material revenue synergies through cross-selling, improvements in the video offering and network quality, and enhancements in the B2B offering.

As a result of an extensive bottom-up exercise undertaken following the Columbus Acquisition, CWC stated in the November 5 Announcement that:

- It expected to deliver recurring annual pre-tax cost savings of approximately $125 million, 47% higher than the previously announced benefits of $85 million, and one-time capital expenditure savings of approximately $145 million in total, unchanged from the CWC statement of expected cost savings made on November 6, 2014;
- Material revenue benefits are anticipated through an improved product offering, particularly in high-speed broadband and video services and cross-selling;
- Additional cost savings would come primarily from further headcount reductions, implementation of the new operating model in Panama and the Bahamas and additional benefits from the insourcing of field operations; and
- The expectations of the CWC Group were that it would incur no incremental non-recurring costs to achieve these additional synergies and, with the exception of the non-recurring costs to achieve of $110m described below, no material dissynergies were expected to arise from the integration of Columbus.

The statement of estimated cost savings in the November 5 Announcement was prepared on the basis that CWC remains independent of Liberty Global and does not consider the impact of the Acquisition.

(i) Recurring cost savings

Substantial cost savings were identified by CWC in the November 5 Announcement across the following areas:

- Headcount reductions (approximately $45 million): rationalization of headcount in back office, sales and marketing and customer service roles;
- Network & systems consolidation (approximately $29 million): transition to Columbus' fixed-line network and combining infrastructure where network footprint overlaps, renegotiation of maintenance fees, consolidation of network and service operating centers, harmonization of IT systems;
- Implementation of new operating model (approximately $24 million): centralization of core back office functions and increased focus of in-market resources on commercial activities, focused on Panama and the Bahamas;
- Insourcing of field operations and customer service (approximately $18 million): cancelling legacy CWC contracts with external providers for network maintenance and insourcing activities; and

- Property, procurement and other (approximately $9 million): renegotiation of vendor rates, reduction of real estate costs, leverage of Columbus' video content buying terms and access to greater economies of scale.

The expected costs savings in relation to the integration of Columbus and CWC, as set out in the November 5 Announcement, were stated by CWC as being relative to a combined cost base of the CWC Group in the 12 months ending March 31, 2015 of approximately $1.6 billion.

It was further stated in the November 5 Announcement that:

- CWC management expects to implement, in value terms, 55% of these cost savings by the end of 2015/16, 75% by the end of 2016/17 and 100% by the end of 2017/18;
- To achieve these benefits, the CWC management anticipates one-off cash costs of $110 million, split approximately 65%, 15% and 20% over the three years following the Columbus Acquisition;
- During the six months ending September 30, 2015 CWC exited approximately 560 employees generating annualized recurring savings of $23 million, and annualized recurring savings of $2 million through the closure of several administrative and retail locations and savings on video content rates and mobile costs. There were $34 million of exceptional cash costs related to these savings in the period; and
- Annual pre-tax cost savings in relation to the integration of Columbus and CWC are expected to amount to approximately $106 million on a proportionate basis by March 31, 2018, after accounting for the proportion of the savings which are expected to accrue to minority interests, in the legacy CWC operating entities in the Bahamas, Jamaica, Barbados, Grenada and Panama.

(ii) One-off capex synergies

The November 5 Announcement stated that CWC will benefit from one-time savings of approximately $145 million related to avoidance of duplicative one-off capital expenditures through network consolidation in the overlapping markets where there had been investment plans under other acquired businesses that have existing network infrastructure. Such synergies are expected to be split 35%, 40% and 25% over the three years ending March 31, 2018.

(iii) Revenue synergies

The November 5 Announcement stated that CWC anticipated material revenue synergies from selling additional services to existing customers through cross-selling of triple-play and quadruple-play bundles, improving legacy CWC's video offering in nonoverlapping markets, improved network quality reducing customer churn and an enhanced B2B and business-to-government offering.

CWC's integration with Liberty Global

Liberty Global believes that there will be further revenue, cost savings and efficiency opportunities as a result of CWC being part of the Liberty Global platform (which are not quantifiable at the current time). Areas of opportunity include savings related to elimination of public company expenses, further corporate and administrative rationalization of existing LiLAC Group operations with those of CWC, leveraging the combined scale in areas such as content, procurement and product development, and capitalizing on the strength of CWC's terrestrial and submarine network assets and B2B expertise and product portfolio to further drive savings and revenue opportunities in the combined operations.

If the Transaction closes, utilization of CWC's U.S. and U.K. deferred tax assets would be restricted and Liberty Global believes that material realization of the benefits of those assets would be unlikely.

6. Dividends and dividend policy

CWC Shareholders will be entitled to receive the Special Dividend from CWC of £0.03 per CWC Share promptly following the completion of the Acquisition.

However, we have not paid any cash dividends on any existing Liberty Global Shares or any existing LiLAC Shares, and we have no present intention of doing so. Any future payment of cash dividends will be determined by our board of directors in light of our earnings, financial condition and other relevant considerations including applicable laws in England and Wales. Except as set out in the Co-operation Agreement (as noted in this Prospectus on page 62), there are currently no contractual restrictions on our ability to pay dividends in cash or shares. The credit facilities to which certain of our subsidiaries are parties restrict our ability to access their cash for, among other things, payment of cash dividends.

7. **Structure of the Acquisition**

It is intended that the Acquisition will be effected by means of a two-step, integrated process comprising the court-sanctioned Scheme of CWC under Part 26 of the Act, following a merger by formation of a new company under the Cross Border Merger Regulations and Part 3A of Title 7 of Book 2 of the Dutch Civil Code, in which CWC and a wholly-owned subsidiary of Liberty Global will be dissolved without going into liquidation and each of their assets and liabilities will be transferred to a newly-formed English private limited company that will continue as a subsidiary of Liberty Global.

The purpose of the Scheme is to provide for Liberty Global to become the owner of the whole of the issued and to be issued share capital of CWC. Under the Scheme, all of the CWC Shares will be transferred to Liberty Global in consideration for which each CWC Shareholder will receive the consideration elected by such CWC Shareholder pursuant to one of the three proposed offers.

The Acquisition is conditional, among other things, on the Scheme being approved by resolution of the CWC Shareholders at the CWC Court Meeting. The resolution must be approved by a majority in number of the CWC shareholders, representing at least 75% in value of the CWC Shares, present and voting (either in person or by proxy). Thereafter, a special resolution relating to matters for effecting the Scheme must be passed at the CWC General Meeting (to be held immediately following the CWC Court Meeting), requiring the approval of CWC Shareholders representing at least 75% of the votes cast (either in person or by proxy). The Scheme Document includes full details of the Scheme, together with notices of the CWC Court Meeting and the CWC General Meeting and the expected timetable of the Acquisition, and specifies the actions to be taken by CWC Shareholders. The Scheme Document is to be circulated to CWC Shareholders contemporaneously with the publication of this Prospectus.

After the Liberty Global General Meeting and CWC Meetings, assuming the requisite shareholder approvals are obtained at such meetings, the High Court is expected, subject to satisfaction or waiver of all the other conditions, to sanction the Scheme. The Scheme will then become effective upon delivery of the order of the High Court to the Registrar of Companies in England and Wales no later than the Long Stop Date.

Upon the Scheme becoming effective, it will be binding on all CWC Shareholders, irrespective of whether or not they attended or voted at the CWC Court Meeting and the CWC General Meeting (and, if they attended and voted, whether or not they voted in favor). The consideration due pursuant to the Acquisition (including the Special Dividend) will be paid to CWC Shareholders no later than 14 days after the date on which the Scheme becomes effective in accordance with its terms.

Notwithstanding the foregoing, other conditions for the completion of the Acquisition include, among other things:

- approval for listing on NASDAQ of the New Liberty Global Shares and New LiLAC Shares to be issued to CWC Shareholders as consideration for the Acquisition; and
- approval of this Prospectus by the UKLA prior to the CWC General Meeting.

Following, and conditional upon, the Scheme becoming effective, Liberty Global intends that CWC and Dutch Mergerco, a wholly-owned Dutch subsidiary, will be dissolved without going into liquidation and on dissolution each of their assets and liabilities will be transferred (pursuant to applicable law) to a newly formed, English private limited company that will continue as a subsidiary of Liberty Global.

CWC and Dutch Mergerco will be required to comply with the procedures set out in the Cross-Border Merger Regulations, which include certain prescribed pre-merger steps to be followed by CWC and Dutch Mergerco and each of these obtaining a certificate of satisfaction of such steps from the High Court and a Dutch notary, respectively. An application will then be made for the High Court to make an order (on the application of CWC and Dutch Mergerco) approving the completion of the Merger. CWC and Dutch Mergerco expect to agree to draft Terms of Merger for the purpose of the Merger in due course, which would be filed with the registrar of companies for the U.K. at the appropriate time before such steps are taken.

On November 16, 2015, Liberty Global delivered the Plan of Reorganization Letter to CWC, receipt of which was acknowledged by CWC. The Scheme followed by the Merger (or, if applicable, an Offer followed by the Merger) is intended to constitute a single, integrated transaction that qualifies as a reorganization for U.S. federal income tax purposes with the exchange of stock by U.S. CWC Shareholders generally eligible for non-recognition treatment under U.S. tax rules.

Liberty Global has reserved the right (with the consent of the Panel) to elect, in accordance with the Co-operation Agreement, to implement the Acquisition by way of an Offer (followed by the Merger) as an alternative to the Scheme: (i) with CWC's consent; (ii) if a third-party announces a firm intention to make an offer for all or part of the issued and to be issued share capital of CWC; or (iii) if the directors of CWC withdraw or modify their unanimous and unconditional recommendation of the Scheme.

If the Acquisition is effected by way of an Offer and such Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Liberty Global intends to: (i) apply to the London Stock Exchange and the UKLA to cancel trading in the CWC Shares on the London Stock Exchange's main market for listed securities and the listing of the CWC Shares from the Official List maintained by the UKLA; and (ii) exercise its right to apply the provisions of Chapter 3 of Part 28 of the Act to acquire compulsorily the remaining CWC Shares in respect of which the Offer has not been accepted.

8. Employee share schemes

Under the Co-operation Agreement, Liberty Global and CWC have agreed to consult with each other with a view to developing appropriate employee incentive schemes to replace the CWC Share Plans after the Effective Date.

9. Irrevocable undertakings

Irrevocable Undertakings Received by CWC

At CWC's request and as a condition of CWC agreeing to the Acquisition, Mr. Malone executed and delivered to CWC an irrevocable undertaking (subject to certain limited exceptions) to vote in favor of the proposals to be presented at the Liberty Global General Meeting with respect to those Liberty Global Shares and LiLAC Shares owned or controlled by Mr. Malone, Mr. Malone's spouse and the Malone Trust. Liberty Global Shares and LiLAC Shares represent approximately 24.3% of the voting power of Liberty Global as at March 18, 2016 being the most practicable date prior to publication of the Prospectus on which this information was available. This irrevocable undertaking will cease to be binding: (i) if the Scheme or any resolution necessary to implement the Scheme is not approved at the CWC Court Meeting or the CWC General Meeting; (ii) if we announce, with the consent of the Panel, that we do not intend to make or proceed with the Acquisition; (iii) on the earlier of the Long Stop Date and the date on which the Scheme (or Offer) lapses or is withdrawn and no new, revised or replacement Scheme (or Offer) has been announced in accordance with Rule 2.7 of the Takeover Code; (iv) if the Acquisition is to be implemented by way of an Offer, if the CWC directors do not recommend the Offer or withdraw or adversely change a previously issued recommendation; or (v) unless Mr. Malone gives his prior written consent, if any new, increased, renewed or revised offer or scheme of arrangement is made or proposed which is consented to, agreed to or recommended by CWC, if the economic terms of the transaction are, in Mr. Malone's reasonable opinion, less favorable to Mr. Malone or to his connected persons (as defined in the undertaking).

Irrevocable Undertakings Received by Liberty Global

Liberty Global has received irrevocable undertakings (each subject to certain limited exceptions) from CHLLC (an entity controlled by Mr. Malone), CVBI Holdings (Barbados) Inc. and Clearwater Holdings (Barbados) Limited (entities controlled by Mr. Risley), and Mr. Paddick to vote (or procure the voting) in favor of the Scheme at the CWC Court Meeting and the resolution(s) to be proposed at the CWC General Meeting (or, in the event that the Acquisition is implemented by way of an Offer, to accept the Offer) with respect to those CWC Shares owned and/or controlled by those CWC Shareholders. Such CWC Shares represent approximately 35.7% of the CWC Shares issued and outstanding as of November 13, 2015. These irrevocable undertakings will cease to be binding if, among other things: (i) we announce (with the consent of the Panel, with respect to CHLLC) that we do not intend to make or proceed with the Acquisition and no new, revised or replacement Scheme (or Offer) is announced in accordance with Rule 2.7 of the Takeover Code; or (ii) on the earlier of the Long Stop Date and the date on which the Scheme (or Offer) lapses or is withdrawn and no new, revised or replacement Scheme (or Offer) has been announced in accordance with Rule 2.7 of the Takeover Code.

Additionally, each CWC director (other than Mr. Risley and Mr. Paddick, who gave the undertakings described above) who beneficially owns or controls CWC Shares has irrevocably undertaken to Liberty Global to vote in favor of the Scheme at the CWC Court Meeting and the CWC General Meeting (or, in the event that the Acquisition is implemented by way of an Offer, to accept the Offer). Such CWC Shares represent approximately 0.37% of the CWC Shares issued and outstanding as of November 13, 2015. These irrevocable undertakings will cease to be binding: (i) if we announce that we do not intend to make or proceed with the Acquisition and no new, revised or replacement Acquisition is announced in accordance with Rule 2.7 of the Takeover Code; or (ii) on the earlier of the Long Stop Date and the date on which the Scheme (or Offer) lapses or is withdrawn in accordance with its terms and no new, revised or replacement Scheme (or Offer) has been announced in accordance with Rule 2.7 of the Takeover Code.

Liberty Global has also received a non-binding letter of support from Orbis, pursuant to which Orbis confirmed its intention to vote in favor of the Scheme (or, in the event that the Acquisition is implemented by way of an Offer, to accept the Offer) with respect to its approximate 9.3% ownership of the CWC Shares issued and outstanding as of November 13, 2015 (being the latest practicable date prior to the date of the Rule 2.7 Announcement).

10. **Offer-related arrangements**

The Co-operation Agreement

On November 16, 2015, Liberty Global and CWC entered into a Co-operation Agreement pursuant to which we agreed, among other things, to provide our reasonable co-operation to CWC and its advisers, and to use our reasonable endeavors, to satisfy the conditions to the Acquisition as promptly as possible following the date of the Co-operation Agreement and, in any event, by the Long Stop Date (and, in the case of the regulatory conditions, the Regulatory Long Stop Date).

In the Co-operation Agreement, each of Liberty Global and CWC has undertaken, among other things, to co-operate with each other and to use reasonable endeavors to provide information and assistance in relation to filings, notifications or submissions to be made in connection with implementing the Acquisition and obtaining clearances. In addition, Liberty Global has undertaken to provide information and assistance in connection with the preparation of the Scheme Document to be sent to the CWC Shareholders containing the details of the Scheme and notices convening the CWC Court Meeting and the CWC General Meeting and implementation of the Scheme.

Regulatory Undertakings

Under the Co-operation Agreement, among other things, Liberty Global has agreed to provide reasonable co-operation to CWC and its advisers, and to use its reasonable efforts, to satisfy the regulatory and other clearances necessary for the Acquisition as promptly as possible following the date of the Co-operation Agreement and, in any event, by the Long Stop Date and, in the case of the regulatory conditions, by the Regulatory Long Stop Date. Liberty Global has agreed to be responsible for contacting and corresponding with the relevant authorities in relation to the obtaining of any clearance for which Liberty Global, alone or jointly with CWC, is required to apply. For these purposes Liberty Global has agreed to submit any required filing, notification or submission (alone or, if applicable, with CWC jointly) to the relevant authorities within any applicable mandatory time period so as to obtain the clearances necessary for the Acquisition. CWC has agreed to be responsible for contacting and corresponding with relevant authorities in relation to the clearances for which CWC alone is required to apply. CWC also agreed to give the required notifications, including preparing and submitting all necessary filings, notifications and submissions to the FCC in respect of the CWC U.S. Carve-Out in connection with the Acquisition. Each of Liberty Global and CWC has undertaken to co-operate with each other, keep each other reasonably informed and use reasonable endeavors to provide information and assistance in relation to filings, notifications or submissions to be made in connection with implementing the Acquisition and obtaining clearances.

Termination

The Co-operation Agreement will terminate with immediate effect:

- if termination is agreed in writing by Liberty Global and CWC;
- upon written notice by Liberty Global to CWC if:
    - the Scheme Document (or the document containing the terms of any Offer, as the case may be) does not include a CWC Board Recommendation;
    - the CWC Board Recommendation is no longer unconditional or unanimous or is withdrawn, qualified or modified at any time; or
    - a third-party announces a firm intention to make an offer for CWC which is recommended by the board of directors of CWC or which completes, becomes effective or is declared or becomes unconditional in all respects;

- upon written notice by either Liberty Global or CWC to the other party if any of the following occurs (each a "**Liberty Global Adverse Recommendation Change**"):
  - if Liberty Global withdraws, modifies or qualifies, without CWC's prior written consent, the required unanimous (excluding Mr. Malone, who did not vote on the recommendation) and unconditional recommendation of the board of directors of Liberty Global that the Liberty Global Shareholders approve the Share Issuance Resolution and the Substantial Property Transaction Resolution (the "**Liberty Global Board Recommendation**");
  - if Liberty Global fails to include the Liberty Global Board Recommendation in the definitive Proxy Statement when it is sent to Liberty Global Shareholders (including any announcement by Liberty Global that it will not include the Liberty Global Board Recommendation in the definitive Proxy Statement); or
  - Liberty Global fails to convene the general meeting prior to the Long Stop Date, provided that the SEC has advised Liberty Global in writing at least 45 days prior to the Long Stop Date that it has completed its review of the Proxy Statement;
- if the Acquisition lapses, terminates or is withdrawn in accordance with its terms and, where required, with the permission of the Panel (other than where such lapse or withdrawal is as a result of Liberty Global electing to implement the Acquisition by way of an Offer and the Merger); or
- if the Scheme has not become effective (or, if the Acquisition is implemented by an Offer, the Offer does not become unconditional) by the Long Stop Date.

Break Fee

By way of compensation for any loss suffered by CWC in connection with the preparation and negotiation of the Acquisition, the Co-operation Agreement and any other document relating to the Acquisition, we agreed in the Co-operation Agreement that, subject to certain limited exceptions, we will pay to CWC the Break Fee (exclusive of VAT, if any) in the event that, on or prior to the Long Stop Date, Liberty Global makes a Liberty Global Adverse Recommendation change and either party exercises its right to terminate the Co-operation Agreement for such reason.

The Co-operation Agreement further provides that no Break Fee is to be made by Liberty Global with respect to the above arrangements if certain circumstances giving rise to termination of that agreement have occurred or the relevant event that otherwise would have given rise to the Break Fee event was caused by CWC's breach of its obligations under the Co-operation Agreement.

Only one Break Fee can be paid and such Break Fee would be CWC's sole and exclusive remedy in the relevant circumstance for all losses and damages suffered in connection with the Co-operation Agreement and the transactions contemplated by it, other than in the case of fraud.

Change in Acquisition Structure

The Co-operation Agreement records Liberty Global and CWC's intention to implement the Acquisition by way of the Scheme (followed by a Merger), subject to the ability of Liberty Global to implement the Acquisition by way of an Offer (followed by a Merger) (with the consent of the Panel) as an alternative to the Scheme: (i) with CWC's consent; (ii) if a third party announces a firm intention to make an offer for all or part of the issued and to be issued share capital of CWC; or (iii) if the CWC directors withdraw or modify their unanimous and unconditional recommendation of the Scheme. In such an event an Offer will be implemented on the same terms (subject to agreed or necessary amendments and to the terms of the Co-operation Agreement), so far as applicable, as those which would apply to the Scheme.

Interim Operations

During the period until the Scheme becomes effective (or the Offer becomes unconditional, as the case may be), Liberty Global agreed not to do any of the following, in each case, where doing so would reasonably be expected to have a material and adverse impact on the value of, or, as applicable, rights attaching to, the ordinary shares to be issued pursuant to the Scheme (or the Offer, as the context requires):

- authorize, declare or pay dividends (or any form of return of capital) with respect to Liberty Global's ordinary shares;
- undertake any bonus issue of its shares or any securities convertible into or exchangeable for any shares;
- consolidate, sub-divide or reclassify any of its shares;
- undertake any other form of capital reorganization not referred to above;

- amend its constitutional documents; or
- de-list the Liberty Global Class A Shares, Liberty Global Class C Shares, LiLAC Class A Shares or LiLAC Class C Shares from NASDAQ.

Liberty Global may grant options or awards pursuant to Liberty Global's employee incentive plans and allot and issue Liberty Global's ordinary shares to satisfy any such options or awards up to the extent necessary to satisfy any such options or awards vesting or due to be settled. Liberty Global may also redesignate or otherwise convert any LiLAC Shares and consolidate, redesignate or subdivide any Liberty Global Shares, or capitalize any of Liberty Global's reserves, to achieve such redesignation or conversion of LiLAC Shares, as permitted in our Articles, provided that the consideration is adjusted accordingly, following reasonable consultation with CWC, and the Panel approves the adjustment of the consideration. Liberty Global may also acquire or cancel any of its shares or rights to such shares, including in accordance with any buyback program operated by us, and do anything reasonably necessary to implement the Acquisition.

Other Company Covenants and Agreements

Under the Co-operation Agreement, Liberty Global agreed to take certain actions with regard to receipt of the requisite approval from the Liberty Global Shareholders in connection with the Acquisition. In connection with the Liberty Global General Meeting, Liberty Global must use reasonable endeavors to solicit proxies from the Liberty Global Shareholders in favor of the approval of the shareholder resolutions of Liberty Global necessary to enable Liberty Global to implement the Acquisition, including the Share Issuance Resolution and the Substantial Property Transaction Resolution (the Liberty Global Resolutions). Additionally, Liberty Global's board of directors must unanimously (subject to certain exceptions discussed below) and unconditionally recommend the approval of the Liberty Global Resolutions in the Proxy Statement. If the Liberty Global Resolutions are approved, subject to certain other conditions set forth in the Co-operation Agreement, Liberty Global must cause the New Liberty Global Shares and New LiLAC Shares to be issued to CWC Shareholders as consideration for the Acquisition to be: (i) approved for listing on NASDAQ; (ii) issued in reliance on the exemption provided by Section 3(a)(10) of the U.S. Securities Act, as amended, and the exemptions from registration or qualification under all relevant state "blue sky" or securities laws; and (iii) be credited as fully paid and ranked *pari passu* with each other and all other Liberty Global Shares or LiLAC Shares of the relevant class issued and outstanding (except as expressly provided in the Rule 2.7 Announcement or as otherwise agreed by the parties).

Liberty Global's board of directors may make a Liberty Global Adverse Recommendation Change only if the members of the board of directors of Liberty Global determine in good faith, following consultation with external legal counsel and Liberty Global's financial adviser, that the failure to take such action would breach, or reasonably be regarded as breaching, their fiduciary duties as directors under applicable law.

Governing Law

The Co-operation Agreement is governed by English law and any matter, claim or dispute arising out of or in connection with the Co-operation Agreement, whether contractual or non-contractual, will be governed by and determined in accordance with English law. Liberty Global and CWC agreed that the courts of England and Wales would have exclusive jurisdiction over any dispute arising out of or in connection with the Co-operation Agreement.

Confidentiality Agreements

On August 18, 2015, Liberty Global entered into a mutual confidentiality agreement with CWC in a customary form in relation to the Acquisition, pursuant to which they each undertook, among other things and subject to certain exceptions, to keep information relating to one another confidential and not to disclose it to third parties (other than certain permitted persons) unless required by law or regulation. Unless terminated earlier, the confidentiality obligations will remain in force for 18 months from the date of the agreement.

On October 22, 2015, Liberty Global and CWC entered into a clean team confidentiality agreement, pursuant to which they each agreed to limit the disclosure, sharing and use of certain commercially sensitive information to certain directors, officers and employees of Liberty Global and CWC and their respective affiliates.

11. **De-listing of CWC Shares**

It is intended that applications will be made to the London Stock Exchange, to cancel trading in CWC Shares on the London Stock Exchange's market for listed securities on or shortly after the Effective Date, and to the FCA to cancel the listing of the CWC Shares from the Official List with effect from or shortly after the Effective Date.

Share certificates in respect of the CWC Shares will cease to be valid with effect from the Effective Date and should be destroyed or surrendered in accordance with CWC's instructions. In addition, entitlements held within CREST to the CWC Shares will be cancelled on the first Business Day following the Effective Date.

It is Liberty Global's intention that, following a delisting, CWC will be re-registered as a private limited company.

12. **Listing, dealings and settlement of New Shares**

The New Shares will be issued to Cede & Co., as nominee of DTC. In the case of any CWC Shareholder holding their CWC Shares in uncertificated form prior to the Effective Date, the custodian of the relevant New Shares will either be (i) CREST International Nominees Limited, which will hold the New Shares through book entry interests within the DTC system as nominee for CREST Depository Limited, which will hold the New Shares on trust for the relevant CWC Shareholder to whom it will issue Liberty Global CDIs, being an existing unsponsored depositary interest program administered through CREST; or (ii) if the CWC Shareholder so elects, their own nominated DTC participant. In the case of any CWC Shareholder holding their CWC Shares in certificated form prior to the Effective Date, the custodian of the relevant New Shares will be Computershare Trust Co., N.A.

13. **Dilution resulting from the offer**

If approved and implemented, the issuance of New Shares to CWC Shareholders in connection with the Acquisition will dilute the ownership and voting interests of our existing shareholders. It is expected that as consideration for the Acquisition up to 31,651,616 New Liberty Global Class A Shares, 77,488,978 New Liberty Global Class C Shares, 3,648,524 New LiLAC Class A Shares and 8,939,328 New LiLAC Class C Shares will be issued to CWC Shareholders, and that, upon completion of the Acquisition, based on the fully diluted number of CWC Shares, Liberty Global Shares and LiLAC Shares issued and outstanding on the date of the Rule 2.7 Announcement, CWC Shareholders will, after giving effect to the Acquisition and the LiLAC Attribution, and treating the Liberty Global Group's inter-group interest in the LiLAC Group as being represented by additional LiLAC Shares, hold approximately 11%, 11%, 7%, and 7% of the total number of Liberty Global Class A Shares, Liberty Global Class C Shares, LiLAC Class A Shares and LiLAC Class C Shares, respectively. Such inter-group interest will be a notional interest and represent an economic interest which will not be represented by any outstanding shares or securities of Liberty Global or have any votes.

13. **Selling shareholders and lock-up agreements**

None of our securities are being sold in connection with the Acquisition and there are no lock-ups relating to any of the New Shares in place following listing on NASDAQ.

PART II

INFORMATION ON LIBERTY GLOBAL

General Note

The following information should be read in conjunction with the information appearing elsewhere in this Prospectus, including Part IV (Operating and Financial Review of Liberty Global), and our audited historical consolidated financial information for the financial years ended December 31, 2015, 2014, 2013, as set out in the 2015 Consolidated Financial Statements and 2014 Consolidated Financial Statements, which are attached as Annex I to this Prospectus.

Please note that technical terms referred to below have the meanings given to them in Part XIII (Glossary).

1. Introduction

Liberty Global is an international provider of video, broadband internet, fixed-line telephony and mobile services, serving 27.5 million customers across 14 countries as at December 31, 2015. Through our wholly-owned subsidiary Virgin Media, we provide video, broadband internet, fixed-line telephony and mobile services in the United Kingdom and Ireland. Through Ziggo Group Holding and Unitymedia, each a wholly-owned subsidiary, and Telenet, a 56.9%-owned subsidiary, we provide video, broadband internet, fixed-line telephony and mobile services in the Netherlands, Germany and Belgium, respectively. Through our wholly-owned subsidiary, UPC Holding, we provide (i) video, broadband internet and fixed-line telephony services in seven other European countries and (ii) mobile services in four other European countries. In Chile, we provide video, broadband internet, fixed-line telephony and mobile services through our wholly-owned subsidiary VTR. In Puerto Rico, we provide video, broadband internet and fixed-line telephony services through Liberty Puerto Rico, a 60%-owned subsidiary.

As a result of a series of mergers that were completed on June 7, 2013, Liberty Global became the publicly-held parent company of the successors by merger of Liberty Global, Inc. (the predecessor to Liberty Global) and Virgin Media. In the following text, the terms “we,” “our,” “our company” and “us” may refer, as the context requires, to Liberty Global (or its predecessor) or collectively to Liberty Global (or its predecessor) and its subsidiaries.

LiLAC Shares

On July 1, 2015, we completed the approved steps of the LiLAC Transaction whereby we (1) reclassified the Old Liberty Global Shares into corresponding classes of new Liberty Global Shares and (2) capitalized a portion of our share premium account and distributed as a dividend (or a “bonus issue” under U.K. law) our LiLAC Shares. Pursuant to the LiLAC Transaction, each holder of Class A, Class B and Class C Old Liberty Global Shares remained a holder of the same amount and class of Liberty Global Shares and received one share of the corresponding class of LiLAC Shares for each 20 Old Liberty Global Shares held as of the record date for such distribution and cash was paid in lieu of fractional LiLAC Shares.

The Liberty Global Shares and the LiLAC Shares are tracking shares. Tracking shares are intended by the issuing company to reflect or “track” the economic performance of a particular business or “group”, rather than the economic performance of the company as a whole. The Liberty Global Shares and the LiLAC Shares are intended to track the economic performance of the “Liberty Global Group” and the “LiLAC Group”, respectively (each as defined and described below). While the Liberty Global Group and the LiLAC Group have separate collections of businesses, assets and liabilities attributed to them, neither group is a separate legal entity and therefore cannot own assets, issue securities or enter into legally binding agreements. Holders of tracking shares have no direct claim to the group’s assets and are not represented by separate boards of directors. Instead, holders of tracking shares are shareholders of the parent corporation, with a single board of directors, and are subject to all of the risks and liabilities of the parent corporation. Holders of Liberty Global Shares, LiLAC Shares and any other of our capital shares designated as ordinary shares from time to time will continue to be subject to risks associated with an investment in our company as a whole, even if a holder does not own both Liberty Global Shares and LiLAC Shares.

The LiLAC Group comprises our businesses, assets and liabilities in Latin America and the Caribbean and has attributed to it (1) VTR Finance and its subsidiaries, which include VTR, (2) Lila Chile Holding B.V.,

which is the parent entity of VTR Finance, (3) LiLAC Holdings and its subsidiaries, which include Liberty Puerto Rico, (4) LGE Coral Holdco Limited and its subsidiary, which were formed in anticipation of the acquisition of CWC and (5) prior to July 1, 2015, the LiLAC Corporate Costs. Effective July 1, 2015, these corporate employees were transferred to LiLAC Holdings. The Liberty Global Group comprises our businesses, assets and liabilities not attributed to the LiLAC Group, including Virgin Media, Ziggo Group Holding, Unitymedia, Telenet and UPC Holding, including our DTH operations based in Luxembourg, our corporate entities (excluding the LiLAC Corporate Costs) and certain other less significant entities.

2. **History and development**

Liberty Global's history began with the formation of Liberty Media International, Inc. (now known as Liberty International, Inc.) in March 2004, in contemplation of the spin-off of certain international cable television and programming subsidiaries and assets of Liberty Media Corporation (now known as Liberty Interactive Corporation), including a majority interest in UGC. In June 2004, Liberty Interactive Corporation distributed to its stockholders, on a *pro rata* basis, all of the outstanding shares of Liberty International, Inc.'s common stock, and Liberty International, Inc. became an independent, publicly traded company.

In January 2005, Liberty Global, Inc. (the predecessor to Liberty Global) was formed for the purpose of effecting the combination of Liberty International, Inc. and UPC, in which certain mergers were completed whereby Liberty Global, Inc. acquired all of the capital stock of UPC that Liberty International, Inc. did not already own and Liberty International, Inc. and UPC each became wholly-owned subsidiaries of Liberty Global, Inc.

Liberty Global was formed on January 29, 2013 as a private limited company incorporated under English law and was re-registered on June 5, 2013 as a public limited company for the purpose of effecting the business combination of Liberty Global, Inc. and Virgin Media, one of the U.K.'s largest providers of residential broadband internet, television, fixed-line telephony and mobile services. The acquisition of Virgin Media was completed in June 2013 through a series of mergers that resulted in Liberty Global becoming the publicly-held parent company of the successors by merger of LGI and Virgin Media.

On November 11, 2014, Liberty Global gained control of Ziggo through the acquisition of 136,603,794 additional Ziggo shares, which increased Liberty Global's ownership interest in Ziggo to 88.9%. From November 12, 2014 through November 19, 2014, Liberty Global acquired 18,998,057 additional Ziggo shares, further increasing our ownership interest in Ziggo to 98.4%. In December 2014, Liberty Global initiated a statutory squeeze-out procedure in accordance with the Dutch Civil Code in order to acquire the remaining 3,162,605 Ziggo shares not tendered through November 19, 2014. The statutory squeeze-out was completed during the second quarter of 2015.

Recent Developments

LiLAC Group Tracking Stock

On July 1, 2015, as described more fully under "Introduction" above, we completed the approved steps of the LiLAC Transaction.

Choice Acquisition

On June 3, 2015, pursuant to a stock purchase agreement with the parent of Puerto Rico Cable Acquisition Company Inc., dba Choice Cable TV (Choice) and following regulatory approval, one of our subsidiaries, together with investment funds affiliated with Searchlight Capital Partners, L.P. (collectively, "**Searchlight**"), acquired 100% of Choice (the "**Choice Acquisition**"). Choice is a cable and broadband services provider in Puerto Rico. We acquired Choice in order to achieve certain financial, operational, and strategic benefits through the integration of Choice with Liberty Puerto Rico. The combined business is 60%-owned by our company and 40%-owned by Searchlight.

For additional information on the Choice Acquisition, including related financings, see notes 4 and 10 to our 2015 Consolidated Financial Statements. In addition, during 2015, we completed various other smaller acquisitions and dispositions in the normal course of business.

Acquisition of BASE

On February 11, 2016, pursuant to a definitive agreement and following regulatory approval, Telenet acquired BASE for a purchase price of €1,324.4 million ($1,500.5 million at the transaction date). BASE is the third-largest mobile network operator in Belgium. We expect that this acquisition will provide Telenet with cost-effective long-term mobile access to effectively compete for future growth opportunities in the Belgian mobile market. Telenet financed the acquisition of BASE through a combination of €1.0 billion ($1.1 billion) of new debt facilities and existing liquidity. On February 4, 2016, the European Commission approved Telenet's acquisition of BASE following Telenet's agreement to divest both the JIM Mobile prepaid customer base and BASE's 50% stake in Viking Co NV to MEDIALAAN NV, which was announced in November 2015.

Pending Acquisition of Cable & Wireless Communications

On November 16, 2015, as set out more fully in Part I (*Information on the Acquisition*), we announced, pursuant to Rule 2.7 of the Takeover Code, the terms of the recommended Acquisition.

Following completion of the acquisition of CWC, we intend to attribute CWC to the LiLAC Group, with the Liberty Global Group being granted an inter-group interest in the LiLAC Group. Based on the fully diluted numbers of Liberty Global Shares, LiLAC Shares and CWC Shares outstanding on November 16, 2015, after giving effect to the Acquisition and such attribution, and treating Liberty Global Group's inter-group interest in the LiLAC Group as being represented by additional LiLAC Shares, Liberty Global Group shareholders would have had an approximate 67.4% ownership interest in the LiLAC Group.

Ziggo Vodafone Joint Venture

On February 15, 2016, Liberty Global and Vodafone announced that Liberty Global Europe Holding B.V., a wholly-owned subsidiary of Liberty Global, and Vodafone International Holdings B.V., a wholly-owned subsidiary of Vodafone, had reached an agreement to merge their operating businesses in the Netherlands to form the Ziggo Vodafone Joint Venture, a national unified communications provider in the Netherlands with complementary strengths across video, broadband, mobile and B2B services.

The Ziggo Vodafone Joint Venture will operate under both the Ziggo and Vodafone brands and will create a nationwide integrated communications provider in the Netherlands with over 15 million RGUs, of which 4.2 million are video, 3.2 million are high-speed broadband, 2.6 million are fixed-line telephony and 5.3 million are mobile (based on combined RGUs of Liberty Global and Vodafone (as defined by each) as at December 31, 2015).

Based on the required steps and subject to the customary closing conditions and approvals (including regulatory approval), Liberty Global and Vodafone anticipate that closing will take place around the end of 2016.

3. Key strengths

Our board of directors believe that the key strengths of Liberty Global include:

- Advanced networks

  Our deep-fiber access provides us with several competitive advantages in the areas served by our network. For instance, our cable network allows us to concurrently deliver internet access, together with real-time television and VoD content, without impairing our high-speed internet service than comparable services of other providers. In addition, our cable infrastructure allows us to provide triple-play bundled services of broadband internet, television and fixed-line telephony services without relying on a third-party service provider or network. Our capacity is dimensioned to support peak consumer demand. In serving the business market, many aspects of the network can be leveraged at very low incremental costs given that business demand peaks at a time when consumer demand is low, and peaks at lower levels than consumer demand. In addition, we are expanding our hybrid fiber coaxial cable network into new market areas. For example, beginning in 2015, we commenced a Network Extension program in the U.K. and, we plan to pursue similar opportunities in Germany, Central and Eastern Europe and Chile.

- Bundled services

  Customers are increasingly looking to receive all their media and communication services from one provider at attractive prices. As a result, our ability to offer triple-play or quadruple-play bundles is a key

marketing concept to continue to attract and retain customers. In most of our footprint, the core of our offer to customers is "triple-play", which we use to describe bundled services of digital video, internet and fixed-line telephony in one subscription. We are enhancing this offer by expanding our services to include mobile in most of our markets. For example, Virgin Media-U.K.'s ability to include mobile for a low incremental fee creating a quadruple-play bundle is a key market offer. In all of our operations, we use the triple-play bundle as a means of driving video, as well as other products where convenience and price can be leveraged across the portfolio of services.

- Advanced digital services

  We compete on value by offering advanced digital services, such as DVR functionality, HD, VoD, catch-up television, Replay TV, multiscreen services and multi-media gateways. We seek to compete by accelerating the migration of our customers from analog to digital services, using such advanced digital features and offering attractive content packages and bundles of services at reasonable prices. HD and DVRs are an integral part of our digital services in all of our markets and VoD and catch-up television are an integral part of our digital services in most of our markets. We continue to explore new technologies that will enhance our customer's television experience, such as by enhancing the TiVo platform in the U.K. and Yelo Play in Belgium. To further enhance our digital video services, we have expanded our markets in which Horizon TV is available, including the recent launch of a cloud-based Horizon TV platform in the Czech Republic. In 2015, Virgin Media-U.K. realigned its triple-play bundles and upgraded TiVo set-top boxes to include storage and display of personal photos, videos and music and catch-up services. It also offers Virgin TV Anywhere, which allows its video subscribers to stream linear channels and access certain VoD content anywhere with WiFi connectivity.

- Broadband Speed Leadership

  Our broadband internet speeds are among the fastest offered in several of our markets, and we believe speed leadership has contributed to our success in broadband. We have made significant investments in our networks to maintain and increase our high-speed transmission rates, and we believe this is one of our key competitive advantages in the marketplace. Our strategy is to continue to increase our maximum broadband speeds and to offer varying tiers of service speed and price through a variety of bundled offerings. For example, during 2015, we expanded our speed leadership and launched new top speeds, including up to 500 Mbps in several markets.

- Highly experienced management team

  We have a highly experienced management team. Our management team has significant experience in the international cable television and telecommunication industries, with a proven track record of increasing productivity, making strategic acquisitions and integrating them as well as developing and maintaining strong customer relationships. We have a management team whose members have held senior management positions at various domestic and international cable operators and media and communication businesses prior to joining Liberty Global and who have developed strong relationships with our market partners, including housing associations and broadcasters. Our top management is supported by a broad base of experienced second level managers.

4. **Business overview**

We offer a variety of broadband services over our cable distribution systems, including video, broadband internet and fixed-line telephony and, in certain of our operations, we offer mobile services. We design these services to enable our customers to access the digital world on their own terms and at their own pace. In most of our footprint, the core of our offer to customers is "triple-play", which we use to describe bundled services of digital video, internet and fixed-line telephony in one subscription. We are enhancing this offer by expanding our services to include mobile in most of our markets. Available service offerings depend on the bandwidth capacity of a particular system and whether it has been upgraded for two-way communications. In select markets, we also offer video services through DTH or through MMDS.

Our consumer brands include Virgin Media, Ziggo, Unitymedia, Telenet, UPC Cablecom, UPC, VTR and in Puerto Rico, Liberty. In 2016, we will use solely the UPC brand in Switzerland, discontinuing the UPC Cablecom brand. In terms of video subscribers, we operate the largest cable network in each of Austria, Belgium, Chile, the Czech Republic, Hungary, Ireland, the Netherlands, Poland, Puerto Rico, Slovakia, Switzerland and the U.K. and the second largest cable network in each of Germany and Romania.

During 2015, we launched a comprehensive plan, which we call the Liberty 3.0 program, to drive our top-line growth while maintaining tight cost controls. The Liberty 3.0 program seeks to capitalize on revenue opportunities associated with Network Extensions, mobile and business services, together with the realization of greater efficiencies by leveraging our scale more effectively. Underpinning this program is a commitment to customer centricity, which we believe is key to succeeding in an ever more demanding consumer market. We expect the transformation to occur over the next several years and as with any program of this magnitude, the benefits are expected to materialize over time.

Residential Services

Video

Our cable operations offer a full range of video services, including basic and premium programming, an electronic programming guide, HD channels, HD receivers, DVR and HD DVRs. These services can be viewed on the television and, in most markets, through internet-connected devices in the home and whenever there is internet connectivity. In certain markets, our advanced service offerings include VoD and advanced next generation set-top boxes like the multimedia home gateway “Horizon TV” or the “TiVo” service offered by Virgin Media in the U.K. or the “Digital TV” service with a Horizon-like user interface offered by Telenet in Belgium. These services, together with DVR and HD DVR functionality, give our customers the ability to control when they watch their programming. In several of our markets, we have enhanced pay-per-view programming on channels we distribute and through VoD. Several of our operations offer television applications (apps) that allow access to programming on a variety of devices, including laptops, smart phones and tablets through our online product, Horizon Go.

Subscribers access our enhanced video service by renting a set-top box from our operators, or purchasing one and obtaining a conditional access security card, or a “smart card”, from our operators, or without a set-top box if a subscriber is only using our basic video service. Neither a set-top box nor a smart card is required to receive basic digital television channels in our unencrypted footprints. In some of our markets, instead of a set-top box, a subscriber may use a CI+ module in combination with a smart card to access our enhanced video services. A CI+ module is a small device (credit card size) that allows customers with a CI+ enabled television set, who subscribe to, or otherwise have access to, our enhanced video service, to view such services without a set-top box. No set-top box, smart card or CI+ module is, however, required to receive our unencrypted basic digital services. Accordingly, subscribers with the necessary equipment and who pay a monthly subscription fee for our analog package are able to also receive our basic digital services. In addition, expanded channel packages and premium channels and services are available for an incremental monthly fee in all of our markets.

Our cable operations offer multiple tiers of digital video programming and audio services starting with a basic video service. Subscribers to our basic video service pay a fixed monthly fee and generally receive at least 60 digital or analog video channels (including a limited number of HD channels) and several digital and analog radio channels. This service also includes VoD access and an electronic programming guide. In our markets where our basic digital service is unencrypted, the cost of our digital service is the same cost as the monthly fee of our analog service. In the markets where we encrypt our basic digital service, our digital service is generally offered at an incremental cost equal to or slightly higher than the monthly fee for our basic analog service. We tailor our video services in each country of operation based on programming preferences, culture, demographics and local regulatory requirements. Our channel offerings include general entertainment, sports, movies, documentaries, lifestyles, news, adult, children and ethnic and foreign channels. We also offer a variety of premium channel packages to meet the special interests of our subscribers.

For an additional monthly charge, a subscriber may upgrade to one of our extended digital tier services and receive an increased number of video and radio channels, including the channels in the basic tier service and additional HD channels. Digital subscribers may also subscribe to one or more packages of premium channels for an additional monthly charge. For subscribers who want access to thousands of movies and TV series, we offer subscription VoD services including our subscription VoD service “MyPrime”. MyPrime is available for an additional fee with our basic video services and is included in our enhanced video services with our Horizon TV platform (described below). MyPrime offers customers unlimited streaming access to a library of on-demand content both through our set-top boxes and through the Horizon Go platform. Each library has been tailored to the specific market based on available content, consumer preferences and competitive offers. Generally, a library consists of approximately 20% movies, 55% TV episodes and 25% children episodes. The content is from local and international suppliers such as ABC/Disney, A+E Networks, NBC/Universal, CBS/Paramount, BBC, Warner TV and Sony.

In the Netherlands, Germany, Switzerland, Ireland, Poland and the Czech Republic, a subscriber to our enhanced video services also has the option for an incremental monthly charge to upgrade the standard digital set-top box to a Horizon TV box (which has HD DVR capabilities and other additional features). These boxes may be rented from us. In all our operations, except Romania and Slovakia, VoD services, including catch-up TV, are available on a subscription basis or a transaction basis, depending on the tier of enhanced video service selected by the subscriber. Customers who subscribe to an extended digital tier generally receive a VoD enabled set-top box without an additional monthly charge. The subscription-based VoD service includes various programming, such as music, kids, documentaries, adult, sports or series and a limited amount of 3D programming.

In addition to our digital video services, we offer limited analog services in all of our broadband markets, except in the U.K., Switzerland and Puerto Rico. Subscribers to our analog video service typically receive 21 to 67 channels of video service, depending on their location. Subscribers to our digital services also receive the channels available through our analog service. In Ireland and Slovakia, we offer a limited number of video channels through MMDS. In all of our broadband operations, we continue to upgrade our systems to expand our digital services and encourage our analog subscribers to convert to a digital or premium digital service.

Discounts to our monthly service fees are available to any subscriber who selects a bundle of two or more of our services (bundled services): video, internet, fixed-line telephony and, in certain markets, mobile services. Bundled services consist of “double-play” for two services, “triple-play” for three services and “quadruple-play” for four services.

We offer digital video services through DTH satellite in the Czech Republic, Hungary, Romania and Slovakia. We offer these services through UPC DTH, a subsidiary of UPC Holding organized in Luxembourg, which also has a management arrangement with another subsidiary, FocusSat, to provide these services in Romania. Similar to our video cable services, we offer a basic video tier of service and, for an additional monthly charge, subscribers may upgrade to an extended tier of service and may subscribe to various premium channel packages.

Interactive Services

To enhance our customers video experience, we offer “Horizon TV” in the Netherlands, Germany, Switzerland, Ireland, Poland and the Czech Republic. Horizon TV is a next generation multimedia home gateway decoder box based on a digital television-platform that is capable of distributing video, voice and data content throughout the home and to multiple devices. It has a sophisticated user interface that enables customers to view and share across multiple devices linear channels, VoD programming and personal media content and to pause, replay and record programming. The Horizon TV platform can act as an internet router that allows access through the gateway box to the digital video content available on the television via other devices, such as laptops, smart phones and tablets. It also integrates access to personal media content, such as photos, music and movies stored in the home network.

For our multimedia gateway customers, we also offer various features and functionalities. We intend to (1) expand the availability of Horizon TV to other markets within our footprint and (2) continue to improve the Horizon TV user experience with new functionality and software updates. In 2015, we launched our new “Replay TV” service in the Netherlands and Ireland and expanded this service in Switzerland. This service allows our customers to go back seven days in the electronic programming guide to “replay” linear programming they have missed. Using the Horizon Go app, customers can watch programs from the past seven days on their laptops, smart phones or tablets. Replay TV is also available to our Digital TV customers in Belgium. We expect to expand the availability of Replay TV to additional markets during 2016.

For our Horizon TV subscribers, we offer apps for various online services (such as YouTube, Picasa and others). The Horizon family of products also includes an online television app for viewing on a second screen called Horizon Go that allows video customers to view linear channels, with many channels available outside of the home. Horizon Go also offers access to VoD and, for Horizon TV customers, when in the home, the second screen devices also act as a remote control. Subscription VoD, such as MyPrime and, in Germany, Maxdome, is also available via the Horizon Go service. We also have available through Horizon Go the ability to remotely schedule the recording of a television program on the Horizon TV box at home through an iOS or Android mobile digital device or an internet web browser.

At December 31, 2015, we had 1,759,000 Horizon TV subscribers, excluding 174,000 subscribers in the Czech Republic where we have upgraded their set-top box to provide Horizon TV services. The Horizon TV cloud platform allows users to stream experiences to set-top boxes. This cloud-based Horizon TV platform

is available in the Czech Republic and in Poland. Digital video experiences are offered by us through the TiVo platform in the U.K. under a strategic partnership agreement with TiVo Inc. The TiVo boxes provide converged television and broadband internet capabilities. The digital platform, Digital TV, is also available to our enhanced video subscribers in Belgium, which has been upgraded with a new Horizon-like user interface and improved functionalities. At December 31, 2015, we had 2,897,000 TiVo subscribers and 1,714,000 subscribers to Telenet's Digital TV.

In addition, we offer our regular interactive DVR and, as described above, MyPrime. Where the Horizon TV platform service is not available, MyPrime is offered as a premium channel for non-Horizon TV subscribers. We have launched MyPrime in the Netherlands, Switzerland, Ireland, Poland, Hungary, the Czech Republic and Slovakia.

Broadband Internet

We offer multiple tiers of broadband internet service in all of our broadband communications markets. Depending on location, this service includes download speeds ranging from less than 1 Mbps to an ultra-high-speed internet service of 500 Mbps in Switzerland, Hungary, Romania and Slovakia. In general, our most economically priced tier has download speeds of either 100 Mbps or 150 Mbps. Our ultra-high-speed internet service is based primarily on Euro DOCSIS 3.0 technology, which is an international standard that defines the requirements for data transmission over a cable system. Euro DOCSIS 3.0 can deliver speeds of up to 1 Gbps. We are currently testing Euro DOCSIS 3.1 and expect to begin commercial deployment of that system in late 2016.

Our internet service generally includes email, address book and parental controls. We also offer value-added broadband services through certain of our operations for an incremental charge. These services include security (e.g., anti-virus, anti-spyware, firewall and spam protection) and online storage solutions and web spaces.

Our residential subscribers generally access the internet via cable modems connected to their internet capable devices, including personal computers, at various speeds depending on the tier of service selected. This standard means of access is changing as we expand our services to offer wireless networks for the home, such as Horizon TV. In certain of our markets, we are deploying a community WiFi via routers in the home (the Community WiFi), which provides a secure access to the internet for our customers. Community WiFi is enabled by a cable modem WiFi access point (WiFi modem) in the set-top box or the Horizon TV box of our internet customers. The Community WiFi is created through the sharing of access to the public channel of our customers' home wireless routers. The public channel is a separate network from the secure private network used by the customer within the home and is automatically enabled when the WiFi modem is installed. Access is free for our internet customers.

At December 31, 2015, we had almost 6.1 million WiFi access points in our European footprint and we plan to increase our WiFi access points to over 10.0 million in 2016. In the U.K., Virgin Media's customers have access to an extensive network of public WiFi access points, including in the London underground train (or Tube) stations. Public WiFi access points are also available to Unitymedia customers in Germany and Telenet customers in Belgium. We plan to expand our Community WiFi service in 2016. Our Community WiFi is branded as "Wi-Free" in Austria, Belgium, Switzerland, Ireland, Czech Republic, Poland, Hungry and Romania and as "WifiSpots" in the Netherlands. Through an agreement with Comcast Corporation, in 2016 our internet customers will also have access to millions of WiFi access points in the U.S. and across various European countries for no additional costs.

We have introduced a next generation WiFi and telephony gateway in the U.K., Germany, Belgium, Switzerland and Romania. This gateway includes both a data modem and a WiFi router and will permit download speed of up to 1 Gpbs across our existing Euro DOCSIS 3.0 platform and is expected to support Euro DOCSIS 3.1. It has an automatic WiFi optimization function, which selects the best possible wireless frequency at any given time. This gateway can be self-installed and allows customers to customize their home WiFi service. It will be introduced in the rest of our operations in 2016. By using the WiFi modems, the Horizon TV box and the new gateway, the Community WiFi does not affect the internet speeds of our customers.

In the Netherlands and Romania, a subscriber must subscribe to our video service (or the video service in a partner network) in order to subscribe to our internet service. In our other markets, our broadband internet service is available on a standalone basis or in combination with one or more of our other services. Subscribers to our internet service pay a monthly fee based on the tier of service selected. In addition to the monthly fee, customers pay an activation service fee upon subscribing to an internet service. This one-time

fee may be waived for promotional reasons. We determine pricing for each different tier of internet service through an analysis of speed, market conditions and other factors.

Telephony

Multi-feature fixed-line telephony services are available through our managed, quality of service based VoIP technology in all of our broadband communication markets. In the U.K., Chile and Hungary, we also provide traditional circuit-switched fixed-line telephony services. We pay interconnection fees to other telephony and internet providers when calls by our subscribers terminate on another network and receive similar fees from providers when calls by their users terminate on our network through interconnection points.

Our fixed-line telephony service may be selected in several of our markets on a standalone basis and in all of our markets in combination with one or more of our other services. Our fixed-line telephony service includes a basic fixed-line telephony product for line rental and various calling plans, which may consist of any of the following: unlimited network, national or international calling, unlimited off-peak calling and minute packages, including calls to fixed and mobile phones. We also offer value-added services, such as a personal call manager, unified messaging and a second or third phone line at an incremental cost. In some of our markets, we offer a phone app that allows our fixed-line telephony customers with smart phones to use their fixed-line call packages.

Mobile

We offer mobile services, both data and voice, as an MVNO over third-party networks in the U.K., Germany, the Netherlands, Belgium, Switzerland, Austria, Ireland, Hungary and Chile. In Poland, we have a small legacy MVNO service that we maintain for those subscribers. In the Netherlands, Switzerland and Chile, our mobile services are provided through LTE wireless systems. We plan to add MVNO arrangements in certain of our other broadband communication markets. The Netherlands, Belgium, Switzerland, Austria, Ireland, Hungary and Chile provide their mobile telephony services as full MVNOs through partnerships with a third-party mobile network operator in their respective footprints. All of these operations lease the third party's radio access network and own the core network, including switching, backbone, interconnections, etc. For certain portions of our mobile customer base in the Netherlands, we outsource the core network to a third-party. These arrangements permit us to offer our customers in these markets all mobile services without having to build and operate a cellular radio tower network. Following the February 2016 acquisition of BASE, Telenet became a network provider in Belgium and plans to migrate its current and future mobile subscribers to the BASE network after termination of its MVNO agreement at the end of 2017.

In the U.K. and Germany, we provide mobile telephony as light MVNOs. In these countries, we lease the core network as well as the radio access network from a mobile network operator. These arrangements permit our customers in these countries to have access to the third-party mobile communications services while we maintain the customer relationship. We offer our mobile services throughout the U.K., Belgium, Switzerland, Austria, Ireland, Hungary and Chile. In the Netherlands and Germany, we offer our mobile service to our customers located within our footprints who subscribe to at least one of our other products: video, broadband internet or fixed-line telephony. At December 31, 2015, we had approximately 4.8 million mobile subscribers in these markets.

Where mobile services are available within our operations, subscribers pay varying monthly fees depending on whether the mobile service is included with our fixed-line telephony service or includes mobile data services via mobile phones, tablets or laptops. We offer our customers the option to purchase mobile handsets and in the U.K., Belgium and Switzerland, make such purchase pursuant to a contract independent of their mobile services contract. Where the new WiFi gateway described above is available, telephony customers can use a special phone app to take and make calls anywhere at home rates. Versions of this app have been available to our customers in the U.K., the Netherlands, Belgium, Switzerland and Ireland for some time.

We typically charge a one-time activation fee to our customers for each SIM card. Our mobile services typically include voice, SMS and internet access. Calls, both within and out of network, incur a charge or are covered under a postpaid monthly service plan. Our mobile services are primarily on a postpaid basis with customers subscribing to services for periods ranging from activation for a SIM-only contract to up to 24 months, with the latter often taken with a subsidized mobile handset. In Belgium, however, our postpaid service is offered without a minimum contract term. In the U.K., we also offer a prepaid service, where the customers pay in advance for a pre-determined amount of airtime or data and generally have no minimum

contract term. In almost all of our markets, subscribers to a double-or triple-play bundle receive a discount on their mobile service fee.

Business Services

In addition to our residential services, we offer a range of voice, broadband internet, data, video, wireless and cloud services to business customers and public sector organizations. These services differ from residential services in several fundamental ways, such as bandwidth, service levels, billing, security services and the blending of public and private network features. Our business customers include SOHO (generally up to five employees), small business and medium and large enterprises, as well as on a wholesale basis to other operators. Our business services are designed to meet the specific demands of our business customers with a wide range of services. These services fall into five broad categories: (1) VoIP and circuit-switch telephony, hosted private branch exchange solutions and conferencing options; (2) data services for internet access, virtual private networks Ethernet transport and high capacity point-to-point services; (3) video programming packages and select channel line-ups for targeted industries; (4) wireless services for mobile voice and data, as well as WiFi networks; and (5) value added services, including webhosting, managed security systems and storage and cloud enabled software.

Our business services are provided to customers at contractually established prices based on the size of the business, type of services received and the volume and duration of the service agreement. SOHO and small business customers pay business market prices on a monthly subscription basis to receive enhanced service levels and business features that support their needs. For more advanced business services, these customers generally enter into a service agreement. For medium to large business customers, we enter into individual agreements that address their needs. These agreements are generally for a period of one or more years. In addition to providing business services over our networks, certain of our operations also have agreements to provide these services to our business customers over dedicated fiber lines and third-party fiber networks.

Technology

In almost all of our markets, our video, broadband internet and fixed-line telephony services are transmitted over a hybrid fiber coaxial cable network. This network is composed primarily of national and regional fiber networks, which are connected to the home over the last few hundred meters by coaxial cable. Approximately 98% of our network allows for two-way communications and is flexible enough to support our current services, as well as new services. In addition, the capacity available on our network increases as our analog subscribers switch to a digital service. This is because multiple digital channels can be compressed into the same space as a single analog channel in the broadcast spectrum. The available space can then be used for other purposes, such as VoD services and high broadband speeds.

We closely monitor our network capacity and customer usage. Where necessary, we increase our capacity incrementally, for instance by splitting nodes in our network. We also continue to explore new technologies that will enhance our customer’s connected entertainment experience, such as:

- recapturing bandwidth and optimizing our networks by:
    - increasing the number of nodes in our markets and using digital compression technologies;
    - increasing the bandwidth of our hybrid fiber coaxial cable network to 1 GHz;
    - converting analog channels;
    - bonding additional Euro DOCSIS 3.0 channels; and
    - using digital compression technologies;
- increasing the efficiency of our networks by moving headed functions (encoding, transcoding and multiplexing) to the cloud;
- enhancing our network to accommodate business services;
- using wireless technologies to extend our services outside the home;
- offering remote access to our video services through laptops, smart phones and tablets; and
- expanding the availability of Horizon TV and related products and developing and introducing online media sharing and streaming or cloud-based video.

In addition, we are expanding our hybrid fiber coaxial cable network into new market areas. For example, beginning in 2015, we commenced a Network Extension program in the U.K. and, we plan to pursue similar opportunities in Germany, Central and Eastern Europe and Chile.

We are also testing Euro DOCSIS 3.1 and expect to begin commercial deployment of that system in late 2016.

We deliver our high-speed data and fixed-line telephony over our cable network. The cable networks of our operations are connected to our "aorta" backbone, a tier 1 carrier, that permits us to serve our customers through settlement free collaboration with other carriers without the cost of using a third-party network.

Supply Sources

For our video services, we license almost all of our programming and on-demand offerings from content providers and third-party rights holders, including broadcasters and cable programming networks. For such licenses, we generally pay a monthly fee on a per channel or per subscriber basis, with minimum pay guarantees in certain cases. We generally enter into long-term programming licenses with volume discounts and marketing support. For on-demand programming and streaming services, we generally enter into shorter-term agreements. For our distribution agreements, we seek to include the rights to offer the licensed programming to our customers through multiple delivery platforms and through our apps for smart phones and tablets.

We purchase each type of customer premises equipment from a number of different suppliers with at least two or more suppliers for our high-volume products. Customer premises equipment includes set-top boxes, modems, CI+ modules, DVRs, tuners and similar devices. For each type of equipment, we retain specialists to provide customer support. For our broadband services, we use a variety of suppliers for our network equipment and the various services we offer. Similarly, we use a variety of suppliers for mobile handsets to offer customers in our operations with mobile services. For our mobile services, we are dependent on the MVNO arrangements we have entered into with third-party wireless network providers that offers mobile services to carry our mobile communications traffic. Each of our operations offering mobile services has an agreement with a provider for its customers. In each case, we seek to enter into medium- to long-term arrangements for these services.

Information Technology / Intellectual Property

We license software products, including email and security software, and content, such as news feeds, from several suppliers for our internet services. The agreements for these products require us to pay a per subscriber fee for software licenses and a share of advertising revenue for content licenses. For our TiVo service in the U.K., we have a partnership arrangement where TiVo is the exclusive provider of the user interface software for our next generation set-top boxes, which provide converged television and broadband internet capabilities, and we are the exclusive distributor of the TiVo services and technology in the U.K. For our fixed-line telephony services, we license software products, such as voicemail, text messaging and caller ID, from a variety of suppliers. For these licenses we seek to enter into long-term contracts, which generally require us to pay based on usage of the services.

5. Strategy

Overview

From a strategic perspective, we are seeking to build broadband communications and mobile businesses that have strong prospects for future growth in revenue, Adjusted OIBDA and free cash flow (as defined in Part IV (*Operating and Financial Review of Liberty Global*) – *Liquidity and Capital Resources – Free Cash Flow*). We strive to achieve organic revenue and customer growth in our operations by developing and marketing bundled entertainment and information and communications services, and extending and upgrading the quality of our networks where appropriate. While we seek to obtain new customers, we also seek to maximize the average revenue we receive from each household by increasing the penetration of our digital video, broadband internet, fixed-line telephony and mobile services with existing customers through product bundling and upselling.

During 2015, we initiated our "Liberty 3.0" program, which is a comprehensive plan to drive top-line growth while maintaining tight cost controls. The Liberty 3.0 program seeks to capitalize on revenue opportunities associated with Network Extensions, mobile and B2B, together with the realization of greater efficiencies by leveraging our scale more effectively. Underpinning this program is a commitment to customer centricity, which we believe is key to succeeding in an ever more demanding consumer market. For more information regarding our expectations with respect to the impact of the Liberty 3.0 program see Part IV (*Operating and Financial Review of Liberty Global*) – *Overview*. During 2015, we initiated the U.K. Network Extension pursuant to which we may connect up to an estimated four million additional homes and

businesses to Virgin Media's broadband communications network by the end of 2019. In addition, as part of our Network Extensions strategy we plan to pursue similar opportunities in Central and Eastern Europe, Germany, Chile and certain other markets, pursuant to which we may connect up to an estimated six million homes to our networks in these markets through 2019. For more information regarding our expectations with respect to the impact of the Network Extensions see Part IV (*Operating and Financial Review of Liberty Global*) – *Overview*.

Video Distribution and Interactive Services

Summary

In the European countries in which we operate, over 90% of the households have a television. Our principal competition in the provision of video services in our European markets has historically been from traditional FTA broadcasters; DTH satellite providers in many markets, such as the U.K., Germany, Austria, Ireland, Poland, the Czech Republic and Slovakia, where we compete with long-established satellite platforms; incumbent telecommunications providers using fiber technology; and cable operators in various markets where portions of our systems have been overbuilt.

Competition has increased significantly from both new entrants and established competitors using advanced technologies, aggressively priced services and exclusive channel offerings. Our competitors are also improving their video platforms with next generation set-top boxes. Overall, we are experiencing more and more convergence as customers are increasingly looking to receive all their media and communication services from one provider at attractive prices. As a result, our ability to offer triple-play or quadruple-play bundles is a key marketing concept to continue to attract and retain customers.

DTT is a significant part of the competitive market in Europe as a result of a number of different business models that range from full blown encrypted pay television to FTA television. Similarly, VDSL, which is either provided directly by the owner of the network or by a third-party, is a significant part of the competitive environment in many of our markets, as are FTTx networks. In all of our European markets, competitive video services are offered by the incumbent telecommunications operator, whose video strategies include IPTV over DSL, VDSL and FTTx networks and in some cases DTH and DTT. The ability of incumbent operators to offer the triple-play of video, broadband internet and fixed line telephony services and, in some countries, a quadruple-play with mobile services, is exerting competitive pressure on our operations, including the pricing and bundling of our video products. The providers of DTH satellite services, particularly in our markets in the U.K., Germany and Central and Eastern Europe, are also significant competitors. In addition, over-the-top video aggregators are active in all our markets with their VoD service for television series and movies, catch up television and linear channels from broadcasters. In some cases, these over-the-top services are provided free of charge, or the content library of such services is offered on an unlimited basis for a monthly fee. Typically, these services are available on multiple devices and in and out of the home. With consumers' desire to view content when and where it suits them, the ability to meet such demand through our TV everywhere products is key to our competitive position. Our ability to continue to attract and retain customers depends on our continued ability to acquire appealing content and services on acceptable terms and to have such content available on multiple devices and outside the home.

To meet the challenges in this competitive environment, we compete on value by offering advanced digital services, such as DVR functionality, HD, VoD, catch up television, Replay TV, multiscreen services and multimedia gateways. We seek to compete by accelerating the migration of our customers from analog to digital services, using such advanced digital features and offering attractive content packages and bundles of services at reasonable prices. In each of our countries we also tailor our packages to include attractive channel offerings and offer recurring discounts for bundled services and loyalty contracts.

In addition, from time to time, digital channel offerings are modified by our operations to improve the quality of our programming. In all of our operations, we use the triple-play bundle as a means of driving video, as well as other products where convenience and price can be leveraged across the portfolio of services. In several of our markets, we have expanded our services to include mobile voice and data. We also continue to explore new technologies that will enhance our customer's television experience. In this regard, to further enhance our digital video services, we launched our next generation multimedia home gateway Horizon TV to meet our customers desire to view programming anytime and anywhere. We continue to update Horizon TV with new applications and expand its availability in our markets, including the recent launch of a cloud-based Horizon TV platform in the Czech Republic.

Internet

Summary

Our internet strategy is speed leadership, including increasing the maximum speed of our connections, offering varying tiers of service, prices and a variety of bundled product offerings and a range of value added services. We update our bundles and packages on an on-going basis to meet the needs of our customers, including offering download internet speeds of 120 Mbps or more at mass market price points. Ultra high-speed internet is also available in most markets, with speeds of up to 250 Mbps, with speeds of up to 500 Mbps available in Switzerland, Hungary, Romania and Slovakia. In early 2016, Virgin Media-Ireland, Unitymedia and VTR each increased their top tier speed to 360 Mbps, 400 Mbps and 160 Mbps, respectively. The focus continues to be on high-end internet products to safeguard our high-end customer base and allow us to become more aggressive at the low- and medium-end of the internet market. By fully utilizing the technical capabilities of Euro DOCSIS 3.0 technology, we can compete with local FTTx initiatives and create a competitive advantage compared to DSL infrastructures and LTE initiatives on a national level. With the expected commercial deployment of Euro DOCSIS 3.1 in late 2016, we plan to further increase our high-speed internet offers.

Fixed-Line Telephony and Mobile Services

Summary

Our telephony strategy is based on value leadership. In most of our countries we offer our telephony services as "anytime" or "any destination". In addition, we provide product innovation, such as telephone apps that allow customers to make and receive calls from their fixed-line call packages on smart phones. We also offer varying plans to meet customer needs and use our telephony bundle options, as well as our bundle service options with our digital video and internet services, to help promote our telephony services.

In addition, we offer mobile voice and data services in the U.K., Germany, the Netherlands, Belgium, Switzerland, Austria, Chile, Poland, Hungary and Ireland. With consumers increasingly moving towards mobile services, we continue to explore opportunities to offer mobile services in our other operations and mobility applications to our other services.

6. Geographical Breakdown

Provided below is country-specific information with respect to the broadband communications and DTH services of our subsidiaries attributed to the Liberty Global Group and the LiLAC Group.

Financial information related to the geographic areas in which we do business appears in our 2015 Consolidated Financial Statements. For a breakdown of total revenues by category of activity and geographic market for each financial year for the period covered by the historical financial information, please refer to Part IV (*Operating and Financial Review of Liberty Global*).

Liberty Global Group

United Kingdom and Ireland

Virgin Media operates a cable network in the U.K. and Ireland. Under the Virgin Media brand, Virgin Media also operates an MMDS network in Ireland, the license for which will expire in April 2016. Virgin Media's video services include a broad range of digital interactive services, including VoD, and a range of premium subscription-based and pay-per-view services. Virgin Media offers triple-play services consisting of video, internet and fixed-line telephony in parts of many metropolitan areas in England, Wales, Scotland and Northern Ireland and in five regional clusters in Ireland, including the capital city of Dublin and other major cities. Virgin Media also offers quadruple-play services that include mobile voice and data services as an MVNO through an arrangement with mobile communications providers. In addition, Virgin Media offers its customers access to an extensive network of public WiFi hotspots, including in the London underground train (or Tube) stations in the U.K.

United Kingdom

As a complement to its broadband services, Virgin Media-U.K. offers a comprehensive internet streaming video service, Virgin TV Anywhere, that allows its video customers to stream up to 117 real-time video channels and watch VoD content anywhere in the U.K. where they have a broadband connection. The streaming service is available at no additional cost to Virgin Media-U.K.'s digital video customers. In

addition, Virgin Media offers the multimedia home gateway TiVo to its digital video customers. Customers can record up to three programs simultaneously when watching an existing recording. TiVo customers can also access real-time television channels, manage their TiVo box with a laptop, smart phone or tablet and have access to cloud storage for personal data. Virgin Media-U.K. also offers a TiVo app for the Netflix video service that allows up to five individual profiles on a single account. At December 31, 2015, Virgin Media-U.K. had 2.9 million connected TiVo customers. Virgin Media-U.K. does not offer an analog video service.

Virgin Media-U.K. offers its subscribers premium digital channels from Sky through an agreement with Sky and premium BT Sport channels through an agreement with BT. Virgin Media-U.K. subscribers may receive these channels through a smart card on Virgin Media-U.K.'s network as part of Virgin Media-U.K.'s services or separately for an incremental subscription fee. In addition, Virgin Media-U.K. subscribers using TiVo may access internet programming services and a Eurosport app pursuant to agreements between Virgin Media and such service providers.

Through its twisted copper network, Virgin Media-U.K. offers fixed-line telephony services to its residential customers. Virgin Media's telephony services via VoIP are only available to its business customers.

Ireland

To complement its digital offering in Ireland, Virgin Media-Ireland offers its digital subscribers several premium channels (sports, movies, adult, ethnic and kids). Virgin Media-Ireland's services include Horizon TV and, at December 31, 2015, it had 149,500 connected Horizon TV subscribers. It also offers the on-line streaming service Horizon Go and the video service MyPrime, which Virgin Media-Ireland launched in March 2015. MyPrime is available to Horizon TV customers for no additional charge. In late 2015, Virgin Media-Ireland launched its mobile services as an MVNO and it launched Replay TV.

Germany

Unitymedia's operations are located in the German federal states of Baden-Württemberg, North Rhine-Westphalia and Hesse and include the major cities of Cologne, Dortmund, Düsseldorf, Essen, Frankfurt, Karlsruhe, Mannheim, Stuttgart and Wiesbaden. Unitymedia offers triple-play services consisting of video, internet and fixed-line telephony services in nearly all of its footprint. Unitymedia also offers quadruple-play services that include mobile voice and data services as an MVNO through an arrangement with a mobile communications provider. Unitymedia customers have access to an extensive network of public WiFi hotspots.

For its video cable customers, Unitymedia offers Horizon TV, an HD receiver and a CI+ module. At December 31, 2015, Unitymedia had almost 460,000 connected Horizon TV subscribers. No set-top box, CI+ module or smart card is, however, required to receive basic digital services because Unitymedia's basic digital service is unencrypted in its German footprint. In addition, Horizon Go is available, giving subscribers access to over 100 linear channels of which over 80 channels, plus subscription VoD programming, may be accessed outside the home. Unitymedia also offers the subscription VoD service Maxdome, which is available via the internet on the television or on mobile devices via the Horizon Go app. In addition to its premium video offerings, through an agreement with Sky Deutschland, a subsidiary of Sky, Unitymedia offers its subscribers premium video channels from Sky Deutschland. Unitymedia subscribers may receive Sky Deutschland channels for an incremental subscription fee through a smart card on the Unitymedia network.

Approximately two-thirds of Unitymedia's video customers are in multiple dwelling units where Unitymedia has the billing relationship with the landlord or housing association or with a third-party Professional Operator that operates and administers the in-building network on behalf of housing associations. Many of these agreements allow Unitymedia to offer its digital video, broadband internet and fixed-line telephony services directly to the end customer. Professional Operators may procure the basic video signals from Unitymedia at volume-based discounts and will generally resell them to housing associations with whom the operator maintains the customer relationship. Unitymedia has entered into agreements with Professional Operators, such as Tele Columbus Multimedia GmbH, that allow Unitymedia to market its digital video, broadband internet and fixed-line telephony services directly to the Professional Operator's subscriber base.

Unitymedia has entered into various long-term agreements with the incumbent telecommunications operator, Deutsche Telekom, for the lease of cable duct space and hubs, as well as use of fiber optic transmission systems, towers and facility space. In addition, Unitymedia purchases a portion of the

electricity required for the operation of its networks through Deutsche Telekom under such agreements. Unitymedia's ability to offer its broadband communications services to customers is dependent on the agreements with Deutsche Telekom. These agreements are long-term and may only be terminated under certain limited exceptions. Any termination, however, would have a material adverse effect on the operations of Unitymedia. For information on a legal action that Unitymedia commenced against Deutsche Telekom in December 2012 regarding these agreements, see note 17 of our 2015 Consolidated Financial Statements.

The Netherlands

Ziggo's operations in the Netherlands are located throughout most of the Netherlands and include the major cities of Amsterdam, Rotterdam, The Hague, Utrecht and Maastricht. Ziggo offers video, internet, fixed-line telephony and mobile services as an MVNO.

Digital subscribers may subscribe to premium channels, including HBO, Film1, Ziggo Sport Totaal (includes six sport channels), Fox Sports International and the premium football league channel, Fox Sports Eredivisie, alone or in combination, for additional monthly charges. VoD services, including catch-up television, are available on a subscription or a transaction basis, depending on location and the tier of digital service selected by the subscriber. VoD services are also available to CI+ users. A subscription-based VoD service is included in the extended digital tier for no additional charge. The transaction VoD service includes over 3,000 titles of on-demand content.

Horizon TV and its products are available to customers as are apps on the gateway device that provide access to various internet services, such as YouTube and Facebook. At December 31, 2015, Ziggo had over 700,000 connected Horizon TV subscribers.

Ziggo offers its customers a cloud-based interactive television service using existing set-top boxes. By combining internet protocol with the standard set-top box, devices without built-in hardware functionality for interactivity can make use of interactive services through the Ziggo cable network. Also available is a CI+ module that enables subscribers to Ziggo's digital video service to view such service without a set-top box and use a single remote control. To utilize this service, Ziggo customers must have a CI+ enabled television and obtain the CI+ module and smart card from Ziggo. In 2015, Ziggo launched its Ziggo Sports channel, which is available exclusively to Ziggo customers.

On February 15, 2016, the Ziggo Vodafone Joint Venture was announced. Further details may be found under "*History and development*" above.

Belgium

Telenet operations in Belgium attributed to the Liberty Global Group are conducted under the Telenet brand. At December 31, 2015, we owned 56.9% of Telenet's outstanding ordinary shares. Telenet offers quadruple-play services consisting of video, broadband internet, fixed-line telephony and mobile voice and data services, primarily to residential customers in the Flanders region and approximately one-third of the city of Brussels. In addition, pursuant to the PICs Agreement with four associations of municipalities in Belgium (the pure intercommunales or PICs), Telenet leases the PICs broadband communications network and, accordingly, makes its services available to all of the homes passed by the cable network owned by the PICs.

Telenet's premium video channels include general entertainment, sports (including non-exclusive broadcasting rights for the domestic football league), documentary, foreign language, kids, music, adult and movies. Telenet enhanced video customers get access to Yelo Play. Yelo Play allows Telenet's enhanced video customers to remotely manage their DVR, view programs remotely (up to seven days after the original broadcast) and access VoD with a laptop, smart phone or tablet in the home and out of the home. At December 31, 2015, approximately 26% of its enhanced video customers were actively using Yelo Play. Telenet also offers a CI+ module for an incremental monthly charge to access its encrypted digital service.

Telenet has an extensive network of Community WiFi across its footprint, branded "Wi-Free". The Community WiFi provides free WiFi access to its customers who are travelling within its footprint. Telenet has approximately 1.3 million access points to the Community WiFi as of December 31, 2015, including approximately 2,000 public hotspots covering train stations, bars, hotels and similar public places. In addition, Telenet offers, individually and as a bundle, fixed-line telephony services over its network and mobile telephony services as a full MVNO under the "Telenet Mobile" brand name.

Telenet has a direct customer relationship with the basic and enhanced video subscribers on the PICs network. Pursuant to the PICs Agreement, Telenet has full rights to use substantially all of the PICs network

under a long-term capital lease. Unless extended, the PICs Agreement will expire on September 23, 2046, and cannot be terminated earlier (except in the case of non-payment or bankruptcy of Telenet).

Switzerland

UPC CHAT's basic video service in Switzerland is available in any one of three languages (French, German or Italian). It offers the basic video service as a triple-play package consisting of video, broadband internet and fixed-line telephony services, plus an app to use the fixed-line telephony service on a smart phone. UPC CHAT offers Horizon TV and its family of products and at December 31, 2015, it had 295,000 connected subscribers. UPC CHAT also offers apps that allow its subscribers to remotely manage a DVR, view linear channels, replay a linear channel without recording it and access VoD with a laptop, smart phone or tablet anywhere a broadband or WiFi connection is available. In each of its digital cable packages, in Switzerland, UPC CHAT includes the functionality for transaction-based VoD service (depending on location), including catch-up television, pay-per-view services and HD channels. Fully integrated in the VoD service is the video library MyPrime. MyPrime is included in the extended digital tiers for no additional charge.

For two-thirds of its video subscribers in Switzerland, UPC CHAT maintains billing relationships with landlords or housing associations and provides basic video service to the tenants. The landlord or housing association administers the billing for the basic video service with their tenants and manages service terminations for their rental units.

UPC CHAT offers digital video, broadband internet and fixed-line telephony services directly to the video cable subscribers of those partner networks that enter into service operating contracts with UPC CHAT. UPC CHAT has the direct customer billing relationship with these subscribers. By permitting UPC CHAT to offer some or all of its digital video, broadband internet and fixed-line telephony products directly to those partner network subscribers, UPC CHAT's service operating contracts have expanded the addressable markets for UPC CHAT's digital products. In exchange for the right to provide digital products directly to the partner network subscribers, UPC CHAT pays to the partner network a share of the revenue generated from those subscribers. UPC CHAT also provides network maintenance services and engineering and construction services to its partner networks.

Austria

UPC CHAT's video service (digital and analog) in Austria is available primarily in the German language. Its premium packages include ethnic channels (such as Serb, Bosnian and Turkish channels), music, adult and international channels. In addition, through an agreement with Sky Deutschland, UPC CHAT offers its digital subscribers in Austria a number of premium channels, including HD channels, from Sky Deutschland. UPC CHAT offers its broadband internet service over cable and over DSL. In 2016, UPC CHAT plans to expand its services in Austria to include the subscription VoD service MyPrime.

Central and Eastern Europe

UPC CHAT also operates cable networks under the UPC brand in Poland (UPC Poland), Hungary (UPC Hungary), the Czech Republic (UPC Czech), Romania (UPC Romania) and Slovakia (UPC Slovakia). VoD service, including catch-up television, is available to our subscribers in Hungary and in major metropolitan areas in Poland. UPC Hungary, UPC Poland and UPC Romania have each launched apps for no charge to subscribers that permit them to view the digital channel programming guide, schedule DVR recordings from any location and use their smart phones as a television remote control. Except in Slovakia where its basic digital service is encrypted, customers with the necessary equipment and who have a monthly subscription to the analog service are also able to access the basic digital service, which is unencrypted. The Liberty Global Group also has attributed to it DTH operations in most of these countries, which is provided through UPC DTH. Community WiFi is available in each of these countries, except Slovakia, with approximately 1.6 million access points in Central and Eastern Europe.

Poland

UPC Poland's operations are located in regional clusters encompassing nine of the 10 largest cities in Poland, including the capital city of Warsaw and the cities of Cracow and Katowice. UPC Poland also offers a catch-up television service and Horizon Go. UPC Poland launched Horizon TV using the RDK cloud-based system in select areas in November 2014 with a full commercial launch in January 2015. At December 31, 2015, it had over 128,000 connected Horizon TV subscribers. The video service MyPrime

became available to video subscribers in December 2014 and at December 31, 2015, had over 145,000 subscribers. UPC Poland offers a lifeline tier and basic tier of digital programs, as well as extended tiers and premium packages.

Hungary

UPC Hungary's operations are available to over 40% of the households in Hungary, including households located in the capital city of Budapest. In each of its digital cable packages, UPC Hungary includes the functionality for transaction-based VoD services. UPC Hungary offers to its subscribers apps for various online services (such as YouTube, Picasa, Flickr and others). For its digital video subscribers, UPC Hungary offers a CI+ module, which in combination with a smart card, allows the subscriber to view the digital service without the need for a set-top box. It also offers the video service MyPrime and the online streaming service HBO Go. HBO Go is available at no additional charge to UPC Hungary customers who subscribe to the HBO channels. UPC Hungary offers its fixed-line telephony services through circuit-switched fixed-line telephony to subscribers on its twisted copper pair network and through VoIP over its two-way capable cable network.

The Czech Republic

UPC Czech's operations are located in cities and towns throughout the Czech Republic, including Prague, Brno, Ostrava and Plzen. Over 80% of the subscribers to UPC Czech's digital video service receive such service through a set-top box with HD or HD DVR functionality. For its video cable customers, UPC Czech offers Horizon TV through the RDK cloud-based system and the online video service Horizon Go. At December 31, 2015, UPC Czech had 20,000 connected Horizon TV subscribers, plus an additional 174,000 subscribers with Horizon TV access via upgraded set-top boxes. MyPrime is included in the Horizon TV offer. Approximately 47% of UPC Czech's digital cable subscribers receive the basic and extended tier services. UPC Czech's analog service is offered only in areas where its digital service is not available and includes a lifeline tier of services.

Romania

UPC Romania's operations are located primarily in three regional clusters, which include nine of the 12 largest cities (each with more than 150,000 inhabitants) in Romania, including the capital city of Bucharest and the cities of Cluj-Napoca, Timisoara, Iasi and Constanta. UPC Romania's video service includes Romanian terrestrial broadcast channels, selected European satellite programming and other programming. In November 2014, UPC Romania launched the online video service Horizon Go. In addition to its standard broadband internet service offerings, UPC Romania also offers a 256 Kbps service at no incremental charge as an inducement for customers to subscribe to certain services.

Slovakia

UPC Slovakia's operations are located in seven regions in Slovakia, including the five largest cities of Bratislava, Kosice, Presov, Banská Bystrica and Zilina. Besides its video cable services, UPC Slovakia offers video services in certain areas over its MMDS network. UPC Slovakia offers almost all of the Slovakian terrestrial, cable and local channels available, selected European satellite and other programming, and audio channels. The online streaming service HBO Go is available to HBO channel subscribers. In July 2015, UPC Slovakia launched Horizon Go and in November 2015, MyPrime became available via Horizon Go. Subscribers to UPC Slovakia's digital video services may receive such service through a CI+ module in combination with a smart card without the need for a set-top box. UPC Slovakia's analog service, which is not available to its MMDS subscribers, includes a lifeline tier of service.

UPC DTH

UPC DTH, based in Luxembourg, provides DTH services in the countries of the Czech Republic, Hungary and Slovakia and manages the Romania DTH provider FocusSat. UPC DTH and FocusSat together provide DTH services to almost 830,000 customers. UPC DTH offers a lifeline tier and, either directly or through FocusSat, a basic tier, an extended tier and premium channel options, as well as 25 free-to-air (FTA) television and audio channels. A subscriber to its basic tier may receive 50 to 70 digital video channels depending on their location. Its premium channel offerings cover a range of interests (such as movies, adventure, sports, adult and comedy). In 2015, UPC DTH launched its first triple-play offer in Hungary. Through a third-party network, UPC DTH subscribers in Hungary may also receive broadband internet with in-home WiFi and telephony services in addition to their DTH service. In the Czech Republic and Slovakia,

UPC DTH offers a CI+ module, which enables its subscribers in these countries to receive its signals without a set-top box. DVRs are also available. In 2014, UPC DTH added HBO Go for its HBO customers in Hungary, the Czech Republic and Slovakia. For no additional charge, such customers may access their HBO channels anytime, anywhere on multiple devices.

Subscribers to the DTH services may pay either an annual fee and receive an activation card for the lifeline tier of video service or pay a monthly fee for a basic or extended tier of service. UPC DTH provides DTH services to 20% of our total video subscribers in the Czech Republic, 31% of our total video subscribers in Hungary, 28% of our total video subscribers in Slovakia and, through FocusSat, 28% of our total video subscribers in Romania.

UPC DTH and FocusSat have agreements with Telenor Satellite Broadcasting for the lease of transponder space, including expansion capacity, on the Thor satellites. These agreements will expire on December 31, 2017, unless extended as provided in such agreements. UPC DTH offers both standard definition (SD) and HD services to all of its customers in Hungary, the Czech Republic, Slovakia and, through FocusSat, in Romania.

LiLAC Group

Our operations attributed to the LiLAC Group are currently located in Chile and Puerto Rico, where we offer a variety of broadband services over our cable distribution systems, plus mobile services in Chile. Our broadband distribution business and mobile services in Chile are conducted through our wholly-owned subsidiary VTR. Our broadband telecommunications service in Puerto Rico is conducted through our indirect 60%-owned subsidiary Liberty Puerto Rico.

Chile

VTR offers triple-play services consisting of video, broadband internet and fixed-line telephony services in 34 communities within Santiago and 42 communities outside Santiago, including Chile's largest cities, such as Iquique, Antofagasta, Concepción, Viña del Mar, Valparaiso and Rancagua, and smaller cities across Chile. VTR obtains programming from the United States, Europe, Argentina and Mexico. VTR also carries domestic Chilean cable programming, which includes local events such as football (soccer) matches and regional content.

VTR offers a full range of digital video services, including basic and premium packages. All digital video services are encrypted and require a set-top box provided by VTR. In addition, digital cable customers may subscribe to one or more premium video channels, including HD channels for an additional monthly charge. The premium channels include movies, sports, international and adult channels. VoD services, including catch-up television, are available on a subscription or a transaction basis, depending on location. VoD services include over 3,900 titles of on-demand content, including multi-screen features. VTR plans to launch Horizon TV through an advanced, cloud-based platform in 2016. VTR's analog service is offered only in areas where its digital service is not available.

VTR offers its broadband internet services in 34 communities within Santiago and 42 communities outside Santiago. In its highest tier of service, VTR offers high-speed internet service with download speeds of up to 160 Mbps from February 2016. VTR also offers multi-feature telephony service over its cable network to customers in 34 communities within Santiago and 42 communities outside Santiago via either circuit-switched telephony or VoIP, depending on location. VTR offers mobile voice and data services as a full MVNO pursuant to an arrangement with a third-party mobile telecommunications provider. Through this arrangement, in 2015, VTR became the first emergent MVNO in Chile to have LTE services in all its voice and data plans.

Puerto Rico

Liberty Puerto Rico offers only digital broadband services and provides these services in the San Juan metropolitan area and numerous other municipalities covering over 80% of the island. Liberty Puerto Rico's video service includes a basic tier of digital programming, an extended tier and premium packages, as well as a VoD service. The Liberty Puerto Rico network includes a 360-mile fiber ring around its network providing enhanced interconnectivity points to the island's other local and international telecommunications companies. Liberty Puerto Rico is exploring the addition of MVNO arrangements to its product line-up and other features of mobility to its service. For example, its Community WiFi is available to its customers in Plaza Las Americas, a major shopping center in San Juan.

7. Marketplace

The markets for video, broadband internet, fixed-line telephony and mobile services are highly competitive and rapidly evolving. In addition, technological advances and product innovations have increased and are likely to continue to increase the number of alternative providers available to our customers. Consequently, our businesses have faced and are expected to continue to face significant competition in these markets in the countries in which they operate and specifically, as a result of deregulation, in the European Union. The percentage information provided below is based on information from the subscription-based website DataXis for the third quarter of 2015. The competition in certain countries in which we operate is described more specifically after the respective competition overview on video, broadband internet, fixed-line telephony and mobile services.

Video Distribution

Our businesses compete directly with a wide range of providers of communication and entertainment services to consumers. Depending upon the country and market, these may include:

(a) traditional FTA broadcast television services;

(b) DTH satellite service providers;

(c) other fixed-line telecommunications carriers and broadband providers;

(d) over-the-top video content aggregators utilizing our or our competitors' high-speed internet connections;

(e) DTT broadcasters, which transmit digital signals over-the-air providing a greater number of channels and better quality than traditional analog broadcasting;

(f) other cable operators in the same communities that we serve;

(g) SMATVs, which generally serve condominiums, apartment and office complexes and residential developments;

(h) MMDS operators; and

(i) movie theatres, video stores, video websites and home video products.

Our businesses also compete to varying degrees with other sources of information and entertainment, such as online entertainment, newspapers, magazines, books, live entertainment/concerts and sporting events.

Over the last several years, competition has increased significantly from both new entrants and established competitors using advanced technologies, aggressively priced services and exclusive channel offerings. Our competitors are also improving their video platforms with next generation set-top boxes.

Our ability to continue to attract and retain customers will depend on our continued ability to acquire appealing program content and third-party programming services on acceptable financial or other terms and to have such content available on multiple devices. Some competitors, such as Swisscom in Switzerland, have obtained long-term exclusive contracts for certain sports programs, which limits the opportunities for other providers, including our operations, to offer such programs. Other competitors also have obtained long-term exclusive contracts for programs, but our operations have access to certain of such programming through select contracts with these companies, including Sky Deutschland in Germany and Austria and Sky in the U.K. and Ireland. If exclusive content offerings increase through other providers, programming options could be a deciding factor for subscribers on selecting a video service.

Liberty Global Group

United Kingdom

Virgin Media-U.K. is the sole provider of video cable services in substantially all of its network area and, in terms of the number of video cable customers, the largest cable television provider in the U.K. Virgin Media's video cable services are available to approximately 48% of the U.K. television households and it serves 14% of the total U.K. television market. Virgin Media-U.K.'s digital television services compete primarily with those of Sky, which is the primary pay satellite television platform in the U.K. Sky has approximately 10.2 million subscribers in the U.K., or 38% of the total television market. Other significant competitors are BT and TalkTalk, each of which offer IPTV services in the U.K. BT (which is acquiring EE, a British mobile network provider in early 2016) and Sky have also launched next-generation set-top boxes and compete with Virgin Media-U.K. for consumers seeking bundled services.

Sky owns the U.K. rights to various entertainment, sports and movie programming content and channels. Sky is both a principal competitor in the pay-television market and an important supplier of content to us. Various Sky channels, including Sky Sports, are available over Sky's satellite system and our cable networks, as well as via Sky's apps and online players and other television platforms, and some of the channels are available on BT and TalkTalk platforms. Virgin Media-U.K. distributes several basic and premium video channels supplied by Sky. BT is also both a principal competitor and an important supplier of content to us. BT owns premium BT Sport channels, providing a range of sports content, including football (soccer) from the English Premier League and exclusive rights to the UEFA Champions League and the UEFA Europa League. The BT Sport channels are available over BT's IPTV platform, via BT's apps and online players, Sky's satellite system and our cable network. In addition, FTA, DTT and internet-connected television services are a competitive factor. For example, Netflix, Amazon Prime, Google and Apple have all launched over-the-top products in the U.K.

Ireland

Virgin Media-Ireland is the sole provider of video cable services in Ireland. Virgin Media-Ireland's video cable service is available to over half of the television households in Ireland and it serves 23% of the total television market. Virgin Media-Ireland's primary competition for video customers is also from Sky, which provides DTH satellite services to 41% of the television households in Ireland. Sky offers competitively priced triple-play services and promotional discounts for new customers. Virgin Media-Ireland also faces competition from Eir, which also offers triple-play services, as well as an IPTV video service, and smaller video providers, including providers using FTTx networks.

Germany

Unitymedia is the second largest cable television provider in Germany and the largest cable television provider in the federal states of Baden-Württemberg, North Rhine-Westphalia and Hesse based on the number of video cable subscribers. Unitymedia's video cable services are available to approximately 33% of the television households in Germany and it serves 17% of the total television market. Unitymedia's primary competition is from FTA television received via satellite. Unitymedia's primary competitor for pay TV services is the IPTV services over VDSL and FTTx and DTH of the incumbent telecommunications operator, Deutsche Telekom. Deutsche Telekom has over 2.6 million video subscribers in Germany, or 7% of the total television market, for primarily its IPTV services and has announced plans to cover approximately 80% of German homes with its VDSL network by 2018. We estimate Deutsche Telekom will have overbuilt nearly our entire network with VDSL by the end of 2016. Within parts of its VDSL footprint, Deutsche Telekom started to implement vectoring technology, enhancing maximum broadband speeds to up to 100 Mbps from the current speeds of up to 50 Mbps. Deutsche Telekom further announced its ambition to have implemented super vectoring technology across all cable network areas by 2018, enhancing broadband speeds in these areas to up to 250 Mbps.

Deutsche Telekom offers competitively-priced triple-play bundles and promotional discounts for new customers. In addition, Vodafone bundles its IPTV service with its broadband offerings through Deutsche Telekom's DSL network under a resell agreement making it a significant competitor in the double-play and triple-play market in our footprint. Both of these companies have expanded their bundle offers to include mobile products. These converged offerings may enable Deutsche Telekom and Vodafone to reduce churn and attract new customers.

Deutsche Telekom and Professional Operators compete with Unitymedia for housing association contracts. Over the last few years, Deutsche Telekom has become increasingly competitive in this market. Professional Operators typically procure the broadcast signals they distribute from Unitymedia or from FTA television received via satellite. Certain Professional Operators may also use such opportunities to build their own distribution networks or to install their own head-ends for receiving satellite signals.

Other alternative distributors of television services are an increasing threat as well. To a lesser extent, Unitymedia competes with Sky Deutschland's digital premium subscription service to households that receive their basic television service via FTA satellite, cable or other technologies. Over-the-top content providers are also creating competitive pressure, including the on-line video streaming services of Sky Deutschland and the services of ProSiebenSAT.1 Media AG's Maxdome, Netflix and Amazon Prime. In addition, there is a risk of competition for video services from commercial broadcasters and other content providers that currently pay Unitymedia fees for transmitting their signals, but may seek to diversify their distribution on alternative platforms such as over-the-top video through high-speed internet connections.

The Netherlands

Ziggo is the largest cable television provider in the Netherlands based on the number of video cable subscribers. Ziggo's video cable services are available to approximately 92% of the television households in the Netherlands and it serves 54% of the total television market. Ziggo experiences most of its competition in the Netherlands from other fixed-line telecommunications carriers and broadband providers, including the incumbent telecommunications operator KPN. KPN offers (a) IPTV over FTTx networks, (b) IPTV through broadband internet connections using DSL or VDSL or an enhancement to VDSL called "vectoring", (c) DTT and (d) LTE services. KPN provides subscription video services to 29% of the total television households in the Netherlands. Its ability to offer bundled triple-play of video, broadband internet and telephony services and a quadruple-play with mobile services places significant competitive pressure on Ziggo's operations. KPN's VDSL service includes VoD and DVR functionality, catch-up television, replay television and second screen viewing. In addition, KPN has launched its own over-the-top video service. Portions of our network have also been overbuilt by KPN's and other providers' FTTx networks, and expansion of these networks is expected to continue. Another principal competitor in the provision of video services is from the DTH provider CanalDigitaal, a subsidiary of M7 Group S.A. CanalDigitaal, which offers DTH and DTT services, provides subscription video services to 11% of the total television households in the Netherlands.

Belgium

Telenet is the sole provider of video cable services in its network area and the largest cable television provider in Belgium. Its video cable service is available to approximately 62% of the television households in Belgium and it serves approximately 43% of the total television market. Telenet is the largest subscription television provider in Belgium based on the number of pay video subscribers. Telenet's principal competitor is Proximus, the incumbent telecommunications operator, which has interactive digital television, replay television, VoD and HD service as part of its video offer, as well as a remote access service. Proximus also offers double-play and triple-play bundles and discounts on mobile services when taken with a triple-play offer. Approximately 29% of total television households in Belgium subscribe to Proximus' IPTV services over its DSL and VDSL networks. Also, with the decision that Telenet and other Belgian cable operators must give alternative providers access to their cable networks, Telenet will be facing increased competition from other providers of video services who may then be able to offer triple- and quadruple-play services as well.

Switzerland

UPC CHAT is the largest cable television provider in Switzerland based on the number of video cable subscribers and the sole provider in substantially all of our network area. UPC CHAT's video cable services are available to approximately 64% of the television households in Switzerland and it serves 39% of the total television market. Our main competitor is Swisscom, the incumbent telecommunications operator, which provides IPTV services over DSL, VDSL and FTTx networks to approximately 37% of all television households in Switzerland. Swisscom offers VoD services, DVR functionality and HD channels, as well as the functionality to allow remote access to its video services, and has exclusive rights to distribute certain sports programming. Swisscom is targeting our customers with its introduction of an ultra HD set-top box in early 2016. The set-top box will support HD and ultra HD content with plans to broadcast the Super League football (soccer) in ultra HD during the 2016-17 season. It is also updating its user interface to improve its other interactive services. Swisscom's internet speeds available in its bundled offers, include up to 100 Mbps on its VDSL network and up to either 300 Mbps or 1 Gbps in areas served by its FTTx network. Swisscom continues to aggressively expand its FTTx network to Switzerland households in our footprint as well as in our partner network footprints. It has built its fiber-to-the-home network in several cities in cooperation with municipality-owned utility companies and, where no cooperation agreement has been reached, Swisscom is building its own fiber-to-the-home network. By the end of 2015, approximately 1.0 million homes and businesses in Switzerland have access to Swisscom's FTTx network.

Due to a small program offering, competition from terrestrial television in Switzerland is limited, with DTT available primarily along the borders with France and Italy. DTH satellite services are also limited due to various legal restrictions, such as construction and zoning regulations or rental agreements that prohibit or impede installation of satellite dishes. Over-the-top providers are, however, increasing the competitive pressure on video viewing offers. With respect to subscribers on partner networks, UPC CHAT competes with other service providers for the contracts to serve these subscribers.

Austria

In Austria, UPC CHAT is the largest cable television provider based on the number of video cable subscribers. UPC CHAT's video cable service is available to approximately 38% of the television households in Austria and it serves 14% of the total television market. UPC CHAT's primary competition in Austria is from FTA television received via satellite and DTT services by the public broadcaster. Competition from the VDSL services provided by the incumbent telecommunications operator, Telekom Austria, and from DTH satellite services offered by Sky Deutschland also continue to increase. At various times, Telekom Austria offers promotional discounts for its VDSL service, which includes advanced features, such as VoD, when taken as part of either a double- or triple-play bundle. It also launched a video streaming service in 2015.

Central and Eastern Europe

UPC Poland is the largest cable television provider in Poland based on the number of video cable subscribers. In 2015, UPC Poland expanded its services to a number of markets, including five new cities, resulting in UPC Poland's video cable services being available to approximately 21% of the television households in Poland. It serves 9% of the total television market. In providing video services, UPC Poland competes primarily with DTH service providers, including the largest DTH providers, Cyfrowy Polsat SA and NC+ platform (owned by the Vivendi Group), as well as Orange Poland, a subsidiary of France Telecom S.A. UPC Poland also competes with the IPTV services of Orange Poland, which is expanding its DSL, VDSL and FTTx networks, including to households in UPC Poland's footprint. UPC Poland competes with other cable operators with triple-play services, who have overbuilt portions of UPC Poland's operations.

UPC Hungary's video cable service is available to over 40% of the television households in Hungary and it serves 17% of the total television market in Hungary. Our subsidiary, UPC DTH, also provides satellite services in Hungary, in competition with other DTH providers. One of these, Digi TV, is an aggressive competitor. Digi TV has also overbuilt portions of UPC Hungary's cable service areas with its own cable network. As a DTH provider, Digi TV offers more HD channels, including key sports channels, than UPC DTH. In its cable footprint, Digi TV offers a competitively priced quadruple-play bundle. UPC Hungary also faces competition from the IPTV services of the incumbent telecommunications company Magyar Telekom, a subsidiary of Deutsche Telekom. To meet such competition, UPC Hungary emphasizes its competitively priced bundles, which have higher broadband speeds of up to 500 Mbps with up to 120 Mbps or 240 Mbps included in its core bundle offers. Its extended digital video tiers include MyPrime and for its HBO customers the on-line streaming service HBO Go. For DTH customers in Hungary, UPC DTH launched a triple-play offer in November 2015. Of the television households in Hungary, 7% subscribe to Digi TV's DTH service, 16% subscribe to Digi TV's cable service and 26% subscribe to Magyar Telekom's DTH or VDSL service. UPC DTH serves 8% of the television households in Hungary with its DTH service.

With the discontinuation of FTA analog services in the Czech Republic and Slovakia, DTH services have increased significantly in popularity, with SkyLink being the main provider. This company provides DTH services to approximately 27% and 31% of the television households in the Czech Republic and Slovakia, respectively. As in Hungary, Digi TV is also an aggressive competitor in the Czech Republic and Romania. Digi TV provides DTH services to 5% and 11% of the television households in the Czech Republic and Romania, respectively. In Slovakia, we compete with the DTH service provider, Slovak Telekom a.s., a subsidiary of Deutsche Telekom, which offers exclusive sports channels and is expanding its DTH network to cover not only Slovakia but other Central and Eastern European countries as well. In Slovakia, it serves 23% of the television households. UPC DTH provides DTH services to 3%, 5% and 3% of the television households in the Czech Republic, Romania and Slovakia, respectively.

To stay competitive, UPC DTH offers prepaid DTH services in the Czech Republic, as well as a prepaid product through FocusSat in Romania. Also, FocusSat has enhanced the channel offering in Romania, including the addition of non-exclusive broadcasting rights for the domestic football league. In Romania, competition also comes from DTH services offered by Telecom Romania, the incumbent telecommunications company, with 17% of the total television households.

Of the television households in the Czech Republic, Romania and Slovakia, 10%, 12% and 8%, respectively, subscribe to our video cable service. Our cable services are available to the television households in each of these countries as follows: 31% in the Czech Republic, 37% in Romania and 22% in Slovakia. In addition to its DTH services in Romania, Digi TV continues to overbuild large portions of our cable network with its own cable network. Of the television households in Romania, 37% subscribe to Digi TV's cable service. Telekom Romania is also expanding its FTTx network. Both of these competitors offer

quadruple-play bundles. UPC Czech competes with the incumbent telephone company's VDSL service and several other operators that provide DTH services and a number of local internet service providers (ISPs) that provide IPTV services over FTTx networks. Providers of IPTV services over FTTx networks can reach approximately 65% of the households passed by our cable network in the Czech Republic. One of these companies is O2 Czech Republic, which has its own sports channel with exclusive rights in Multidimension and covers UEFA Champions League, Czech football (soccer) and similar sporting events. In Slovakia, a number of ISPs make video services available to a majority of the homes passed by our cable networks. In particular, Slovak Telekom and Orange Slovensko a.s., a subsidiary of France Telecom S.A., have overbuilt homes passed by our cable network with their FTTx networks and offer triple-play packages through these networks.

FTA broadcasters are also significant competitors in the Czech Republic and Slovakia. Subscribers in these countries tend to be more price sensitive than in other European markets. In particular, almost 100% of the Czech Republic can receive DTT for free or a comprehensive satellite service for a minimal recurring monthly fee.

Our Central and Eastern European markets are also experiencing significant competition from other cable operators. These cable operators have significantly overbuilt our operations in Poland and Hungary and to a lesser extent in Romania and Slovakia. Based on research of various telecommunication publications, including the OECD, and internal estimates, approximately 49% and 51% of our operations in Poland and Hungary, respectively, are overbuilt by other cable providers. Also, approximately 10% in each of our footprints in Romania and Slovakia is overbuilt by other cable providers.

In most of our Central and Eastern European markets, we also face intense competition from DTH services. In addition to overbuilding portions of our cable network in Hungary and Romania, Digi TV, the DTH platform of RCS & RDS S.A. (Digi TV), a Romanian cable, telephony and internet service provider, is targeting our analog cable, MMDS and DTH customers with aggressively-priced DTH packages. In the Czech Republic and Slovakia, "SkyLink", the brand name of M7 Group SA, a European provider of DTH services, is a DTH competitor providing aggressively-priced packages of video content. The incumbent telecommunications operator, Telekom Romania Communications S.A., in Romania also operates a competing DTH platform. UPC DTH offers advanced services and functionality, including DVR and premium content, to most of our Central and Eastern European markets.

LiLAC Group

In Latin America, our principal competition is the provision of video services from DTH satellite providers, where we compete with established satellite platforms, as well as other pay television providers. Over-the-top viewing is also a competitive factor. To enhance the video offerings in both Chile and Puerto Rico, we are in the process of developing cloud-based, next generation user interfaces for these operations based on advanced technologies, including Horizon TV.

Chile

In Chile, VTR is the largest cable television provider based on number of video cable subscribers. VTR's video cable services are available to approximately 60% of the Chilean television households and it serves 20% of the total television market in Chile. VTR competes primarily with DTH service providers in Chile, including the incumbent Chilean telecommunications operator Compañia de Telecomunicaciones de Chile SA using the brand name Movistar (Movistar), Claro Chile S.A., a subsidiary of América Móvil, S.A.B. de C.V. (Claro), and DIRECTV Latin America Holdings, Inc. (DirecTV). Movistar offers double-play and triple-play packages using DTH for video and DSL for internet and fixed-line telephony and offers mobile services. On a smaller scale, Movistar also offers IPTV services over FTTx networks in Chile. Claro offers triple-play packages using DTH and, in most major cities in Chile, through a hybrid fiber coaxial cable network. It also offers mobile services. To a lesser extent, VTR also competes with video services offered by or over networks of fixed-line telecommunication providers using DSL technology. Of the Chilean television households, 13%, 6% and 10% subscribe to the video services of Movistar, Claro and DirecTV Chile, respectively.

Puerto Rico

Liberty Puerto Rico is the largest provider of video cable services in Puerto Rico and the third largest provider of video services in Puerto Rico. Its video cable service is available to approximately 87% of the television households in Puerto Rico and it serves 22% of the total television market in Puerto Rico. Liberty Puerto Rico's primary competition for video customers is from DTH satellite providers DirecTV and Dish

Network Corporation. These competitors provide DTH satellite services to 27% and 25%, respectively, of the television households in Puerto Rico. Dish Network Corporation is an aggressive competitor, offering low introductory offers, free HD channels and in its top tier packages a multi-room DVR service for free. DirecTV is also a significant competitor offering similar programming in Puerto Rico compared to Dish Network Corporation. Additionally, Claro has launched an IPTV service, but it has not yet become a significant competitive factor.

Internet

With respect to broadband internet services and online content, our businesses face competition in a rapidly evolving marketplace from incumbent and non-incumbent telecommunications companies, mobile operators and cable-based ISPs, many of which have substantial resources. The internet services offered by these competitors include both fixed-line broadband internet services using DSL or FTTx and wireless broadband internet services, in a range of product offerings with varying speeds and pricing, as well as interactive services, data and other non-video services offered to homes and businesses. With technological developments, competition from wireless services using various advanced technologies has become significant. Recently, competitors have started offering high-speed mobile data via LTE wireless networks in certain of our markets. In addition, other wireless technologies, such as WiFi, are becoming more prevalent.

Liberty Global Group

Across Europe, our key competition in this product market is from the offering of broadband internet products using various DSL-based technologies by the incumbent phone companies and third parties. The introduction of cheaper and ever faster fixed-line broadband offerings is further increasing the competitive pressure in this market. Wireless broadband services, such as LTE, are also taking a foothold in a number of countries using high-speed mobile networks and high-speed downlink packet access systems.

United Kingdom and Ireland

In the U.K., we have a number of significant competitors in the market for broadband internet services. Of these broadband internet providers, BT is the largest, serving 34% of the total market in the U.K. Virgin Media serves 20% of the total broadband market in the U.K. BT provides broadband internet access services over its own, VDSL network, which is available to approximately 85% of the U.K. population. BT Openreach, a division of BT, manages BT's local access network and provides competitors access to BT's networks. BT has announced its intention to rollout ultrafast speeds of up to 300 Mbps to 500 Mbps by the end of 2020 to up to 10 million premises using G-fast technology, a DSL standard designed for local loops less than 250 meters. This technology is also expected to eventually support a rollout of 1 Gbps service.

Operators such as Sky, TalkTalk and EE deploy their own network access equipment in BT exchanges via a process known as local loop unbundling (LLU). This allows an operator to reduce the recurring operating costs charged by BT by reducing the proportion of traffic that must travel directly over BT's network. LLU deployment requires a substantial capital investment to implement and requires a large customer base to deliver a return on investment. In addition to the competition and pricing pressure in the broadband market arising from LLU, competition from mobile broadband developments, such as LTE mobile services and WiFi services, is increasing.

Mobile providers have gained market share throughout Europe. In Ireland, mobile telephony providers Vodafone Ireland, Three Ireland (a subsidiary of CK Hutchison Holding Ltd) and Meteor Mobile Communications Limited, a subsidiary of Eir, provide a range of mobile internet products at competitive prices. Outside of mobile internet, Virgin Media-Ireland's most significant competitor is also Eir, the fixed-line incumbent, with 39% of the broadband internet market in Ireland. Eir offers download speeds of up to 100 Mbps through its expanded VDSL network, which passes approximately 1.4 million homes. In addition, as part of its bundle offers, Eir makes available download speeds of up to 1 Gbps in select markets, covering less than 2% of Irish homes, but plans to expand this service. Virgin Media share of total broadband internet subscribers in Ireland is 32%.

Germany

In Germany, the competition for broadband internet services is particularly intense. For broadband internet access, DSL is the dominate technology and Deutsche Telekom is the primary provider. Other major competitors to our services are resellers of Deutsche Telekom's DSL and VDSL services, including United Internet AG and alternative network providers, such as Vodafone Germany and Telefónica Germany.

Deutsche Telekom provides services to 42% of the broadband internet subscribers in Germany through its network. United Internet AG and Vodafone Germany provide services to 14% and 9%, respectively, of the broadband internet subscribers in Germany. We also face increased competition from mobile broadband operators, including Deutsche Telekom, Vodafone Germany and Telefónica Germany, each of which offer mobile services through LTE wireless systems. Both Deutsche Telekom and Vodafone Germany are upgrading their mobile systems and increasing their coverage areas. Deutsche Telekom has started upgrading its VDSL network with vectoring technology, to increase its speeds to up to 100 Mbps. It plans to have 80% of German households connected to this network by 2018. With its (vectored) VDSL expansion plan, competition from Deutsche Telekom will increase. Unitymedia serves 10% of the total broadband internet market in Germany.

The Netherlands

With high internet access penetration, competition in the Netherlands internet market is intense. We face competition primarily from KPN, one of the largest broadband internet providers, and to a lesser extent, the telecommunications company, Tele2 Netherlands Holding N.V., as well as operators using wholesale access on KPN's fixed network. KPN offers ultra high-speed internet services with download speeds of up to 500 Mbps on its FTTx network and up to 100 Mbps over its VDSL or FTTx network. KPN is the leading mobile broadband provider with its competitively priced mobile internet products and LTE services. KPN and other competitors in both fixed-line and wireless broadband internet services offer a range of services with varying speeds, as well as interactive computer based services, data and other non-video services. Ziggo serves 43% and KPN serves 42%, respectively, of the total broadband internet market in the Netherlands.

Belgium

In Belgium, internet access penetration is higher than in most European markets causing intense competition between the two primary broadband internet technologies, cable and DSL. In Flanders, Telenet is the leading provider of residential broadband internet services. Telenet's primary competitor is the DSL service provider Proximus. Proximus is an aggressive competitor targeting Telenet customers through quadruple-play offerings and a low-cost broadband service. Approximately 45% of Belgium's broadband internet subscribers use Proximus' DSL and VDSL service with download speeds up to 100 Mbps. Mobile internet use is increasing. Similar to its video services, Telenet will be facing competition in the provision of internet services from other providers who have access to Telenet's cable network.

Switzerland

In Switzerland, Swisscom is the largest provider of broadband internet services, with an estimated market share of 54% of all broadband internet customers, and is our primary competitor. Swisscom internet customers have access to its video content free of charge through its internet portal. It is also expanding its FTTx network, through which it can offer higher download speeds. Swisscom FTTx network reaches over 1.0 million homes. The next significant competitor is Sunrise Communications AG with approximately 9% of broadband internet customers. Through third-party FTTx networks, Sunrise Communications AG offers download speeds of up to 100 Mbps, as well as a 1 Gbps offer for its high-end customers.

Austria

In Austria, UPC CHAT's largest competitor with respect to broadband internet services is the incumbent telecommunications company, Telekom Austria, with approximately 61% of the broadband internet subscribers in Austria. Telekom Austria is expanding its DSL network. It also plans to use G-fast technology and VDSL technology with vectoring to increase its download speeds. Currently, Telekom Austria offers download speeds of up to 30 Mbps and up to 100 Mbps in select areas. UPC CHAT's share of such market is 20%. The mobile broadband services of Telekom Austria are also a significant competitive factor. Telekom Austria is the largest mobile broadband provider serving 41% of the mobile broadband subscribers that use LTE services. In addition, UPC CHAT faces competition in Austria from LLU and other mobile broadband operators. As a result, the competition in the broadband internet market is intense.

Central and Eastern Europe

In Central and Eastern Europe, our principal competitors are DSL operators and cable companies that are overbuilding our cable network. In Poland, our principal competitors are Orange Poland, Multimedia Polska S.A. and Vectra S.A., with top download speed offers ranging from up to 100 Mbps to 500 Mbps in parts of UPC Poland's footprint. In Hungary, the primary competitors are the incumbent telecommunications

company, Magyar Telekom and Digi TV. Where Digi TV's cable is available, its download speeds range from 100 Mbps to 1 Gbps for its top tier of service. In addition, in all of our Central and Eastern European operations we face increased competition from mobile broadband operators. Download speeds are also a competitive factor, with competitors enhancing their networks to increase their available download speeds.

LiLAC Group

In Chile, VTR faces competition primarily from the non-cable-based internet service providers, such as Movistar, and from other cable-based providers, such as Claro. VTR is experiencing increased pricing and download speed pressure from Movistar and Claro and more effective competition from these companies with the bundle of their internet service with other services. Movistar offers ultra high-speed internet services with download speeds of up to 150 Mbps over portions of its DSL network. Mobile broadband competition is significant as well. Both Movistar and Claro have launched an LTE network for high-speed mobile data. Movistar is also the leading mobile broadband provider with its competitively priced mobile internet products and LTE services. Movistar serves 40% and VTR serves 37%, respectively, of the total broadband internet market in Chile.

In Puerto Rico, Liberty Puerto Rico competes primarily with mobile broadband providers. Most of these providers, including the incumbent telecommunications company, offer these services over their LTE networks.

Fixed-Line Telephony and Mobile Services

The market for fixed-line telephony services is mature. Changes in market share are driven by the combination of price and quality of services provided and the inclusion of telephony services in bundled offerings. With respect to fixed-line telephony services, our businesses compete against the incumbent telecommunications operator in each country. These operators have substantially more experience in providing fixed-line telephony and mobile services, greater resources to devote to the provision of fixed-line telephony services and long-standing customer relationships. In addition, we compete with other VoIP operators offering service across broadband lines and with mobile telephony providers, many of whom offer LTE services and are making significant advances in obtaining customers. Over-the-top telephony is also becoming a competitive factor. In many countries, our businesses also face competition from other cable telephony providers, FTTx-based providers or other indirect access providers.

Competition in both the residential and business fixed-line telephony markets is extremely competitive due to market trends, the offering of carrier pre-select services, number portability, the replacement of fixed-line with mobile telephony and the growth of VoIP services, as well as continued deregulation of telephony markets and other regulatory action, such as general price competition. Carrier pre-select allows the end user to choose the voice services of operators other than the incumbent while using the incumbent's network.

Liberty Global Group

Across Europe, our fixed-line and mobile telephony businesses are generally small compared to the existing business of the incumbent telephone company. The incumbent telephone companies remain our key competitors but mobile operators and other VoIP operators offering service across broadband lines are also significant competitors in these markets. Generally, we expect telephony markets to remain extremely competitive.

In the U.K., we compete primarily with BT in providing fixed-line telephony services to residential customers. BT occupies an established market position as the former state provider. We also compete with other telecommunications companies that provide fixed-line telephony services directly, through LLU, or indirectly. These include TalkTalk and Sky and mobile telephone operators such as EE and Vodafone who lease access to BT's network to operate their LTE services. In addition, we face competition from companies offering VoIP services using the customer's existing broadband, mobile data and WiFi connections. For our mobile service in the U.K., we also face competition from these mobile network operators as well as other MVNOs. EE is the largest mobile service provider in terms of the number of mobile subscribers in the U.K. Its U.K. network reaches 98% of the U.K. population with further expansion expected in 2016.

Deutsche Telekom is the dominant fixed-line telephony provider in Germany; however, telephony services provided through alternative technologies and mobile telephony services have caused competition in the

telephony market to be intense. As a result, the market for residential telephony service is price sensitive. In recent years, fixed-line phone calls have been transformed into a commodity and have become increasingly dependent on a quality broadband offering, as phone is increasingly bundled with broadband internet services. Fixed-line telephony has experienced significant price erosion over the last few years, with operators increasingly offering flat-rate products.

In the Netherlands, KPN is the dominant fixed-line telephony provider and expanded its mobile services with its LTE network, which is available throughout the Netherlands. All of the large multiple system operators, including Ziggo, as well as ISPs, offer VoIP services. Ziggo entered the mobile market as an MVNO in September 2013. The market share of the fixed-line telephony market for Ziggo is 38% compared to 51% for KPN. In the mobile market, Ziggo is small compared to the competition with less than 1% of the market.

In Belgium, competition in providing fixed-line residential telephony service is intense, with providers introducing substantial price reductions over the years. Proximus is the dominant fixed-line telephony provider with 63% of the fixed-line telephony market. It is also a significant competitor in the mobile telephony market, with its LTE services. Although Proximus is a significant competitor, it also provides certain services to Telenet's customers, including number portability and connect calls by Telenet customers to Proximus customers. Telenet's share of the fixed-line telephony market in Belgium is 26%.

In Switzerland, Swisscom is the dominant fixed-line telephony service provider. Sunrise Communications AG, which offers carrier pre-select services, is also a strong competitor. Each of these competitors also operate their own mobile telephony service and include their mobile products in bundles with fixed-line services. In Switzerland, we serve our subscribers with VoIP over our cable network, and in Austria, we serve our subscribers with VoIP over our cable network, circuit-switched telephony services and DSL technology service over LLU. The market share of the fixed-line telephony market for UPC CHAT in Switzerland is 12%.

In our other European markets, the incumbent telephone companies dominate the telephony market. Most of the fixed-line competition to the incumbent telephone operators in these countries is from entities that provide carrier pre-select or wholesale line rental services. We also compete with ISPs that offer VoIP services and mobile operators. Given the increased relevance of the mobile market, we recently launched mobile services as an MVNO in Austria and Hungary and plan to expand our MVNO services to our other markets.

LiLAC Group

In Chile, VTR faces competition from the incumbent telecommunications operator, Movistar, and other telecommunications operators. Movistar has substantial experience in providing telephony services, resources to devote to the provision of telephony services and long-standing customer relationships. Competition in both the residential and business telephony markets is increasing as a result of market trends and regulatory changes affecting general price competition, number portability and the growth of VoIP services. VTR's share of the residential and commercial fixed-line telephony market in Chile is 20%.

In Chile, over 60% of telecommunications consumers use a mobile service, prompting us in 2012 to add wireless plans to our services. Claro, Movistar and Entel PCS Telecommunications SA are the primary companies that offer mobile telephony in Chile. Competition in the Chilean mobile services market is intense. As an MVNO, VTR offers its mobile telephony services on a standalone basis. To attract and retain customers, VTR focuses on its fixed-line telephony customer base, offering them postpaid accounts at an attractive price. In mid-2015, WOM S.A. entered the mobile services market through its acquisition of the Nextel Chile network. WOM S.A. is exerting significant competitive pressure in the mobile market with its very aggressive and attractive price offer. Such pricing is driving down sales and increasing churn in the mobile market. The mobile services of VTR represent less than 1% of the mobile telephony market in Chile, of which approximately 91% are postpaid accounts. Of these customers 78% subscribe to at least one fixed-line VTR service.

8. Significant recent trends

Save as disclosed in this Prospectus, our board of directors are unaware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our company's prospects for the current financial year, or of any significant recent trends since December 31, 2015 to the date of this Prospectus.

Liberty Global has provided the following full-year 2016 financial guidance targets, which are ordinary-course profit forecasts for the purposes of the Code:

- 5% to 7% rebased OCF growth, for Liberty Global Group, excluding the Netherlands and BASE; and
- 5% to 7% rebased OCF growth for LiLAC Group, excluding CWC.

Further information in relation to this profit forecast is provided in Annex II (*Profit Forecast of The Liberty Global Group and The LiLAC Group*) to this document.

The markets for video, broadband internet, fixed-line telephony and mobile services are highly competitive and rapidly evolving. In addition, technological advances and product innovations have increased and are likely to continue to increase the number of alternative providers available to our customers. Consequently, our businesses have faced and are expected to continue to face significant competition in these markets in the countries in which they operate and specifically, as a result of deregulation in the EU. In relation to video distribution and interactive services, we are experiencing more and more convergence as customers are increasingly looking to receive all their media services from one provider at attractive prices. As a result, our ability to offer triple-play or quadruple-play bundles is a key marketing concept to continue to attract and retain customers.

Some competitors, such as Swisscom in Switzerland, have obtained long-term exclusive contracts for certain sports programs, which limits the opportunities for other providers, including our operations, to offer such programs. Other competitors also have obtained long-term exclusive contracts for programs, but our operations have access to certain of such programming through select contracts with these companies, including Sky Deutschland in Germany and Austria and Sky in the U.K. and Ireland. If exclusive content offerings increase through other providers, programming options could be a deciding factor for subscribers on selecting a video service.

Portions of our systems have been overbuilt by FTTx networks in the Czech Republic, Romania, Slovakia, Hungary, the Netherlands and Switzerland. Based on research of various telecommunication publications, including by the OECD, and internal estimates, approximately 65%, 92%, and 74% of our cable networks in the Czech Republic, Romania and Slovakia, respectively, have been overbuilt by FTTx networks. Also, 13% of our footprint in Hungary, 30% of our footprint in the Netherlands and 36% of our footprint in Switzerland are overbuilt by FTTx networks. Although we have extensive FTTx overbuild in Switzerland, connectivity to the FTTx network is not available at all locations. In addition, government and quasi-government entities in certain of the countries in which we operate in Europe continue to invest in FTTx networks, creating another source of competition. In order to achieve download speeds of up to 100 Mbps or greater for customers, incumbent telecommunications operators are increasingly adopting VDSL with vectoring and bonding technologies as a more cost efficient solution compared to FTTx initiatives.

Our Central and Eastern European markets are also experiencing significant competition from other cable operators. These cable operators have significantly overbuilt our operations in Poland, Hungary and Romania and, to a lesser extent, in Slovakia. Based on research of various telecommunication publications, including the OECD and internal estimates, approximately 49%, 51% and 25% of our operations in Poland, Hungary and Romania, respectively, are overbuilt by other cable providers. Also, approximately 10% of our footprint in Slovakia is overbuilt by other cable providers.

In most of our Central and Eastern European markets, we also face intense competition from DTH services. RCS & RDS S.A. is targeting our analog cable, MMDS and DTH customers with aggressively-priced DTH packages, in addition to overbuilding portions of our cable network in Hungary and Romania. In the Czech Republic and Slovakia, "SkyLink" is a DTH competitor providing aggressively-priced packages of video content. The incumbent telecommunications operator, Telekom Romania Communications S.A., in Romania also operates a competing DTH platform. UPC DTH offers advanced services and functionality, including DVR and premium content, to most of our Central and Eastern European markets. UPC DTH's share of the subscription-based television market is 8% for Hungary, 5% for the Czech Republic, 4% for Slovakia and, through FocusSat, 5% for Romania.

In Latin America, our principal competition is the provision of video services from DTH satellite providers, where we compete with established satellite platforms, as well as other pay television providers. Over-the-top viewing is also a competitive factor.

9. Principal Investments

A description of our principal investments for 2015 and 2014 is set out at notes 6, 7 and 8 of our 2015 Consolidated Financial Statements, which can be found at pages F28-F42 of Annex I to this Prospectus.

A description of our principal investments for 2013 is set out at notes 6, 7 and 8 of our 2014 Consolidated Financial Statements, which can be found at pages F146-F160 of Annex I to this Prospectus.

Save for the Ziggo Vodafone Joint Venture and as otherwise disclosed in this Prospectus, there are no investments in progress and there are no future investments on which our board of directors have already made firm commitments which are significant to Liberty Global.

10. Employees and employee relations

We, including our consolidated subsidiaries, had an aggregate of approximately 37,000 full-time equivalent employees as of December 31, 2016, and 38,000 full-time equivalent employees as of the date of this Prospectus, in each case, certain of whom belong to organized unions and works councils. Certain of our subsidiaries also use contract and temporary employees, which are not included in these numbers, for various projects. In addition, the Virgin Media Acquisition resulted in a material increase of approximately 13,000 full-time employees. We believe that our employee relations are good.

PART III

SELECTED FINANCIAL INFORMATION

The following tables present selected historical financial information of Liberty Global and its consolidated subsidiaries. The following selected financial data was derived from our consolidated financial statements as of and for the years ended December 31, 2015, 2014, and 2013. This information is only a summary and should be read together with Part IV (*Operating and Financial Review of Liberty Global*) and our 2015 Consolidated Financial Statements and 2014 Consolidated Financial Statements attached as Annex I to this Prospectus.

	December 31,		
	2015	**2014**	**2013**
		in millions	
Summary Balance Sheet Data [(a)]:			
Property and equipment, net	$21,684.0	$23,840.6	$23,974.9
Goodwill	$27,020.4	$29,001.6	$23,748.8
Total assets	$67,867.2	$72,841.9	$67,714.3
Debt and capital lease obligations, including current portion	$47,057.3	$46,159.0	$44,704.3
Total equity	$10,174.3	$14,116.0	$11,541.5

	Year ended December 31,		
	2015	**2014**	**2013**
	in millions, except per share amounts		
Summary Statement of Operations Data [(a)]:			
Revenue	$18,280.0	$18,248.3	$14,474.2
Operating income	$ 2,349.2	$ 2,228.2	$ 2,012.1
Loss from continuing operations [(b)]	$ (1,049.5)	$ (980.9)	$ (882.0)
Loss from continuing operations attributable to Liberty Global shareholders	$ (1,152.5)	$ (1,028.5)	$ (937.6)
Basic and diluted earnings (loss) from continuing operations attributable to Liberty Global shareholders per share:			
Liberty Global Shares [(c)]	$ (0.19)		
LiLAC Shares [(c)]	$ 0.39		
Old Liberty Global Shares [(d)]	$ (1.13)	$ (1.29)	$ (1.39)

(a) We acquired Choice on June 3, 2015, Ziggo on November 11, 2014 and Virgin Media on June 7, 2013. We also completed a number of less significant acquisitions during the years presented. We sold the Chellomedia Disposal Group on January 31, 2014. Accordingly, our summary statement of operations data presents the Chellomedia Disposal Group as a discontinued operation during the applicable periods. For information regarding our acquisitions and dispositions during the past three years, see notes 4 and 5 to our 2015 Consolidated Financial Statements.

(b) Includes earnings from continuing operations attributable to noncontrolling interests of $103.0 million, $47.6 million and $55.6 million, respectively.

(c) The amounts presented for 2015 relate to the period from July 1, 2015 through December 31, 2015.

(d) The amount presented for 2015 relates to the period from January 1, 2015 through June 30, 2015.

PART IV

OPERATING AND FINANCIAL REVIEW OF LIBERTY GLOBAL

The following information should be read in conjunction with the financial information on Liberty Global set out in Part V (*Capitalization and Indebtedness*) and our 2015 Consolidated Financial Statements and 2014 Consolidated Financial Statements attached as Annex I to this Prospectus.

Some of the information contained in this Part IV contains forward-looking statements that involve risk and uncertainties. Potential investors in the New Shares should read the section marked "Forward-looking statements" on page 45 of this Prospectus for a discussion of the risks and uncertainties related to such statements.

SECTION A: REVIEW OF OPERATIONS

Overview

We are an international provider of video, broadband internet, fixed-line telephony and mobile services, with consolidated operations at December 31, 2015 in 14 countries. Through Virgin Media, we provide video, broadband internet, fixed-line telephony and mobile services in the U.K. and Ireland. Through Ziggo Group Holding, Unitymedia and Telenet, we provide video, broadband internet, fixed-line telephony and mobile services in the Netherlands, Germany and Belgium, respectively. Through UPC Holding, we provide (i) video, broadband internet and fixed-line telephony services in seven other European countries and (ii) mobile services in four other European countries. The operations of Virgin Media, Ziggo Group Holding, Unitymedia, Telenet and UPC Holding are collectively referred to herein as the "European Operations Division." In Chile, we provide video, broadband internet, fixed-line telephony and mobile services through VTR. In Puerto Rico, we provide video, broadband internet and fixed-line telephony services through Liberty Puerto Rico.

On July 1, 2015, we completed the LiLAC Transaction, pursuant to which we (i) reclassified our then outstanding Old Liberty Global Shares into Liberty Global Shares and (ii) distributed LiLAC Shares to holders of our Old Liberty Global Shares. The Liberty Global Shares and the LiLAC Shares are intended to reflect or "track" the economic performance of the Liberty Global Group and the LiLAC Group, respectively. For additional information, see note 1 to our 2015 Consolidated Financial Statements.

Liberty Global was incorporated and registered in England and Wales on January 29, 2013 with registered number 08379990 originally as a private company limited by shares with the name Lynx Europe Limited. On June 5, 2013, the name of our company was changed to Liberty Global upon its re-registration as a public company. Liberty Global is domiciled in England and Wales and its registered office is Griffin House, 161 Hammersmith Road, London, United Kingdom, W6 8BS (telephone number: +44 20 8483 6300). The principal legislation under which Liberty Global operates, and pursuant to which the New Shares will be created, is the Act and regulations made thereunder.

As a result of a series of mergers that completed on June 7, 2013, Liberty Global became the publicly held parent company of the successors by merger of Liberty Global, Inc. (the predecessor to Liberty Global) and Virgin Media. In this Prospectus, the term "Liberty Global" or the "company", as the context requires, refers to Liberty Global (or its predecessor) or collectively to Liberty Global (or its predecessor) and its subsidiaries. For a more in depth overview of Liberty Global, see *Business Overview* in Part II (*Information on Liberty Global*).

Our analog video service offerings include basic programming and, in some markets, expanded basic programming. We tailor both our basic channel line-up and our additional channel offerings to each market according to culture, demographics, programming preferences and local regulation. Our digital video service offerings include basic and premium programming and incremental product and service offerings such as enhanced pay-per-view programming (including video-on-demand or "**VoD**"), digital video recorders and high definition programming.

We have launched "Horizon TV" in the Netherlands, Switzerland, Ireland and Germany and cloud-based Horizon TV in Poland and the Czech Republic, and during 2016, we expect to launch Horizon TV products in Austria, Chile and certain markets in our Central and Eastern Europe segment. In the U.K. and Belgium, we offer

interactive digital television platforms that are comparable to Horizon TV under the brand names "Tivo" and "Digital TV", respectively. Horizon TV is a family of media products that allows customers to view and share content across the television, computer, tablet and smart phone. Horizon TV is powered by a user interface that provides customers with a seamless and intuitive way to access linear, time-shifted (including "Replay TV"), on-demand and web-based content on the television. It also features an advanced set-top box that delivers not only video, but also internet and voice connections along with a wireless network for the home. The Horizon family of products also includes "Horizon Go" (or "TV Anywhere" in the U.K. and "Yelo Play" in Belgium), an online television app for viewing on a second screen that allows video customers to view linear channels, with many channels available outside of the home. Horizon Go also offers access to VoD and, for Horizon TV customers, the second screen devices also act as an in-home remote control. Using the Horizon Go app, customers in certain markets can watch Replay TV, which provides access to programs from the past seven days on their smart phones or laptops. We expect to expand the availability of Replay TV to additional markets during 2016. In addition, we have launched our subscriber-video-on-demand offering, which we refer to as "MyPrime", in many of our markets. MyPrime is a subscription-based on-demand video library that allows customers to choose from several thousand classic films, children's programs, series and documentaries.

Although our digital television signals are encrypted in many of the countries in which we operate, our basic digital television channels in the Netherlands, Germany, Switzerland, Austria, Romania, the Czech Republic, Poland and Hungary are unencrypted. Where our basic digital television channels are unencrypted, subscribers who have the necessary equipment and who pay the monthly subscription fee for our analog package are able to watch our basic digital television channels. Regardless of whether basic digital television channels are offered on an unencrypted basis, expanded channel packages and premium channels and services continue to be available for an incremental monthly fee in all of our markets. In markets where we introduce unencryption, we generally expect to experience a positive impact on our subscriber disconnect levels and a somewhat negative impact on demand for lower tiers of digital video services.

We offer broadband internet services in all of our broadband communications markets. Our residential subscribers and B2B customers generally access the internet at various download speeds ranging up to 500 Mbps, depending on the market and the tier of service selected. We determine pricing for each tier of broadband internet service through analysis of speed, market conditions and other factors.

We offer fixed-line telephony services in all of our broadband communications markets, primarily using VoIP technology. In addition, we offer mobile services using third-party networks in most of our markets.

Most of our operations also provide B2B services, including voice, broadband internet, data, video, wireless and cloud services.

We have completed a number of transactions that impact the comparability of our 2015, 2014 and 2013 results of operations, including the Choice Acquisition on June 3, 2015, the Ziggo Acquisition on November 11, 2014, the Virgin Media Acquisition on June 7, 2013 and a number of less significant acquisitions during 2015, 2014 and 2013.

On January 31, 2014, we completed the Chellomedia Transaction and, accordingly, the Chellomedia Disposal Group is presented as a discontinued operation in our consolidated financial statements for all applicable periods. In the following discussion and analysis, the operating statistics, results of operations, cash flows and financial condition that we present and discuss are those of our continuing operations, unless otherwise indicated.

For further information regarding our pending and completed acquisitions and our dispositions, see notes 4, 5 and 20 to our 2015 Consolidated Financial Statements.

Through our subsidiaries and affiliates, we are the largest international broadband communications operator in terms of customers. At December 31, 2015, we owned and operated networks that passed 53,392,100 homes and served 57,047,900 revenue generating units ("**RGUs**"), consisting of 24,046,000 video subscribers, 18,120,400 broadband internet subscribers and 14,881,500 fixed-line telephony subscribers. In addition, at December 31, 2015, we served 4,787,000 mobile subscribers.

During the first quarter of 2015, we modified certain video subscriber definitions to better align these definitions with the underlying services received by our subscribers and have replaced our "analog cable" and "digital cable" subscriber definitions with "basic video" and "enhanced video," respectively. A basic video subscriber receives

our video service via an analog video signal or a digital video signal without subscribing to any recurring monthly service that requires the use of encryption-enabling technology. An enhanced video subscriber receives our video service via a digital video signal while subscribing to any recurring monthly service that requires the use of encryption-enabling technology.

Including the effect of acquisitions, we added a total of 1,097,300 RGUs during 2015. Excluding the effect of acquisitions (RGUs added on the acquisition date), but including post-acquisition date RGU additions, we added 869,900 RGUs on an organic basis during 2015, as compared to 1,278,900 RGUs added on an organic basis during 2014. The organic RGU growth during 2015 is primarily attributable to the net effect of (i) an increase of 734,000 broadband internet RGUs, (ii) a decrease of 606,100 basic video RGUs, (iii) an increase of 528,300 fixed-line telephony RGUs and (iv) an increase of 175,700 enhanced video RGUs. In addition, excluding the effect of acquisitions, we added 267,600 mobile subscribers during 2015, including an increase in postpaid mobile subscribers of 464,300 and a decrease in prepaid mobile subscribers of 196,700.

We are experiencing significant competition from incumbent telecommunications operators (particularly in the Netherlands and, to a lesser extent, Switzerland, where the incumbent telecommunications operators are overbuilding our networks with FTTx and advanced digital subscriber line technologies), DTH operators and/or other providers in all of our broadband communications markets. In certain of our markets, this significant competition, together with the maturation of these markets, has contributed to organic declines in revenue, RGUs and/or average monthly subscription revenue per average cable RGU or mobile subscriber, as applicable (“**ARPU**”), the more notable of which include:

(i) organic declines in cable subscription and overall revenue in the Netherlands during the fourth quarter of 2015, as compared to the fourth quarter of 2014;

(ii) organic declines during the fourth quarter of 2015 in (a) video RGUs in the majority of our markets, as declines in our basic video RGUs generally exceeded additions to our enhanced video RGUs (including migrations from basic video) in these markets, (b) fixed-line telephony RGUs in Chile and the Netherlands and (c) total RGUs in the Netherlands and Switzerland/Austria; and

(iii) organic declines in overall cable ARPU in many of our markets during the fourth quarter of 2015, as compared to the fourth quarter of 2014.

In addition to competition, our operations are subject to macroeconomic and political risks that are outside of our control. For example, high levels of sovereign debt in the U.S. and several European countries in which we operate, combined with weak growth and high unemployment, could potentially lead to fiscal reforms (including austerity measures), tax increases, sovereign debt restructurings, currency instability, increased counterparty credit risk, high levels of volatility and disruptions in the credit and equity markets, as well as other outcomes that might adversely impact our company. Given our significant exposure to the euro, the occurrence of any of these events within the eurozone countries could have an adverse impact on, among other matters, our liquidity and cash flows.

Concerns also exist with respect to the Puerto Rico government’s cash flows and, accordingly, its ability to meet its debt obligations. For example, the Puerto Rico government failed to make bond payments of $58 million in August 2015 and $36 million in January 2016. Before the first payment default, the Puerto Rico government enacted a new tax law that, among other things, (i) increased the sales and use tax rate from 7.0% to 11.5%, effective July 1, 2015, and (ii) provided for the taxing of services between businesses at a rate of 4%, effective October 1, 2015. Effective April 1, 2016, the aforementioned sales and use tax will be replaced with a VAT of 10.5% and a sales and use tax of 1.0%. Prior to the new tax law, services between businesses were exempt from taxation. More changes to the Puerto Rico tax system are expected during 2016. Puerto Rico’s government is also currently implementing austerity and a number of other measures to improve its solvency. It remains possible, if not likely, that Puerto Rico will be required to restructure its debt obligations to remain solvent. If the fiscal and economic conditions in Puerto Rico were to worsen as a result of these or other factors, (a) the population of Puerto Rico could continue to decline, reducing the future demand for Liberty Puerto Rico’s services, and (b) the demand and ability of customers to pay for Liberty Puerto Rico’s services could be impaired, which could have a negative impact on Liberty Puerto Rico’s results of operations, cash flows and financial condition.

The video, broadband internet and fixed-line telephony businesses in which we operate are capital intensive. In order to add customers to our broadband networks and enhance our service offerings, we make significant investments in property and equipment to upgrade and extend our broadband communications networks and improve our customer premises equipment. Significant competition, the introduction of new technologies, the expansion of existing technologies such as FTTx and advanced digital subscriber line technologies, or adverse

regulatory developments could cause us to decide to undertake previously unplanned upgrades of our networks and customer premises equipment in impacted markets. In addition, no assurance can be given that any future upgrades will generate a positive return or that we will have adequate capital available to finance such future upgrades. If we are unable to, or elect not to, pay for costs associated with adding new customers, expanding or upgrading our networks, or making our other planned or unplanned additions to our property and equipment, our growth could be limited and our competitive position could be harmed.

We rely on third-party vendors for the equipment, software and services that we require in order to provide services to our customers. Our suppliers often conduct business worldwide and their ability to meet our needs is subject to various risks, including political and economic instability, natural calamities, interruptions in transportation systems, terrorism and labor issues. As a result, we may not be able to obtain the equipment, software and services required for our businesses on a timely basis or on satisfactory terms. Any shortfall in customer premises equipment could lead to delays in connecting customers to our services and, accordingly, could adversely impact our ability to maintain or increase our RGUs, revenue and cash flows.

From a strategic perspective, we are seeking to build broadband communications and mobile businesses that have strong prospects for future growth in revenue, Adjusted OIBDA and free cash flow (as defined below under *Liquidity and Capital Resources – Free Cash Flow*). As discussed further under *Liquidity and Capital Resources – Capitalization* below, we also seek to maintain our debt at levels that provide for attractive equity returns without assuming undue risk.

We strive to achieve organic revenue and customer growth in our operations by developing and marketing bundled entertainment and information and communications services, and extending and upgrading the quality of our networks where appropriate. As we use the term, organic growth excludes foreign currency translation effects ("**FX**") and the estimated impact of acquisitions. While we seek to obtain new customers, we also seek to maximize the average revenue we receive from each household by increasing the penetration of our digital video, broadband internet, fixed-line telephony and mobile services with existing customers through product bundling and upselling.

During 2015, we initiated our "**Liberty 3.0**" program, which is a comprehensive plan to drive top-line growth while maintaining tight cost controls. The Liberty 3.0 program seeks to capitalize on revenue opportunities associated with Network Extensions (as defined and described below), mobile and B2B, together with the realization of greater efficiencies by leveraging our scale more effectively. Underpinning this program is a commitment to customer centricity, which we believe is key to succeeding in an ever more demanding consumer market. We expect this transformation to occur over the next several years and, as with any program of this magnitude, the benefits are expected to materialize over time. We believe that the successful implementation of Liberty 3.0 will, beginning in 2017, lead to consolidated organic growth rates for revenue and Adjusted OIBDA that are meaningfully higher than our recent consolidated organic growth rates. We expect our revenue and Adjusted OIBDA growth to come primarily from (i) organic increases in RGUs, due in large part to the Network Extensions, (ii) increases in ARPU per customer, (iii) growth in B2B and mobile services and (iv) in the case of our Adjusted OIBDA growth rates, cost savings and efficiencies that are expected to largely offset the incremental costs that we will incur as a result of a larger subscriber base. As further discussed below, we expect the percentage of revenue represented by our property and equipment additions to increase during this period as a result of the Network Extensions.

During 2015, we initiated a network extension program in the U.K. (the "**U.K. Network Extension**") pursuant to which we may connect up to an estimated four million additional homes and businesses to Virgin Media's broadband communications network by the end of 2019. In addition, we plan to pursue similar opportunities in Central and Eastern Europe, Germany, Chile and certain other markets, pursuant to which we may connect up to an estimated six million homes to our networks in these markets through 2019 (together with the U.K. Network Extension, the "**Network Extensions**"). The additional premises that we expect to connect pursuant to the Network Extensions were identified through a detailed review of our existing network in these markets and were selected based on our assessment that attractive returns could be achieved. The Network Extensions will be completed in phases and will initially focus on the most accretive expansion opportunities. Depending on a variety of factors, including the financial and operational results of the earlier phases of the programs, any of the Network Extensions may be modified or cancelled at our discretion.

The capital costs associated with the Network Extensions, which include the costs to build-out the networks and the purchase and installation of related customer premises equipment, are expected to be significant. Based on

our most recent long-range plan, which excludes BASE and CWC, and including the aggregate impact on our revenue and property and equipment additions of the Network Extensions, we expect that the percentage of revenue represented by our aggregate consolidated property and equipment additions will range from 25% to 28% during the three years ended December 31, 2018.

Our assessment of the impacts of the Liberty 3.0 program (including the impacts of the Network Extensions) are subject to competitive, economic, regulatory and other factors outside of our control and no assurance can be given that we will be successful in delivering growth rates that are meaningfully higher than our recent consolidated organic growth rates for revenue and Adjusted OIBDA.

For additional information regarding our property and equipment additions, including our expectations for 2016, see *Liquidity and Capital Resources – Consolidated Statements of Cash Flows* below.

Results of Operations

As noted under *Overview* above, the comparability of our operating results during 2015, 2014 and 2013 is affected by acquisitions. In the following discussion, we quantify the estimated impact of acquisitions on our operating results. The acquisition impact represents our estimate of the difference between the operating results of the periods under comparison that is attributable to an acquisition. In general, we base our estimate of the acquisition impact on an acquired entity's operating results during the first three months following the acquisition date such that changes from those operating results in subsequent periods are considered to be organic changes. Accordingly, in the following discussion, variances attributed to an acquired entity during the first 12 months following the acquisition date represent differences between the estimated acquisition impact and the actual results. Our organic growth percentages may be impacted by the fact that the numerator for the organic growth percentages includes the organic growth of the acquired entity, while the denominator may not include any amounts related to the acquired entity. Normally, any such impacts would not be significant, however, due to the size of the Virgin Media Acquisition, our consolidated organic growth rates for 2014, as compared to 2013, are significantly different from the growth rates we would have reported if we had excluded Virgin Media's organic growth from these organic growth rate calculations. Accordingly, to provide an additional perspective on (i) the growth of the components of our consolidated revenue and (ii) changes in our operating expenses, SG&A expenses and Adjusted OIBDA for such periods, we present (a) organic revenue growth rates that exclude Virgin Media's organic growth in a note to our consolidated product revenue table included under *Discussion and Analysis of our Consolidated Operating Results* and (b) the organic changes of our consolidated operating expenses, SG&A expenses and Adjusted OIBDA excluding the impact of Virgin Media in a note to the respective tables that are included in *Discussion and Analysis of our Reportable Segments*.

Changes in foreign currency exchange rates have a significant impact on our reported operating results as all of our operating segments, except for Puerto Rico, have functional currencies other than the U.S. dollar. Our primary exposure to FX risk during the three months ended December 31, 2015 was to the euro and British pound sterling as 43.8% and 37.0% of our U.S. dollar revenue during the period was derived from subsidiaries whose functional currencies are the euro and British pound sterling, respectively. In addition, our reported operating results are impacted by changes in the exchange rates for the Swiss franc and other local currencies in Europe, as well as the Chilean peso. The portions of the changes in the various components of our results of operations that are attributable to changes in FX are highlighted under *Discussion and Analysis of our Reportable Segments* and *Discussion and Analysis of our Consolidated Operating Results* below. For information concerning our foreign currency risks and the applicable foreign currency exchange rates in effect for the periods covered by the 2015 Consolidated Financial Statements contained in this Prospectus, see *Quantitative and Qualitative Disclosures about Market Risk – Foreign Currency Risk* below.

The amounts presented and discussed below represent 100% of each operating segment's revenue and Adjusted OIBDA. As we have the ability to control Telenet and Liberty Puerto Rico, we consolidate 100% of the revenue and expenses of these entities in our consolidated statements of operations despite the fact that third parties own significant interests in these entities. The noncontrolling owners' interests in the operating results of Telenet, Liberty Puerto Rico and other less significant majority-owned subsidiaries are reflected in net earnings or loss attributable to noncontrolling interests in our consolidated statements of operations.

Discussion and Analysis of Liberty Global's Reportable Segments

General

All of the reportable segments set forth below derive their revenue primarily from broadband communications services, including video, broadband internet and fixed-line telephony services. Most of our reportable segments

also provide B2B and mobile services. For detailed information regarding the composition of our reportable segments, including information regarding a change to our reportable segments that we made during the second quarter of 2015, see note 18 to our 2015 Consolidated Financial Statements.

The tables presented below in this section provide a separate analysis of each of the line items that comprise Adjusted OIBDA, as further discussed in note 18 to our 2015 Consolidated Financial Statements, as well as an analysis of Adjusted OIBDA by reportable segment for (i) 2015, as compared to 2014, and (ii) 2014, as compared to 2013. These tables present (a) the amounts reported by each of our reportable segments for the current and comparative periods, (b) the U.S. dollar change and percentage change from period to period and (c) the organic percentage change from period to period (percentage change after removing FX and the estimated impacts of acquisitions and dispositions). The comparisons that exclude FX assume that exchange rates remained constant at the prior year rate during the comparative periods that are included in each table. As discussed under *Quantitative and Qualitative Disclosures about Market Risk – Foreign Currency Risk* below, we have significant exposure to movements in foreign currency exchange rates. We also provide a table showing the Adjusted OIBDA margins of our reportable segments for 2015, 2014 and 2013 at the end of this section.

The revenue of our reportable segments includes revenue earned from (i) subscribers to our broadband communications and mobile services and (ii) B2B services, interconnect fees, mobile handset sales, channel carriage fees, installation fees, late fees and advertising revenue. Consistent with the presentation of our revenue categories in note 18 to our 2015 Consolidated Financial Statements, we use the term “subscription revenue” in the following discussion to refer to amounts received from subscribers for ongoing services, excluding installation fees and late fees. In the following tables, mobile subscription revenue excludes the related interconnect revenue.

Most of our revenue is derived from jurisdictions that administer VAT or similar revenue-based taxes. Any increases in these taxes could have an adverse impact on our ability to maintain or increase our revenue to the extent that we are unable to pass such tax increases on to our customers. In the case of revenue-based taxes for which we are the ultimate taxpayer, we will also experience increases in our operating expenses and corresponding declines in our Adjusted OIBDA and Adjusted OIBDA margins to the extent of any such tax increases.

We pay interconnection fees to other telephony providers when calls or text messages from our subscribers terminate on another network, and we receive similar fees from such providers when calls or text messages from their customers terminate on our networks or networks that we access through MVNO or other arrangements. The amounts we charge and incur with respect to fixed-line telephony and mobile interconnection fees are subject to regulatory oversight in many of our markets. To the extent that regulatory authorities introduce fixed-line or mobile termination rate changes, we would experience prospective changes and, in very limited cases, we could experience retroactive changes in our interconnect revenue and/or costs. The ultimate impact of any such changes in termination rates on our Adjusted OIBDA would be dependent on the call or text messaging patterns that are subject to the changed termination rates.

Revenue of our Reportable Segments

Revenue – 2015 compared to 2014

	Year ended December 31,		Increase (decrease)		Organic increase (decrease)
	2015	2014	$	%	%
	in millions				
Liberty Global Group:					
European Operations Division:					
U.K./Ireland	$ 7,058.7	$ 7,409.9	$ (351.2)	(4.7)	3.9
The Netherlands (a) (b)	2,745.3	1,498.5	1,246.8	83.2	(4.6)
Germany	2,399.5	2,711.5	(312.0)	(11.5)	5.9
Belgium	2,021.0	2,279.4	(258.4)	(11.3)	6.1
Switzerland/Austria	1,758.2	1,846.1	(87.9)	(4.8)	2.8
Total Western Europe	15,982.7	$15,745.4	$ 237.3	1.5	3.6
Central and Eastern Europe	1,066.6	1,259.5	(192.9)	(15.3)	1.3
Central and other	(5.4)	(7.1)	1.7	N.M.	N.M.
Total European Operations Division	17,043.9	16,997.8	46.1	0.3	3.4

	Year ended December 31,		Increase (decrease)		Organic increase (decrease)
	2015	2014	$	%	%
	in millions				
Corporate and other	42.3	70.8	(28.5)	(40.3)	(10.6)
Intersegment eliminations	(23.5)	(24.9)	1.4	N.M.	N.M.
Total Liberty Global Group	17,062.7	17,043.7	19.0	0.1	3.4
LiLAC Group:					
Chile	838.1	898.5	(60.4)	(6.7)	6.9
Puerto Rico (b) (c)	379.2	306.1	73.1	23.9	6.7
Total LiLAC Group	1,217.3	1,204.6	12.7	1.1	6.8
Total	$18,280.0	$18,248.3	$ 31.7	0.2	3.6

(a) The amount presented for 2014 includes the post-acquisition revenue of Ziggo from November 12, 2014 through December 31, 2014.

(b) As further described under *Results of Operations* above, our organic growth rates are impacted by the methodology we use to estimate the impact of an acquisition. This impact is more pronounced in the Netherlands, where the acquired company (Ziggo) is significantly larger than our legacy operations in the Netherlands.

(c) The amount presented for 2015 includes the post-acquisition revenue of Choice, which was acquired on June 3, 2015.

N.M. – Not Meaningful.

General

While not specifically discussed in the below explanations of the changes in the revenue of our reportable segments, we are experiencing significant competition in all of our broadband communications markets. This competition has an adverse impact on our ability to increase or maintain our RGUs and/or ARPU. For a description of the more notable recent impacts of this competition on our broadband communications markets, see *Overview* above.

Variances in the subscription revenue that we receive from our customers are a function of (i) changes in the number of RGUs or mobile subscribers outstanding during the period and (ii) changes in ARPU. Changes in ARPU can be attributable to (a) price increases, (b) changes in bundling or promotional discounts, (c) changes in the tier of services selected, (d) variances in subscriber usage patterns and (e) the overall mix of cable and mobile products within a segment during the period. In the following discussion, we provide the net impact of the above factors on the ARPU that is derived from our video, broadband internet, fixed-line telephony and mobile products.

U.K./Ireland

The decrease in U.K./Ireland's revenue during 2015, as compared to 2014, includes (i) an organic increase of $287.9 million or 3.9%, (ii) the impact of acquisitions, (iii) the impact of a disposal and (iv) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Increase in cable subscription revenue due to change in:			
Average number of RGUs (a)	$ 84.1	$ —	$ 84.1
ARPU (b)	57.7	—	57.7
Total increase in cable subscription revenue	141.8	—	141.8
Decrease in mobile subscription revenue (c)	(24.4)	—	(24.4)
Total increase in subscription revenue	117.4	—	117.4
Increase in B2B revenue (d)	—	64.7	64.7
Increase in other non-subscription revenue (e)	—	105.8	105.8
Total organic increase	117.4	170.5	287.9
Impact of acquisitions	0.4	8.6	9.0
Impact of a disposal (f)	—	(50.0)	(50.0)
Impact of FX	(483.7)	(114.4)	(598.1)
Total	$(365.9)	$ 14.7	$(351.2)

(a) The increase in cable subscription revenue related to a change in the average number of RGUs is attributable to an increase in the average numbers of broadband internet and fixed-line telephony RGUs that was only partially offset by a decline in (i) the average number of enhanced video RGUs and (ii) the average number of basic and multi-channel multi-point (microwave) distribution system ("**MMDS**") video RGUs in Ireland.

(b) The increase in cable subscription revenue related to a change in ARPU is primarily attributable to the net effect of (i) a net increase primarily due to (a) higher ARPU from broadband internet services in the U.K., (b) lower ARPU from fixed-line telephony services and (c) higher ARPU from video services and (ii) an adverse change in RGU mix in Ireland. In addition, the growth in ARPU was partially offset by (1) the impact of a January 1, 2015 change in how VAT is applied to certain components of our U.K. operations, which reduced revenue by $49.9 million, and (2) a May 1, 2014 change in legislation in the U.K. with respect to the charging of VAT in connection with prompt payment discounts, as discussed below, which reduced revenue by $24.0 million.

(c) The decrease in mobile subscription revenue relates to the U.K. and is due to (i) lower ARPU, including the net impact of (a) a decline of $41.6 million in postpaid mobile services revenue due to the November 2014 introduction of a Split-contract Program, (b) a decrease of $11.2 million related to the above-described January 1, 2015 change in how VAT is applied and (c) an increase in revenue due to the favorable impact of a $4.4 million nonrecurring adjustment to VAT recorded during the fourth quarter of 2015, and (ii) a decrease in the average number of subscribers, as a decrease in the average number of prepaid subscribers more than offset the increase in the average number of postpaid subscribers.

(d) The increase in B2B revenue is primarily due to (i) an increase in data revenue, primarily attributable to (a) higher volumes and (b) an increase of $22.7 million in the U.K.'s amortization of deferred upfront fees on B2B contracts, (ii) an increase in low-margin equipment sales in the U.K. and (iii) an increase in voice revenue, largely attributable to the net effect of (1) an $18.2 million increase recorded in the U.K. during the fourth quarter of 2015 related to the settlement of disputes with mobile operators over amounts charged for voice traffic, including $16.3 million related to years prior to 2015, and (2) a decline in usage.

(e) The increase in other non-subscription revenue is primarily due to the net effect of (i) an increase in mobile handset sales, primarily attributable to a $144.6 million increase associated with the November 2014 introduction of a Split-contract Program, (ii) a decrease in interconnect revenue of $23.4 million, primarily due to a decline in mobile short message service ("**SMS**") termination volumes in the U.K., and (iii) a decrease in installation revenue of $12.6 million. For additional information regarding Split-contract Programs, see note 3 to our 2015 Consolidated Financial Statements.

(f) Represents the estimated impact of the non-cable subscribers in the U.K. that we sold in the fourth quarter of 2014 (the U.K. Non-Cable Disposal). These non-cable subscribers were migrated to a third-party during the first nine months of 2015.

On March 19, 2014, the U.K. government announced a change in legislation with respect to the charging of VAT in connection with prompt payment discounts such as those that Virgin Media offers to its fixed-line telephony customers. This change, which took effect on May 1, 2014, impacted Virgin Media and some of its competitors. For additional information regarding a challenge from the U.K. government regarding Virgin Media's application of the prompt payment discount rules prior to the May 1, 2014 change in legislation, see note 17 to our 2015 Consolidated Financial Statements.

The Netherlands

The increase in the Netherlands' revenue during 2015, as compared to 2014, is primarily due to the Ziggo Acquisition. Due to the size of the Ziggo Acquisition and the resulting impact on the organic growth rate of the Netherlands, the below discussion and analysis of the Netherlands' revenue is presented on a pro forma basis as if the results of Ziggo were included along with those of Ziggo Services for 2014. The pro forma revenue amount for Ziggo is based on Ziggo's publicly-reported results for 2014, as adjusted to (i) convert Ziggo's publicly-reported results from International Financial Reporting Standards, as adopted by the EU, to GAAP, (ii) conform one of Ziggo's accounting policies to the corresponding Liberty Global accounting policy and (iii) reflect the impact of the acquisition accounting applied to the Ziggo Acquisition. We believe this pro forma revenue analysis provides the most meaningful comparison of the Netherlands' revenue.

On a pro forma basis, the Netherlands' revenue decreased $618.1 million or 18.4% during 2015, as compared to 2014. This decrease includes (i) a pro forma organic decrease of $82.7 million or 2.5% and (ii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Pro forma decrease in cable subscription revenue due to change in:			
Average number of RGUs (a)	$ (36.4)	$ —	$ (36.4)
ARPU (b)	(7.9)	—	(7.9)
Total pro forma decrease in cable subscription revenue	(44.3)	—	(44.3)
Pro forma increase in mobile subscription revenue (c)	18.7	—	18.7
Total pro forma decrease in subscription revenue	(25.6)	—	(25.6)

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Pro forma decrease in B2B revenue	—	(4.8)	(4.8)
Pro forma decrease in other non-subscription revenue (d)	—	(52.3)	(52.3)
Total pro forma organic decrease	(25.6)	(57.1)	(82.7)
Pro forma impact of FX	(491.8)	(43.6)	(535.4)
Total	$(517.4)	$(100.7)	$(618.1)

(a) The pro forma decrease in cable subscription revenue related to a change in the average number of RGUs is attributable to a decline in the average numbers of basic video, enhanced video and fixed-line telephony RGUs that was only partially offset by an increase in the average number of broadband internet RGUs.

(b) The pro forma decrease in cable subscription revenue related to a change in ARPU is attributable to the net effect of (i) a net decrease due to (a) lower ARPU from video and fixed-line telephony services and (b) higher ARPU from broadband internet services and (ii) an improvement in RGU mix.

(c) The pro forma increase in mobile subscription revenue is primarily due to an increase in the average number of mobile subscribers.

(d) The pro forma decrease in other non-subscription revenue is primarily due to (i) a decrease in revenue of $26.9 million resulting from the termination of a Ziggo partner network agreement shortly after the Ziggo Acquisition, (ii) a decrease in installation revenue and (iii) lower revenue from set-top box sales due to the fact that we stopped selling set-top boxes in the Netherlands during the first quarter of 2015.

Germany

The decrease in Germany's revenue during 2015, as compared to 2014, includes (i) an organic increase of $159.4 million or 5.9% and (ii) the impact of FX, as set forth below:

	Subscription revenue (a)	Non-subscription revenue (b)	Total
		in millions	
Increase in cable subscription revenue due to change in:			
Average number of RGUs (c)	$ 82.5	$ —	$ 82.5
ARPU (d)	95.9	—	95.9
Total increase in cable subscription revenue	178.4	—	178.4
Decrease in mobile subscription revenue	(0.8)	—	(0.8)
Total increase in subscription revenue	177.6	—	177.6
Increase in B2B revenue (e)	—	6.3	6.3
Decrease in other non-subscription revenue (f)	—	(24.5)	(24.5)
Total organic increase (decrease)	177.6	(18.2)	159.4
Impact of FX	(432.0)	(39.4)	(471.4)
Total	$(254.4)	$(57.6)	$(312.0)

(a) Subscription revenue includes revenue from multi-year bulk agreements with landlords or housing associations or with third parties that operate and administer the in-building networks on behalf of housing associations. These bulk agreements, which generally allow for the procurement of the basic video signals at volume-based discounts, provide access to approximately two-thirds of Germany's video subscribers. Germany's bulk agreements are, to a significant extent, medium- and long-term contracts. As of December 31, 2015, bulk agreements covering approximately 33% of the video subscribers that Germany serves expire by the end of 2016 or are terminable on 30-days' notice. During the three months ended December 31, 2015, Germany's 20 largest bulk agreement accounts generated approximately 7% of its total revenue (including estimated amounts billed directly to the building occupants for digital video, broadband internet and fixed-line telephony services). No assurance can be given that Germany's bulk agreements will be renewed or extended on financially equivalent terms or at all.

(b) Other non-subscription revenue includes fees received for the carriage of certain channels included in Germany's basic and enhanced video offerings. This channel carriage fee revenue is subject to contracts that expire or are otherwise terminable by either party on various dates ranging from 2016 through 2018. The aggregate amount of revenue related to these channel carriage contracts represented approximately 4% of Germany's total revenue during the three months ended December 31, 2015. No assurance can be given that these contracts will be renewed or extended on financially equivalent terms, or at all. Also, our ability to increase the aggregate channel carriage fees that Germany receives for each channel is limited through 2016 by certain commitments we made to regulators in connection with the acquisition of KBW.

(c) The increase in cable subscription revenue related to a change in the average number of RGUs is attributable to an increase in the average numbers of broadband internet, fixed-line telephony and enhanced video RGUs that was only partially offset by a decline in the average number of basic video RGUs.

(d) The increase in cable subscription revenue related to a change in ARPU is attributable to (i) higher ARPU from broadband internet, video and fixed-line telephony services and (ii) an improvement in RGU mix.

(e) The increase in B2B revenue is due to higher revenue from data and voice services.
(f) The decrease in other non-subscription revenue is primarily due to (i) a decrease from the unfavorable impact of $11.9 million of nonrecurring network usage revenue that Germany recorded during the first quarter of 2014 following the settlement of prior period amounts, (ii) a decrease in channel carriage fee revenue of $4.9 million and (iii) a decrease in interconnect revenue of $4.8 million.

Belgium

The decrease in Belgium's revenue during 2015, as compared to 2014, includes (i) an organic increase of $138.7 million or 6.1% and (ii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Increase in cable subscription revenue due to change in:			
Average number of RGUs (a)	$ 38.1	$ —	$ 38.1
ARPU (b)	37.7	—	37.7
Total increase in cable subscription revenue	75.8	—	75.8
Increase in mobile subscription revenue (c)	29.6	—	29.6
Total increase in subscription revenue	105.4	—	105.4
Increase in B2B revenue (d)	—	16.7	16.7
Increase in other non-subscription revenue (e)	—	16.6	16.6
Total organic increase	105.4	33.3	138.7
Impact of FX	(333.6)	(63.5)	(397.1)
Total	$(228.2)	$(30.2)	$(258.4)

(a) The increase in cable subscription revenue related to a change in the average number of RGUs is attributable to an increase in the average numbers of fixed-line telephony, broadband internet and enhanced video RGUs that was only partially offset by a decline in the average number of basic video RGUs.
(b) The increase in cable subscription revenue related to a change in ARPU is attributable to (i) higher ARPU from broadband internet, video and fixed-line telephony services and (ii) an improvement in RGU mix.
(c) The increase in mobile subscription revenue is due to the net effect of (i) an increase in the average number of mobile subscribers and (ii) lower ARPU.
(d) The increase in B2B revenue is primarily due to higher revenue from (i) information technology security services and related equipment sales, (ii) broadband internet services and (iii) voice services.
(e) The increase in other non-subscription revenue is primarily due to the net effect of (i) an increase in mobile handset sales of $11.6 million, (ii) an increase in interconnect revenue of $9.2 million, primarily attributable to the net effect of (a) growth in mobile call volumes and (b) lower SMS usage, and (iii) a decrease in set-top box sales of $7.4 million, primarily due to a digital cable migration completed during the third quarter of 2014. The increase in Belgium's mobile handset sales, which typically generate relatively low margins, is primarily due to the net effect of (1) an increase of $12.5 million associated with the June 2015 introduction of a Split-contract Program, (2) a decrease in subsidized handset sales and (3) higher revenue from contract termination fees applicable to subsidized handsets.

For information concerning certain regulatory developments that could have an adverse impact on our revenue in Belgium, see note 17 to our 2015 Consolidated Financial Statements.

Switzerland/Austria

The decrease in Switzerland/Austria's revenue during 2015, as compared to 2014, includes (i) an organic increase of $52.3 million or 2.8%, (ii) the impact of an acquisition and (iii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Increase in cable subscription revenue due to change in:			
Average number of RGUs (a)	$ 9.3	$ —	$ 9.3
ARPU (b)	18.4	—	18.4
Total increase in cable subscription revenue	27.7	—	27.7
Increase in mobile subscription revenue (c)	8.8	—	8.8
Total increase in subscription revenue	36.5	—	36.5

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Increase in B2B revenue (d)	—	6.4	6.4
Increase in other non-subscription revenue (e)	—	9.4	9.4
Total organic increase	36.5	15.8	52.3
Impact of an acquisition	5.7	(0.4)	5.3
Impact of FX	(117.9)	(27.6)	(145.5)
Total	$ (75.7)	$(12.2)	$ (87.9)

(a) The increase in cable subscription revenue related to a change in the average number of RGUs is attributable to an increase in the average numbers of broadband internet, fixed-line telephony and enhanced video RGUs that was primarily offset by a decline in the average number of basic video RGUs.

(b) The increase in cable subscription revenue related to a change in ARPU is due to an increase in ARPU in both Switzerland and Austria. The increase in ARPU in Switzerland is attributable to (i) an improvement in RGU mix and (ii) a net increase due to (a) higher ARPU from video services and (b) lower ARPU from fixed-line telephony and broadband internet services. The increase in ARPU in Austria is attributable to the net effect of (1) a net increase due to (I) higher ARPU from video and broadband internet services and (II) lower ARPU from fixed-line telephony services and (2) an adverse change in RGU mix.

(c) The increase in mobile subscription revenue is primarily due to an increase in the average number of mobile subscribers in Switzerland. Switzerland's mobile services were launched during the second quarter of 2014.

(d) The increase in B2B revenue is primarily due to a net increase in Switzerland from (i) higher revenue from voice and data services and (ii) lower revenue from construction services and equipment sales.

(e) The increase in other non-subscription revenue is due to the net effect of (i) an increase in mobile handset sales, which typically generate relatively low margins, (ii) a decrease in revenue from Austria's non-cable subscriber base and (iii) a net increase resulting from individually insignificant changes in other non-subscription categories.

Central and Eastern Europe

The decrease in Central and Eastern Europe's revenue during 2015, as compared to 2014, includes (i) an organic increase of $16.1 million or 1.3% and (ii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Increase (decrease) in cable subscription revenue due to change in:			
Average number of RGUs (a)	$ 37.5	$ —	$ 37.5
ARPU (b)	(28.7)	—	(28.7)
Total increase in cable subscription revenue	8.8	—	8.8
Increase in mobile subscription revenue	2.0	—	2.0
Total increase in subscription revenue	10.8	—	10.8
Increase in B2B revenue	—	4.2	4.2
Increase in other non-subscription revenue	—	1.1	1.1
Total organic increase	10.8	5.3	16.1
Impact of FX	(191.1)	(17.9)	(209.0)
Total	$(180.3)	$(12.6)	$(192.9)

(a) The increase in cable subscription revenue related to a change in the average number of RGUs is attributable to the net effect of (i) an increase in the average numbers of enhanced video, broadband internet and fixed-line telephony RGUs in Romania, Poland, Hungary and Slovakia, (ii) a decline in the average number of basic video RGUs in Poland, Hungary, Romania and Slovakia, (iii) an increase in the average number of DTH RGUs, (iv) a decline in the average numbers of fixed-line telephony and enhanced video RGUs in the Czech Republic and (v) an increase in the average numbers of basic video and broadband internet RGUs in the Czech Republic.

(b) The decrease in cable subscription revenue related to a change in ARPU is attributable to the net effect of (i) a net decrease due to (a) lower ARPU from fixed-line telephony services, (b) lower ARPU from broadband internet services, primarily in Poland, and (c) higher ARPU from video services, primarily in Poland and Romania, and (ii) an improvement in RGU mix. In addition, the decline in ARPU includes the impact of a January 1, 2015 change in how VAT is calculated for UPC DTH's operations in Hungary, the Czech Republic and Slovakia, which reduced UPC DTH's revenue by $16.4 million.

Chile

The decrease in Chile's revenue during 2015, as compared to 2014, includes (i) an organic increase of $61.5 million or 6.9% and (ii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Increase in cable subscription revenue due to change in:			
Average number of RGUs (a)	$ 23.0	$ —	$ 23.0
ARPU (b)	20.4	—	20.4
Total increase in cable subscription revenue	43.4	—	43.4
Increase in mobile subscription revenue (c)	16.3	—	16.3
Total increase in subscription revenue	59.7	—	59.7
Increase in non-subscription revenue (d)	—	1.8	1.8
Total organic increase	59.7	1.8	61.5
Impact of FX	(114.4)	(7.5)	(121.9)
Total	$ (54.7)	$(5.7)	$ (60.4)

(a) The increase in cable subscription revenue related to a change in the average number of RGUs is attributable to an increase in the average numbers of broadband internet and enhanced video RGUs that was only partially offset by a decline in the average numbers of basic video and fixed-line telephony RGUs.

(b) The increase in cable subscription revenue related to a change in ARPU is attributable to (i) a net increase due to (a) higher ARPU from video and broadband internet services and (b) lower ARPU from fixed-line telephony services and (ii) an improvement in RGU mix. In addition, the growth in ARPU was partially offset by a decrease in revenue due to the impact of a $2.5 million adjustment recorded during the first quarter of 2015 to reflect the retroactive application of a proposed tariff on ancillary services provided directly to customers for the period from July 2013 through February 2014.

(c) The increase in mobile subscription revenue is due to (i) an increase in the average number of subscribers, as an increase in the average number of postpaid subscribers more than offset the decrease in the average number of prepaid subscribers, and (ii) higher ARPU primarily due to a higher proportion of mobile subscribers on postpaid plans, which generate higher ARPU than prepaid plans.

(d) The increase in non-subscription revenue is due to the net effect of (i) a decrease in interconnect revenue, (ii) an increase in installation revenue, (iii) an increase in advertising revenue and (iv) a net increase resulting from individually insignificant changes in other non-subscription categories. The decrease in interconnect revenue is primarily due to (a) lower rates and (b) a decrease of $3.0 million related to the impact of adjustments recorded during the first and third quarters of 2015 to reflect the retroactive application of a tariff reduction to June 2012.

Puerto Rico

The increase in Puerto Rico's revenue during 2015, as compared to 2014, includes (i) an organic increase of $20.5 million or 6.7% and (ii) the impact of the Choice Acquisition, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Increase (decrease) in cable subscription revenue due to change in:			
Average number of RGUs (a)	$20.8	$ —	$20.8
ARPU (b)	(5.7)	—	(5.7)
Total increase in cable subscription revenue	15.1	—	15.1
Increase in B2B revenue	—	4.2	4.2
Increase in other non-subscription revenue	—	1.2	1.2
Total organic increase	15.1	5.4	20.5
Impact of the Choice Acquisition	47.2	5.4	52.6
Total	$62.3	$10.8	$73.1

(a) The increase in cable subscription revenue related to a change in the average number of RGUs is attributable to an increase in the average numbers of fixed-line telephony, broadband internet and enhanced video RGUs.

(b) The decrease in cable subscription revenue related to a change in ARPU is primarily due to an adverse change in RGU mix. Excluding the impact of RGU mix, ARPU was relatively unchanged due to the net effect of (i) lower ARPU from fixed-line telephony services and (ii) higher ARPU from video and broadband internet services.

Revenue – 2014 compared to 2013

	Year ended December 31,		Increase (decrease)		Organic increase (decrease) (a)
	2014	2013	$	%	%
	in millions				
Liberty Global Group:					
European Operations Division:					
U.K./Ireland (b)	$ 7,409.9	$ 4,117.4	$3,292.5	80.0	4.5
The Netherlands (c)	1,498.5	1,242.4	256.1	20.6	(1.3)
Germany	2,711.5	2,559.2	152.3	6.0	6.0
Belgium	2,279.4	2,185.9	93.5	4.3	4.3
Switzerland/Austria	1,846.1	1,767.1	79.0	4.5	3.1
Total Western Europe	15,745.4	$11,872.0	$3,873.4	32.6	4.0
Central and Eastern Europe	1,259.5	1,272.0	(12.5)	(1.0)	0.7
Central and other	(7.1)	(0.4)	(6.7)	N.M.	N.M.
Total European Operations Division	16,997.8	13,143.6	3,854.2	29.3	3.6
Corporate and other	70.8	77.1	(6.3)	(8.2)	(10.1)
Intersegment eliminations	(24.9)	(34.0)	9.1	N.M.	N.M.
Total Liberty Global Group	17,043.7	13,186.7	3,857.0	29.2	3.6
LiLAC Group:					
Chile	898.5	991.6	(93.1)	(9.4)	4.4
Puerto Rico	306.1	297.2	8.9	—	3.0
Total LiLAC Group	1,204.6	1,288.8	(84.2)	(6.5)	4.1
Inter-group eliminations	$ —	$ (1.3)	$ 1.3	N.M.	N.M.
Total	$18,248.3	$14,474.2	$3,774.1	26.1	3.6

(a) As further described under *Results of Operations* above, our organic revenue growth rate during 2014 is impacted by the organic growth of Virgin Media. Excluding the impact of Virgin Media, the organic increase in (i) U.K./Ireland's revenue would have been 1.1%, (ii) Liberty Global Group's revenue would have been 3.1% and (iii) our total revenue would have been 3.2%. For additional information, see *Discussion and Analysis of our Consolidated Results – Revenue*.

(b) The amount presented for 2013 includes the post-acquisition revenue of Virgin Media from June 8, 2013 through December 31, 2013.

(c) The amount presented for 2014 includes the post-acquisition revenue of Ziggo from November 12, 2014 through December 31, 2014.

N.M. – Not Meaningful.

U.K./Ireland

The details of U.K./Ireland's revenue during 2014, as compared to 2013, are set forth below:

	Year ended December 31,		Increase		Organic increase
	2014	2013	$	%	%
	in millions				
U.K.	$6,941.1	$3,653.7	$3,287.4	90.0	4.9
Ireland	468.8	463.7	5.1	1.1	1.1
Total	$7,409.9	$4,117.4	$3,292.5	80.0	4.5

The increase in U.K./Ireland's revenue during 2014, as compared to 2013, is primarily due to the June 2013 Virgin Media Acquisition. The organic revenue growth rate of U.K./Ireland is impacted by the size and timing of the Virgin Media Acquisition. Accordingly, (i) we present a separate discussion and analysis for each of the U.K. and Ireland and (ii) the below discussion and analysis of the U.K.'s revenue is presented on a pro forma basis as if the results of Virgin Media were included for the full year 2013. We believe this pro forma analysis provides a more meaningful comparison of Virgin Media's revenue.

U.K. During 2014, Virgin Media generated revenue of $6,941.1 million, representing a pro forma organic increase of $163.4 million or 2.5%, compared to the revenue reported by Virgin Media during 2013. This pro

forma organic increase in Virgin Media's revenue, which represents the increase that remains after eliminating the impacts of (i) a decrease of $21.4 million associated with the assumed alignment of Virgin Media's policy to our policy for accounting for installation and certain nonrecurring fees received on B2B contracts, (ii) an acquisition and (iii) FX, is attributable to the net effect of (a) an increase in cable subscription revenue of $141.6 million or 3.2%, (b) a decrease in other non-subscription revenue of $83.5 million or 20.2%, (c) an increase in mobile subscription revenue of $61.9 million or 9.0% and (d) an increase in non-subscription B2B revenue of $43.4 million or 4.8%.

The pro forma organic increase during 2014 in Virgin Media's cable subscription revenue is primarily due to an increase in ARPU and, to a lesser extent, the average number of RGUs, as an increase in the average number of broadband internet RGUs was only partially offset by a decline in the average numbers of enhanced video and fixed-line telephony RGUs. The increase in ARPU is primarily due to the net effect of (i) higher ARPU from broadband internet services and (ii) lower ARPU from fixed-line telephony and digital video services. In addition, the growth in fixed-line telephony ARPU was partially offset by the impact of a change in legislation with respect to the charging of VAT in connection with prompt payment discounts, as discussed below.

The pro forma organic increase in Virgin Media's mobile subscription revenue is due to (i) higher ARPU and (ii) an increase in the average number of subscribers, as an increase in the average number of postpaid subscribers more than offset the decrease in the average number of prepaid subscribers. In addition, the growth in mobile subscription revenue was partially offset by the impact of certain nonrecurring net adjustments of $6.0 million and $1.8 million during the first and second quarters of 2013, respectively, that positively impacted 2013.

The pro forma organic increase in Virgin Media's non-subscription B2B revenue is primarily due to the net effect of (i) an increase in B2B data revenue primarily attributable to (a) increased volumes and (b) an increase of $17.8 million in the amortization of deferred upfront fees on B2B contracts and (ii) a decline in B2B voice revenue primarily attributable to (1) lower termination rates and (2) a decline in usage. In addition, the growth in B2B revenue also benefited from the impact of certain nonrecurring net adjustments of $4.8 million that negatively impacted the third quarter of 2013.

The pro forma organic decrease in Virgin Media's other non-subscription revenue is primarily attributable to the net effect of (i) a decrease in interconnect revenue, primarily due to a reduction in (a) fixed-line termination rates in February 2014 and (b) mobile termination rates in April 2013, (ii) a decrease of $28.9 million related to a decline in Virgin Media's non-cable subscriber base, (iii) a decrease in installation revenue and (iv) an increase in mobile handset sales primarily attributable to the net effect of (1) an $11.3 million increase related to the November 2014 introduction of a Split-contract Program and (2) a decrease in sales to third-party retailers and prepaid handset sales.

On March 19, 2014, the U.K. government announced a change in legislation with respect to the charging of VAT in connection with prompt payment discounts such as those that Virgin Media offers to its fixed-line telephony customers. The changes, which took effect on May 1, 2014, impacted Virgin Media and some of its competitors. As a result of this legislation, Virgin Media's revenue was £28.9 million ($42.6 million) lower during 2014, as compared to 2013.

Ireland. The increase in Ireland's revenue during 2014, as compared to 2013, includes (i) an organic increase of $5.0 million or 1.1%, and (ii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Increase (decrease) in cable subscription revenue due to change in:			
Average number of RGUs (a)	$ 26.4	$ —	$ 26.4
ARPU (b)	(14.2)	—	(14.2)
Total increase in cable subscription revenue	12.2	—	12.2
Decrease in B2B revenue	—	(2.3)	(2.3)
Decrease in other non-subscription revenue (c)	—	(4.9)	(4.9)
Total organic increase (decrease)	12.2	(7.2)	5.0
Impact of FX	0.3	(0.2)	0.1
Total	$ 12.5	$(7.4)	$ 5.1

(a) The increase in cable subscription revenue related to a change in the average number of RGUs is attributable to an increase in the average numbers of fixed-line telephony and broadband internet RGUs that was only partially offset by a decline in the average numbers of basic video, MMDS and enhanced video RGUs.
(b) The decrease in cable subscription revenue related to a change in ARPU is attributable to (i) an adverse change in RGU mix and (ii) a net decrease primarily due to (a) lower ARPU from fixed-line telephony services and (b) higher ARPU from video services.
(c) The decrease in other non-subscription revenue is primarily due to a decrease in installation revenue.

The Netherlands

The increase in the Netherlands' revenue during 2014, as compared to 2013, includes (i) an organic decrease of $16.3 million or 1.3%, (ii) the impact of the Ziggo Acquisition and (iii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Increase (decrease) in cable subscription revenue due to change in:			
Average number of RGUs (a)	$ 1.5	$ —	$ 1.5
ARPU (b)	(3.4)	—	(3.4)
Total decrease in cable subscription revenue	(1.9)	—	(1.9)
Decrease in mobile subscription revenue	(0.2)	—	(0.2)
Total decrease in subscription revenue	(2.1)	—	(2.1)
Decrease in B2B revenue	—	(2.8)	(2.8)
Decrease in other non-subscription revenue (c)	—	(11.4)	(11.4)
Total organic decrease	(2.1)	(14.2)	(16.3)
Impact of the Ziggo Acquisition	262.2	30.0	292.2
Impact of FX	(21.0)	1.2	(19.8)
Total	$239.1	$ 17.0	$256.1

(a) The increase in cable subscription revenue related to a change in the average number of RGUs is attributable to an increase in the average numbers of broadband internet, fixed-line telephony and enhanced video RGUs that was mostly offset by a decline in the average number of basic video RGUs.
(b) The decrease in cable subscription revenue related to a change in ARPU is attributable to the net effect of (i) a net decrease due to (a) lower ARPU from broadband internet services and (b) higher ARPU from video and fixed-line telephony services and (ii) an improvement in RGU mix.
(c) The decrease in other non-subscription revenue is primarily due to lower installation revenue.

Germany

The increase in Germany's revenue during 2014, as compared to 2013, includes (i) an organic increase of $153.7 million or 6.0% and (ii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Increase in cable subscription revenue due to change in:			
Average number of RGUs (a)	$105.7	$ —	$105.7
ARPU (b)	36.4	—	36.4
Total increase in cable subscription revenue	142.1	—	142.1
Increase in mobile subscription revenue (c)	5.3	—	5.3
Total increase in subscription revenue	147.4	—	147.4
Increase in B2B revenue	—	0.5	0.5
Increase in other non-subscription revenue (d)	—	5.8	5.8
Total organic increase	147.4	6.3	153.7
Impact of FX	(1.6)	0.2	(1.4)
Total	$145.8	$6.5	$152.3

(a) The increase in cable subscription revenue related to a change in the average number of RGUs is attributable to an increase in the average numbers of broadband internet, fixed-line telephony and enhanced video RGUs that was only partially offset by a decline in the average number of basic video RGUs.

(b) The increase in cable subscription revenue related to a change in ARPU is attributable to (i) a net increase due to (a) higher ARPU from broadband internet services, (b) lower ARPU from fixed-line telephony services and (c) higher ARPU from video services and (ii) an improvement in RGU mix.

(c) The increase in mobile subscription revenue is due to the net effect of (i) an increase in the average number of mobile subscribers and (ii) lower ARPU.

(d) The increase in other non-subscription revenue is attributable to the net effect of (i) a decrease in interconnect revenue of $15.6 million, primarily attributable to lower fixed-line termination rates, (ii) an increase in channel carriage fee revenue of $7.0 million and (iii) a net increase from individually insignificant changes in other non-subscription revenue categories. The increase during 2014, as compared to 2013, also includes an $11.4 million increase in network usage revenue related to the first quarter 2014 settlement of prior year amounts.

Belgium

The increase in Belgium's revenue during 2014, as compared to 2013, includes (i) an organic increase of $94.5 million or 4.3% and (ii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Increase in cable subscription revenue due to change in:			
Average number of RGUs (a)	$53.1	$ —	$53.1
ARPU (b)	16.4	—	16.4
Total increase in cable subscription revenue	69.5	—	69.5
Increase in mobile subscription revenue (c)	12.9	—	12.9
Total increase in subscription revenue	82.4	—	82.4
Increase in B2B revenue (d)	—	9.4	9.4
Increase in other non-subscription revenue (e)	—	2.7	2.7
Total organic increase	82.4	12.1	94.5
Impact of FX	(0.7)	(0.3)	(1.0)
Total	$81.7	$11.8	$93.5

(a) The increase in cable subscription revenue related to a change in the average number of RGUs is attributable to an increase in the average numbers of fixed-line telephony, enhanced video and broadband internet RGUs that was only partially offset by a decline in the average number of basic video RGUs.

(b) The increase in cable subscription revenue related to a change in ARPU is primarily attributable to an improvement in RGU mix. Excluding RGU mix, ARPU remained relatively constant primarily due to the net effect of (i) higher ARPU from broadband internet services and (ii) lower ARPU from fixed-line telephony services.

(c) The increase in mobile subscription revenue is due to the net effect of (i) an increase in the average number of mobile subscribers and (ii) lower ARPU.

(d) The increase in B2B revenue is primarily due to (i) higher revenue from voice, video and data services and (ii) higher wholesale revenue from mobile services.

(e) The increase in other non-subscription revenue is primarily due to the net effect of (i) an increase in interconnect revenue of $12.2 million, primarily due to the net effect of (a) growth in mobile customers and (b) lower SMS usage, (ii) a decrease in mobile handset sales of $11.7 million and (iii) an increase in set-top box sales of $6.8 million, primarily due to a digital cable migration completed during the third quarter of 2014. The decrease in Belgium's mobile handset sales, which typically generate relatively low margins, is primarily due to a decrease in sales to third-party retailers.

Switzerland/Austria

The increase in Switzerland/Austria's revenue during 2014, as compared to 2013, includes (i) an organic increase of $55.5 million or 3.1%, (ii) the impact of acquisitions and (iii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Increase in cable subscription revenue due to change in:			
Average number of RGUs (a)	$36.4	$ —	$36.4
ARPU (b)	19.1	—	19.1
Total increase in cable subscription revenue	55.5	—	55.5
Increase in B2B revenue (c)	—	6.7	6.7
Decrease in other non-subscription revenue (d)	—	(6.7)	(6.7)
Total organic increase	55.5	—	55.5
Impact of acquisitions	7.3	(1.7)	5.6
Impact of FX	16.8	1.1	17.9
Total	$79.6	$(0.6)	$79.0

(a) The increase in cable subscription revenue related to a change in the average number of RGUs is attributable to an increase in the average numbers of broadband internet, enhanced video and fixed-line telephony RGUs that was largely offset by a decline in the average number of basic video RGUs.

(b) The increase in cable subscription revenue related to a change in ARPU is due to an increase in Switzerland that was only partially offset by a decrease in Austria. The increase in Switzerland is attributable to (i) an improvement in RGU mix and (ii) a net increase due to (a) higher ARPU from video services, (b) lower ARPU from fixed-line telephony services and (c) higher ARPU from broadband internet services. The decrease in Austria is attributable to (1) a net decrease due to (I) lower ARPU from fixed-line telephony and broadband internet services and (II) higher ARPU from video services and (2) an adverse change in RGU mix.

(c) The increase in B2B revenue is primarily due to the net effect of (i) increased volumes in voice, data and broadband internet services in Switzerland and (ii) lower revenue from internet and voice services in Austria.

(d) The decrease in other non-subscription revenue is largely due to the net effect of (i) a decrease in installation revenue in each of Switzerland and Austria, (ii) a decrease in revenue from Austria's non-cable subscriber base and (iii) an increase in mobile handset sales, which typically generate relatively low margins, in Switzerland.

Central and Eastern Europe

The decrease in Central and Eastern Europe's revenue during 2014, as compared to 2013, includes (i) an organic increase of $9.2 million or 0.7% and (ii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Increase (decrease) in cable subscription revenue due to change in:			
Average number of RGUs (a)	$ 30.8	$ —	$ 30.8
ARPU (b)	(16.9)	—	(16.9)
Total increase in cable subscription revenue	13.9	—	13.9
Increase in B2B revenue (c)	—	5.1	5.1
Decrease in other non-subscription revenue (d)	—	(9.8)	(9.8)
Total organic increase (decrease)	13.9	(4.7)	9.2
Impact of FX	(20.0)	(1.7)	(21.7)
Total	$ (6.1)	$(6.4)	$(12.5)

(a) The increase in cable subscription revenue related to a change in the average number of RGUs is primarily attributable to (i) an increase in the average numbers of enhanced video, broadband internet and fixed-line telephony RGUs in Poland, Romania, Hungary and Slovakia and (ii) an increase in the average number of DTH RGUs that was largely offset by (a) a decline in the average number of basic video RGUs in Poland, Romania, Hungary and Slovakia and (b) a decline in the average numbers of enhanced video and fixed-line telephony RGUs in the Czech Republic.

(b) The decrease in cable subscription revenue related to a change in ARPU is primarily attributable to the net effect of (i) lower ARPU from fixed-line telephony, (ii) broadband internet services, primarily in Poland, and (iii) an improvement in RGU mix.

(c) The increase in B2B revenue is largely due to higher revenue from voice services in Hungary and Poland.

(d) The decrease in other non-subscription revenue is due to (i) a decrease in interconnect revenue, largely as a result of lower fixed-line telephony termination rates in Poland, and (ii) a net decrease resulting from individually insignificant changes in other non-subscription revenue categories.

Chile

The decrease in Chile's revenue during 2014, as compared to 2013, includes (i) an organic increase of $43.4 million or 4.4% and (ii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Increase in cable subscription revenue due to change in:			
Average number of RGUs (a)	$ 36.9	$ —	$ 36.9
ARPU (b)	13.5	—	13.5
Total increase in cable subscription revenue	50.4	—	50.4
Increase in mobile subscription revenue (c)	7.7	—	7.7
Total increase in subscription revenue	58.1	—	58.1
Decrease in non-subscription revenue (d)	—	(14.7)	(14.7)
Total organic increase (decrease)	58.1	(14.7)	43.4
Impact of FX	(128.4)	(8.1)	(136.5)
Total	$ (70.3)	$(22.8)	$ (93.1)

(a) The increase in cable subscription revenue related to a change in the average number of RGUs is attributable to an increase in the average numbers of enhanced video, broadband internet and fixed-line telephony RGUs that was only partially offset by a decline in the average number of basic video RGUs.

(b) The increase in cable subscription revenue related to a change in ARPU is attributable to (i) a net increase due to (a) higher ARPU from broadband internet services, (b) lower ARPU from fixed-line telephony services and (c) higher ARPU from video services and (ii) an improvement in RGU mix.

(c) The increase in mobile subscription revenue is due to (i) an increase in the average number of subscribers, as an increase in the average number of postpaid subscribers more than offset the decrease in the average number of prepaid subscribers, and (ii) higher ARPU primarily due to a higher proportion of mobile subscribers on postpaid plans, which generate higher ARPU than prepaid plans.

(d) The decrease in non-subscription revenue is primarily due to a decrease in (i) interconnect revenue, primarily associated with a January 2014 decline in mobile terminations rates, and (ii) prepaid mobile handset sales, which typically generate relatively low margins.

Puerto Rico

The increase in Puerto Rico's revenue during 2014, as compared to 2013, is set forth below:

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Increase (decrease) in cable subscription revenue due to change in:			
Average number of RGUs (a)	$ 28.5	$ —	$ 28.5
ARPU (b)	(20.5)	—	(20.5)
Total increase in cable subscription revenue	8.0	—	8.0
Increase in B2B revenue	—	1.4	1.4
Decrease in other non-subscription revenue	—	(0.5)	(0.5)
Total	$ 8.0	$ 0.9	$ 8.9

(a) The increase in cable subscription revenue related to a change in the average number of RGUs is attributable to an increase in the average numbers of fixed-line telephony, broadband internet and enhanced video RGUs.

(b) The decrease in cable subscription revenue related to a change in ARPU is primarily attributable to (i) lower ARPU from fixed-line telephony and digital video services and (ii) an adverse change in RGU mix.

Operating Expenses of our Reportable Segments

Operating expenses – 2015 compared to 2014

	Year ended December 31.		Increase (decrease)		Organic increase (decrease)
	2015	2014	$	%	%
		in millions			
Liberty Global Group:					
European Operations Division:					
U.K./Ireland	$3,019.3	$3,224.8	$(205.5)	(6.4)	2.7
The Netherlands (a) (b)	844.7	444.9	399.8	89.9	(4.5)
Germany	551.0	623.8	(72.8)	(11.7)	5.7
Belgium	785.4	890.1	(104.7)	(11.8)	5.3
Switzerland/Austria	483.2	528.5	(45.3)	(8.6)	(0.7)
	5,683.6	5,712.1	(28.5)	(0.5)	2.5
Total Western Europe					
Central and Eastern Europe	429.7	500.0	(70.3)	(14.1)	2.7
Central and other	84.1	65.3	18.8	28.8	51.9
Total European Operations Division	6,197.4	6,277.4	(80.0)	(1.3)	3.1
Corporate and other	52.1	61.6	(9.5)	(15.4)	23.2
Intersegment eliminations	(23.9)	(28.6)	4.7	N.M.	N.M.
Total Liberty Global Group	6,225.6	6,310.4	(84.8)	(1.3)	3.3
LiLAC Group:					
Chile	369.4	392.6	(23.2)	(5.9)	7.8
Puerto Rico (b) (c)	165.6	135.3	30.3	22.4	5.1
	535.0	527.9	7.1	1.3	7.1
Total LiLAC Group					
Total operating expenses excluding share-based compensation expense	6,760.6	6,838.3	(77.7)	(1.1)	3.6
Share-based compensation expense	3.4	7.6	(4.2)	(55.3)	
Total	$6,764.0	$6,845.9	$ (81.9)	(1.2)	

(a) The amount presented for 2014 includes the post-acquisition operating expenses of Ziggo from November 12, 2014 through December 31, 2014.

(b) As further described under *Results of Operations* above, our organic growth rates are impacted by the methodology we use to estimate the impact of an acquisition. This impact is more pronounced in the Netherlands, where the acquired company (Ziggo) is significantly larger than our legacy operations in the Netherlands.

(c) The amount presented for 2015 includes the post-acquisition operating expenses of Choice, which was acquired on June 3, 2015.

N.M. – Not Meaningful.

General. Operating expenses include programming and copyright, network operations, mobile access and interconnect, customer operations, customer care, share-based compensation and other costs related to our operations. We do not include share-based compensation in the following discussion and analysis of the operating expenses of our reportable segments as share-based compensation expense is not included in the performance measures of our reportable segments. Share-based compensation expense is discussed under *Discussion and Analysis of Our Consolidated Operating Results* below. Programming and copyright costs, which represent a significant portion of our operating costs, are expected to rise in future periods as a result of (i) higher costs associated with the expansion of our digital video content, including rights associated with ancillary product offerings and rights that provide for the broadcast of live sporting events, (ii) rate increases and (iii) growth in the number of our enhanced video subscribers. In addition, we are subject to inflationary pressures with respect to our labor and other costs and foreign currency exchange risk with respect to costs and expenses that are denominated in currencies other than the respective functional currencies of our operating segments (non-functional currency expenses). Any cost increases that we are not able to pass on to our subscribers through rate increases would result in increased pressure on our operating margins. For additional information concerning our foreign currency exchange risks see *Quantitative and Qualitative Disclosures about Market Risk – Foreign Currency Risk* below.

European Operations Division. The European Operations Division's operating expenses (exclusive of share-based compensation expense) decreased $80.0 million or 1.3% during 2015, as compared to 2014. This decrease includes (i) an increase of $578.5 million attributable to the impact of the Ziggo Acquisition and other less significant acquisitions and (ii) a decrease of $41.7 million attributable to the U.K. Non-Cable Disposal. Excluding the effects of acquisitions, the U.K. Non-Cable Disposal and FX, the European Operations Division's operating expenses increased $193.3 million or 3.1%. This increase includes the following factors:

- An increase in programming and copyright costs of $195.7 million or 10.0%, primarily due to increases in U.K./Ireland and, to a lesser extent, Belgium. The increased costs in (i) U.K./Ireland are primarily due to higher costs for certain premium and basic content, due in part to a new sports programming contract entered into in August 2015, and (ii) Belgium are primarily due to (a) higher costs for certain premium content and (b) growth in the number of enhanced video subscribers. The increase in programming and copyright costs also includes a $29.4 million net increase resulting from the impact of certain nonrecurring adjustments related to the settlement or reassessment of operational contingencies. The nonrecurring adjustments recorded during 2015 resulted in lower costs of $10.4 million, including a $6.5 million benefit in the Netherlands that we recorded during the third and fourth quarters of 2015 and a $3.9 million benefit in Germany that we recorded during the fourth quarter of 2015. The nonrecurring adjustments recorded during 2014 resulted in lower costs of $39.8 million, including (1) a $17.5 million benefit in Belgium and a $7.3 million benefit in Poland that we recorded during the first quarter of 2014 and (2) an $11.6 million benefit in U.K./Ireland that we recorded during the second quarter of 2014;

- An increase in mobile handset costs of $42.1 million, largely due to the net impact of (i) an increase in the proportion of higher-value handsets sold in U.K./Ireland and, to a lesser extent, increased mobile handset costs in Belgium, due in part to the impact of a Split-contract Program implemented in the U.K. in November 2014 and in Belgium in June 2015, (ii) a decrease in costs as a result of continued growth of subscriber identification module or "SIM"-only contracts in U.K./Ireland and (iii) a decrease in costs associated with the impact of subscriber promotions involving free or heavily-discounted handsets that were offered in Belgium during 2014;

- An increase in outsourced labor and professional fees of $40.6 million or 11.8%, primarily due to (i) higher call center costs in the Netherlands and U.K./Ireland and (ii) higher consulting costs in Belgium, Germany, the Netherlands and the European Operations Division's central operations. The higher call center costs in the Netherlands represent third-party costs that are primarily related to network and product harmonization activities following the Ziggo Acquisition that, together with certain other third-party customer care costs, accounted for an increase of $17.3 million;

- A decrease in personnel costs of $40.1 million or 4.4%, due primarily to the net effect of (i) lower incentive compensation costs, predominately in U.K./Ireland, (ii) decreased costs in U.K./Ireland due to higher capitalized labor costs associated with the U.K. Network Extension, (iii) annual wage increases, largely in U.K./Ireland, and (iv) lower costs related to certain employee benefits in the Netherlands;

- A decrease in mobile access and interconnect costs of $18.2 million or 1.8%, primarily due to the net effect of (i) increased costs, primarily in U.K./Ireland and Belgium, attributable to higher mobile usage and, in the case of Belgium, mobile subscriber growth, (ii) a decline resulting from lower rates, primarily in U.K./Ireland and Germany, (iii) lower fixed-line telephony call volumes, primarily related to the net impact of declines in U.K./Ireland and the Netherlands and increases in Switzerland/Austria, (iv) an increase of $4.4 million in U.K./Ireland related to the settlement of disputes with mobile operators over amounts charged for voice traffic during the fourth quarter of 2015 and (v) a decrease of $4.2 million in Switzerland/Austria related to the settlement of an operational contingency during the third quarter of 2015;

- An increase in information technology-related expenses of $17.8 million or 25.3%, primarily due to higher software and other information technology-related service and maintenance costs, primarily in U.K./Ireland; and

- A decrease in network-related expenses of $11.1 million or 1.4%. This decrease includes (i) lower outsourced labor costs associated with customer-facing activities in U.K./Ireland, (ii) lower costs of $8.6 million in U.K./Ireland associated with the reassessment of accruals or operational contingencies in 2015, (iii) an increase in third-party costs incurred in the Netherlands of $2.8 million related to the harmonization of the Ziggo and Ziggo Services networks following the Ziggo Acquisition and (iv) a decrease in network maintenance costs, as decreases in U.K./Ireland and Switzerland/Austria were

largely offset by increases in the Netherlands, Germany and Belgium. The decrease in network expense also includes the impact of reductions in local authority charges for certain elements of network infrastructure in the U.K. arising from successful appeals during the last half of 2014 and the first half of 2015. As compared to 2014, these reductions in local authority charges resulted in an increase in U.K./Ireland's network-related expenses of $8.6 million. Taking into account the impact of the recurring and nonrecurring benefits from lower local authority network infrastructure charges that are included in U.K./Ireland's 2015 network-related expenses and holding the assessed local authority network infrastructure rates and all other factors constant, we estimate that our total local authority network infrastructure charges in the U.K. for the year ending December 31, 2016 will be approximately $18 million higher than the amount we incurred in 2015. No assurance can be given that actual results will not differ from our expectations in this regard.

LiLAC Group. The LiLAC Group's operating expenses (exclusive of share-based compensation expense) increased $7.1 million or 1.3% during 2015, as compared to 2014. This increase includes an increase of $23.4 million attributable to the impact of the Choice Acquisition. Excluding the effects of this acquisition and FX, the LiLAC Group's operating expenses increased $37.4 million or 7.1%. This increase includes the following factors:

- An increase in programming and copyright costs of $24.9 million or 10.7%, primarily associated with (i) increases in Chile and, to a lesser extent, Puerto Rico, due to growth in the numbers of enhanced video subscribers and, in the case of Puerto Rico, increased costs for certain content, and (ii) an increase of $5.6 million arising from foreign currency exchange rate fluctuations with respect to Chile's U.S. dollar denominated programming contracts. During 2015, $60.4 million or 44.7% of Chile's programming costs were denominated in U.S. dollars;
- A decrease in personnel costs of $8.5 million or 13.8%, largely due to (i) lower incentive compensation costs in Chile and (ii) decreased costs related to higher proportions of employees devoted to the development of new billing and customer care systems and other capitalizable activities in Chile;
- An increase in mobile access and interconnect costs of $6.1 million or 8.1%, primarily attributable to the net effect of (i) an increase in Chile related to (a) higher roaming costs due to the impact of increased volumes and (b) higher interconnect costs resulting from the net effect of increased call volumes and lower rates, (ii) a decrease of $5.1 million in mobile access charges in Chile due to a February 2015 tariff decline that was retroactive to May 2014, including a decrease of $2.5 million related to 2014 access charges, and (iii) an increase in Puerto Rico related to additional capacity agreements with third-party internet providers;
- An increase in network-related expenses of $4.9 million or 10.4%, primarily due to an increase in network maintenance costs in Chile;
- An increase of $4.1 million due to the impact of favorable nonrecurring adjustments that were recorded in Chile during the fourth quarter of 2014 related to the reassessment of certain accrued liabilities; and
- An increase in outsourced labor and professional fees of $3.2 million or 9.5%, primarily due to higher call center costs in Chile.

Operating expenses – 2014 compared to 2013

	Year ended December 31,		Increase (decrease)		Organic increase (decrease) (a)
	2014	2013	$	%	%
		in millions			
Liberty Global Group:					
European Operations Division:					
U.K./Ireland (b)	$3,224.8	$1,870.6	$1,354.2	72.4	(4.1)
The Netherlands (c)	444.9	376.2	68.7	18.3	(6.0)
Germany	623.8	631.5	(7.7)	(1.2)	(1.2)
Belgium	890.1	875.8	14.3	1.6	1.9
Switzerland/Austria	528.5	510.3	18.2	3.6	2.3
Total Western Europe	5,712.1	4,264.4	1,447.7	33.9	(1.8)
Central and Eastern Europe	500.0	513.5	(13.5)	(2.6)	(1.0)
Central and other	65.3	56.2	9.1	16.2	(17.0)
Total European Operations Division	6,277.4	4,834.1	1,443.3	29.9	(1.5)

	Year ended December 31,		Increase (decrease)		Organic increase (decrease) (a)
	2014	2013	$	%	%
	in millions				
Corporate and other	61.6	57.7	3.9	6.8	4.1
Intersegment eliminations	(28.6)	(77.6)	49.0	N.M.	N.M.
Total Liberty Global Group	6,310.4	4,814.2	1,496.2	31.1	(0.5)
LiLAC Group:					
Chile	392.6	467.2	(74.6)	(16.0)	(3.2)
Puerto Rico	135.3	142.6	(7.3)	(5.1)	(5.1)
Total LiLAC Group	527.9	609.8	(81.9)	(13.4)	(3.7)
Inter-group eliminations	—	(1.3)	1.3	N.M.	N.M.
Total operating expenses excluding share-based compensation expense	6,838.3	5,422.7	1,415.6	26.1	(0.9)
Share-based compensation expense	7.6	12.1	(4.5)	(37.2)	
Total	$6,845.9	$5,434.8	$1,411.1	26.0	

(a) As further described under *Results of Operations* above, the organic decrease in our operating expenses during 2014 is impacted by the organic decrease in Virgin Media's operating expenses. Excluding the impact of Virgin Media, the organic increase (decrease) in (i) U.K./Ireland's operating expenses would have been (3.4%), (ii) Liberty Global Group's operating expenses would have been 1.4% and (iii) our total operating expenses excluding share-based compensation expense would have been 0.6%.

(b) The amount presented for 2013 includes the post-acquisition operating expenses of Virgin Media from June 8, 2013 through December 31, 2013.

(c) The amount presented for 2014 includes the post-acquisition operating expenses of Ziggo from November 12, 2014 through December 31, 2014.

N.M. – Not Meaningful.

European Operations Division. The European Operations Division's operating expenses (exclusive of share-based compensation expense) increased $1,443.3 million or 29.9% during 2014, as compared to 2013. This increase includes $1,393.8 million attributable to the impact of the Virgin Media Acquisition, the Ziggo Acquisition and other less significant acquisitions. Excluding the effects of acquisitions and FX, the European Operations Division's operating expenses decreased $73.2 million or 1.5%. This decrease includes the following factors:

- A decrease in network-related expenses of $96.4 million or 13.2%, due in part to a retroactive reduction in U.K. local authority charges for network infrastructure following a review by the U.K. government that resulted in a benefit of $46.7 million during 2014. This benefit consists of (i) a $35.3 million nonrecurring benefit related to periods prior to the third quarter of 2014, of which $33.5 million was recorded during the third quarter of 2014, and (ii) benefits of $5.6 million and $5.8 million related to the third and fourth quarters of 2014, respectively. The decrease in network-related expenses also includes the net effect of (a) decreased network and customer premises equipment maintenance costs, predominantly in Switzerland/Austria, U.K./Ireland and the Netherlands, (b) lower outsourced labor costs associated with customer-facing activities, primarily in the Netherlands and U.K./Ireland, (c) lower duct and pole rental costs, primarily in Belgium, and (d) higher network and customer premises equipment maintenance costs, predominantly in the European Operations Division's central operations;
- An increase in programming and copyright costs of $58.3 million or 4.0%, resulting from an increase in programming costs associated with (i) growth in digital video services, predominantly in U.K./Ireland and Belgium and, to a lesser extent, Switzerland/Austria and Germany and (ii) increased costs for sports rights, predominantly in U.K./Ireland and, to a lesser extent, Romania. These increases were partially offset by the $44.7 million net impact of certain nonrecurring adjustments related to the settlement or reassessment of operational contingencies. The nonrecurring adjustments recorded during 2014 resulted in lower costs of (a) $16.9 million in Belgium and $7.0 million in Poland during the first quarter, (b) $10.6 million in U.K./Ireland during the second quarter, (c) an aggregate of $7.3 million in Belgium, Switzerland/Austria and the Netherlands during the third quarter and (d) $2.3 million in the Netherlands during the fourth quarter. During 2013, the aggregate impact of similar reassessments and settlements, which included increases in Belgium and Poland that were largely offset by a decrease in the Netherlands, resulted in a net cost increase of $0.6 million;

- An increase in installation and other direct costs of $23.1 million associated with B2B services in U.K./Ireland;
- A decrease in outsourced labor and professional fees of $17.6 million or 5.7%, primarily due to the net effect of (i) lower call center costs, predominantly in Belgium, U.K./Ireland, Switzerland/Austria and the Netherlands, (ii) lower consulting costs in Germany and Belgium and (iii) higher call center costs in Germany;
- A decrease in mobile access and interconnect costs of $17.0 million or 2.3%, primarily due to the net effect of (i) increased costs in U.K./Ireland and Belgium attributable to mobile subscriber growth, (ii) decreased costs resulting from lower rates, primarily in U.K./Ireland, Germany, Belgium and the Netherlands, (iii) lower call volumes, predominantly in U.K./Ireland and, to a lesser extent, Germany and the Netherlands, (iv) decreased costs associated with the U.K.'s non-cable subscriber base and (v) a $2.6 million decrease in Belgium due to the impact of an accrual release in the first quarter of 2014 associated with the reassessment of an operational contingency;
- A decrease in mobile handset costs of $15.8 million, primarily due to the net effect of (i) a decrease in mobile handset costs as a result of continued growth of SIM-only contracts, predominantly in U.K./Ireland, (ii) an increase in costs associated with subscriber promotions involving free or heavily-discounted handsets in Belgium and (iii) a net increase in mobile handset sales to third-party retailers, as increases in Switzerland/Austria and U.K./Ireland were only partially offset by a decrease in Belgium;
- A decrease in personnel costs of $15.4 million or 2.1%, primarily due to the net effect of (i) decreased staffing levels, primarily as a result of integration and reorganization activities in the U.K. following the Virgin Media Acquisition, (ii) annual wage increases, primarily in U.K./Ireland, Germany, the Netherlands and Belgium, and (iii) higher incentive compensation costs, primarily in U.K./Ireland. Additionally, changes in the proportion of capitalizable activities during 2014 resulted in a net decrease in personnel costs, primarily due to the net effect of (a) lower costs in Germany and (b) higher costs in U.K./Ireland;
- A decrease in certain direct costs of $14.2 million associated with the U.K.'s non-cable subscriber base;
- A decrease in bad debt and collection expenses of $12.6 million or 9.8%, with most of the declines occurring in Germany, the Netherlands, the Czech Republic and Hungary; and
- A net increase resulting from individually insignificant changes in other operating expense categories.

LiLAC Group. The LiLAC Group's operating expenses (exclusive of share-based compensation expense) decreased $81.9 million or 13.4% during 2014, as compared to 2013. Excluding the effects of FX, the LiLAC Group's operating expenses decreased $22.4 million or 3.7%. This decrease includes the following factors:

- An increase in programming and copyright costs of $17.3 million or 7.2%, primarily associated with (i) growth in Chile's digital cable services and (ii) a $5.2 million increase arising from foreign currency exchange rate fluctuations with respect to Chile's U.S. dollar denominated programming contracts. During 2014, $39.9 million or 27.6% of Chile's programming costs were denominated in U.S. dollars;
- A decrease in facilities expenses of $11.6 million or 68.9%, primarily due to lower tower and real estate rental costs in Chile, as the fair value of all remaining payments due under these leases was included in the restructuring charges recorded during the third and fourth quarters of 2013 in connection with certain strategic changes that were implemented with regard to Chile's mobile operations, as further described in note 9 to our 2015 Consolidated Financial Statements;
- A decrease in outsourced labor and professional fees of $5.6 million or 10.4%, primarily attributable to the net effect of (i) lower costs associated with the network operating center related to Chile's mobile operations, (ii) higher call center costs in Chile and (iii) the favorable impact of a $3.1 million nonrecurring charge recorded during the second quarter of 2013 to provide for Chile's mandated share of severance and other labor-related obligations that were incurred by a VTR contractor in connection with such contractor's bankruptcy;
- A decrease in mobile access and interconnect costs of $5.4 million, primarily due to the net effect of (i) lower mobile access charges due to the impacts of lower contractual rates in Chile, (ii) an increase in interconnect costs in Chile resulting from the net effect of (a) higher call volumes and (b) lower rates and (iii) lower access costs in Puerto Rico due to the migration of certain fixed-line telephony customers from a third-party network to Puerto Rico's network;

- A decrease in mobile handset costs of $5.1 million or 23.0% in Chile, primarily attributable to (i) a decrease of $4.2 million related to the impact of the liquidation or write-off of slow moving or obsolete mobile handsets and wireless network adaptors in 2013 and (ii) a decrease in mobile handset sales due to a reduced emphasis on prepaid plans;
- A decrease of $4.7 million in Chile due to the favorable impact of nonrecurring adjustments during the fourth quarter of 2014 related to the reassessment of certain accrued liabilities;
- A decrease in network-related expenses of $3.5 million or 6.6% primarily due to the net effect of (i) a higher proportion of capitalizable activities during 2014 in Puerto Rico resulting from increased activity related to network upgrades and improvements, (ii) lower pole rental costs in Chile, (iii) higher network and customer premises equipment maintenance costs in Chile and (iv) higher outsourced labor costs associated with customer-facing activities in Puerto Rico; and
- A decrease in bad debt and collection expenses of $3.2 million or 6.2%, largely in Chile. The decrease in Chile is primarily due to more selective credit acceptance policies.

SG&A Expenses of our Reportable Segments

SG&A expenses – 2015 compared to 2014

	Year ended December 31,		Increase (decrease)		Organic increase (decrease)
	2015	2014	$	%	%
		in millions			
Liberty Global Group					
European Operations Division					
U.K./Ireland	877.3	949.4	(72.1)	(7.6)	0.2
The Netherlands (a) (b)	381.1	195.7	185.4	94.7	(16.3)
Germany	346.4	409.5	(63.1)	(15.4)	1.1
Belgium	245.3	264.3	(19.0)	(7.2)	10.9)
Switzerland/Austria	234.9	261.2	(26.3)	(10.1)	(2.7)
Total Western Europe	2,085.0	2,080.1	4.9	0.2	(0.2)
Central and Eastern Europe	162.9	176.5	(13.6)	(7.7)	10.3
Central and other	199.7	210.3	(10.6)	(5.0)	14.0
Total European Operations Division	2,447.6	2,466.9	(19.3)	(0.8)	1.8
Corporate and other	212.8	221.2	(8.4)	(3.8)	2.0
Intersegment eliminations	0.4	(0.3)	0.7	N.M.	N.M.
Total Liberty Global Group	2,660.8	2,687.8	(27.0)	(1.0)	1.8
LiLAC Group:					
LiLAC Division					
Chile	140.6	154.9	(14.3)	(9.2)	4.3
Puerto Rico (b) (c)	46.4	41.9	4.5	10.7	(7.8)
Total LiLAC Division	187.0	196.8	(9.8)	(5.0)	1.7
Corporate and other	4.3	3.1	1.2	38.7	38.7
Total LiLAC Group	191.3	199.9	(8.6)	(4.3)	2.3
Total SG&A expenses excluding share-based compensation expense	2,852.1	2,887.7	(35.6)	(1.2)	1.8
Share-based compensation expense	314.8	249.6	65.2	26.1	
Total	$3,166.9	$3,137.3	$ 29.6	0.9	

(a) The amount presented for 2014 includes the post-acquisition SG&A expenses of Ziggo from November 12, 2014 through December 31, 2014.

(b) As further described under *Results of Operations* above, our organic growth rates are impacted by the methodology we use to estimate the impact of an acquisition. This impact is more pronounced in the Netherlands, where the acquired company (Ziggo) is significantly larger than our legacy operations in the Netherlands.

(c) The amount presented for 2015 includes the post-acquisition SG&A expenses of Choice, which was acquired on June 3, 2015.

N.M. – Not Meaningful.

General. SG&A expenses include human resources, information technology, general services, management, finance, legal and sales and marketing costs, share-based compensation and other general expenses. We do not include share-based compensation in the following discussion and analysis of the SG&A expenses of our reportable segments as share-based compensation expense is not included in the performance measures of our reportable segments. Share-based compensation expense is discussed under *Discussion and Analysis of Our Consolidated Operating Results* below. As noted under *Operating Expenses of our Reportable Segments* above, we are subject to inflationary pressures with respect to our labor and other costs and foreign currency exchange risk with respect to non-functional currency expenses. For additional information concerning our foreign currency exchange risks see *Quantitative and Qualitative Disclosures about Market Risk – Foreign Currency Risk* below.

European Operations Division. The European Operations Division's SG&A expenses (exclusive of share-based compensation expense) decreased $19.3 million or 0.8% during 2015, as compared to 2014. This decrease includes $286.7 million attributable to the impact of the Ziggo Acquisition and other less significant acquisitions. Excluding the effects of acquisitions and FX, the European Operations Division's SG&A expenses increased $43.9 million or 1.8%. This increase includes the following factors:

- An increase in outsourced labor and professional fees of $33.7 million or 20.5%, primarily due to the net effect of (i) increased consulting costs associated with (a) scale initiatives in the areas of information technology and finance in the European Operations Division's central operations and (b) strategic initiatives in U.K./Ireland, (ii) the positive impact of a $7.8 million increase associated with the nonrecurring consulting fee that was incurred during the third quarter of 2014 in connection with the reduction in local authority charges for certain elements of network infrastructure in the U.K., as discussed under *Operating Expenses of our Reportable Segments* above, (iii) increased consulting costs related to integration activities in (1) Belgium of $9.0 million and (2) the Netherlands and the European Operations Division's central operations of $1.6 million, (iv) decreased consulting costs related to strategic initiatives in Germany, (v) decreased legal costs in U.K./Ireland and (vi) an increase of $2.7 million in U.K./Ireland associated with the nonrecurring consulting fee that was incurred during the fourth quarter of 2015 in connection with the settlement of disputes with mobile operators over amounts charged for voice traffic;
- An increase in information technology-related expenses of $13.7 million or 11.8%, primarily due to higher software and other information technology-related maintenance costs, primarily in the European Operations Division's central operations and U.K./Ireland;
- A decrease of $10.4 million due to an accrual release recorded during the second quarter of 2015 related to the resolution of a contingency associated with universal service obligations in Belgium;
- An increase in sales and marketing costs of $6.0 million or 0.7%, primarily due to the net effect of (i) higher third-party sales commissions, primarily related to the net impact of an increase in Germany that was only partially offset by a decline in U.K./Ireland, (ii) lower costs associated with advertising campaigns, primarily related to decreases in the Netherlands and Germany that were only partially offset by increases in Belgium and U.K./Ireland, (iii) a decrease of $4.7 million in Germany due to the impact of an accrual release in the third and fourth quarters of 2015 associated with the reassessment of an operational contingency and (iv) a $3.8 million increase in third-party costs in the Netherlands and the European Operations Division's central operations related to rebranding activities following the Ziggo Acquisition; and
- A decrease in personnel costs of $5.7 million or 0.6%, primarily due to the net effect of (i) increased staffing levels, primarily in the European Operations Division's central operations, Belgium, Germany and U.K./Ireland, (ii) lower incentive compensation costs, primarily related to decreases in U.K./ Ireland and the Netherlands that were only partially offset by an increase in Belgium, (iii) annual wage increases, largely in U.K./Ireland, (iv) decreased costs in U.K./Ireland due to higher capitalized labor costs associated with the U.K. Network Extension, (v) lower costs related to certain employee benefits in the Netherlands, (vi) a $3.2 million increase in the European Operations Division's central operations due to the impact of an accrual release recorded in the fourth quarter of 2014 associated with the settlement of an operational contingency and (vii) higher temporary personnel costs in the Netherlands of $2.0 million related to integration activities in connection with the Ziggo Acquisition.

LiLAC Division. The LiLAC Division's SG&A expenses (exclusive of share-based compensation expense) decreased $9.8 million or 5.0%, during 2015, as compared to 2014. This decreases includes an increase of $7.8 million attributable to the impact of the Choice Acquisition. Excluding the effects of this acquisition and FX, the LiLAC Division's SG&A expenses increased $3.4 million or 1.7%. This increase includes the following factors:

- An increase in sales and marketing costs of $3.7 million or 6.3%, primarily due to higher third-party sales commissions in Chile;
- A decrease of $2.2 million, due to lower costs associated with the national gross receipts tax that was implemented in Puerto Rico in July 2014. In 2015, it was determined that the tax would not be continued beyond 2014;
- A decrease in outsourced labor and professional fees of $1.9 million or 14.7%, primarily due to lower fees associated with legal proceedings in Puerto Rico;
- An increase of $1.6 million due to the impact of favorable nonrecurring adjustments that were recorded in Chile during the fourth quarter of 2014 related to the reassessment of certain accrued liabilities; and
- An increase in personnel costs of $0.1 million or 0.2%, primarily due to the net effect of (i) a decrease in Chile due to lower incentive compensation and severance costs and (ii) annual wage increases.

SG&A expenses – 2014 compared to 2013

	Year ended December 31,		Increase (decrease)		Organic increase (decrease) (a)
	2014	2013	$	%	%
		in millions			
Liberty Global Group					
European Operations Division					
U.K./Ireland (b)	949.4	504.0	445.4	88.4	6.5
The Netherlands (c)	195.7	144.5	51.2	35.4	9.1
Germany	409.5	386.6	22.9	5.9	5.9
Belgium	264.3	260.7	3.6	1.4	1.8
Switzerland/Austria	261.2	251.1	10.1	4.0	3.0
Total Western Europe	2,080.1	1,546.9	533.2	34.5	5.2
Central and Eastern Europe	176.5	174.0	2.5	1.4	3.3
Central and other	210.3	182.5	27.8	15.2	18.8
Total European Operations Division	2,466.9	1,903.4	563.5	29.6	6.3
Corporate and other	221.2	188.6	32.6	17.3	17.2
Intersegment eliminations	(0.3)	(1.2)	0.9	N.M.	N.M.
Total Liberty Global Group	2,687.8	2,090.8	597.0	28.6	7.4
LiLAC Group:					
LiLAC Division					
Chile	154.9	170.8	(15.9)	(9.3)	4.4
Puerto Rico	41.9	47.3	(5.4)	(11.4)	(11.4)
Total LiLAC Division	196.8	218.1	(21.3)	(9.8)	1.0
Corporate and other	3.1	1.9	1.2	63.2	63.2
Total LiLAC Group	199.9	220.0	(20.1)	(9.1)	1.5
Total SG&A expenses excluding share-based compensation expense	2,887.7	2,310.8	576.9	25.0	6.8
Share-based compensation expense	249.6	288.6	(39.0)	(13.5)	
Total	3,137.3	2,599.4	537.9	20.7	

(a) As further described under *Results of Operations* above, the organic increase in our SG&A expenses during 2014 is impacted by the organic increase in Virgin Media's SG&A expenses. Excluding the impact of Virgin Media, the organic increase in (i) U.K./Ireland's SG&A expenses would have been 2.4%, (ii) Liberty Global Group's SG&A expenses would have been 7.5% and (iii) our total SG&A expenses excluding share-based compensation expense would have been 6.5%.

(b) The amount presented for 2013 includes the post-acquisition SG&A expenses of Virgin Media from June 8, 2013 through December 31, 2013.

(c) The amount presented for 2014 includes the post-acquisition SG&A expenses of Ziggo from November 12, 2014 through December 31, 2014.

N.M. – Not Meaningful.

European Operations Division. The European Operations Division's SG&A expenses (exclusive of share-based compensation expense) increased $563.5 million or 29.6% during 2014, as compared to 2013. This increase includes $412.2 million attributable to the impact of the Virgin Media Acquisition, the Ziggo Acquisition and other less significant acquisitions. Excluding the effects of acquisitions and FX, the European Operations Division's SG&A expenses increased $120.5 million or 6.3%. This increase includes the following factors:

- An increase in information technology-related expenses of $41.4 million or 51.2%, largely due to higher software and other information technology-related maintenance costs, primarily in U.K./Ireland, the European Operations Division's central operations, Germany and Belgium;
- An increase in sales and marketing costs of $35.4 million or 5.3%, primarily due to the net effect of (i) higher costs associated with advertising campaigns, predominantly in U.K./Ireland, Germany, the Netherlands and Switzerland/Austria, and (ii) a decrease in third-party sales commissions, primarily attributable to the net impact of (a) decreases in U.K./Ireland and Switzerland/Austria and (b) an increase in Germany;
- An increase in personnel costs of $32.3 million or 4.2%, due to the net effect of (i) higher incentive compensation costs predominantly in U.K./Ireland and, to a lesser extent, the European Operations Division's central operations and the Netherlands, (ii) decreased staffing levels in the U.K. as a result of integration and reorganization activities following the Virgin Media Acquisition, (iii) increased staffing levels in the European Operations Division's central operations, Germany, the Netherlands and Switzerland/Austria, (iv) annual wage increases, mostly in U.K./Ireland, the Netherlands, Germany, the European Operations Division's central operations and Belgium, and (v) a $3.5 million decrease in the European Operations Division's central operations due to the impact of an accrual release in the fourth quarter of 2014 associated with the settlement of an operational contingency; and
- An increase in outsourced labor and professional fees of $22.0 million or 16.1%, primarily due to (i) increased consulting costs associated with scale initiatives in the areas of information technology and finance, primarily in the European Operations Division's central operations, Switzerland/Austria and Germany, and (ii) a $7.3 million increase associated with a nonrecurring consulting fee incurred during the third quarter of 2014 in connection with the retroactive reduction in U.K. local authority charges, as discussed under Operating Expenses of our Reportable Segments above.

LiLAC Division. The LiLAC Division's SG&A expenses (exclusive of share-based compensation expense) decreased $21.3 million or 9.8%, during 2014, as compared to 2013. Excluding the effects of FX, the LiLAC Division's SG&A expenses increased $2.1 million or 1.0%. This increase includes the following factors:

- An increase in sales and marketing costs of $12.8 million or 22.9%, primarily due to the net effect of (i) higher third-party sales commissions and advertising costs related to Chile's cable operations and (ii) lower third-party sales commissions related to Chile's mobile operations;
- A decrease in outsourced labor and professional fees of $6.2 million or 30.5%, primarily due to lower fees associated with legal proceedings in Puerto Rico;
- A decrease of $1.9 million due to the favorable impact of nonrecurring adjustments in Chile during the fourth quarter of 2014 related to the reassessment of certain accrued liabilities;
- A decrease in personnel costs of $1.5 million or 2.1%, primarily due to the net effect of (i) a decrease due to lower staffing levels in Chile, (ii) an increase due to higher incentive compensation costs in Chile, (iii) an increase due to higher severance costs and (iv) an increase due to higher staffing levels in Puerto Rico; and
- A net decrease resulting from individually insignificant changes in various other SG&A expense categories.

Adjusted OIBDA of our Reportable Segments

Adjusted OIBDA is the primary measure used by our chief operating decision maker to evaluate segment operating performance. For the definition of this performance measure and for a reconciliation of total segment Adjusted OIBDA to our loss from continuing operations before income taxes, see note 18 to our 2015 Consolidated Financial Statements.

Adjusted OIBDA – 2015 compared to 2014

	Year ended December 31,		Increase (decrease)		Organic increase (decrease)
	2015	2014	$	%	%
	in millions				
Liberty Global Group					
European Operations Division					
U.K./Ireland	3,162.1	3,235.7	(73.6)	(2.3)	6.2
The Netherlands (a) (b)	1,519.5	857.9	661.6	77.1	(2.0)
Germany	1,502.1	1,678.2	(176.1)	(10.5)	7.1
Belgium	990.3	1,125.0	(134.7)	(12.0)	5.6
Switzerland/Austria	1,040.1	1,056.4	(16.3)	(1.5)	6.0
Total Western Europe	8,214.1	7,953.2	260.9	3.3	5.4
Central and Eastern Europe	474.0	583.0	(109.0)	(18.7)	(2.7)
Central and other	(289.2)	(282.7)	(6.5)	(2.3)	(22.3)
Total European Operations Division	8,398.9	8,253.5	145.4	1.8	4.2
Corporate and other	(222.6)	(212.0)	(10.6)	(5.0)	(9.0)
Intersegment eliminations	—	4.0	(4.0)	N.M.	N.M.
Total Liberty Global Group	8,176.3	8,045.5	130.8	1.6	4.0
LiLAC Group:					
LiLAC Division					
Chile	328.1	351.0	(22.9)	(6.5)	6.9
Puerto Rico (b) (c)	167.2	128.9	38.3	29.7	13.1
Total LiLAC Division	495.3	479.9	15.4	3.2	8.6
Corporate and other	(4.3)	(3.1)	(1.2)	(38.7)	(38.7)
Total LiLAC Group	491.0	476.8	14.2	3.0	8.4
Total	8,667.3	8,522.3	145.0	1.7	4.3

(a) The amount presented for 2014 includes the post-acquisition Adjusted OIBDA of Ziggo from November 12, 2014 through December 31, 2014.

(b) As further described under *Results of Operations* above, our organic growth rates are impacted by the methodology we use to estimate the impact of an acquisition. This impact is more pronounced in the Netherlands, where the acquired company (Ziggo) is significantly larger than our legacy operations in the Netherlands.

(c) The amount presented for 2015 includes the post-acquisition Adjusted OIBDA of Choice, which was acquired on June 3, 2015.

N.M. – Not Meaningful.

Adjusted OIBDA – 2014 compared to 2013

	Year ended December 31,		Increase (decrease)		Organic increase (decrease) (a)
	2014	2013	$	%	%
	in millions				
Liberty Global Group					
European Operations Division					
U.K./Ireland (b)	3,235.7	1,742.8	1,492.9	85.7	13.0
The Netherlands (c)	857.9	721.7	136.2	18.9	(1.0)
Germany	1,678.2	1,541.1	137.1	8.9	9.0
Belgium	1,125.0	1,049.4	75.6	7.2	6.9
Switzerland/Austria	1,056.4	1,005.7	50.7	5.0	3.6
Total Western Europe	7,953.2	6,060.7	1,892.5	31.2	7.7
Central and Eastern Europe	583.0	584.5	(1.5)	(0.3)	1.5
Central and other	(282.7)	(239.1)	(43.6)	(18.2)	(18.6)
Total European Operations Division	8,253.5	6,406.1	1,847.4	28.8	6.7

	Year ended December 31, 2014	2013	Increase (decrease) $	%	Organic increase (decrease) (a) %
	in millions				
Corporate and other	(212.0)	(169.2)	(42.8)	(25.3)	(24.4)
Intersegment eliminations	4.0	44.8	(40.8)	N.M.	N.M.
Total Liberty Global Group	8,045.5	6,281.7	1,763.8	28.1	5.5
LiLAC Group:					
LiLAC Division					
Chile	351.0	353.6	(2.6)	(0.7)	14.3
Puerto Rico	128.9	107.3	21.6	20.1	20.1
Total LiLAC Division	479.9	460.9	19.0	4.1	15.8
Corporate and other	(3.1)	(1.9)	(1.2)	(63.2)	(63.2)
Total LiLAC Group	476.8	459.0	17.8	3.9	15.5
Total	8,522.3	6,740.7	1,781.6	26.4	6.2

(a) As further described under *Results of Operations* above, the organic increase in our Adjusted OIBDA during 2015 is impacted by the organic increase in Virgin Media's Adjusted OIBDA. Excluding the impact of Virgin Media, the organic increase in (i) U.K./Ireland's Adjusted OIBDA would have been 4.6%, (ii) Liberty Global Group's Adjusted OIBDA would have been 2.7% and (iii) our total Adjusted OIBDA would have been 3.8%.

(b) The amount presented for 2013 includes the post-acquisition Adjusted OIBDA of Virgin Media from June 8, 2013 through December 31, 2014.

(c) The amount presented for 2014 includes the post-acquisition Adjusted OIBDA of Ziggo from November 12, 2014 through December 31, 2014.

N.M. – Not Meaningful.

Adjusted OIBDA Margin – 2015, 2014 and 2013

The following table sets forth the Adjusted OIBDA margins (Adjusted OIBDA divided by revenue) of each of our reportable segments:

	Year ended December 31, 2015	2014	2013
		%	
Liberty Global Group:			
European Operations Division:			
U.K./Ireland	44.8	43.7	42.3
The Netherlands	55.3	57.3	58.1
Germany	62.6	61.9	60.2
Belgium	49.0	49.4	48.0
Switzerland/Austria	59.2	57.2	56.9
Total Western Europe	51.4	50.5	51.1
Central and Eastern Europe	44.4	46.3	46.0
Total European Operations Division	49.3	48.6	48.7
LiLAC Group:			
LiLAC Division:			
Chile	39.1	39.1	35.7
Puerto Rico	44.1	42.1	36.1
Total LiLAC Division	40.7	39.8	35.8

In addition to organic changes in the revenue, operating expenses and SG&A expenses of our reportable segments, the Adjusted OIBDA margins presented above include the impact of acquisitions, the most significant of which are the Choice Acquisition, the Ziggo Acquisition and the Virgin Media Acquisition. In this regard, (i) the Adjusted OIBDA margins of the Netherlands and Puerto Rico during 2015 were adversely impacted by the inclusion of Ziggo and Choice, respectively, each of which generated relatively lower Adjusted OIBDA margins than the respective legacy operations and (ii) the Adjusted OIBDA margin of the European Operations Division during 2014 was negatively impacted by the full-year inclusion of the relatively lower Adjusted OIBDA margin

of Virgin Media. For discussion of the factors contributing to other changes in the Adjusted OIBDA margins of our reportable segments, see the above analyses of the revenue, operating expenses and SG&A expenses of our reportable segments.

Discussion and Analysis of our Consolidated Operating Results

General

For more detailed explanations of the changes in our revenue, operating expenses and SG&A expenses, including the impacts of nonrecurring items, see the Discussion and Analysis of our Reportable Segments above.

2015 compared to 2014

Revenue

Our revenue by major category is set forth below:

	Year ended December 31,		Increase (decrease)		Organic increase (decrease)
	2015	2014	$	%	%
	in millions				
Subscription revenue (a):					
Video	$ 6,383.6	$ 6,538.3	$(154.7)	(2.4)	0.4
Broadband internet	5,079.7	4,718.5	361.2	7.7	9.4
Fixed-line telephony	3,162.0	3,259.5	(97.5)	(3.0)	(0.8)
Cable subscription revenue	14,625.3	14,516.3	109.0	0.8	3.1
Mobile subscription revenue (b)	1,037.3	1,085.6	(48.3)	(4.4)	3.6
Total subscription revenue	15,662.6	15,601.9	60.7	0.4	3.1
B2B revenue (c)	1,560.5	1,501.3	59.2	3.9	6.4
Other revenue (b) (d)	1,056.9	1,145.1	(88.2)	(7.7)	6.7
Total	$18,280.0	$18,248.3	$ 31.7	0.2	3.6

(a) Subscription revenue includes amounts received from subscribers for ongoing services, excluding installation fees and late fees. Subscription revenue from subscribers who purchase bundled services at a discounted rate is generally allocated proportionally to each service based on the standalone price for each individual service. As a result, changes in the standalone pricing of our cable and mobile products or the composition of bundles can contribute to changes in our product revenue categories from period to period.

(b) Mobile subscription revenue excludes mobile interconnect revenue of $212.7 million and $245.0 million during 2015 and 2014, respectively. Mobile interconnect revenue and revenue from mobile handset sales are included in other revenue.

(c) B2B revenue includes revenue from business broadband internet, video, voice, mobile and data services offered to medium to large enterprises and, on a wholesale basis, to other operators. We also provide services to certain SOHO subscribers. SOHO subscribers pay a premium price to receive expanded service levels along with video, broadband internet, fixed-line telephony or mobile services that are the same or similar to the mass marketed products offered to our residential subscribers. Revenue from SOHO subscribers, which is included in cable subscription revenue, aggregated $321.8 million and $220.7 million during 2015 and 2014, respectively. On an organic basis, our total B2B revenue, including revenue from SOHO subscribers, increased 11.4% during 2015, as compared to 2014. A portion of the increase in our SOHO revenue is attributable to the conversion of our residential subscribers to SOHO subscribers.

(d) Other revenue includes, among other items, interconnect, mobile handset sales, channel carriage fee and installation revenue.

Total revenue

Our consolidated revenue increased $31.7 million during 2015, as compared to 2014. This increase includes (i) an increase of $1,866.2 million attributable to the impact of acquisitions and (ii) a decrease of $50.0 million attributable to the U.K. Non-Cable Disposal and another less significant disposition. Excluding the effects of acquisitions, dispositions and FX, our consolidated revenue increased $658.5 million or 3.6%.

Subscription revenue

The details of the change in our consolidated subscription revenue for 2015, as compared to 2014, are as follows (in millions):

Increase in cable subscription revenue due to change in:	
Average number of RGUs	$ 236.3
ARPU	209.6
Total increase in cable subscription revenue	445.9
Increase in mobile revenue	39.5
Total increase in subscription revenue	485.4
Impact of acquisitions	1,701.2
Impact of FX	(2,125.9)
Total	$ 60.7

Excluding the effects of acquisitions and FX, our consolidated cable subscription revenue increased $445.9 million or 3.1% during 2015, as compared to 2014. This increase in subscription revenue is attributable to the net effect of (i) an increase from broadband internet services of $443.0 million or 9.4%, attributable to an increase in the average number of broadband internet RGUs and higher ARPU from broadband internet services, (ii) an increase from video services of $28.3 million or 0.4%, attributable to the net effect of (a) higher ARPU from video services and (b) a decline in the average number of video RGUs, and (iii) a decrease from fixed-line telephony services of $25.4 million or 0.8%, attributable to the net effect of (1) lower ARPU from fixed-line telephony services and (2) an increase in the average number of fixed-line telephony RGUs.

Excluding the effects of acquisitions and FX, our consolidated mobile subscription revenue increased $39.5 million or 3.6% during 2015, as compared to 2014. This increase is primarily due to the net effect of (i) increases in Belgium, Chile, Switzerland and the Netherlands and (ii) a decline in the U.K.

B2B revenue

Excluding the effects of acquisitions and FX, our consolidated B2B revenue increased $95.9 million or 6.4% during 2015, as compared to 2014. This increase is primarily due to the net effect of (i) increases in the U.K., Belgium, Switzerland, Germany and Poland and (ii) a decrease in the Netherlands.

Other revenue

Excluding the effects of acquisitions, dispositions and FX, our consolidated other revenue increased $77.2 million or 6.7% during 2015, as compared to 2014. This increase is primarily attributable to the net effect of (i) an increase in mobile handset sales, primarily associated with the introduction of Split-contract Programs in the U.K. and Belgium, (ii) a decrease in fixed-line interconnect revenue, primarily in Chile, Germany and the U.K., (iii) a decrease in installation revenue, primarily in the U.K. and the Netherlands, and (iv) a decrease in set-top box sales, primarily in Belgium and the Netherlands.

For additional information concerning the changes in our subscription, B2B and other revenue, see *Discussion and Analysis of Liberty Global's Reportable Segments – Revenue – 2015 compared to 2014*, above. For information regarding the competitive environment in certain of our markets, see *Overview* above.

Supplemental revenue information

Our revenue by major category for the Liberty Global Group is set forth below:

	Year ended December 31,		Increase (decrease)		Organic increase (decrease)
	2015	2014	$	%	%
	in millions				
Liberty Global Group:					
Subscription revenue:					
Video	$ 5,857.3	$ 6,008.4	$(151.1)	(2.5)	—
Broadband internet	4,676.2	4,338.4	337.8	7.8	9.4
Fixed-line telephony	2,997.1	3,071.1	(74.0)	(2.4)	(0.6)
Cable subscription revenue	13,530.6	13,417.9	112.7	0.8	2.9
Mobile subscription revenue (a)	1,001.7	1,061.2	(59.5)	(5.6)	2.2
Total subscription revenue	14,532.3	14,479.1	53.2	0.4	2.8
B2B revenue (b)	1,551.2	1,497.5	53.7	3.6	6.1
Other revenue	979.2	1,067.1	(87.9)	(8.2)	6.9
Total Liberty Global Group	$17,062.7	$17,043.7	$ 19.0	0.1	3.4

(a) Mobile subscription revenue excludes mobile interconnect revenue of $209.2 million and $242.2 million during 2015 and 2014, respectively. Mobile interconnect revenue and revenue from mobile handset sales are included in other revenue.

(b) Revenue from SOHO subscribers, which is included in cable subscription revenue, aggregated $301.2 million and $203.4 million during 2015 and 2014, respectively. On an organic basis, the Liberty Global Group's total B2B revenue, including revenue from SOHO subscribers, increased 11.2% during 2015, as compared to 2014.

Our revenue by major category for the LiLAC Group is set forth below:

	Year ended December 31,		Increase (decrease)		Organic increase (decrease)
	2015	2014	$	%	%
	in millions				
LiLAC Group:					
Subscription revenue:					
Video	$ 526.3	$ 529.9	$ (3.6)	(0.7)	5.5
Broadband internet	403.5	380.1	23.4	6.2	9.3
Fixed-line telephony	164.9	188.4	(23.5)	(12.5)	(3.2)
Cable subscription revenue	1,094.7	1,098.4	(3.7)	(0.3)	5.3
Mobile subscription revenue (a)	35.6	24.4	11.2	45.9	66.6
Total subscription revenue	1,130.3	1,122.8	7.5	0.7	6.7
B2B revenue (b)	9.3	3.8	5.5	144.7	110.0
Other revenue	77.7	78.0	(0.3)	(0.4)	3.9
Total LiLAC Group	$1,217.3	$1,204.6	$ 12.7	1.1	6.8

(a) Mobile subscription revenue excludes mobile interconnect revenue of $3.5 million and $2.8 million during 2015 and 2014, respectively. Mobile interconnect revenue and revenue from mobile handset sales are included in other revenue.

(b) Revenue from SOHO subscribers, which is included in cable subscription revenue, aggregated $20.6 million and $17.3 million during 2015 and 2014, respectively. On an organic basis, the LiLAC Group's total B2B revenue, including revenue from SOHO subscribers, increased 21.9% during 2015, as compared to 2014.

Operating expenses

Our operating expenses decreased $81.9 million during 2015, as compared to 2014. This decrease includes (i) an increase of $601.9 million attributable to the impact of the Ziggo Acquisition, the Choice Acquisition and other less significant acquisitions and (ii) a decrease of $55.4 million attributable to the U.K. Non-Cable Disposal and another less significant disposition. Our operating expenses include share-based compensation expense, which decreased $4.2 million during 2015. For additional information, see the discussion under *Share-based compensation expense* below. Excluding the effects of acquisitions, dispositions, FX and share-based compensation expense, our operating expenses increased $244.2 million or 3.6% during 2015, as compared to 2014. This increase is primarily attributable to the net effect of (a) an increase in programming and copyright

costs, (b) a decrease in personnel costs, (c) an increase in outsourced labor and professional fees, (d) an increase in mobile handset costs, (e) an increase in information technology-related costs, (f) a decrease in interconnect costs and (g) a decrease in network-related expenses. Certain of these changes include the impact of a $20.1 million increase in integration-related costs in the Netherlands. For additional information regarding the changes in our operating expenses, see *Discussion and Analysis of Liberty Global's Reportable Segments – Operating Expenses of our Reportable Segments* above.

SG&A expenses

Our SG&A expenses increased $29.6 million during 2015, as compared to 2014. This increase includes $294.5 million attributable to the impact of the Ziggo Acquisition, the Choice Acquisition and other less significant acquisitions. Our SG&A expenses include share-based compensation expense, which increased $65.2 million during 2015. For additional information, see the discussion under *Share-based compensation expense* below. Excluding the effects of acquisitions, FX and share-based compensation expense, our SG&A expenses increased $53.3 million or 1.8% during 2015, as compared to 2014. This increase is primarily due to the net effect of (i) an increase in outsourced labor and professional fees, including an increase in corporate costs of $19.9 million associated with the Liberty 3.0 initiative, (ii) an increase in information technology-related expenses, (iii) an increase in sales and marketing costs and (iv) a decrease in personnel costs. Certain of these changes include the impact of a $9.6 million increase in integration-related costs, primarily in the Netherlands and Belgium. For additional information regarding the changes in our SG&A expenses, see *Discussion and Analysis of Liberty Global's Reportable Segments – SG&A Expenses of our Reportable Segments* above.

Share-based compensation expense (included in operating and SG&A expenses)

Our share-based compensation expense is based on the share-based incentive awards held by our and our subsidiaries' employees, including awards issued by Liberty Global. A summary of our aggregate share-based compensation expense is set forth below:

	Year ended December 31,	
	2015	**2014**
	in millions	
Liberty Global shares:		
Performance-based incentive awards (a)	$157.1	$129.9
Other share-based incentive awards	149.6	99.7
Total Liberty Global shares (b) (c)	306.7	229.6
Telenet share-based incentive awards (d)	9.2	14.6
Other	2.3	13.0
Total	$318.2	$257.2
Included in:		
Operating expense:		
Liberty Global Group	$ 3.1	$ 4.8
LiLAC Group	0.3	2.8
Total operating expense	3.4	7.6
SG&A expense:		
Liberty Global Group	312.7	240.8
LiLAC Group (c) (e)	2.1	8.8
Total SG&A expense	314.8	249.6
Total	$318.2	$257.2

(a) Includes share-based compensation expense related to (i) Liberty Global PSUs, (ii) the Challenge Performance Awards and (iii) the PGUs.

(b) In connection with the Virgin Media Acquisition, we issued Virgin Media Replacement Awards to employees and former directors of Virgin Media in exchange for corresponding Virgin Media awards. Virgin Media recorded share-based compensation expense of $54.1 million and $55.8 million during 2015 and 2014, respectively, including compensation expense related to the Virgin Media Replacement Awards and new awards that were granted after the Virgin Media Replacement Awards were issued.

(c) In connection with the LiLAC Transaction, the compensation committee of our board of directors approved the Award Modifications in accordance with the underlying share-based incentive plans. The objective of the compensation committee was to ensure a relatively unchanged intrinsic value of outstanding equity awards before and after the bonus issuance of the LiLAC Shares. The mechanism to modify outstanding share-based incentive awards, as approved by the compensation committee, utilized the Modification VWAPs. In order to determine if any incremental stock-based compensation expense should be recorded as a result of the Award Modifications, we

are required to measure the changes in the fair values of the then outstanding share-based incentive awards using market prices immediately before and immediately after the Award Modifications. Due to declines in the share prices of our Class A and Class C Liberty Global Shares following the bonus issuance, the exercise prices of options, SARs and PSARs determined using the Modification VWAPs were lower than the exercise prices that would have resulted if the market prices immediately before and after the Award Modifications had been used. Accordingly, the Black-Scholes fair values of our options, SARs and PSARs increased as a result of the Award Modifications, resulting in incremental stock-based compensation expense of $99.3 million. This amount includes $69.3 million of expense recognized during the third and fourth quarters of 2015 related to awards that vested on or prior to December 31, 2015 and $30.0 million of expense that will be recognized in future periods through 2019 as the related awards vest.

(d) Represents the share-based compensation expense associated with Telenet's share-based incentive awards, which, at December 31, 2015, included (i) warrants and employee stock options (1,813,815 awards outstanding at a weighted average exercise price of €42.17 ($45.82)), (ii) performance-based specific stock option plans for the Chief Executive Officer (745,000 awards outstanding at a weighted average exercise price of €40.60 ($44.12)), (iii) performance-based share award (82,747 awards outstanding) and (iv) an employee share purchase plan.

(e) The amount for 2015 includes the reversal of $1.8 million of share-based compensation expense, primarily related to forfeitures of unvested PSUs during the first quarter of 2015.

For additional information concerning our share-based compensation, see note 13 to our 2015 Consolidated Financial Statements.

Depreciation and amortization expense

The details of our depreciation and amortization expense are as follows:

	Year ended December 31,		Increase (decrease)	
	2015	2014	$	%
	in millions			
Liberty Global Group	$5,609.4	$5,283.4	$326.0	6.2
LiLAC Group	216.4	216.7	(0.3)	(0.1)
Total	$5,825.8	$5,500.1	$325.7	5.9

Excluding the effects of FX, depreciation and amortization expense increased $1,117.8 million or 20.3% during 2015, as compared to 2014. This increase is primarily due to the impact of the Ziggo Acquisition. In addition, a net increase resulted from (i) an increase associated with property and equipment additions related to the installation of customer premises equipment, the expansion and upgrade of our networks and other capital initiatives and (ii) a decrease associated with certain assets becoming fully depreciated, primarily in U.K./Ireland and, to a lesser extent, the Netherlands, Belgium, Germany, Chile and Switzerland/Austria.

Impairment, restructuring and other operating items, net

The details of our impairment, restructuring and other operating items, net, are as follows:

	Year ended December 31,	
	2015	2014
	in millions	
Liberty Global Group	$154.3	$516.7
LiLAC Group	19.8	20.1
Total	$174.1	$536.8

The total for 2015 includes (i) restructuring charges of $103.8 million, including (a) $102.3 million of employee severance and termination costs related to certain reorganization activities, primarily in the Netherlands, U.K./Ireland, Germany, Switzerland/Austria and Puerto Rico, (b) contract termination charges of $19.3 million, primarily in Belgium, Chile and Puerto Rico, and (c) a credit of $17.0 million recorded by Telenet during the fourth quarter following the settlement of its DTT capacity contract obligations, the fair value of which were originally recorded during 2014 when Telenet discontinued the provision of DTT services, (ii) direct acquisition costs of $49.8 million, primarily related to our pending acquisition of CWC, Telenet's acquisition of BASE, our acquisition of additional shares of ITV, the Choice Acquisition and the Ziggo Acquisition, (iii) impairment charges of $24.8 million, primarily in U.K./Ireland, the Netherlands and Switzerland/Austria, and (iv) a $23.1 million loss on the divestiture of our *Film1* channels.

We expect to record significant restructuring charges during 2016, due largely to our ongoing company-wide effort to optimize our operating model pursuant to Liberty 3.0. In addition, we expect to undertake restructuring programs in certain of our operating segments, including programs to be undertaken in connection with the integration of acquired entities.

The total for 2014 includes (i) direct acquisition costs of $331.3 million, including (a) $222.0 million that was accrued during the fourth quarter in connection with the settlement of certain third-party appeals of the German competition authority's 2011 decision to approve our acquisition of KBW and (b) $84.1 million associated with the Ziggo Acquisition, (ii) restructuring charges of $166.9 million, including (1) an $86.1 million charge to record the fair value of Telenet's obligations under certain DTT capacity contracts following Telenet's decision to discontinue the provision of DTT services on March 31, 2014 and (2) $60.4 million of employee severance and termination costs related to certain reorganization activities, primarily in U.K./Ireland, the Netherlands, Germany, Chile and the European Operations Division's central operations, and (iii) an impairment charge of $68.7 million that was recorded by Ziggo during the fourth quarter of 2014 to reduce the carrying amount of certain of Ziggo's internal-use software assets to zero following our determination that these assets would have no future service potential for our combined operations in the Netherlands.

For information regarding our pending acquisition of CWC, the Choice Acquisition, the Ziggo Acquisition and the divestiture of our *Film1* channels, see note 4 to our 2015 Consolidated Financial Statements. For information regarding Telenet's acquisition of BASE, see note 20. For information regarding our acquisition of additional shares of ITV, see note 6 to our 2015 Consolidated Financial Statements.

For additional information regarding our restructuring charges, see note 14 to our 2015 Consolidated Financial Statements. For additional information regarding our impairments, see *Critical Accounting Policies, Judgments and Estimates – Impairment of Property and Equipment and Intangible Assets* below.

Interest expense

The details of our interest expense are as follows:

	Year ended December 31,		Increase (decrease)	
	2015	2014	$	%
	in millions			
Liberty Global Group	$2,284.1	$2,405.1	$(121.0)	(5.0)
LiLAC Group	157.9	140.4	17.5	12.5
Inter-group eliminations	(0.6)	(0.8)	0.2	N.M.
Total	$2,441.4	$2,544.7	$(103.3)	(4.1)

N.M. – Not Meaningful.

Excluding the effects of FX, interest expense increased $228.5 million or 9.0%. This increase is primarily attributable to the net effect of (i) higher average outstanding debt balances, largely due to debt incurred in connection with the Ziggo Acquisition, and (ii) lower weighted average interest rates related to the completion of certain financing transactions that resulted in extended maturities and net decreases to certain of our interest rates. For additional information regarding our outstanding indebtedness, see note 10 to our 2015 Consolidated Financial Statements.

It is possible that the interest rates on (i) any new borrowings could be higher than the current interest rates on our existing indebtedness and (ii) our variable-rate indebtedness could increase in future periods. As further discussed in note 10 to our 2015 Consolidated Financial Statements and under *Quantative and Qualitative Disclosures about Market Risk* below, we use derivative instruments to manage our interest rate risks. As we do not apply hedge accounting to our interest rate derivative instruments, the impacts of these derivative instruments are not included in interest expense.

Realized and unrealized gains (losses) on derivative instruments, net

Our realized and unrealized gains or losses on derivative instruments include (i) unrealized changes in the fair values of our derivative instruments that are non-cash in nature until such time as the derivative contracts are fully or partially settled and (ii) realized gains or losses upon the full or partial settlement of the derivative contracts. The details of our realized and unrealized gains (losses) on derivative instruments, net, are as follows:

	Year ended December 31,	
	2015	2014
	in millions	
Cross-currency and interest rate derivative contracts:		
Liberty Global Group	$ 855.7	$ 252.5
LiLAC Group	217.0	41.1
Total cross-currency and interest rate derivative contracts (a)	1,072.7	293.6
Equity-related derivative instruments – Liberty Global Group:		
ITV Collar	(222.6)	(77.4)
Sumitomo Collar	(20.3)	(46.0)
Lionsgate Forward	14.5	—
Ziggo Collar (b)	—	(113.3)
Other	0.7	0.4
Total equity-related derivative instruments (c)	(227.7)	(236.3)
Foreign currency forward contracts:		
Liberty Global Group	(9.0)	29.0
LiLAC Group	10.3	2.6
Total foreign currency forward contracts	1.3	31.6
Other – Liberty Global Group	0.9	(0.1)
Total Liberty Global Group	619.9	45.1
Total LiLAC Group	227.3	43.7
Total	$ 847.2	$ 88.8

(a) The gain during 2015 is primarily attributable to the net effect of (i) gains associated with decreases in the values of the euro, British pound sterling and Chilean peso relative to the U.S. dollar, (ii) losses associated with an increase in the value of the Swiss franc relative to the euro and (iii) gains associated with increases in market interest rates in the Chilean peso market. In addition, the gain during 2015 includes a net loss of $9.3 million resulting from changes in our credit risk valuation adjustments. The gain during 2014 is primarily attributable to the net effect of (a) gains associated with decreases in the values of the euro, British pound sterling, Chilean peso and Swiss franc relative to the U.S. dollar, (b) losses associated with decreases in market interest rates in the euro, British pound sterling, Swiss franc and Chilean peso markets and (c) gains associated with decreases in the values of the Hungarian forint and Polish zloty relative to the euro. In addition, the gain during 2014 includes a net loss of $120.9 million resulting from changes in our credit risk valuation adjustments.

(b) Upon completion of the Ziggo Acquisition (see note 4 to our 2015 Consolidated Financial Statements), the Ziggo Collar was terminated.

(c) For information concerning the factors that impact the valuations of our equity-related derivative instruments, see note 8 to our 2015 Consolidated Financial Statements.

For additional information concerning our derivative instruments, see notes 7 and 8 to our 2015 Consolidated Financial Statements and *Quantitative and Qualitative Disclosures about Market Risk* below.

Foreign currency transaction losses, net

Our foreign currency transaction gains or losses primarily result from the remeasurement of monetary assets and liabilities that are denominated in currencies other than the underlying functional currency of the applicable entity. Unrealized foreign currency transaction gains or losses are computed based on period-end exchange rates and are non-cash in nature until such time as the amounts are settled. The details of our foreign currency transaction losses, net, are as follows:

	Year ended December 31,	
	2015	2014
	in millions	
Liberty Global Group:		
U.S. dollar denominated debt issued by euro functional currency entities	$ (715.7)	$(481.5)
U.S. dollar denominated debt issued by a British pound sterling functional currency entity	(210.0)	(175.1)
British pound sterling denominated debt issued by a U.S. dollar functional currency entity	89.6	59.6
Intercompany payables and receivables denominated in a currency other than the entity's functional currency (a)	(68.8)	(299.0)
Euro denominated debt issued by a British pound sterling functional currency entity	8.1	—
Cash and restricted cash denominated in a currency other than the entity's functional currency	(6.7)	(32.3)
Yen denominated debt issued by a U.S. dollar functional currency entity	2.0	109.2
Euro denominated debt issued by a U.S. dollar functional currency entity	—	72.2
Other	(24.3)	8.3
Total Liberty Global Group	(925.8)	(738.6)
LiLAC Group:		
U.S. dollar denominated debt issued by a Chilean peso functional currency entity	(215.8)	(137.1)
Intercompany payables and receivables denominated in a currency other than the entity's functional currency (b)	0.9	47.2
Other	(8.5)	(8.0)
Total LiLAC Group	(223.4)	(97.9)
Total	$(1,149.2)	$(836.5)

(a) Amounts primarily relate to (i) loans between certain of our non-operating and operating subsidiaries in Europe, which generally are denominated in the currency of the applicable operating subsidiary, and (ii) loans between certain of our non-operating subsidiaries in the U.S. and Europe.

(b) Amounts primarily relate to loans between certain of our subsidiaries in Europe and Chile.

For information regarding how we manage our exposure to foreign currency risk, see *Quantitative and Qualitative Disclosures about Market Risk – Foreign Currency Risk* below.

Realized and unrealized gains due to changes in fair values of certain investments, net

Our realized and unrealized gains or losses due to changes in fair values of certain investments include unrealized gains or losses associated with changes in fair values that are non-cash in nature until such time as these gains or losses are realized through cash transactions. All of our investments that we account for using the fair value method are attributed to the Liberty Global Group. The details of our realized and unrealized gains due to changes in fair values of certain investments, net, are as follows:

	Year ended December 31,	
	2015	2014
	in millions	
Investments (a):		
ITV	$165.6	$ 54.9
Lionsgate	(33.2)	—
ITI Neovision	(17.0)	20.5
Sumitomo	(2.0)	(99.8)
Ziggo	—	224.0
Other, net	11.1	5.6
Total	$124.5	$205.2

(a) For additional information regarding our investments and fair value measurements, see notes 6 and 8 to our 2015 Consolidated Financial Statements, respectively.

Losses on debt modification and extinguishment, net

The details of our losses on debt modification and extinguishment are as follows:

	Year ended December 31,	
	2015	2014
	in millions	
Liberty Global Group	$(388.0)	$(174.4)
LiLAC Group	—	(11.8)
Total	$(388.0)	$(186.2)

The loss during 2015 is attributable to (i) the payment of $310.8 million of redemption premiums, (ii) the write-off of $66.1 million of deferred financing costs, (iii) the write-off of $10.3 million of net unamortized discount and (iv) the payment of $0.8 million of third-party costs.

The loss during 2014 is attributable to (i) the payment of $265.6 million of redemption premiums, (ii) the write-off of $146.9 million of net unamortized premiums, (iii) the write-off of $60.4 million of deferred financing costs and (iv) the payment of $7.1 million of third-party costs.

For additional information concerning our losses on debt modification and extinguishment, net, see note 10 to our 2015 Consolidated Financial Statements.

Income tax benefit (expense)

The details of our income tax benefit (expense) are as follows:

	Year ended December 31,	
	2015	2014
	in millions	
Liberty Global Group	$(324.3)	$ 89.4
LiLAC Group	(40.6)	(14.4)
Total	$(364.9)	$ 75.0

The income tax expense during 2015 differs from the expected income tax benefit of $136.9 million (based on the U.K. statutory income tax rate of 20.0%) primarily due to the net negative impact of (i) an increase in valuation allowances, (ii) a reduction in net deferred tax assets in the U.K. due to enacted changes in tax law and (iii) certain permanent differences between the financial and tax accounting treatment of items associated with investments in subsidiaries and affiliates. The net negative impact of these items was partially offset by the net positive impact of (a) the tax effect of intercompany financing and (b) statutory tax rates in certain jurisdictions in which we operate that are different than the U.K. statutory income tax rate.

The income tax benefit during 2014 differs from the expected income tax benefit of $221.7 million (based on the U.K. statutory income tax rate of 21.0%) primarily due to the net negative impact of (i) an increase in valuation allowances, (ii) certain permanent differences between the financial and tax accounting treatment of interest and other items and (iii) certain permanent differences between the financial and tax accounting treatment of items associated with investments in subsidiaries. The net negative impact of these items was partially offset by the net positive impact of (a) statutory tax rates in certain jurisdictions in which we operate that are different than the U.K. statutory income tax rate, (b) the tax effect of intercompany financing, (c) non-deductible or non-taxable foreign currency exchange results and (d) the recognition of previously unrecognized tax benefits.

For additional information concerning our income taxes, see note 11 to our 2015 Consolidated Financial Statements.

Loss from continuing operations

The details of our losses from continuing operations are as follows:

	Year ended December 31,	
	2015	2014
	in millions	
Liberty Global Group	$(1,101.2)	$(990.6)
LiLAC Group	51.7	9.7
Total	$(1,049.5)	$(980.9)

During 2015 and 2014, we reported losses from continuing operations of $1,049.5 million and $980.9 million, respectively, including (i) operating income of $2,349.2 million and $2,228.2 million, respectively, (ii) net non-operating expense of $3,033.8 million and $3,284.1 million, respectively, and (iii) income tax benefit (expense) of ($364.9 million) and $75.0 million, respectively.

Gains or losses associated with (i) changes in the fair values of derivative instruments, (ii) movements in foreign currency exchange rates and (iii) the disposition of assets and changes in ownership are subject to a high degree of volatility and, as such, any gains from these sources do not represent a reliable source of income. In the absence of significant gains in the future from these sources or from other non-operating items, our ability to achieve earnings from continuing operations is largely dependent on our ability to increase our aggregate Adjusted OIBDA to a level that more than offsets the aggregate amount of our (a) share-based compensation expense, (b) depreciation and amortization, (c) impairment, restructuring and other operating items, (d) interest expense, (e) other non-operating expenses and (f) income tax expenses.

Due largely to the fact that we seek to maintain our debt at levels that provide for attractive equity returns, as discussed under *Liquidity and Capital Resources – Capitalization* below, we expect that we will continue to report significant levels of interest expense for the foreseeable future. For information concerning our expectations with respect to trends that may affect certain aspects of our operating results in future periods, see the discussion under *Overview* above. For information concerning the reasons for changes in specific line items in our consolidated statements of operations, see the discussion under *Discussion and Analysis of Liberty Global's Reportable Segments* and *Discussion and Analysis of our Consolidated Operating Results* above.

Discontinued operation

Our earnings from discontinued operation, net of taxes, of $0.8 million during 2014 relate to the operations of the Chellomedia Disposal Group. In addition, we recognized an after-tax gain on the disposal of a discontinued operation of $332.7 million related to the January 31, 2014 completion of the Chellomedia Transaction. For additional information, see note 5 to our 2015 Consolidated Financial Statements.

Net earnings attributable to noncontrolling interests

The details of our net earnings attributable to noncontrolling interest are as follows:

	Year ended December 31,		
	2015	2014	Change
	in millions		
Liberty Global Group	$ (95.2)	$(49.9)	$(45.3)
Lical Group	(7.8)	2.3	(10.1)
Total	$(103.0)	$(47.6)	$(55.4)

Net earnings or loss attributable to noncontrolling interests includes the noncontrolling interests' share of the results of our continuing and discontinued operations. The change in net earnings attributable to noncontrolling interests during 2015, as compared to 2014, is primarily attributable to the results of operations of Telenet.

2014 compared to 2013

Revenue

Our revenue by major category is set forth below:

	Year ended December 31,		Increase		Organic increase (decrease) (e)
	2014	2013	$	%	%
		in millions			
Subscription revenue (a):					
Video	$ 6,538.3	$ 5,720.7	$ 817.6	14.3	0.6
Broadband internet	4,718.5	3,535.0	1,183.5	33.5	13.5
Fixed-line telephony	3,259.5	2,506.5	753.0	30.0	(0.4)
Cable subscription revenue	14,516.3	11,762.2	2,754.1	23.4	4.3
Mobile subscription revenue (b)	1,085.6	669.9	415.7	62.1	10.9
Total subscription revenue	15,601.9	12,432.1	3,169.8	25.5	4.6
B2B revenue (c)	1,501.3	980.5	520.8	53.1	7.0
Other revenue (b) (d)	1,145.1	1,061.6	83.5	7.9	(11.4)
Total	$18,248.3	$14,474.2	$3,774.1	26.1	3.6

(a) Subscription revenue includes amounts received from subscribers for ongoing services, excluding installation fees and late fees. Subscription revenue from subscribers who purchase bundled services at a discounted rate is generally allocated proportionally to each service based on the standalone price for each individual service. As a result, changes in the standalone pricing of our cable and mobile products or the composition of bundles can contribute to changes in our product revenue categories from period to period.

(b) Mobile subscription revenue excludes mobile interconnect revenue of $245.0 million and $175.2 million during 2014 and 2013, respectively. Mobile interconnect revenue and revenue from mobile handset sales are included in other revenue.

(c) B2B revenue includes revenue from business broadband internet, video, voice, mobile and data services offered to medium to large enterprises and, on a wholesale basis, to other operators. We also provide services to certain SOHO subscribers. SOHO subscribers pay a premium price to receive expanded service levels along with video, broadband internet, fixed-line telephony or mobile services that are the same or similar to the mass marketed products offered to our residential subscribers. Revenue from SOHO subscribers, which is included in cable subscription revenue, aggregated $220.7 million and $158.9 million during 2014 and 2013, respectively. On an organic basis, our total B2B revenue, including revenue from SOHO subscribers, increased 10.0% during 2014, as compared to 2013. A portion of the increase in our SOHO revenue is attributable to the conversion of our residential subscribers to SOHO subscribers.

(d) Other revenue includes, among other items, interconnect, installation and channel carriage fee revenue.

(e) As further described under Results of Operations above, our organic revenue growth rates for 2014, as compared to 2013, are impacted by the organic growth of Virgin Media. Excluding the impacts of the organic growth of Virgin Media, our organic growth rates (%) for such period would have been as follows:

Subscription revenue:	
Video	1.3
Broadband internet	9.0
Fixed-line telephony	1.9
Cable subscription revenue	3.7
Mobile	9.5
Total subscription revenue	3.9
B2B revenue	4.2
Other revenue	(5.2)
Total revenue	3.2

Total revenue. Our consolidated revenue increased $3,774.1 million during 2014, as compared to 2013. This increase includes $3,096.0 million attributable to the impact of acquisitions. Excluding the effects of acquisitions and FX, our consolidated revenue increased $523.9 million or 3.6%.

Subscription revenue. The details of the change in our consolidated subscription revenue for 2014, as compared to 2013, are as follows (in millions):

Increase in cable subscription revenue due to change in:	
Average number of RGUs	$ 347.9
ARPU	155.4
Total increase in cable subscription revenue	503.3
Increase in mobile revenue	73.0
Total increase in subscription revenue	576.3
Impact of acquisitions	2,464.4
Impact of FX	129.1
Total	$3,169.8

Excluding the effects of acquisitions and FX, our consolidated cable subscription revenue increased $503.3 million or 4.3% during 2014, as compared to 2013. This increase in subscription revenue is attributable to the net effect of (i) an increase from broadband internet services of $478.6 million or 13.5%, attributable to an increase in the average number of broadband internet RGUs and higher ARPU from broadband internet services, (ii) an increase from video services of $34.9 million or 0.6%, attributable to the net effect of (a) higher ARPU from video services and (b) a decline in the average number of video RGUs, and (iii) a decrease from fixed-line telephony services of $10.2 million or 0.4%, attributable to the net effect of (1) lower ARPU from fixed-line telephony services and (2) an increase in the average number of fixed-line telephony RGUs.

Excluding the effects of acquisitions and FX, our consolidated mobile subscription revenue increased $73.0 million or 10.9% during 2014, as compared to 2013. This increase is primarily due to increases in the U.K. and, to a lesser extent, Belgium, Chile and Germany.

B2B revenue. Excluding the effects of acquisitions and FX, our consolidated B2B revenue increased $68.7 million or 7.0% during 2014, as compared to 2013. This increase is primarily due to increases in the U.K. and, to a lesser extent, Switzerland and Belgium.

Other revenue. Excluding the effects of acquisitions and FX, our consolidated other revenue decreased $121.1 million or 11.4% during 2014, as compared to 2013. This decrease is primarily attributable to declines in (i) fixed-line interconnect revenue, (ii) Virgin Media's non-cable subscriber base and (iii) installation revenue.

For additional information concerning the changes in our subscription, B2B and other revenue, see *Discussion and Analysis of our Reportable Segments – Revenue – 2014 compared to 2013* above.

Supplemental revenue information

Our revenue by major category for the Liberty Global Group is set forth below:

	Year ended December 31,		Increase		Organic increase (decrease)
	2014	2013	$	%	%
	in millions				
Liberty Global Group:					
Subscription revenue:					
Video	$ 6,008.4	$ 5,159.3	$ 849.1	16.5	0.2
Broadband internet	4,338.4	3,150.1	1,188.3	37.7	14.0
Fixed-line telephony	3,071.1	2,288.4	782.7	34.2	(0.2)
Cable subscription revenue	13,417.9	10,597.8	2,820.1	26.6	4.2
Mobile subscription revenue (a)	1,061.2	649.2	412.0	63.5	10.1
Total subscription revenue	14,479.1	11,247.0	3,232.1	28.7	4.5
B2B revenue (b)	1,497.5	978.1	519.4	53.1	6.8
Other revenue	1,067.1	961.6	105.5	11.0	(11.2)
Total Liberty Global Group	$17,043.7	$13,186.7	$3,857.0	29.2	3.6

(a) Mobile subscription revenue excludes mobile interconnect revenue of $242.2 million and $169.1 million during 2014 and 2013, respectively. Mobile interconnect revenue and revenue from mobile handset sales are included in other revenue.
(b) Revenue from SOHO subscribers, which is included in cable subscription revenue, aggregated $203.4 million and $153.1 million during 2014 and 2013, respectively. On an organic basis, the Liberty Global Group's total B2B revenue, including revenue from SOHO subscribers, increased 9.0% during 2014, as compared to 2013.

Our revenue by major category for the LiLAC Group is set forth below:

	Year ended December 31,		Increase		Organic increase (decrease)
	2014	2013	$	%	%
		in millions			
LiLAC Group:					
Subscription revenue:					
Video	$ 529.9	$ 561.4	$(31.5)	(5.6)	4.7
Broadband internet	380.1	384.9	(4.8)	(1.2)	9.8
Fixed-line telephony	188.4	218.1	(29.7)	(13.6)	(2.6)
Cable subscription revenue	1,098.4	1,164.4	(66.0)	(5.7)	5.0
Mobile subscription revenue (a)	24.4	20.7	3.7)	17.9	37.1
Total subscription revenue	1,122.8	1,185.1	(62.3)	(5.3)	5.6
B2B revenue (b)	3.8	2.4	1.4	58.3	58.3
Other revenue	78.0	101.3	(23.3)	(23.0)	(14.9)
Total LiLAC Group	$1,204.6	$1,288.8	$(84.2)	(6.5)	4.1

(a) Mobile subscription revenue excludes mobile interconnect revenue of $2.8 million and $6.1 million during 2014 and 2013, respectively. Mobile interconnect revenue and revenue from mobile handset sales are included in other revenue.
(b) Revenue from SOHO subscribers, which is included in cable subscription revenue, aggregated $17.3 million and $5.8 million during 2014 and 2013, respectively. On an organic basis, the LiLAC Group's total B2B revenue, including revenue from SOHO subscribers, increased 157.3% during 2014, as compared to 2013.

Operating expenses

Our operating expenses increased $1,411.1 million during 2014, as compared to 2013. This increase includes $1,393.8 million attributable to the impact of acquisitions. Our operating expenses include share-based compensation expense, which decreased $4.5 million during 2014. For additional information, see the discussion under *Share-based compensation expense* below. Excluding the effects of acquisitions, FX and share-based compensation expense, our operating expenses decreased $46.4 million or 0.9% during 2014, as compared to 2013. This decrease is primarily attributable to the net effect of (i) a decrease in network-related expenses, (ii) an increase in programming and copyright costs, (iii) a decrease in outsourced labor and professional fees, (iv) an increase in installation and other direct costs associated with B2B services in the U.K., (v) a decrease in mobile handset costs, (vi) a decrease in mobile access and interconnect costs, (vii) a decrease in bad debt and collections expenses, (viii) a decrease in certain direct costs associated with the U.K.'s non-cable subscriber base and (ix) a decrease in personnel costs. For additional information regarding the changes in our operating expenses, see *Discussion and Analysis of our Reportable Segments – Operating Expenses of our Reportable Segments* above.

SG&A expenses

Our SG&A expenses increased $537.9 million during 2014, as compared to 2013. This increase includes $412.2 million attributable to the impact of acquisitions. Our SG&A expenses include share-based compensation expense, which decreased $39.0 million during 2014. For additional information, see the discussion under *Share-based compensation expense* below. Excluding the effects of acquisitions, FX and share-based compensation expense, our SG&A expenses increased $157.5 million or 6.8% during 2014, as compared to 2013. This increase is primarily due to increases in (i) personnel costs, (ii) sales and marketing costs, (iii) information technology-related expenses and (iv) outsourced labor and professional fees, as increases in consulting costs associated with scale initiatives in the areas of information technology and finance were only partially offset by a decrease in integration costs. For additional information regarding the changes in our SG&A expenses, see *Discussion and Analysis of our Reportable Segments – SG&A Expenses of our Reportable Segments* above.

Share-based compensation expense (included in operating and SG&A expenses)

A summary of our aggregate share-based compensation expense is set forth below:

	Year ended December 31,	
	2014	2013
	in millions	
Liberty Global shares:		
Performance-based incentive awards (a)	$129.9	$ 58.6
Other share-based incentive awards	99.7	182.9
Total Liberty Global shares (b)	229.6	241.5
Telenet share-based incentive awards (c)	14.6	56.5
Other	13.0	4.5
Total	$257.2	$302.5
Included in:		
Operating expense:		
Liberty Global Group	$ 4.8	$ 10.8
LiLAC Group	2.8	1.3
Total operating expense	7.6	12.1
SG&A expense:		
Liberty Global Group	240.8	283.5
LiLAC Group	8.8	5.1
Total SG&A expense	249.6	288.6
Total	$257.2	$300.7

(a) Includes share-based compensation expense related to (i) Liberty Global PSUs, (ii) the Challenge Performance Awards, which were issued on June 24, 2013, and (iii) for 2014, the PGUs.

(b) In connection with the Virgin Media Acquisition, we issued Virgin Media Replacement Awards to employees and former directors of Virgin Media in exchange for corresponding Virgin Media awards. Virgin Media recorded share-based compensation expense of $55.8 million during 2014, including compensation expense related to the Virgin Media Replacement Awards and new awards that were granted after the Virgin Media Replacement Awards were issued. During 2013, Virgin Media recorded share-based compensation expense of $134.3 million, primarily related to the Virgin Media Replacement Awards, including $80.1 million that was charged to expense in recognition of the Virgin Media Replacement Awards that were fully vested on June 7, 2013 or for which vesting was accelerated pursuant to the terms of the Virgin Media Merger Agreement on or prior to December 31, 2013.

(c) During 2013, Telenet modified the terms of certain of its share-based incentive plans to provide for anti-dilution adjustments in connection with its shareholder returns. In connection with these anti-dilution adjustments, Telenet recognized share-based compensation expense of $32.7 million and continues to recognize additional share-based compensation expense as the underlying options vest. In addition, during 2013, Telenet recognized expense of $6.2 million related to the accelerated vesting of certain options.

For additional information concerning our share-based compensation, see note 13 to our 2015 Consolidated Financial Statements.

Depreciation and amortization expense

The details of our depreciation and amortization expense are as follows:

	Year ended December 31,		Increase (decrease)	
	2014	2013	$	%
		in millions		
Liberty Global Group	$5,283.4	$3,934.0	$1,349.4	34.3
LiLAC Group	216.7	342.4	(125.7)	(36.7)
Total	$5,500.1	$4,276.4	$1,223.7	28.6

Excluding the effects of FX, depreciation and amortization expense increased $1,131.5 million or 26.5%. This increase is primarily due to the impact of the Virgin Media Acquisition and, to a lesser extent, the Ziggo Acquisition. In addition, a net increase resulted from the following factors: (i) an increase associated with property and equipment additions related to the installation of customer premises equipment, the expansion and upgrade of our networks and other capital initiatives, (ii) a decrease associated with certain assets becoming fully depreciated, primarily in the U.K., Belgium, Chile and Switzerland, and (iii) a decrease due to the impact of accelerated depreciation recorded during 2013, primarily in Chile where the acceleration was due to a change in our mobile strategy, as further discussed in note 9 to our 2015 Consolidated Financial Statements.

Release of litigation provision

During 2007, we recorded a litigation provision of $146.0 million based on our assessment at the time of our loss exposure with respect to notices we received during 2002 and 2006 from former shareholders of Cignal Global Communications. On October 25, 2013, we received what we consider to be the effective resolution of these notices and, accordingly, we released the entire $146.0 million provision during the third quarter of 2013.

Impairment, restructuring and other operating items, net

The details of our impairment, restructuring and other operating items, net, are as follows:

	Year ended December 31,	
	2014	2013
	in millions	
Liberty Global Group	$516.7	$210.2
LiLAC Group	20.1	87.3
Total	$536.8	$297.5

The total for 2014 includes (i) direct acquisition costs of $331.3 million, including (a) $222.0 million that was accrued during the fourth quarter in connection with the settlement of certain third-party appeals of the German competition authority's 2011 decision to approve our acquisition of KBW and (b) $84.1 million associated with the Ziggo Acquisition, (ii) restructuring charges of $166.9 million, including (1) an $86.1 million charge to record the fair value of Telenet's obligations under certain DTT capacity contracts following Telenet's decision to discontinue the provision of DTT services on March 31, 2014 and (2) $60.4 million of employee severance and termination costs related to certain reorganization activities, primarily in U.K./Ireland, the Netherlands, Germany, Chile and the European Operations Division's central operations, and (iii) an impairment charge of $68.7 million that was recorded by Ziggo during the fourth quarter of 2014 to reduce the carrying amount of certain of Ziggo's internal-use software assets to zero following our determination that these assets would have no future service potential for our combined operations in the Netherlands.

The total for 2013 includes (i) restructuring charges of $178.7 million, (ii) direct acquisition and disposition costs of $64.7 million, primarily related to the Virgin Media Acquisition, (iii) an impairment charge of $73.0 million to reduce the carrying amount of Telenet's spectrum rights following Telenet's determination that it would no longer be able to utilize its spectrum rights as a result of the conclusion of negotiations with network operators in Belgium and the absence of regulatory alternatives and (iv) a $20.0 million credit resulting from cash received from the seller of OneLink upon the settlement of certain claims related to the OneLink Acquisition. The restructuring charges include (a) $84.9 million recorded by VTR during the third and fourth quarters of 2013 as a result of the decision to cease commercial use of VTR's mobile network, as further described in note 9 to our 2015 Consolidated Financial Statements, and (b) $77.9 million of employee severance and termination costs related to certain reorganization and integration activities, primarily in U.K./Ireland, Germany and Chile. The restructuring charges recorded by VTR include the fair value of (1) the remaining payments due under certain tower and real estate operating leases of $71.5 million and (2) certain other required payments associated with VTR's mobile network.

For additional information regarding our restructuring charges, see note 14 to our 2015 Consolidated Financial Statements.

Interest expense

The details of our interest expense are as follows:

	Year ended December 31,		Increase	
	2014	2013	$	%
		in millions		
Liberty Global Group	$2,405.1	$2,226.9	$178.2	8.0
LiLAC Group	140.4	81.5	58.9	72.3
Inter-group eliminations	(0.8)	(21.5)	20.7	N.M.
Total	$2,544.7	$2,286.9	$257.8	11.3

N.M. – Not Meaningful.

Excluding the effects of FX, interest expense increased $538.2 million or 23.5%. This increase is primarily attributable to the net impact of (i) a higher average outstanding debt balance, largely due to (a) debt that was incurred in the first and second quarters of 2013 in connection with the Virgin Media Acquisition and (b) debt that was incurred in the fourth quarter of 2014 in connection with the Ziggo Acquisition, and (ii) a lower weighted average interest rate. The decrease in our weighted average interest rate is primarily related to (1) the completion of certain financing transactions that resulted in extended maturities and net decreases to certain of our interest rates and (2) decreases in certain of the base rates for our variable-rate indebtedness. For additional information regarding our outstanding indebtedness, see note 10 to our 2015 Consolidated Financial Statements.

Interest and dividend income

The details of our interest and dividend income are as follows:

	Year ended December 31,		Increase (decrease)	
	2014	2013	$	%
		in millions		
Liberty Global Group	$29.0	$131.9	$(102.9)	(78.0)
LiLAC Group	3.5	2.7	0.8	29.6
Inter-group eliminations	(0.8)	(21.5)	20.7	N.M.
Total	$31.7	$113.1	$ (81.4)	(72.0)

N.M. – Not Meaningful.

This decrease is primarily attributable to (i) a decrease in dividend income related to our investment in shares of Ziggo, as Ziggo did not declare any dividends following the January 2014 execution of the Ziggo merger protocol, and (ii) a slight decrease in interest income due to a lower average cash and cash equivalent and restricted cash balance.

Realized and unrealized gains (losses) on derivative instruments, net

The details of our realized and unrealized gains (losses) on derivative instruments, net, are as follows:

	Year ended December 31,	
	2014	2013
	in millions	
Cross-currency and interest rate derivative contracts:		
Liberty Global Group	$ 252.5	$ (600.2)
LiLAC Group	41.1	13.7
Total cross-currency and interest rate derivative contracts (a)	293.6	(586.5)
Equity-related derivative instruments – Liberty Global Group:		
Ziggo Collar	(113.3)	(152.5)
ITV Collar	(77.4)	—
Sumitomo Collar	(46.0)	(206.4)
Other	0.4	(3.4)
Total equity-related derivative instruments (b)	(236.3)	(362.3)
Foreign currency forward contracts:		
Liberty Global Group	29.0	(73.9)
LiLAC Group	2.6	1.0
Total foreign currency forward contracts (c)	31.6	(72.9)
Other – Liberty Global Group	(0.1)	1.3
Total Liberty Global Group	45.1	(1,035.1)
Total LiLAC Group	43.7	14.7
Total	$ 88.8	$(1,020.4)

(a) The gain during 2014 is primarily attributable to the net effect of (i) gains associated with decreases in the values of the euro, British pound sterling, Chilean peso and Swiss franc relative to the U.S. dollar, (ii) losses associated with decreases in market interest rates in the euro, British pound sterling, Swiss franc and Chilean peso markets and (iii) gains associated with decreases in the values of the

Hungarian forint and Polish zloty relative to the euro. In addition, the gain during 2014 includes a net loss of $120.9 million resulting from changes in our credit risk valuation adjustments. The loss during 2013 is primarily attributable to the net effect of (a) losses associated with increases in the values of the British pound sterling, euro and Swiss franc relative to the U.S. dollar, (b) gains associated with increases in market interest rates in the British pound sterling, euro and Swiss franc markets, (c) losses associated with increases in market interest rates in the U.S. dollar market, (d) gains associated with decreases in the values of the Chilean peso, Czech koruna, Swiss franc, Polish zloty and Hungarian forint relative to the euro, and (e) gains associated with a decrease in the value of the Chilean peso relative to the U.S. dollar. In addition, the loss during 2013 includes a net gain of $15.3 million resulting from changes in our credit risk valuation adjustments.

(b) For information concerning the factors that impact the valuations of our equity-related derivative instruments, see note 8 to our 2015 Consolidated Financial Statements.

(c) Primarily includes activity with respect to the foreign currency forward contracts of LGE Financing, which contracts were settled during the fourth quarter of 2014, and activity during the first half of 2013 related to deal contingent forward contracts that were settled in connection with the Virgin Media Acquisition.

For additional information concerning our derivative instruments, see notes 7 and 8 to our 2015 Consolidated Financial Statements and *Quantitative and Qualitative Disclosures about Market Risk* below.

Foreign currency transaction gains (losses), net

The details of our foreign currency transaction gains (losses), net, are as follows:

	Year ended December 31,	
	2014	**2013**
	in millions	
Liberty Global Group:		
U.S. dollar denominated debt issued by euro functional currency entities	$(481.5)	$ 160.7
Intercompany payables and receivables denominated in a currency other than the entity's functional currency (a)	(299.0)	(261.7)
U.S. dollar denominated debt issued by a British pound sterling functional currency entity	(175.1)	249.3
Yen denominated debt issued by a U.S. dollar functional currency entity	109.2	192.3
Euro denominated debt issued by a U.S. dollar functional currency entity	72.2	(34.6)
British pound sterling denominated debt issued by a U.S. dollar functional currency entity	59.6	(37.3)
Cash and restricted cash denominated in a currency other than the entity's functional currency	(32.3)	94.9
Other	8.3	7.9
Total Liberty Global Group	(738.6)	371.5
LiLAC Group:		
U.S. dollar denominated debt issued by a Chilean peso functional currency entity	(137.1)	—
Intercompany payables and receivables denominated in a currency other than the entity's functional currency (b)	47.2	(18.3)
Other	(8.0)	(3.9)
Total LiLAC Group	(97.9)	(22.2)
Total	$(836.5)	$ 349.3

(a) Amounts primarily relate to (i) loans between certain of our non-operating and operating subsidiaries in Europe, which generally are denominated in the currency of the applicable operating subsidiary, and (ii) loans between certain of our non-operating subsidiaries in the U.S. and Europe.

(b) Amounts primarily relate to loans between certain of our subsidiaries in Europe and Chile.

For information regarding how we manage our exposure to foreign currency risk, see *Quantitative and Qualitative Disclosures about Market Risk – Foreign Currency Risk* below.

Realized and unrealized gains (losses) due to changes in fair values of certain investments, net

All of our investments that we account for using the fair value method are attributed to the Liberty Global Group. The details of our realized and unrealized gains (losses) due to changes in fair values of certain investments, net, are as follows:

	Year ended December 31,	
	2014	2013
	in millions	
Investments (a):		
Ziggo	$224.0	$582.9
Sumitomo	(99.8)	(6.8)
ITV	54.9	—
ITI Neovision	20.5	(35.9)
Other, net	5.6	(16.1)
Total	$205.2	$524.1

(a) For additional information regarding our investments and fair value measurements, see notes 6 and 8 to our 2015 Consolidated Financial Statements, respectively.

Losses on debt modification and extinguishment, net

The details of our losses on debt modification and extinguishment are as follows:

	Year ended December 31,	
	2014	2013
	in millions	
Liberty Global Group	$(174.4)	$(212.2)
LiLAC Group	(11.8)	—
Total	$(186.2)	$(212.2)

The loss during 2014 is attributable to (i) the payment of $265.6 million of redemption premiums, (ii) the write-off of $146.9 million of net unamortized premium, (iii) the write-off of $60.4 million of deferred financing costs and (iv) the payment of $7.1 million of third-party costs.

The loss during 2013 is attributable to (i) the payment of $110.6 million of redemption premiums, (ii) the write-off of $87.5 million of deferred financing costs and net unamortized discount, (iii) the payment of $7.7 million of third-party costs and (iv) the payment of $6.4 million of interest incurred between the respective dates that we and the trustee were legally discharged.

For additional information concerning our losses on debt modification and extinguishment, net, see note 10 to our 2015 Consolidated Financial Statements.

Income tax benefit (expense)

The details of our income tax benefit (expense) are as follows:

	Year ended December 31,	
	2014	2013
	in millions	
Liberty Global Group	$ 89.4	$(369.1)
LiLAC Group	(14.4)	13.6
Total	$ 75.0	$(355.5)

The income tax benefit during 2014 differs from the expected income tax benefit of $221.7 million (based on the U.K. statutory income tax rate of 21.0%) primarily due to the net negative impact of (i) an increase in valuation allowances, (ii) certain permanent differences between the financial and tax accounting treatment of interest and other items and (iii) certain permanent differences between the financial and tax accounting treatment of items associated with investments in subsidiaries. The net negative impact of these items was partially offset by the net positive impact of (a) statutory tax rates in certain jurisdictions in which we operate that are different than the U.K. statutory income tax rate, (b) the tax effect of intercompany financing, (c) non-deductible or non-taxable foreign currency exchange results and (d) the recognition of previously unrecognized tax benefits.

The income tax expense during 2013 differs from the expected income tax benefit of $121.1 million (based on the U.K. statutory income tax rate of 23.0%) primarily due to the net negative impact of (i) a reduction in net deferred tax assets in the U.K. due to enacted changes in tax law, (ii) a loss of subsidiary tax attributes due to a deemed change in control related to the Virgin Media Acquisition, (iii) an increase in valuation allowances, (iv) non-deductible or non-taxable foreign currency exchange results and (v) certain permanent differences between the financial and tax accounting treatment of interest and other items, including $51.1 million related to the reversal of a litigation provision in the third quarter, as further described in note 17 to our 2015 Consolidated Financial Statements. The net negative impact of these items was partially offset by the net positive impact of (a) statutory tax rates in certain jurisdictions in which we operate that are different than the U.K. statutory income tax rate and (b) the tax effect of intercompany financing.

For additional information concerning our income taxes, see note 11 to our 2015 Consolidated Financial Statements.

Loss from continuing operations

The details of our losses from continuing operations are as follows:

	Year ended December 31,	
	2014	2013
	in millions	
Liberty Global Group	$(990.6)	$(829.0)
LiLAC Group	9.7	(53.0)
Total	$(980.9)	$(882.0)

During 2014 and 2013, we reported losses from continuing operations of $980.9 million and $882.0 million, respectively, including (i) operating income of $2,228.2 million and $2,012.1 million, respectively, (ii) net non-operating expense of $3,284.1 million and $2,538.6 million, respectively, and (iii) income tax benefit (expense) of $75.0 million and ($355.5 million), respectively.

Discontinued operation

Our earnings (loss) from discontinued operation, net of taxes, of $0.8 million and ($23.7 million) during 2014 and 2013, respectively, relates to the operations of the Chellomedia Disposal Group. In addition, we recognized an after-tax gain on the disposal of a discontinued operation of $332.7 million related to the January 31, 2014 completion of the Chellomedia Transaction. For additional information, see note 5 to our 2015 Consolidated Financial Statements.

Net earnings attributable to noncontrolling interests

The details of our net earnings attributable to noncontrolling interest are as follows:

	Year ended December 31,		
	2014	2013	Change
		in millions	
Liberty Global Group	$(49.9)	$(72.1)	$ 22.2
LiLAC Group	2.3	13.9	(11.6)
Total	$(47.6)	$(58.2)	$ 10.6

The change in net earnings attributable to noncontrolling interests during 2014, as compared to 2013, is primarily attributable to the net effect of (i) a decline in the results of operations of Telenet and (ii) the impact of the VTR NCI Acquisition, which was completed during the first quarter of 2014.

SECTION B: LIQUIDITY AND CAPITAL RESOURCES

Sources and Uses of Cash

We are a holding company that is dependent on the capital resources of our subsidiaries to satisfy our liquidity requirements at the corporate level. Although our consolidated operating subsidiaries generate cash from operating activities, each of our significant operating subsidiaries is included within one of our seven subsidiary "borrowing groups." These borrowing groups include the respective restricted parent and subsidiary entities within Virgin Media, Ziggo Group Holding, Unitymedia, UPC Holding, Telenet, VTR Finance and Liberty Puerto Rico. Our borrowing groups accounted for a significant portion of our consolidated cash and cash equivalents at December 31, 2015. The terms of the instruments governing the indebtedness of these borrowing groups restrict our ability to access the liquidity of these subsidiaries. In addition, our ability to access the liquidity of these and other subsidiaries may be limited by tax and legal considerations, the presence of noncontrolling interests and other factors.

Cash and cash equivalents

The details of the U.S. dollar equivalent balances of our consolidated cash and cash equivalents at December 31, 2015 are set forth in the following table (in millions):

Cash and cash equivalents held by:	
Liberty Global and unrestricted subsidiaries:	
Liberty Global (a)	$ 24.6
Unrestricted subsidiaries:	
Liberty Global Group (b) (c)	185.0
LiLAC Group (d)	82.1
Total Liberty Global and unrestricted subsidiaries	291.7
Borrowing groups (e):	
Telenet	301.3
VTR Finance	126.7
UPC Holding	151.1
Liberty Puerto Rico	65.7
Virgin Media (c)	29.5
Ziggo Group Holding	13.9
Unitymedia	2.2
Total borrowing groups	690.4
Total cash and cash equivalents	$982.1
Liberty Global Group	$707.6
LiLAC Group	274.5
Total cash and cash equivalents	$982.1

(a) Represents the amount held by Liberty Global on a standalone basis, which is attributed to the Liberty Global Group.

(b) Represents the aggregate amount held by subsidiaries attributed to the Liberty Global Group that are outside of our borrowing groups.

(c) The Virgin Media borrowing group includes certain subsidiaries of Virgin Media, but excludes Virgin Media. The $0.3 million of cash and cash equivalents held by Virgin Media is included in the amount shown for the Liberty Global Group's unrestricted subsidiaries.

(d) Represents the aggregate amount held by subsidiaries attributed to the LiLAC Group that are outside of our borrowing groups.

(e) Except as otherwise noted, represents the aggregate amounts held by the parent entity and restricted subsidiaries of our borrowing groups.

Liquidity of Liberty Global and its unrestricted subsidiaries

The $24.6 million of cash and cash equivalents held by Liberty Global and, subject to certain tax and legal considerations, the $291.7 million of aggregate cash and cash equivalents held by the unrestricted subsidiaries attributed to the Liberty Global Group and the LiLAC Group, represented available liquidity at the corporate level at December 31, 2015. Our remaining cash and cash equivalents of $690.4 million at December 31, 2015 were held by our borrowing groups as set forth in the table above. As noted above, various factors may limit our ability to access the cash of our borrowing groups. For information regarding certain limitations imposed by our subsidiaries' debt instruments at December 31, 2015, see note 10 to our 2015 Consolidated Financial Statements.

Our current sources of corporate liquidity include (i) cash and cash equivalents held by Liberty Global and, subject to certain tax and legal considerations, Liberty Global's unrestricted subsidiaries, and (ii) interest and dividend income received on our and, subject to certain tax and legal considerations, our unrestricted subsidiaries' cash and cash equivalents and investments. In addition, our parent entity's short-term liquidity is supplemented by interest payments that it receives on a note receivable from one of our unrestricted subsidiaries (outstanding principal of $9.6 billion at December 31, 2015, all outstanding principal due in 2021).

From time to time, Liberty Global and its unrestricted subsidiaries may also receive (i) proceeds in the form of distributions or loan repayments from Liberty Global's borrowing groups or affiliates upon (a) the completion of recapitalizations, refinancings, asset sales or similar transactions by these entities or (b) the accumulation of excess cash from operations or other means, (ii) proceeds upon the disposition of investments and other assets of Liberty Global and its unrestricted subsidiaries and (iii) proceeds in connection with the incurrence of debt by Liberty Global or its unrestricted subsidiaries or the issuance of equity securities by Liberty Global, including equity securities issued to satisfy subsidiary obligations. For information regarding the disposition of the Chellomedia Disposal Group, see note 5 to our 2015 Consolidated Financial Statements.

At December 31, 2015, our consolidated cash and cash equivalents balance includes $919.6 million that is held by entities that are domiciled outside of the U.K. Based on our assessment of our ability to access the liquidity of our subsidiaries on a tax efficient basis and our expectations with respect to our corporate liquidity requirements, we do not anticipate that tax considerations will adversely impact our corporate liquidity for at least the next 12 months.

Our corporate liquidity requirements include (i) corporate general and administrative expenses, (ii) interest payments on the Sumitomo Collar Loan and (iii) principal payments on the ITV Collar Loan, the Sumitomo Collar Loan and the Lionsgate Loan to the extent not settled through the delivery of the underlying shares. In addition, Liberty Global and its unrestricted subsidiaries may require cash in connection with (a) the repayment of third-party and intercompany debt, (b) the satisfaction of contingent liabilities, (c) acquisitions, (d) the repurchase of equity and debt securities, (e) other investment opportunities or (f) income tax payments. In addition, our parent entity uses available liquidity to make interest and principal payments on notes payable to certain of our unrestricted subsidiaries (aggregate outstanding principal of $2,439.4 million at December 31, 2015 and no stated maturity). For information regarding our pending acquisition of CWC, see note 4 to our 2015 Consolidated Financial Statements. For information regarding our commitments and contingencies, see note 17 to our 2015 Consolidated Financial Statements.

As a U.K. incorporated company, we may only elect to repurchase shares or pay dividends to the extent of our "Distributable Reserves." Distributable Reserves, which are not linked to a GAAP reported amount, may be created through the earnings of the U.K. parent company and, amongst other methods, through a reduction in share premium approved by the English Companies Court. Based on the amounts set forth in our 2014 U.K. Companies Act Report dated April 27, 2015, which are our most recent "Relevant Accounts" for the purposes of determining our Distributable Reserves under U.K. law, our Distributable Reserves are $27.9 billion. This amount does not reflect earnings, share repurchases or other activity that occurred in 2015, each of which impacts the amount of our Distributable Reserves.

During 2015, we purchased a total of 31,331,206 Class C Liberty Global Shares at a weighted average price of $44.97 per share and 18,653,356 Class C Old Liberty Global Shares at a weighted average price of $50.17 per share, for an aggregate purchase price of $2,344.5 million, including direct acquisition costs and the effects of derivative instruments. At December 31, 2015, the remaining amount authorized for share repurchases was $1,601.1 million. Subsequent to December 31, 2015, our board of directors increased this amount to $4.0 billion.

Liquidity of borrowing groups

The cash and cash equivalents of our borrowing groups are detailed in the table above. In addition to cash and cash equivalents, the primary sources of liquidity of our borrowing groups are cash provided by operations and borrowing availability under their respective debt instruments. For the details of the borrowing availability of such entities at December 31, 2015, see note 10 to our 2015 Consolidated Financial Statements. The aforementioned sources of liquidity may be supplemented in certain cases by contributions and/or loans from Liberty Global and its unrestricted subsidiaries. The liquidity of our borrowing groups generally is used to fund property and equipment additions and debt service requirements. From time to time, our borrowing groups may also require liquidity in connection with (i) acquisitions and other investment opportunities, (ii) loans to Liberty Global, (iii) capital distributions to Liberty Global and other equity owners or (iv) the satisfaction of

contingencies. For information regarding the liquidity requirements with respect to Telenet's acquisition of BASE, see note 20 to our 2015 Consolidated Financial Statements. For information regarding our borrowing groups' contingencies, see note 17 to our 2015 Consolidated Financial Statements.

For additional information regarding our consolidated cash flows, see the discussion under *Consolidated Statements of Cash Flows* below.

Capitalization

We seek to maintain our debt at levels that provide for attractive equity returns without assuming undue risk. In this regard, we generally seek to cause our operating subsidiaries to maintain their debt at levels that result in a consolidated debt balance (excluding the Sumitomo Collar Loan, the ITV Collar Loan and the Lionsgate Loan and measured using subsidiary debt figures at swapped foreign currency exchange rates, consistent with the covenant calculation requirements of our subsidiary debt agreements) that is between four and five times our consolidated Adjusted OIBDA, although it should be noted that the timing of our acquisitions and financing transactions and the interplay of average and spot foreign currency rates may impact this ratio. The ratio of our December 31, 2015 consolidated debt to our annualized consolidated Adjusted OIBDA for the quarter ended December 31, 2015 was 4.9x. In addition, the ratio of our December 31, 2015 consolidated net debt (debt, as defined above, less cash and cash equivalents) to our annualized consolidated Adjusted OIBDA for the quarter ended December 31, 2015 was 4.8x.

When it is cost effective, we generally seek to match the denomination of the borrowings of our subsidiaries with the functional currency of the operations that are supporting the respective borrowings. As further discussed under *Quantitative and Qualitative Disclosures about Market Risk* below and in note 7 to our 2015 Consolidated Financial Statements, we also use derivative instruments to mitigate foreign currency and interest rate risk associated with our debt instruments.

Our ability to service or refinance our debt and to maintain compliance with the leverage covenants in the credit agreements and indentures of our borrowing groups is dependent primarily on our ability to maintain or increase the Adjusted OIBDA of our operating subsidiaries and to achieve adequate returns on our property and equipment additions and acquisitions. In addition, our ability to obtain additional debt financing is limited by the leverage covenants contained in the various debt instruments of our borrowing groups. For example, if the Adjusted OIBDA of UPC Broadband Holding were to decline, we could be required to partially repay or limit our borrowings under the UPC Broadband Holding Bank Facility in order to maintain compliance with applicable covenants. No assurance can be given that we would have sufficient sources of liquidity, or that any external funding would be available on favorable terms, or at all, to fund any such required repayment. At December 31, 2015, each of our borrowing groups was in compliance with its debt covenants. In addition, we do not anticipate any instances of non-compliance with respect to the debt covenants of our borrowing groups that would have a material adverse impact on our liquidity during the next 12 months.

At December 31, 2015, our outstanding consolidated debt and capital lease obligations aggregated $47.1 billion, including $2,537.9 million that is classified as current in our consolidated balance sheet and $42.0 billion that is not due until 2021 or thereafter. For additional information concerning our current debt maturities, see note 10 to our 2015 Consolidated Financial Statements.

We believe that we have sufficient resources to repay or refinance the current portion of our debt and capital lease obligations and to fund our foreseeable liquidity requirements during at least the next 12 months. However, as our maturing debt grows in later years, we anticipate that we will seek to refinance or otherwise extend our debt maturities. No assurance can be given that we will be able to complete these refinancing transactions or otherwise extend our debt maturities. In this regard, it is not possible to predict how political and economic conditions, sovereign debt concerns or any adverse regulatory developments could impact the credit and equity markets we access and, accordingly, our future liquidity and financial position. However, (i) the financial failure of any of our counterparties could (a) reduce amounts available under committed credit facilities and (b) adversely impact our ability to access cash deposited with any failed financial institution and (ii) tightening of the credit markets could adversely impact our ability to access debt financing on favorable terms, or at all. In addition, any weakness in the equity markets could make it less attractive to use our shares to satisfy contingent or other obligations, and sustained or increased competition, particularly in combination with adverse economic or regulatory developments, could have an unfavorable impact on our cash flows and liquidity.

All of our consolidated debt and capital lease obligations have been borrowed or incurred by our subsidiaries at December 31, 2015.

For additional information concerning our debt and capital lease obligations, see note 10 to our 2015 Consolidated Financial Statements.

Consolidated Statements of Cash Flows

General. Our cash flows are subject to significant variations due to FX. See related discussion under *Quantitative and Qualitative Disclosures about Market Risk – Foreign Currency Risk* below. All of the cash flows discussed below are those of our continuing operations.

Consolidated Statements of Cash Flows – 2015 compared to 2014

Summary. Our consolidated statements of cash flows for 2015 and 2014 are summarized as follows:

	Year ended December 31,		
	2015	2014	Change
		in millions	
Net cash provided by operating activities	$ 5,705.8	$ 5,612.8	$ 93.0
Net cash used by investing activities	(3,829.4)	(2,799.6)	(1,029.8)
Net cash used by financing activities	(2,037.8)	(4,260.1)	2,222.3
Effect of exchange rate changes on cash	(15.0)	(81.9)	66.9
Net decrease in cash and cash equivalents	$ (176.4)	$(1,528.8)	$ 1,352.4

Operating Activities. Our net cash flows from operating activities are as follows:

	Year ended December 31,		
	2015	2014	Change
		in millions	
Net cash provided by operating activities:			
Liberty Global Group	$5,399.3	$5,323.8	$75.5
LiLAC Group	306.5	289.0	17.5
Total	$5,705.8	$5,612.8	$93.0

The increase in total net cash provided by our operating activities is primarily attributable to the net effect of (i) an increase in the cash provided by our Adjusted OIBDA and related working capital items, largely due to the impact of the Ziggo Acquisition, (ii) a decrease in the reported net cash provided by operating activities due to FX, (iii) a decrease in cash provided due to higher cash payments for taxes, (iv) an increase in cash provided due to lower cash payments related to derivative instruments and (v) a decrease in cash provided due to higher cash payments for interest.

Investing Activities. Our net cash flows from investing activities are as follows:

	Year ended December 31,		
	2015	2014	Change
		in millions	
Net cash used by investing activities:			
Liberty Global Group	$(3,429.0)	$(2,134.7)	$(1,294.3)
LiLAC Group	(490.6)	(232.2)	(258.4)
Inter-group eliminations	90.2	(432.7)	522.9
Total	$(3,829.4)	$(2,799.6)	$(1,029.8)

The increase in total net cash used by our investing activities is primarily attributable to the net effect of (i) a decrease in cash of $988.5 million associated with cash proceeds received during 2014 in connection with the Chellomedia Transaction, (ii) an increase in cash used of $312.5 million associated with higher cash paid in connection with acquisitions and (iii) a decrease in cash used of $184.9 million due to lower capital expenditures. Capital expenditures decreased from $2,684.4 million during 2014 to $2,499.5 million during 2015 due to the net effect of (a) an increase related to the Ziggo Acquisition, (b) a decrease due to FX and (c) a net decrease in the local currency capital expenditures of our subsidiaries, primarily due to an increase in capital-related vendor financing during 2015 as compared to 2014.

The capital expenditures that we report in our consolidated statements of cash flows do not include amounts that are financed under capital-related vendor financing or capital lease arrangements. Instead, these amounts are reflected as non-cash additions to our property and equipment when the underlying assets are delivered and as repayments of debt when the principal is repaid. In this discussion, we refer to (i) our capital expenditures as reported in our consolidated statements of cash flows, which exclude amounts financed under capital-related vendor financing or capital lease arrangements, and (ii) our total property and equipment additions, which include our capital expenditures on an accrual basis and amounts financed under capital-related vendor financing or capital lease arrangements. For further details regarding our property and equipment additions, see note 18 to our 2015 Consolidated Financial Statements. A reconciliation of our consolidated property and equipment additions to our consolidated capital expenditures as reported in our consolidated statements of cash flows is set forth below:

	Year ended December 31,					
	2015			2014		
	Liberty Global Group	LiLAC Group	Total	Liberty Global Group	LiLAC Group	Total
	in millions					
Property and equipment additions	$ 3,910.2	$227.1	$ 4,137.3	$3,653.0	$256.2	$3,909.2
Assets acquired under capital-related vendor financing arrangements	(1,481.5)	—	(1,481.5)	(975.3)	—	(975.3)
Assets acquired under capital leases	(106.1)	—	(106.1)	(127.2)	—	(127.2)
Changes in current liabilities related to capital expenditures	(50.3)	0.1	(50.2)	(89.2)	(33.1)	(122.3)
Capital expenditures	$ 2,272.3	$227.2	$ 2,499.5	$2,461.3	$223.1	$2,684.4

The property and equipment additions attributable to the Liberty Global Group are primarily related to the European Operations Division, which accounted for $3,844.3 million and $3,648.0 million of the Liberty Global Group's property and equipment additions during 2015 and 2014, respectively. The increase in the European Operations Division's property and equipment additions is due to the net effect of (i) a decrease due to FX, (ii) an increase due to the impact of the Ziggo Acquisition, (iii) an increase in expenditures for new build and upgrade projects to expand service, (iv) an increase in expenditures for support capital, such as information technology upgrades and general support systems, and (v) a decrease in expenditures for the purchase and installation of customer premises equipment. During 2015 and 2014, the European Operations Division's property and equipment additions represented 22.6% and 21.5% of its revenue, respectively.

Property and equipment additions attributable to the LiLAC Group decreased during 2015 as compared to 2014, primarily due to the net effect of (i) a decrease due to FX, (ii) an increase due to the impact of the Choice Acquisition, (iii) a decrease in expenditures for support capital, such as information technology upgrades and general support systems, (iv) a decrease in expenditures for new build and upgrade projects to expand service, and (v) a decrease in expenditures for the purchase and installation of customer premises equipment. During 2015, approximately half of VTR's purchases of property and equipment were denominated in U.S. dollars. During 2015 and 2014, the LiLAC Group's property and equipment additions represented 18.7% and 21.3% of its revenue, respectively.

Excluding BASE and CWC, we expect the percentage of revenue represented by our aggregate 2016 consolidated property and equipment additions to range from 25% to 27%, including (i) 25% to 27% for the Liberty Global Group and (ii) 21% to 23% for the LiLAC Group. The increases in these percentages, as compared to the corresponding 2015 percentages, are primarily attributable to anticipated increases in expenditures associated with the Network Extensions. For additional information regarding the Network Extensions, see *Overview* above. The actual amount of our 2016 consolidated property and equipment additions and the 2016 property and equipment additions of the Liberty Global Group and the LiLAC Group may vary from expected amounts for a variety of reasons, including (a) changes in (1) the competitive or regulatory environment, (2) business plans, (3) our current or expected future operating results or (4) foreign currency exchange rates and (b) the availability of sufficient capital. Accordingly, no assurance can be given that our actual property and equipment additions will not vary materially from our expectations.

Financing Activities. Our net cash flows from financing activities are as follows:

	Year ended December 31,		
	2015	2014	Change
		in millions	
Net cash provided (used) by financing activities:			
Liberty Global Group	$(2,311.3)	$(4,574.8)	$2,263.5
LiLAC Group	363.7	(118.0)	481.7
Inter-group eliminations	(90.2)	432.7	(522.9)
Total	$(2,037.8)	$(4,260.1)	$2,222.3

The decrease in total net cash used by our financing activities is primarily attributable to the net effect of (i) a decrease in cash used of $3,092.7 million related to higher net borrowings of debt, (ii) an increase in cash used of $735.6 million due to higher repurchases of Liberty Global ordinary shares, (iii) a decrease in cash used of $118.3 million related to a decrease in purchases of additional shares of our subsidiaries, (iv) an increase in cash used of $80.2 million due to higher cash paid related to derivative instruments, (v) an increase in cash used of $43.5 million due to higher payments for financing costs, debt premiums and exchange offer consideration and (vi) an increase in cash used of $36.6 million associated with call option contracts on Liberty Global ordinary shares.

Consolidated Statements of Cash Flows – 2014 compared to 2013

Summary. Our consolidated statements of cash flows for 2014 and 2013 are summarized as follows:

	Year ended December 31,		
	2014	2013	Change
		in millions	
Net cash provided by operating activities:	$ 5,612.8	$ 3,921.0	$ 1,691.8
Net cash used by investing activities	(2,799.6)	(7,950.1)	5,150.5
Net cash provided (used) by financing activities	(4,260.1)	4,623.3	(8,883.4)
Effect of exchange rate changes on cash	(81.9)	85.4	(167.3)
Net increase (decrease) in cash and cash equivalents	$(1,528.8)	$ 679.6	$(2,208.4)

Operating Activities. Our net cash flows from operating activities are as follows:

	Year ended December 31,		
	2014	2013	Change
		in millions	
Net cash provided by operating activities:			
Liberty Global Group	$5,323.8	$3,628.8	$1,695.0
LiLAC Group	289.0	292.2	(3.2)
Total	$5,612.8	$3,921.0	$1,691.8

The increase in net cash provided by our operating activities is primarily attributable to the net effect of (i) an increase in the cash provided by our Adjusted OIBDA and related working capital items, largely due to the impact of the Virgin Media Acquisition and, to a lesser extent, the Ziggo Acquisition, (ii) a decrease in cash provided due to higher cash payments for interest, a significant portion of which is due to the impact of the Virgin Media Acquisition, (iii) an increase in the reported net cash provided by operating activities due to FX, (iv) a decrease in cash provided due to lower cash dividends received and (v) a decrease in cash provided due to higher cash payments related to derivative instruments.

Investing Activities. Our net cash flows from investing activities are as follows:

	Year ended December 31, 2014	2013	Change
	in millions		
Net cash used by investing activities:			
Liberty Global Group	$(2,134.7)	$(7,681.5)	$5,546.8
LiLAC Group	(232.2)	(263.9)	31.7
Inter-group eliminations	(432.7)	(4.7)	(428.0)
Total	$(2,799.6)	$(7,950.1)	$5,150.5

The decrease in net cash used by our investing activities is primarily attributable to the net effect of (i) a decrease in cash used of $4,000.1 million associated with lower cash paid in connection with acquisitions, (ii) a decrease in cash used of $988.5 million associated with cash proceeds received during 2014 in connection with the Chellomedia Transaction, (iii) a decrease in cash used of $333.7 million associated with lower cash paid in connection with investments in and loans to affiliates and others and (iv) an increase in cash used of $202.9 million due to higher capital expenditures. Capital expenditures increased from $2,481.5 million during 2013 to $2,684.4 million during 2014, primarily due to increases related to the Virgin Media Acquisition and, to a much lesser extent, the Ziggo Acquisition, that were only partially offset by a net decrease in the local currency capital expenditures of our other subsidiaries, due primarily to an increase in vendor financing during 2014 as compared to 2013.

A reconciliation of our consolidated property and equipment additions to our consolidated capital expenditures as reported in our consolidated statements of cash flows is set forth below:

	Year ended December 31, 2014			2013		
	Liberty Global Group	LiLAC Group	Total	Liberty Global Group	LiLAC Group	Total
	in millions					
Property and equipment additions	$3,653.0	$256.2	$3,909.2	$2,907.3	$254.3	$3,161.6
Assets acquired under capital-related vendor financing arrangements	(975.3)	—	(975.3)	(573.5)	—	(573.5)
Assets acquired under capital leases	(127.2)	—	(127.2)	(140.6)	(2.4)	(143.0)
Changes in current liabilities related to capital expenditures	(89.2)	(33.1)	(122.3)	26.2	10.2	36.4
Capital expenditures	$2,461.3	$223.1	$2,684.4	$2,219.4	$262.1	$2,481.5

The property and equipment additions attributable to the Liberty Global Group are primarily related to the European Operations Division, which accounted for $3,648.0 million and $2,901.0 million of the Liberty Global Group's property and equipment additions during 2014 and 2013, respectively. The increase in the European Operations Division's property and equipment additions is primarily due to the net effect of (i) an increase due to impact of the Virgin Media Acquisition and, to a lesser extent, the Ziggo Acquisition, (ii) a decrease in expenditures for the purchase and installation of customer premises equipment, (iii) an increase in expenditures for new build and upgrade projects to expand services and (iv) an increase in expenditures for support capital, such as information technology upgrades and general support systems. During 2014 and 2013, the European Operations Division's property and equipment additions represented 21.5% and 22.1% of its revenue, respectively.

Property and equipment additions attributable to the LiLAC Group increased during 2014, as compared to 2013, primarily due to the net effect of (i) a decrease due to FX, (ii) an increase in expenditures for new build and upgrade projects, (iii) an increase in expenditures for support capital, such as information technology upgrades and general support systems, and (iv) an increase in expenditures for the purchase and installation of customer premises equipment. During 2014 and 2013, the LiLAC Group's property and equipment additions represented 21.3% and 19.7% of its revenue, respectively.

Financing Activities. Our net cash flows from financing activities are as follows:

	Year ended December 31, 2014	2013	Change
		in millions	
Net cash provided (used) by financing activities:			
Liberty Global Group	$(4,574.8)	$4,517.4	$(9,092.2)
LiLAC Group	(118.0)	101.2	(219.2)
Inter-group eliminations	432.7	4.7	428.0
Total	$(4,260.1)	$4,623.3	$(8,883.4)

The change in net cash provided (used) by our financing activities is primarily attributable to the net effect of (i) a decrease in cash of $3,652.5 million primarily due to the release of restricted cash in June 2013 in connection with the Virgin Media Acquisition, (ii) a decrease in cash of $3,095.4 million related to lower net borrowings of debt, (iii) a decrease in cash of $1,539.7 million due to the release of restricted cash during 2013 in connection with the Telenet Tender, (iv) a decrease in cash of $745.5 million due to higher cash paid related to derivative instruments, (v) an increase in cash of $528.9 million related to lower distributions by subsidiaries to noncontrolling interests, (vi) a decrease in cash of $427.7 million related to higher repurchases of our shares and (vii) an increase in cash of $200.6 million related to a decrease in purchases of additional shares of our subsidiaries.

Free cash flow

We define free cash flow as net cash provided by our operating activities, plus (i) excess tax benefits related to the exercise of share-based incentive awards, (ii) cash payments for third-party costs directly associated with successful and unsuccessful acquisitions and dispositions and (iii) expenses financed by an intermediary, less (a) capital expenditures, as reported in our consolidated statements of cash flows, (b) principal payments on amounts financed by vendors and intermediaries and (c) principal payments on capital leases (exclusive of the portions of the network lease in Belgium and the duct leases in Germany that we assumed in connection with certain acquisitions), with each item excluding any cash provided or used by our discontinued operations. We believe that our presentation of free cash flow provides useful information to our investors because this measure can be used to gauge our ability to service debt and fund new investment opportunities. Free cash flow should not be understood to represent our ability to fund discretionary amounts, as we have various mandatory and contractual obligations, including debt repayments, which are not deducted to arrive at this amount. Investors should view free cash flow as a supplement to, and not a substitute for, GAAP measures of liquidity included in our consolidated statements of cash flows.

The following table provides the details of our free cash flow:

	Year ended December 31, 2015			2014			2013		
	Liberty Global Group	LiLAC Group	Total	Liberty Global Group	LiLAC Group	Total	Liberty Global Group	LiLAC Group	Total
					in millions				
Net cash provided by operating activities of our continuing operations	$ 5,399.3	$ 306.5	$ 5,705.8	$ 5,323.8	$ 289.0	$ 5,612.8	$ 3,628.8	$ 292.2	$ 3,921.0
Excess tax benefits from share-based compensation (a)	23.0	3.7	26.7	6.9	0.1	7.0	40.0	1.0	41.0
Cash payments (receipts) for direct acquisition and disposition costs	259.3	4.9	264.2	75.3	4.4	79.7	77.3	(16.3)	61.0
Expenses financed by an intermediary (b)	294.2	—	294.2	27.5	—	27.5	6.1	—	6.1
Capital expenditures	(2,272.3)	(227.2)	(2,499.5)	(2,461.3)	(223.1)	(2,684.4)	(2,219.4)	(262.1)	(2,481.5)
Principal payments on amounts financed by vendors and intermediaries	(1,125.4)	—	(1,125.4)	(686.9)	—	(686.9)	(320.4)	—	(320.4)
Principal payments on certain capital leases	(146.0)	(0.8)	(146.8)	(182.5)	(0.8)	(183.3)	(95.8)	—	(95.8)
Free cash flow	$ 2,432.1	$ 87.1	$ 2,519.2	$ 2,102.8	$ 69.6	$ 2,172.4	$ 1,116.6	$ 14.8	$ 1,131.4

(a) Excess tax benefits from share-based compensation represent the excess of tax deductions over the related financial reporting share-based compensation expense. The hypothetical cash flows associated with these excess tax benefits are reported as an increase to cash flows from financing activities and a corresponding decrease to cash flows from operating activities in our consolidated statements of cash flows.

(b) For purposes of our consolidated statements of cash flows, expenses financed by an intermediary are treated as hypothetical operating cash outflows and hypothetical financing cash inflows when the expenses are incurred. When we pay the financing intermediary, we record financing cash outflows in our consolidated statements of cash flows. For purposes of our free cash flow definition, we add back the hypothetical operating cash outflow when these financed expenses are incurred and deduct the financing cash outflows when we pay the financing intermediary. The inclusion of this adjustment represents a change in our definition of free cash flow that we implemented effective January 1, 2015. The free cash flow reported for 2014 and 2013 has been revised to calculate free cash flow on a basis that is consistent with the new definition.

Contractual Commitments

The following table sets forth the U.S. dollar equivalents of our commitments as of December 31, 2015:

	Payments due during:						
	2016	2017	2018	2019	2020	Thereafter	Total
				in millions			
Debt (excluding interest)	$2,380.7	$ 520.1	$1,269.5	$ 370.0	$ 117.7	$41,123.2	$45,781.2
Capital leases (excluding interest)	155.7	114.6	89.2	74.1	73.0	816.2	1,322.8
Programming commitments	1,004.5	883.7	698.6	272.2	11.0	7.6	2,877.6
Network and connectivity commitments	647.0	241.7	130.9	90.7	58.2	916.3	2,084.8
Purchase commitments	1,036.1	227.2	102.6	47.2	38.1	77.6	1,528.8
Operating leases	151.6	126.3	107.1	85.1	58.3	276.4	804.8
Other commitments	68.2	31.3	23.1	19.3	9.3	17.0	168.2
Total (a)	$5,443.8	$2,144.9	$2,421.0	$ 958.6	$ 365.6	$43,234.3	$54,568.2
Projected cash interest payments on debt and capital lease obligations (b):							
Liberty Global Group	$2,211.2	$2,083.4	$2,068.7	$2,059.8	$2,051.3	$ 6,518.0	$16,992.4
LiLAC Group	147.9	147.3	147.3	147.1	145.7	417.8	1,153.1
Total	$2,359.1	$2,230.7	$2,216.0	$2,206.9	$2,197.0	$ 6,935.8	$18,145.5

(a) The commitments included in this table do not reflect any liabilities that are included in our December 31, 2015 consolidated balance sheet other than debt and capital lease obligations. Our liability for uncertain tax positions in the various jurisdictions in which we operate ($437.9 million at December 31, 2015) has been excluded from the table as the amount and timing of any related payments are not subject to reasonable estimation.

(b) Amounts are based on interest rates, interest payment dates, commitment fees and contractual maturities in effect as of December 31, 2015. These amounts are presented for illustrative purposes only and will likely differ from the actual cash payments required in future periods. In addition, the amounts presented do not include the impact of our interest rate derivative contracts, deferred financing costs, original issue premiums or discounts.

For information concerning our debt and capital lease obligations, see note 10 to our 2015 Consolidated Financial Statements. For information concerning our commitments, see note 17 to our 2015 Consolidated Financial Statements.

In addition to the commitments set forth in the table above, we have significant commitments under (i) derivative instruments and (ii) defined benefit plans and similar agreements, pursuant to which we expect to make payments in future periods. For information regarding projected cash flows associated with these derivative instruments, see *Quantitative and Qualitative Disclosures about Market Risk – Projected Cash Flows Associated with Derivative Instruments* below. For information regarding our derivative instruments, including the net cash paid or received in connection with these instruments during 2015, 2014 and 2013, see note 7 to our 2015 Consolidated Financial Statements. For information concerning our defined benefit plans, see note 15 to our 2015 Consolidated Financial Statements.

SECTION C: CRITICAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

In connection with the preparation of our consolidated financial statements, we make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses and related disclosure of contingent assets and liabilities. Critical accounting policies are defined as those policies that are reflective of significant judgments, estimates and uncertainties, which would potentially result in materially different results under different assumptions and conditions. We believe the following accounting policies are critical in the preparation of our consolidated financial statements because of the judgment necessary to account for these matters and the significant estimates involved, which are susceptible to change:

- Impairment of property and equipment and intangible assets (including goodwill);
- Costs associated with construction and installation activities;
- Useful lives of long-lived assets;
- Fair value measurements; and
- Income tax accounting.

We have discussed the selection of the aforementioned critical accounting policies with the audit committee of our board of directors. For additional information concerning our significant accounting policies, see note 3 to our 2015 Consolidated Financial Statements.

Impairment of Property and Equipment and Intangible Assets

Carrying Value

The aggregate carrying value of our property and equipment and intangible assets (including goodwill) that were held for use comprised 83.2% of our total assets at December 31, 2015.

We review, when circumstances warrant, the carrying amounts of our property and equipment and our intangible assets (other than goodwill and other indefinite-lived intangible assets) to determine whether such carrying amounts continue to be recoverable. Such changes in circumstance may include (i) an expectation of a sale or disposal of a long-lived asset or asset group, (ii) adverse changes in market or competitive conditions, (iii) an adverse change in legal factors or business climate in the markets in which we operate and (iv) operating or cash flow losses. For purposes of impairment testing, long-lived assets are grouped at the lowest level for which cash flows are largely independent of other assets and liabilities, generally at or below the reporting unit level (see below). If the carrying amount of the asset or asset group is greater than the expected undiscounted cash flows to be generated by such asset or asset group, an impairment adjustment is recognized. Such adjustment is measured by the amount that the carrying value of such asset or asset group exceeds its fair value. We generally measure fair value by considering (a) sale prices for similar assets, (b) discounted estimated future cash flows using an appropriate discount rate and/or (c) estimated replacement cost. Assets to be disposed of are carried at the lower of their financial statement carrying amount or fair value less costs to sell.

We evaluate the goodwill, franchise rights and other indefinite-lived intangible assets for impairment at least annually on October 1 and whenever other facts and circumstances indicate that the carrying amounts of goodwill and other indefinite-lived intangible assets may not be recoverable. For impairment evaluations with respect to both goodwill and other indefinite-lived intangibles, we first make a qualitative assessment to determine if the goodwill or other indefinite-lived intangible may be impaired. In the case of goodwill, if it is more-likely-than-not that a reporting unit's fair value is less than its carrying value, we then compare the fair value of the reporting unit to its respective carrying amount. A reporting unit is an operating segment or one level below an operating segment (referred to as a "component"). In most cases, our operating segments are deemed to be a reporting unit either because the operating segment is comprised of only a single component, or the components below the operating segment are aggregated as they have similar economic characteristics. If the carrying value of a reporting unit were to exceed its fair value, we would then compare the implied fair value of the reporting unit's goodwill to its carrying amount, and any excess of the carrying amount over the fair value would be charged to operations as an impairment loss. With respect to franchise rights or other indefinite-lived intangible assets, if it is more-likely-than-not that the fair value of an indefinite-lived intangible asset is less than its carrying value, we then estimate its fair value and any excess of the carrying value over the fair value of the franchise right or other indefinite-lived intangible asset is also charged to operations as an impairment loss.

When required, considerable management judgment is necessary to estimate the fair value of reporting units and underlying long-lived and indefinite-lived assets. The equity of one of our reporting units, Telenet, is publicly

traded in an active market. For this reporting unit, our fair value determination is based on quoted market prices. For other reporting units, we typically determine fair value using an income-based approach (discounted cash flows) based on assumptions in our long-range business plans and, in some cases, a combination of an income-based approach and a market-based approach. With respect to our discounted cash flow analysis used in the income-based approach, the timing and amount of future cash flows under these business plans require estimates, among other items, of subscriber growth and retention rates, rates charged per product, expected gross margins and Adjusted OIBDA margins and expected property and equipment additions. The development of these cash flows, and the discount rate applied to the cash flows, is subject to inherent uncertainties, and actual results could vary significantly from such estimates. Our determination of the discount rate is based on a weighted average cost of capital approach, which uses a market participant's cost of equity and after-tax cost of debt and reflects the risks inherent in the cash flows. Based on the results of our 2015 qualitative assessment of our reporting unit carrying values, we determined that it was more-likely-than-not that fair value exceeded carrying value for all of our reporting units.

During the three years ended December 31, 2015, the most significant impairment charges that we recorded with respect to our property and equipment and intangible assets were (i) the $73.0 million impairment charge that Telenet recorded during the fourth quarter of 2013 to reduce the carrying value of the intangible assets related to certain of its spectrum rights and (ii) the $68.7 million impairment charge that we recorded during the fourth quarter of 2014 to reduce the carrying amount of certain of Ziggo's internal-use software assets. For additional information, see note 9 to our 2015 Consolidated Financial Statements.

If, among other factors, (i) our equity values were to decline significantly or (ii) the adverse impacts of economic, competitive, regulatory or other factors were to cause our results of operations or cash flows to be worse than anticipated, we could conclude in future periods that impairment charges are required in order to reduce the carrying values of our goodwill and, to a lesser extent, other long-lived assets. Any such impairment charges could be significant.

Costs Associated with Construction and Installation Activities

We capitalize costs associated with the construction of new cable transmission and distribution facilities and the installation of new cable services. Installation activities that are capitalized include (i) the initial connection (or drop) from our cable system to a customer location, (ii) the replacement of a drop and (iii) the installation of equipment for additional services, such as digital cable, telephone or broadband internet service. The costs of other customer-facing activities, such as reconnecting customer locations where a drop already exists, disconnecting customer locations and repairing or maintaining drops, are expensed as incurred.

The nature and amount of labor and other costs to be capitalized with respect to construction and installation activities involves significant judgment. In addition to direct external and internal labor and materials, we also capitalize other costs directly attributable to our construction and installation activities, including dispatch costs, quality-control costs, vehicle-related costs and certain warehouse-related costs. The capitalization of these costs is based on time sheets, time studies, standard costs, call tracking systems and other verifiable means that directly link the costs incurred with the applicable capitalizable activity. We continuously monitor the appropriateness of our capitalization policies and update the policies when necessary to respond to changes in facts and circumstances, such as the development of new products and services, and changes in the manner that installations or construction activities are performed.

Useful Lives of Long-Lived Assets

We depreciate our property and equipment on a straight-line basis over the estimated useful life of the assets. The determination of the useful lives of property and equipment requires significant management judgment, based on factors such as the estimated physical lives of the assets, technological changes, changes in anticipated use, legal and economic factors, rebuild and equipment swap-out plans, and other factors. Our intangible assets with finite lives primarily consist of customer relationships. Customer relationship intangible assets are amortized on a straight-line basis over the estimated weighted average life of the customer relationships. The determination of the estimated useful life of customer relationship intangible assets requires significant management judgment and is primarily based on historical and forecasted subscriber disconnect rates, adjusted when necessary for risk associated with demand, competition, technological changes and other economic factors. We regularly review whether changes to estimated useful lives are required in order to accurately reflect the economic use of our property and equipment and intangible assets with finite lives. Any changes to estimated useful lives are reflected prospectively. Depreciation and amortization expense of our continuing operations during 2015, 2014 and 2013

was $5,825.8 million, $5,500.1 million and $4,276.4 million, respectively. A 10% increase in the aggregate amount of the depreciation and amortization expense of our continuing operations during 2015 would have resulted in a $582.6 million or 24.8% decrease in our 2015 operating income

Fair Value Measurements

GAAP provides guidance with respect to the recurring and nonrecurring fair value measurements and for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

Recurring Valuations

We perform recurring fair value measurements with respect to our derivative instruments and fair value method investments, each of which are carried at fair value. We use (i) cash flow valuation models to determine the fair values of our interest rate and foreign currency derivative instruments and (ii) a binomial option pricing model to determine the fair values of our equity-related derivative instruments. We use quoted market prices when available and, when not available, we use a combination of an income approach (discounted cash flows) and a market approach (market multiples of similar businesses) to determine the fair value of our fair value method investments. For a detailed discussion of the inputs we use to determine the fair value of our derivative instruments and fair value method investments, see note 8 to our 2015 Consolidated Financial Statements. See also notes 6 and 7 to our 2015 Consolidated Financial Statements for information concerning our fair value method investments and derivative instruments, respectively.

Changes in the fair values of our derivative instruments and fair value method investments have had, and we believe will continue to have, a significant and volatile impact on our results of operations. During 2015, 2014 and 2013, our continuing operations included net gains (losses) of $971.7 million, $294.0 million and ($496.3 million), respectively, attributable to changes in the fair values of these items.

As further described in note 8 to our 2015 Consolidated Financial Statements, actual amounts received or paid upon the settlement of our derivative instruments or disposal of our fair value method investments may differ materially from the recorded fair values at December 31, 2015.

For information concerning the sensitivity of the fair value of certain of our more significant derivative instruments to changes in market conditions, see *Quantitative and Qualitative Disclosures About Market Risk – Sensitivity Information* below.

Nonrecurring Valuations

Our nonrecurring valuations are primarily associated with (i) the application of acquisition accounting and (ii) impairment assessments, both of which require that we make fair value determinations as of the applicable valuation date. In making these determinations, we are required to make estimates and assumptions that affect the recorded amounts, including, but not limited to, expected future cash flows, market comparables and discount rates, remaining useful lives of long-lived assets, replacement or reproduction costs of property and equipment and the amounts to be recovered in future periods from acquired net operating losses and other deferred tax assets. To assist us in making these fair value determinations, we may engage third-party valuation specialists. Our estimates in this area impact, among other items, the amount of depreciation and amortization, impairment charges and income tax expense or benefit that we report. Our estimates of fair value are based upon assumptions we believe to be reasonable, but which are inherently uncertain. A significant portion of our long-lived assets were initially recorded through the application of acquisition accounting and all of our long-lived assets are subject to impairment assessments. For additional information, see notes 4, 8 and 9 to our 2015 Consolidated Financial Statements.

Income Tax Accounting

We are required to estimate the amount of tax payable or refundable for the current year and the deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts and income tax basis of assets and liabilities and the expected benefits of utilizing net operating

loss and tax credit carryforwards, using enacted tax rates in effect for each taxing jurisdiction in which we operate for the year in which those temporary differences are expected to be recovered or settled. This process requires our management to make assessments regarding the timing and probability of the ultimate tax impact of such items.

Net deferred tax assets are reduced by a valuation allowance if we believe it more-likely-than-not such net deferred tax assets will not be realized. Establishing or reducing a tax valuation allowance requires us to make assessments about the timing of future events, including the probability of expected future taxable income and available tax planning strategies. At December 31, 2015, the aggregate valuation allowance provided against deferred tax assets was $6,395.6 million. The actual amount of deferred income tax benefits realized in future periods will likely differ from the net deferred tax assets reflected in our December 31, 2015 consolidated balance sheet due to, among other factors, possible future changes in income tax law or interpretations thereof in the jurisdictions in which we operate and differences between estimated and actual future taxable income. Any of such factors could have a material effect on our current and deferred tax positions as reported in our consolidated financial statements. A high degree of judgment is required to assess the impact of possible future outcomes on our current and deferred tax positions.

Tax laws in jurisdictions in which we have a presence are subject to varied interpretation, and many tax positions we take are subject to significant uncertainty regarding whether the position will be ultimately sustained after review by the relevant tax authority. We recognize the financial statement effects of a tax position when it is more-likely-than-not, based on technical merits, that the position will be sustained upon examination. The determination of whether the tax position meets the more-likely-than-not threshold requires a facts-based judgment using all information available. In a number of cases, we have concluded that the more-likely-than-not threshold is not met and, accordingly, the amount of tax benefit recognized in our consolidated financial statements is different than the amount taken or expected to be taken in our tax returns. As of December 31, 2015, the amount of unrecognized tax benefits for financial reporting purposes, but taken or expected to be taken on tax returns, was $609.9 million, of which $299.4 million would have a favorable impact on our effective income tax rate if ultimately recognized, after considering amounts that we would expect to be offset by valuation allowances.

We are required to continually assess our tax positions, and the results of tax examinations or changes in judgment can result in substantial changes to our unrecognized tax benefits.

We have taxable outside basis differences on certain investments in non-U.S. subsidiaries. We do not recognize the deferred tax liabilities associated with these outside basis differences when the difference is considered essentially permanent in duration. In order to be considered essentially permanent in duration, sufficient evidence must indicate that the foreign subsidiary has invested or will invest its undistributed earnings indefinitely, or that earnings will be remitted in a tax-free liquidation. If circumstances change and it becomes apparent that some or all of the undistributed earnings will be remitted on a taxable basis in the foreseeable future, a net deferred tax liability must be recorded for some or all of the outside basis difference. The assessment of whether these outside basis differences are considered permanent in nature requires significant judgment and is based on management's intentions to reinvest the earnings of a foreign subsidiary indefinitely in light of anticipated liquidity requirements and other relevant factors. At December 31, 2015, income and withholding taxes for which a net deferred tax liability might otherwise be required have not been provided on an estimated $9.1 billion of cumulative temporary differences on non-U.S. entities, including cumulative translation adjustments. If our plans or intentions change in the future due to liquidity or other relevant considerations, we could decide that it would be prudent to repatriate significant funds or other assets from one or more of our subsidiaries, even though we would incur a tax liability in connection with any such repatriation. If our plans or intentions were to change in this manner, the recognition of all or a part of these outside basis differences could have an adverse impact on our consolidated net loss.

For additional information concerning our income taxes, see note 11 to our 2015 Consolidated Financial Statements.

SECTION D: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk in the normal course of our business operations due to our investments in various foreign countries and ongoing investing and financing activities. Market risk refers to the risk of loss arising from adverse changes in foreign currency exchange rates, interest rates and stock prices. The risk of loss can be assessed from the perspective of adverse changes in fair values, cash flows and future earnings. As further described below, we have established policies, procedures and processes governing our management of market risks and the use of derivative instruments to manage our exposure to such risks.

Cash and Investments

We invest our cash in highly liquid instruments that meet high credit quality standards. We are exposed to exchange rate risk to the extent that the denominations of our cash and cash equivalent balances, revolving lines of credit and other short-term sources of liquidity do not correspond to the denominations of our and our subsidiaries' short-term liquidity requirements. In order to mitigate this risk, we actively manage the denominations of our cash balances in light of our and our subsidiaries' forecasted liquidity requirements. At December 31, 2015, $627.8 million or 63.9%, $210.4 million or 21.4%, $92.2 million or 9.4% and $76.7 million or 7.8% of our consolidated cash balances were denominated in euros, U.S. dollars, Chilean pesos and British pounds sterling, respectively.

We are also exposed to market price fluctuations related to our investments in ITV, Sumitomo and Lionsgate shares. At December 31, 2015, the aggregate fair value of these investments was $1,624.1 million, $471.1 million and $162.0 million, respectively. All of our ITV and Sumitomo shares, and a portion of our Lionsgate shares, are held through the ITV Collar, the Sumitomo Collar and the Lionsgate Forward, respectively. For information concerning the terms of the ITV Collar and related ITV Collar Loan, the Sumitomo Collar and related Sumitomo Collar Loan and the Lionsgate Forward and related Lionsgate Loan, see note 7 to our 2015 Consolidated Financial Statements. For those shares that are subject to the ITV Collar, the Sumitomo Collar and the Lionsgate Forward, our exposure to market risk is limited. For additional information concerning our investments in ITV, Sumitomo and Lionsgate shares, see note 6 to our 2015 Consolidated Financial Statements.

Foreign Currency Risk

We are exposed to foreign currency exchange rate risk with respect to our consolidated debt in situations where our debt is denominated in a currency other than the functional currency of the operations whose cash flows support our ability to repay or refinance such debt. Although we generally seek to match the denomination of our and our subsidiaries' borrowings with the functional currency of the operations that are supporting the respective borrowings, market conditions or other factors may cause us to enter into borrowing arrangements that are not denominated in the functional currency of the underlying operations (unmatched debt). In these cases, our policy is to provide for an economic hedge against foreign currency exchange rate movements by using derivative instruments to synthetically convert unmatched debt into the applicable underlying currency. At December 31, 2015, substantially all of our debt was either directly or synthetically matched to the applicable functional currencies of the underlying operations. For additional information concerning the terms of our derivative instruments, see note 7 to our 2015 Consolidated Financial Statements.

In addition to the exposure that results from the mismatch of our borrowings and underlying functional currencies, we are exposed to foreign currency risk to the extent that we enter into transactions denominated in currencies other than our or our subsidiaries' respective functional currencies (non-functional currency risk), such as equipment purchases, programming contracts, notes payable and notes receivable (including intercompany amounts). Changes in exchange rates with respect to amounts recorded in our consolidated balance sheets related to these items will result in unrealized (based upon period-end exchange rates) or realized foreign currency transaction gains and losses upon settlement of the transactions. Moreover, to the extent that our revenue, costs and expenses are denominated in currencies other than our respective functional currencies, we will experience fluctuations in our revenue, costs and expenses solely as a result of changes in foreign currency exchange rates. In this regard, we currently expect that during 2016 (i) less than 1% of our revenue, (ii) approximately 3% to 5% of our aggregate operating and SG&A expenses (exclusive of share-based compensation expense) and (iii) approximately 7% to 9% of our property and equipment additions will be denominated in non-functional currencies, including amounts denominated in (a) U.S. dollars in Chile and Europe and (b) euros in the U.K., Poland, the Czech Republic, Romania, Switzerland and Hungary. Our expectations with respect to our non-functional currency transactions in 2016 may differ from actual results.

Generally, we will consider hedging non-functional currency risks when the risks arise from agreements with third parties that involve the future payment or receipt of cash or other monetary items to the extent that we can reasonably predict the timing and amount of such payments or receipts and the payments or receipts are not otherwise hedged. In this regard, we have entered into foreign currency forward contracts to hedge certain of these risks. Certain non-functional currency risks related to our revenue, operating and SG&A expenses and property and equipment additions were not hedged as of December 31, 2015. For additional information concerning our foreign currency forward contracts, see note 7 to our 2015 Consolidated Financial Statements.

We also are exposed to unfavorable and potentially volatile fluctuations of the U.S. dollar (our reporting currency) against the currencies of our operating subsidiaries when their respective financial statements are translated into U.S. dollars for inclusion in our consolidated financial statements. Cumulative translation adjustments are recorded in accumulated other comprehensive earnings (loss) as a separate component of equity. Any increase (decrease) in the value of the U.S. dollar against any foreign currency that is the functional currency of one of our operating subsidiaries will cause us to experience unrealized foreign currency translation losses (gains) with respect to amounts already invested in such foreign currencies. Accordingly, we may experience a negative impact on our comprehensive earnings (loss) and equity with respect to our holdings solely as a result of FX. Our primary exposure to FX risk during the three months ended December 31, 2015 was to the euro and British pound sterling as 43.8% and 37.0% of our U.S. dollar revenue during the period was derived from subsidiaries whose functional currencies are the euro and British pound sterling, respectively. In addition, our reported operating results are impacted by changes in the exchange rates for the Swiss franc, the Chilean peso and other local currencies in Europe. We generally do not hedge against the risk that we may incur non-cash losses upon the translation of the financial statements of our subsidiaries and affiliates into U.S. dollars. For information regarding certain currency instability risks with respect to the euro, see *Review of Operations – Results of Operations* above.

The relationship between (i) the euro, the British pound sterling, the Swiss franc, the Hungarian forint, the Polish zloty, the Czech koruna, the Romanian lei and the Chilean peso and (ii) the U.S. dollar, which is our reporting currency, is shown below, per one U.S. dollar:

	As of December 31,	
	2015	2014
Spot rates:		
Euro	0.9203	0.8264
British pound sterling	0.6787	0.6418
Swiss franc	0.9997	0.9939
Hungarian forint	290.85	261.44
Polish zloty	3.9286	3.5397
Czech koruna	24.867	22.914
Romanian lei	4.1604	3.7059
Chilean peso	708.60	606.90

	Year ended December 31,		
	2015	2014	2013
Average rates:			
Euro	0.9009	0.7537	0.7530
British pound sterling	0.6545	0.6074	0.6396
Swiss franc	0.9630	0.9152	0.9268
Hungarian forint	279.39	232.73	223.58
Polish zloty	3.7717	3.1553	3.1601
Czech koruna	24.593	20.758	19.559
Romanian lei	4.0079	3.3494	3.3273
Chilean peso	654.71	570.76	495.45

Inflation and Foreign Investment Risk

We are subject to inflationary pressures with respect to labor, programming and other costs. While we attempt to increase our revenue to offset increases in costs, there is no assurance that we will be able to do so. Therefore, costs could rise faster than associated revenue, thereby resulting in a negative impact on our operating results, cash flows and liquidity. The economic environment in the respective countries in which we operate is a function

of government, economic, fiscal and monetary policies and various other factors beyond our control that could lead to inflation. We are unable to predict the extent that price levels might be impacted in future periods by the current state of the economies in the countries in which we operate.

Interest Rate Risks

We are exposed to changes in interest rates primarily as a result of our borrowing and investment activities, which include fixed-rate and variable-rate investments and borrowings by our borrowing groups. Our primary exposure to variable-rate debt is through the EURIBOR-indexed and LIBOR-indexed debt of UPC Broadband Holding and Ziggo, the LIBOR-indexed debt of Virgin Media, the EURIBOR-indexed debt of Telenet and Unitymedia and the variable-rate debt of certain of our other subsidiaries.

In general, we seek to enter into derivative instruments to protect against increases in the interest rates on our variable-rate debt. Accordingly, we have entered into various derivative transactions to reduce exposure to increases in interest rates. We use interest rate derivative contracts to exchange, at specified intervals, the difference between fixed and variable interest rates calculated by reference to an agreed-upon notional principal amount. We also use interest rate cap and collar agreements that lock in a maximum interest rate if variable rates rise, but also allow our company to benefit, to a limited extent in the case of collars, from declines in market rates. At December 31, 2015, we effectively paid a fixed interest rate on 97% of our total debt. The final maturity dates of our various portfolios of interest rate derivative instruments generally fall short of the respective maturities of the underlying variable-rate debt. In this regard, we use judgment to determine the appropriate maturity dates of our portfolios of interest rate derivative instruments, taking into account the relative costs and benefits of different maturity profiles in light of current and expected future market conditions, liquidity issues and other factors. For additional information concerning the terms of these interest rate derivative instruments, see note 7 to our 2015 Consolidated Financial Statements.

Weighted Average Variable Interest Rate

At December 31, 2015, our variable-rate indebtedness aggregated $14.5 billion, and the weighted average interest rate (including margin) on such variable-rate indebtedness was approximately 3.7%, excluding the effects of interest rate derivative contracts, financing costs, discounts or commitment fees, all of which affect our overall cost of borrowing. Assuming no change in the amount outstanding, and without giving effect to any interest rate derivative contracts, financing costs, discounts or commitment fees, a hypothetical 50 basis point (0.50%) increase (decrease) in our weighted average variable interest rate would increase (decrease) our annual consolidated interest expense and cash outflows by $72.5 million. As discussed above and in note 7 to our 2015 Consolidated Financial Statements, we use interest rate derivative contracts to manage our exposure to increases in variable interest rates. In this regard, increases in the fair value of these contracts generally would be expected to offset most of the economic impact of increases in the variable interest rates applicable to our indebtedness to the extent and during the period that principal amounts are matched with interest rate derivative contracts.

Counterparty Credit Risk

We are exposed to the risk that the counterparties to the derivative instruments, undrawn debt facilities and cash investments of our subsidiary borrowing groups will default on their obligations to us. We manage these credit risks through the evaluation and monitoring of the creditworthiness of, and concentration of risk with, the respective counterparties. In this regard, credit risk associated with our derivative instruments and undrawn debt facilities is spread across a relatively broad counterparty base of banks and financial institutions. Collateral is generally not posted by either party under the derivative instruments of our subsidiary borrowing groups. Most of our cash currently is invested in either (i) AAA credit rated money market funds, including funds that invest in government obligations, or (ii) overnight deposits with banks having a minimum credit rating of A by Standard & Poor's or an equivalent rating by Moody's Investor Service. To date, neither the access to nor the value of our cash and cash equivalent balances have been adversely impacted by liquidity problems of financial institutions.

At December 31, 2015, our exposure to counterparty credit risk included (i) derivative assets with an aggregate fair value of $2,025.2 million, (ii) cash and cash equivalent and restricted cash balances of $1,110.0 million and (iii) aggregate undrawn debt facilities of $3,910.6 million.

Each of our subsidiary borrowing groups have entered into derivative instruments under master agreements with each counterparty that contain master netting arrangements that are applicable in the event of early termination by either party to such derivative instrument. The master netting arrangements under each of these master

agreements are limited to the derivative instruments governed by the relevant master agreement within each individual borrowing group and are independent of similar arrangements of our other subsidiary borrowing groups.

Under our derivative contracts, it is generally only the non-defaulting party that has a contractual option to exercise early termination rights upon the default of the other counterparty and to set off other liabilities against sums due upon such termination. However, in an insolvency of a derivative counterparty, under the laws of certain jurisdictions, the defaulting counterparty or its insolvency representatives may be able to compel the termination of one or more derivative contracts and trigger early termination payment liabilities payable by us, reflecting any mark-to-market value of the contracts for the counterparty. Alternatively, or in addition, the insolvency laws of certain jurisdictions may require the mandatory set off of amounts due under such derivative contracts against present and future liabilities owed to us under other contracts between us and the relevant counterparty. Accordingly, it is possible that we may be subject to obligations to make payments, or may have present or future liabilities owed to us partially or fully discharged by set off as a result of such obligations, in the event of the insolvency of a derivative counterparty, even though it is the counterparty that is in default and not us. To the extent that we are required to make such payments, our ability to do so will depend on our liquidity and capital resources at the time. In an insolvency of a defaulting counterparty, we will be an unsecured creditor in respect of any amount owed to us by the defaulting counterparty, except to the extent of the value of any collateral we have obtained from that counterparty.

In addition, where a counterparty is in financial difficulty, under the laws of certain jurisdictions, the relevant regulators may be able to (i) compel the termination of one or more derivative instruments, determine the settlement amount and/or compel, without any payment, the partial or full discharge of liabilities arising from such early termination that are payable by the relevant counterparty or (ii) transfer the derivative instruments to an alternative counterparty.

While we currently have no specific concerns about the creditworthiness of any counterparty for which we have material credit risk exposures, the current economic conditions and uncertainties in global financial markets have increased the credit risk of our counterparties and we cannot rule out the possibility that one or more of our counterparties could fail or otherwise be unable to meet its obligations to us. Any such instance could have an adverse effect on our cash flows, results of operations, financial condition and/or liquidity.

Although we actively monitor the creditworthiness of our key vendors, the financial failure of a key vendor could disrupt our operations and have an adverse impact on our revenue and cash flows.

Sensitivity Information

Information concerning the sensitivity of the fair value of certain of our more significant derivative instruments to changes in market conditions is set forth below. The potential changes in fair value set forth below do not include any amounts associated with the remeasurement of the derivative asset or liability into the applicable functional currency. For additional information, see notes 7 and 8 to our 2015 Consolidated Financial Statements.

Virgin Media Cross-currency and Interest Rate Derivative Contracts

Holding all other factors constant, at December 31, 2015:

(i) an instantaneous increase (decrease) of 10% in the value of the British pound sterling relative to the U.S. dollar would have decreased (increased) the aggregate fair value of the Virgin Media cross-currency and interest rate derivative contracts by approximately £464 million ($684 million);

(ii) an instantaneous increase (decrease) in the relevant base rate of 50 basis points (0.50%) would have increased (decreased) the aggregate fair value of the Virgin Media cross-currency and interest rate derivative contracts by approximately £56 million ($83 million); and

(iii) an instantaneous increase (decrease) of 10% in the value of the euro relative to the U.S. dollar would have decreased (increased) the aggregate fair value of the Virgin Media cross-currency contracts by approximately £33 million ($49 million).

UPC Broadband Holding Cross-currency and Interest Rate Derivative Contracts

Holding all other factors constant, at December 31, 2015:

(i) an instantaneous increase (decrease) of 10% in the value of the Swiss franc, Polish zloty, Czech koruna and Hungarian forint relative to the euro would have decreased (increased) the aggregate fair value of the UPC Broadband Holding cross-currency and interest rate derivative contracts by approximately €457 million ($497 million);

(ii) an instantaneous increase (decrease) of 10% in the value of the euro relative to the U.S. dollar would have decreased (increased) the aggregate fair value of the UPC Broadband Holding cross-currency and interest rate derivative contracts by approximately €275 million ($299 million);

(iii) an instantaneous increase (decrease) of 10% in the value of the Swiss franc and Romanian lei relative to the U.S. dollar would have decreased (increased) the aggregate fair value of the UPC Broadband Holding cross-currency and interest rate derivative contracts by approximately €120 million ($130 million); and

(iv) an instantaneous increase in the relevant base rate of 50 basis points (0.50%) would have increased the aggregate fair value of the UPC Broadband Holding cross-currency and interest rate derivative contracts by approximately €54 million ($59 million) and, conversely, a decrease of 50 basis points would have decreased the aggregate fair value by approximately €60 million ($65 million).

Ziggo Group Holding Cross-currency and Interest Rate Derivative Contracts

Holding all other factors constant, at December 31, 2015:

(i) an instantaneous increase (decrease) of 10% in the value of the euro relative to the U.S. dollar would have decreased (increased) the aggregate fair value of the Ziggo cross-currency and interest rate derivative contracts by approximately €309 million ($336 million); and

(ii) an instantaneous increase (decrease) in the relevant base rate of 50 basis points (0.50%) would have increased (decreased) the aggregate fair value of the Ziggo cross-currency and interest rate derivative contracts by approximately €143 million ($155 million).

Unitymedia Cross-currency Derivative Contracts

Holding all other factors constant, at December 31, 2015, an instantaneous increase (decrease) of 10% in the value of the euro relative to the U.S. dollar would have decreased (increased) the aggregate value of the Unitymedia cross-currency derivative contracts by approximately €242 million ($263 million).

Telenet Interest Rate Caps, Collars and Swaps

Holding all other factors constant, at December 31, 2015, an instantaneous increase (decrease) in the relevant base rate of 50 basis points (0.50%) would have increased (decreased) the aggregate fair value of the Telenet interest rate cap, collar and swap contracts by approximately €62 million ($67 million).

VTR Cross-currency Derivative Contracts

Holding all other factors constant, at December 31, 2015, an instantaneous increase (decrease) of 10% in the value of the Chilean peso relative to the U.S. dollar would have decreased (increased) the aggregate fair value of the VTR cross-currency derivative contracts by approximately CLP 108.5 billion ($153 million).

ITV Collar

Holding all other factors constant, at December 31, 2015, an instantaneous increase (decrease) of 10% in the per share market price of ITV's ordinary shares would have decreased (increased) the fair value of the ITV Collar by approximately £107 million ($158 million).

Sumitomo Collar

Holding all other factors constant, at December 31, 2015, an instantaneous increase (decrease) of 10% in the per share market price of Sumitomo's common stock would have decreased (increased) the fair value of the Sumitomo Collar by approximately ¥5.4 billion ($45 million).

Projected Cash Flows Associated with Derivative Instruments

The following table provides information regarding the projected cash flows of our continuing operations associated with our derivative instruments. The U.S. dollar equivalents presented below are based on interest rates and exchange rates that were in effect as of December 31, 2015. These amounts are presented for illustrative purposes only and will likely differ from the actual cash payments required in future periods. For additional information regarding our derivative instruments, including our counterparty credit risk, see note 7 to our 2015 Consolidated Financial Statements. For information concerning the counterparty credit risk associated with our derivative instruments, see the discussion under *Counterparty Credit Risk* above.

	Payments (receipts) due during:						
	2016	**2017**	**2018**	**2019**	**2020**	**Thereafter**	**Total**
	in millions						
Projected derivative cash payments (receipts), net:							
Liberty Global Group:							
Interest-related (a)	$ 21.4	$ 73.3	$ 44.1	$ 43.5	$ 30.4	$ 50.5	$ 263.2
Principal-related (b)	27.1	197.9	19.3	(80.9)	(106.9)	(1,378.2)	(1,321.7)
Other (c)	(85.0)	(78.9)	(36.2)	(0.6)	(0.6)	(0.6)	(201.9)
Total Liberty Global Group	(36.5)	192.3	27.2	(38.0)	(77.1)	(1,328.3)	(1,260.4)
LiLAC Group:							
Interest-related (a)	(10.9)	3.2	3.1	1.0	0.3	(2.7)	(6.0)
Principal-related (b)	—	—	—	—	—	(57.4)	(57.4)
Other (c)	(2.0)	—	—	—	—	—	(2.0)
Total LiLAC Group	(12.9)	3.2	3.1	1.0	0.3	(60.1)	(65.4)
Total	$(49.4)	$195.5	$ 30.3	$(37.0)	$ (76.8)	$(1,388.4)	$(1,325.8)

(a) Includes (i) the cash flows of our interest rate cap, collar and swap contracts and (ii) the interest-related cash flows of our cross-currency and interest rate swap contracts.

(b) Includes the principal-related cash flows of our cross-currency contracts.

(c) Includes amounts related to our equity-related derivative instruments and foreign currency forward contracts. We may elect to use cash or the collective value of the related shares and equity-related derivative instrument to settle the ITV Collar Loan, the Sumitomo Collar Loan and the Lionsgate Loan.

PART V

CAPITALIZATION AND INDEBTEDNESS

Capitalization and Indebtedness of Liberty Global

The following table sets forth, as of December 31, 2015 the unaudited actual capitalization and net financial indebtedness of Liberty Global.

	December 31, 2015
	in millions
CAPITALISATION	
Guaranteed/secured current debt	$ —
Unguaranteed/secured current debt [(a)]	2,473.7
Unguaranteed/unsecured current debt	64.2
Total current debt	**2,537.9**
Guaranteed/secured noncurrent debt	—
Unguaranteed/secured noncurrent debt	36,360.1
Unguaranteed/unsecured noncurrent debt	8,159.3
Total noncurrent debt	**44,519.4**
Total indebtedness	**47,057.3**
Ordinary shares	8.9
Additional paid-in capital	14,908.1
Accumulated deficit	(5,160.1)
Accumulated other comprehensive earnings, net of taxes	895.9
Treasury shares, at cost	(0.4)
Noncontrolling interests	(478.1)
Total equity	**10,174.3**
Total capitalization	**$57,231.6**
NET FINANCIAL INDEBTEDNESS	
A. Cash and cash equivalents	**$ 982.1**
B. Current bank debt	218.8
C. Current portion of notes outstanding (carrying value)	112.5
D. Current portion of capital lease obligations	155.8
E. Other current financial debt	2,050.8
F. Current financial debt (B + C + D + E)	**2,537.9**
G. Net financial indebtedness (F - A)	**1,555.8**
H. Noncurrent bank loans	12,181.6
I. Notes outstanding (carrying value)	28,940.2
J. Capital lease obligations	1,167.0
K. Other noncurrent loans	2,230.6
L. Noncurrent financial indebtedness (H + I + J + K)	**44,519.4**
M. Net financial indebtedness (G + L)	**$46,075.2**

(a) Liberty Global's secured debt generally is secured by shares of the applicable subsidiary and/or by all or substantially all of such subsidiary's assets.

PART VI

HISTORICAL CONSOLIDATED FINANCIAL INFORMATION RELATING TO LIBERTY GLOBAL

The historical financial information for the financial years ended December 31, 2015, December 31, 2014 and December 31, 2013 has been audited by Liberty Global's auditors. The following are attached as Annex I to this Prospectus: (a) the consolidated balance sheets of Liberty Global as of December 31, 2015 and 2014 and the related consolidated statements of operations, comprehensive loss, equity, and cash flows for each of the years in the three-year period ended December 31, 2015 (the "**2015 Consolidated Financial Statements**"), and (b) the consolidated balance sheets of Liberty Global as of December 31, 2014 and 2013 and the related consolidated statements of operations, comprehensive earnings (loss), equity and cash flows for each of the years in the three-year period ended December 31, 2014 (the "**2014 Consolidated Financial Statements**").

PART VII

REGULATORY OVERVIEW

1. Overview

Video distribution, broadband internet, fixed-line telephony and mobile businesses are regulated in each of the countries in which we operate. The scope of regulation varies from country to country, although in some significant respects regulation in European markets is harmonized under the regulatory structure of the EU.

Adverse regulatory developments could subject our businesses to a number of risks. Regulation, including conditions imposed on us by competition or other authorities as a requirement to close acquisitions or dispositions, could limit growth, revenue and the number and types of services offered and could lead to increased operating costs and property and equipment additions. In addition, regulation may restrict our operations and subject them to further competitive pressure, including pricing restrictions, interconnect and other access obligations, and restrictions or controls on content, including content provided by third parties. Failure to comply with current or future regulation could expose our businesses to various penalties.

2. Liberty Global Group

In the broadcasting and communications sectors, there has been extensive EU-level legislative action. As a result, most of the markets in Europe in which our businesses operate have been significantly affected by the regulatory framework that has been developed by the European Union. Certain EU rules are also applicable across the European Economic Area, whose Member States are the EU Member States (excluding Croatia and Switzerland) as well as Iceland, Liechtenstein and Norway. Regulation in Switzerland is discussed separately below, as well as regulation in certain Member States in which we face regulatory issues that may have a material impact on our business.

EU Communications Regulation

The body of EU law that deals with communications regulation consists of a variety of legal instruments and policies (collectively, the Regulatory Framework). The key elements of the Regulatory Framework are various legal measures, referred to as the Directives, that require Member States to harmonize their laws, as well as regulations that have direct effect without any specific adoption at the national level.

The Regulatory Framework primarily seeks open communications services markets within Europe. It harmonizes the rules within the EU for the establishment and operation of electronic communications networks, including cable television and traditional telephony networks, and the offer of electronic communications services, such as telephony, internet and, to some degree, television services.

On December 18, 2009, the Official Journal of the EU published revisions to the Regulatory Framework. These revisions should have been transposed into the laws of the Member States before May 25, 2011, although in practice, this process is still ongoing in certain Member States. Despite their limited nature, certain changes to the Regulatory Framework will affect us. For example, some new powers have been given to national regulators, such as the right to mandate access to ducts without finding operators or service providers to have Significant Market Power. This power, in particular, could require us to open our ducts to competitors and not allow us to make use of all capacity in our ducts for our own needs, or could mean we get access to ducts of third parties instead of building our own ducts. Additionally, the revisions to the Regulatory Framework grant enhanced powers to Member States to impose transparency obligations and quality of service requirements on ISPs, which may restrict our flexibility in respect of our broadband services.

Certain key provisions included in the current Regulatory Framework are set forth below. This description is not intended to be a comprehensive description of all regulation in this area.

Licensing and Exclusivity

The Regulatory Framework requires Member States to abolish exclusivities on communication networks and services in their territory and allow operators into their markets based on a simple registration. The Regulatory Framework sets forth an exhaustive list of conditions that may be imposed on communication networks and services. Possible obligations include, among other things, financial charges for universal service or for the costs of regulation, environmental requirements, data privacy and other consumer protection rules, "must carry" obligations, provision of customer information to law enforcement agencies and access obligations.

Significant Market Power

Certain of the obligations allowed by the Regulatory Framework apply only to operators or service providers with Significant Market Power in a relevant market. For example, the provisions of the Access Directive allow EU Member States to mandate certain access obligations only for those operators and service providers that are deemed to have Significant Market Power. For purposes of the Regulatory Framework, an operator or service provider will be deemed to have Significant Market Power where, either individually or jointly with others, it enjoys a position of significant economic strength affording it the power to behave to an appreciable extent independently of competitors, customers and consumers.

As part of the implementation of certain provisions of the Regulatory Framework, each Member State's National Regulatory Authority (NRA) is required to analyze certain markets predefined by the EU Commission to determine if any operator or service provider has Significant Market Power. The EU Commission has currently recommended that there be four such predefined markets, which is subject to periodic review. NRAs might, however, continue to maintain their analysis of some of the markets from the previous list or perform analysis of markets not listed in the recommendation, which requires the NRA to prove that additional requirements, the so called three-criteria test, are met.

NRAs might seek to define us as having Significant Market Power in any of these predefined markets or they may define and analyze additional markets. In the event that we are found to have Significant Market Power in any particular market, an NRA could impose certain conditions on us. Under the Regulatory Framework, the EU Commission has the power to veto a finding by an NRA of Significant Market Power (or the absence thereof), which power also applies with respect to market definition, in any market, regardless of whether it is a market predefined by the EU Commission or an additional market defined by an NRA. We have been found to have Significant Market Power in certain markets in which we operate and further findings of Significant Market Power are possible. In particular, we have been found to have Significant Market Power in the termination of calls on our network.

Video Services

The regulation of distribution, but not the content, of television services to the public is harmonized by the Regulatory Framework. Member States are allowed to impose on certain operators under their jurisdiction reasonable "must carry" obligations for the transmission of specified radio and television broadcast channels. Such obligations are required to be based on clearly defined general interest objectives, proportionate and transparent and subject to periodic review. We are subject to must carry regulations in all European markets in which we operate. In some cases, these obligations go beyond what we believe is allowable under the Regulatory Framework. To date, the EU Commission has taken very limited steps to enforce EU law in this area, leaving must carry obligations intact in certain Member States that are in excess of what we believe to be allowed, and we do not expect the EU Commission or the Member States to curtail such obligations in the foreseeable future.

Net Neutrality/Traffic Management

In October 2015, the European Parliament adopted the Regulation on the first EU-wide net neutrality regime. The Regulation, which is directly applicable in all Member States beginning on April 30, 2016, permits the provision of specialized services, optimized for specific content, and subjects operators to reasonable traffic management requirements. The Regulation also abolishes roaming tariffs beginning in June 2017 and provides for a transitional period beginning in April 2016. We expect that the Body of European Regulators for Electronic Communications will issue guidelines in the second half of 2016.

On May 6, 2015, the EU Commission published its Digital Single Market strategy document. The strategy is an aggregation of many different policy areas with the purpose of creating a digital single market to expand jobs and stimulate growth. The strategy includes policy review in the areas of EU communications regulation, broadcasting law, copyright reform and anti-competitive geo-blocking practices.

The first legislative proposal under the strategy was adopted in December 2015 with publication of a proposed Regulation to address the portability of online audiovisual content services. Under the proposal, providers of online audiovisual content services must allow subscribers who are temporarily present in any EU Member State to access and use those services. The intention of the proposed Regulation is for subscribers to be able to enjoy the same out-of-home service in another Member State. Political negotiations on the draft Regulation will take place during 2016, and we expect the Regulation to be adopted by in EU Member States in early 2017.

EU Broadcasting Law

Although the distribution of video channels by a cable operator is within the scope of the Regulatory Framework, the activities of a broadcaster are harmonized by other elements of EU law, in particular the Audiovisual Media Services Directive (AVMS). Generally, broadcasts originating in and intended for reception within an EU Member State must respect the laws of that Member State. Pursuant to AVMS, however, EU Member States are required to allow broadcast signals of broadcasters established in another EU Member State to be freely transmitted within their territory so long as the broadcaster complies with the law of their home state. This is referred to as the country of origin principle. Under AVMS, the country of origin principle applies also to non-linear services, such as VoD. Accordingly, we should be able, if we so elect, to offer our own VoD services across the European Economic Area based on the regulation of the country of origin. As a result, we could structure our business to have a single regulatory regime for all of our VoD services offered in Europe. In addition, when we offer third-party VoD services on our network, it should be the business of the third-party, in its capacity as provider of the services, and not us as the local distributor, that is regulated in respect of these services.

Although Member States were obligated to transpose the requirements of AVMS into national law, and this has generally been completed, the practical effect is still not clear. Uncertainty still remains about the proper treatment of VoD from a practical perspective. Thus, there can be no assurance that the requirements for VoD will operate in the manner described above in any individual Member State. As a result, we may face inconsistent and uncertain regulation of our VoD services in Europe.

AVMS also establishes quotas for the transmission of European-produced programming and programs made by European producers who are independent of broadcasters.

Other European Level Regulation

In addition to the industry-specific regimes discussed above, our European operating companies must comply with both specific and general legislation concerning, among other matters, data retention and electronic commerce. In December 2015, the EU General Data Protection Regulation (GDPR) was approved, with respect to data protection and retention. The GDPR enhances existing legal requirements, creates a multitude of new rules, and sets out stiff penalties for organizations that fail to comply. The GDPR will be directly applicable in all Member States commencing in 2018, harmonizing the patchwork of 28 national privacy regimes. This is seen as a major step forward in achieving a digital single market. In addition, following the adoption of the GDPR, the EU Commission announced a review of the e-Privacy Directive, which regulates privacy related issues in the electronic communications sector.

Our European operating companies are also subject to both national and European level regulations on competition and on consumer protection, which are broadly harmonized at the EU level. For example, while our operating companies may offer their services in bundled packages in European markets, they are sometimes not permitted to make a subscription to one service, such as cable television, conditional upon a subscription to another service, such as telephony. They may also face restrictions on the degree to which they may discount certain products included in the bundled packages.

The EU Commission is imposing more mandatory requirements and encouraging voluntary solutions regarding energy consumption of the telecommunications equipment we provide our customers. We have been participating in discussions and studies regarding energy consumption with the EU Commission and with experts working on their behalf. In addition, we are working with suppliers of our digital set-top boxes to lower power consumption, as well as looking at possibilities through software to lower the power consumption of the existing fleet of digital set-top boxes. We have also worked with a large group of companies to create a voluntary agreement on set-top box power consumption as an alternative to regulation. The EU Commission formally recognized this voluntary agreement as a valid alternative to regulation on November 22, 2012. Nevertheless, legislation in this area may be adopted that could adversely affect the cost and/or the functionality of equipment we deploy in customer homes.

Pursuant to a Regulation on standby power effective January 7, 2010 (the Standby Regulation), many devices are required to have either a low power standby mode or off mode unless it is inappropriate to have either such mode on the device. For this purpose, our set-top boxes and certain other equipment are equipped with an off switch. Beginning in January 2013, the Standby Regulation imposed further requirements on power management on certain devices we purchase and/or develop. These devices, namely the Horizon TV set-top box and any future

set-top boxes, must comply with such requirements, unless it can be argued such requirements are inappropriate. These additional requirements have necessitated additional software developments for our equipment and reduce the functionality of our equipment assuming the equipment's default setting is maintained.

Furthermore in August 2013, the EU Commission issued an amendment to the Standby Regulation called Networked Standby (No 801/2013), which became effective as of January 1, 2015, with the aim of regulating, among others, the maximum power consumption of networked consumer equipment while in the so-called Networked Standby mode. As is the case with the Standby Regulation, these additional requirements may have an impact on our costs and the customer experience.

As part of the EU's Radio Spectrum Policy Program, spectrum made available through the switch off of analog television has been approved for mobile broadband use beginning January 1, 2013. This spectrum, known as the "digital dividend", is in the 700 – 862 MHz band. The terms under which this spectrum will become available will vary among the European countries in which we operate. Certain uses of this spectrum may interfere with services carried on our cable networks. If this occurs, we may need to: (1) avoid using certain frequencies on our cable networks for certain or all of our services, (2) make some changes to our networks, or (3) change the equipment that we deploy. In approving mobile broadband, however, the Radio Spectrum Policy Program states that the new mobile services must co-exist with existing services, such as cable and DTT, to avoid harmful interference. As a result, we are in on-going discussions with relevant Member States and the EU Commission to be included in LTE mobile trials in order to develop mitigation techniques and to engage NRAs to launch regulatory dialogues with equipment manufacturers and mobile operators to develop co-existing networks. We have also requested Member States and the EU Commission to prepare comprehensive national impact assessments when spectrum conditions are changed to ensure that the costs to prevent interference between the various services are balanced.

United Kingdom

In the U.K., the Regulatory Framework is implemented through (1) the Communications Act 2003, which regulates all forms of communications technology, whether used for telecommunications or broadcasting, and (2) the Wireless Telegraphy Act 2006, which regulates radio communications in the U.K. (including spectrum, licensing arrangements, usage conditions and charges, license bidding and trading and enforcement and penalties). In addition, the Privacy and Electronic Communications Regulations 2003, as amended, implemented EU Directive 2002/58, which regulates the processing of personal data and the protection of privacy in the electronic communications sector.

Telecommunications companies in the U.K., including Virgin Media, are also subject to regulation under the U.K. Broadcasting Acts 1990 and 1996 and other U.K. statutes and subordinate legislation, including the Competition Act 1998 and the Enterprise Act 2002. The U.K. Office of Communications (Ofcom) regulates on-demand programming, which is derived from the EU Audiovisual Media Services Directive.

Ofcom is the key regulatory authority for the communications sector in which Virgin Media operates. It is responsible for furthering the interests of citizens in relation to communications matters and furthering the interests of consumers in relevant markets where appropriate by promoting competition. The Competition and Markets Authority also has jurisdiction with respect to competition matters.

Broadband Expansion

The U.K. government is attempting to drive the provision of super-fast broadband to 95% of the population of the U.K. by 2017 using money from the publicly funded BBC License Fee, under-spend from the Analog TV Switch-Off Project and other sources of public investment to stimulate private investment. In addition, the U.K. government has announced that everyone will, by 2020, have a legal right to request a broadband connection of at least 10 Mbps, regardless of where they live. The U.K. government intends to achieve this by introducing a broadband Universal Service Obligation (USO) and it is aimed, in particular, at addressing the final 5% of the population without access to a broadband connection. Virgin Media is currently considering the implications of the USO and is working closely with the U.K. government to understand the plan.

Television and VoD Services

Following a review by Ofcom, Sky's Wholesale Must Offer (WMO) obligation, which regulates terms of the wholesale supply of Sky Sports 1 and 2 programming content in SD and HD, has recently been removed. This has no impact on Virgin Media. The appeal of Ofcom's original decision to impose the remedy in 2010 has now been withdrawn by all parties. It is possible, however, that the new Ofcom decision removing the obligation could be appealed.

In November 2014, Ofcom opened an investigation into the arrangements by which the FA Premier League collectively sells the live U.K. audio-visual media rights to English Premier League football (soccer) matches. Ofcom's investigation is on the basis that there are reasonable grounds to suspect that these arrangements appreciably restrict or distort competition in breach of the prohibition in Chapter I of the Competition Act of 1998 and/or Article 101(1) of the Treaty on the Functioning of the EU. Ofcom is continuing its investigation, including undertaking further market research.

Strategic Review of Digital Communications

In March 2015, Ofcom launched a strategic review of U.K. digital communications, with the stated objective of ensuring that digital communications markets continue to work for consumers and businesses, with wide availability of high-quality services (both fixed and mobile). A "discussion document" was published in July 2015, inviting stakeholder comment and input. Key focus areas for Ofcom are: investment and innovation, delivering widespread availability of services; sustainable competition; empowering consumers; and, targeted regulation where necessary, deregulation elsewhere. Virgin Media responded to the "discussion document" emphasizing the importance of investment for competition, innovation and consumer interest.

A key area of consideration is the future regulatory treatment of BT, in particular whether BT should be fully (structurally) separated, with the Openreach network division becoming a separate, independent company. On February 25, 2016, Ofcom produced its report in relation to this strategic review, which did not call for BT to be structurally separated. Virgin Media is currently considering the implications of this report.

Ofcom Review of Business Connectivity Markets

Ofcom is in the process of reviewing the U.K. Business Connectivity Markets (leased lines and dedicated business connections, among others). BT has, provisionally, been found to hold Significant Market Power in certain markets, with consequential regulatory remedies proposed by Ofcom. Among these is a proposed obligation for BT to provide access to its dark fiber. Virgin Media, in common with a number of other investors in network (including BT), is opposed to this proposed remedy and is in the process of lobbying against it. Ofcom is expected to publish final conclusions in the spring of 2016.

Mobile Service

As an MVNO, Virgin Media is subject to EU regulations relating to retail prices for roaming services. These regulations set limits on certain wholesale and retail tariffs for international mobile voice roaming, SMS tariffs and data roaming within the EU, provides for greater levels of transparency of retail pricing information, imposes measures to guard against bill shock with respect to data roaming and sets maximum roaming rates within the EU. A new Regulation, effective June 2017, abolishes roaming tariffs in the EU (subject to addressing inconsistencies in underlying wholesale charges). A preceding transitional period has been established such that roaming surcharges will reduce significantly from April 2016.

Mobile termination charges applied by mobile network operators are regulated by Ofcom under a Significant Market Power charge control condition. Under Virgin Media's MVNO agreement, these changes in mobile termination charges are passed on to Virgin Media. Ofcom has set mobile termination charges for the period of 2015-2018, with rates reducing to approximately half of their starting levels by the end of this period. Virgin Media has experienced a reduction in revenue from such charges, although with some off-setting reductions in cost.

Germany

Germany has incorporated the EU laws into national laws, although under the German legal system competency is split between the Federal State (telecommunication law) and the German federal states (*Bundesländer*) (media law). The German Telecommunications Act broadly implemented the Regulatory Framework and covers the distribution of any signal by telecommunications networks encompassing television signals, internet data and telephony. The 2009 revisions to the Regulatory Framework by the EU were implemented by Germany in May 2012. The German Federal Network Agency (*Bundesnetzagentur*) is responsible *inter alia* for the regulation of the German telecommunications market. The Federal Cartel Office (the FCO), the national competition authority (*Bundeskartellamt*), plays an important role with respect to infrastructure and media regulation. The FCO has powers to address competition issues in all markets, although in some cases, competition issues will be addressed by the German Federal Network Agency.

Regulation of the media falls within the authority of the German federal states (*Bundesländer*). The media laws of all 16 federal states have been partially harmonized by the State Broadcasting Treaty (*Rundfunkstaatsvertrag*). The State Broadcasting Treaty establishes the main framework of the German regulation of broadcast. Nearly every German state has established its own independent regulatory body, the state media authority (*Landesmedienanstalt*) for the regulation of the private broadcasting sector. The state media authorities are primarily responsible for licensing and supervision of commercial broadcasters and the allocation of transmission capacities for radio and television channels. They also have authority with respect to the regulation of channel carriage fees, conditional access systems, interfaces, the bundling of programs and price regulation.

The allocation and use of analog cable transmission capacities for both radio and television channels in Germany is governed by the must carry rules of the respective German federal states. The allocation of digital transmission capacities for digital television and radio channels is primarily governed by the must carry rules of the State Broadcasting Treaty. The media law in the states of Baden-Württemberg, North Rhine-Westphalia and Hesse require Unitymedia to carry at least 13, 23 and 24 analog channels, respectively, and also limits Unitymedia's ability to convert these analog cable channels into digital channels.

The operation of conditional access systems for television services is governed by both the State Broadcasting Treaty and the German Telecommunications Act. Generally, operators must not unfairly obstruct or discriminate against broadcasters and other content providers through conditional access systems.

On December 15, 2011, the FCO approved our acquisition of the Unitymedia BW GmbH (formerly known as KBW) cable network in Germany, subject to our agreement with the following conditions:

Unitymedia committed to the distribution of basic digital television channels (as opposed to channels marketed in premium subscription packages) on its entire network in unencrypted form. This commitment, with which we have complied, generally covers free-to-air television channels in SD and HD and is consistent with the practice that had been adopted by KBW prior to the KBW acquisition. If, however, FTA television broadcasters request their HD content to be distributed in an encrypted HD package, the encryption of FTA HD channels is still possible. In addition, we made a commitment that, through December 31, 2016, the annual channel carriage fees Unitymedia receives for each such FTA television channel distributed in digital or simulcast in digital and analog would not exceed a specified annual amount, determined by applying the applicable rate card systems of Unitymedia as of January 1, 2012.

Effective January 1, 2012, Unitymedia waived its exclusivity rights in access agreements with housing associations with respect to the usage of infrastructures other than its in-building distribution networks to provide television, broadband internet or telephony services within the building.

Effective January 1, 2012, upon expiration of the minimum term of an access agreement with a housing association, Unitymedia transferred the ownership rights to the in-building distribution network to the building owner or other party granting access. In addition, Unitymedia waived its right to remove its in-building distribution networks.

A special early termination right was granted with respect to certain of Unitymedia's existing access agreements (the Remedy HA Agreements) with the largest housing associations that cover more than 800 dwelling units and which had a remaining term of more than three years as of December 15, 2011. The total number of dwelling units covered by the Remedy HA Agreements was approximately 340,000 as of December 15, 2011. The special termination right may be exercised on or before September 30 of each calendar year up to the expiration of the current contract term, with termination effective as of January 1 or July 1 of the following year. If the special termination right is exercised, compensation will be paid to partially reimburse Unitymedia for its unamortized investments in modernizing the in-building network based on an agreed formula. To the extent Unitymedia is successful in obtaining renewals of the Remedy HA Agreements, we expect that these renewed contracts will contain pricing and other provisions that are somewhat less favorable to Unitymedia than those in previous agreements.

The Netherlands

The Netherlands' electronic communications law broadly implements the Regulatory Framework. According to this electronic communications law, the Autoriteit Consument & Markt (ACM), the Netherlands NRA, was required to perform a market analysis to determine which, if any, operator or service provider has Significant

Market Power. In December 2011, ACM completed a market assessment of the television market in the Netherlands, concluding that there were no grounds for regulation of that market. As a result, no new regulations relating to the television market may be proposed without a new analysis. In particular, ACM rejected previously filed requests from a number of providers to perform a new market analysis of the television market and this decision was upheld by the Dutch Supreme Administrative Court on November 5, 2012.

On August 5, 2013, ACM published its latest market analysis decision on call termination, which combines both the fixed termination market and the mobile termination market. The new tariffs became effective September 1, 2013, and apply for a three year period. The decision was appealed by various operators, including us, and on August 27, 2013, the Dutch Supreme Administrative Court decided in a preliminary decision that the decrease of cap charges should be less steep than ACM had initially determined. These revised tariffs apply until the Dutch Supreme Administrative Court arrives at a final decision in the appeal proceedings on the merits. This final decision is not expected before the end of 2016 because the Dutch Supreme Administrative Court ruled on October 15, 2014, that it wishes to pose prejudicial questions to the European Court of Justice.

On January 1, 2014, the revised must carry obligations became effective. The revised must carry obligations do not only apply to cable operators, as was previously the case, but also apply to all providers of analog and digital program packages based on the principle of technology neutrality. Providers of digital program packages with 100,000 or more subscribers are subject to the obligation to provide at least 30 television channels, including six public television broadcasting channels as a must carry obligation, a limited amount of regional and local television broadcasting channels and a number of digital radio broadcasting channels. In addition, all providers of analog program packages with 100,000 or more subscribers must include at least 15 television channels, including five public broadcasting channels as a must carry obligation, a limited amount of regional and local television broadcasting channels and some analog radio broadcasting channels. The Dutch Media Authority can grant a (conditional) exemption from the obligation if the must carry obligations listed above give rise to disproportionate costs for the network operator, an impediment to innovation or other unreasonable outcomes.

There is no regulated financing mechanism in place between network operators and broadcasters. Commercial and public program providers must negotiate with network operators regarding transmission fees.

In connection with the Ziggo Acquisition, we obtained regulatory clearance from the EU Commission on October 10, 2014. The clearance was conditioned upon our commitment to divest our Film1 channels to a third-party and to carry Film1 on our network in the Netherlands for a period of three years. On July 21, 2015, we sold our Film1 channels to Sony Pictures Television Networks. Under the terms of the agreement, all five Film1 channels will continue to be carried on certain of our networks for a period of at least three years.

In July 2015, the Dutch incumbent telecommunications operator filed an appeal against the EU Commission regarding its decision to approve the Ziggo Acquisition. We are not a party to the appeal and we do not expect that the filing of this appeal will have any impact on the ongoing integration and development of our operations in the Netherlands.

Following the EU Commission's clearance of the Ziggo Acquisition, on October 31, 2014, ACM published as part of the fourth round of market analysis a draft of its market analysis decision on LLU. In this draft decision, ACM found that there is a risk of joint dominance of KPN and Ziggo in the related retail broadband market, which would be remedied on the wholesale market for LLU where ACM found a risk of single dominance of KPN. This draft decision was subject to national consultation followed by notification to the EU Commission. The EU Commission issued serious doubts regarding the draft LLU decision, causing ACM to redraft their initial decision. After another national consultation in July 2015 and European notification in November 2015, ACM published the final decision on December 17, 2015. In the final decision, ACM no longer finds a risk of joint dominance for KPN and Ziggo at the retail level but still concludes that there is a risk of consumer harm due to prices being set above the competitive equilibrium. At the wholesale level, ACM concluded that Ziggo is not part of the relevant LLU market and that KPN is dominant in that market, and ACM imposed obligations on KPN only.

Belgium

Belgium has broadly transposed the Regulatory Framework into law. According to the electronic communications law of June 13, 2005, the Belgisch Instituut voor Post en Telecommunicate (BIPT), the Belgian NRA, should perform the market analysis to determine which, if any, operator or service provider has Significant Market Power. In addition, the Federal Parliament prepared legislation to transpose the 2009 revisions to the Regulatory Framework, which became effective as of August 4, 2012.

Telenet has been declared an operator with Significant Market Power on the market for call termination on an individual fixed public telephone network. Since April 1, 2012, reciprocal termination rates have been imposed, which results in Telenet charging the interconnection rate of the incumbent telecommunications operator, Proximus. On July 14, 2015, the BIPT published a draft decision regarding the wholesale tariffs for call termination on the public telephone network provided at a fixed location. The BIPT has organized a public consultation on this draft decision, which was open for reactions until September 15, 2015. This draft decision has not yet been submitted to the EU Commission for notification. A final decision is expected in 2016.

Although no determination has been made on whether Telenet has Significant Market Power on the market for call termination on individual mobile networks, its rates will be affected by rate limitations implemented by BIPT. In June 2010, BIPT imposed a steep rate reduction that resulted in (1) an initial 45% decline effective August 1, 2010, over the then average rate and (2) a further decline in January 2013 that was approximately 79% less than the average rate implemented on August 1, 2010. As of January 1, 2013, mobile termination rates have been set by BIPT at €1.08 cents per minute, and to date, 2015 rates have not been set. On September 14, 2015, the BIPT published its draft decision on the relevant market for "call termination on individual mobile networks". Telenet, as an MVNO, has been designated in the draft decision as having Significant Market Power. In the draft decision, the BIPT adopts a bottom-up long run incremental cost model to calculate tariffs for call termination on individual mobile networks, resulting in a nominal value of €0.81 per minute in 2015 and a declining glide path up and until 2020. The BIPT organized public consultation on this draft decision, which was open until November 14, 2015. This draft decision has not yet been submitted to the EU Commission for notification. A final decision is expected in 2016.

In December 2010, the BIPT and the regional regulators for the media sectors (together, the Belgium Regulatory Authorities) published their respective draft decisions reflecting the results of their joint analysis of the broadcasting market in Belgium. The Belgium Regulatory Authorities adopted a final decision on July 1, 2011 (the July 2011 Decision) with some minor revisions. The regulatory obligations imposed by the July 2011 Decision include (1) an obligation to make a resale offer at "retail minus" of the cable analog package available to third-party operators (including Proximus), (2) an obligation to grant third-party operators (except Proximus) access to digital television platforms (including the basic digital video package) at "retail minus", and (3) an obligation to make a resale offer at "retail minus" of broadband internet access available to beneficiaries of the digital television access obligation that wish to offer bundles of digital video and broadband internet services to their customers (except Proximus). A "retail-minus" method of pricing involves a wholesale tariff calculated as the retail price for the offered service by Telenet, excluding VAT and copyrights, and further deducting the retail costs avoided by offering the wholesale service (such as costs for billing, franchise, consumer service, marketing and sales).

In February 2012, Telenet submitted draft reference offers regarding the obligations described above, and the Belgium Regulatory Authorities published the final decision on September 9, 2013. Telenet has implemented the access obligations as described in its reference offers and, as of June 23, 2014, access to the Telenet network had become operational and can be applied by wireless operator Mobistar. In addition, as a result of the November 2014 decision by the Brussels Court of Appeal described below, on November 14, 2014, Proximus submitted a request to Telenet to commence access negotiations. Telenet contests this request and has asked the Belgium Regulatory Authorities to assess the reasonableness of the Proximus request. The timing for a decision regarding this assessment by the Belgium Regulatory Authorities is not known.

On December 14, 2015, the Belgium Regulatory Authorities published a draft decision, which amended previously-issued decisions, that sets forth the "retail-minus" tariffs of minus 26% for basic television (basic analog and digital video packages) and minus 18% for the bundle of basic television and broadband internet services during an initial two-year period. Following this two-year period, the tariffs would change to minus 15% and 7%, respectively. The draft decision was notified to the European Commission and a final decision is expected in the first quarter of 2016.

Telenet filed an appeal against the July 2011 Decision with the Brussels Court of Appeal. On November 12, 2014, the Brussels Court of Appeal rejected Telenet's appeal and accepted Proximus's claim that Proximus should be allowed access to Telenet's, among other operators, digital television platform and the resale of bundles of digital video and broadband internet services. On November 30, 2015, Telenet filed an appeal of this decision with the Supreme Court. Telenet and wireless operator Mobistar each filed an appeal with the Brussels Court of Appeal against the decision regarding the quantitative aspects of the reference offers. A decision with respect to these appeals is expected in 2016. There can be no certainty that Telenet's appeals will be successful.

The July 2011 Decision aims to, and in its application may, strengthen Telenet's competitors by granting them resale access to Telenet's network to offer competing products and services notwithstanding Telenet's substantial historical financial outlays in developing the infrastructure. In addition, any resale access granted to competitors could (1) limit the bandwidth available to Telenet to provide new or expanded products and services to the customers served by its network and (2) adversely impact Telenet's ability to maintain or increase its revenue and cash flows. The extent of any such adverse impacts ultimately will be dependent on the extent that competitors take advantage of the resale access ultimately afforded to Telenet's network and other competitive factors or market developments.

Switzerland

Switzerland has a regulatory system that partially reflects the principles of the EU, but otherwise is distinct from the European regulatory system of telecommunications. The Telecommunications Act (*Bundesgesetz über Radio und Fernsehen*) regulates, in general, the transmission of information, including the transmission of radio and television signals. Most aspects of the distribution of radio and television, however, are regulated under the Radio and Television Act (*Radio und Fernsehgesetz*). In addition, the Competition Act and the Act on Price Surveillance are potentially relevant to our business. With respect to energy consumption of electronic home devices, the Energy Act and the revised Energy Ordinance have been applicable since January 2010 to television set-top boxes as described below.

Under the Telecommunications Act, any provider of telecommunications services needs to register with the Federal Office of Communications. Dominant providers have to grant access to their infrastructure to third parties, including LLU access. This access regulation, however, is restricted to the copper wire network of the incumbent, Swisscom. Therefore, such unbundling obligations do not apply to UPC CHAT in Switzerland and other cable operators. Also, any dominant provider has to grant access to its ducts, subject to sufficient capacity being available in the relevant duct. At this time, only Swisscom has been determined to be dominant in this regard. Dominant operators are obliged to provide interconnection and all providers of services forming part of the universal service in Switzerland have to ensure interoperability of services.

The Federal Council has suggested that the current Telecommunications Act be revised in two steps. First, the Federal Council plans to introduce measures to allow for easier access to the incumbent's network, better consumer protection (decreasing roaming fees, unbundling of products, measures to prevent spoofing) and a slight change to the regulatory regime (introducing partial ex-officio rights for the Federal Communications Commission). Second, the Federal Council plans to introduce technology neutrality into the Telecommunications Act, as well as to further implement consumer and youth protection measures. Possibly, the topic of regulated net neutrality may be introduced in a second part of the revision. This second step is not expected to start before 2018. In addition, it is expected that the conditions for a national broadband rollout will be improved by introducing access obligations to the ducts of local utilities.

Under the Radio and Television Act and the corresponding ordinance, cable network operators are obliged to distribute certain programs that contribute in a particular manner to media diversity. The Federal Government and the Federal Office of Communications can select up to 25 programs that have to be distributed without the cable operator being entitled to compensation. In the past, these programs needed to be distributed in analog. A new Radio and Television ordinance became effective August 1, 2012, which allowed cable operators to decrease the number of obligatory channels to be broadcasted in analog. A departmental ordinance was published which eliminates this regime for all foreign broadcasters as of June 1, 2013, and all other such regulation as of January 1, 2015. Additionally, there is no legal obligation to broadcast digital and analog in parallel as long as the digital offer is comparable to analog and does not force customers to incur additional costs.

Up until the end of 2015, UPC CHAT's retail customer prices were subject to review by the Swiss Price Regulator. In October 2012, UPC CHAT announced an agreement with the Swiss Price Regulator pursuant to which UPC CHAT will make certain changes to its service offerings in Switzerland in exchange for progressive increases in the price of its basic cable connection. In this regard, (1) effective November 1, 2012, UPC CHAT began offering a basic tier of digital television channels on an unencrypted basis in its Switzerland footprint and (2) effective January 3, 2013, for video subscribers who pay the required upfront activation fee, UPC CHAT has made available, at no additional monthly charge, a 2 Mbps internet connection, which was an increase from the previously-offered 300 Kbps internet connection. In addition, the monthly price for a cable connection increased by CHF 0.90 ($0.90) effective January 1, 2013 and a further increase of CHF 0.60 ($0.60) took effect on January 1, 2014. During the course of 2015, negotiations with the price regulator led to a verdict to stop monitoring the prices of UPC CHAT in Switzerland. This decision was justified by the fact that by competition from Swisscom and Sunrise, there is competition for the TV end user.

Effective October 1, 2014, the Federal Council proposed a new regulation imposing power thresholds for set-top boxes. There are some exemptions and transition periods that apply in the short term to the set-top boxes we import into Switzerland. The Swiss regulation may not be in line with EU regulation, and it may be reconsidered as Switzerland tries to align itself with EU norms. If, however, such regulation remains in force, it may have an adverse effect on the business of UPC Cablecom as UPC Cablecom may face restrictions regarding the import of set-top boxes.

3. LiLAC Group

Chile

VTR is subject to regulation and enforcement by various governmental entities in Chile including the Chilean Antitrust Authority, the Ministry of Transportation and Telecommunications (the Ministry) through the Chilean Undersecretary of Telecommunications (SubTel), the National Television Council (CNTV) and Chile's National Consumer Service (Sernac).

In addition to the specific regulations described below, VTR is subject to certain regulatory conditions which were imposed by the Chilean Antitrust Authority in connection with VTR's combination with Metrópolis Intercom SA in April 2005. These conditions are indefinite and include, among others, (1) prohibiting VTR and its control group from participating, directly or indirectly through a related person, in Chilean satellite or microwave television businesses, (2) prohibiting VTR from obtaining exclusive broadcast rights, except for specific events, and (3) requiring VTR to offer its broadband capacity for resale of internet services on a wholesale basis.

Video

The provision of pay television services requires a permit issued by the Ministry. Cable pay television permits are granted for an indefinite term and are non-exclusive. As such permits do not involve radioelectric spectrum, they are granted without ongoing duties or royalties. VTR has permits to provide cable pay television services in the major cities, including Santiago, and in most of the medium-sized markets in Chile.

Cable television service providers in Chile are free to define the channels and content included in their services and are not required to carry any specific programming, except as described below. However, CNTV may impose sanctions on providers who are found to have run programming containing excessive violence, pornography or other objectionable content. Pay television operators are directly responsible for violation of such prohibitions. Additionally, the Television Act requires pay television operators to offer a certain quota of cultural content and to distribute public interest campaigns.

The Television Act has been recently amended to establish a retransmission consent regime between broadcast television concessionaires and pay television operators. This regime provides that once a broadcast operator achieves digital coverage of 85% of the population within its concession areas, the broadcast operator may require that pay television operators enter into an agreement for the retransmission of its digital signal. In addition, the Television Act requires that the technical or commercial conditions imposed by broadcast operators not discriminate among pay television operators. Also, the Television Act establishes a must carry regime requiring pay television operators to distribute up to four local broadcast television channels in each operating area. The channels that must be carried by any particular pay television operator are to be selected by CNTV.

The Chilean Consumer's Rights Protection Law contains provisions that have been interpreted by Sernac to require that any increase in rates exceeding inflation must be previously accepted and agreed to by subscribers. Although VTR disagrees with this interpretation, in July 2012, VTR reached an agreement with Sernac, that permits VTR to make adjustments to its published rates twice per year to adjust for inflation. In addition, VTR may once a year propose to its existing subscribers additional changes to their rates. If a subscriber does not accept these proposed rate changes, the subscriber is permitted to terminate its subscription contract. In addition, the agreement with Sernac establishes the criteria upon which VTR may modify its channel line-up without the consent of subscribers.

Internet

In August 2010, a law on internet neutrality was passed, which prohibits "arbitrary blockings" of legal content, applications or services and the provision of differentiated service conditions according to the origin or ownership of the content or service provided through the internet. Additionally, the law authorizes ISPs to take

measures to ensure the privacy of their users and provide virus protection and safety processes over their network, as long as these measures do not infringe antitrust laws. Additional measures were subsequently implemented, including obligations related to consumer information, traffic management policies applied by each ISP and internet quality of service requirements and notices required by law concerning the effective maximum and minimum traffic speeds offered under internet access plans.

In order to protect the constitutional rights of privacy and safety of communications, ISPs are prohibited from undertaking surveillance measures over data content on their networks. Also, special summary proceedings have been created in order to safeguard intellectual property rights against violations committed through networks or digital systems. These proceedings include measures designed to withdraw, disqualify or block infringing content in the ISP's network or systems. The law also provides for the right of intellectual property owners to judicially request from ISPs the delivery of necessary information to identify the provider of infringing content.

Fixed-Line and Mobile Telephony Services

The provision of fixed-line and mobile telephony services requires a public telecommunications service concession. With respect to mobile services, in 2009, SubTel awarded VTR a license for 30 MHz of spectrum in the 1700/2100 MHz frequency band for the provision of wireless telephony services. The license has a 30-year renewable term. In 2012, VTR transferred this license to its affiliate VTR Wireless, which is now a subsidiary of VTR known as VTR Comunicaciones SpA. On January 15, 2014, VTR Wireless received a letter from SubTel in which SubTel asserted that VTR Wireless is not in compliance with the terms of such wireless license. SubTel alleged that the terms of the wireless license require VTR Wireless to comply with certain minimum network coverage and traffic levels. VTR disagrees with SubTel's assertions regarding the terms of the wireless license and has contested such assertions vigorously.

VTR has concessions to provide fixed-line telephony in most major and medium-sized markets in Chile. Telephony concessions are non-exclusive and have renewable 30-year terms. The original term of VTR's fixed-line telephony concessions expires in November 2025. Long distance telephony services are considered intermediate telecommunications services and, as such, are also regulated by the Ministry. VTR has concessions to provide this service, which is non-exclusive, for a 30-year renewable term expiring in September 2025. In Chile, fixed-line telephony communications between primary zones within the country were, until recently, domestic long distance calls. Then, on November 6, 2013, SubTel eliminated domestic long distance calls and in August 2014, it completed the process of unifying Chile into a single telephone service primary zone. We believe this new system may benefit VTR along with the Chilean fixed-line market as a whole in relation to VTR's mobile telephony competition. Fixed-line subscribers now have the ability to make phone calls throughout Chile without incurring long-distance charges, thereby making VTR's fixed-line telephony services more attractive.

There are no universal service obligations in Chile. However, local service concessionaires are obligated to provide telephony service to all customers that are within their service area or are willing to pay for an extension to receive service. All local service providers, including VTR, must give long distance telephony service providers equal access to their network connections at regulated prices and must interconnect with all other public services concessionaires whose systems are technically compatible.

As a general rule, fixed-line telephony service providers are free to establish the rates directly charged to their customers, unless the Chilean Antitrust Authority concludes that due to a lack of sufficient competition in the market, rates should be fixed by SubTel. Notwithstanding, SubTel sets the maximum rates that may be charged by each operator for interconnect charges, access charges between operators for calls originating on one network that are completed through connections with one or more networks of other providers, and charges for network unbundling services. Rate regulation on interconnection charges is applicable to all fixed-line and mobile telephony companies, including VTR. The determination of the maximum rates that may be charged by operators for their fixed-line or mobile telephony services are made on a case-by-case basis by SubTel and are effective for five years. In September 2014, VTR received a tariff proposal from SubTel that would have retroactive effect to June 2012. In this regard, beginning in September 2014, various decreases to tariff rates have been proposed and implemented by Chilean regulatory authorities, and a further decrease to one tariff rate is pending. None of these decreases had, or are expected to have, a material impact on VTR's revenue or expenses.

Other Chilean Regulation

Bundling

On December 18, 2012, the Chilean Antitrust Authority issued its regulation governing the on-net/off-net pricing practice in the mobile telephony industry and the offering of bundled telecommunication services. Pursuant to the terms of this regulation, as revised by the Chilean Supreme Court, mobile services may be sold jointly with fixed-line services. However, promotional discounts were not permitted for these double-play offers. As for traditional bundling over the same platform (*e.g.*, bundled fixed-line services such as our double- and triple-play packages, or bundled mobile services), this regulation provides that such services may be bundled, subject to certain price limitations. These limitations require that the total price for a bundle must be greater than the standalone price for the most expensive service included in the bundle. Also, when three or more services are bundled, the price for the bundle must be greater than the sum of the standalone prices for each service in the bundle, excluding the lowest priced service.

Telecommunication Services Proposal

In February 2014, SubTel published a General Telecommunication Services Ruling that regulates the offer of telecommunication services, including voice, internet access, and pay television, either alone or in bundles, from a consumer protection point of view. The new regulation introduced service billing, significant changes in contracts with customers, new requirements regarding compensation in case of service failure and new rules regarding treatment of customers' personal information.

Minimum Standards on Quality of Service and Operation

From August 5 to September 4, 2013, SubTel submitted for public comment a draft of the Technical Fundamental Plan on Maintenance and Public Service Telecommunications Network Managing. This draft seeks to impose minimum standards on quality of service and operation of telecommunications networks, in general, and in some particular services: voice services; text and multimedia messages services; data transmission services; minimum coverage for mobile services; and digital terrestrial television minimum coverage. We are uncertain when SubTel will publish the final version of this plan.

Puerto Rico

We are subject to regulation in Puerto Rico by various governmental entities at the Puerto Rico and the United States federal level, including the FCC. The Puerto Rico Telecommunications Regulatory Board (TRB), which was established in 1996, has primary regulatory jurisdiction in Puerto Rico at the local level and is responsible for awarding franchises to cable operators for the provision of cable service in Puerto Rico and regulating cable television and telecommunications services.

Our business in Puerto Rico is subject to comprehensive regulation under the United States Communications Act of 1934, as amended (the Communications Act), which regulates communication, telecommunication and cable television services. The Communications Act also provides the general legal framework for, among other things, the installation, operation and provision of telephone services, services related to interconnection between telephone carriers, and television, radio, cable television and direct broadcast satellite, or DBS, services.

The FCC and/or the TRB have the authority to impose sanctions, including warnings, fines, license revocations and, in certain specific cases, termination of the franchise, although license revocation and franchise termination are rare. The Communications Act specifies causes for the termination of an operator's FCC license, including, for example, the failure to comply with license requirements and conditions or to pay fines or fees in a timely manner. Such sanctions can be appealed to, and reviewed by, the Puerto Rican courts and the United States federal courts.

In Puerto Rico, antitrust regulation is governed by the U.S. Sherman Act, other federal antitrust legislation, and the Puerto Rico Anti-Monopoly Law. In particular, the Sherman Act sets conditions to and approves certain business combinations and seeks to prevent anti-competitive practices, among other things. See note 17 to our 2015 Consolidated Financial Statements. The Puerto Rico Anti-Monopoly Law substantially parallels the Sherman Act and authorizes the Puerto Rico Department of Justice to investigate and impose competition-related conditions on transactions.

Puerto Rico Law 5 of 1973, as amended, created the Puerto Rico Department of Consumer Affairs (DACO), which regulates marketing campaigns, publicity, and breach of service contracts, and prohibits false advertising. The Puerto Rico Telecommunications Act of 1996 (Law 213), which created the TRB, requires that rates for telecommunication services be cost-based, forbids cross-subsidies and focuses on encouraging, preserving, and enforcing competition in the cable and telecommunications markets. Although Law 213 does not require us to obtain any approval of rate increases for cable television or telecommunication services, any such increases must be in compliance with Law 213's requirements, including prior *pro forma* notification to the TRB before such increases take effect.

The video, internet and voice services that we provide are all subject to regulation:

Video

The provision of cable television services requires a franchise issued by the TRB. Franchises are subject to termination proceedings in the event of a material breach or failure to comply with certain provisions set forth in the franchise agreement governing a franchisee's system operations, although such terminations are rare. In addition, franchises require payment of a franchise fee as a requirement to the grant of authority. Franchises establish comprehensive facilities and service requirements, as well as specific customer service standards and monetary penalties for non-compliance. Franchises are generally granted for fixed terms of up to ten years and must be periodically renewed.

Our pay television service is subject to, among other things, subscriber privacy regulations and must-carry and retransmission consent rights of broadcast stations. The Communications Act and FCC rules govern aspects of the carriage relationship between broadcast television stations and cable companies. To ensure that every qualifying local television station can be received in its local market without requiring a cable subscriber to switch between cable and off-air signals, the FCC allows every qualifying full-power television broadcast station to require that all local cable systems transmit that station's primary digital channel to their subscribers within the station's market (the "must carry" rule) pursuant to the Cable Television Consumer Protection and Competition Act of 1992. Alternatively, a station may elect every three years to forego its must carry rights and seek a negotiated agreement to establish the terms of its carriage by a local cable system, referred to as retransmission consent.

Internet

We offer high-speed internet access throughout our entire footprint. In March 2015, the FCC issued an order classifying mass-market broadband internet access service as a "telecommunications service," changing its long-standing treatment of this offering as an "information service," which the FCC traditionally has subjected to limited regulation. The FCC adopted rules that prohibit, among other things, broadband providers from: (1) blocking access to lawful content, applications, services or non-harmful devices; (2) impairing or degrading lawful internet traffic on the basis of content, applications, services or non-harmful devices; and (3) favoring some lawful internet traffic over other lawful internet traffic in exchange for consideration. In addition, the FCC adopted a rule prohibiting broadband providers from unreasonably interfering with users' ability to access lawful content or use devices that do not harm the network, or with edge providers' ability to disseminate their content. The FCC also imposed more detailed disclosure obligations on broadband providers than were previously in place, which were approved by the Office of Management and Budget in late 2015. The FCC's new rules are in effect, but have been challenged in the United States Court of Appeals for the District of Columbia Circuit. Oral argument has been heard, and the court may rule at any time. We cannot predict how the court will rule or whether any further court proceedings will take place. The impact of these revised rules on our business, if they are ultimately sustained by the courts in whole or in part, is unclear.

Voice Services

We offer voice services, including both circuit-switched telephony and VoIP. Our circuit-switched telephony services are subject to FCC and local regulations regarding the quality and technical aspects of service. All local telecommunications providers, including us, are obligated to provide telephony service to all customers within the service area, subject to certain exceptions under FCC rules and regulations, and must give long distance telephony service providers equal access to their network. Under the Communications Act, competitive local exchange carriers (CLECs), like us, may require interconnection with the incumbent local exchange carrier (ILEC), and the ILEC must negotiate a reasonable and nondiscriminatory interconnection agreement with the CLEC. Such arrangement requires the ILEC to interconnect with the CLEC at any technically feasible point

within the ILEC's network, provide access to unbundled network elements (UNE) of the ILEC's network, offer for resale at wholesale rates any telecommunication services the ILEC provides to its own retail clients, and allow physical collocation of the CLEC's equipment in the ILEC's facilities to permit interconnection or access to UNE services. Therefore, we have the right to interconnect with the incumbent local exchange carrier, Puerto Rico Telephone Company, Inc. (PRT). We have negotiated an interconnection agreement with PRT, and the technical process leading to physical interconnection is underway between personnel of both companies.

All of our circuit-switched telephony and VoIP services are subject to a charge for the Federal Universal Service Fund (USF), which is a fund created under the Communications Act to subsidize telecommunications services in high-cost areas, to provide telecommunications services for low-income consumers, and to provide certain subsidies for schools, libraries and rural healthcare facilities. The FCC has redirected the USF to support broadband deployment in high-cost areas. In addition, our circuit-switched telephony and VoIP services are subject to a charge for a local Puerto Rico Universal Service Fund, which was created by law to subsidize telecommunications services for low-income families under the Federal USF Lifeline and Link-Up programs.

The FCC has adopted other regulations for VoIP services, including the requirement that interconnected VoIP providers and facilities-based broadband internet access providers must comply with the Communications Assistance for Law Enforcement Act, which requires carriers to provide certain assistance to federal law enforcement authorities. VoIP providers are also required to offer basic and enhanced 911 emergency calling services, which requires disclosure to all VoIP customers. VoIP providers are also subject to federal customer proprietary network information rules related to customer privacy.

PART VIII

UNITED KINGDOM TAXATION CONSIDERATIONS

The following is a general description of certain U.K. tax consequences relating to the New Shares and is based on current U.K. tax law and HMRC published practice, both of which may be subject to change, possibly with retrospective effect. It is for general information only for the holders of New Shares who acquire the New Shares in the Acquisition. It does not constitute legal or tax advice and does not purport to be a complete analysis of all U.K. tax considerations relating to the New Shares. It relates only to persons who are absolute beneficial owners of New Shares and who hold New Shares as a capital investment. It may not relate to certain classes of persons, such as persons who are connected with Liberty Global, insurance companies, charities, collective investment schemes, pension schemes, brokers or dealers in securities, persons who directly or indirectly hold 10% or more of the New Shares, persons who have (or are deemed to have) acquired their New Shares by virtue of an office or employment or who are or have been officers or employees of Liberty Global or any of its affiliates and individuals who are subject to U.K. taxation on the remittance basis, to whom special rules may apply. These paragraphs do not describe all of the circumstances in which holders may benefit from an exemption or relief from U.K. taxation.

Holders of New Shares are urged to consult their own tax advisers as to the U.K. treatment of the ownership of New Shares in light of their particular situation. If you are resident or otherwise subject to tax in any jurisdiction other than the U.K. or if you are in any doubt as to your tax position, you should consult an appropriate professional adviser.

Taxation of dividends – U.K. withholding tax

No U.K. tax will be required to be withheld from dividends paid in respect of the New Shares.

Taxation of dividends – U.K. income tax payers

An individual holder of New Shares who is resident for tax purposes in the U.K., or who carries on a trade, profession or vocation in the U.K. through a branch or agency to which the New Shares are attributable, and who receives a dividend in respect of the New Shares will generally be liable to U.K. income tax in respect of the dividend.

The following paragraphs describe provisions currently applicable to an individual holder of New Shares who is liable to U.K. income tax in respect of a dividend in respect of the New Shares. Please see below in relation to substantial reforms to the system of dividend taxation for individuals which the U.K. Government has announced will take effect from April 6, 2016.

Subject to certain conditions an individual holder of New Shares who is resident for tax purposes in the U.K. will generally be entitled to a tax credit in respect of that dividend, equal to one-ninth of the amount of the cash dividend received.

Dividends will be subject to U.K. income tax at the rate of 10% on the amount of the dividend and any associated one-ninth tax credit in the hands of an individual holder of New Shares who is liable to U.K. income tax at the basic rate. This means that the tax credit will generally satisfy in full the U.K. income tax liability of such a U.K. resident individual holder of New Shares with respect to such a dividend.

An individual holder of New Shares who is liable to U.K. income tax at the higher rate will generally be subject to U.K. income tax at the rate of 32.5% on the amount of the dividend and any associated one-ninth tax credit. The tax credit will only partially satisfy that U.K. resident individual holder's U.K. income tax liability with respect to such a dividend and, accordingly, such a holder of New Shares will generally be liable for additional tax of 22.5% of the amount of the dividend and any associated one-ninth tax credit or 25% of the cash dividend received.

An individual holder of New Shares who is liable to U.K. income tax at the additional rate will generally be subject to U.K. income tax at the rate of 37.5% on the amount of the dividend and any associated one-ninth tax credit.

There will be no repayment of the tax credit (or any part of it) associated with dividends paid by Liberty Global on New Shares to an individual who is resident for tax purposes in the U.K.

Provisions announced in the U.K. Summer Budget 2015 and contained in draft Finance Bill clauses published by HM Government on December 9, 2015 will, if enacted, change the U.K. income tax treatment of dividends where a dividend is paid on or after April 6, 2016. Under these provisions, the current one-ninth tax credit discussed above will be abolished and a new annual tax-free dividend allowance of £5,000 will be introduced. Dividend income in excess of the £5,000 allowance will be subject to U.K. income tax at the rate of 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers.

Whether an individual holder of New Shares who is liable to U.K. income tax in respect of a dividend is liable to that tax at the basic, higher or additional rate will depend on the particular circumstances of that holder of New Shares.

Taxation of dividends – U.K. corporation tax payers

On the basis that such dividends would normally be expected to fall within an exempt class and meet certain other conditions, a corporate holder of New Shares which is either resident for tax purposes in the U.K., or which carries on a trade in the U.K. through a permanent establishment to which the New Shares are attributable, will not normally be liable to U.K. corporation tax on any dividends received in respect of those New Shares.

Chargeable gains

A disposal of New Shares by a holder of New Shares who is either resident for tax purposes in the U.K. or who, in the case of an individual holder of New Shares, carries on a trade, profession or vocation in the U.K. through a branch or agency or, in the case of a corporate holder of New Shares, carries on a trade in the U.K. through a permanent establishment in each case, to which New Shares are attributable may, depending on the holder's particular circumstances and subject to any available exemption or relief, give rise to a chargeable gain or allowable loss for the purposes of the U.K. taxation of chargeable gains. Special rules may apply to individuals who have ceased to be resident for tax purposes in the U.K. and who dispose of their New Shares before becoming once again resident for tax purposes in the U.K.

U.K. stamp duty and SDRT

An agreement to transfer an interest in New Shares through a clearance service or depositary receipt system should not give rise to a liability to SDRT (unless, in the case of a clearance service, it has made a relevant election under Section 97A of the U.K. Finance Act 1986). We understand that HMRC regards the facilities of the DTC as a clearance service for these purposes. In addition, no U.K. stamp duty should, in practice, need be paid in respect of a paperless transfer of an interest in New Shares through the DTC.

The transfer on sale of an interest in New Shares by means of a written instrument will generally be liable to U.K. stamp duty at a rate of 0.5% of the consideration paid (rounded up to the nearest multiple of £5) unless the instrument is not executed in the U.K. and remains at all times outside the U.K. and the transfer does not relate to any matter or thing done or to be done in the U.K. An exemption from U.K. stamp duty is available for a written instrument transferring an interest in New Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. A charge to SDRT will also arise (at the rate of 0.5% of the consideration paid) on an agreement to transfer an interest in New Shares otherwise than through a clearance service (so long as the clearance service has not made a relevant election under Section 97A of the U.K. Finance Act 1986) or depositary receipt system, although the liability will be cancelled and a claim for repayment of any SDRT already paid, generally with interest, may be made provided that an instrument transferring the interest in New Shares is executed in pursuance of the agreement and that instrument is duly stamped within six years of the date on which the agreement was made or, if the agreement was conditional, the date on which the agreement became unconditional.

An issue or transfer of New Shares to a person whose business is or includes the provision of clearance services (or its nominee) or issuing depositary receipts (or its nominee or agent) may give rise to a charge to U.K. stamp duty or SDRT at the rate of 1.5% of the amount or value of the consideration payable or, in certain circumstances, the value of the New Shares (unless, in the case of a clearance service, it has made a relevant election under Section 97A of the U.K. Finance Act 1986). This liability for U.K. stamp duty or SDRT will strictly be accountable by the depositary or clearance service operator or its nominee or agent, as the case may be, but will, in practice, generally be reimbursed by participants in the clearance service or depositary receipt

system. HMRC has confirmed that in general it will no longer seek to apply the 1.5% SDRT charge to issues of U.K. shares to clearance services (or their nominee) or depositary receipt issuers (or their nominee or agent) or to transfers of U.K. shares to such entities that are an integral part of an issue of share capital. However, this does not have any impact on a transfer of New Shares to such entities where such transfer is not an integral part of an issue of share capital and, accordingly, the 1.5% charges discussed in this paragraph will continue to apply to transfers of new Liberty Global shares to such entities which are not an integral part of an issue of share capital.

Therefore, a transfer of title in New Shares or an agreement to transfer such shares from within the DTC system out of the DTC system, and any subsequent transfers or agreements to transfer outside the DTC system, will generally attract a charge to U.K. stamp duty and/or SDRT at a rate of 0.5% of any consideration. Any such duty must be paid (and the relevant transfer document stamped by HMRC) before the transfer can be registered in the books of Liberty Global. Holders of New Shares should note in particular that a redeposit of New Shares into the DTC system, including by means of an initial transfer into a depositary receipt system, will generally attract U.K. stamp duty and/or SDRT at the higher rate of 1.5%.

It is not expected that stamp duty or SDRT should be payable in respect of the Scheme by the Scheme Shareholders who receive Liberty Global CDIs. We understand that the issue and deposit into CREST, and any subsequent cancellation, of Liberty Global CDIs is not currently treated as giving rise to any liability to stamp duty or SDRT.

Transfer of Liberty Global CDIs representing underlying New Liberty Global Shares through CREST will generally be liable to SDRT, rather than stamp duty, at a rate of 0.5 percent CREST is required to collect SDRT on relevant transactions settled within the CREST system.

PART IX

LIBERTY GLOBAL DIRECTORS, RESPONSIBLE PERSONS, CORPORATE GOVERNANCE AND EMPLOYEES

1. **Responsibility**

Liberty Global and the Liberty Global Directors whose names appear below at paragraph 2.1 accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of Liberty Global and that of the Liberty Global Directors (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information. It is noted that, without limiting his responsibility for the information contained in this Prospectus, Mr. Malone recused himself from all deliberations and voting on certain matters relating to the Transaction.

2. **Liberty Global Directors**

2.1 The following table sets out information relating to each of the Liberty Global Directors as at the date of this Prospectus:

Name	Current position	Commencement of directorship	Expiration of Term
John C. Malone	(Chairman, Non-executive Liberty Global Director)	June 7, 2013	2018
Michael T. Fries	(President, Chief Executive Officer and Executive Liberty Global Director)	June 7, 2013	2018
Andrew J. Cole	(Independent Non-executive Liberty Global Director)	June 10, 2013	2016
John P. Cole, Jr.	(Independent Non-executive Liberty Global Director)	June 7, 2013	2016
Miranda Curtis	(Independent Non-executive Liberty Global Director)	June 7, 2013	2017
John W. Dick	(Independent Non-executive Liberty Global Director)	June 7, 2013	2017
Paul A. Gould	(Independent Non-executive Liberty Global Director)	June 7, 2013	2018
Richard R. Green	(Independent Non-executive Liberty Global Director)	June 7, 2013	2016
David E. Rapley	(Independent Non-executive Liberty Global Director)	June 7, 2013	2016
Larry E. Romrell	(Independent Non-executive Liberty Global Director)	June 7, 2013	2018
JC Sparkman	(Independent Non-executive Liberty Global Director)	June 7, 2013	2017
J. David Wargo	(Independent Non-executive Liberty Global Director)	June 7, 2013	2017

2.2 The business address of the Liberty Global Directors is Griffin House, 161 Hammersmith Road, London, United Kingdom, W6 8BS.

2.3 Further details on the appointments, business experience and principal business activities performed outside of our company by the Liberty Global Directors are set out below:

John C. Malone, Chairman and Non-executive Liberty Global Director, 75

John C. Malone has served as our chairman of the board and as one of our directors since its inception and is a member of the executive and the succession planning committees of our board. He was president, chief executive officer and chairman of the board of LGI International, Inc. (LGI International), from March 2004 to June 2005. Mr. Malone served as a director of UGC and its predecessors from November 1999 to July 2013.

Mr. Malone is an experienced business executive, having served as the chief executive officer of Tele-Communications, Inc. (TCI) for over 25 years until its acquisition by AT&T Corporation in 1999. Currently, Mr. Malone is chairman of the board and a director of Liberty Media Corporation (LMC), which owns interests in a broad range of media, communications and entertainment businesses, and of Liberty Interactive Corporation (LIC), which owns interests in a broad range of video and online commerce businesses. He has held these positions with LMC, LIC and their predecessor companies since 1990 and was also chief executive officer of LIC (then known as Liberty Media Corporation) from August 2005 to February 2006. His other public directorships currently include Lions Gate Entertainment Corp. (since March 2015), Charter Communications, Inc. (since May 2013), Discovery Communications, Inc. (since September 2008), Expedia, Inc. (since December 2012, having previously served as a director from August 2005 to November 2012), Liberty TripAdvisor Holdings, Inc. (since August 2014) and Liberty Broadband Corporation (since November 2014). Mr. Malone has also been a director of Sirius XM Radio, Inc. (2009 – 2013), Ascent Capital Group, Inc. (2010 – 2012), Live Nation Entertainment, Inc., where he was also interim chairman of the board (2010 – 2011), DIRECTV, where he was also chairman of the board (2009 – 2010), IAC/InterActiveCorp. (2006 – 2010), Discovery Holding Company (2005 – 2008), The DirecTV Group, Inc. (2008 – 2009) and The Bank of New York Company, Inc. (2005 – 2007).

Mr. Malone is the chairman emeritus of Cable Television Laboratories, Inc. and an honorary board member of The Cable Center. He also served as a director of the National Cable Television Association from 1974 to 1977 and 1980 to 1993. Mr. Malone holds a Bachelor's Degree in electrical engineering and economics from Yale University and a Master's Degree in industrial management and a Ph.D. in operations research from Johns Hopkins University.

Michael T. Fries, President, Chief Executive Officer and Executive Liberty Global Director, 53

Mr. Fries has served as CEO, president and vice chairman of the Liberty Global board since June 2005. He was chief executive officer of UGC from January 2004 until the businesses of UGC and LGI International were combined under Liberty Global's predecessor, Liberty Global Inc. (LGI).

Mr. Fries has nearly 30 years of experience in the cable and media industry, starting with the investment banking division of PaineWebber Incorporated where he specialized in domestic and international transactions for media companies before joining the management team of UGC's predecessor in 1990 shortly after its formation. As senior vice president, Business Development, of UGC's predecessor from 1990 to 1995, Mr. Fries was responsible for managing its global acquisitions and new business development functions, which included investing in, acquiring or launching multichannel distribution or programming businesses in over 20 countries around the world. From 1995 to 1998, Mr. Fries was president of the Asia/Pacific division and, among other duties, managed the formation and operational launch of the business and subsequent flotation of the stock of Austar, at the time one of Liberty Global's subsidiaries. Mr. Fries was promoted to president and chief operating officer in 1998 and chief executive officer of UGC in 2004. During this period, he oversaw UGC's growth across all business units and geographic territories into a leading international broadband communications provider. He also managed UGC's financial and strategic initiatives, including various transactions with LIC, and LGI International from 1998 to 2005 that led up to and culminated in the formation of Liberty Global's predecessor, LGI.

Currently, Mr. Fries is a director of Lions Gate Entertainment Corp. (since November 2015) and Grupo Televisa S.A.B. (since April 2015). Previously, in addition to serving as a director of UGC and its predecessor from 1999 to 2005, Mr. Fries was chairman of the supervisory boards of two of its publicly held European subsidiaries, United Pan-Europe Communications N.V. (1998 – 2003) and Priority Telecom N.V. (2002 – 2006). He also served as executive chairman of Austar from 1999 until 2003, and thereafter as non-executive chairman of Austar until its sale in May 2012.

Mr. Fries is a director of Cable Television Laboratories, Inc., a non-profit cable television industry research and development consortium, The Cable Center, the non-profit educational arm of the U.S. cable industry, and various other non-profit and privately held corporate organizations. He serves as a Telecom Governor and Steering Committee member of the World Economic Forum. Mr. Fries received his B.A. from Wesleyan University (where he is a member of the Board of Trustees) and his M.B.A. from Columbia University.

Andrew J. Cole, Independent Non-executive Liberty Global Director, 49

Mr. Cole has served as a Liberty Global Director since June 2013 in connection with our acquisition of Virgin Media and is a member of the nominating and corporate governance committee of the board of

Liberty Global. Until June 2013, he was a director of Virgin Media, then a public company, for almost five years where he also served on the compensation and the nominating and corporate governance committees of the Virgin Media board.

Mr. Cole has served as the chief executive officer of Glow Financial Services Ltd., a private U.K. company, since July 2014. It is a full service provider of handset and home device financing for wireless carriers and cable companies. Until July 2014, he was the chief executive director of the European division of Asurion Corp., a private entity. He assumed that role in May 2009, after serving as chief marketing officer and senior vice president at Asurion Corp. from April 2007. Asurion Corp. is the world's largest technology protection company. He is also a director of Arundel Capital, a New York based hedge fund focused on the health-care industry. Mr. Cole has over 20 years of experience working in the telecommunications and media industry with a particular depth of experience in the mobile sector. He has consulted with Orange, Google, Apple, Verizon, Slovakia Telecom and others when he was president of CSMG Advents, a strategic consultancy that focused on the telecommunications media and entertainment markets, from October 2005 to April 2007. Mr. Cole received his Bachelor's and Master's Degrees from Bristol University and Oxford University, respectively.

John P. Cole, Jr., Independent Non-executive Liberty Global Director, 86

Mr. Cole has served as a Liberty Global Director since June 2005 and is a member of the compensation and the nominating and corporate governance committees of the board of Liberty Global. He was a director of UGC, from March 1998 until UGC's business combination with LGI International. From February 1999 to September 2003, he was also a member of the supervisory board of UGC's publicly-held subsidiary, UPC. His prior public company board experience also includes serving as a director of Century Communications Corp., at the time a large U.S. multiple cable system operator, from October 1997 to October 1999 when it was acquired by another corporation.

Mr. Cole has over 40 years of experience in U.S. legal/regulatory and government affairs. In 1966, he co-founded the Washington, D.C. law firm of Cole, Raywid and Braverman LLP, which specialized in all aspects of communications and media law. As a senior partner in the firm, Mr. Cole focused his legal expertise in the area of cable television regulation. Mr. Cole retired as a partner in 2007 following his firm's merger with the law firm of Davis Wright Tremaine LLP. Mr. Cole is a graduate of Auburn University (B.S. Industrial Management) and George Washington University School of Law.

Miranda Curtis, Independent Non-executive Liberty Global Director, 60

Ms. Curtis has served as a Liberty Global Director since June 2010 and is a member of the audit, nominating and corporate governance, and succession planning committees of the board of Liberty Global. Until March 31, 2010, Ms. Curtis was the president of the Liberty Global Japan division. She served as senior vice president of one of our predecessors, LGI International, and president of its Asia division from March 2004 to June 2005.

Ms. Curtis has over thirty years' of experience in the international media and telecommunications industry, starting with the international distribution of programming for the BBC before moving to the U.K. cable industry. She joined the predecessor of our subsidiary, Liberty Media International Holdings, LLC (LMINT), in 1992 when it was formed as the international division of TCI. Thereafter, she assumed executive positions of increasing responsibility at this company, with a primary focus on business development and the management of complex international distribution and content joint ventures. As executive vice president (1996 – 1999) and then president (1999 – 2004) of LMINT, she oversaw all cable and programming investments of TCI and subsequently LIC, in Japan, the U.K. and Continental Europe.

Ms. Curtis' public company board experiences include serving as a non-executive director of Telewest Communications plc (1998 – 2002), at the time the second largest multiple cable system operator in the U.K., Flextech plc (1998 – 2000), at the time a leading supplier of basic tier channels to the U.K. pay television market, Jupiter Telecommunications Co. Ltd. (2005 – March 2010), and National Express Group plc, an international public transport group (2008 – 2011). Ms. Curtis was also a member of the compensation committee for each of Telewest Communications plc and Jupiter Telecommunications Co. Ltd. Currently, she is a director of the U.K. public company Marks & Spencer plc where she is also a member of the audit committee and chairman of the board of Waterstones Booksellers Ltd. She is also a member of the Board of Governors of the Institute for Government, a non-profit organization in the U.K. working to increase government effectiveness, and is involved in a number of philanthropic organizations. She is a graduate of the University of Durham, England.

John W. Dick, Independent Non-executive Liberty Global Director, 78

Mr. Dick has served as a Liberty Global Director since June 2005 and is a member of the audit and the nominating and corporate governance committees of the board of Liberty Global. He was a director of UGC from March 2003 until UGC's business combination with LGI International. Prior to that, he was a member of the supervisory board of UGC's publicly-held subsidiary, UPC, from May 2001 to September 2003. Mr. Dick has over 40 years of experience as a founder, director and chairman of public and private companies in a variety of industries, including real estate, automotive, telecommunications, oil exploration and international shipping based in a number of countries and regions, including the U.S., Canada, Europe, Australia, Russia, China and Africa.

Currently, Mr. Dick serves as a director and non-executive chairman of the board of O3B Networks Ltd., a private company which is building a new fiber-quality, satellite-based, global internet backbone connecting telecommunications operators and internet service providers in emerging markets with the networks of developed countries. He also served as a director of Austar from 2002 until its sale in May 2012. In addition, Mr. Dick was a director and non-executive chairman of the board of Terracom Broadband, a private company that developed and operated a fiber-based internet network and a digital cellular network in Rwanda, and following its purchase by Terracom Broadband, of Rwandatel, the incumbent telephone company in Rwanda, until the sale of these companies in 2007. From 1984 to December 2007, he was a director and non-executive chairman of the board of Hooper Industries Group, a privately held U.K. group consisting of: Hooper and Co (Coachbuilders) Ltd. (building special bodied Rolls Royce and Bentley motorcars), Hooper Industries (China) (providing industrial products and components to Europe and the U.S.) and, until 2002, MetroCab U.K. (manufacturing London taxicabs) and Moscab (a joint venture with the Moscow city government to produce Metrocabs for Russia). Mr. Dick is a graduate of Wheaton College, Illinois (B.A. Political Science and Economics) and University of Toronto School of Law.

Paul A. Gould, Independent Non-executive Liberty Global Director, 70

Mr. Gould has served as a Liberty Global Director since June 2005 and is the chair of the audit committee and a member of the nominating and corporate governance and the succession planning committees of the board of Liberty Global. He was a director of UGC from January 2004 until UGC's business combination with LGI International.

Mr. Gould has over 40 years of experience in the investment banking industry. He is a managing director of Allen & Company, LLC, a position that he has held for more than the last five years, and is a senior member of Allen & Company's mergers and acquisitions advisory practice. In that capacity, he has served as a financial adviser to many Fortune 500 companies, principally in the media and entertainment industries. Mr. Gould joined Allen & Company in 1972. In 1975, he established Allen Investment Management, which manages capital for endowments, pension funds and family offices.

Mr. Gould is also an experienced board member, having served on the boards of several public companies, including DIRECTV (2009 – 2010), LIC (and its predecessor) (2001 – 2009), Discovery Holding Company (2005 – 2008), The DirecTV Group, Inc. (2009), On Command Corporation (2002 –2003) and Sunburst Hospitality Corporation (1996 – 2001). Currently, he is a director of Ampco-Pittsburgh Corporation (since 2002), Discovery Communications, Inc. (since September 2008), where he is a member of the compensation committee, and the private company O3B Networks Limited. His committee experience includes audit, executive, compensation, corporate governance and investment. In addition, Mr. Gould serves on the board of trustees of Cornell University, where he is the chair of its investment committee; serves as an overseer for Weill Cornell Medical College; and serves on the boards of the Wildlife Conservation Society, where he is the chair of its investment committee, and the New School University. He is also a member of the advisory committee to the International Monetary Fund's investment committee. He attended Cornell University and received his B.S. (Biochemistry) from Fairleigh Dickinson University.

Richard R. Green, Independent Non-executive Liberty Global Director, 78

Mr. Green has served as a Liberty Global Director since December 2008 and is a member of the nominating and corporate governance committee of the board of Liberty Global. For over 20 years, Mr. Green served as president and chief executive officer of Cable Television Laboratories, Inc. before retiring in December 2009. While at Cable Television Laboratories, Inc., Mr. Green oversaw the development of DOCSIS technology, the establishment of common specifications for digital voice and the deployment of interactive television, among other technologies for the cable industry. Prior to joining Cable Television Laboratories, Inc., he was a senior vice president at PBS (1984 – 1988), where he was instrumental in establishing PBS as a leader in high definition television and digital audio transmission technology, and

served as a director of CBS's Advanced Television Technology Laboratory (1980 – 1983), where he managed and produced the first high definition television programs in December 1981, among other accomplishments. Mr. Green is the author of over 55 technical papers on a variety of topics. In 2012, Mr. Green received the Charles F. Jenkins Lifetime Achievement Award from the Academy of Television Arts & Sciences for the Primetime Emmy Engineering Awards.

Mr. Green is a professor and the director of the Center for Technology Innovation at the University of Denver. He is also a director of Shaw Communications, Inc., a telecommunications company based in Canada, where he is also a member of the audit committee, and a director of Jones/NCTI, a Jones Knowledge Company, which is a workforce performance solutions company for individuals and broadband companies. He is also a member of the board of directors of Liberty Broadband Corporation (since November 2014), where he serves as chairman of its nominating and corporate governance committee and as a member of its audit committee and compensation committee. He is also a member of the boards of directors of several non-profit institutions and is an honorary board member of The Cable Center. In addition, he is a member of the Federal Communications Commission's Technical Advisory Council and a fellow of the Society of Motion Picture and Television Engineers. He previously was a member of the International Telecommunication Union, a United Nations consultative committee charged with the responsibility for recommending worldwide standards for advanced television services and past chairman of Study Group 9 of such committee. Mr. Green received his B.S. (Physics) from Colorado College, his M.S. (Physics) from the State University of New York and a Ph.D. from the University of Washington, where he specialized in astrophysics.

David E. Rapley, Independent Non-executive Liberty Global Director, 74

Mr. Rapley has served as a Liberty Global Director since June 2005 and is the chair of the nominating and corporate governance committee and a member of the succession planning committee of the board of Liberty Global. He was a director of LGI International from May 2004 to June 2005.

Mr. Rapley has over 30 years of experience as a founder, executive, manager and as a director of various engineering firms. He founded Rapley Engineering in 1985 and, as its president and chief executive officer, oversaw its development into a full service engineering firm at the time of its sale to VECO Corporation in 1998. Following the sale, Mr. Rapley served as executive vice president, Engineering of VECO Corporation, an Alaska-based firm providing engineering, design, construction and project management services to the energy, chemical and process industries domestically and internationally, until his retirement in December 2001. Until June 2013, Mr. Rapley was a director of Merrick & Co., a private firm providing engineering and other services to domestic and international clients. From 2006 to 2011, Mr. Rapley was chairman of the board of Merrick Canada ULC. Mr. Rapley has authored technical papers on engineering processes and computer systems. He is a graduate of Hendon College of Technology (England), with a degree in mechanical engineering.

Mr. Rapley is also a director of LMC and of LIC. He has been a director of LMC, LIC and their predecessors since 2002. He currently serves on LMC's compensation committee and is the chairman of its nominating and governance committee, and he currently serves on LIC's audit committee and its compensation committee and is the chairman of its nominating and governance committee.

Larry E. Romrell, Independent Non-executive Liberty Global Director, 76

Mr. Romrell has served as a Liberty Global Director since June 2005 and is a member of the compensation and the nominating and corporate governance committees of the board of Liberty Global. He was a director of LGI International from May 2004 to June 2005. Mr. Romrell has over 30 years of experience in the telecommunications industry. He was an executive vice president of TCI from January 1994 to March 1999, when it was acquired by AT&T Corporation, and a senior vice president of TCI from 1991 to 1994. Prior to becoming an executive officer at TCI, Mr. Romrell was president and chief executive officer of WestMarc Communications, Inc., a subsidiary of TCI engaged in the cable television and common carrier microwave communications businesses, and held various executive positions with that company (formerly known as Western Tele-Communications, Inc.) for almost 20 years, including when it was a separate public company. As an executive at TCI, Mr. Romrell oversaw TCI's investments in and development of companies engaged in other telecommunications businesses, including At Home Corporation, a provider of high-speed multimedia internet services, and Teleport Communications Group Inc., a competitive local exchange carrier.

Mr. Romrell is an experienced public company board member, having served on the boards of Ascent Capital Group, Inc.'s predecessor (2000 – 2003), TV Guide, Inc. (and its predecessor) (1996 – 2000), Arris Group, Inc. (2000 – 2003), General Communication Inc. (1980 – 2001), as well as At Home Corporation and Teleport Communications Group Inc. He currently is a director of LMC and LIC, positions he has held with LMC, LIC and their predecessors since 2001, and serves on the audit and nominating and governance committees of each of LMC's and LIC's boards. Mr. Romrell also serves as a director of Liberty TripAdvisor Holdings, Inc. (since August 2014) and serves on its compensation committee and its nominating and corporate governance committee. Formerly, he was a member of the compensation committee of LIC's board. Mr. Romrell is involved in numerous philanthropic activities. Mr. Romrell's extensive business background and his particular knowledge and experience in telecommunications technology and board practices of other public companies contribute to the board of Liberty Global's consideration of operational and technological developments and strategies, provide insight into other public company board practices and strengthen the board's collective qualifications, skills and attributes.

JC Sparkman, Independent Non-executive Liberty Global Director, 83

Mr. Sparkman has served as a Liberty Global Director since June 2005 and is the chair of the compensation committee and a member of the nominating and corporate governance and the succession planning committees of the board of Liberty Global. He was a director of LGI International, from November 2004 to June 2005. Mr. Sparkman has over 30 years of experience in the cable television industry. He was executive vice president and chief operating officer of TCI for eight years until his retirement in 1995. During his over 26 years with TCI, he held various management positions of increasing responsibility, overseeing TCI's cable operations as that company grew through acquisitions, construction of new networks and expansion of existing networks into the largest multiple cable system operator in the U.S. at the time of his retirement. In September 1999, he co-founded Broadband Services, Inc., a provider of asset management, logistics, installation and repair services for telecommunications service providers and equipment manufacturers domestically and internationally. He served as chairman of the board and co-chief executive officer of Broadband Services, Inc. until December 2003.

Mr. Sparkman is an experienced public company board member. Since 1994, he has been a director of Shaw Communications, Inc., and he is a member of the executive and human resources and compensation committees of Shaw Communications, Inc.'s board. He is also a director and member of the compensation committee of Universal Electronics, Inc. (since 1998), a global leader in wireless control technology.

J. David Wargo, Independent Non-executive Liberty Global Director, 62

Mr. Wargo has served as a Liberty Global Director since June 2005 and is a member of the audit and the nominating and corporate governance committees of the board of Liberty Global. He was a director of LGI International, from May 2004 to June 2005. Mr. Wargo has over 35 years of experience in investment research, analysis and management. He is the founder and president of Wargo & Company, Inc., a private company specializing in investing in the communications industry since 1993. Mr. Wargo is a co-founder and was a member of New Mountain Capital, LLC from 2000 to 2008. Prior to starting Wargo & Company, he was a managing director and senior analyst of The Putnam Companies (1989 – 1992), senior vice president and a partner in Marble Arch Partners (1985 – 1989) and senior analyst and a partner in State Street Research and Management Company (1978 – 1985). Mr. Wargo received his B.S. (Physics) and M.S. (Nuclear Engineering) from Massachusetts Institute of Technology (M.I.T.) and an M.B.A. from M.I.T.'s Sloan School of Management.

Mr. Wargo is also an experienced board member, having served on the boards of several public companies, including Discovery Holding Company (2005 – 2008), Fun Technologies Inc. (2007 – 2008), OpenTV Corp. (2002 – 2007), On Command Corporation (1998 – 2003), Gemstar-TV Guide International, Inc. (2000 – 2001) and TV Guide, Inc. (and its predecessor) (1996 – 2000). He currently is a director of (a) Discovery Communications, Inc. (since September 2008), where he is also a member of the audit committee and chair of the nominating and corporate governance committee, (b) Strayer Education, Inc. (since March 2001), where he is chairman of the compensation committee, (c) Liberty TripAdvisor Holdings, Inc. (since August 2014), where he is also a member of the audit committee, the compensation committee and the chairman of the nominating and corporate governance committee, and (d) Liberty Broadband Corporation (since March 2015), where he is also a member of the audit committee, the compensation committee and the nominating and corporate governance committee. In addition, he is a director of the private company Vobile, Inc.

3. **Executive Officers**

Day-to-day management of our business is the responsibility of the persons below, in addition to the CEO:

Name	Current position
Charles H.R. Bracken	Executive Vice President and Co-Chief Financial Officer (and Principal Financial Officer)
Bernard G. Dvorak	Executive Vice President and Co-Chief Financial Officer (and Principal Accounting Officer)
Bryan H. Hall	Executive Vice President, General Counsel and Secretary
Diederik Karsten	Executive Vice President and Chief Commercial Officer
Balan Nair	Executive Vice President and Chief Technology Officer

Further details on the appointments, business experience and principal business activities performed outside of our company by such persons are set out below:

Charles H.R. Bracken, Executive Vice President and Co-Chief Financial Officer (and Principal Financial Officer), 49

Mr. Bracken has served as Liberty Global's Executive Vice President since January 2012 and Co-Chief Financial Officer (Principal Financial Officer) since June 2005. From April 2005 to January 2012, Mr. Bracken served as a Senior Vice President of Liberty Global, Inc. He also served as the Chief Financial Officer of UGC Europe, Inc., now known as Liberty Global Europe LLC, and its predecessors from November 1999 to June 2005. Mr. Bracken is a director of Liberty Global's subsidiary Telenet.

Bernard G. Dvorak, Executive Vice President and Co-Chief Financial Officer (and Principal Accounting Officer), 55

Mr. Dvorak has served as Liberty Global's Executive Vice President since January 2012 and Co-Chief Financial Officer (Principal Accounting Officer) since June 2005. From April 2005 to January 2012, Mr. Dvorak served as a Senior Vice President. In addition, Mr. Dvorak serves as an officer and director of various of Liberty Global's subsidiaries, including LGI and LGI International.

Bryan H. Hall, Executive Vice President, General Counsel and Secretary, 53

Mr. Hall has served as Liberty Global's Executive Vice President, General Counsel and Secretary since January 2012. In addition, he is an officer and director of various of Liberty Global's subsidiaries. Prior to joining Liberty Global, Mr. Hall served as secretary and general counsel of Virgin Media from June 2004 until January 2011. While at Virgin Media, Mr. Hall was responsible for all legal affairs affecting Virgin Media, as well as matters concerning regulatory, competition, government affairs and media relations issues. From September 2000 to June 2004, Mr. Hall was a partner in the corporate department of the law firm Fried, Frank, Harris, Shriver & Jacobson LLP in New York, specializing in public and private acquisitions and acquisition financings.

Diederik Karsten, Executive Vice President and Chief Commercial Officer, 59

Mr. Karsten has served as Liberty Global's Executive Vice President, European Broadband Operations from January 2012 to August 2015, when he assumed the position of Executive Vice President and Chief Commercial Officer. During 2011, Mr. Karsten served as Managing Director, European Broadband Operations. Mr. Karsten served as Managing Director, UPC Nederland, a subsidiary of Liberty Global Europe Holding BV and its predecessors, from July 2004 to December 2010, where he was responsible for Liberty Global's broadband operations in the Netherlands. Prior to joining UPC Nederland, he served as chief executive officer of KPN Mobile, overseeing mobile telephony operations in the Netherlands, Germany, Belgium and other countries. Mr. Karsten is a director of Telenet and chairman of the supervisory board of Liberty Global's subsidiary Unitymedia.

Balan Nair, Executive Vice President and Chief Technology Officer, 49

Mr. Nair has served as Liberty Global's Executive Vice President since 2012 and Chief Technology Officer since July 2007. From July 2007 to January 2012, he served as a Senior Vice President. Prior to joining our company, Mr. Nair served as Chief Technology Officer and Executive Vice President for AOL LLC, a global web services company, from 2006. Prior to his role at AOL LLC, Mr. Nair spent more than five years at Qwest Communications International Inc., most recently as Chief Information Officer and Chief Technology Officer. Mr. Nair is a director of Charter Communications, Inc. and Adtran, Inc. In addition, he is a co-chair of Energy 2020, an initiative of the Society of Cable Telecommunications Engineers to reduce the cable industry's power consumption.

4. Confirmations by Liberty Global Directors and Executive Officers

None of the Liberty Global Directors or Executive Officers has, during the five years prior to the publication date of this Prospectus been:

(a) convicted in relation to a fraudulent offence;

(b) associated with any bankruptcy, receivership or liquidation while acting in the capacity of a member of the administrative, management or supervisory body or of senior manager of any company;

(c) subject to any official public incrimination and/or sanction by statutory or regulatory authorities (including designated professional bodies); or

(d) disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any company.

5. Board of Liberty Global structure and Corporate Governance

5.1 Board leadership structure

Our board of directors has the authority to determine whether the offices of chairman of the board and chief executive officer should be held by the same or different persons. Since June 2005, these offices have been divided between Mr. Malone as Chairman and Mr. Fries as CEO, and our board believes that this division continues to be appropriate for our company and the Liberty Global Shareholders.

The separation of these two roles allows Mr. Fries to focus his energies on actively directing the management of global operations, including the development and execution of approved strategies and business plans, providing leadership to our executives and employees and representing our company to business partners, investors and the media. Our chairman of the board provides guidance to our CEO and strong leadership to the board of Liberty Global in its consideration of strategic objectives and associated risks, oversight of our management's and company's performance, and monitoring our corporate governance processes. We have no policy that requires the positions of chairman and CEO to be separate or combined and we may reconsider its leadership structure from time to time based on the situation at that time.

5.2 Risk oversight

Committees

Each board committee considers and addresses risk as it performs its committee responsibilities, and the individual committee chairpersons provide reports to the full board that may include a discussion of risks initially overseen by the committees.

Audit committee

Our audit committee has oversight responsibility for the qualifications and independence of its independent auditor, the performance of its internal audit function and the operation of its ethics compliance reporting process. In addition, our audit committee has oversight responsibility with respect to management's processes and activities relating to the reliability and integrity of its accounting policies, financial reporting practices and financial statements. The senior officer of our internal audit and compliance group reports to the audit committee and assists the committee with its review of relevant risks within its oversight responsibility and of the internal controls. In particular, such group has the primary responsibility for evaluating management's internal control over financial reporting, as well as responsibility for monitoring and testing its company-wide policies, procedures and internal controls for other compliance and operational risks included in the annual internal audit plan reviewed and approved by the audit committee. Senior officers of our finance and accounting groups attend all regularly scheduled audit committee meetings and either they or members of their teams provide in-depth reports on a periodic basis and when requested by the audit committee. Such reports include changes in accounting rules that may have a significant effect on our financial statements, tax planning and risks, and risks associated with liquidity, covenant compliance, currency and interest rate hedging positions and stability of counterparties. On an annual basis, senior officers present to the committee a report on key financial statement risks, the level of such risks and how such risks are being monitored. The audit committee also receives reports on complaints received through our ethics compliance reporting process and the status of investigations into such complaints.

The members of our audit committee are:

- Miranda Curtis;
- John W. Dick;
- Paul A. Gould (chairman); and
- J. David Wargo.

Compensation committee

Our compensation committee reviews and either approves or recommends to the full board for its approval the compensation programs for members of its senior management, including Liberty Global Executive Officers. It also administers, and approves equity grants and performance award programs to certain of our employees under various Liberty Global incentive plans. Until March 1, 2014, at which time the 2014 Incentive Plan became effective, these plans consisted of the 2005 Incentive Plan and the Virgin Media 2010 Incentive Plan. As the 2014 Incentive Plan has now been approved by the Liberty Global Shareholders, no further awards will be granted under the 2005 Incentive Plan or the Virgin Media 2010 Incentive Plan. In fulfilling these duties, the compensation committee also has oversight responsibility with respect to risks related to the design and implementation of these programs and awards. To assist the compensation committee in discharging this responsibility, our global human resources group provides reports on the design and administration of incentive programs and the safeguards in effect to avoid encouraging unnecessary or excessive risk taking.

The members of our compensation committee are:

- John P. Cole, Jr.;
- Larry E. Romrell; and
- JC Sparkman (chairman).

Nominating and Corporate Governance committee

Our nominating and corporate governance committee has oversight responsibility with respect to risks related to our governance, including board and director performance and governance guidelines. It supervises annual evaluations of the performance of its board of directors and its individual director nominees. Each of our committees completes its own periodic self-evaluation on performance and reports its findings to the full board when appropriate. Our nominating and corporate governance committee also conducts periodic reviews of its governance guidelines.

The members of our nominating and corporate governance committee are:

- Andrew J. Cole;
- John P. Cole, Jr.;
- Miranda Curtis;
- John W. Dick;
- Paul A. Gould;
- Richard R. Green;
- David E. Rapley (chairman);
- Larry E. Romrell;
- JC Sparkman; and
- J. David Wargo.

Succession Planning committee

Our succession planning committee is responsible for developing a CEO candidate profile and qualifications that meets the leadership needs of Liberty Global. In the event of a CEO absence, it will evaluate candidates for the CEO position based on such profile and qualifications.

The members of the succession planning committee are:

- Miranda Curtis;
- Paul A. Gould;

- John C. Malone;
- David E. Rapley;
- Larry E. Romrell; and
- JC Sparkman.

5.3 Corporate Governance

We are not required to, and do not, comply with the U.K. governance code as we are not listed on an exchange in the United Kingdom. With regard to our corporate governance, we are subject to SEC and NASDAQ rules and regulations.

Governance Guidelines

Our board has adopted corporate governance guidelines, which are available on our website at www.libertyglobal.com. Under the guidelines, our independent directors meet privately at least twice a year in executive session. These executive sessions are generally held in conjunction with a regularly scheduled board meeting. The presiding director for these meetings is currently Paul A. Gould, the chairman of the audit committee. The role of presiding director rotates annually among our nominating and corporate governance committee chair, our audit committee chair and our compensation committee chair.

Liberty Global Director Independence

It is our policy that a majority of the members of our board of directors be independent of our management. For a director to be deemed independent, the board of Liberty Global must affirmatively determine that the director has no direct or indirect material relationship with our Company other than in his or her capacity as a board member. To assist the board of Liberty Global in determining which of the directors qualify as independent for purposes of the NASDAQ rules, as well as applicable rules and regulations adopted by the SEC, the nominating and corporate governance committee of the board follows the Corporate Governance Rules of the NASDAQ on the criteria for director independence.

In accordance with these criteria, the board of directors has determined that each of Andrew J. Cole, John P. Cole, Jr., Miranda Curtis, John W. Dick, Paul A. Gould, Richard R. Green, David E. Rapley, Larry E. Romrell, JC Sparkman and J. David Wargo qualifies as an independent director of our company.

Our board of directors has appointed Mr. Malone and Mr. Fries, neither of whom is an independent director, to an executive committee of the board, which is empowered to exercise all the powers and authority of the full board in managing our company between board meetings, except as specifically prohibited by the Act or limited by our board of directors.

Risk Assessment of Compensation Programs

Consistent with SEC requirements, we assess annually our company's compensation programs and have concluded that our compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on our company taken as a whole. Our global human resources group reviewed the performance-based compensation programs for all corporate-level employees in our corporate offices in the U.K., the U.S. and the Netherlands and in our European Broadband and Latin America divisions and for our country-level managing directors and chief financial officers at Virgin Media and in our European Broadband division. It also reviewed over 100 annual bonus and sales/commission plans in place at our operating companies to identify the presence or lack of certain features that would impact organizational risk. Further, it analyzed total compensation costs (including salaries, commissions, bonuses, severance, fringe benefits and employee training and development costs) for each country of operation as a percentage of that country's revenue.

Finally, it reviewed its own policies and procedures for the administration and governance of these programs for corporate-level employees and for managing directors and chief financial officers at Virgin Media and in our European Broadband division, and related entity-level controls. The scope and results of this review were presented to the Compensation Committee of our board.

Code of Business Conduct and Code of Ethics

We have adopted a code of business conduct that applies to all of our employees, directors and officers. In addition, we have adopted a code of ethics for the CEO and senior financial officers, which constitutes our "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002. Both codes are available on our website at www.libertyglobal.com.

6. **Conflicts of interest**

6.1 The Liberty Global Shares and LiLAC Shares to be issued to CWC Shareholders as consideration for the Acquisition will include the issuance of New Liberty Global Shares and New LiLAC Shares to CHLLC, an entity that owns approximately 13% of the CWC Shares and is controlled by Mr. Malone, the chairman of the board of directors of Liberty Global and owner of shares representing approximately 24.7% of Liberty Global's voting power as at March 18, 2016. Due to his potential conflict of interest as a significant shareholder of CWC (indirectly through CHLLC), Mr. Malone, the chairman of Liberty Global's board of directors, did not attend any meetings, or participate in any discussions or votes, of the Liberty Global board of directors with respect to any proposed transaction (including the Acquisition) between Liberty Global and CWC.

The issuance of the New Liberty Global Shares and the New LiLAC Shares pursuant to the Acquisition will dilute Mr. Malone's aggregate voting power in Liberty Global from approximately 24.7% as of March 18, 2016 to approximately 23.7%, regardless of the extent to which other CWC shareholders elect the Recommended Offer, the LiLAC Alternative under the Recommended Offer, the First Dual Share Alternative or the Second Dual Share Alternative.

6.2 Pursuant to a letter agreement dated as of February 13, 2014, among Mr. Fries, the CEO and one of the directors of Liberty Global, Mr. Malone and the Malone Trust have agreed that, for so long as Mr. Fries is employed as a principal executive officer by Liberty Global or serving on the board of directors, (a) in the event the Malone Trust or any permitted transferee (as defined in such letter agreement) is not voting the Liberty Global Class B Shares and LiLAC Class B Shares owned by the Malone Trust, Mr. Fries will have the right to vote such Liberty Global Class B Shares and LiLAC Class B Shares and (b) in the event the Malone Trust or any permitted transferee determines to sell such Liberty Global Class B Shares and LiLAC Class B Shares, Mr. Fries (individually or through an entity he controls) will have an exclusive right to negotiate to purchase such shares, and if the parties fail to come to an agreement and the Malone Trust or any permitted transferee subsequently intends to enter into a sale transaction with a third-party, Mr. Fries (or an entity controlled by him) will have a right to match the offer made by such third-party.

6.3 Save as set out above, no Liberty Global Director or Liberty Global Executive Officer has any actual or potential conflicts of interest between their duties to our company and the private interests and/or other duties he/she may also have.

6.4 No Liberty Global Director or Liberty Global Executive Officer was selected to be a director of our company pursuant to any arrangement or understanding with any major customer, supplier or other person having a business connection with our company.

6.5 CWC has received an irrevocable undertaking (subject to certain limited exceptions) from Mr. Malone (i) to vote (or procure the voting) in favor of the Share Issuance Resolution and the Substantial Property Transaction Resolution in respect of those Liberty Global Shares and LiLAC Shares owned and/or controlled by Mr. Malone, Mr. Malone's spouse and the Malone Trust, which Liberty Global Shares and LiLAC Shares represent, in the aggregate, approximately 24.3% of the voting power of Liberty Global as at March 18, 2016, and (ii) not to dispose of (and to procure that others do not dispose of) such shares or enter into any transaction with the same or a substantially similar economic effect as a disposal, in each case which would affect the exercise by him of the voting rights attaching to such shares before the Liberty Global General Meeting.

6.6 Save as disclosed in this paragraph 6, no other restrictions have been agreed by any Liberty Global Director on the disposal within a certain period of time of his holding in Liberty Global securities.

6.7 There are no family relationships between any of the Liberty Global Directors and/or any of the Liberty Global Executive Officers. However, Bernard G. Dvorak is married to Amy M. Blair, an executive officer of Liberty Global.

7. **Remuneration and Benefits**

7.1 **Overview**

Liberty Global's executive and board compensation is driven, in addition to base salary, primarily by (i) equity incentive awards, whether pursuant to individual equity incentive awards (to which Mr. Fries and the other NEOs may be entitled) or under the Liberty Global incentive plans (to which Liberty Global's employees more generally may be entitled), and (ii) cash awards (to which the Liberty Global Executive Officers may be entitled), in each case further details of which are set out below. Mr. Fries and the other NEOs are also entitled to certain other customary benefits.

Our performance-based compensation programs provide for the opportunity to reward the NEOs and other senior management for contributing to annual and long-term financial, operational, and stock price performance. A high percentage of the NEOs' total compensation is performance-based (targeted at approximately 90% of total compensation for 2014), excluding the 2013 Challenge Awards and the CEO Performance Award, with a significant portion of total compensation delivered in the form of multi-year performance-based equity incentive awards (targeted at approximately 60% of total compensation for 2014), excluding the 2013 Challenge Awards and the CEO Performance Award.

In connection with the LiLAC Transaction, the compensation committee of our board of directors approved modifications to our outstanding share-based incentive awards (the Award Modifications) in accordance with the underlying share-based incentive plans. The objective of the compensation committee was to ensure a relatively unchanged intrinsic value of outstanding equity awards before and after the bonus issuance of the LiLAC Shares. The mechanism to modify outstanding share-based incentive awards, as approved by the compensation committee, utilized the volume-weighted average price of the respective shares for the five days prior to and the five days following the bonus issuance (Modification VWAPs). In order to determine if any incremental stock-based compensation expense should be recorded as a result of the Award Modifications, we are required to measure the changes in the fair values of the then outstanding share-based incentive awards using market prices immediately before and immediately after the Award Modifications. Due to declines in the share prices of our Liberty Global Class A shares and Liberty Global Class C Shares following the bonus issuance, the exercise prices of options, SARs and PSARs determined using the Modification VWAPs were lower than the exercise prices that would have resulted if the market prices immediately before and after the Award Modifications had been used. Accordingly, the Black-Scholes fair values of our options, SARs and PSARs increased as a result of the Award Modifications, resulting in incremental stock-based compensation expense of $99.3 million. This amount includes $69.3 million of expense recognized during 2015 related to awards that vested on or prior to December 31, 2015 and $30.0 million of expense that will be recognized in future periods through 2019 as the related awards vest.

7.2 **Base Salary, Fees and Expenses**

(a) For 2014, our compensation committee approved an increase in the base salaries to $1.0 million (with currency adjustments for our non-U.S. based NEOs) for each of our NEOs, except our CEO. For our CEO, the compensation committee approved an increase in his base salary to $2.0 million. In March 2015, our compensation committee approved a 2.5% increase in the base salary of each of our NEOs. This percentage increase was consistent with the budget authorization given to each of our department and business unit heads for aggregate salary increases for U.S. and corporate-level European employees in their department or unit. The actual percentage salary increases varied among our corporate-level employees as determined by their department or business unit head. The salary increases for our NEOs became effective April 1, 2015.

(b) Each member of our board, who is not an employee of Liberty Global (other than our chairman Mr. Malone), receives an annual retainer of $100,000. In addition, each such member receives $1,500 for each in-person meeting attended (in person or by conference telephone) and $750 for each telephonic meeting attended of the board or any committee of the board on which he or she serves. Each director who serves as the chair of the audit committee, the compensation committee or the nominating and corporate governance committee receives a fee for such service of $25,000, $25,000 and $10,000, respectively, for each full year of service in such position. All annual director fees, including fees for chairpersons, are payable in arrears in four equal quarterly installments. Our directors may elect to have their quarterly fee installments paid in Liberty Global Class A and Liberty Global Class C Shares instead of in cash. From time to time, we provide our directors information on conferences and seminars that may be of interest to them as a director of Liberty Global. For directors who elect to attend these events, we cover the costs as part of our policy to keep members of our board informed on issues that relate to their duties as a director.

(c) For the board meeting held at the location of one of our operations or other company-related events, we may provide extra activities for members of our board. We may also invite the spouse or a guest of each director to attend events associated with board meetings or other company-related events. We generally provide for, or reimburse expenses of, the spouse's or guest's travel, food and lodging for attendance at these events and participation in related activities. If the spouse or guest travels on our aircraft for an event, the incremental cost for such personal passenger is determined based on our

average direct variable cost per passenger for aircraft fuel and in-flight food and beverage services, plus, when applicable, customs and immigration fees specifically incurred. To the extent costs for these activities, including the incremental cost for travelling on our aircraft, and costs for any other personal benefits, for a director exceeds $10,000 for the year, they are included in the amounts in the table set out in paragraph 7.8 below.

7.3 **Individual Equity Incentive Awards**

Multi-year equity incentive awards, granted on an individual basis whether in the form of conventional equity awards or performance-based awards, have historically represented a significant portion of our executives' compensation. These awards ensure that our executives have a continuing stake in our company's success, align their interests with our shareholders and also serve the goal of retention through vesting requirements and forfeiture provisions. These awards were granted under the 2014 Incentive Plan, the 2005 Incentive Plan and the Virgin Media 2010 Incentive Plan.

(a) *Compensation committee's approach*

Our compensation committee's approach to equity incentive awards for Liberty Global Executive Officers and other senior management team places a significant emphasis on performance-based equity awards.

PSUs are granted to Liberty Global Executive Officers and key employees annually based on a target annual equity value for each executive and key employee, of which approximately two-thirds would be delivered in the form of an annual award of PSUs and approximately one-third in the form of an annual award of SARs. Each currently outstanding PSU represents the right to receive one Liberty Global or LiLAC Class A Share or Liberty Global or LiLAC Class C Share, as applicable, subject to performance and vesting. Generally, the performance period for the PSUs covers a two-year period and the performance target is based on the achievement of a specified CAGR in consolidated OCF, adjusted for events such as acquisitions, dispositions and changes in foreign currency exchange rates that affect comparability (Adjusted OCF CAGR), and the participant's annual performance ratings during the two-year performance period. A performance range of 75% to 125% of the target Adjusted OCF CAGR generally results in award recipients earning 50% to 150% of their respective PSUs, subject to reduction or forfeiture based on individual performance. The PSUs generally vest 50% on each of April 1, and October 1 of the year following the end of the performance period.

In connection with each year's award of PSUs, the compensation committee selects one or more performance measures for the ensuing two-year performance period. For the PSUs awarded to date, the compensation committee has selected as the performance measure growth in consolidated OCF, as adjusted for certain specified events that affect comparability, such as acquisitions, dispositions and changes in foreign currency exchange rates and accounting principles. In choosing OCF growth as the performance measure, the compensation committee's goal has been to ensure that the management team would be focused on maximizing performance against a variety of key financial metrics during the performance period by using a measure of performance that was different from those selected for the annual cash performance awards. Different performance measures may be selected for the awards in subsequent years.

The compensation committee also sets the performance targets corresponding to the selected performance measure(s) and a base performance objective that must be achieved in order for any portion of our NEOs' PSU awards to be earned. The level of achievement of the performance target within a range established by the compensation committee determines the percentage of the PSU award earned during the performance period, subject to reduction or forfeiture based on individual performance, and based on the annual performance rating received under our global performance management process. A minimum rating of "strong" or its equivalent is required for any PSU awards to be earned. Earned PSUs will then vest in two equal installments on April 1 and October 1 of the year following the end of the performance period. The PSU awards are subject to forfeiture or acceleration in connection with certain termination of employment or change-in-control events.

Each year's award of SARs is made at the same time as awards are made under our annual equity grant program for employees (generally on or around May 1) and on terms consistent with our standard form of SAR award agreement, including a four-year vesting schedule.

Subsequent to December 31, 2015, as a result of our Liberty 3.0 program, the compensation committee of our board of directors determined that it would be in the best interests of Liberty Global to modify

the incentive award component to better align incentives over the longer term, promote achievement of Liberty 3.0's goals and retain key leadership during the transformation period.

For the 2016 PSUs, the compensation committee determined to:

(i) combine the PSU grants for each of the next two years into a single award of 2016 PSUs with a single performance target;

(ii) extend the performance period for the 2016 PSUs to three years (2016, 2017 and 2018) in line with the execution phase of the Liberty 3.0 program;

(iii) make no grant of PSUs in 2017 for participants who receive a grant of 2016 PSUs;

(iv) require the target performance to be a 6.0% OCF CAGR during the three-year performance period ending December 31, 2018 (with 2015 as the base year), with over-performance payout opportunities if the OCF CAGR exceeds the target; and

(v) maintain the annual SAR component from previous programs, as these awards vest in installments over a four year period.

Pursuant to this performance plan, on February 5, 2016 the compensation committee approved the grant of up to 6.26 million PSU awards. We expect that over 95% of these awards will cover Liberty Global Shares and the remainder will cover LiLAC Shares.

(b) *Awards made in respect of the financial year ended December 31, 2014*

The table below sets out the target annual equity incentive award values for our NEOs approved by our compensation committee and the grants of 2014 PSUs and SARs made to them in March and May 2014, respectively.

		Two-thirds of Target Annual Equity Value in the Form of:		One-third of Target Annual Equity Value in the Form of:	
Name	**Target Annual Equity Value for 2014**	**Class A PSU Grant (#)**	**Class C PSU Grant (#)**	**Class A SARs (#)**	**Class C SARs (#)**
Michael T. Fries	$15,000,000	78,276	156,552	192,016	384,032
Charles H.R. Bracken	$ 5,000,000	26,092	52,184	64,000	128,000
Bernard G. Dvorak	$ 5,000,000	26,092	52,184	64,000	128,000
Diederik Karsten	$ 5,000,000	26,092	52,184	64,000	128,000
Balan Nair	$ 5,000,000	26,092	52,184	64,000	128,000

The performance period for the 2014 PSUs was set as January 1, 2014 to December 31, 2015. The performance target selected by the compensation committee for the base case plan was achievement of a target OCF CAGR based on a comparison of our 2013 actual results to those reflected in our then existing long-range plan for 2015. The target OCF CAGR is subject to upward or downward adjustment, on a mandatory or a discretionary basis, for certain events in accordance with the terms of the grant agreement. A performance range of 75% to 125% of the target OCF CAGR would generally result in award recipients earning 50% to 150% of their target 2014 PSUs, subject to reduction or forfeiture based on individual performance. One-half of the earned 2014 PSUs will vest on April 1, 2016 and the balance on October 1, 2016.

The compensation committee also established a minimum OCF CAGR base performance objective, subject to certain limited adjustments, which must be satisfied in order for any NEO to be eligible to earn any of their 2014 PSUs. If the base performance objective is achieved, our NEOs will be eligible to earn between 50% and 150% of their 2014 PSUs, subject to alignment with our company's and the individual's performance.

The 2014 PSU awards and the SAR awards of our NEOs are also reflected under the "Stock Awards" and "Option Awards" columns in the Summary Compensation table in paragraph 7.9 below.

(c) *Other Awards*

(i) CEO Performance Award for the year ended December 31, 2014

Upon signing the Fries Agreement, which became effective on April 30, 2014 our CEO received a grant of performance grant units (PGUs), comprising a total of one million PGUs with respect to Class A Old Liberty Global Shares and one million PGUs with respect to Class B Old Liberty Global

Shares. The CEO Performance Award was subject to the achievement of a performance condition over a performance period of April 1, 2014 to December 31, 2014. The base performance condition required that either 40% of consolidated budgeted revenue growth or 40% of consolidated budgeted OFCF growth be achieved for the nine-month performance period. The PGUs, subject to the performance condition above, vest in three equal annual installments, the first and second of which occurred on March 15, 2015 and March 15, 2016, respectively. As a result of the LiLAC Transaction, our CEO also received 33,333 PGUs with respect to LiLAC Class A Shares and 33,333 PGUs with respect to LiLAC Class B Shares, each of which vest over the same period as the PGU award described above.

As required by the Fries Agreement, the compensation committee met in December 2014 to determine if the performance condition for the CEO Performance Award had been met. At that meeting, the compensation committee reviewed the company's consolidated revenue and OFCF for 2014 to date as well as the projected consolidated revenue and OFCF for the remaining period of 2014. Based on this review, the compensation committee determined that over 95% of budgeted growth for both revenue and OFCF was achieved over the nine-month period and therefore the performance condition had been met. As a result, the CEO Performance Award was converted to time vested RSUs pursuant to the terms of the CEO Performance Award. These awards are reflected in the Summary Compensation table in paragraph 7.9 below.

(ii) 2013 Challenge Awards

Following the Virgin Media Acquisition, our company grew substantially in size and complexity and became a more complex business operation. In addition, we established aggressive synergy and long-range plan targets for our company on maximizing future performance and our senior management, including our NEOs, are being asked to achieve this aggressive future performance. On June 24, 2013, the compensation committee determined to grant, in addition to the standard compensation program for senior management as described above, the 2013 Challenge Awards. The 2013 Challenge Awards are designed to incentivize senior management recipients to achieve high levels of individual performance and increase shareholder value over a multi-year period.

The 2013 Challenge Awards consisted solely of PSARs for our Liberty Global Executive Officers and a combination of PSARs and PSUs for our other executive officers and key employees. Each PSU represents the right to receive one Liberty Global or LiLAC Class A Share or one Liberty Global or LiLAC Class C Share, as applicable, subject to performance and vesting. The performance period for the 2013 Challenge Awards is January 1, 2013 to December 31, 2015.

The performance criteria for the 2013 Challenge Awards will be based on the participant's performance and achievement of individual goals in each of the years 2013, 2014 and 2015. If a participant receives a rating of "needs improvement" (or its equivalent) or less, no amount will be payable with respect to the 2013 Challenge Awards. For ratings below "superior" (or its equivalent), the compensation committee has the discretion to reduce by up to 100%, the amount of such participant's 2013 Challenge Awards that will vest on the third anniversary of the grant date.

The PSARs have a term of seven years from date of grant and base prices are equal to the respective market closing prices of the applicable class on the grant date (as adjusted for the 2014 Share Dividend), which was $35.03 for the Class A performance-based SARs, $32.78 for the original Class C performance-based SARs and $34.67 for the adjusted Class C performance-based SARs, which were issued with respect to the original Class A performance-based SARs.

The 2013 Challenge Awards are subject to forfeiture or acceleration in connection with certain terminations of employment or change-in-control events consistent with the terms of other equity awards granted in 2013.

7.4 **Liberty Global Incentive Plans**

Aside from individually tailored equity incentive awards, Liberty Global's incentive scheme is primarily conducted through the 2014 Plans. As of December 31, 2015, we are authorized to grant incentive awards under the 2014 Incentive Plan and the 2014 Director Plan. We also have legacy obligations to certain of our directors, executives and other employees through the 2005 Incentive Plan, the 2005 Plan and the Virgin Media 2010 Incentive Plan. No further awards will be granted under the 2005 Incentive Plan, the 2005 Plan or the Virgin Media 2010 Incentive Plan.

(a) *2014 Plans*

In January 2014, our shareholders approved the 2014 Plans. As of December 31, 2015, we are authorized to grant incentive awards under the 2014 Incentive Plan and the Liberty Global 2014 Director Plan. Generally, we may grant non-qualified share options, SARs, restricted shares, RSUs, cash awards, performance awards or any combination of the foregoing under either of these incentive plans (awards). Ordinary shares issuable pursuant to awards made under these incentive plans will be made available from either authorized but unissued shares or from shares that have been issued but reacquired by our company.

Awards may be granted at or above fair value in any class of ordinary shares. The maximum number of Liberty Global Shares with respect to which awards may be issued under the 2014 Incentive Plan and the 2014 Director Plan is 105 million (of which no more than 50.25 million shares may consist of Liberty Global Class B Shares) and 10.5 million, respectively, in each case, subject to anti-dilution and other adjustment provisions in the respective plan. As of December 31, 2015, the 2014 Incentive Plan and the 2014 Director Plan had 84,782,474 and 10,120,239 ordinary shares available for grant, respectively.

Although the 2014 Plans do not prohibit our compensation committee or board of directors, without prior shareholder approval, from repricing outstanding options or SARs, it is our policy that, except for anti-dilution adjustments provided by the 2014 Plans in connection with corporate transactions, the exercise or base price of ordinary shares for any outstanding option or SAR granted under the 2014 Plans will not be decreased after the date of grant nor will an outstanding option or SAR granted under the 2014 Plans be surrendered to our company as consideration for the grant of a new option or SAR with a lower exercise or base price, cash or a new award unless there is prior approval by our shareholders. Any other action that is deemed to be a repricing under any applicable rule of NASDAQ shall be prohibited unless there is prior approval by Liberty Global Shareholders.

(b) *Legacy Plans*

Awards under the 2005 Incentive Plan issued after June 2005 have a seven year term and become fully exercised within four years of continued employment. Awards under the 2005 Plan have a 10 year term, except the awards granted in June 2013, which have a seven year term. All such awards become fully vested within three years of continued service as a director. In connection with the Virgin Media Acquisition, we assumed the Virgin Media 2010 Incentive Plan. Awards under the Virgin Media 2010 Incentive Plan issued prior to June 7, 2013 have a 10 year term and become fully exercisable within five years of continued employment. Certain performance-based awards that were granted during the first quarter of 2013 were cancelled upon completion of the Virgin Media Acquisition. These cancelled awards were subsequently replaced by PSUs that were granted under the Virgin Media 2010 Incentive Plan on June 24, 2013. For the remaining performance-based awards that were outstanding prior to June 7, 2013, the performance objectives lapsed upon the completion of the Virgin Media Acquisition and such awards vest on the third anniversary of the grant date.

(c) *Award Terms*

(i) Awards (other than performance-based awards) issued under the 2014 Incentive Plan, the 2005 Incentive Plan and the Virgin Media 2010 Incentive Plan issued after June 7, 2013 generally:

  (A) vest 12.5% on the six-month anniversary of the grant date and then vest at a rate of 6.25% each quarter thereafter; and

  (B) expire seven years after the grant date.

(ii) Awards (other than RSUs) issued under the 2005 Plan generally vest in three equal annual installments, provided the director continues to serve as director immediately prior to the vesting date, and expire 10 years after the grant date.

(iii) Awards (other than RSUs) issued under the 2014 Director Plan or issued in June 2013 under the 2005 Plan generally vest in three equal annual installments, provided the director continues to serve as director immediately prior to the vesting date, and expire seven years after the grant date.

(iv) RSUs granted under the 2005 Plan and the 2014 Director Plan vest on the date of the first annual general meeting of shareholders following the grant date. These awards may be granted at or above fair value in any class of ordinary shares.

(v) On February 24, 2015, our shareholders approved amendments to the 2014 Incentive Plan to permit the grant to employees of Virgin Media options to acquire Liberty Global Class C Shares at a discount to the market value of such shares.

7.5 Annual Cash Performance Awards

(a) *General*

Annual cash performance awards pursuant to the 2014 Incentive Plan are one of the variable components of the Liberty Global Executive Officers' compensation packages designed to motivate our executives to achieve our annual business goals and reward them for superior performance.

Generally, at its first regular meeting following the end of each fiscal year, the compensation committee reviews with our CEO the financial performance of our company during the prior year, his performance, his evaluation of the performance of each of the other members of senior management (including our NEOs) participating in the prior year's annual cash performance award program and his recommendations with respect to their performance awards. The compensation committee determines whether our financial performance for the prior fiscal year has satisfied the base performance objective set by the compensation committee, which is a precondition to the payment of any award to our NEOs, and determines the percentage of the financial performance metric(s) that has been achieved. It then determines, in a private session, whether our CEO has met his individual performance goals for the year, his resulting annual performance rating, and the amount to be paid to him with respect to his performance award. The compensation committee also approves the amount to be paid to the other participants in the program, including our other NEOs, with respect to their performance awards. Generally at the same meeting, the compensation committee approves the terms of the annual cash performance award program for the current year, including, in a private session, the individual performance goals for our CEO for the coming year.

(b) *Design of 2014 Annual Award Program*

The design of the 2014 Annual Award Program is the same as the annual cash performance award program for 2013. The 2014 maximum achievable performance awards were increased for each of our NEOs, other than Mr. Fries, to $2.5 million. As provided in Mr. Fries' employment agreement, his maximum achievable award was increased to $8.0 million. These increases were made for the reasons cited above for increasing the NEOs' salaries in 2014 and based on the research on market levels of compensation of Liberty Global Executive Officers as stated above.

The same general design was also implemented with similar performance metrics and weightings for the 2014 bonus programs for approximately 1,050 employees in our corporate offices in the U.K., the U.S. and the Netherlands.

The key elements of the 2014 Annual Award Program were:

- Sixty percent of each participant's maximum achievable performance award was based on achievement against financial performance metrics and 40% was based on individual achievement against defined performance goals.
- Two equally weighted financial performance metrics were used:
  - 2014 budgeted revenue growth on a consolidated basis and, if applicable, operating unit basis; and
  - 2014 budgeted OFCF growth on a consolidated basis and, if applicable, operating unit basis.
- The base performance objective for our NEOs required that either 40% of 2014 consolidated budgeted revenue growth or 40% of 2014 consolidated budgeted OFCF growth be achieved.

For purposes of the 2014 Annual Award Program, OFCF was defined as OCF less property and equipment additions. OCF is the primary measure used by our board and management to evaluate our company's operating performance and a key factor that is used to decide how to allocate capital and resources to our operating segments. The definition of OCF for these purposes is revenue less operating and selling, general and administrative expenses (excluding share-based compensation, depreciation and amortization, provisions and provision releases related to significant litigation and impairment, restructuring and other operating items (which includes gains and losses on disposition of long-lived assets, direct acquisition and disposal costs and other acquisition-related items)) and is generally consistent with our definition of the term for public disclosure purposes.

Budgeted growth was determined by comparing actual 2013 results for the applicable metric to the amount budgeted for that metric in the 2014 consolidated and operating unit budgets approved by our board. For consolidated Liberty Global, the 2014 budget provided for: revenue of $17.2 billion, with growth over 2013 of approximately $635 million or 3.8%, and OFCF of $4.3 billion, with growth over 2013 of approximately $405 million or 10.4%. These budgeted amounts exclude amounts related to Ziggo. The payout schedule for each financial metric is based on the percentage achievement against the 2014 budget, as adjusted for events during the performance period such as acquisitions, dispositions, the impact of unforeseen changes in laws and regulations and changes in foreign currency exchange rates and accounting principles or policies that affect comparability. The following table sets out the performance against budget and related payouts approved by the compensation committee.

	Corresponding % of Achievement of 2014 Budget		
Achievement of Budgeted Growth over 2013	**Revenue (50% Weighting)**	**OFCF (50% Weighting)**	**Payout (% of Weighted Portion of Maximum Bonus Amount) (1)**
Over-Performance	> 105.0%	> 110.0%	150.0%
100.0%	100.0%	100.0%	100.0%
50.0%	98.1%	95.3%	50%
< 50.0%	< 98.1%	< 95.3%	—%

(1) Percentages shown represent the payout that would result if the specified performance levels were achieved for both the revenue and OFCF targets. Payout percentages for percentage achievement of revenue and OFCF budgets which fall in between points specified in the table would be determined by straight-line interpolation. If the performance level for revenue and OFCF were to differ, the payout would represent the sum of the percentages derived by multiplying 50% times each of the respective payout percentages for the revenue and OFCF targets, with a maximum payout of 100%.

Notwithstanding the over-performance feature indicated in the table, the aggregate payout for financial performance remained capped at 60% of the maximum achievable performance award.

The payout schedule for the 40% of each participant's maximum achievable performance award allocated to individual performance was based on the annual performance rating received under our global performance management process, with a minimum rating of "strong" required for any amount to be payable with respect to this portion of the award. A rating of "strong" means the participant has performed well, meeting expectations with respect to his or her objectives.

The compensation committee did not establish target amounts payable when it approved the maximum amount that each NEO could earn under the 2014 Annual Award Program.

(c) *2014 Performance*

At its meeting on February 18, 2015, the compensation committee reviewed the actual consolidated revenue and OFCF for 2014 based on our audited 2014 financial results. It also considered whether to exercise its discretion to reduce the amount payable to any of our NEOs. The exercise of the compensation committee's discretion was in each case based on its assessment of our 2014 financial performance and the individual NEO's performance overall as compared to his 2014 performance goals, taking into account the payout schedules for financial and individual performance.

The compensation committee first considered the percentage of budgeted revenue and budgeted OFCF achieved in 2014. For this purpose, the 2014 budget was adjusted in accordance with the terms of the 2014 Annual Award Program and for certain other unbudgeted events that the compensation committee, in its discretion and consistent with past practice, determined distorted performance against the financial performance metrics. These revisions included adjustments (1) to reflect consistent foreign currency exchange translations, (2) for a change in U.K. VAT legislation, (3) to exclude Ziggo integration costs, (4) to exclude unbudgeted increases in 2014 executive salaries and maximum bonus amounts, (5) related to the reclassification of RDK as a joint venture investment, (6) related to the sale of substantially all of the programming assets of the Chellomedia division, (7) small acquisitions in the U.K., Switzerland and Austria, and (8) related to other individually immaterial items. In the aggregate, these adjustments resulted in a net increase of budgeted revenue to $18.1 billion and budgeted OFCF to $4.5 billion. Actual 2014 revenue was less than budgeted on a consolidated basis, although over 99% of budgeted 2014 revenue and between 85% and 90% of budgeted 2014 revenue growth was achieved on a consolidated basis. Actual 2014 OFCF was greater than budgeted on a consolidated basis, with over 101% of budgeted 2014 OFCF and over 130% of budgeted 2014 OFCF growth achieved on a consolidated basis.

With respect to the remaining 40% of the maximum achievable awards, which was based on individual performance, at its February, 18 2015 meeting, the compensation committee considered each NEO's performance against individual performance goals. The individual performance goals consisted of numerous qualitative measures, which included strategic, financial, transactional, organizational and/or operational goals tailored to the individual's role within our company. In making its decision as to individual annual performance ratings, the compensation committee did not apply any particular weighting across the individual performance goals or relative to other considerations, nor did it require that the executive satisfy each of his goals.

Our CEO's performance goals were organized around four main themes: key organic growth targets (including budget targets, product and operation initiatives); liquidity, leverage and capital structure targets and initiatives; acquisition and disposition opportunities; and core initiatives for each functional group. These functional groups include accounting, regulatory, technology, human resources, strategy, investor relations, programming and board matters. In its evaluation of his 2014 performance, the compensation committee considered the various performance objectives that had been assigned to Mr. Fries and our company's accomplishments against those objectives. In this regard, the committee noted that our company had a number of significant performance accomplishments in 2014 under the leadership of Mr. Fries, including:

- completion of the acquisition of Ziggo;
- the launch of Horizon Go app and MyPrime video-streaming service in certain countries;
- added over 1,000,000 next generation video subscribers;
- the completion of key mobile virtual network operation agreements and launch of full MVNO mobile products in select countries, including Switzerland and the Netherlands;
- increased the top or lead internet speed in eight markets;
- refinanced a significant amount of debt during the year, which enabled us to extend the average life of our debt and lower our all-in-swapped borrowing costs; and
- the achievement of significant financial and operational performance metrics related to organic subscriber additions, OCF and adjusted free cash flow, property and equipment additions and equity repurchases.

In reviewing Mr. Fries' performance, the committee considered both what had been accomplished and how such accomplishments had been achieved. The compensation committee also considered Mr. Fries' responsibilities with respect to overall corporate policy-making and management, in-depth knowledge of our operations and finances, the regulatory and organizational complexities in which we compete, the increased size of our company, as well as his strong leadership capabilities in delivering key long-term strategic objectives in a challenging global economy, his handling of unanticipated additional responsibilities and keeping the board of directors informed during the year.

With respect to the individual performance of our other NEOs, the compensation committee reviewed their performance with our CEO, giving much deference to our CEO's evaluation of their performance against their respective 2014 performance goals and the resulting annual performance ratings. The members of the compensation committee also have frequent interaction with each of these executives at meetings of the board of directors and events planned for the directors, which interaction assists in informing their judgment. The individual performance goals for the other NEOs related to their respective functional or operational areas of responsibility.

Mr. Bracken's goals related to financial strategy, reducing financial risks, balance sheet efficiency, tax strategy, financial planning, development of content businesses, and group leadership and coordination with other functional groups.

Mr. Dvorak's goals related to financial reporting, internal audit and compliance, consolidation of financial systems, integration of acquired companies from a consolidation, financial reporting and accounting perspective, cross-training programs for the group and planning efforts for roll out of International Financial Reporting Standards for purposes of our U.K. statutory reporting requirements.

Mr. Hall's goals related to legal support for the Liberty Global board and its committes, SEC and regulatory compliance matters, development of a lawyer-specific leadership program and legal support for Liberty Global, including mergers, acquisitions and dispositions.

Mr. Karsten's goals related to his management of our European Broadband Operations division, including performance against financial and subscriber targets, group leadership and coordination with

executive offices, the integration of Ziggo, expansion of services to businesses, execution of new product and service initiatives, and development of marketing initiatives.

Mr. Nair's goals related to optimizing operational synergies across entities, a global procurement process for customer premises equipment, network operations, development and implementation of new technologies for our services, management of capital expenditures and video and wireless initiatives and information technology efficiencies. In each case, the compensation committee also considered how these goals were affected by the increased size and complexity of our company following the Virgin Media Acquisition and the Ziggo Acquisition.

Based on its evaluation of individual performance and its decisions with respect to the financial performance metrics, the compensation committee approved the payments to our Liberty Global Executive Officers with respect to their maximum achievable performance awards set forth in the table below. Percentages in the table represent percentages of the maximum achievable performance award.

2014 Annual Cash Performance Award

Name	Maximum Achievable Award	% Payout for Financial Performance (Revenue & OFCF)(60%)	% Payout for Individual Performance (40%)	Aggregate % of Maximum Award (100%)	Approved Award
Michael T. Fries	$8,000,000	96.8%	100.0%	98.1%	$7,846,000[(1)]
Charles H.R. Bracken	$2,500,000	96.8%	100.0%	98.1%	$2,452,000
Bernard G. Dvorak	$2,500,000	96.8%	100.0%	98.1%	$2,452,000
Bryan H. Hall	$2,500,000	96.8%	100.0%	98.1%	$2,452,000
Diederik Karsten	$2,500,000	96.8%	100.0%	98.1%	$2,452,000
Balan Nair	$2,500,000	96.8%	100.0%	98.1%	$2,452,000

(1) As required under the Fries Agreement, the award for Mr. Fries was determined and paid in December 2014 based on the compensation committee's review of our consolidated revenue and OFCF for 2014 to date, as well as the projected consolidated revenue and OFCF for the remaining period of 2014. The compensation committee approved a true-up payment of $224,000 when it determined the final awards in February 2015 for the other NEOs.

The amounts paid to our NEOs under the 2014 Annual Award Program are reflected in the Summary Compensation Table in paragraph 7.9 below under the "Non-Equity Incentive Plan Compensation" column.

7.6 Pensions and other benefits

(a) Liberty Global and its subsidiaries have accrued a total amount of $126.4 million to provide the following benefits:

(i) pensions;

(ii) retirement; or

(iii) similar benefits.

(b) We do not offer pensions and other personal benefits on a general basis to our Liberty Global Executive Officers. The personal benefits we have provided are limited in scope and fall into the following principal categories:

(i) limited personal use of our corporate aircraft;

(ii) an annual auto allowance or use of a company auto for Liberty Global's Executive Officers working in Europe;

(iii) an executive health plan; and

(iv) charitable giving by Liberty Global.

Under our aircraft policy, our CEO, other Liberty Global Executive Officers and certain senior officers, with our CEO's approval, may use our corporate aircraft for personal travel, subject to reimbursing us for the incremental costs incurred. During the negotiation of his employment agreement, the compensation committee agreed to increase the annual flight hours for Mr. Fries' personal use of our aircraft to 120 hours per year without cost reimbursement. Also under our aircraft policy, our CEO and, with his approval, our other Liberty Global Executive Officers and certain senior officers may have

family members or other personal guests accompany them on our corporate aircraft while traveling on business without reimbursing us for the incremental cost attributable to the personal guest.

The taxable income of an officer will include imputed income equal to the value of the personal use of our aircraft by him and by his personal guests determined using a method based on the Standard Industry Fare Level (SIFL) rates, as published by the U.S. Internal Revenue Service (IRS) (in the case of U.S. taxpayers), or based on the cost of the flight for personal use and based on the cost of a commercial ticket for guests (in the case of U.K. and Netherlands taxpayers). Income is imputed only to the extent that the value derived by such applicable method exceeds the amount the officer pays us for such personal use.

The methods we use to determine our incremental cost attributable to personal use of our corporate aircraft are described in the notes to the Summary Compensation table in paragraph 7.9 below.

For our management-level employees in the U.K., the Netherlands and certain other European countries, including two of our NEOs who work in these locations, we provide an annual auto allowance, with variations in the cost of providing this benefit based on the employee's position and location.

We also provide an executive health plan for our executive and senior officers to proactively manage and improve their health. The benefits of this program include a complete medical history review, annual physical examinations, comprehensive laboratory testing, diagnostic testing and consultations with specialists. In addition, we make available to members of our board, at their election, health insurance under our health insurance policies.

Our NEOs also participate in various benefit plans offered to all salaried employees in the applicable country of employment. Our CEO generally reviews and directs the charitable giving by our company.

(c) Under the Liberty Global 401(k) Savings and Stock Ownership Plan (the 401(k) Plan), participants may make contributions annually, subject to U.S. federal limits, and LGI makes a matching contribution equal to 100% of the participant's contribution up to the lesser of the federal limit on contributions or 10% of their cash compensation (excluding awards under Liberty Global's incentive plans). Voluntary catch-up contributions permitted under U.S. federal law for persons age 50 or older, however, are not matched. Mr. Fries, Bernard G. Dvorak and Balan Nair are fully vested in their respective 401(k) Plan accounts.

(d) Under the Liberty Global Group Pension Plan in the U.K., Liberty Global Europe Ltd. retains a plan provider that assists participating U.K. employees with establishing individual pension plans, which are defined contribution personal retirement savings plans. The employer then makes monthly contributions to each participant's pension plan equal to a percentage of the participant's monthly base salary, which varies based on age group. For Charles H.R. Bracken, the employer contribution is 9% of his base salary. The maximum employer contribution is 14% of base salary for employees over the age of 60. Participants are required to make a contribution of at least 3% of their base salary to their individual pension plans. The participant's contributions are not capped although the tax benefits to the participant are significantly less if such participant's annual contributions exceed £40,000 ($65,850) or a lifetime contribution in excess of £1.25 million ($2.1 million), as such limits may be changed by the U.K. government from time to time. Any employee contributions that exceed such limits are paid as a taxable pension allowance. Participating U.K. employees, including Charles H.R. Bracken, are fully vested in the employer contributions to their respective pension plans.

(e) The Dutch Liberty Global Pension Plan in the Netherlands is a defined contribution plan and Liberty Global B.V. (formerly known as Liberty Global Europe B.V.), retains an insurance company to execute the Dutch Liberty Global Pension Plan. This plan also includes a survivor's pension and insurance covering a waiver of premium payment into the plan in the case of disability. The employer makes a contribution to each participant's pension plan equal to a percentage of the participant's pensionable salary (annual base salary minus an offset), which varies based on age group. The employer also pays the contributions for the pension plan insurance. For Diederik Karsten, the employer contribution is 16.9% of his pensionable salary up to a maximum salary of €600,000 ($796,039). Participants are required to make a contribution of at least 3% of their pensionable base salary to their individual pension plans. Participating Netherlands employees, including Diederik Karsten, are fully vested in the employer contributions to their respective pension plans.

7.7 Deferred Compensation Plan

The Deferred Compensation Plan is available to the Liberty Global Executive Officers and other officers who are designated as participants by our compensation committee and who are also U.S. taxpayers.

Each designated participant may elect to defer all or any portion of his or her (1) annual cash performance award, (2) annual salary up to limits specified by the compensation committee (currently 90%), and (3) award, if any, under a current or future multi-year performance award arrangement. Initially cash compensation deferred under the Deferred Compensation Plan was credited with interest at the rate of 9% per year, compounded quarterly at the end of each calendar quarter (the credited interest fund). In setting the interest rate, our compensation committee reviewed data on the implied yields of our significant bank debt and outstanding bonds, as well as credit market conditions. The compensation committee reserved the right to change the interest rate in the future, provided that any decreases in the rate will apply only to deferred elections that become irrevocable after the new rate is set.

The Deferred Compensation Plan provides our compensation committee with the discretion to terminate the Deferred Compensation Plan within 12 months of certain change-in-control events and distribute each participant's account balance. Otherwise, the amount of compensation deferred will be distributed in a lump sum or in up to three installments upon the date or dates selected by the participant, or in up to five equal annual installments, or in a lump sum when the participant ceases to be an employee of our company. At the participant's request, if the compensation committee determines that such participant has suffered a financial hardship, it may authorize immediate distribution of all or a portion of his or her account balance. The compensation committee has reserved the right to terminate the Deferred Compensation Plan at any time. Such an optional termination will not result in accelerated distributions.

Of our Liberty Global Executive Officers, only Mr. Fries, Mr. Dvorak, Mr. Hall and Mr. Nair have deferred compensation under the Deferred Compensation Plan. The table below sets forth certain information concerning the deferred compensation of these officers at year end 2014.

Name	Aggregate Balance at Last FYE ($)
Michael T. Fries	4,295,538[1]
Bernard G. Dvorak	1,879,988[2]
Bryan H. Hall	486,842[3]
Balan Nair	1,560,778[4]

(1) Includes annual cash performance awards of $1,718,000 contributed in 2013 and $1,903,200 contributed in 2012.
(2) Includes salary of $450,575 contributed in 2013.
(3) Includes salary of $465,865 contributed in 2014.
(4) Includes salary of $139,388 and annual cash performance award of $228,100 each contributed in 2013.

7.8 Summary of Liberty Global Directors' Remuneration

(a) The following table summarizes the total remuneration received by Liberty Global Directors for the year ended December 31, 2014:

Name	Fees / Salary ($)		Taxable Benefits ($)(see below)	Annual Cash Performance Awards ($)[1]	Long-Term Performance Awards ($)[2]	SAR/ Option Awards ($)[3]	Commitment Bonus ($)[4]	Pension ($)[5]	Total ($)
Executive Liberty Global Director									
Michael T. Fries	1,863,462		1,231,800	7,846,000	107,429,966	8,292,888	5,000,000	—	131,664,116
Non-executive Liberty Global Directors									
Andrew J. Cole	115,000	(6)	421	—	—	43,063	—	—	158,484
John Cole, Jr.	121,000	(6)	319	—	—	120,090	—	—	241,409
Miranda Curtis	121,750	(6)	3,246	—	—	120,090	—	—	245,086
John Dick	123,250	(6)	33,073	—	—	120,090	—	—	276,413
Paul Gould	149,000	(6)(7)	18,003	—	—	120,090	—	—	287,093
Richard Green	114,250	(6)	303	—	—	120,090	—	—	234,643
John C. Malone	—	—	475,806	—	—	1,096,331	—	—	1,572,137
David Rapley	125,750	(7)	36,383	—	—	120,090	—	—	282,223
Larry E. Romrell	121,750		22,389	—	—	120,090	—	—	264,229
JC Sparkman	147,500		9,750	—	—	120,090	—	—	277,340
J. David Wargo	123,250	(6)(7)	22,112	—	—	120,090	—	—	265,452
Totals	**3,125,962**		**1,853,605**	**7,846,000**	**107,429,966**	**10,513,092**	**5,000,000**	**—**	**135,768,625**

Notes to the Liberty Global Directors' Compensation table above:

(1) The amount reflects the annual cash performance awards earned by Mr. Fries under the 2005 Incentive Plan for 2013 and under the 2014 Incentive Plan for 2014. For information regarding the operation of our annual cash performance awards, including the performance metrics and maximum achievable performance awards see paragraph 7.5 above. The non-executive directors do not receive annual cash performance awards.

(2) The amount reflects the value of PSUs with a performance period that ended on December 31, 2014 based on the actual number of PSUs earned and the closing price of the shares as reported by NASDAQ on December 31, 2014. The PSUs generally vest in the year following the end of the performance period as long as the CEO is employed by our company on the vesting date. The amount also includes the value of the CEO Performance Award with a performance award period that ended on December 31, 2014. These PSUs vest in three equal installments on March 15, 2015, 2016 and 2017. Liberty Global's non-executive directors do not participate in our long-term incentive programs.

(3) The amounts represent the intrinsic value for all SARs (i.e., the spread between the base price of the applicable SAR and the market price of the underlying shares on the respective vesting dates) or options that vested during 2014 as calculated based on the closing prices of our shares on the applicable vesting dates, as reported by NASDAQ. For our CEO, the amount consists solely of the aggregate value for all SARs that vested quarterly during the year. For our non-executive directors, the amounts consist of the value of shares received by such director upon the vesting of RSUs during the year and the value of options that vested annually during the year, added together. No value is included for vested RSUs where the director elected to defer receipt of the shares under the Deferred Compensation Plan. SAR awards for our CEO and RSU and option awards for our non-executive directors are not subject to performance measures but are time-vested only. We believe time-vested awards are appropriate in order to have our directors retain a long-term interest in our company. The value of the awards will move with our share prices, which provides incentive to deliver on our company's long-term strategic objectives and is in line with our shareholders' interests.

(4) Represents a commitment bonus paid to our CEO at the time the Fries Agreement was signed in April 2014 and as stated in the directors' compensation policy. It was not subject to any performance measures.

(5) We do not provide a pension or other defined benefit plan for our directors.

(6) Includes the dollar amount of fees paid in the Liberty Global Class A Shares and Liberty Global Class C Shares at the election of the director.

(7) The following table indicates the amount of fees included in the table that the directors listed have elected to defer in 2014 pursuant to the Deferred Compensation Plan. Such deferred amounts accrue interest at the rate of 9% per annum, compounded daily, until paid in full.

Non-Executive Director	Amount Deferred ($)
Paul A. Gould	77
David E. Rapley	110,000
J. David Wargo	98

(b) The following tables present the Liberty Global Directors' Taxable Benefits for the year ended December 31, 2014.

Taxable benefits provided to our executive director include the following:

Executive Director	Group Term Life Insurance ($)	Interest on Deferred Compensation ($)	Use of Company Plane & Sports Box($)	Executive Health Plan ($)	Professional Memberships & Fees ($)(1)	Gifts & Tax Gross-up ($)	Total ($)
Michael T. Fries	1,656	369,921	292,079	2,400	312,587	253,157	1,231,800

(1) As provided in the Fries Agreement, Mr. Fries' Professional Memberships & Fees include reimbursement for professional fees incurred in the preparation and negotiation of the Fries Agreement ($289,687).

Taxable benefits provided to our non-executive directors include the following:

Non-Executive Director	Interest on Deferred Compensation ($)	Entertainment & Travel Expenses ($)(1)	Miscellaneous Expenses ($)(2)	Use of Company Plane ($)	U.K. Group Health Insurance ($)	Gifts & Tax Gross-up ($)	Total ($)
Andrew J. Cole	—	—	—	—	—	421	421
John P. Cole, Jr.	—	—	—	—	—	319	319
Miranda Curtis	—	—	—	—	2,577	669	3,246
John W. Dick	—	1,522	—	28,661	2,577	313	33,073
Paul A. Gould	16,030	1,486	—	—	—	487	18,003
Richard R. Green	19	—	—	—	—	284	303
John C. Malone	—	1,486	425,000	48,850	—	470	475,806
David E. Rapley	33,650	2,180	—	—	—	553	36,383
Larry E. Romrell	—	9,636	—	12,185	—	568	22,389
JC Sparkman	—	—	—	9,324	—	426	9,750
J. David Wargo	10,229	11,348	—	—	—	535	22,112

(1) These expenses include travel and entertainment costs for spouses joining members of our board for board meetings.

(2) These expenses include reimbursement for personal expenses related to the ownership of our shares and Mr. Malone's services as chairman ($300,000) and the cost of a Hart Scott Rodino filing fee ($125,000).

(c) *Structure of CEO's compensation*

For the financial year ending December 31, 2015, the nominating and corporation governance committee with respect to our non-executive directors and the compensation committee with respect to Mr. Fries intend to apply our approved directors' compensation policy as described below.

(i) Salary

For the financial year ending December 31, 2015, the compensation committee increased Mr. Fries' salary by 2.5% to $2,050,000 in accordance with the directors' compensation policy. This salary became effective on April 1, 2015.

(ii) Benefits

Mr. Fries was eligible for participation in our aircraft policy, directors' and officers' insurance, indemnification (as provided in our Articles and a deed of indemnity between Liberty Global and Mr. Fries), gifts and for memberships in certain professional organizations. Mr. Fries was eligible for participation in other benefit plans and policies offered to salaried employees in the U.S., including life insurance, health insurance, executive health plan and gym facilities. We offer a deferred compensation policy that permitted Mr. Fries to defer payment of his salary and annual bonus. In addition, we will pay for expenses related to business travel in accordance with our business expense policy.

(iii) Annual Cash Performance Award

In March 2015, the compensation committee approved the individual performance goals and set the maximum achievable cash performance award for Mr. Fries. For 2015, the maximum achievable performance award for Mr. Fries was increased from $8.0 million to $8.5 million pursuant to the terms of the Fries Agreement and in accordance with the directors' compensation policy.

(iv) Equity Incentive Awards

Also, in March 2015, the compensation committee established a target annual equity value of $15.0 million for our CEO and approved a grant of 2015 PSUs for approximately two-thirds of that value. The remaining one-third of the value was a grant of SARs, which was expected to be made on or about May 1, 2015, when similar awards were made to officers and certain employees of our company. As the performance measure, the compensation committee selected growth in consolidated operating cash flow, as adjusted for events such as acquisitions, dispositions and changes in foreign currency exchange rates and accounting principles or policies that affect comparability, for the two-year performance period.

(d) *Structure of Existing Liberty Global Non-Executive Directors' compensation*

(i) The fees to be paid to the Existing Liberty Global Non-Executive Directors in 2015 remained as stated in our directors' compensation policy. Similarly, the non-executive directors received an equity award grant on the date of the 2015 annual general meeting of Liberty Global Shareholders (June 25, 2015), except in the case of our chairman, who received his grant of options at the time the CEO received his SAR award grant.

(ii) Liberty Global Directors are eligible for participation in our aircraft policy, directors' and officers' insurance, indemnification (as provided in our Articles and deeds of indemnity between Liberty Global and each Non-Executive Director), gifts and for memberships in certain professional organizations. We may also make available to the Existing Liberty Global Non-Executive Directors, when requested, health insurance under our health insurance policies. In accordance with our directors' compensation policy, we will reimburse our chairman for professional fees and other expenses incurred by him related to his ownership of our shares and in connection with his services as our chairman. For the Existing Liberty Global Non-Executive Directors, we offer a deferred compensation policy that permits our non-executive directors to defer payment of their fees and vesting of any RSUs. In addition, we will pay for expenses related to business travel, including guests when invited, in accordance with our business expense policy.

7.9 Summary of Liberty Global Executive Officers Compensation

(a) The following table sets out information concerning the compensation of the Liberty Global Executive Officers for fiscal year 2014. The values presented in the table do not always reflect the actual

compensation received by our executive officers during the relevant fiscal year. Amounts paid in British pounds sterling or Euros, as the case may be, have been converted into U.S. dollars based on the average exchange rate for the applicable year.

Name and Principal Position	Salary ($)	Bonus ($)	Stock Awards ($)[(1)]	Option Awards ($)[(2)]	Non- equity Incentive Plan Compensation ($)[(3)]	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)[(4)]	All Other Compensation ($)[(5)]	Total ($)
Michael T. Fries	1,863,462	5,000,000[(6)]	89,299,514	6,598,919	7,846,000	262,417	1,306,424	112,176,736
Charles H.R. Bracken	1,024,012[(7)]	—	3,209,838	1,714,165	2,452,000	—	127,315	8,527,330
Bernard G. Dvorak	931,731[(8)]	—	3,209,838	2,317,581	2,452,000	74,633	19,418	9,005,201
Bryan H. Hall	931,731[(9)]	—	2,568,003	1,759,565	2,452,000	15,273	19,418	7,745,990
Diederik Karsten	975,657[(10)]	—	3,209,838	1,714,165	2,452,000	—	184,558	8,536,218
Balan Nair	931,731	—	3,209,838	2,317,581	2,452,000	107,873	45,865	9,064,888

(1) The amounts shown in the "Stock Awards" column reflect the grant date fair value of each NEO's target 2014 PSUs determined in accordance with Topic 718 of the Financial Accounting Standards Board's Accounting Standards Codification ("FASB ASC 718"). The amounts shown for Mr. Fries reflect the grant date fair value of his target 2014 PSUs of $9,629,514, plus the grant date value for his CEO Performance Award of $79,670,000. The grant date fair value for the maximum achievable 2014 PSU awards (150% of target) would be $14,444,271 for Mr. Fries and $4,814,757 for each of the other NEOs. Earned 2014 PSU awards will vest, subject to forfeiture or acceleration under certain circumstances, in two equal installments on each of March 31, 2016 and September 30, 2016. The CEO Performance Award for Mr. Fries will vest in three equal annual installments on March 15 in 2015, 2016 and 2017.

(2) The amounts shown in the "Option Awards" column reflect the grant date fair value of SAR awards granted to our NEOs in 2014 determined in accordance with FASB ASC 718. The dollar amounts for the SAR awards exclude the impact of estimated forfeitures and assume a risk-free interest rate of 1.77%, a volatility rate of 28.7% and an expected term of 5.1 years with respect to Mr. Fries, Mr. Dvorak and Mr. Nair and a risk-free interest rate of 1.31%, a volatility rate of 26.2% and an expected term of 3.9 years with respect to Mr. Bracken and Mr. Karsten. Mr. Bracken, Mr. Dvorak, Mr. Karsten and Mr. Nair were each granted the same number of SAR awards in 2014. The differences in the grant date fair value of their SARs are attributable to the different valuation assumptions described above, which were applied based on their respective home countries. The SAR awards vest 12.5% on November 1, 2014 and thereafter in 14 equal quarterly installments commencing February 1, 2015, and have a seven year term.

(3) The dollar amounts in the "Non-Equity Incentive Plan Compensation" column reflect the annual cash performance awards earned by the NEOs under the Incentive Plan during the year. For 2014, the compensation committee determined the final award amounts at its February 18, 2015 meeting. Except with respect to Mr. Fries, the awards were paid out in March 2015. The award for Mr. Fries was determined and paid in December 2014 as required under the Fries Agreement with a true-up of $224,000 when the compensation committee determined the final awards in February 2015.

(4) The dollar amounts shown in the "Change in Pension Value and Nonqualified Deferred Compensation Earnings" column reflect the above-market value of accrued interest on compensation previously deferred by the applicable NEO under our Deferred Compensation Plan. The above-market value of accrued interest is that portion of the accrued interest equal to the amount that exceeds 120% of the applicable federal long-term rate (with compounding) at the time the interest rate under the Deferred Compensation Plan was set.

(5) The "All Other Compensation" column represents the amounts deriving from, amongst others, the following sources: (a) 401(k) Plan; (b) Liberty Global Group Pension Plan; (c) Dutch Liberty Global Pension Plan; and (d) annual auto allowance etc.

(6) Represents a $5.0 million commitment bonus paid to Mr. Fries at the time the Fries Agreement was signed in April 2014.

(7) Mr. Bracken received all or a portion of his salary, benefits and employee benefits in British pounds, which have been converted for this presentation to U.S. dollars based upon the average exchange rate in effect of 0.6074 for 2014.

(8) Amount includes $493,817 of Mr. Dvorak's salary, the payment of which Mr. Dvorak elected to defer pursuant to our Deferred Compensation Plan. Such deferred amount accrues interest at the rate of 9% per annum compounded daily until paid in full. The amount deferred, plus accrued interest, will be paid in four equal annual installments upon the earlier of Mr. Dvorak's separation of service or a change in control of Liberty Global.

(9) Amount includes $465,865 of Mr. Hall's salary, the payment of which Mr. Hall elected to defer pursuant to our Deferred Compensation Plan. Such deferred amount accrues interest at the rate of 9% per annum compounding daily until paid in full. The amount deferred, plus accrued interest, will be paid in three installments as follows: 50% in March 2015, 25% in March 2016 and 25% in March 2017 or earlier in full upon Mr. Hall's separation of service or a change in control of Liberty Global.

(10) Mr. Karsten received all or a portion of his salary, benefits and employee benefits in euros, which have been converted for this presentation to U.S. dollars based upon the average exchange rate in effect of 0.7537 for 2014.

(b) Awards for the financial year ended December 31, 2015

In March 2015, the compensation committee approved the grant of 2015 PSUs to our NEOs for two-thirds of their respective target annual equity values, which remained unchanged from 2014. As adjusted for the LiLAC Transaction, the 2015 PSUs are divided among our shares based on a ratio of 20 Liberty Global Shares, for every one LiLAC Share, with each group's shares further divided on a ratio of one Class A share for every two Class C shares. As the performance measure, the compensation committee again selected growth in consolidated OCF, as adjusted for events such as acquisitions, dispositions and changes in foreign currency exchange rates and accounting principles or policies that affect comparability. The target OCF CAGR selected by the committee was based upon a comparison of our 2014 actual results to those reflected in our long-range plan for 2016. The target OCF CAGR is subject to upward or downward adjustment for certain events in accordance with the terms of the grant agreement. The design of the 2015 PSU awards is substantially the same as the design of the 2014 PSU awards described above.

7.10 **Existing Liberty Global Directors' service agreements**

(a) Mr. Fries

Mr. Fries is the only member of our board who is also a member of the executive management team.

The Fries Agreement became effective on April 30, 2014 and has an initial five-year term ending on April 30, 2019. After the initial term, the Fries Agreement automatically renews for successive one-year terms unless either party provides at least 180 days written notice to the other party of its intention not to renew the term. Notwithstanding the foregoing, the Fries Agreement and Mr. Fries' employment may be terminated by either party at any time during the initial five-year term or a renewal term.

Mr. Fries received a cash bonus of $5.0 million within ten days of signing the Fries Agreement. Also, upon signing the Fries Agreement, Mr. Fries received the CEO Performance Award. The CEO Performance Award was subject to the achievement of a performance condition measured in 2014 substantially similar to the performance condition established for the 2014 Annual Award Program, except the performance period was for the nine-month period commencing on April 1, 2014. In December 2014, the compensation committee determined the performance condition had been met and the CEO Performance Award was converted to time-vested RSUs, which vest over a three-year service period.

Mr. Fries' maximum annual cash performance award opportunity for 2014 of $8.0 million will increase by $500,000 each year, provided that no increase is required if the base performance objective applicable to Mr. Fries' annual cash performance award is not achieved in the previous year. There is no guaranteed amount of the annual cash performance award. The actual amount paid to Mr. Fries will depend on the achievement of qualitative and quantitative performance objectives, which will be determined each year by the compensation committee.

During the term of the Fries Agreement, Mr. Fries will participate in our company's equity compensation programs on the same basis as other executives of our company. Pursuant to these programs, Mr. Fries will be entitled to receive grants of the Annual Equity Awards. The Annual Equity Awards granted to Mr. Fries may be in the form of PSUs, SARs or other forms of equity as determined by the compensation committee, with the terms and conditions substantially the same as those for our other Liberty Global Executive Officers. The target value of these Annual Equity Awards is intended to be based on the target value for similar awards in 2014 and will be increased each year (beginning in 2016) by $2.5 million. The compensation committee may, however, determine the actual target value of Annual Equity Awards each year in its sole discretion and may reduce this amount subject to the terms of the Fries Agreement.

In addition to participating in U.S. employee benefit plans and arrangements sponsored by our company for the benefit of its senior executive group, Mr. Fries is entitled to use our company's aircraft for up to 120 hours of personal use per year, in accordance with the terms of an aircraft time sharing agreement with our company. In addition, our company agreed to pay all reasonable legal fees and expenses incurred by Mr. Fries in connection with the negotiation and execution of the Fries Agreement.

If Mr. Fries' employment is terminated as a result of his death or disability (as defined in the Fries Agreement), Mr. Fries or his heirs, as applicable, will be entitled to receive Accrued Benefits. In addition, (a) our company will pay Mr. Fries or his heirs, as applicable, the Pro-Rata Bonus; (b) any options, SARs or other non-performance based awards will fully vest, with options and SARs remaining exercisable until the earlier of three years from Mr. Fries' termination or the original expiration of such award; (c) if Mr. Fries' termination is during a performance period with respect to any PSU (or other performance based award) that were granted as part of an Annual Equity Award, Mr. Fries will be entitled to a pro-rata amount of such awards based on performance through the end of the year of Mr. Fries' termination and (d) Mr. Fries' family may elect to continue to receive coverage under our company's group health benefits plan subject to the terms of such plan or receive COBRA continuation of the group health benefits with premiums paid or reimbursed by our company.

If Mr. Fries' employment is terminated for cause (as defined in the Fries Agreement) or he resigns (other than for good reason (as defined in the Fries Agreement)), he will be entitled to receive the Accrued Benefits and Mr. Fries will not be entitled to any other amounts under the Fries Agreement.

If Mr. Fries' employment is involuntarily terminated by our company without cause, or if Mr. Fries voluntarily terminates his employment for good reason, Mr. Fries will be entitled to receive: (1) the

Accrued Benefits; (2) an amount equal to the Pro-Rata Bonus, subject to achievement of the applicable performance metric; (3) an amount equal to one-twelfth (1/12) of the average annual base salary Mr. Fries was earning in the calendar year of the termination and the immediately preceding calendar year, multiplied by the applicable number of months in the period of 24 months commencing on the termination of Mr. Fries' employment (the "**Severance Period**"), which amount shall be paid in substantially equal payments over the course of the Severance Period in accordance with our company's normal payroll practices during such period; and (4) an amount equal to one-twelfth (1/12) of the average annual cash performance award paid to Mr. Fries for the immediately preceding two years (regardless when paid), multiplied by the number of months in the Severance Period, which amount shall be paid in substantially equal payments over the course of the Severance Period in accordance with our company's normal payroll practices during such period. In addition, any options, SARs or other non-performance based awards will fully vest, with options and SARs remaining exercisable until the earlier of three years from Mr. Fries' termination or the original expiration of such award, other non-performance based awards and the CEO Performance Award (to the extent the performance conditions are satisfied) shall be accelerated and settled, and Mr. Fries and his family may elect to continue to receive coverage under our company's group health benefits plan subject to the terms of such plan or receive COBRA continuation of the group health benefits previously provided to Mr. Fries and his family with premiums paid or reimbursed by our company.

If Mr. Fries' employment is involuntarily terminated by our company without cause, or if Mr. Fries voluntarily terminates his employment for good reason, Mr. Fries shall also continue to earn each of the outstanding PSUs or other performance based awards that were granted as part of an Annual Equity Award, if and to the extent the performance metrics are satisfied during the applicable performance period, based upon actual performance through the end of the applicable performance period, as certified by the compensation committee, as if Mr. Fries' employment had not terminated. If the termination is prior to the grant date for all Annual Equity Awards that would have been granted during the initial term (or applicable renewal term) in which Mr. Fries' termination took place, then our company shall pay to Mr. Fries additional amounts equal to the Applicable Percentage of the target value of the Annual Equity Awards that would have been made during such term, with lump sum cash payments being made in the first 90 days of the applicable grant years.

If Mr. Fries' employment is involuntarily terminated by our company without cause or if Mr. Fries voluntarily terminates his employment for good reason and the termination is prior to the grant date for all Annual Equity Awards that would have been granted during the initial term (or applicable renewal term) in which Mr. Fries' termination took place, then in respect of options, SARs or other share-based appreciation awards (other than PSUs or other full value equity awards, the treatment of which under these circumstances is described above) that would have been granted, our company will be obliged to pay to Mr. Fries, on each date such awards would have vested and based on certain assumptions included in the Fries Agreement.

If Mr. Fries remains employed by our company (or our company's successor) for 12 months following a change in control (as defined in the Fries Agreement), or is involuntarily terminated by our company without cause or voluntarily terminates for good reason prior to such time, then the outstanding PSUs (for which the performance period has not expired) and the unvested SARs will become fully vested as of the first anniversary of the change in control (or earlier date of termination or resignation), with outstanding PSUs deemed to be earned at the maximum level. If Mr. Fries' employment is involuntarily terminated by our company without cause or if Mr. Fries voluntarily terminates his employment for good reason, either of which occurs within 13 months following a change in control, then Mr. Fries shall be treated as if his employment was terminated without cause or for good reason except that the Severance Period shall be the lesser of: (1) 36 months; or (2) the number of full calendar months remaining until the expiration of the initial term (or applicable renewal term) of the Fries Agreement in which Mr. Fries' termination took place; provided that in no event shall the Severance Period be less than 24 months.

Pursuant to the Fries Agreement, Mr. Fries is subject to customary restrictive covenants, including those relating to non-solicitation, non-interference, non-competition and confidentiality, during the term of the Fries Agreement and, depending on the circumstances of termination, for a period of up to two years thereafter.

Mr. Fries has agreed to waive any rights he would have under any agreement to a gross-up for any taxes associated with a parachute payment.

7.11 **Existing Liberty Global Non-Executive Directors' letters of appointment**

None of the Existing Liberty Global Non-Executive Directors has entered into a letter of appointment with our company. Each Liberty Global Director, including each Existing Liberty Global Non-Executive Director, is party to a deed of indemnity with our company. Other than the Fries Agreement described above, there are no service contracts between our company or any of our subsidiaries and any of the Liberty Global Directors which provide for benefits upon termination of employment. Charles H.R. Bracken and Diederik Karsten, two of our NEOs, have entered into agreements with Liberty Global Europe Ltd and Liberty Global B.V., (formerly known as Liberty Global Europe B.V.), respectively, which provide for benefits upon termination of their employment.

8. **Liberty Global Directorships and partnerships**

Save as set out below, the Liberty Global Directors have not held any directorships of any company, other than those companies which are subsidiaries of Liberty Global, or been a partner in a partnership at any time in the five years prior to the publication date of this Prospectus:

Liberty Global Director	Current directorships/partnerships	Former directorships/partnership
John C. Malone	Cable Television Laboratories, Inc. Charter Communications, Inc. Discovery Communications, Inc. Expedia, Inc. Liberty Interactive Corporation Liberty Broadband Corporation Liberty Media Corporation Liberty TripAdvisor Holdings, Inc. Lions Gate Entertainment Corp.	Ascent Capital Group, Inc. Live Nation Entertainment, Inc. Sirius XM Radio, Inc.
Andrew J. Cole	Arundel Capital Glow Financial Services Ltd.	Virgin Media Inc.
John P. Cole, Jr.		
Miranda Curtis	Marks & Spencer plc Waterstones Booksellers Ltd	National Express Group plc
John W. Dick	O3B Networks Limited	
Michael T. Fries	Cable Television Laboratories, Inc. Grupo Televisa S.A.B. Lions Gate Enterntaiment Corp. The Cable Center	
Paul A. Gould	Ampco-Pittsburgh Corporation Discovery Communications, Inc. O3B Networks Limited	
Richard R. Green	Jones/NCTI Liberty Broadband Corporation Shaw Communications, Inc. The Cable Center	
David E. Rapley	Liberty Media Corporation Liberty Interactive Corporation	Merrick & Co. Merrick Canada ULC
Larry E. Romrell	Liberty TripAdvisor Holdings, Inc. Liberty Media Corporation Liberty Interactive Corporation	
JC Sparkman	Shaw Communications, Inc. Universal Electronics, Inc.	
J. David Wargo	Discovery Communications, Inc. Liberty TripAdvisor Holdings, Inc. Strayer Education, Inc. Wargo & Company, Inc. Liberty Broadband Corporation	

9. Liberty Global Directors' and Executive Officers' interests

9.1 The total interests of the Liberty Global Directors and Executive Officers in the Liberty Global Shares and LiLAC Shares as at March 18, 2016 are set out in the following table. The table does not take account of any outstanding RSUs, PSUs and Stock Options or SARs with respect to the Liberty Global Shares or the LiLAC Shares, which are detailed in the table at paragraph 9.2 below.

	Amount and nature of beneficial ownership					
Liberty Global Directors and Executive Officers	**Liberty Global Class A Shares (% of Class if more than 1%)**	**Liberty Global Class B Shares (% of Class if more than 1%)**	**Liberty Global Class C Shares (% of Class if more than 1%)**	**LiLAC Class A Shares (% of Class if more than 1%)**	**LiLAC Class B Shares (% of Class if more than 1%)**	**LiLAC Class C Shares (% of Class if more than 1%)**
John C. Malone (Chairman)	1,042,480[(1)]	8,677,225[(2)] 82.9%	11,933,461[(1)(2)(3)] 2.1%	52,123[(1)]	433,861[(2)] 82.9%	636,472[(1)(2)(3)] 2.1%
Andrew J. Cole (Liberty Global Director)	19,426	N/A	19,426	954	N/A	2,343
John P. Cole, Jr. (Liberty Global Director)	10,698	N/A	42,851	513	N/A	2,102
Miranda Curtis (Liberty Global Director)	129,471	N/A	381,237	6,410	N/A	18,869
John W. Dick (Liberty Global Director)	16,927	N/A	43,672	825	N/A	2,143
Michael T. Fries (President, Chief Executive Officer and Liberty Global Director)	413,195	666,666 6.4%	1,025,740	35,965	33,332 6.4%	51,283
Paul A. Gould (Liberty Global Director)	208,894	51,429	945,459	10,435	2,571	47,249
Richard R. Green (Liberty Global Director)	5,339	N/A	11,537	252	N/A	917
David E. Rapley (Liberty Global Director)	2,785	N/A	16,622	138	N/A	982
Larry E. Romrell (Liberty Global Director)	24,488	N/A	59,295	1,223	N/A	3,067
JC Sparkman (Liberty Global Director)	11,262	N/A	23,425	562	N/A	1,199
J. David Wargo (Liberty Global Director)	14,402[(4)]	N/A	43,508[(4)]	715[(4)]	N/A	2,167
Charles H.R. Bracken (Executive Vice President and Co-Chief Financial Officer)	N/A	N/A	N/A	256	N/A	768
Bernard G. Dvorak (Executive Vice President and Co-Chief Financial Officer)	23,039[(5)]	N/A	354,398[(5)]	1,126[(5)]	N/A	17,890[(5)]
Bryan H. Hall (Executive Vice President, Secretary and General Counsel)	18,425	N/A	78,045	1,019	N/A	3,897
Diederik Karsten (Executive Vice President and Chief Commercial Officer)	13,203	N/A	59,610	659	N/A	2,978
Balan Nair (Executive Vice President and Chief Technology Officer)	71,294	N/A	291,101	3,562	N/A	14,540

(1) Based on information available to Liberty Global, including the Schedule 13D/A (Amendment No. 8) of Mr. Malone filed with the SEC on November 19, 2015, includes (a) 90,303 Liberty Global Class A Shares, (b) 680,041 Liberty Global Class C Shares, (c) 4,515 LiLAC Class A Shares and (d) 34,002 LiLAC Class C Shares held by Mr. Malone's wife, Mrs. Leslie Malone, as to which Shares Mr. Malone disclaims beneficial ownership.

(2) Based on information available to Liberty Global, including the Schedule 13D/A (Amendment No. 8) of Mr. Malone filed with the SEC on November 19, 2015, includes (a) 8,677,225 Liberty Global Class B Shares, (b) 433,861 LiLAC Class B Shares, (c) 7,117,225 Liberty Global Class C Shares and (d) 375,861 LiLAC Class C Shares held by a trust with respect to which Mr. Malone is a co-trustee and, with his wife, retains a unitrust interest in the trust (which we refer to as the Malone Trust).

(3) Includes 2,200,000 Liberty Global Class C Shares and 110,000 LiLAC Class C Shares subject to a long-dated post-paid variable forward sale contract with an unaffiliated counterparty, divided into 20 components of 110,000 Liberty Global Class C Shares and 5,500 LiLAC Class C Shares, each. The components mature on sequential trading days beginning on August 17, 2017 and ending on September 14, 2017.

(4) Includes 32 Liberty Global Class C Shares and one LiLAC Class C Shares held by Mr. Wargo's spouse, as to which Mr. Wargo has disclaimed beneficial ownership. Also includes 158 Liberty Global Class A Shares, 556 Liberty Global Class C Shares, seven LiLAC Class A Shares and 26 LiLAC Class C Shares held in various accounts managed by Mr. Wargo as to which shares Mr. Wargo has disclaimed beneficial ownership.

(5) Includes the following securities held by Mr. Dvorak's spouse, as to which Mr. Dvorak has disclaimed beneficial ownership: (a) 5,303 Liberty Global Class A Shares, 96,812 Liberty Global Class C Shares, 243 LiLAC Class A Shares and 4,782 LiLAC Class C Shares; and (b) 1,551 Liberty Global Class A Shares, 14,328 Liberty Global Class C Shares, 77 LiLAC Class A Shares and 707 LiLAC Class C Shares held in the 401(k) Plan.

9.2 As at March 18, 2016, the Liberty Global Directors and Executive Officers had the outstanding awards over Liberty Global Shares and LiLAC Shares set out in the following table. The awards include stock options, SARs, RSUs and PSUs and are generally subject to time and/or performance vesting criteria. For more details regarding the terms of outstanding awards see paragraph 7.3 and 7.4 above.

		Awards Granted to Liberty Global Directors and Executive Officers Number of Shares over which Awards are Outstanding					
Liberty Global Directors and Executive Officers	**Type of Award**	**Liberty Global Class A Shares**	**Liberty Global Class B Shares**	**Liberty Global Class C Shares**	**LiLAC Class A Shares**	**LiLAC Class B Shares**	**LiLAC Class C Shares**
John C. Malone (Chairman)	Options/SARs	53,239	N/A	113,945	2,664	N/A	5,735
Andrew J. Cole (Liberty Global Director)	Options/SARs	14,653	N/A	34,526	731	N/A	1,723
John P. Cole, Jr. (Liberty Global Director)	Options/SARs	55,916	N/A	157,981	2,790	N/A	7,889
Miranda Curtis (Liberty Global Director)	Options/SARs	20,639	N/A	52,625	1,029	N/A	2,625
John W. Dick (Liberty Global Director)	Options/SARs	52,142	N/A	157,160	2,602	N/A	7,848
Michael T. Fries (President, Chief Executive Officer and Liberty Global Director)	Options/SARs	1,538,583	N/A	4,241,315	76,931	N/A	212,257
	RSUs	414,427	333,334	162,185	20,721	16,667	8,109
	PSUs	292,364	N/A	584,728	14,617	N/A	29,235
Paul A. Gould (Liberty Global Director)	Options/SARs	50,665	N/A	142,301	2,529	N/A	7,105
Richard R. Green (Liberty Global Director)	Options/SARs	41,639	N/A	115,348	2,078	N/A	5,759
David E. Rapley (Liberty Global Director)	Options/SARs	17,161	N/A	47,237	854	N/A	2,356
	RSUs	579	N/A	1,158	28	N/A	57
Larry E. Romrell (Liberty Global Director)	Options/SARs	17,831	N/A	44,209	888	N/A	2,204
JC Sparkman (Liberty Global Director)	Options/SARs	40,406	N/A	116,656	2,015	N/A	5,825
	RSUS	579	N/A	1,158	28	N/A	57
J. David Wargo (Liberty Global Director)	Options/SARs	61,167	N/A	173,662	3,053	N/A	8,673
Charles H.R. Bracken (Executive Vice President and Co-Chief Financial Officer)	Options/SARs	367,812	N/A	1,106,481	20,499	N/A	55,391
	RSUs	27,031	N/A	54,062	1,351	N/A	2,703
	PSUs	82,308	N/A	164,616	4,115	N/A	8,231
Bernard G. Dvorak (Executive Vice President and Co-Chief Financial Officer)	Options/SARs	472,404	N/A	1,293,003	23,621	N/A	64,716
	RSUs	27,031	N/A	54,062	1,351	N/A	2,703
	PSUs	82,308	N/A	164,616	4,115	N/A	8,231
Bryan H. Hall (Executive Vice President, Secretary and General Counsel)	Options/SARs	334,838	N/A	905,704	16,743	N/A	45,339
	RSUs	21,627	N/A	43,250	1,081	N/A	2,162
	PSUs	65,846	N/A	131,692	3,292	N/A	6,585
Diederik Karsten (Executive Vice President and Chief Commercial Officer)	Options/SARs	444,898	N/A	1,210,857	22,245	N/A	60,607
	RSUs	27,031	N/A	54,062	1,351	N/A	2,703
	PSUs	82,308	N/A	164,616	4,115	N/A	8,231
Balan Nair (Executive Vice President and Chief Technology Officer)	Options/SARs	436,715	N/A	1,186,418	21,837	N/A	59,387
	RSUs	27,031	N/A	54,062	1,351	N/A	2,703
	PSUs	82,308	N/A	164,616	4,115	N/A	8,231

9.3 ***Share Ownership Policy***

Our compensation committee has established the Executive Share Ownership Policy for the Liberty Global Executive Officers and other senior officers. The purpose of the Executive Share Ownership Policy is to ensure that such officers have a significant stake in our long-term success. As a result, the compensation committee established guidelines for ownership of our ordinary shares based on an individual's level in our company and expressed as a multiple of base salary as follows:

Position	**Guideline**
Chief Executive Officer	5 times base
Executive Vice Presidents, including Co-Chief Financial Officers	4 times base
All Senior Vice Presidents and President of Liberty Global Latin America division	3 times base

Liberty Global Executive Officers and senior officers, who were subject to the policy at the time of adoption, were expected to be in compliance with the ownership guidelines within two years of the policy's effective date. New executive and senior officers must be in compliance within four years of the date they become subject to the policy. In calculating the value of ordinary shares owned by a Liberty Global Executive Officer or other senior officer, the policy includes the value of ordinary shares owned jointly with and separately by the relevant officer's spouse and minor children, 50% of the value of vested ordinary shares held in the officer's account in the 401(k) Plan, and 50% of the in-the-money value of vested options and SARs. As of December 31, 2014, the value of the ordinary shares owned by Mr. Fries, as calculated in accordance with the policy, significantly exceeded five times his base salary. In addition, at such date, our other NEOs, except Mr. Bracken, were in compliance with the terms of the policy. Although Mr. Bracken was not in compliance at such date, he was back in compliance in early 2015.

10. **Employees**

10.1 Details of arrangements for involving employees in the capital of our company are set out above in section 7.4 of this Part IX under "*Liberty Global Incentive Plans*".

10.2 We, including our consolidated subsidiaries, had an aggregate of approximately 37,000 full-time equivalent employees as of December 31, 2015, and 38,000 full-time equivalent employees as of the date of this Prospectus in each case, certain of whom belong to organized unions and works councils. Certain of our subsidiaries also use contract and temporary employees, which are not included in these numbers, for various projects. In addition, the Virgin Media Acquisition resulted in a material increase of approximately 13,000 full-time equivalent employees. We believe that our employee relations are good.

PART X

INFORMATION ON NEW SHARES

1. **Introduction to Liberty Global Shares and LiLAC Shares**

The Liberty Global Shares and the LiLAC Shares are tracking shares. Tracking shares are intended by the issuing company to reflect or "track" the economic performance of a particular business or "group" rather than the economic performance of the company as a whole. The Liberty Global Shares are intended to track the economic performance of the Liberty Global Group. The LiLAC Shares are intended to track the economic performance of the LiLAC Group.

The "LiLAC Group" comprises our businesses, assets and liabilities in Latin America and the Caribbean.

The "Liberty Global Group" comprises our businesses, assets and liabilities not attributed to the LiLAC Group.

Holders of Liberty Global Shares and LiLAC Shares have no direct claim to either group's assets and neither group is represented by separate boards of directors. Holders of Liberty Global Shares and the LiLAC Shares are shareholders of Liberty Global, with a single board of directors, and are subject to all of the risks and liabilities of Liberty Global.

Holders of Liberty Global Shares, LiLAC Shares and any other form of Liberty Global capital share designated as ordinary shares from time to time will continue to be subject to risks associated with an investment in Liberty Global as a whole, even if a holder does not own both Liberty Global Shares and LiLAC Shares.

2. **Summary of the rights, preferences and restrictions of the Liberty Global Shares and LiLAC Shares**

2.1 Further details on the rights attaching to the Liberty Global Shares and LiLAC Shares, including to Classes A and C for each of the Liberty Global Shares and LiLAC Shares, are set out below; however, a brief summary of certain rights attaching to Liberty Global Shares and the LiLAC Shares generally is as follows:

(a) dividends may be paid in respect of Liberty Global Shares and/or LiLAC Shares, in equal or unequal amounts;

(b) on distributions of securities of another corporation to holders of LiLAC Shares, any LiLAC Shares may be redesignated as deferred shares following such distribution;

(c) holders of LiLAC Shares have certain rights on a LiLAC Group disposition which will not directly affect the holders of Liberty Global Shares;

(d) our board of directors can determine to redesignate all LiLAC Shares of each class into shares of the corresponding class of Liberty Global Shares at a ratio determined based on the relative trading prices of Liberty Global Class C Shares and LiLAC Class C Shares over a specified trading period preceding the date of determination; and

(e) LiLAC Class A Shares and LiLAC Class B Shares will form a single voting class with Liberty Global Class A Shares and Liberty Global Class B Shares for most ordinary business of the company. Liberty Global Class C Shares and LiLAC Class C Shares are non-voting.

2.2 Basic Investment

Liberty Global Shares are intended to reflect the performance of all of our businesses other than those attributed to the LiLAC Group.

LiLAC Shares are intended to reflect the separate economic performance of the businesses, assets and liabilities to be attributed to the LiLAC Group. The LiLAC Group comprises our businesses, assets and liabilities in Latin America and the Caribbean and has attributed to it (1) VTR Finance and its subsidiaries, which include VTR, (2) Lila Chile Holding B.V., which is the parent entity of VTR Finance, (3) LiLAC Holdings and its subsidiaries, which include Liberty Puerto Rico, (4) LGE Coral Holdco Limited and its subsidiary, which were formed in anticipation of the acquisition of CWC, and (5) prior to July 1, 2015, the costs associated with certain corporate employees of Liberty Global that are exclusively focused on the management of the LiLAC Group, the LiLAC Corporate Costs. Effective July 1, 2015, these corporate employees were transferred to LiLAC Holdings. The Liberty Global Group comprises our businesses, assets and liabilities not attributed to the LiLAC Group, including Virgin Media, Ziggo Group Holding, Unitymedia, Telenet and UPC Holding, including our DTH operations based in Luxembourg, our corporate entities (excluding the LiLAC Corporate Costs) and certain other less significant entities. The LiLAC Group

will also include such other of our businesses, assets and liabilities that our board of directors may in the future determine to attribute to the LiLAC Group, including businesses that may be acquired in the future and attributed to the LiLAC Group.

Determinations made by our board of directors with respect to the attribution between the two groups will be final and binding on all shareholders of the company.

We cannot assure you that the market value of the LiLAC Shares will in fact reflect the performance of the LiLAC Group as we intend. Holders of LiLAC Shares, just like holders of Liberty Global Shares, will be holders of ordinary shares in our company and, as such, will be subject to all risks associated with an investment in Liberty Global and all of its businesses, assets and liabilities. In addition, we could determine to pursue future business opportunities in Latin America, Europe or elsewhere in the world through one group instead of the other group, or jointly through both groups.

Our Articles contemplate that from time to time the Liberty Global Group may be treated as holding a notional inter-group interest in the LiLAC Group in accordance with our management and allocation policies. Inter-group interests are not represented by any shares or securities, but rather may have a value attributed to them for certain accounting purposes in connection with the transfer of value between the two groups. If an inter-group interest is recognized, we may reflect the effective economic consequences for shareholders of the events or transactions giving rise to such interest in a manner similar to the equity method of accounting by including appropriate adjustments in the relevant group accounts, as further described in Part XI (*Additional Information*) – *Management and Allocation Policies – Intercompany Transactions – Inter-Group Interests*.

2.3 Dividends

(a) Sources of Dividends

As is the case for dividends payable in respect of Liberty Global Shares, our company cannot under English law pay dividends in respect of the LiLAC Shares unless Liberty Global has sufficient available distributable reserves (defined as accumulated, realized profits less accumulated, realized losses) to do so and the assets of our company are not, and following the dividend will not be, less than the aggregate of its issued and called-up share capital and undistributable reserves.

In addition to these English law restrictions, pursuant to the dividend policy set forth in the management and allocation policies, our board of directors will not approve any cash dividend in respect of the Liberty Global Shares or the LiLAC Shares unless the amount of dividend to be paid does not exceed either (i) an amount equal to the net assets of the Liberty Global Group or the LiLAC Group, as applicable, over the nominal value of our shares attributable to the relevant group or (ii) if there is no such excess, an amount equal to our company's net earnings that are attributable to the Liberty Global Group or the LiLAC Group, as applicable, for the fiscal year in which such date occurs and/or the preceding fiscal year, as further described in Part XI (*Additional Information*) – *Management and Allocation Policies – Equity Issuances and Repurchases and Dividend Policy*.

(b) Declaration of Dividends

We have never paid cash dividends on any class of our ordinary shares, and we do not expect to pay cash dividends on any class of our ordinary shares in the future, including the LiLAC Shares, in the foreseeable future because we expect to retain future earnings for use in the operation and expansion of our business and for share repurchases.

Under our Articles, following the recommendation of the board of directors, the shareholders may declare dividends by ordinary resolution, except that no dividend may exceed the amount recommended by our board of directors. Furthermore, our Articles also provide that a general meeting declaring a dividend may, upon recommendation by our board of directors, direct by ordinary resolution that the dividend shall be satisfied wholly or partly by the distribution of assets, including (without limitation) paid up shares or debentures of another corporation. Moreover, under our Articles, our directors are authorized to declare interim dividends (including wholly or partly by the distribution of assets) if our board of directors considers that they are justified by the profits of Liberty Global available for distribution.

Under our Articles, each class of Liberty Global Shares ranks equally in the capital of the company with all other classes of Liberty Global Shares for any dividend declared or in respect of the capitalization of profits, in favor of the Liberty Global Shares. Our Articles also contain a corresponding provision with respect to the LiLAC Shares.

Under our Articles, the provisions with respect to the declaration of dividends summarized above are supplemented by a provision permitting dividends to be declared and paid, including, without limitation, dividends consisting of securities of another corporation, in favor of Liberty Global Shares and LiLAC Shares, in equal or unequal amounts, or only in favor of the Liberty Global Shares or the LiLAC Shares. The proportion of securities of another corporation to be distributed may be determined by our board of directors in its discretion to take into account such things as it deems relevant, including any inter-group interests determined in good faith in accordance with our management and allocation policies, which determination will be final and binding on all shareholders of the company.

The provisions of our Articles relating to dividends are subject to specific provisions relating to dividends paid in securities of another corporation described under paragraph (c) below.

(c) Securities Distributions

Dividends paid in securities of another corporation are subject to the provisions governing dividends generally, as described above.

In addition, under our Articles, if a distribution includes securities issued by another corporation, unless otherwise recommended by three-quarters of our board of directors and approved by an ordinary resolution of the Liberty Global Voting Shares, voting together as a single class, these securities must be distributed on the basis that:

(i) the holders of Liberty Global Class A Shares, Liberty Global Class B Shares and Liberty Global Class C Shares receive the identical class of securities, on an equal per share basis; or

(ii) the holders of Liberty Global Class A Shares, Liberty Global Class B Shares and Liberty Global Class C Shares each receive a different class of securities or the holders of one or more classes of ordinary shares receives a different class of securities than the holders of all other classes of ordinary shares (in which cases: (i) the holders of Liberty Global Class B Shares shall receive the securities having higher value voting rights and the holders of Liberty Global Class A Shares and Liberty Global Class C Shares will receive the securities having lower value voting rights, and (ii) if different classes of securities are being distributed to holders of the Liberty Global Class A Shares and the Liberty Global Class C Shares, then such securities shall be distributed either as determined by our board of directors or such that the relative voting rights of the class of securities to be received by the holders of Liberty Global Class A Shares and Liberty Global Class C Shares corresponds, to the extent practicable, to the relative voting rights of each such class of shares), on an equal per share basis.

In the case of such a distribution of securities to the holders of LiLAC Shares, our Articles provide that unless otherwise recommended by three-quarters of our board of directors and approved by an ordinary resolution of holders of the LiLAC Voting Shares, voting together as a single class, the relevant securities must be distributed on the basis that:

(i) the holders of LiLAC Class A Shares, LiLAC Class B Shares, and LiLAC Class C Shares receive the identical class of securities, on an equal per share basis; or

(ii) the holders of LiLAC Class A Shares, LiLAC Class B Shares, and LiLAC Class C Shares each receive a different class of securities or the holders of one or more classes of LiLAC Shares receives a different class of securities than the holders of all other classes of LiLAC Shares (in which cases: (i) the holders of LiLAC Class B Shares shall receive the securities having higher value voting rights and the holders of LiLAC Class A Shares and LiLAC Class C Shares will receive the securities having lower value voting rights, and (ii) if different classes of securities are being distributed to holders of the LiLAC Class A Shares and the LiLAC Class C Shares, then such securities shall be distributed either as determined by our board of directors or such that the relative voting rights of the class of securities to be received by the holders of LiLAC Class A Shares and LiLAC Class C Shares corresponds, to the extent practicable, to the relative voting rights of each such class of shares), on an equal per share basis.

(d) Reduction in Number of LiLAC Shares in Connection with Distribution of Securities of Another Corporation

In connection with a distribution of securities of another corporation to holders of LiLAC Shares, the number of LiLAC Shares outstanding may be reduced, taking into account any inter-group interest and such other adjustments as our board determines are necessary, which determination will be final and

binding on all shareholders, by redesignating a number of LiLAC Shares as so-called "deferred shares" following the distribution. Deferred shares remain technically outstanding, but have very limited rights under our Articles.

The number of LiLAC Shares to be so redesignated will be in the discretion of our board of directors, but will not exceed the number of LiLAC Shares outstanding as of the relevant determination date multiplied by the percentage of the market capitalization of the LiLAC Group represented by the fair value of the distributed securities. Our Articles define fair value, for purposes of this provision and other provisions, by reference to the publicly traded market value of the relevant securities or, in the absence of a publicly traded market, as determined by an independent investment bank experienced in the valuation of securities selected in good faith by our board of directors or as determined in the good faith judgment of our board of directors, which determination will be final and binding on all shareholders.

(e) Scrip Dividends

Under our Articles, our board of directors may offer any shareholder the right to elect to receive fully paid shares instead of cash in respect of the whole or some part (to be determined by our board of directors) of all or any dividend. In that case, a holder of Liberty Global Shares or LiLAC Shares will only be entitled to new shares of the identical class to which the dividend relates or Liberty Global Class C Shares or LiLAC Class C Shares, as the case may be.

2.4 Bonus Issues

Subject to the Act, under our Articles, our board of directors has the authority to capitalize certain undistributed profits of our company, our company's share premium account, and certain other reserves for the purpose of issuing shares or other securities of our company to shareholders in a so-called "bonus issue".

(a) Unless recommended by three-quarters of our board of directors and approved by an ordinary resolution of holders of the Liberty Global Voting Shares, voting together as single class, our board of directors may only declare bonus issues:

  (i) consisting of Liberty Global Class C Shares to all holders of Liberty Global Shares, on an equal per share basis;

  (ii) consisting of the identical class of Liberty Global Shares held by each shareholder to holders of each class of Liberty Global Shares, on an equal per share basis; or

  (iii) consisting of any other class of our securities to all holders of Liberty Global Shares, on the basis referred to above for distributions of securities issued by another corporation, as further described in paragraph 2.3(c) above.

(b) Unless recommended by three-quarters of our board of directors and approved by an ordinary resolution of holders of LiLAC Voting Shares, subject to the Act, our board of directors may only declare bonus issues to holders of LiLAC Shares:

  (i) consisting of LiLAC Class C Shares to all holders of LiLAC Shares, on an equal per share basis;

  (ii) consisting of the identical class of LiLAC Shares held by each shareholder to holders of each class of LiLAC Shares, on an equal per share basis; or

  (iii) consisting of any other class of our securities to all holders of LiLAC Shares, on the basis referred to above for distributions of securities issued by another corporation as further described in paragraph 2.3(c) above.

2.5 Pre-emption Rights in Offers for Subscription of Securities of the Same Class

Our board of directors is generally empowered to allot equity securities (as defined in the Act) for cash, pursuant to the relevant authority conferred by our Articles as if Section 561(1) of the Act did not apply to the allotment. Accordingly, the holders of Liberty Global Shares and LiLAC Shares do not benefit from pre-emption rights in offers for subscriptions of securities of the same class.

2.6 Voting Rights

(a) General

Under our Articles, each Liberty Global Class A Share has one vote, each Liberty Global Class B Share has ten votes, and each Liberty Global Class C Share is non-voting, except where otherwise required by English law or our Articles. Liberty Global Class C Shares are also issued without the right to receive notice of general meetings, unless otherwise determined by our board of directors.

Each LiLAC Share generally has the same voting rights attaching to it as a Liberty Global Share of the corresponding class. Specifically, each LiLAC Class A Share has one vote and each LiLAC Class B Share has ten votes, in each case, in respect of all matters on which voting shares in our capital have voting rights. LiLAC Class A Shares and LiLAC Class B Shares form a single class with the other voting shares in our capital (Liberty Global Class A Shares and Liberty Global Class B Shares) for most purposes. LiLAC Class C Shares are non-voting, except where otherwise required by English law or our Articles. LiLAC Class C Shares are also issued without the right to receive notice of general meetings, unless otherwise determined by our board of directors.

LiLAC Voting Shares vote as a separate class in an ordinary resolution on, among other things, whether to exempt us from the requirement to take certain actions in connection with the disposition of not less than 80% of the fair value of the assets of, or equity interests in, the LiLAC Group described in paragraph 2.11 below.

Prospective investors should note that holders of Liberty Global Class B Shares and LiLAC Class B Shares are each entitled to ten votes per share, thereby disproportionately impacting the voting rights of holders of the Liberty Global Class A Shares and the LiLAC Class A Shares.

(b) Variation of Class Rights

Our Articles provide that rights attached to a class of shares may only be varied: (i) in such manner (if any) as may be provided by those rights; (ii) with the written consent of the holders of three-quarters in nominal amount of the issued shares of that class; or (iii) by a special resolution passed at a separate meeting of the holders of that class.

Our Articles further provide that the following will be deemed not to vary the rights attached to any class of shares, unless expressly provided by the rights attached to such shares: the issue of further shares ranking pari passu with, or subsequent to, the relevant share or class of shares, the purchase or redemption by our company of its own shares, or the exercise by our board of directors of its authority under certain provisions of our Articles relating to dividends and securities distributions, scrip dividends, and bonus issues, all as further described above.

In addition to items listed in the preceding paragraph, the following will be deemed not to vary the rights attached to any class of shares, unless expressly provided by the rights attached to such shares: the redesignation, or conversion, of LiLAC Shares into Liberty Global Shares or the redesignation of any class of shares into deferred shares, in each case in accordance with our Articles; and the exercise by our board of directors of its authority under certain provisions of our Articles relating to dividends and distributions, scrip dividends, bonus issues, and in connection with a LiLAC Group disposition, all as further described above.

(c) Amendment of Articles

Under English law, any amendment to our Articles requires a special resolution of our company in which all classes of our voting ordinary shares vote together as one class. This is in addition to any separate class vote that may be required for an amendment that varies the rights attached to shares of a particular class.

2.7 Liquidation

Under our Articles, upon our liquidation, dissolution or winding up, holders of LiLAC Shares and Liberty Global Shares are entitled to receive their proportionate interests, expressed in liquidation units, in any assets available for distribution to our ordinary shares (regardless of whether such assets are then attributed to the LiLAC Group or the Liberty Global Group). Liquidation units will be allocated to each LiLAC Share and each Liberty Global Share, respectively, in proportion to the relative market value of a LiLAC Class C Share and a Liberty Global Class C Share, respectively, based on their respective volume-weighted average price over a 20 trading-day averaging period commencing on the first trading day on which the LiLAC

Shares commence ordinary-course (regular-way) trading. The number of liquidation units per LiLAC Share and Liberty Global Share, as applicable, will be subject to subsequent adjustments for consolidations, sub-divisions, redesignations or certain other events so as to avoid any dilution in the aggregate relative liquidation rights of the LiLAC Shares and Liberty Global Shares.

2.8 Redemption Provisions

The Liberty Global Shares and LiLAC Shares are not redeemable.

2.9 Redesignation at Option of Holder

Under our Articles, each Liberty Global Class B Share may be redesignated, or converted, at any time at the election of the holder into a Liberty Global Class A Share and each LiLAC Class B Share may be redesignated at any time at the election of the holder into a LiLAC Class A Share.

2.10 Redesignation at Option of Issuer

Under our Articles, we are able to redesignate, or convert, all LiLAC Shares of each class into shares of the corresponding class of Liberty Global Shares and, if necessary to achieve the required redesignation ratio and to comply with share capital maintenance requirements under English law, deferred shares. The redesignation ratio will be subject to adjustments determined by our board of directors in respect of inter-group interests, which determination will be final and binding on all shareholders. The number of LiLAC Shares of each class to be redesignated into shares of the corresponding class of Liberty Global Shares will be determined based on a ratio of the relative trading prices of Liberty Global Class C Shares and LiLAC Class C Shares over a specified trading period (with the creation of additional Liberty Global Shares of the relevant class through the capitalization of any relevant reserves if necessary). Any excess Liberty Global Shares will be designated as deferred shares. The steps involved in this redesignation process are illustrated in the examples below.

For example, a redesignation of 10,000 LiLAC Class A Shares at an assumed ratio of 0.82534 would result in 8,253 Liberty Global Class A Shares and cash in respect of 0.4 fractional Liberty Global Class A Shares. This would involve the following steps. We would redesignate all of the 10,000 LiLAC Class A Shares into an equal number of Liberty Global Class A Shares. Of those 10,000 Liberty Global Class A Shares, we would redesignate 1,746 as deferred shares, leaving 8,254 Liberty Global Class A Shares. Of those, one would then be transferred to a third-party for purposes of the aggregation and sale of fractions, leaving 8,253 Liberty Global Class A Shares.

As another example, a redesignation of 10,000 LiLAC Class A Shares at an assumed ratio of 1.22534 would result in 12,253 Liberty Global Class A Shares and cash in respect of 0.4 fractional Liberty Global Class A Shares. We would redesignate all of the 10,000 LiLAC Class A Shares into an equal number of Liberty Global Class A Shares. We would also capitalize our reserves to issue a further 2,254 Liberty Global Class A Shares, of which one would be transferred to a third-party for purposes of the aggregation and sale of fractions, leaving 2,253 Liberty Global Class A Shares. Together with the 10,000 Liberty Global Class A Shares created through redesignation, this would yield 12,253 Liberty Global Class A Shares.

2.11 LiLAC Group Disposition

If, in the good faith opinion of our board of directors, we dispose, in one transaction or a series of transactions, of not less than 80% of the fair value of the assets of, or equity interests in, the LiLAC Group, then under our Articles we are required to effect one of the following three alternatives on or prior to the 120th trading day following the consummation of such disposition, unless our board of directors obtains approval of the holders of the LiLAC Voting Shares, voting together as a single class, to not take such action or the disposition qualifies under a specified exemption (in which case we will not be required to take any of the following actions):

(a) subject to the availability of sufficient distributable reserves, pay a dividend in favor of the LiLAC Shares in cash and/or securities or other assets with a fair value equal to the net proceeds of such disposition (after the payment of such dividend, the board may, if it so chooses, reduce the number of outstanding LiLAC Shares (through redesignation as deferred shares) pro rata in proportion to the market capitalization of the total LiLAC Group represented by the net proceeds from the disposition, as determined in good faith by the board); or

(b) subject to the availability of sufficient distributable reserves or other reserves being available for capitalization if necessary, redesignate all LiLAC Shares of each class into shares of the corresponding class of Liberty Global Shares at a ratio representing a premium of 10% to the ratio determined based on the relative trading prices of Liberty Global Class C Shares and LiLAC Class C Shares (with the creation of additional Liberty Global Shares of the relevant class through the capitalization of reserves, and with any excess Liberty Global Shares being redesignated as deferred shares, in each case to the extent necessary to achieve the required redesignation ratio and to comply with share capital maintenance requirements under English law); or

(c) subject to the availability of sufficient reserves, a combination of the preceding two alternatives. In the case of such a combination, our board of directors would not redesignate, or convert, all LiLAC Shares at a 10% premium. Instead, of the portion of the LiLAC Shares that corresponds to the portion of the market capitalization of the LiLAC Group represented by the disposition proceeds, a part corresponding to the portion of the disposition proceeds that are retained in the LiLAC Group (and not dividended to holders of LiLAC Shares) would be redesignated into Liberty Global Shares at a 10% premium, as further described under (b) above, and the remaining part could be redesignated as deferred shares, as further described under (a) above. In any event, at least a portion of the LiLAC Shares corresponding to the balance of the market capitalization of the LiLAC Group not represented by the disposition proceeds would remain outstanding (subject to potential redesignation into Liberty Global Shares, as further described in paragraph 2.10 above).

2.12 The actions to be taken by our board of directors in connection with such a disposition will be subject to adjustment in respect of inter-group interests made in good faith by our board of directors in accordance with our inter-group interest management policy, as further described in Part XI (*Additional Information*)—*Management and Allocation Policies—Intercompany Transactions—Inter-Group Interests* of this Prospectus. Determinations made by the board in connection with such a disposition will be final and binding on all shareholders.

3. **Information concerning the New Shares**

Details of each of the Liberty Global Shares and the LiLAC Shares that comprise the New Shares are set out below.

3.1 Liberty Global Class A Shares of $0.01 each (NASDAQ: LBTYA, ISIN: GB00B8W67662)

(a) The Liberty Global Class A Shares were created pursuant to the Act.

(b) The Liberty Global Class A Shares are issued in registered form and capable of being held in uncertificated form with Computershare Trust Company, N.A. of PO Box 43102 Providence, Rhode Island 02940, USA being the share transfer agent and registrar for all class of our ordinary shares.

3.2 Liberty Global Class C Shares of $0.01 each (NASDAQ: LBTYK, ISIN: GB00B8W67B19)

(a) The Liberty Global Class C Shares were created pursuant to the Act.

(b) The Liberty Global Class C Shares are issued in registered form and capable of being held in uncertificated form with Computershare Trust Company, N.A. of PO Box 43102 Providence, Rhode Island 02940, USA being the share transfer agent and registrar for all class of our ordinary shares.

3.3 LiLAC Class A Shares of $0.01 each (NASDAQ: LILA, ISIN: GB00BTC0M714)

(a) The LiLAC Class A Shares were created pursuant to the Act.

(b) The LiLAC Class A Shares are issued in registered form and capable of being held in uncertificated form with Computershare Trust Company, N.A. of PO Box 43102 Providence, Rhode Island 02940, USA being the share transfer agent and registrar for all class of our ordinary shares.

3.4 LiLAC Class C Shares of $0.01 each (NASDAQ: LILAK, ISIN: GB00BTC0MD78)

(a) The LiLAC Class C Shares were created pursuant to the Act.

(b) The LiLAC Class A Shares are issued in registered form and capable of being held in uncertificated form with Computershare Trust Company, N.A. of PO Box 43102 Providence, Rhode Island 02940, USA being the share transfer agent and registrar for all class of our ordinary shares.

3.5 We do not have in issue any securities not representing share capital and there are no outstanding debentures, convertible securities, exchangeable securities or securities with warrants issued or proposed to be issued by us.

3.6 As at March 21, 2016 (being the latest practicable date prior to the publication of this document), we held 822,900 shares in treasury.

3.7 It is expected that the issue date of the New Shares will be the Effective Date.

3.8 We are not aware of the existence of any mandatory takeover bids and/or squeeze-out and sellout rules in relation to the securities.

3.9 In the last financial year and the current financial year, there has been no public takeover bid by a third-party in respect of our equity.

PART XI

ADDITIONAL INFORMATION

1. **The Company**

1.1 Liberty Global is a public limited company which was incorporated and registered in England and Wales on January 29, 2013 with registered number 08379990, originally as a private company limited by shares with the name Lynx Europe Limited. On June 5, 2013, the name of our company was changed to Liberty Global plc upon its re-registration as a public company.

1.2 The principal legislation under which we operate, and pursuant to which the Liberty Global Shares and LiLAC Shares have been created and the New Shares will be created, is the Act and regulations made thereunder.

1.3 Our registered office is Griffin House, 161 Hammersmith Road, London, United Kingdom, W6 8BS (telephone number: +44 20 8483 6300).

1.4 On July 1, 2015, we implemented an equity structure consisting of two principal types of ordinary shares: Liberty Global Shares and LiLAC Shares. Both the Liberty Global Shares and the LiLAC Shares are tracking shares, intended to reflect or "track" the economic performance of a particular business or "group" of our subsidiaries, rather than our economic performance as a whole. The Liberty Global Shares and the LiLAC Shares are intended to reflect or "track" the economic performance of the Liberty Global Group and the LiLAC Group, respectively. The LiLAC Group comprises our businesses, assets and liabilities in Latin America and the Caribbean and the Liberty Global Group comprises our businesses, assets and liabilities not otherwise attributed to the LiLAC Group. While the Liberty Global Group and the LiLAC Group have separate collections of businesses, assets and liabilities attributed to them, neither group is a separate legal entity and both sit under Liberty Global. Liberty Global is the ultimate parent company of certain significant subsidiaries through which we conduct our business.

1.5 Our auditors are, and have been throughout the period covered by the financial information in this Prospectus, KPMG (U.K.), a member firm of the Institute of Chartered Accountants in England and Wales, and KPMG (U.S.), an independent registered public accounting firm in the U.S.

2. **Share Capital**

2.1 **Share capital summary**

On incorporation, we had an issued share capital of 10 ordinary shares each with a nominal value of £10. On May 3, 2013, we issued 5,000 redeemable ordinary shares each with a nominal value of £10. As a result of the Virgin Media Acquisition, our issued share capital was further modified.

The following table sets forth an overview of our issued share capital as at the date of completion of the Virgin Media Acquisition and otherwise for the dates stated:

	March 21, 2016	December 31, 2015	December 31, 2014	Date of Virgin Media Acquisition (June 7, 2013)
Liberty Global	**Issued[(a)]**	**Issued**	**Issued**	**Issued**
Liberty Global Class A Shares	252,884,833	252,766,455	N/A	N/A
Liberty Global Class B Shares	10,805,850	10,472,517	N/A	N/A
Liberty Global Class C Shares	577,843,769	584,044,394	N/A	N/A
Preference shares/preferred stock	—	—	—	—
Total	841,534,452	847,283,366	N/A	N/A

(a) Includes Liberty Global Class C shares held in treasury

	March 21, 2016	December 31, 2015	December 31, 2014	Date of Virgin Media Acquisition (June 7, 2013)
Liberty Global	**Issued**	**Issued**	**Issued**	**Issued**
Old Liberty Global Class A Shares	N/A	N/A	251,167,686	211,623,893
Old Liberty Global Class B Shares	N/A	N/A	10,139,184	10,176,295
Old Liberty Global Class C Shares	N/A	N/A	630,353,372	538,066,676
Preference shares/preferred stock	—	—	—	—
Total	N/A	N/A	891,660,242	759,866,864

LiLAC Shares	March 21, 2016 Issued	December 31, 2015 Issued	December 31, 2014 Issued	Date of Virgin Media Acquisition (June 7, 2013) Issued
LiLAC Class A Shares	12,648,169	12,630,580	N/A	N/A
LiLAC Class B Shares	523,423	523,423	N/A	N/A
LiLAC Class C Shares	30,776,413	30,772,874	N/A	N/A
Total	43,948,005	43,926,877	N/A	N/A

* All of our shares listed above are fully paid up.

(a) Liberty Global Directors are authorized to issue shares up to an aggregate nominal amount of $20.0 million, consisting of any of the following: (i) Liberty Global Class A Shares, Liberty Global Class B Shares, Liberty Global Class C Shares, each with a nominal value of $0.01 per share, (ii) LiLAC Class A Shares, LiLAC Class B Shares, LiLAC Class C Shares, each with a nominal value of $0.01 per share, (iii) preference shares, with a nominal value to be determined by the board of directors, the issuance of one or more classes or series of which as may be authorized by the board of directors, (iv) deferred shares, with a nominal value to be determined by our board, and (v) any other shares of one or more classes as may be determined by our board or by the shareholders of Liberty Global.

(b) On January 26, 2014, our board of directors approved the 2014 Share Dividend, which constitutes a bonus issue under our Articles and English law, of one Liberty Global Class C Share on each outstanding Liberty Global Class A, Class B and Class C share as of the February 14, 2014 record date. The distribution date for the 2014 Share Dividend was March 3, 2014.

(c) In addition to the general buyback program and option program, the key change to our share capital in 2015 was as a result of the LiLAC Transaction. On July 1, 2015, we completed the approved steps of the LiLAC Transaction whereby we (1) reclassified our then outstanding Class A, Class B and Class C Liberty Global ordinary shares (collectively, the Old Liberty Global Shares) into corresponding classes of new Liberty Global Shares and (2) capitalized a portion of our share premium account and distributed as a dividend (or a "bonus issue" under U.K. law) our LiLAC Class A, Class B and Class C ordinary shares (collectively, the LiLAC Shares). Pursuant to the LiLAC Transaction, each holder of Class A, Class B and Class C Old Liberty Global Shares remained a holder of the same amount and class of Liberty Global Shares and received one share of the corresponding class of LiLAC Shares for each 20 Old Liberty Global Shares held as of the record date for such distribution and cash was paid in lieu of fractional LiLAC Shares.

2.2 **Existing Liberty Global Shareholder authorities**

(a) Pursuant to the Act, with effect from October 1, 2009, the concept of authorized share capital was abolished and accordingly there is no limit on the maximum amount of shares that we may allot.

(b) Pursuant to the authority contained in Article 15 of our Articles, the Liberty Global Directors are generally and unconditionally authorized to:

(i) allot shares in Liberty Global, and to grant rights to subscribe for or to convert any security into shares in Liberty Global, comprising any of the following:

(A) Liberty Global Class A Shares;

(B) Liberty Global Class B Shares;

(C) Liberty Global Class C Shares;

(D) LiLAC Class A Shares;

(E) LiLAC Class B Shares;

(F) LiLAC Class C Shares;

(G) preference shares with nominal amount of $0.01 per share, which have such rights as our board of directors shall determine at the time of allotment and issuance and may be issued in one or more classes or series with or without voting rights attached to them, with our board of directors to determine the existence of such voting rights and, if any, the ranking of such voting rights in relation to the other shares in our capital. Our board of directors also determines any other terms and conditions of the preference shares, including with regards to their rights: (A) to receive dividends (which may include, the right to receive preferential or cumulative dividends); (B) to distributions made by us on a winding-up; and (C) to be convertible into, or exercisable or exchangeable for, shares of any other class or classes of the same or any other class or classes of shares, at such price or prices or at such rates of exchange as may be determined by our board of directors; and

(H) any other share(s) of one or more classes with such rights and restrictions as we may by ordinary resolution determine or as our board of directors shall determine,

up to an aggregate nominal amount of $20.0 million for a period expiring (unless previously renewed, varied or revoked by Liberty Global in a general meeting) on the date which is five years

from the date of the resolution approving the adoption of our Articles (being February 23, 2020) or on our fifth annual general meeting following adoption of our Articles, whichever is the sooner; and

(ii) make an offer or agreement which would or might require shares to be allotted, or rights to subscribe for or convert any security into shares to be granted, after expiry of the authority described in Article 15 and our board of directors may allot shares and grant rights in pursuance of that offer or agreement as if this authority had not expired.

2.3 Under our buyback program, we may acquire from time to time our Liberty Global Class A Shares, Liberty Global Class C Shares, LiLAC Class A Shares or LiLAC Class C Shares, or any combination of the foregoing. The buyback program may be effected through open market transactions and/or privately negotiated transactions, which may include derivative transactions. The timing of the repurchase of shares or other securities pursuant to the buyback program is dependent on a variety of factors, including market conditions. The buyback program may be implemented in conjunction with our brokers and other financial institutions with whom we have relationships within certain pre-set parameters and purchases may continue during closed periods in accordance with applicable restrictions. The buyback program may be suspended or discontinued at any time.

2.4 **Impact of Issue of New Shares**

The following table sets forth our existing common share capital as at March 21, 2016, the last practicable date prior to the date of this Prospectus, and our common share capital as it is expected to be immediately after the commencement of trading of the New Shares on NASDAQ and the issuance of the New Shares. As the actual amount of New Shares issued will depend on the consideration elections made by the CWC Shareholders in relation to the Acquisition, the numbers below are illustrative and based on the maximum number of New Shares that may be issued.

		March 21, 2016[(a)]	Maximum outstanding immediately following commencement of trading on NASDAQ	Maximum percentage change
Liberty Global Class A Shares	Number	252,884,833	284,536,449	12.5
Liberty Global Class B Shares	Number	10,805,850	10,805,850	0
Liberty Global Class C Shares	Number	577,843,769	655,332,747	13.4
LiLAC Class A Shares	Number	12,648,169	16,296,693	28.8
LiLAC Class B Shares	Number	523,423	523,423	0
LiLAC Class C Shares	Number	30,776,413	39,715,741	29.0

(a) Includes Liberty Global Class C Shares held in treasury.

2.5 **Dividend policy**

We have not paid any cash dividends on any existing Liberty Global Shares or any existing LiLAC Shares, and we have no present intention of doing so. Any future payment of cash dividends, will be determined by our board of directors in light of our earnings, financial condition and other relevant considerations including applicable laws in England and Wales. There are currently no contractual restrictions on our ability to pay dividends in cash or shares other than the restriction contained in the Co-operation Agreement which restricts the authorization, declaration or payment of any dividend or other distribution where such dividend, distribution or return of capital would reasonably be expected to have a material and adverse impact on the value of the New Shares. The credit facilities to which certain of our subsidiaries are parties restrict the ability to access their cash for, among other things, payment of cash dividends.

On January 26, 2014, our board approved the 2014 Share Dividend, which constitutes a bonus issue under our Articles and English law, of one Liberty Global Class C Share on each outstanding Liberty Global Class A, Class B and Class C share as of the February 14, 2014 record date. The distribution date for the 2014 Share Dividend was March 3, 2014. All our share and per share amounts presented in the directors' report contained in our U.K. Companies Act Annual Report filed on May 12, 2015 have been retroactively adjusted to give effect to the 2014 Share Dividend.

On July 1, 2015, we completed the approved steps of the LiLAC Transaction whereby we (1) reclassified our then outstanding Old Liberty Global Shares into corresponding classes of new Liberty Global Shares and (2) capitalized a portion of our share premium account and distributed as a dividend (or a "bonus issue"

under U.K. law) our LiLAC Shares. Pursuant to the LiLAC Transaction, each holder of Class A, Class B and Class C Old Liberty Global Shares remained a holder of the same amount and class of Liberty Global Shares and received one share of the corresponding class of LiLAC Shares for each 20 Old Liberty Global Shares held as of the record date for such distribution and cash was paid in lieu of fractional LiLAC Shares.

3. **Summary of our Articles**

(a) *Objects*

Section 31 of the Act provides that the objects of a company are unrestricted unless any restrictions are set out in its articles. There are no such restrictions in our Articles and our objects are therefore unrestricted.

(b) *Allotment Authority*

Our Articles authorize our board of directors, for a period up to five years from the date on which the articles were adopted, to (i) allot and issue equity securities, or to grant rights to subscribe for or to convert or exchange any security into shares of Liberty Global up to an aggregate nominal amount of $20.0 million and (ii) exclude pre-emptive rights in respect of such issuances for the same period of time. This general authority is for a five-year period starting on the date of the shareholder resolution for the adoption of the Articles.

The shares allotted and issued pursuant to the board's general authority described above may comprise (in whole or in part) preference shares or other shares, in one or more classes with such rights, preferences and restrictions as our board of directors shall determine. The issuance of preference shares on various terms could adversely affect the holders of other Liberty Global shares. The potential issuance of preference shares may discourage bids for our shares at a premium over the market price, may adversely affect the market price of our shares and may discourage, delay or prevent a change of control of our company.

(c) *Transfer of shares*

Shareholders may transfer all or any of their shares by instrument of transfer in writing in any usual form or in any other form which is permitted by the Act and is approved by our board of directors. The instrument of transfer must be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid) by or on behalf of the transferee.

Our board of directors may refuse to register a transfer if:

(i) it is with respect to shares in certificated form that are not fully paid, so long as the refusal does not prevent dealings in Liberty Global shares from taking place on an open and proper basis;

(ii) it is with respect to shares on which Liberty Global has a lien, including with respect to shares that are not fully paid;

(iii) the instrument of transfer is not duly stamped to show payment of stamp duty (if such stamp is required) and presented with the share certificate or other evidence of title reasonably required by the directors;

(iv) the instrument of transfer is in respect of more than one class of shares;

(v) the instrument of transfer is in respect of more than four persons jointly; or

(vi) in certain circumstances, if the holder has failed to provide the information requested by Liberty Global referred to in paragraph (d) below.

If our board of directors refuses to register a transfer of a share, it shall, within two months after the date on which the transfer was delivered to the company, send to the transferee notice of the refusal, together with its reasons for refusal. All transfers of shares in certificated form must be effected by an instrument of transfer in any usual form or in any other form which our board of directors may approve. The instrument of transfer shall be executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee. The instrument of transfer need not be under seal.

There exist no provisions in our Articles that would preclude our board of directors from recognizing a renunciation of the allotment of any share by the allottee in favor of some other person.

(d) *Disclosure of interests in shares*

Section 793 of the Act gives our company the power to require persons whom it knows have, or whom it has reasonable cause to believe have, or within the previous three years have had, any ownership interest in any Liberty Global shares to disclose specified information regarding those shares. Failure to provide the information requested within the prescribed period (or knowingly or recklessly providing false information) after the date the notice is sent can result in criminal or civil sanctions being imposed against the person in default.

Under our Articles, if any shareholder, or any other person appearing to be interested in Liberty Global shares held by such shareholder, fails to respond to a Section 793 notice, or, in purported compliance with such a notice, makes a statement which is materially false or misleading then our board of directors may withdraw voting and certain other rights, place restrictions on the rights to receive dividends and transfer such shares (including any shares allotted or issued after the date of the Section 793 notice in respect of those shares).

(e) *Distribution of assets on liquidation*

Upon our liquidation, dissolution or winding up, holders of LiLAC Shares and Liberty Global Shares will be entitled to receive their proportionate interests, expressed in liquidation units, in any assets available for distribution to our ordinary shares (regardless of whether such assets are then attributed to the LiLAC Group or the Liberty Global Group). Liquidation units will be allocated to each LiLAC Share and each Liberty Global Share, respectively, in proportion to the relative market value of a LiLAC Class C Share and a Liberty Global Class C Share, respectively, based on their respective volume-weighted average price over a 20 trading day averaging period commencing on the first trading day on which the LiLAC Shares commence ordinary-course (regular-way) trading.

The number of liquidation units per LiLAC Share and Liberty Global Share, as applicable, will be subject to subsequent adjustments for consolidations, sub-divisions, redesignations or certain other events so as to avoid any dilution in the aggregate relative liquidation rights of the LiLAC Shares and Liberty Global Shares.

(f) *Changes in share capital*

Under our Articles, subject to the provisions of the Act, and without prejudice to any relevant special rights attached to any class of shares, we may, from time to time:

(i) increase our share capital by allotting and issuing new shares;

(ii) consolidate and divide all or any of its share capital into shares of a larger nominal value than the existing shares;

(iii) subdivide any of our shares into shares of a smaller nominal value than its existing shares;

(iv) cancel any of our shares;

(v) redenominate our share capital or any class of share capital; and

(vi) determine that, as between the shares resulting from such a subdivision, any of them may have any preference or advantage as compared with the others.

In addition, our Articles give our board of directors the authority to effect one or more consolidations and/or subdivisions, on any ratio that our board of directors may determine in its sole and absolute discretion, of any or all of our shares. We believe that having this flexibility is useful for our board of directors in managing our capital structure in compliance with applicable English law requirements.

In addition, under our Articles, we may not consolidate, divide, sub-divide or redenominate any one or more Liberty Global Shares or LiLAC Shares without consolidating, dividing, sub-dividing or redenominating (as the case may be) all of the Liberty Global Shares or LiLAC Shares, respectively, on an equal per share basis.

Each Liberty Global Class B Share may be redesignated at any time at the election of the holder into a Liberty Global Class A Share, and each LiLAC Class B Share may be redesignated at any time at the election of the holder into a LiLAC Class A Share. Our board of directors can determine to redesignate all LiLAC Shares of each class into shares of the corresponding class of Liberty Global Shares at a ratio determined based on the relative trading prices of Liberty Global Class C Shares and LiLAC Class C Shares over a specified trading period preceding the date of determination.

Our board of directors may not consolidate, divide, sub-divide or redenominate any one or more Liberty Global Shares or LiLAC Shares without consolidating, dividing, subdividing or redenominating (as the case may be) all of the Liberty Global Shares or LiLAC Shares, respectively, on an equal per share basis.

(g) *Variation of rights*

Pursuant to our Articles and in accordance with the Act, rights attached to a class of shares may only be varied:

(i) in such manner (if any) as may be provided by those rights;

(ii) with the written consent of the holders of three-quarters in nominal amount of the issued shares of that class; or

(iii) by a special resolution passed at a separate meeting of the holders of that class.

Further, in addition to those powers in accordance with the Act, the following will be deemed not to vary the rights attached to any class of shares, unless expressly provided by the rights attached to such shares:

(i) the redesignation, or conversion, of LiLAC Shares into Liberty Global Shares in accordance with our Articles;

(ii) the redesignation of any class of shares into deferred shares in accordance with our Articles;

(iii) the issue of further shares ranking *pari passu* with, or subsequent to, the relevant share or class of shares;

(iv) our purchase or redemption of our own shares; or

(v) the exercise by our board of directors of its authority under certain provisions of our Articles relating to dividends and securities distributions, scrip dividends and bonus issues.

(h) *General meetings*

Our board of directors shall convene and we shall hold general meetings as annual general meetings in accordance with the Act. Our board may call general meetings whenever and at such times and places as it shall determine. On requisition of members pursuant to the provisions of the Act, our board of directors shall promptly convene a general meeting in accordance with the requirements of the Act. Under English law, we are required to hold an annual general meeting of shareholders within six months from the day following the end of our fiscal year and, subject to the foregoing, the meeting may be held at a time and place determined by our board of directors, whether within or outside of the U.K.

The notice of a general meeting shall be given to the shareholders (other than any who, under the provisions of the Articles or the terms of allotment or issue of shares, are not entitled to receive notice), to our board of directors and to our auditors. Pursuant to the Act, 21 clear days' notice of every annual general meeting and 14 clear days' notice of every other general meeting is required to be given (unless, at the relevant time, either of the conditions set out in sub-section 307A(2) and sub-section 307A(3) of the Act have not been met by us, in which case at least 21 clear days' notice will be required).

The accidental omission to give notice of a meeting or resolution, or to send any notification where required by the Act or our Articles in relation to the publication of a notice of meeting on a website, or to send a form of proxy where required by the Act or our Articles, to any person entitled to receive it, or the non-receipt for any reason of any such notice, resolution or notification or form of proxy by that person, whether or not we are aware of such omission or non-receipt, shall not invalidate the proceedings at that meeting.

No business shall be transacted at any general meeting unless the requisite quorum is present but the absence of a quorum shall not preclude the choice or appointment of a chairman, which shall not be treated as part of the business of the meeting. Subject to the provisions of our Articles, a quorum is the members who together represent at least the majority of the voting rights of all the members entitled to vote, present in person or by proxy, at the relevant meeting.

Our board of directors or the chairman of any general meeting may direct that any person wishing to attend any general meeting should submit to such searches or other security arrangements (including

without limitation, requiring evidence of identity to be produced before entering the meeting and placing restrictions on the items of personal property which may be taken into the meeting) as they or he consider appropriate under the circumstances. Our board of directors or the chairman of the meeting may in their or his absolute discretion refuse entry to, or eject from, any general meeting any person who refuses to submit to a search or otherwise comply with such security arrangements.

With the consent of any meeting at which a quorum is present, the chairman may adjourn the meeting. Notice of an adjourned meeting is not required unless a meeting is adjourned for thirty days or more, or for an indefinite period, in which case at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. No business may be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place.

With the consent of any general meeting at which a quorum is present, the chairman may, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place. The chairman may, without consent of the meeting, interrupt or adjourn the general meeting if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting or to give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting or to ensure that the business of the meeting is otherwise properly disposed of.

(i) *Board authorization of conflicts*

Pursuant to our Articles, our board of directors may authorize, to the fullest extent permitted by law any matter proposed to it in accordance with our Articles which would, if not so authorized, involve a breach of duty by a Liberty Global Director under that section, including, without limitation, any matter which relates to a situation in which a Liberty Global Director has, or can have, an interest which conflicts, or possibly may conflict, with our interests or which may reasonably be regarded as likely to give rise to a conflict of interest. Any such authorization will be effective only if:

(i) any requirement as to quorum at the meeting at which the matter is considered is met without counting the Liberty Global Director in question or any other interested Liberty Global Director; and

(ii) the matter was agreed to without such Liberty Global Director voting or would have been agreed to if such Liberty Global Director's votes had not been counted.

(j) *Liberty Global Directors' interests in contracts*

Subject to the provisions of the Act, and provided that he has disclosed to our board of directors the nature and extent of any material interest of his (unless the circumstances referred to in Section 177(5) or Section 177(6) of the Act apply, in which case no disclosure is required), a Liberty Global Director notwithstanding his office:

(i) may be a party to, or otherwise interested in, any transaction or arrangement with us or in which we are otherwise (directly or indirectly) interested;

(ii) may (or any firm of which he is a member may) act in a professional capacity for us (otherwise than as auditor) or any other body in which we are otherwise interested and he or his firm shall be entitled to remuneration for professional services as if he were not a Liberty Global Director; and

(iii) may be a Liberty Global Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any undertaking:

(A) in which we are (directly or indirectly) interested as shareholder, member, partner or otherwise; or

(B) with which he has such a relationship at our request or direction.

(k) *Liberty Global Directors' ability to vote and count for quorum*

Save as provided below, a Liberty Global Director shall not vote at a meeting of our board of directors or a committee of our board of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest (other than an interest in shares, debentures or other securities of, or otherwise in or through, us) which can reasonably be regarded as likely to give rise to a conflict with our interests, unless his interest arises only because the resolution falls within one or more of the following matters:

(i) the giving to him of a guarantee, security or indemnity in respect of money lent to, or an obligation incurred by him at the request of, or for the benefit of, us or any of our subsidiary undertakings;

(ii) the giving to a third-party of a guarantee, security or indemnity in respect of our debt or obligation or any of our subsidiary undertakings for which the director himself has assumed responsibility (in whole or in part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;

(iii) the giving to him of any other indemnity which is on substantially the same terms as indemnities given or to be given to all of the other directors and/or to the funding by us of his expenditure on defending proceedings or our doing anything to enable him to avoid incurring such expenditure where all other directors have been given or are to be given substantially the same arrangements;

(iv) a contract, arrangement, transaction or proposal concerning an offer of our shares, debentures or other securities or any of our subsidiary undertakings for subscription, purchase or exchange, in which offer he is or may be entitled to participate as holder of securities or in the underwriting or sub-underwriting of which he is to participate;

(v) a contract, arrangement, transaction or proposal concerning any other undertaking in which he or any person connected with him is interested, directly or indirectly, and whether as an officer, shareholder, member, partner, creditor or otherwise if he and any persons connected with him do not to his knowledge hold an interest (as that term is used in Sections 820 to 825 of the Act) representing 1% or more of either any class of the equity share capital of such undertaking (or any other undertaking through which his interest is derived) or of the voting rights available to shareholders, members, partners or equivalent of the relevant undertaking (or any interest being deemed for the purpose of Article 185 of our Articles to be likely to give rise to a conflict with our interests in all circumstances);

(vi) a contract, arrangement, transaction or proposal for the benefit of our employees and directors and/or former employees and directors or any of our subsidiary undertakings and/or members of their families (including a spouse or civil partner or a former spouse or former civil partner) or any person who is or was dependent on such persons, including but without being limited to a retirement benefits scheme and an employees' share scheme, which does not accord to any director any privilege or advantage not generally accorded to the employees and/or former employees to whom such arrangement relates; and

(vii) a contract, arrangement, transaction or proposal concerning any insurance against any liability which we are empowered to purchase or maintain for, or for the benefit of, any Liberty Global Directors or for persons who include Liberty Global Directors.

A Liberty Global Director may not vote or be counted in the quorum on any resolution of our board of directors or committee of our board of directors concerning his own appointment as the holder of any office or place of profit with us or any company in which Liberty Global is interested (including fixing or varying the terms of such appointment or its termination).

Where proposals are under consideration concerning the appointment (including without limitation fixing or varying the terms of appointment) of two or more Liberty Global Directors to offices or employments with us or any undertaking in which we are interested, such proposals may be divided and considered in relation to each Liberty Global Director separately. In such cases each of the Liberty Global Directors concerned shall be entitled to vote in respect of each resolution except that concerning his own appointment.

(l) *Liberty Global Directors*

Unless otherwise determined by us by ordinary resolution, there shall be paid to the Liberty Global Directors (other than alternate directors and Liberty Global Directors employed by the company in an executive capacity) such fees for their services in the office of Liberty Global Director as the Liberty Global Directors may from time to time determine. The fees shall be deemed to accrue from day to day and shall be distinct from and additional to any remuneration or other benefits which may be paid or provided to any Liberty Global Director pursuant to any other provision of our Articles.

The Liberty Global Directors are also entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the Liberty Global Directors, or of committees of our board, or general meetings or separate meetings of the holders of

any of our class of shares or debentures or otherwise in connection with the discharge of their duties as a Liberty Global Director.

Any Liberty Global Director who holds any executive office or who serves on any committee of our board of directors or who performs services which our board of directors considers go beyond the ordinary duties of a Liberty Global Director may be paid such special remuneration (whether by way of bonus, commission, participation in profits or otherwise) as our board of directors may determine.

(m) *Pensions and benefits*

Our board of directors may (by the establishment of, or maintenance of, schemes or otherwise) provide benefits, whether by the payment of allowances, gratuities or pensions, or by insurance or death, sickness or disability benefits or otherwise, for any past or present Liberty Global Director or employee of ours or any of our subsidiary undertakings or any undertaking associated with, or any business acquired by, any of them, and for any member of his family (including a spouse or civil partner and a former spouse or former civil partner) or any person who is or was dependent on him and may (before as well as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

The emoluments of any Liberty Global Directors holding executive office for his services shall be determined by our board, and may be of any description, including without limitation admission to, or continuance of, membership of any scheme (including any share acquisition scheme) or fund instituted or established or financed or contributed to by us for the provision of pensions, life assurance or other benefits for employees or their dependants, or the payment of a pension or other benefits to him or his dependants on or after retirement or death, apart from membership of any such scheme or fund.

(n) *Liability of Liberty Global and its Directors and Officers*

(i) Our Articles provide that English courts have exclusive jurisdiction with respect to any suits brought by shareholders (in their capacity as such) against the company or our directors.

(ii) English law does not permit our company to exempt any director from any liability arising from negligence, default, breach of duty or breach of trust in relation to our company. However, despite this prohibition, we are permitted to purchase and maintain limited insurance for any of our directors. Shareholders can ratify by ordinary resolution a director's conduct amounting to negligence, default, breach of duty or breach of trust in relation to our company.

(iii) Subject to the provisions of the Act, every Liberty Global Director, former Liberty Global Director, every director of any associated company shall be indemnified out of our assets against any loss or liability, in relation to us or any associated company, including without limitation insurance against any loss or liability or any expenditure he may incur, whether in connection with any proven or alleged act or omission in the actual or purported execution or discharge of his duties or in the exercise or purported exercise of his powers or otherwise in relation to these duties, power or offices, whether comprising negligence, default, breach of duty, breach of trust or otherwise, in relation to the relevant body or fund.

(iv) No Liberty Global Director of former Liberty Global Director shall be accountable to us or the members for any benefit provided pursuant to our Articles.

4. **Management and Allocation Policies**

We have established management and allocation policies relating to the attribution of our businesses and operations between the Liberty Global Group and the LiLAC Group, inter-group transactions, equity issuances and dividends, the allocation of corporate opportunities, taxes, and other matters.

As a general principle, we expect that all material matters in which holders of Liberty Global Shares and holders of LiLAC Shares may have divergent interests will generally be resolved in a manner that will promote the success of the company for the benefit of all of our shareholders after giving fair consideration to the interests of the holders of Liberty Global Shares and holders of LiLAC Shares, as well as such other or different factors and stakeholders considered relevant by our board of directors (or any committee of the board of directors authorized for this purpose).

Set forth below are summaries of the management and allocation policies that became effective upon the completion of the LiLAC Transaction.

4.1 ***Policies Subject to Change without Shareholder Approval***

While it has no present intention to do so, our board of directors may, without shareholder approval, modify, change, rescind or create exceptions to these policies, or adopt additional policies. Such actions could have different effects on holders of Liberty Global Shares and holders of LiLAC Shares. Our board of directors will make any such decision in accordance with its fiduciary duties and in particular in such a way as our board of directors believes, in good faith, will promote the success of the company for the benefit of all of our shareholders as a whole, after giving due consideration to all relevant stakeholders.

Any such modifications, changes, rescissions, exceptions or additional policies will be binding and conclusive unless otherwise determined by our board of directors. We will notify our shareholders of any material modification, change or exception made to these policies, any rescission of these policies and the adoption of any material additions to these policies through the filing of a Current Report on Form 8-K within four business days after the modification, change, exception or addition is made. However, we will not notify our shareholders of any modification, change, exception, rescission or addition to these policies if we determine that it is not material to the holders of Liberty Global Shares, on the one hand, or the holders of LiLAC Shares, on the other hand.

4.2 ***Attribution***

Businesses, assets and liabilities acquired by Liberty Global will be attributed to either the Liberty Global Group or the LiLAC Group, in whole or in part, as our board of directors considers in good faith to be most likely to promote the success of the company for the benefit of its shareholders as a whole, having given due consideration to all relevant stakeholders.

4.3 ***Fiduciary and Management Responsibilities***

Because the Liberty Global Group and the LiLAC Group are not separate companies, but both part of Liberty Global, our directors and officers have the same fiduciary duties to all shareholders of our company as a whole (and not separately to the holders of Liberty Global Shares or holders of LiLAC Shares). Our board of directors and CEO, in establishing and applying policies with regard to inter-group matters such as business transactions between the two groups and attribution of assets, liabilities, debt, corporate overhead, taxes, interest, corporate opportunities and other matters, will consider various factors and information which could benefit or cause relative detriment to the relevant groups of shareholders and will seek to make determinations which are most likely to promote the success of the company for the benefit of our shareholders as a whole. If and when there are conflicting interests between the Liberty Global Group and the LiLAC Group, our board of directors will use its good faith business judgment to resolve such conflicts.

4.4 ***Equity Issuances and Repurchases and Dividend Policy***

Our board of directors will issue and repurchase Liberty Global Shares and LiLAC Shares and issue dividends on the Liberty Global Shares and LiLAC Shares at times and in relative proportions (including issuing, repurchasing or paying dividends on only one group of ordinary shares) as it in good faith determines to be most likely to promote the success of the company for the benefit of its shareholders as a whole.

We will reflect all financial effects of issuances and repurchases of, and dividends or other distributions on, shares relating to either group in our attributed financial information. Where, for any reason, proceeds from the issuance of shares of one group are attributed to the other group, repurchases of shares of one group are made using funds attributed to the other group, or dividends are paid on shares of one group out of cash, property or other assets attributed to the other group, this may be reflected by recognizing or adjusting an inter-group interest or loan, among other options, as further described in paragraph 4.5 below.

We have never paid cash dividends on any class of our ordinary shares, and we do not expect to pay cash dividends on any class of our ordinary shares in the foreseeable future because we expect to retain future earnings for use in the operation and expansion of our business and for share repurchases. However, given that our company's intention in creating the LiLAC Shares is that they track and reflect the economic performance of the LiLAC Group, and that the Liberty Global Shares track and reflect the economic performance of the Liberty Global Group, our board of directors intends to restrict the maximum amount of any cash dividend that may be paid by the LiLAC Group or the Liberty Global Group to, at any date, either (i) an amount equal to the excess of the net assets of the LiLAC Group or the Liberty Global Group, as applicable, over the aggregate nominal value of our shares attributed to the relevant group or (ii) if there is

no such excess, an amount equal to our company's net earnings that are attributable to the LiLAC Group for the fiscal year in which such date occurs and/or the preceding fiscal year, as shown on the consolidating schedules to our company's consolidated financial statements for such periods on a substantially consistent basis. In addition to this maximum amount for cash dividends pursuant to our dividend policy, any dividend will also be subject to the limitations of English law that apply to any dividend paid by our company, including the availability of distributable reserves.

4.5 *Intercompany Transactions*

(a) *General*

If we change the attribution of cash or other property from one group to the other group, we will account for such change as a short-term loan, long-term loan, an inter-group interest, as a reduction of an inter-group interest or as a transfer in exchange for cash or other assets, as further described in (b) and (c) below.

Our board of directors will make these determinations, either in specific instances or by setting applicable policies generally, in such a way as it considers, in good faith, will promote the success of the company for the benefit of all its shareholders. Factors our board of directors may consider in making this determination include:

(i) the financing needs and objectives of the receiving group;

(ii) the investment objectives of the transferring group;

(iii) the current and projected capital structure of each group;

(iv) the relative levels of internally generated funds of each group; and

(v) the availability, cost and time associated with alternative financing sources, prevailing interest rates and general economic conditions.

Our board of directors will make all changes in the attribution of material assets from one group to the other on a fair value basis, as determined by our board of directors. For accounting purposes, all such assets will be deemed reattributed at their carryover basis. To the extent that this amount is different than the fair value of the inter-group loan or inter-group interest created in the transaction, this difference will be recorded as an adjustment to the group equity. No gain or loss will be recognized in the statement of operations information for the groups due to the related party nature of such transactions.

In determining fair value, we will use the relevant definition in our Articles. According to that definition, fair value means, in the case of any publicly traded security, the market value thereof (as determined in accordance with our Articles), in the case of other securities, the fair value thereof as determined by an independent investment banking firm selected by the board or, if no such firm is selected, as determined in the good faith judgment of our board of directors, and in the case of other assets, the fair value thereof as determined by our board of directors in good faith based on such information as the board shall in good faith determine to be appropriate.

(b) *Inter-Group Loans*

If one group makes a loan to the other group, our board of directors will determine the terms of the loan, including the rate at which it will bear interest. Our board of directors will determine the terms of any inter-group loans, either in specific instances or by setting applicable policies generally, in the exercise of its good faith business judgment. Factors our board of directors may consider in making this determination include:

(i) our company's needs;

(ii) the use of proceeds and creditworthiness of the receiving group;

(iii) the capital expenditure plans of, and the investment opportunities available to, each group; and

(iv) the availability, cost and time associated with alternative financing sources.

If an inter-group loan is made, we intend to account for the loan based on its stated terms, and the resulting activity, such as interest amounts, will be recorded in our attributed financial information to be included as exhibits to our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q, but will be eliminated in preparing our consolidated financial statement balances.

(c) *Inter-Group Interests*

An inter-group interest is a notional interest that the Liberty Global Group may be treated as holding in the LiLAC Group from time to time. Inter-group interests are not represented by any shares or securities, but rather may have a value attributed to them for certain accounting purposes. If an inter-group interest is recognized, we may reflect the effective economic consequences for shareholders of the events or transactions giving rise to such interest in a manner similar to the equity method of accounting by including appropriate adjustments in the relevant group accounts. Appropriate eliminating entries would be made in preparing our consolidated financial statement balances.

An inter-group interest treated as being held by the Liberty Global Group in the LiLAC Group will be recognized when our board of directors deems it fair and equitable to all holders of our ordinary shares. This could be the case where cash or property is reattributed from the Liberty Global Group to the LiLAC Group and our board of directors determines that the reattribution will not be treated as an inter-group loan or as a transfer in exchange for cash or other assets. Other examples include when funds attributed to the Liberty Global Group are used to effect an acquisition which is attributed to the LiLAC Group, where proceeds from the issuance of Liberty Global Shares are attributed to the LiLAC Group, or where LiLAC Shares are redesignated, or converted, into Liberty Global Shares.

Once recognized, the amount of the Liberty Global Group's inter-group interest in the LiLAC Group, if any, would be subject to adjustment from time to time, as our board of directors deems fair and equitable to all holders of our ordinary shares, to reflect changes in the economic interest that the Liberty Global Group is treated as holding in the LiLAC Group. The events or transactions that could give rise to such an adjustment being recognized include, without limitation, the following:

(i) subdivisions (by share split or otherwise) and combinations (by reverse share split or otherwise) of the LiLAC Shares and dividends payable in LiLAC Shares;

(ii) the redesignation of LiLAC Shares into deferred shares;

(iii) allocations of cash, property or other assets or liabilities from the Liberty Global Group to the LiLAC Group (or vice versa);

(iv) repurchases of LiLAC Shares made using funds attributed to the Liberty Global Group (or vice versa);

(v) issuances of LiLAC Shares to the extent the proceeds are attributed to the Liberty Global Group (or vice versa); and

(vi) dividends or other distributions in favor of holders of LiLAC Shares out of cash, property or other assets attributed to the Liberty Global Group (or vice versa).

Whenever we pay a dividend or make any other distribution on the LiLAC Shares, redesignate any LiLAC Shares as Liberty Global Shares, or take any other action with respect to the LiLAC Shares, we will take into account any inter-group interest that the Liberty Global Group may then be treated as holding in the LiLAC Group in such manner as our board of directors deems fair and equitable to all holders of our ordinary shares. This could include, for example, allocating a portion of any cash dividend that might otherwise be paid on the LiLAC Shares to the Liberty Global Group. It could also include retaining an interest for the Liberty Global Group in connection with a distribution of shares in a subsidiary of the LiLAC Group that holds assets and businesses attributed to the LiLAC Group to holders of LiLAC Shares. In connection with any transaction in which economic benefits are conferred on the LiLAC Shares at such time as the Liberty Global Group holds an inter-group interest in the LiLAC Group, our board of directors may decide that one appropriate way to take into account such a transaction is through the participation in such transaction by the Liberty Global Group or an adjustment to any such interest.

In recognizing any inter-group interest or making any adjustments to any such inter-group interest, or in reflecting any inter-group interest in connection with any transaction, our board of directors may consider any factors that it deems appropriate, including without limitation the tax effects of any event or transaction on the Liberty Global Group and the LiLAC Group or the use of tax benefits. All determinations that our board of directors makes in recognizing, adjusting or taking into account inter-group interests will be final and binding on all holders of our ordinary shares.

(d) *Inter-Group Contracts*

The terms of all current and future material transactions, relationships and other matters between the groups, including those as to which the groups may have potentially divergent interests, will be

determined in a manner considered in good faith by our board of directors to promote the success of the company for the benefit of our shareholders as a whole.

4.6 ***Review of Corporate Opportunities***

In cases where a material corporate opportunity may appropriately be viewed as one that could be pursued by either the Liberty Global Group or the LiLAC Group, or by both, our board of directors may, independently or at the request of management, review the allocation of that corporate opportunity to one of, or between, the two groups. This includes corporate opportunities that may present themselves in Latin America, Europe or elsewhere in the world. In accordance with English law, our board of directors will make its determination with regard to the allocation of any such opportunity and the benefit of such opportunity in accordance with their duty to act in good faith in the manner in which they consider will promote the success of the company for the benefit of our shareholders as a whole. Among the factors that our board of directors may consider in making this allocation are:

(i) whether a particular corporate opportunity is principally related or complementary to the principal focus or strategy of the LiLAC Group;

(ii) the financial resources and capital structure of each group;

(iii) whether one group, because of operational expertise, will be better positioned to undertake the corporate opportunity than the other group; and

(iv) existing contractual agreements and restrictions.

4.7 ***Financial Statements and Allocation Matters***

We will present consolidated financial statements in accordance with generally accepted accounting principles in the U.S., consistently applied. We will also provide consolidating financial statement information that will show the attribution of our assets, liabilities, revenue, expenses and cash flows to each of the Liberty Global Group and the LiLAC Group.

Consolidating financial statement information will also include attributed portions of our debt, interest, corporate overhead and costs of administrative shared services and taxes. We will make these allocations for the purpose of preparing such information; however, holders of Liberty Global Shares and LiLAC Shares will continue to be subject to all of the risks associated with an investment in our company as a whole.

In general, corporate overhead will be attributed to each group based primarily on the estimated percentage of time spent by corporate personnel providing services for each group. Corporate overhead includes costs of personnel and employee benefits, legal, accounting and auditing, insurance, investor relations and shareholder services and services related to the company's board of directors. We will attribute in a similar manner a portion of costs of administrative shared services, such as information technology services. Where determinations based on use alone are not practical, we will use other methods and criteria that we believe are equitable and that provide a reasonable estimate of the cost attributable to each group.

4.8 **Taxes**

The tax sharing policy described below, which became effective on the date that we distributed the LiLAC Shares, may be changed in future periods at the discretion of the board of directors of Liberty Global.

Liberty Global's tax assets, liabilities, benefits or expenses (tax attributes) generally are expected to be allocated to the Liberty Global Group and the LiLAC Group based on the tax attributes of the legal entities attributed to each of the groups. Nevertheless, to the extent that Liberty Global management concludes that the actions or results of one group give rise to changes in the tax attributes of the other group, the change in those tax attributes will generally be allocated to the group whose actions or results gave rise to such changes. Similarly, in cases where legal entities in one group join in a common tax filing with members of the other group, changes in the tax attributes of the group that includes the filing entity that are the result of the actions or financial results of one or more members of the other group are expected to be allocated to the group that does not include the filing entity. In addition, the allocation of any taxes and losses resulting from the ultimate tax treatment of Liberty Global tax attributes related to the issuance of the LiLAC Shares are expected to be allocated in proportion to each group's respective number of "liquidation units." Liquidation units will be allocated to each Liberty Global Share and each LiLAC Share, respectively, in proportion to the relative market value of a Liberty Global Class C Share and a LiLAC Class C Share, respectively, based

on their respective volume weighted average price over the 20 trading-day period commencing shortly after the commencement of ordinary-course (regular-way) trading of the LiLAC Shares. Intercompany payables and receivables that are recorded in connection with the allocation of tax attributes from one group to another are expected to be non-interest bearing and are expected to be cash settled annually within 90 days following the filing of the relevant tax return.

5. **Major Shareholders**

The following table sets forth information, to the extent known by us or ascertainable from public filings, concerning our ordinary shares beneficially owned by each person or entity known by us to own more than 5% of our outstanding Liberty Global Shares and/or LiLAC Shares (in each case, whether Liberty Global Class A, B or C or LiLAC Class A, B or C) as at February 29, 2016, being the latest practicable date before the publication of the Prospectus for which such information was available for all major shareholders (except as otherwise indicated in the notes to the table).

Ordinary shares issuable on or within 60 days after February 29, 2016, upon exercise of options or stock appreciation rights (SARs), vesting of restricted share units (RSUs), conversion of convertible securities or exchange of exchangeable securities, are deemed to be outstanding and to be beneficially owned by the person holding the options, SARs, RSUs or convertible or exchangeable securities for the purpose of computing the percentage ownership of that person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Also, for purposes of the following presentation, beneficial ownership of our Liberty Global Class B Shares and LiLAC Class B Shares, although convertible on a one-for-one basis into our Liberty Global Class A Shares and LiLAC Class A Shares, respectively, is reported as beneficial ownership of our Liberty Global Class B Shares and LiLAC Class B Shares only, and not as beneficial ownership of our Liberty Global Class A Shares or LiLAC Class A Shares, as the case may be. The percentage of voting power is presented on an aggregate basis for each person or entity named below.

Name of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership		Percent of Class	Voting Power
John C. Malone	Liberty Global Class A	1,090,480	(1)(2)(3)	*	24.9%
	Liberty Global Class B	8,787,373	(2)(3)(4)(5)	83.9%	
	Liberty Global Class C	11,989,905	(1)(2)(4)(6)	2.1%	
	LiLAC Class A	54,523	(1)(2)(3)	*	
	LiLAC Class B	439,368	(2)(3)(4)(5)	83.9%	
	LiLAC Class C	650,694	(1)(2)(4)(6)	2.1%	
Robert R. Bennett	Liberty Global Class A	208	(7)	*	2.7%
	Liberty Global Class B	981,873	(7)	9.4%	
	LiLAC Class A	10	(8)	*	
	LiLAC Class B	49,093	(8)	9.4%	
BlackRock, Inc.	Liberty Global Class A	17,651,611	(9)	7.0%	4.8%
	Liberty Global Class B	—	—	—	
	LiLAC Class A	423,663	(10)	3.4%	
	LiLAC Class B	—	—	—	
Capital World Investors	Liberty Global Class A	13,923,574	(11)	5.5%	3.8%
A division of Capital Research and	Liberty Global Class B	—	—	—	
Management Company	LiLAC Class A	341,598	(10)	2.7%	
	LiLAC Class B	—	—	—	
FMR LLC	Liberty Global Class A	14,224,040	(12)	5.6%	4.1%
	Liberty Global Class B	—	—	—	
	LiLAC Class A	1,206,087	(13)	9.5%	
	LiLAC Class B	—	—	—	
Kora Management LP	Liberty Global Class A	—		—	*
	Liberty Global Class B	—		—	
	LiLAC Class A	636,624	(14)	5.0%	
	LiLAC Class B	—		—	
New Mountain Vantage Advisers, L.L.C.	Liberty Global Class A	—	—	—	*
	Liberty Global Class B	—	—	—	
	LiLAC Class A	674,994	(15)	5.3%	
	LiLAC Class B	—	—	—	

* Less than one percent

(1) Based on information available to Liberty Global, including the Schedule 13D/A (Amendment No. 8) of Mr. Malone filed with the SEC on November 19, 2015, includes (a) 90,303 Liberty Global Class A Shares, (b) 680,041 Liberty Global Class C Shares, (c) 4,515 LiLAC Class A Shares and (d) 34,002 LiLAC Class C Shares held by Mr. Malone's wife, Mrs. Leslie Malone, as to which Shares Mr. Malone disclaims beneficial ownership.

(2) Based on information available to Liberty Global, including the Schedule 13D/A (Amendment No. 8) of Mr. Malone filed with the SEC on November 19, 2015, includes (a) 48,000 Liberty Global Class A Shares, (b) 110,148 Liberty Global Class B Shares, (c) 56,444 Liberty Global Class C Shares, (d) 2,400 LiLAC Class A Shares, (e) 5,507 LiLAC Class B Shares and (f) 14,222 LiLAC Class C Shares held by two trusts managed by an independent trustee, of which the beneficiaries are Mr. Malone's adult children. Mr. Malone, has no pecuniary interest in these trusts, but he retains the right to substitute assets held by them. Mr. Malone disclaims beneficial ownership of the shares held in these trusts.

(3) The Irrevocable Undertaking, dated as of November 16, 2015, from Mr. Malone to CWC contains provisions relating, in certain circumstances, to the voting (subject to certain restrictions) of certain Liberty Global Class A Shares, Liberty Global Class B Shares, LiLAC Class A Shares and LiLAC Class B Shares beneficially owned by Mr. Malone and the transferability of such shares. Mr. Malone expressly disclaims the existence of and membership in a group with CWC.

(4) Based on information available to Liberty Global, including the Schedule 13D/A (Amendment No. 8) of Mr. Malone filed with the SEC on November 19, 2015, includes (a) 8,677,225 Liberty Global Class B Shares, (b) 433,861 LiLAC Class B Shares, (c) 7,117,225 Liberty Global Class C Shares and (d) 375,861 LiLAC Class C Shares held by a trust with respect to which Mr. Malone is a co-trustee and, with his wife, retains a unitrust interest in the trust (which we refer to as the Malone Trust).

(5) Based on the Schedule 13D/A (Amendment No. 7) of Mr. Malone filed with the SEC on February 18, 2014, pursuant to a letter agreement dated as of February 13, 2014, among Mr. Fries, Mr. Malone and the Malone Trust, the parties agreed that, for so long as Mr. Fries is employed as a principal executive officer by us or serving on our board of directors, (a) in the event the Malone Trust or any permitted transferee (as defined in such letter agreement) is not voting the Liberty Global Class B Shares and LiLAC Class B Shares owned by the Malone Trust, Mr. Fries will have the right to vote such Liberty Global Class B Shares and LiLAC Class B Shares and (b) in the event the Malone Trust or any permitted transferee determines to sell such Liberty Global Class B Shares and LiLAC Class B Shares, Mr. Fries (individually or through an entity he controls) will have an exclusive right to negotiate to purchase such shares, and if the parties fail to come to an agreement and the Malone Trust or any permitted transferee subsequently intends to enter into a sale transaction with a third-party, Mr. Fries (or an entity controlled by him) will have a right to match the offer made by such third-party.

(6) Includes 2,200,000 Liberty Global Class C Shares and 110,000 LiLAC Class C Shares subject to a long-dated post-paid variable forward sale contract with an unaffiliated counterparty, divided into 20 components of 110,000 Liberty Global Class C Shares and 5,500 LiLAC Class C Shares, each. The components mature on sequential trading days beginning on August 17, 2017 and ending on September 14, 2017.

(7) The number of Liberty Global Class A Shares and the number of Liberty Global Class B Shares are based upon the Schedule 13D/A (Amendment No. 1) dated March 6, 2014, filed by Mr. Bennett with the SEC on April 3, 2014. The Schedule 13D/A reflects that Mr. Bennett has sole voting and dispositive power over the Liberty Global Class A Shares and Liberty Global Class B Shares reported. Of the shares reported, the Schedule 13D/A shows Mr. Bennett and his spouse jointly owning 749,539 Liberty Global Class B Shares and Hilltop Investments, LLC, which is jointly owned by Mr. Bennett and his spouse, owning 232,334 Liberty Global Class B Shares.

(8) The number of shares is based on the assumption that Mr. Bennett held the number of Liberty Global Class A Shares and Liberty Global Class B Shares reported in his Schedule 13D on the record date of the LiLAC Share distribution and applying the distribution ratio to such shares.

(9) The number of Liberty Global Class A Shares is based upon the Schedule 13G/A (Amendment No. 2) for the year ended December 31, 2015, filed with the SEC on January 26, 2016, by BlackRock, Inc. as a parent holding company of various subsidiaries, which together beneficially own the shares. The Schedule 13G/A reflects that BlackRock, Inc. has sole voting power over 15,031,058 of the Liberty Global Class A Shares. It has sole dispositive power over all of the Liberty Global Class A Shares.

(10) The number of shares for the respective shareholder is based upon the Form 13F for the quarter ended December 31, 2015 as filed by Capital World Investors.

(11) The number of Liberty Global Class A Shares is based upon the Schedule 13G/A (Amendment No. 2) for the year ended December 31, 2015, filed with the SEC on February 2, 2016, by Capital World Investors as a result of Capital Research and Management Company acting as investment advisor to various investment companies, including EuroPacific Growth Fund. The Schedule 13G/A reflects that Capital World Investors has sole voting and dispositive power over the Liberty Global Class A Shares. EuroPacific Growth Fund filed a Schedule 13G/A (Amendment No. 1) for the year ended December 31, 2015, on February 12, 2016, reporting 7,194,500 of the Liberty Global Class A Shares reported by Capital World Investors and states under certain circumstances it may vote these shares.

(12) The number of Liberty Global Class A Shares is based upon the Schedule 13G/A (Amendment No. 1) for the year ended December 31, 2015, filed with the SEC on February 12, 2016, by FMR LLC, as a parent holding company of various subsidiaries, Edward C. Johnson III and Abigail P. Johnson, which together beneficially own the shares. The Schedule 13G/A reflects that FMR Co. Inc. owns at least 5% of the shares. The family of Edward C. Johnson III, including Abigail P. Johnson, holds 49% of the voting power of FMR LLC. The Schedule 13G/A reflects that FMR LLC has sole voting power over 818,676 of the Liberty Global Class A Shares and sole dispositive power over all of the Liberty Global Class A Shares.

(13) The number of LiLAC Class A Shares is based upon the Schedule 13G/A (Amendment No. 1) for the year ended December 31, 2015, filed with the SEC on February 12, 2016, by FMR LLC, as a parent holding company of various subsidiaries, Edward C. Johnson III and Abigail P. Johnson, which together beneficially own the shares. The Schedule 13G/A reflects that FMR Co. Inc. owns at least 5% of the shares. The family of Edward C. Johnson III, including Abigail P. Johnson, holds 49% of the voting power of FMR LLC. The Schedule 13G/A reflects that FMR LLC has sole voting power over 121,211 of the LiLAC Class A Shares and sole dispositive power over all of the LiLAC Class A Shares.

(14) The number of LiLAC Class A Shares is based upon the Schedule 13G/A for the year ended December 31, 2015, filed with the SEC on February 16, 2016, by Kora Management LP as investment manager to Kora Master Fund PL. The Schedule 13G/A reflects that Kora Management LP has sole voting and sole dispositive power over all the LiLAC Class A Shares.

(15) The number of LiLAC Class A Shares is based upon the Schedule 13G/A (Amendment No. 1) filed with the SEC on February 16, 2016, by New Mountain Vantage Advisers, L.L.C. as an investment advisor to certain private funds and investment entities, and Steven B. Klinsky as managing member of New Mountain Capital Group L.L.C., which is the management member of New Mountain Vantage Advisors L.L.C. The Schedule 13G/A reflects that New Mountain Vantage Advisers, L.L.C. has shared voting and shared dispositive power over all of the LiLAC Class A Shares.

Holders of Liberty Global Class B Shares and LiLAC Class B Shares are each entitled to ten votes per share, thereby disproportionately impacting the voting rights of holders of the Liberty Global Class A Shares and the LiLAC Class A Shares. However, none of our major shareholders has different voting rights attached to the Liberty Global Shares or LiLAC Shares that they hold from any other holder of such shares.

As at March 18, 2016 (being the latest practicable date prior to the publication date of this Prospectus), we were not aware of any person or persons who, directly or indirectly, jointly or severally, exercise or could exercise control over Liberty Global.

6. Related party transactions

In 2014, we and certain of our other subsidiaries contributed an aggregate of £1,147,945 ($1,889,812) based on the 2014 average exchange rate) of cash to the Lessons for Life Foundation U.K., an independent educational charity organized in accordance with the non-profit laws of England. Included in such cash contribution was £159,188 ($262,065) based on the 2014 average exchange rate) in matching contributions based on the Lessons for Life Foundation U.K.'s fund raising efforts. We also contributed in-kind services, directly or indirectly, to the Lessons for Life Foundation U.K., the Lessons for Life Foundation Ireland and the Lessons for Life Foundation U.S. for an aggregate value of £95,619 ($157,413 based on the 2014 average exchange rate). Each of the Lessons for Life Foundations is an independent charity organized in accordance with the non-profit laws of their respective countries. The focus of the Lessons for Life Foundations is to provide scholarships for AIDS orphans in Africa. Charles H.R. Bracken, an NEO, and five other employees of our company are trustees of the Lessons for Life Foundation U.K. Mr. Fries, our CEO and president, and Amy M. Blair, our senior vice president and chief human resources officer, are trustees of the Lessons for Life Foundation US. The trustees do not receive any compensation for their involvement with any of the Lessons for Life Foundations. As part of our charitable giving program, we are supportive of the goals and objectives of the Lessons for Life Foundations.

7. Material Contracts

7.1 Co-operation Agreement

On November 16, 2015, we announced the recommended share acquisition by Liberty Global for all outstanding and to be issued shares of CWC. Pursuant to the announcement, the consideration for CWC will compromise up to approximately 31.7 million Liberty Global Class A Shares, 77.5 million Liberty Global Class C Shares, 3.6 million LiLAC Class A Shares and 8.9 million LiLAC Class C Shares. In addition, CWC is to pay a Special Dividend in the amount of £0.03 per CWC Share upon completion. CWC and Liberty Global expect the effective date of this acquisition to occur in the second quarter of 2016, subject to the satisfaction or, where applicable, waiver of the conditions and certain further terms set out in the announcement.

7.2 Virgin Media Acquisition

On June 7, 2013, we completed the Virgin Media Acquisition in a stock and cash merger valued at approximately $24 billion. For further details, please see note 4 to our 2015 Consolidated Financial Statements.

7.3 Ziggo Acquisition

On November 11, 2014, pursuant to a merger protocol agreement dated January 27, 2014, among LGE Holdco VII B.V., Ziggo N.V. and with respect to the Ziggo Offer, we gained control of Ziggo through the acquisition of 136,603,794 additional Ziggo shares, which increased our ownership in Ziggo to 88.9%. From November 12, 2014 through November 17, 2014, we acquired 18,998,057 additional Ziggo shares through the Ziggo Offer, further increasing our ownership interest in Ziggo to 98.4%. Under the terms of the Ziggo Offer, Ziggo shareholders who tendered their shares received the following Old Liberty Global Shares: (1) 0.2282 Old Liberty Global Class A ordinary shares; (2) 0.5630 Old Liberty Global Class C ordinary shares; and (3) €11.00 ($13.71 at the applicable rates) in cash for each Ziggo share they tendered. Accordingly, we issued an aggregate of 35,508,342 Old Liberty Global Class A ordinary shares and 87,603,842 Old Liberty Global Class C ordinary shares pursuant to the Ziggo Acquisition. In connection with the completion of the Ziggo Acquisition, we obtained regulatory clearance from the European Commission, subject to certain conditions primarily related to (a) the sale of our Film1 pay TV channel and (b) certain carriage agreement provisions with broadcasters in the Netherlands. On December 3, 2014, we

initiated a statutory squeeze-out procedure in accordance with the Dutch Civil Code in order to acquire the remaining 3,162,605 Ziggo shares not tendered through November 19, 2014. We combined the Ziggo and UPC Nederland operations during the first quarter of 2015.

For additional information on the above Ziggo transactions, including related financings, see notes 4 and 10 to our 2015 Consolidated Financial Statements. In addition, during 2015, we completed various other smaller acquisitions in the normal course of business.

7.4 **Chellomedia Disposition**

Pursuant to an agreement with respect to the Chellomedia disposition dated January 31, 2014, we completed the sale of the Chellomedia Disposal Group to AMC Networks Inc. for €750.0 million ($1,013.1 million at the applicable rate) in cash (the Chellomedia Transaction). The assets disposed of pursuant to the Chellomedia Transaction excluded Chellomedia's premium sports and film channels in the Netherlands. Prior to the sale, through Chellomedia's programming networks, we provided programming channels to multi-channel distribution systems owned by it and by third parties. Certain of our broadband communications operations will continue to receive programming services from the Chellomedia Disposal Group through contracts that were negotiated as part of the disposal. As such, we will have continuing cash outflows associated with the Chellomedia Disposal Group through at least 2017.

7.5 **Ziggo Vodafone Joint Venture**

On February 15, 2016, Liberty Global Europe Holding B.V., a corporation organized under the laws of the Netherlands and a wholly owned subsidiary of Liberty Global, Vodafone International Holdings B.V., a corporation organized under the laws of the Netherlands and a wholly owned subsidiary of Vodafone agreed to enter into the Contribution Agreement. Pursuant to the Contribution Agreement, Liberty Global and Vodafone agreed to form the Ziggo Vodafone Joint Venture, which will combine Liberty Global's broadband communications business in the Netherlands, Ziggo, with Vodafone's mobile businesses in the Netherlands to create a national unified communications provider in the Netherlands with complementary strengths across video, broadband, mobile and B2B services.

The Contribution Agreement includes customary representations, warranties, covenants and indemnification obligations of Liberty Global and Vodafone relating to the each of their contributed businesses.

The consummation of the transactions contemplated by the Contribution Agreement is subject to competition clearance by the applicable regulatory authority in the European Union and no relevant regulatory authority having issued a decision, which results in a revocation or a change to the terms of any Vodafone Libertel B.V. licenses for the use of radio frequencies for mobile telecommunications that results in a material adverse change. It is anticipated that the transaction will close around the end of 2016.

The Contribution Agreement also includes customary termination rights, including a right of the parties to terminate the transaction if it has not closed by August 15, 2017 (which date may be extended by mutual agreement of the parties).

Until the closing, Liberty Global and Vodafone will continue to operate their respective businesses in the Netherlands as independent businesses.

At the closing of the transactions contemplated by the Contribution Agreement, Vodafone will pay to Liberty Global an equalization payment equal to approximately €1.0 billion, as adjusted for the net debt of Ziggo and Vodafone at the time of closing and certain working capital adjustments. The payment obligations of Vodafone under the Contribution Agreement have been guaranteed by Vodafone and those of Liberty Global have been guaranteed by Liberty Global plc. In addition, the parties expect to raise additional debt financing at Ziggo Vodafone Joint Venture to increase the Ziggo Vodafone Joint Venture's net leverage ratio to 4.5 and 5 times EBITDA (as calculated pursuant to Ziggo's existing financing arrangements) and to make a pro rata distribution of capital to Liberty Global and Vodafone.

Upon consummation of the transactions contemplated by the Contribution Agreement, Liberty Global and Vodafone will enter into a Shareholders Agreement for the Ziggo Vodafone Joint Venture. Each of Liberty Global and Vodafone will hold 50% of the issued share capital of the Ziggo Vodafone Joint Venture. The supervisory board of the Ziggo Vodafone Joint Venture will be comprised of eight members, with three appointed by each of Liberty Global and Vodafone and two appointed by the works councils of the contributed businesses in accordance with Dutch law. In general, most decisions of the supervisory board will require the assent of individuals appointed by both Liberty Global and Vodafone. Certain decisions,

referred to as "Reserved Matters" will require the approval of both Ziggo Vodafone Joint Venture partners, either directly or through their designees to the supervisory board, including: changes in the constituent documents, capital, executive management or branding of the Ziggo Vodafone Joint Venture; a merger or sale of all or substantially all of the assets of the Ziggo Vodafone Joint Venture; the approval of the annual budget of the Ziggo Vodafone Joint Venture; and certain other material business, investing and financing decisions of the Ziggo Vodafone Joint Venture. The chairman of the supervisory board will rotate on an annual basis between a member appointed by each respective shareholder group.

The Ziggo Vodafone Joint Venture will be required to make regular cash distributions to the shareholders on a pro-rata basis equal to the unrestricted cash held by the Ziggo Vodafone Joint Venture (subject to the Ziggo Vodafone Joint Venture maintaining a minimum amount of cash and complying with the terms of its financing arrangements). As an ongoing operation, it is intended that the Ziggo Vodafone Joint Venture will be funded solely from its net cash flow from operations and third-party financing.

Each shareholder will have the right to initiate an initial public offering of the Ziggo Vodafone Joint Venture after the third anniversary of the closing, with the opportunity for the other shareholder to sell shares in the initial public offering on a pro-rata basis. The parties have agreed to restrictions on other transfers of interests in the Ziggo Vodafone Joint Venture until the fourth anniversary of the closing. After the fourth anniversary, each shareholder will be able to initiate a sale of the entire Ziggo Vodafone Joint Venture to a third-party, subject to a right of first offer in favor of the other shareholder. In the event of the insolvency of Liberty Global or Vodafone, the other party will have the right to purchase the shares of the insolvent party in the Ziggo Vodafone Joint Venture for a fully distributed market value. The insolvency of a party may also result in a suspension of the rights attached to its shares in the Ziggo Vodafone Joint Venture (including dividends and voting) and the same applies in the event of a breach of the transfer restrictions by either party.

The Shareholders Agreement contains customary covenants regarding co-operation, information sharing, restrictions on the partners from competing with the Ziggo Vodafone Joint Venture and restrictions on soliciting employees of the Ziggo Vodafone Joint Venture.

In connection with the closing of the transactions contemplated by the Contribution Agreement, the parties will also enter into various ancillary agreements. These ancillary agreements include, without limitation, a brand license agreement in respect of the use by the Ziggo Vodafone Joint Venture of the Vodafone brand and a framework services agreement that will govern the provision of services by the Liberty Global and Vodafone groups to the Ziggo Vodafone Joint Venture to assist with the operations of the Ziggo Vodafone Joint Venture.

7.6 Financings

(a) *Virgin Media Refinancings*

On March 28, 2014, Virgin Media Secured Finance issued (1) the 2025 VM 5.5% Dollar Senior Secured Notes, (2) £430.0 million ($670.0 million) principal amount of 5.5% senior secured notes due January 15, 2025 (together with the 2025 VM 5.5% Dollar Senior Secured Notes, the 2025 VM Senior Secured Notes) and (3) the Original 2029 VM Senior Secured Notes. In April 2014, the net proceeds from the 2025 VM Senior Secured Notes and the Original 2029 VM Senior Secured Notes were used to redeem all of Virgin Media's £875.0 million ($1,363.4 million) principal amount of Virgin Media's 7.0% senior secured notes due 2018.

In April 2014, (1) Virgin Media Secured Finance issued the Additional 2029 VM Senior Secured Notes at an issue price of 101.75% and (2) Virgin Media entered into (a) VM Facility D and (b) VM Facility E, each under the VM Credit Facility. In connection with these transactions, (1) certain lenders under VM Facility C under the VM Credit Facility effectively rolled £500.4 million ($779.7 million) of their drawn commitments to VM Facilities D and E and (2) the remaining outstanding balance of VM Facility C was repaid with existing liquidity. VM Facilities D and E were fully drawn in May 2014, and the net proceeds, together with the net proceeds from the Additional 2029 VM Senior Secured Notes, were used to fully redeem Virgin Media's $1.0 billion principal amount of 6.5% senior secured notes due 2018.

On October 7, 2014, Virgin Media Finance, a wholly-owned subsidiary of Virgin Media, issued (1) the 2024 VM Sterling Senior Notes and (2) $500.0 million principal amount of 6.0% senior notes due October 15, 2024 (together with the 2024 VM Sterling Senior Notes, the 2024 VM Senior Notes). On October 24, 2014, the net proceeds from the 2024 VM Senior Notes were used to fully redeem

(1) Virgin Media's $507.1 million principal amount of 8.375% senior notes due 2019 and (2) the £253.5 million ($395.0 million) principal amount of Virgin Media's 8.875% senior notes due 2019, including the related redemption premium.

On March 30, 2015, Virgin Media Secured Finance issued (1) $500.0 million principal amount of 5.25% senior secured notes due January 15, 2026 and (2) £525.0 million ($773.5 million) principal amount of 4.875% senior secured notes due January 15, 2027. On April 30, 2015, Virgin Media Secured Finance issued $500.0 million principal amount of 5.25% senior secured notes due January 15, 2026, which were issued at 101% of par. The net proceeds from the foregoing senior secured notes were used to (a) redeem 10% of the principal amount of certain series of notes issued by Virgin Media Secured Finance in accordance with the indentures governing each of the notes, and (b) prepay in full the outstanding principal amount of certain term loans under the senior secured credit facility of Virgin Media Investment Holdings Limited, a subsidiary of Virgin Media.

(b) *Unitymedia December 2014 Refinancing*

On December 17, 2014, Unitymedia Hessen GmbH & Co. KG and Unitymedia NRW GmbH (each a subsidiary of Unitymedia) issued (1) the December 2014 UM Euro Senior Secured Notes and (2) $550.0 million principal amount of 5.0% senior secured notes due January 15, 2025 (together with the December 2014 UM Euro Senior Secured Notes, the December 2014 UM Senior Secured Notes). A portion of the net proceeds from the December 2014 UM Senior Secured Notes were used to redeem in full Unitymedia's 7.5% senior secured notes due March 15, 2019, including the related redemption premium.

(c) *2015 Reorganization Transactions*

During the first quarter of 2015, we undertook the financing transactions described below in connection with certain internal reorganizations of our broadband and wireless communications businesses in Europe, (1) a controlling interest in UPC Broadband Ireland Ltd. and its subsidiaries was transferred from a subsidiary of UPC Holding to a subsidiary of Virgin Media (the UPC Ireland Transfer), with the remaining noncontrolling interest transferred to another subsidiary of Liberty Global outside the UPC Holding borrowing group and (2) Ziggo Services and its subsidiaries were transferred from a subsidiary of UPC Holding to Ziggo Group Holding (the Ziggo Services Transfer). UPC Holding used the cash consideration received in connection with the Ziggo Services Transfer and the UPC Ireland Transfer of over $2.0 billion to prepay in full the outstanding principal amount of certain notes, together with accrued and unpaid interest and the related prepayment premium, as applicable, under the UPC Broadband Holding Bank Facility and to redeem in full certain senior notes. Then certain UPCB Finance entities, which are special purpose financing entities that are wholly-owned by a Dutch foundation, used the proceeds from the forgoing prepayments to redeem in full or in part the outstanding principal amount of their respective senior secured notes.

(d) *Ziggo Refinancing*

Ziggo Bond Finance and Ziggo Secured Finance are special purpose financing entities that are wholly-owned by a Dutch foundation. On January 29, 2015, Ziggo Bond Finance issued (1) $400.0 million aggregate principal amount of senior notes and (2) €400.0 million ($434.6 million) aggregate principal amount of senior notes, the proceeds of which were used to fund Ziggo Group Holding's credit facilities senior proceeds loans in the aggregate principal amount of $400.0 million and €400.0 million ($434.6 million), respectively, with a subsidiary of Ziggo Group Holding. On February 4, 2015, Ziggo Secured Finance issued €800.0 million ($869.3 million) aggregate principal amount of senior secured notes and used such proceeds to fund €800.0 million ($869.3 million) aggregate principal amount of a senior secured proceeds loan with a subsidiary of Ziggo Group Holding as borrower. The proceeds from each of the foregoing loans were ultimately used to redeem certain amounts outstanding under the notes described below under "UPCB Finance Refinancing" of this section.

(e) *UPCB Finance Refinancing*

UPCB Finance entities are special purpose financing entities that are wholly-owned by a Dutch foundation. During 2015, UPCB Finance IV Limited issued (1) $800.0 million aggregate principal amount of 5.375% senior secured notes (2) €600.0 million ($652.0 million) aggregate principal amount of senior secured notes and (3) an additional $340.0 million principal amount of 5.375% senior secured notes, the proceeds of which were used to fund UPC Facilities AL, AK and AL2, respectively. UPC

Facility AL2 was subsequently merged with UPC Facility AL. The net proceeds from UPC Facility AL and UPC Facility AK were used to (1) prepay the remaining €190.0 million ($206.5 million) outstanding principal amount of UPC Facility Y, together with accrued and unpaid interest and the related prepayment premium, (2) prepay the $1.0 billion outstanding principal amount of UPC Facility Z, together with accrued and unpaid interest and the related prepayment premium, (3) prepay in full the then outstanding €600.0 million ($652.0 million) amount under UPC Facility AI and (4) prepay 10% of the outstanding principal amount of each of UPC Facility AC and UPC Facility AD, each together with accrued and unpaid interest and the related prepayment premium. The UPCB Finance entities that received the forgoing prepayments used the proceeds therefrom to redeem in full or in part the outstanding principal amount of their respective senior secured notes.

For a further description of the terms of the above financings and certain other transactions affecting our consolidated debt in 2015, see note 10 to our 2015 Consolidated Financial Statements.

7.7 **Deed of Assumption**

On June 7, 2013 we executed and delivered a Deed of Assumption pursuant to which we assumed the 2005 Incentive Plan, the 2005 Plan and the Virgin Media 2010 Incentive Plan.

7.8 **Deed of Indemnity**

A form of Deed of Indemnity is agreed between us and the Liberty Global Directors and Liberty Global Executive Officers, under which we will indemnify them, to the fullest extent permitted by applicable law, against all losses suffered or incurred by them in the event that they are a party to or involved in any claim arising in connection with their appointment as director, officer, employee, agent or fiduciary of ours or our subsidiary undertakings or another corporation at our request which are further discussed in paragraph 7.4 of Part IX (*Liberty Global Directors, Responsible Persons, Corporate Governance and Employees*).

7.9 **Trade mark license agreements**

(a) *Trade mark license agreement between VEL and NTL Group*

(i) VEL and NTL Group Limited entered into a trade mark license agreement on April 3, 2006 in relation to the use of certain "Virgin" trademarks. Pursuant to the terms of the agreement, VEL agreed to grant a license to NTL Group and specified members of the NTL Group (as defined therein) to use certain registered trademarks and trade mark applications. The agreement was amended by the parties on two subsequent occasions (February 8, 2007 and October 1, 2007).

(b) *Trade mark license agreement between VEL and VML dated December 16, 2009*

(i) VEL and VML entered into a trade mark license agreement on December 16, 2009 in relation to the use of the "Virgin" trade marks in respect of business communication services. Pursuant to the terms of agreement, VEL agreed to grant a license to VML and specified members of the Virgin Media Group (as defined therein) to use certain registered trademarks and trade mark applications in relation to Business Communications Services (as defined therein) on the terms set out in the agreement.

8. **Significant subsidiaries**

At December 31, 2015, our principal subsidiaries were as follows:

Name of subsidiary	Country of incorporation	Holdings	Proportion of voting rights and shares held	Nature of business
Liberty Cablevision of Puerto Rico LLC	Puerto Rico	Preferred units Common units	60.0%	Operating company
Liberty Global Broadband I Limited	United Kingdom	Ordinary shares	100.0%	Intermediate holding company
Liberty Global, Inc.	United States	Common stock	100.0%	Intermediate holding company

Name of subsidiary	Country of incorporation	Holdings	Proportion of voting rights and shares held	Nature of business
Telenet Group Holding N.V.	Belgium	Common stock	56.9%	Intermediate holding company
Unitymedia GmbH	Germany	Shares	100.0%	Intermediate holding company and operating company
UPC Cablecom GmbH	Switzerland	Shares	100.0%	Intermediate holding company and operating company
UPC Holding B.V.	The Netherlands	Ordinary shares	100.0%	Intermediate holding company
Virgin Media Inc.	United States	Common stock	100.0%	Intermediate holding company
VTR Finance B.V.	The Netherlands	Ordinary shares	100.0%	Intermediate holding company
VTR Globalcom SpA	Chile	Shares	100.0%	Intermediate holding company and operating company
Ziggo Group Holding BV	The Netherlands	Ordinary shares	100.0%	Intermediate holding company

9. Working capital

In the opinion of Liberty Global, the working capital available to Liberty Global and its subsidiaries is sufficient for their present requirements, that is, for at least 12 months following the date of this Prospectus.

10. Litigation

From time to time, the subsidiaries and affiliates of Liberty Global have become involved in litigation relating to claims arising out of their operations in the normal course of business. For additional information, see note 17 to the 2015 Consolidated Financial Statements in Annex I to this Prospectus. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Liberty Global and the Liberty Global Directors are aware) during the 12 months preceding the date of this document which may have, or have had in the recent past, significant effects on the financial position or profitability of Liberty Global and its subsidaries save as disclosed below:

10.1 Liberty Puerto Rico Matter

In November 2012, we completed a business combination that resulted in, among other matters, the OneLink Acquisition. In connection with the OneLink Acquisition, Liberty Puerto Rico, as the surviving entity, became a party to certain claims previously asserted by the incumbent telephone operator against OneLink based on alleged conduct of OneLink that occurred prior to the OneLink Acquisition. The PRTC Claim includes an allegation that OneLink acted in an anticompetitive manner in connection with a series of legal and regulatory proceedings it initiated against the incumbent telephone operator in Puerto Rico beginning in 2009. In March 2014, the PRTC Class Action Claim was filed containing allegations substantially similar to those asserted in the PRTC Claim, but alleging ongoing injury on behalf of a consumer class (as opposed to harm to a competitor). The former owners of OneLink have partially indemnified us through November 27, 2016 for any losses we may incur in connection with the PRTC Claim up to a specified maximum amount. However, the indemnity does not cover any potential losses resulting from the PRTC Class Action Claim. Liberty Puerto Rico has recorded a provision and a related indemnification asset representing its best estimate of the net loss that it may incur upon the ultimate

resolution of the PRTC Claim. While Liberty Puerto Rico expects that the net amount required to satisfy these contingencies will not materially differ from the estimated amount it has accrued, no assurance can be given that the ultimate resolution of these matters will not have an adverse impact on our results of operations, cash flows or financial position in any given period.

10.2 Virgin Media VAT Matters

Virgin Media's application of the VAT with respect to certain revenue generating activities has been challenged by the U.K. tax authorities. Virgin Media has estimated its maximum exposure in the event of an unfavorable outcome to be £45.2 million ($66.6 million) as of December 31, 2015. No portion of this exposure has been accrued by Virgin Media as the likelihood of loss is not considered to be probable. A court hearing was held at the end of September 2014 in relation to the U.K. tax authorities' challenge and the court's decision is expected prior to March 31, 2016.

On March 19, 2014, the U.K. government announced a change in legislation with respect to the charging of VAT in connection with prompt payment discounts such as those that we offer to our fixed-line telephony customers. This change, which took effect on May 1, 2014, impacted our company and some of our competitors. As a result of this legislation, our revenue was £24.0 million lower during 2015 as compared to 2014. The U.K. tax authority issued a decision in the fourth quarter of 2015 challenging our application of the prompt payment discount rules prior to the May 1, 2014 change in legislation. We have appealed this decision. As part of the appeal process, we were required to make aggregate payments of £67.0 million ($99.1 million at the respective transaction dates), which included the challenged amount of £63.7 million and related interest of £3.3 million. The aggregate amount paid does not include penalties, which could be significant in the unlikely event that penalties were to be assessed. This matter will likely be subject to court proceedings that could delay the ultimate resolution for an extended period of time. No portion of this potential exposure has been accrued by our company as the likelihood of loss is not considered to be probable.

10.3 Hungary VAT Matter

In September 2015, our DTH operations in Luxembourg received a first instance decision from the Hungarian tax authorities as a result of an audit with respect to VAT payments that the Hungarian tax authorities conducted for the years 2010 through 2012. The Hungarian tax authorities have assessed our DTH operations with an obligation to pay VAT for the years audited of HUF 5,902.2 million ($20.3 million), excluding interest and penalties, which could be significant. We believe that our DTH operations have operated in compliance with all applicable rules, regulations and interpretations thereof, including a binding tax ruling that we received from the Hungarian government in 2010. Although we are appealing the first instance decision, we may be required to pay all or a portion of the assessed amount during the pendency of the appeal. No portion of this exposure has been accrued by us as the likelihood of loss is not considered to be probable.

10.4 Telenet MVNO Matter

Telenet and Mobistar are currently in dispute over amounts payable to Mobistar with respect to certain provisions of the Mobistar MVNO Agreement. As part of this dispute, Mobistar initiated legal proceedings against Telenet claiming, among other things, that the migration period after termination or expiration of the Mobistar MVNO Agreement should be shortened from 24 months to six months. Telenet believes it has strong arguments against Mobistar's claims and intends to defend itself vigorously. We cannot currently predict the outcome of these proceedings; however, in the unlikely event that the migration period is shortened, Telenet's mobile business could be adversely impacted. The oral hearing in this matter is currently scheduled for September 23, 2016.

11. Significant change

There has been no significant change in the financial or trading position of Liberty Global and its consolidated subsidiaries since December 31 2015, being the end of the period for which the last audited consolidated accounts of Liberty Global and its consolidated subsidiaries were published.

12. **Property, Plant and Equipment**

12.1 Liberty Global leases its corporate offices in London, U.K., Denver, Colorado, U.S., and Amsterdam, the Netherlands. All of our other real or personal property is owned or leased by our subsidiaries and affiliates.

12.2 Our subsidiaries and affiliates own or lease the fixed assets necessary for the operation of their respective businesses, including office space, transponder space, headend facilities, rights of way, cable television and telecommunications distribution equipment, telecommunications switches and customer premises equipment and other property necessary for their operations. The physical components of their broadband networks require maintenance and periodic upgrades to support the new services and products they introduce. Subject to these maintenance and upgrade activities, our management believes that our current facilities are suitable and adequate for our business operations for the foreseeable future.

13. **Research and Development, Patents and Licenses**

We do not have a material research and development policy or conduct research and development internally. We license software products, including email and security software, and content, such as news feeds, from several suppliers for our internet services. The agreements for these products require that we pay a per subscriber fee for software licenses and a share of advertising revenue for content licenses. For our TiVo service in the U.K., we have a partnership arrangement where TiVo is the exclusive provider of the user interface software for our next generation set-top boxes, which provide converged television and broadband internet capabilities, and we are the exclusive distributor of the TiVo services and technology in the U.K. For our fixed-line telephony services, we license software products, such as voicemail, text messaging and caller ID, from a variety of suppliers. For these licenses we seek to enter into long-term contracts, which generally require us to pay based on usage of the services.

13.1 **Trade Mark Licenses**

The trade mark licenses (and subsequent amendments thereto), as set out in paragraph 7.9 of this Part XI (*Additional Information*), while not entered into in the five years prior to the publication date of this Prospectus, are considered by the Liberty Global Group to be material.

14. **Net proceeds and costs and expenses of the Acquisition**

There are no net proceeds receivable by Liberty Global.

The aggregate fees and expenses expected to be incurred by Liberty Global in connection with the Transaction (excluding any applicable VAT) are approximately $134.4 million.

15. **General**

KPMG (U.K.) is a member of The Institute of Chartered Accountants in England and Wales and has given and has not withdrawn its written consent to the inclusion of its report set out in Section B (*Accountants' Report on the Profit Forecast of the Liberty Global Group and the LiLAC Group*) of Annex II (*Profit Forecast of the Liberty Global Group and the LiLAC Group*) to this Prospectus in the form and context in which it appears and has authorised the contents of that report solely for the purposes of item 5.5.3R(2)(f) of the Prospectus Rules.

16. **Documents on display**

Copies of the following documents are available for inspection during usual business hours on any Business Day for a period beginning on the date of the publication of this Prospectus and ending on the Effective Date at the offices of Liberty Global at Griffin House, 161 Hammersmith Road, London, United Kingdom, W6 8BS:

(a) our Articles;

(b) our 2015 Consolidated Financial Statements and our 2014 Consolidated Financial Statements;

(c) this Prospectus; and

(d) Report of KPMG (U.K.) on the Profit Forecast of the Liberty Global Group and the LiLAC Group set out in Section B (*Accountants' Report on the Profit Forecast of the Liberty Global Group and the LiLAC Group*) of Annex II (*Profit Forecast of the Liberty Group and the LiLAC Group*) of this document.

For the purposes of the Prospectus Rules, this Prospectus will be published in electronic form and made available, subject to certain restrictions relating to persons in Restricted Jurisdictions, at www.libertyglobal.com.

PART XII

DEFINITIONS

The following definitions apply throughout this Prospectus unless the context otherwise requires:

2005 Incentive Plan	means the Liberty Global Inc. 2005 Incentive Plan (as amended and restated effective June 7, 2013)
2005 Plan	means the 2005 Liberty Global Inc. Nonemployee Incentive Plan
2013 Challenge Award	means a challenge award granted to each of our NEOs and certain key employees pursuant to the compensation committee's decision on June 24, 2013 to grant such awards
2014 Annual Award Program	means the 2014 annual cash performance award program
2014 Consolidated Financial Statements	means the consolidated balance sheets of Liberty Global as of December 31, 2014 and 2013 and the related consolidated statements of operations, comprehensive earnings (loss), equity and cash flows for each of the years in the three-year period ended December 31, 2014, attached as Annex I to this Prospectus
2014 Incentive Plan	means the Liberty Global 2014 Incentive Plan, as amended
2014 Director Plan	means the 2014 Liberty Global Nonemployee Incentive Plan
2014 Plans	means the 2014 Incentive Plan and the 2014 Director Plan, collectively
2014 Share Dividend	means the share split in the form of a share dividend approved by the board of directors of Liberty Global on January 26, 2014
2015 Consolidated Financial Statements	means the consolidated balance sheets of Liberty Global as of December 31, 2015 and 2014 and the related consolidated statements of operations, comprehensive loss, equity, and cash flows for each of the years in the three-year period ended December 31, 2015, attached as Annex I to this Prospectus
2024 VM Sterling Senior Notes	means the £300.0 million ($467.4 million) principal amount of 6.375% senior notes due October 15, 2024 issued by Virgin Media Finance on October 7, 2014
2024 VM Senior Notes	means the 2024 VM Sterling Senior Notes and the $500.0 million principal amount of 6.0% senior notes due October 15, 2024, issued by Virgin Media Finance on October 7, 2014, collectively
2025 VM 5.5% Dollar Senior Secured Notes	means the $425.0 million principal amount of 5.5% senior secured notes due January 15, 2025 issued by Virgin Media Secured Finance on March 28, 2014

2025 VM Senior Secured Notes	means the 2025 VM 5.5% Dollar Senior Secured Notes and the £430.0 million ($670.0 million) principal amount of 5.5% senior secured notes due January 15, 2025 issued by Virgin Media Secured Finance on March 28, 2014, collectively
401(k) Plan	means the Liberty Global 401(k) Savings and Stock Ownership Plan
Accrued Benefits	means in relation to Mr. Fries' employment: (1) Mr. Fries' accrued but unpaid base salary through the date of termination; (2) any annual cash performance award for a completed year that was earned but not paid as of the date of termination; (3) any accrued but unused vacation leave pay as of the date of termination; (4) any accrued vested benefits under our company's employee welfare and tax qualified retirement plans, in accordance with the terms of those plans; and (5) reimbursement of any business expenses
ACM	means the Autoriteit Consument & Markt
Acquisition	means the recommended acquisition by Liberty Global of the entire issued and to be issued share capital of CWC by means of the Scheme (or by the Offer) on the terms and subject to the conditions summarized in Part I (*Information on the Acquisition*)
Act	means the Companies Act 2006 (as amended)
Additional 2029 VM Senior Secured Notes	means the £175.0 million ($272.7 million) principal amount of 6.25% senior secured notes due March 28, 2029 issued by Virgin Media Secured Finance in April 2014
Adjusted OIBDA	means operating income before depreciation and amortization, share-based compensation, provisions and provision releases related to significant litigation and impairment, restructuring and other operating items. Other operating items include (a) gains and losses on the disposition of long-lived assets, (b) third-party costs directly associated with successful and unsuccessful acquisitions and dispositions, including legal, advisory and due diligence fees, as applicable, and (c) other acquisition-related items, such as gains and losses on the settlement of contingent consideration
Alternative Election	means the election to participate in the LiLAC Alternative (as part of the Recommended Offer), the First Dual Share Alternative or the Second Dual Share Alternative
Annual Equity Awards	means the annual equity awards to which Mr. Fries is entitled pursuant to our equity compensation programs

Applicable Percentage means in relation to Mr. Fries' employment, the percentage of the annual equity grant value that is made in the form of PSUs (or other full value equity awards) and shall not be less than 50%

Articles means the Liberty Global plc articles of association adopted by special resolution passed on February 24, 2015

Award Modifications means the approved modifications to our outstanding share-based incentive awards in connection with the LiLAC Transaction

Austar means Austar United Communications Limited

AVMS means the Audiovisual Media Services Directive

BASE means BASE Company N.V.

Belgium Regulatory Authorities means the BIPT together with the regional regulators for the media sectors in Belgium

BIPT means the Belgisch Instituut voor Post en Telecommunicate

Break Fee means an amount in cash equal to $50 million (exclusive of VAT, if any) in the event that, on or prior to the Long Stop Date, Liberty Global makes a Liberty Global Adverse Recommendation Change and either party exercises its right to terminate the Co-operation Agreement for such reason, as further described in paragraph 10 of Part I (*Information on the Acquisition*)

BT means BT Group plc

Business Day means a day (other than a Saturday, Sunday or public holiday in the U.K.) when banks are open in London for general banking business

CEO or Chief Executive Officer means the chief executive officer of Liberty Global, Mr. Fries

CEO Performance Award means the award of PSUs of 1,000,000 Liberty Global Class A Shares and 1,000,000 Liberty Global Class B Shares, which Mr. Fries received upon signing the Fries Agreement, as adjusted by the LiLAC Transaction

Challenge Performance Awards means the challenge performance award plan for certain executive officers and key employees

Chellomedia means Chellomedia B.V.

Chellomedia Disposal Group means substantially all of the Chellomedia assets which Liberty Global sold on January 31, 2014 which were the subject of the Chellomedia Transaction

Chellomedia Transaction	means the sale by Liberty Global of substantially all of its programming interests held through Chellomedia on January 31, 2014, for €750.0 million ($1,013.1 million at the applicable rate) in cash
CHLLC	means Columbus Holdings LLC, a limited liability company existing under the laws of Colorado and ultimately controlled by Mr. Malone, having its registered office at 12300 Liberty Boulevard, Englewood, Colorado 80112 USA
Choice	means Puerto Rico Cable Acquisition Company Inc., dba Choice Cable TV
Choice Acquisition	means the acquisition by a subsidiary of Liberty Global and Searchlight of Choice on June 3, 2015, as further described in Part II (*Information on Liberty Global) — History and Development — Recent Developments*
Claro	means Claro Chile S.A., a subsidiary of America Movil, S.A.b. de C.V.
CNTV	means the National Television Council of Chile
Columbus	means Columbus International Inc., an international business company existing under the laws of Barbados under registered number 24328
Columbus Acquisition	means the acquisition by CWC of Columbus International Inc. on March 31, 2015
Columbus Carve-Out Entities	means ARCOS-1 USA, Inc., Columbus Networks Puerto Rico, Inc., Columbus Networks USA, Inc., A SUR Net, Inc. and Columbus Networks Telecommunications Services USA, Inc.
Columbus FCC Licenses	means the submarine cable landing licences and international Section 214 authorizations issued by the FCC and held by subsidiaries of Columbus New Cayman Limited
Columbus U.S. Carve-Out	means the prior transfer of the entire issued share capital of each of Columbus Networks Puerto Rico, Inc. and ARCOS-1 USA, Inc. (holding the entire issued share capital of the other Columbus Carve-Out Entities) by Columbus Networks, Limited to Columbus New Cayman Limited pursuant to the Columbus US Carve-Out SPA, by which indirect control of the Columbus FCC Licenses was transferred to Columbus New Cayman Limited
Combined Group	means the enlarged Liberty Global group following completion of the Acquisition comprising the CWC Group and Liberty Global
Communications Act	means the United States Communications Act of 1934

Conditions	means the conditions to the Acquisition which are summarized in Part I (*Information on the Acquisition*)
Contribution Agreement	means the contribution and transfer agreement into which each of Liberty Global Europe Holding B.V. and Vodafone International Holdings B.V. agreed to enter, as announced on February 15, 2016, pursuant to which, Liberty Global and Vodafone agreed to form the Ziggo Vodafone Joint Venture
Co-operation Agreement	means the co-operation agreement between Liberty Global and CWC dated November 16, 2015
Court Order	means the order of the High Court sanctioning the Scheme
CREST	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with a relevant system (as defined in the Regulations) of which Euroclear is the operator (as defined in the Regulations)
Cross Border Merger Regulations	means the Companies (Cross-Border Mergers) Regulations 2007 (as amended by the Companies (Cross-Border Mergers) (Amendment) Regulations 2008 and Companies (Cross-Border Mergers) (Amendment) Regulations 2015)
CSN	means corporate sponsored nominee
CTCNA	means Compurershare Trust Co. N.A.
CWC	means Cable & Wireless Communications Plc, a company incorporated in England and Wales with registered number 07130199
CWC Board Recommendation	means the unanimous and unconditional recommendation of the Scheme (or the Offer, as the case may be) by the board of directors of CWC
CWC Court Meeting	means the meeting(s) of the CWC Shareholders (and any adjustment thereof) to be convened pursuant to an order of the High Court pursuant to paragraph 896 of the Act for the purpose of considering, and if thought fit, approving (with or without amendment) the Scheme
CWC FCC Business	means the CWC FCC Licenses, and related contracts, business and other assets of CWC
CWC FCC Licenses	means the submarine cable landing licences and international Section 214 authorization(s) issued by the FCC and held by subsidiaries of Columbus New Cayman Limited
CWC General Meeting	means the general meeting of CWC Shareholders (including any adjournment thereof) to be convened in connection with the Scheme, notice of which will be set out in the Scheme Document

CWC Group	means CWC and its subsidiaries and subsidiary undertakings
CWC Meetings	means the CWC Court Meeting and the CWC General Meeting
CWC Share Plans	means the 2011 Performance Share Plan, the Restricted Share Plan 2010, the 2011 Deferred Bonus Plan, the Columbus Equity Incentive Plan and the All-Employee Share Purchase Plan
CWC Shareholders	means the registered holders of CWC Shares from time to time
CWC Shares	means the issued and to be issued ordinary shares of $0.05 each in the capital of CWC, being 4,475,953,616 (including 107,488,873 treasury shares) in issue as at March 18, 2016
CWC U.S. Carve-Out	means the transfer of the entire issued share capital of Newco by Cable & Wireless Communications, Inc., CWC WS Holdings Panama S.A., Cable and Wireless (BVI) Limited, Cable and Wireless (EWC) Limited and Cable and Wireless Network Services Limited to New Holdco on 17 December 2015
DACO	means the Puerto Rico Department of Consumer Affairs
December 2014 UM Euro Senior Secured Notes	means the €1,000.0 million ($1,210.1 million) principal amount of 4.0% senior secured notes due January 15, 2025 issued by Unitymedia Hessen GmbH & Co. KG and Unitymedia NRW GmbH (each a subsidiary of Unitymedia) on December 17, 2014
December 2014 UM Senior Secured Notes	means the December 2014 UM Euro Senior Secured Notes and the $550.0 million principal amount of 5.0% senior secured notes due January 15, 2025 issued by Unitymedia Hessen GmbH & Co. KG and Unitymedia NRW GmbH (each a subsidiary of Unitymedia) on December 17, 2014, collectively
Deferred Compensation Plan	means the deferred compensation plan available to Liberty Global Executive Officers and other officers who are designated as participants by our compensation committee who are also U.S. taxpayers, as further described in paragraph 7.7 in Part IX (*Liberty Global Directors, Responsible Persons, Corporate Governance and Employees*)
Deutsche Telekom	means Deutsche Telekom AG
Directives	means the legal measures that require Member States to harmonize their laws, which are key elements of the regulatory framework
DirecTV	means DIRECTV Latin America Holdings, Inc., a subsidiary of DIRECTV Group Holdings LLC

Disclosure and Transparency Rules	means the disclosure rules and transparency rules made by the FCA pursuant to Section 73A of the FSMA and contained in the UKLA's publication of the same name
DTC	means The Depository Trust Company, a wholly-owned subsidiary of The Depository Trust and Clearing Corporation, and a securities depository and clearing agency which facilitates the transfer of shares in the U.S.
Dual Share Alternatives	means the First Dual Share Alternative and the Second Dual Share Alternative
Dutch Liberty Global Pension Plan	means Liberty Global's defined contribution pension plan in the Netherlands, as further described in paragraph 7.6(e) in Part IX (*Liberty Global Directors, Responsible Persons, Corporate Governance and Employees*)
Dutch Mergerco	means LGE Coral Mergerco BV
EE	means Everything Everywhere Limited
Effective Date	means the date on which the Scheme becomes effective in accordance with its terms
Eir	means Eircom Limited
Election Return Time	means the latest time by which any Alternative Election may be made, being 4.30 p.m. on the Business Day prior to the CWC Court Meeting or such later time (if any) as Liberty Global and CWC may agree and CWC may announce through a Regulatory Information Service
EURIBOR	means the European Interbank Offer Rate
Euroclear	means Euroclear UK & Ireland Limited
Excluded Shares	(a) any CWC Shares beneficially owned by Liberty Global or any other member of Liberty Global's group; or (b) any CWC Shares held in treasury
Executive Share Ownership Policy	means the share ownership policy established by Liberty Global's compensation committee for Liberty Global Executive Officers and other senior officers
Existing Liberty Global Non-Executive Directors	means the Liberty Global Directors, excluding Mr. Fries
FCA	means the U.K. Financial Conduct Authority
FCC	means the U.S. Federal Communications Commission, or any bureau or division thereof acting on delegated authority

FCC Condition — means the CWC U.S. Carve-Out and Columbus U.S. Carve-Out remaining in effect or the FCC Regulatory Approval having been obtained

FCC Regulatory Approval — means the FCC's grant of its consent to the transfer of indirect control of the CWC FCC Licences and/or the Columbus FCC Licences to Liberty Global (as applicable)

FCO — means the German Federal Cartel Office

February Release — means the 2016 earnings release of Liberty Global made on February 16, 2016

First Dual Share Alternative — means the alternative to the Recommended Offer summarized in Part I (*Information on the Acquisition) — Summary of the Terms of the Acquisition — The Recommended Offer and the Dual Share Alternatives*

FocusSat — means FocusSat Romania Srl

Fries Agreement — means Mr. Fries' service agreement, which became effective on April 30, 2014 and has an initial five-year term ending on April 30, 2019

FSMA — means the Financial Services and Markets Act 2000 (as amended)

GAAP — means generally accepted accounting principles in the U.S.

GDPR — means the EU General Data Protection Regulation

High Court — means the High Court of Justice, Chancery Division (Companies Court) in England and Wales

HMRC — means HM Revenue & Customs

Irrevocable Undertakings — means the irrevocable undertakings received by Liberty Global from CHLLC, in respect of the First Dual Share Alternative, and CVBI Holdings (Barbados) Inc., Clearwater Holdings (Barbados) Limited and Mr. Paddick in respect of the Second Dual Share Alternative, as further described in Part I (*Information on the Acquisition*) — *Irrevocable Undertakings*

ITV — means ITV plc

ITV Collar — means the share collar pursuant to which we hold shares in ITV plc, pledged as collateral under the ITV Collar Loan, as further described in note 6 to our 2015 Consolidated Financial Statements

ITV Collar Loan — means the secured borrowing arrangements entered into by the Liberty Global Group for the financing of the acquisition of our interest in ITV plc, as further described in note 6 to our 2015 Consolidated Financial Statements

July 2011 Decision	means the final decision of the Belgium Regulatory Authorities adopted on July 1, 2011 in relation to the broadcasting market in Belgium
KBW	means Kabel BW GmbH
KPMG (U.K.)	means KPMG LLP, a U.K. limited liability partnership and a member firm of the KPMG network of independent member firms
KPMG (U.S.)	means KPMG LLP, a Delaware, U.S. limited liability partnership and the U.S. member firm of the KPMG network of independent member firms
KPN	means Koninklijke KPN N.V.
Law 213	means the Puerto Rico Telecommunications Act of 1996
LGE Financing	means Liberty Global Europe Financing B.V.
LGI International	means LGI International, Inc.
Liberty 3.0	means the program initiated during 2015, which is a comprehensive plan to drive top-line growth while maintaining tight cost controls as more fully described in Part IV (*Operating and Financial Review of Liberty Global*)
Liberty Global	means Liberty Global plc, a company incorporated in England and Wales with registered number 08379990 and, as the context requires, collectively such company and its subsidiaries
Liberty Global Adverse Recommendation Change	means the series of events described as such in Part I (*Information on the Acquisition) — Offer-related arrangements*
Liberty Global Board Recommendation	means the required unanimous (other than in the case of Mr. Malone, who did not vote on the recommendation) and unconditional recommendation of the board of directors of Liberty Global that the Liberty Global Shareholders approve the Share Issuance Resolution and the Substantial Property Transaction Resolution
Liberty Global CDIs	dematerialised CREST depositary instruments representing New Liberty Global Shares issued through the existing unsponsored CDI program administered through CREST in respect of Liberty Global Shares
Liberty Global Class A Shares	means the issued and to be issued Liberty Global Class A Ordinary Shares each of which is denominated in U.S. dollars with a nominal value of $0.01
Liberty Global Class B Shares	means the issued and to be issued Liberty Global Class B Ordinary Shares each of which is denominated in U.S. dollars with a nominal value of $0.01

Liberty Global Class C Shares	means the issued and to be issued Liberty Global Class C Ordinary Shares each of which is denominated in U.S. dollars with a nominal value of $0.01
Liberty Global Director	means any director of Liberty Global as at the date of this Prospectus or, where the context requires, any director of Liberty Global from time to time, other than Mr. Malone, who has recused himself from participating in board meetings in relation to the Transaction, and together, the "**Liberty Global Directors**"
Liberty Global Executive Officer	means any executive officer listed on page 48 of this Prospectus, together, the "**Liberty Global Executive Officers**"
Liberty Global Facility	means a facility established by Liberty Global through an agreement with Computershare Inc. and CTCNA as Exchange Agent, to beneficially hold New Liberty Global Shares in DTC for Scheme Shareholders that will not receive the beneficial interest in New Liberty Global Shares through Liberty Global CDIs, through a nominated DTC participant or through the CSN facility on the Effective Date
Liberty Global General Meeting	means the general meeting of Liberty Global Shareholders (including any adjournment thereof) to be convened in connection with the Acquisition, notice of which has been sent to the Liberty Global Shareholders
Liberty Global Group	means the businesses, assets and liabilities of Liberty Global's operations that are not specifically attributed to the LiLAC Group, as more fully described in Part II (*Information on Liberty Global*) *— Introduction*
Liberty Global Group Pension Plan	means Liberty Global's defined contribution pension plan in the U.K., as further described in paragraph 7.6(d) in Part IX (*Liberty Global Directors, Responsible Persons, Corporate Governance and Employees*)
Liberty Global Profit Forecast	has the meaning given to such term in Annex II to this document and section B.9 of the Summary
Liberty Global Resolutions	means the shareholder resolutions of Liberty Global necessary to enable Liberty Global to implement the Acquisition, including the Share Issuance Resolution and the Substantial Property Transaction Resolution
Liberty Global Shareholders	means the registered holders of Liberty Global Shares and LiLAC Shares from time to time
Liberty Global Shares	means the issued and to be issued Liberty Global Class A Shares, Liberty Global Class B Shares and Liberty Global Class C Shares

Liberty Global Voting Shares means Liberty Global Class A Shares and Liberty Global Class B Shares and any other class of shares which is designated as Liberty Global Voting Shares and will be entitled to attend and vote at general meetings with the other Liberty Global Voting Shares only as and to the extent expressly provided for by the terms of the applicable shares

Liberty Puerto Rico means Liberty Cablevision of Puerto Rico LLC

LIBOR means the London Interbank Offer Rate

LiLAC Alternative means the alternative available to Scheme Shareholders under the Recommended Offer whereby Scheme Shareholders can elect to receive up to a certain amount of New LiLAC Shares instead of New Liberty Global Shares

LiLAC Attribution means the attribution of CWC to our LiLAC Group following completion of the Acquisition, as more fully described in Part I (*Information on the Acquisition*) — *Summary of the terms of the Acquisition — Attribution of CWC to the LiLAC Group*

LiLAC Class A Shares means the issued and to be issued Liberty Global LiLAC Class A Ordinary Shares each of which is denominated in U.S. dollars with a nominal value of $0.01

LiLAC Class B Shares means the issued and to be issued Liberty Global LiLAC Class B Ordinary Shares each of which is denominated in U.S. dollars with a nominal value of $0.01

LiLAC Class C Shares means the issued and to be issued Liberty Global LiLAC Class C Ordinary Shares each of which is denominated in U.S. dollars with a nominal value of $0.01

LiLAC Corporate Costs means the costs associated with certain corporate employees of Liberty Global that are exclusively focused on the management of the LiLAC Group

LiLAC Exchange Ratio means the ratio of LiLAC Class A Shares to LiLAC Class C Shares summarized in Part I (*Information on the Acquisition) — Summary of the Terms of the Acquisition — The Recommended Offer and the Dual Share Alternatives*

LiLAC Group means the businesses, assets and liabilities of Liberty Global's operations in Latin America and the Caribbean, as more fully described in Part II (*Information on Liberty Global*) — *Introduction*

LiLAC Holdings means LiLAC Holdings Inc.

LiLAC Shares means the issued and to be issued LiLAC Class A Shares, LiLAC Class B Shares and LiLAC Class C Shares

LiLAC Transaction	has the meaning set out in the Introduction of Part II (*Information on Liberty Global)*
LiLAC Voting Shares	means LiLAC Class A Shares and LiLAC Class B Shares and any class of shares which is designated as LiLAC Voting Shares and will be entitled to attend and vote at general meetings with the other LiLAC Voting Shares only as and to the extent expressly provided for by the terms of the applicable shares
Lionsgate	means Lions Gate Entertainment Corp
Lionsgate Forward	means the variable prepaid forward transactions with respect to approximately half of the Lionsgate shares that we hold, as further described in note 6 to our 2015 Consolidated Financial Statements
Lionsgate Loan	means the secured borrowing arrangements entered into by the Liberty Global group in connection with our acquisition of a minority (less than 5%) stake in Lionsgate as further described in note 6 to our 2015 Consolidated Financial Statements
Listing Rules	means the rules and regulations made by the FCA pursuant to Part 6 of the FSMA and contained in the UKLA's publication of the same name
LMC	means Liberty Media Corporation
LMINT	means Liberty Media International Holdings, LLC
Long Stop Date	(i) May 31, 2016; or (ii) if the FCC Condition has not been satisfied prior to the date specified in (i) above, December 16, 2016, or in either case such later date (if any) as may be agreed by Liberty Global and CWC (with the consent of the Panel) and the approval of the High Court (if such approval is required)
Malone Trust	means the Malone LG 2013 Charitable Remainder Trust
Member States	means the member states of the European Economic Area
Merger	means the merger by formation of a new company under the Cross-Border Merger Regulations and Part 3A of Title 7 of Book 2 of the Dutch Civil Code intended to take place between Dutch Mergerco, CWC and a newly incorporated U.K. company following and as part of a two-step, integrated process that includes the Scheme (or, if applicable, the Offer), pursuant to the Terms of Merger and in accordance with the Plan of Reorganization Letter
Ministry	means the Chilean Ministry of Transportation and Telecommunications

Mobistar	means Mobistar SA
Mobistar MVNO Agreement	means Telenet's MVNO agreement with Mobistar
Movistar	means the incumbent Chilean telecommunications operator Compañia de Telecomunicaciones de Chile SA using the brand name Movistar
Modification VWAPs	means, in relation to the mechanism to modify outstanding share-based incentive awards, as approved by the compensation committee, the volume-weighted average price of the respective shares for the five days prior to and the five days following the bonus issuance
NASDAQ	means NASDAQ Global Select Market
NASDAQ Approval	means the approval for listing on NASDAQ of the Liberty Global Shares and LiLAC Shares to be issued to CWC Shareholders as consideration for the Acquisition
NEO	means the Liberty Global Executive Officers (excluding Bryan H. Hall), and together, the "NEOs"
Network Extensions	means the network extension programs pursuant to which Liberty Global will connect additional homes and businesses to its broadband communications network in the U.K., Central and Eastern Europe, Germany, Chile and certain other markets, as more fully described in Part IV (*Operating and Financial Review of Liberty Global*) — *Overview*
New Holdco	means CWC New Cayman Holdco Limited
New Holdco Shareholders	means the CWC shareholders collectively holding a majority of the CWC Shares, including CHLLC, Clearwater Holdings (Barbados) Limited, CVBI Holdings (Barbados) Inc., certain directors and executive officers of CWC, and certain institutional shareholders of CWC
New Liberty Global Class A Shares	means the new Liberty Global Class A Shares to be issued pursuant to the Scheme
New Liberty Global Class C Shares	means the new Liberty Global Class C Shares to be issued pursuant to the Scheme
New Liberty Global Shares	means the New Liberty Global Class A Shares and the New Liberty Global Class C Shares
New LiLAC Class A Shares	means the new LiLAC Class A Shares to be issued pursuant to the Scheme
New LiLAC Class C Shares	means the new LiLAC Class C Shares to be issued pursuant to the Scheme
New LiLAC Shares	means the New LiLAC Class A Shares and the New LiLAC Class C Shares

New Shares	means New Liberty Global Shares and New LiLAC Shares
Newco	means CWC New Cayman Limited
November 5 Announcement	means the announcement made by CWC on November 5, 2015 concerning its results for the 6 months ended September 30, 2015
NRA	means the National Regulatory Authority of each Member State of the EU in relation to the implementation of certain provisions of the Regulatory Framework
NTL Group	means NTL Group Limited (company number 2591237)
OCF	means operating cash flow which is the same as Adjusted OIBDA
OCF CAGR	means compound annual growth rate in consolidated operating cash flow
OECD	means the Organisation for Economic Cooperation and Development
OFCF	means operating free cash flow
Offer	means if in accordance with its terms the Transaction is implemented by way of an offer (having the meaning given in Chapter 3 of Part 28 of the Act), the recommended offer to be made by Liberty Global to acquire the entire issued and to be issued share capital of CWC including, where the context so requires, any subsequent revision, variation, extension or renewal of such offer and including any election available in connection with it
Official List	means the official list maintained by the FCA
Old Liberty Global Shares	means the Class A, Class B and Class C Liberty Global ordinary shares prior to their reclassification on July 1, 2015
OneLink	means San Juan Cable, LLC dba OneLink Communications
OneLink Acquisition	means the combination of our operating subsidiary in Puerto Rico (in 2012) with San Juan Cable, LLC dba OneLink Communications
Orbis	means Orbis Investment Management Limited
Original 2029 VM Senior Secured Notes	means the £225.0 million ($350.6 million) principal amount of 6.25% senior secured notes due March 28, 2029 issued by Virgin Media Secured Finance on March 28, 2014
Panel	means the U.K. Panel on Takeovers and Mergers, or any successor thereto

PICs	means the pure intercommunales or the four associations of municipalities in Belgium with whom Telenet entered into an agreement on June 28, 2008
PGU	means a performance grant unit
Plan of Reorganization Letter	means the letter delivered by Liberty Global to CWC describing the steps of the Scheme, the Merger and certain related transactions and the intention for the Scheme and the Merger to constitute a single, integrated transaction that qualifies as a reorganization for U.S. federal income tax purposes which is a plan of reorganization within the meaning of U.S. Treasury Regulation 1.368-2(g)
Professional Operator	means a landlord, housing association or third-party that operates and administers the in-building network on behalf of housing associations with whom Unitymedia has a billing relationship in relation to the Unitymedia video customers who are in multiple dwelling units
Pro-Rata Bonus	means in relation to Mr. Fries' employment, the amount equal to a pro-rata portion of the annual cash performance award Mr. Fries would have received for the calendar year of his termination
Prospectus	means this prospectus document dated March 22, 2016 in respect of the New Shares to be issued to CWC Shareholders in connection with the Transaction (together with any supplements or amendments thereto)
Prospectus Rules	means the prospectus rules made by the FCA pursuant to Section 73A of the FSMA
Proximus	means Proximus NV/SA (formerly Belgacom NV/SA)
Proxy Statement	means the proxy statement filed with the SEC on March 14, 2016 and sent by Liberty Global to Liberty Global Shareholders on or around March 17, 2016 which included a notice convening the Liberty Global General Meeting
PRTC Claim	means certain claims, to which Liberty Puerto Rico is a party, previously asserted by the incumbent telephone operator against OneLink based on alleged conduct of OneLink that occurred prior to the OneLink Acquisition, as further described in note 17 to our 2015 Consolidated Financial Statements
PRTC Class Action Claim	means the separate class action claim filed in Puerto Rico in March 2014 in relation to the PRTC Claim
PSAR	means a performance-based SAR
PSU	means a performance-based restricted share unit

Recommended Offer	means the recommended offer summarized in Part I (*Information on the Acquisition) – Summary of the Terms of the Acquisition – The Recommended Offer and the Dual Share Alternatives*
Registrar of Companies	means the registrar of companies in England and Wales
Regulations	means the Uncertificated Securities Regulations 2001 (S1 2001/3755), as amended
Regulatory Framework	means the body of EU law that deals with communications regulation consisting of a variety of legal instruments and policies
Regulatory Information Service	means any of the services authorized from time to time by the FCA for the purposes of disseminating regulatory announcements
Regulatory Long Stop Date	(i) means April 30, 2016; or (ii) if the FCC Condition has not been satisfied prior to the date specified in (i) above, November 16, 2016, or such later date (if any) as may be agreed by Liberty Global and CWC
Remedy HA Agreements	means certain of Unitymedia's existing access agreements with the largest housing associations in relation to which a special early termination right was granted
Restricted Jurisdiction	means any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if the information concerning the Transaction is sent or made available to CWC Shareholders in that jurisdiction
Risk Factors	means the risk factors set out on pages 23 to 43 of this Prospectus
RSU	means restricted share unit
Rule 2.7 Announcement	means the announcement issued by Liberty Global and CWC on November 16, 2015 in relation to the Acquisition pursuant to Rule 2.7 of the Takeover Code
SAR	means share appreciation right
Scheme	means the proposed scheme of arrangement under Part 26 of the Act between CWC and the Scheme Shareholders to implement the Acquisition with or subject to any modification, addition or condition approved or imposed by the High Court

Scheme Document means the document to be dispatched to (among others) CWC Shareholders including, among other things, details of the Scheme required by Section 897 of the Act, the full terms and conditions of the Scheme, the notices of the CWC Meetings and the forms of proxy for the CWC Court Meeting and the CWC General Meeting

Scheme Record Time means 6:00 pm on May 13, 2016 or such later time and/or date as Liberty Global and CWC may agree

Scheme Shareholders means holders of Scheme Shares

Scheme Shares

(a) the CWC Shares in issue at the date of the Scheme Document;

(b) any CWC Shares issued after the date of the Scheme Document and before the Voting Record Time; and

(c) any CWC Shares issued at or after the Voting Record Time and before the Scheme Record Time in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the Scheme,

in each case excluding the Excluded Shares

SDRT means U.K. stamp duty reserve tax

Searchlight means Searchlight Capital Partners L.P. together with its affiliated investment funds

SEC means the U.S. Securities and Exchange Commission

Second Dual Share Alternative means the alternative to the Recommended Offer summarized in Part I (*Information on the Acquisition) — Summary of the Terms of the Acquisition — The Recommended Offer and the Dual Share Alternatives*

Sernac means Chile's National Consumer Service

SG&A means selling, general and administrative

Shareholders Agreement means the shareholders agreement into which Liberty Global and Vodafone will enter into for the Ziggo Vodafone Joint Venture, upon consummation of the transactions contemplated by the Contribution Agreement

Share Issuance Resolution means the resolution to be voted on at the Liberty Global General Meeting to approve the issuance of New Shares to CWC Shareholders in connection with the Acquisition

Significant Market Power	means for purposes of the Regulatory Framework, an operator or service provider where, either individually or jointly with others, it enjoys a position of significant economic strength affording it the power to behave to an appreciable extent independently of competitors, customers and consumers
Sky	means Sky plc
Sky Deutschland	means Sky Deutschland AG
SkyLink	means the brand name of M7 Group SA, a European provider of DTH services and DTH competitor providing aggressively-priced packages of video content
Special Dividend	means the Special Dividend of £0.03 per CWC Share, which CWC Shareholders will receive upon the completion of the Acquisition
Split-contract Program	means a mobile customer choosing to enter into two distinct contractual relationships: (i) a mobile handset contract and (ii) a mobile airtime services contract, which is available at certain of our operations
Standby Regulation	means the regulation on standby power effective on January 7, 2010
Substantial Property Transaction Resolution	means the resolution to be voted on at the Liberty Global General Meeting to approve the acquisition by Liberty Global of the CWC Shares held by CHLLC, an entity that owns approximately 13% of the CWC Shares and is controlled by Mr. Malone
SubTel	means the Chilean Undersecretary of Telecommunications
Sumitomo	means Sumitomo Corporation
Sumitomo Collar	means the share collar with respect to the shares in Sumitomo held by us, as further described in notes 6 and 7 to our 2015 Consolidated Financial Statements
Sumitomo Collar Loan	means the secured financing arrangements pursuant to which we acquired shares in Sumitomo, as more fully described in note 7 to our 2015 Consolidated Financial Statements
Swisscom	means Swisscom AG
Takeover Code	means the City Code on Takeover and Mergers, as issued from time to time by the Panel
TalkTalk	means TalkTalk Telecom Group plc
TCI	means Tele-Communications, Inc.
Telefónica Germany	means Telefónica Germany Holding AG
Telekom Austria	means Telekom Austria AG (A1)

Telenet	means Telenet Group Holding NV, a Belgian public limited liability company
Telenet Tender	means the voluntary and conditional cash public offer launched by Binan Investments B.V., one of Liberty Global's wholly-owned subsidiaries, on December 17, 2012
Terms of Merger	means the draft terms of merger relating to the Merger to be approved by the directors of each of CWC, Dutch Mergerco and a newly incorporated U.K. company, including the particulars required by the Cross-Border Merger Regulations and Part 3A of Title 7 of Book 2 of the Dutch Civil Code
Transaction	means the two-step, integrated process consisting of the Scheme followed by the Merger, or (if Liberty Global elects to implement the Acquisition by way of the Offer) the two-step, integrated process consisting of the Offer followed by the Merger
TRB	means the Puerto Rico Telecommunications Regulatory Board
UGC	means United Global Com, Inc. (now known as UnitedGlobalCom LLC)
UKLA	means the Financial Conduct Authority in its capacity as authority for listing in the U.K.
U.K. Network Extension	means a network extension program in the U.K. pursuant to which we may connect up to an estimated four million additional homes and businesses to Virgin Media's broadband communications network by the end of 2019
Unaffected Date	means October 21, 2015, the day immediately prior to the announcement by CWC of the offer by Liberty Global for CWC
Unitymedia	means Unitymedia GmbH
UPC	means United Pan-Europe Communications N.V.
UPC Broadband Holding	means UPC Broadband Holding B.V., a wholly-owned subsidiary of UPC Holding
UPC Broadband Holding Bank Facility	means the senior secured credit facility of certain subsidiaries of UPC Holding
UPC Cablecom	means the brand for the cable network in Switzerland
UPC CHAT	means the cable network in Switzerland and the cable and DSL networks in Austria attributed to the Liberty Global Group under the UPC Cablecom (until Spring 2016) and the UPC brands
UPC Czech	means the cable network in the Czech Republic operated under the UPC brand

UPC DTH	means UPC DTH S.ar.l, a subsidiary of UPC Holding organized in Luxembourg
UPC Holding	means UPC Holding B.V., a wholly-owned subsidiary of Liberty Global
UPC Hungary	means the cable network in Hungary operated under the UPC brand
UPC Ireland Transfer	means the transfer of a controlling interest in UPC Broadband Ireland Ltd. and its subsidiaries from a subsidiary of UPC Holding to a subsidiary of Virgin Media during the first quarter of 2015
UPC Nederland	means UPC Nederland B.V.
UPC Poland	means the cable network in Poland operated under the UPC brand
UPC Romania	means the cable network in Romania operated under the UPC brand
UPC Slovakia	means the cable network in Slovakia operated under the UPC brand
U.S. Exchange Act	means the U.S. Securities Exchange Act of 1934, as amended from time to time
U.S. Securities Act	means the U.S. Securities Act of 1933, as amended from time to time
USF	means the Puerto Rico Federal Universal Service Fund
USO	means the broadband universal service obligations
VEL	means Virgin Enterprises Limited (company number 01073929)
Virgin Media	means Virgin Media Inc.
Virgin Media 2010 Incentive Plan	means the Virgin Media 2010 Incentive Plan (as amended and restated effective June 7, 2013)
Virgin Media Acquisition	means Liberty Global's acquisition of Virgin Media in a stock and cash merger on June 7, 2013
Virgin Media Finance	means Virgin Media Finance PLC, a wholly-owned subsidiary of Virgin Media
Virgin Media Replacement Awards	means Liberty Global share-based incentive awards to employees and former directors of Virgin Media in exchange for corresponding Virgin Media awards
Virgin Media Secured Finance	means Virgin Media Secured Finance PLC, a wholly-owned subsidiary of Virgin Media
VM Credit Facility	means the senior secured credit facility of certain subsidiaries of Virgin Media

VM Facility C	means the original £600.0 million ($934.9 million) term loan settled in 2014
VM Facility D	means the new £100.0 million ($155.8 million) term loan which Virgin Media Secured Finance entered into in April 2014
VM Facility E	means the new £849.4 million ($1,323.5 million) term loan which Virgin Media Secured Finance entered into in April 2014
VML	means Virgin Media Limited (company number 2591237)
Vodafone	means Vodafone Group Plc
Voting Record Time	means 6:00 pm on April 26, 2016 or, if the CWC Court Meeting is adjourned, 6:00 p.m. on the day which is two days before the day of such adjourned meeting
VTR	means VTR GlobalCom SpA
VTR Finance	means VTR Finance B.V.
VTR NCI Acquisition	means the acquisition by a subsidiary of VTR Finance of each of the 20.0% noncontrolling ownership interests in VTR and VTR Wireless from Inversiones Corp Comm 2 SpA on March 14, 2014
VTR Wireless	means VTR Wireless SpA (now known as VTR Comunicaciones SpA)
Ziggo	means Ziggo Holding B.V. (formerly Ziggo N.V.)
Ziggo Acquisition	means the acquisition of the outstanding shares in Ziggo
Ziggo Bond Finance	means Ziggo Bond Finance B.V.
Ziggo Group Holding	Ziggo Group Holding B.V.
Ziggo Offer	means Liberty Global's offer in November 2014 to acquire all of the shares of Ziggo that it did not already own on November 11, 2014
Ziggo Secured Finance	means Ziggo Secured Finance B.V.
Ziggo Services	means Ziggo Services B.V.
Ziggo Services Transfer	means the transfer of Ziggo Services and its subsidiaries from a subsidiary of UPC Holding to Ziggo Group Holding during the first quarter of 2015
Ziggo Vodafone Joint Venture	means the 50:50 joint venture to be formed by the merger of the Dutch businesses of Liberty Global Europe Holding B.V. and Vodafone International Holdings B.V., as agreed and announced February 15, 2016.

PART XIII

GLOSSARY

The following technical terms used throughout this Prospectus mean the following:

3D	means three-dimensional
ARPU	means average monthly subscription revenue per average RGU
B2B	means business-to-business
BEPS	means base erosion and profit shifting
bundled services	means a bundle of two or more services: video, internet, fixed-line telephony and, in certain markets, mobile services. Bundled services consist of “double-play” for two services, “triple-play” for three services and “quadruple-play” for four services
CI+	means common interface plus
CLECs	means competitive local exchange carriers
Community WiFi	means a community WiFi in the home
Digi TV	means the DTH platform of RCS & RDS S.A.
Digital TV	means the digital service with a Horizon-like user interface offered by Telenet in Belgium
DSL	means digital subscriber line
DTH	means direct-to-home satellite
DTT	means digital terrestrial television
DVR	means digital video recorder
FTA	means free-to-air
FTTx	means fiber-to-the-home/-cabinet/-building/-node
HD	means high definition
HD DVR	means high definition digital video recorder
Horizon TV	means the multimedia home gateway Horizon TV
ILEC	means incumbent local exchange carriers
IPTV	means internet protocol television
ISP	means internet service provider
LLU	means local loop unbundling

LTE means long-term evolution wireless service, the next generation of ultra-high-speed mobile data, also called "4G"

MMDS means multichannel multipoint (microwave) distribution systems

MVNO means mobile virtual network operator

MyPrime means our subscription VoD service

Ofcom means the U.K. Office of Communications

partner networks means networks owned by third-party cable operators

Replay TV means the Replay TV service which allows our customers to go back seven days in the electronic programming guide to "replay" linear programming they have missed

RGU means revenue generating unit

SD means standard definition

SIM means subscriber identification module card

smart card means a conditional access security card

SMATV means satellite master antenna television systems

SMS means short message service

SOHO means small or home office

TiVo is an advance service offered by Virgin Media in the U.K.

UNE means unbundled network elements

VDSL means very high-speed DSL technology

vectoring means an enhancement to ADSL

VoD means video-on-demand

VoIP means voice-over-internet-protocol

WiFi modem means a cable modem WiFi access point

WMO means Sky's Wholesale Must Offer obligations, which regulated the terms of the wholesale supply of Sky Sports 1 and 2 in SD and HD

Yelo Play means an app to remotely manage a DVR and view programming in or out of the home on a laptop, smart phone or tablet offered by Telenet in Belgium

Annex I

2015 Consolidated Financial Statements

and 2014 Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

The Board of Directors
Liberty Global plc:

We have audited the accompanying consolidated balance sheets of Liberty Global plc and subsidiaries (the Company) as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive loss, equity, and cash flows for each of the years in the three-year period ended December 31, 2015. In connection with our audits of the consolidated financial statements, we also have audited financial statement schedules I and II. These consolidated financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2015 and 2014, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 12, 2016 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Denver, Colorado
February 12, 2016

LIBERTY GLOBAL PLC

CONSOLIDATED BALANCE SHEETS

	December 31,	
	2015	2014
	in millions	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 982.1	$ 1,158.5
Trade receivables, net	1,467.7	1,499.5
Derivative instruments (note 7)	421.9	446.6
Prepaid expenses	144.2	189.7
Deferred income taxes (notes 2 and 11)	—	290.3
Other current assets	341.5	335.9
Total current assets	3,357.4	3,920.5
Investments (including $2,591.8 million and $1,662.7 million, respectively, measured at fair value) (note 6)	2,839.6	1,808.2
Property and equipment, net (note 9)	21,684.0	23,840.6
Goodwill (note 9)	27,020.4	29,001.6
Intangible assets subject to amortization, net (note 9)	7,092.5	9,189.8
Other assets, net (notes 2, 7, 9 and 11)	5,873.3	5,081.2
Total assets	$ 67,867.2	$ 72,841.9

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL PLC

CONSOLIDATED BALANCE SHEETS — (Continued)

	December 31,	
	2015	2014
	in millions	
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 1,050.1	$ 1,039.0
Deferred revenue and advance payments from subscribers and others	1,393.5	1,452.2
Current portion of debt and capital lease obligations (note 10)	2,537.9	1,550.9
Accrued interest	832.8	690.6
Accrued income taxes	483.5	413.7
Accrued capital expenditures	441.8	412.4
Derivative instruments (note 7)	346.3	1,043.7
Other accrued and current liabilities (notes 2, 11 and 14)	2,072.0	2,587.8
Total current liabilities	9,157.9	9,190.3
Long-term debt and capital lease obligations (note 10)	44,519.4	44,608.1
Other long-term liabilities (notes 2, 7, 11, 14 and 15)	4,015.6	4,927.5
Total liabilities	57,692.9	58,725.9
Commitments and contingencies (notes 4, 7, 10, 11, 15, 17 and 20)		
Equity (note 12):		
Liberty Global shareholders:		
Liberty Global Shares — Class A, $0.01 nominal value. Issued and outstanding 252,766,455 and nil shares, respectively	2.5	—
Liberty Global Shares — Class B, $0.01 nominal value. Issued and outstanding 10,472,517 and nil shares, respectively	0.1	—
Liberty Global Shares — Class C, $0.01 nominal value. Issued and outstanding 584,044,394 and nil shares, respectively	5.9	—
LiLAC Shares — Class A, $0.01 nominal value. Issued and outstanding 12,630,580 and nil shares, respectively	0.1	—
LiLAC Shares — Class B, $0.01 nominal value. Issued and outstanding 523,423 and nil shares, respectively	—	—
LiLAC Shares — Class C, $0.01 nominal value. Issued and outstanding 30,772,874 and nil shares, respectively	0.3	—
Old Liberty Global Shares — Class A, $0.01 nominal value. Issued and outstanding nil and 251,167,686 shares, respectively	—	2.5
Old Liberty Global Shares — Class B, $0.01 nominal value. Issued and outstanding nil and 10,139,184 shares, respectively	—	0.1
Old Liberty Global Shares — Class C, $0.01 nominal value. Issued and outstanding nil and 630,353,372 shares, respectively	—	6.3
Additional paid-in capital	14,908.1	17,070.8
Accumulated deficit	(5,160.1)	(4,007.6)
Accumulated other comprehensive earnings, net of taxes	895.9	1,646.6
Treasury shares, at cost	(0.4)	(4.2)
Total Liberty Global shareholders	10,652.4	14,714.5
Noncontrolling interests	(478.1)	(598.5)
Total equity	10,174.3	14,116.0
Total liabilities and equity	$ 67,867.2	$ 72,841.9

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL PLC

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year ended December 31,		
	2015	2014	2013
	in millions, except per share amounts		
Revenue (note 18)	$ 18,280.0	$ 18,248.3	$ 14,474.2
Operating costs and expenses:			
Operating (other than depreciation and amortization) (including share-based compensation) (note 13)	6,764.0	6,845.9	5,434.8
Selling, general and administrative (**SG&A**) (including share-based compensation) (note 13)	3,166.9	3,137.3	2,599.4
Depreciation and amortization	5,825.8	5,500.1	4,276.4
Release of litigation provision	—	—	(146.0)
Impairment, restructuring and other operating items, net (notes 4, 9, 14 and 17)	174.1	536.8	297.5
	15,930.8	16,020.1	12,462.1
Operating income	2,349.2	2,228.2	2,012.1
Non-operating income (expense):			
Interest expense	(2,441.4)	(2,544.7)	(2,286.9)
Interest and dividend income	35.9	31.7	113.1
Realized and unrealized gains (losses) on derivative instruments, net (note 7)	847.2	88.8	(1,020.4)
Foreign currency transaction gains (losses), net	(1,149.2)	(836.5)	349.3
Realized and unrealized gains due to changes in fair values of certain investments, net (notes 6 and 8)	124.5	205.2	524.1
Losses on debt modification and extinguishment, net (note 10)	(388.0)	(186.2)	(212.2)
Other expense, net	(62.8)	(42.4)	(5.6)
	(3,033.8)	(3,284.1)	(2,538.6)
Loss from continuing operations before income taxes	(684.6)	(1,055.9)	(526.5)
Income tax benefit (expense) (note 11)	(364.9)	75.0	(355.5)
Loss from continuing operations	(1,049.5)	(980.9)	(882.0)
Discontinued operation (note 5):			
Earnings (loss) from discontinued operation, net of taxes	—	0.8	(23.7)
Gain on disposal of discontinued operation, net of taxes	—	332.7	—
	—	333.5	(23.7)
Net loss	(1,049.5)	(647.4)	(905.7)
Net earnings attributable to noncontrolling interests	(103.0)	(47.6)	(58.2)
Net loss attributable to Liberty Global shareholders	$ (1,152.5)	$ (695.0)	$ (963.9)
Basic and diluted earnings (loss) attributable to Liberty Global shareholders per share (notes 1 and 3):			
Liberty Global Shares	$ (0.19)		
LiLAC Shares	$ 0.39		
Old Liberty Global Shares:			
Continuing operations	$ (1.13)	$ (1.29)	$ (1.39)
Discontinued operation	—	0.42	(0.04)
	$ (1.13)	$ (0.87)	$ (1.43)

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL PLC

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Year ended December 31,		
	2015	2014	2013
		in millions	
Net loss	$ (1,049.5)	$ (647.4)	$ (905.7)
Other comprehensive earnings (loss), net of taxes (note 16):			
Foreign currency translation adjustments	(732.9)	(935.9)	900.8
Reclassification adjustments included in net loss	1.5	124.4	(0.7)
Pension-related adjustments and other	(18.8)	(71.2)	11.3
Other comprehensive earnings (loss)	(750.2)	(882.7)	911.4
Comprehensive earnings (loss)	(1,799.7)	(1,530.1)	5.7
Comprehensive earnings attributable to noncontrolling interests	(103.5)	(47.1)	(41.3)
Comprehensive loss attributable to Liberty Global shareholders	$ (1,903.2)	$ (1,577.2)	$ (35.6)

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL PLC

CONSOLIDATED STATEMENTS OF EQUITY

	Liberty Global shareholders													
	Liberty Global ordinary shares			LGI common stock										
	Class A	Class B	Class C	Series A	Series B	Series C	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive earnings, net of taxes	Treasury shares, at cost	Total Liberty Global shareholders	Non-controlling interests	Total equity
								in millions					
Balance at January 1, 2013	$ —	$ —	$ —	$ 1.4	$ 0.1	$ 5.1	$ 2,951.6	$ (2,348.7)	$ 1,600.5	$ —	$ 2,210.0	$ (124.9)	$ 2,085.1
Net loss	—	—	—	—	—	—	—	(963.9)	—	—	(963.9)	58.2	(905.7)
Other comprehensive earnings, net of taxes (note 16)	—	—	—	—	—	—	—	—	928.3	—	928.3	(16.9)	911.4
Shares issued in connection with the Virgin Media Acquisition and impacts of related change in parent entity (note 4)	2.1	0.1	5.6	(1.4)	(0.1)	(5.1)	9,374.1	—	—	—	9,375.3	—	9,375.3
Revaluation of Virgin Media's convertible senior notes in connection with the Virgin Media Acquisition (note 4)	—	—	—	—	—	—	1,660.0	—	—	—	1,660.0	—	1,660.0
Repurchase and cancellation of Liberty Global and LGI shares (note 12)	(0.1)	—	(0.1)	—	—	—	(1,151.7)	—	—	—	(1,151.9)	—	(1,151.9)
Distributions by subsidiaries to noncontrolling interest owners (note 12)	—	—	—	—	—	—	—	—	—	—	—	(542.7)	(542.7)
Purchase of additional Telenet shares (note 12)	—	—	—	—	—	—	(525.7)	—	—	—	(525.7)	63.5	(462.2)
Share-based compensation (note 13)	—	—	—	—	—	—	206.3	—	—	—	206.3	—	206.3
Exchange of Virgin Media's convertible senior notes	0.1	—	0.1	—	—	—	113.5	—	—	—	113.7	—	113.7
Adjustments due to changes in subsidiaries' equity and other, net	0.1	—	—	—	—	—	181.3	—	—	(7.7)	173.7	78.5	252.2
Balance at December 31, 2013	$ 2.2	$ 0.1	$ 5.6	$ —	$ —	$ —	$ 12,809.4	$ (3,312.6)	$ 2,528.8	$ (7.7)	$ 12,025.8	$ (484.3)	$11,541.5

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL PLC

CONSOLIDATED STATEMENTS OF EQUITY — (Continued)

	Liberty Global shareholders									
	Old Liberty Global Shares									
	Class A	Class B	Class C	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive earnings, net of taxes	Treasury shares, at cost	Total Liberty Global shareholders	Non-controlling interests	Total equity
						in millions				
Balance at January 1, 2014	$ 2.2	$ 0.1	$ 5.6	$ 12,809.4	$ (3,312.6)	$ 2,528.8	$ (7.7)	$ 12,025.8	$ (484.3)	$ 11,541.5
Net loss	—	—	—	—	(695.0)	—	—	(695.0)	47.6	(647.4)
Other comprehensive loss, net of taxes (note 16)	—	—	—	—	—	(882.2)	—	(882.2)	(0.5)	(882.7)
Repurchase and cancellation of Liberty Global ordinary shares (note 12)	—	—	(0.2)	(1,596.7)	—	—	—	(1,596.9)	—	(1,596.9)
VTR NCI Acquisition (note 12)	—	—	0.1	185.3	—	—	—	185.4	(185.4)	—
Shares issued in connection with the Ziggo Acquisition (note 4)	0.3	—	0.8	4,904.7	—	—	—	4,905.8	1,080.6	5,986.4
Impact of Ziggo NCI Acquisition and Statutory Squeeze-out (note 4)	—	—	0.1	663.8	—	—	—	663.9	(1,080.6)	(416.7)
Share-based compensation (note 13)	—	—	—	216.0	—	—	—	216.0	—	216.0
Adjustments due to changes in subsidiaries' equity and other, net	—	—	(0.1)	(111.7)	—	—	3.5	(108.3)	24.1	(84.2)
Balance at December 31, 2014	$ 2.5	$ 0.1	$ 6.3	$ 17,070.8	$ (4,007.6)	$ 1,646.6	$ (4.2)	$ 14,714.5	$ (598.5)	$ 14,116.0

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL PLC

CONSOLIDATED STATEMENTS OF EQUITY — (Continued)

	Liberty Global shareholders									
	Liberty Global Shares	LiLAC Shares	Old Liberty Global Shares	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive earnings, net of taxes	Treasury shares, at cost	Total Liberty Global shareholders	Non-controlling interests	Total equity
	in millions									
Balance at January 1, 2015	$ —	$ —	$ 8.9	$ 17,070.8	$ (4,007.6)	$ 1,646.6	$ (4.2)	$ 14,714.5	$ (598.5)	$ 14,116.0
Net loss	—	—	—	—	(1,152.5)	—	—	(1,152.5)	103.0	(1,049.5)
Other comprehensive loss, net of taxes (note 16)	—	—	—	—	—	(750.7)	—	(750.7)	0.5	(750.2)
Repurchase and cancellation of Liberty Global ordinary shares (note 12)	(0.1)	—	(0.1)	(2,344.3)	—	—	—	(2,344.5)	—	(2,344.5)
Share-based compensation (note 13)	—	—	—	284.3	—	—	—	284.3	—	284.3
Liberty Global call option contracts	(0.1)	—	(0.1)	(22.8)	—	—	—	(23.0)	—	(23.0)
Impact of the LiLAC Transaction (note 1)	8.7	0.4	(8.7)	(0.4)	—	—	—	—	—	—
Adjustments due to changes in subsidiaries' equity and other, net	—	—	—	(79.5)	—	—	3.8	(75.7)	16.9	(58.8)
Balance at December 31, 2015	$ 8.5	$ 0.4	$ —	$ 14,908.1	$ (5,160.1)	$ 895.9	$ (0.4)	$ 10,652.4	$ (478.1)	$ 10,174.3

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL PLC

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2015	2014	2013
		in millions	
Cash flows from operating activities:			
Net loss	$ (1,049.5)	$ (647.4)	$ (905.7)
Loss (earnings) from discontinued operation	—	(333.5)	23.7
Loss from continuing operations	(1,049.5)	(980.9)	(882.0)
Adjustments to reconcile loss from continuing operations to net cash provided by operating activities:			
Share-based compensation expense	318.2	257.2	300.7
Depreciation and amortization	5,825.8	5,500.1	4,276.4
Release of litigation provision	—	—	(146.0)
Impairment, restructuring and other operating items, net	174.1	536.8	297.5
Amortization of deferred financing costs and non-cash interest accretion	80.8	84.3	78.0
Realized and unrealized losses (gains) on derivative instruments, net	(847.2)	(88.8)	1,020.4
Foreign currency transaction losses (gains), net	1,149.2	836.5	(349.3)
Realized and unrealized gains due to changes in fair values of certain investments, including impact of dividends	(121.4)	(203.7)	(523.1)
Losses on debt modification and extinguishment, net	388.0	186.2	212.2
Deferred income tax expense (benefit)	(50.1)	(350.6)	18.6
Excess tax benefits from share-based compensation	(26.7)	(7.0)	(41.0)
Changes in operating assets and liabilities, net of the effects of acquisitions and dispositions:			
Receivables and other operating assets	566.5	860.5	866.7
Payables and accruals	(701.9)	(1,017.8)	(1,208.1)
Net cash provided (used) by operating activities of discontinued operation	—	(9.6)	10.3
Net cash provided by operating activities	5,705.8	5,603.2	3,931.3
Cash flows from investing activities:			
Capital expenditures	(2,499.5)	(2,684.4)	(2,481.5)
Investments in and loans to affiliates and others	(999.6)	(1,016.6)	(1,350.3)
Cash paid in connection with acquisitions, net of cash acquired	(385.8)	(73.3)	(4,073.4)
Proceeds received upon disposition of discontinued operation, net of disposal costs	—	988.5	—
Other investing activities, net	55.5	(13.8)	(44.9)
Net cash used by investing activities of discontinued operation, including deconsolidated cash	—	(3.8)	(14.9)
Net cash used by investing activities	$ (3,829.4)	$ (2,803.4)	$ (7,965.0)

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL PLC

CONSOLIDATED STATEMENTS OF CASH FLOWS — (Continued)

	Year ended December 31,		
	2015	2014	2013
		in millions	
Cash flows from financing activities:			
Borrowings of debt	$ 15,230.4	$ 9,572.4	$ 9,670.3
Repayments and repurchases of debt and capital lease obligations	(13,881.4)	(11,316.1)	(8,318.6)
Repurchase of Liberty Global ordinary shares	(2,320.5)	(1,584.9)	(1,157.2)
Payment of financing costs, debt premiums and exchange offer consideration	(423.3)	(379.8)	(389.6)
Net cash received (paid) related to derivative instruments	(301.2)	(221.0)	524.5
Purchase of additional shares of subsidiaries	(142.4)	(260.7)	(461.3)
Net cash received (paid) associated with call option contracts on Liberty Global ordinary shares	(78.3)	(41.7)	59.6
Change in cash collateral	(56.1)	(58.7)	3,593.8
Distributions by subsidiaries to noncontrolling interest owners	(11.3)	(12.1)	(541.0)
Decrease in restricted cash related to the Telenet Tender	—	—	1,539.7
Other financing activities, net	(53.7)	42.5	103.1
Net cash used by financing activities of discontinued operation	—	(1.2)	(7.4)
Net cash provided (used) by financing activities	(2,037.8)	(4,261.3)	4,615.9
Effect of exchange rate changes on cash – continuing operations	(15.0)	(81.9)	85.4
Net increase (decrease) in cash and cash equivalents:			
Continuing operations	(176.4)	(1,528.8)	679.6
Discontinued operation	—	(14.6)	(12.0)
Net increase (decrease) in cash and cash equivalents	(176.4)	(1,543.4)	667.6
Cash and cash equivalents:			
Beginning of year	1,158.5	2,701.9	2,038.9
End of year	982.1	1,158.5	2,706.5
Less cash and cash equivalents of discontinued operation at end of year	—	—	(4.6)
Cash and cash equivalents of continuing operations at end of year	$ 982.1	$ 1,158.5	$ 2,701.9
Cash paid for interest – continuing operations	$ 2,170.4	$ 2,376.7	$ 2,148.8
Net cash paid for taxes:			
Continuing operations	$ 236.3	$ 97.3	$ 97.5
Discontinued operation	—	2.2	11.7
Total	$ 236.3	$ 99.5	$ 109.2

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL PLC
Notes to Consolidated Financial Statements
December 31, 2015, 2014 and 2013

(1) Basis of Presentation

Liberty Global plc (**Liberty Global**) is a public limited company organized under the laws of England and Wales. In these notes, the terms "we," "our," "our company" and "us" may refer, as the context requires, to Liberty Global or collectively to Liberty Global and its subsidiaries.

We are an international provider of video, broadband internet, fixed-line telephony and mobile services, with consolidated operations at December 31, 2015 in 14 countries. Through our wholly-owned subsidiary Virgin Media Inc. (**Virgin Media**), we provide video, broadband internet, fixed-line telephony and mobile services in the United Kingdom (**U.K.**) and Ireland. Through Ziggo Group Holding B.V. (**Ziggo Group Holding**) and Unitymedia GmbH (**Unitymedia**), each a wholly-owned subsidiary, and Telenet Group Holding N.V. (**Telenet**), a 56.9%-owned subsidiary, we provide video, broadband internet, fixed-line telephony and mobile services in the Netherlands, Germany and Belgium, respectively. Through our wholly-owned subsidiary UPC Holding B.V. (**UPC Holding**), we provide (i) video, broadband internet and fixed-line telephony services in seven other European countries and (ii) mobile services in four other European countries. The operations of Virgin Media, Ziggo Group Holding, Unitymedia, Telenet and UPC Holding are collectively referred to herein as the "**European Operations Division**." In Chile, we provide video, broadband internet, fixed-line telephony and mobile services through our wholly-owned subsidiary VTR GlobalCom SpA (**VTR**). In Puerto Rico, we provide video, broadband internet and fixed-line telephony services through Liberty Cablevision of Puerto Rico LLC (**Liberty Puerto Rico**), an entity in which we hold a 60.0% ownership interest. The operations of VTR and Liberty Puerto Rico are collectively referred to herein as the "**LiLAC Division**."

On July 1, 2015, we completed the approved steps of the "**LiLAC Transaction**" whereby we (i) reclassified our then outstanding Class A, Class B and Class C Liberty Global ordinary shares into corresponding classes of new Liberty Global ordinary shares (collectively, the **Liberty Global Shares**) and (ii) capitalized a portion of our share premium account and distributed as a dividend (or a "bonus issue" under U.K. law) our LiLAC Class A, Class B and Class C ordinary shares (collectively, the **LiLAC Shares**). In these notes, the term "**Old Liberty Global Shares**" may refer, as the context requires, to (a) our previously-outstanding Class A, Class B and Class C Liberty Global ordinary shares and/or (b) the previously-outstanding Series A, Series B and Series C common stock of Liberty Global, Inc. (**LGI**) (the predecessor to Liberty Global). Pursuant to the LiLAC Transaction, each holder of Class A, Class B and Class C Old Liberty Global Shares remained a holder of the same amount and class of Liberty Global Shares and received one share of the corresponding class of LiLAC Shares for each 20 Old Liberty Global Shares held as of the record date for such distribution. Accordingly, we issued 12,625,362 Class A, 523,626 Class B and 30,776,883 Class C LiLAC Shares. Cash was issued in lieu of fractional LiLAC Shares. The impact of the LiLAC Transaction on our capitalization and earnings (loss) per share presentation has been reflected in these consolidated financial statements prospectively from July 1, 2015. Accordingly, (1) our net earnings (loss) attributed to Liberty Global Shares and LiLAC Shares relates to the period from July 1, 2015 through December 31, 2015 and (2) our net loss attributed to Old Liberty Global Shares relates to periods prior to July 1, 2015.

The Liberty Global Shares and the LiLAC Shares are tracking shares. Tracking shares are intended by the issuing company to reflect or "track" the economic performance of a particular business or "group," rather than the economic performance of the company as a whole. The Liberty Global Shares and the LiLAC Shares are intended to track the economic performance of the Liberty Global Group and the LiLAC Group, respectively (each as defined and described below). While the Liberty Global Group and the LiLAC Group have separate collections of businesses, assets and liabilities attributed to them, neither group is a separate legal entity and therefore cannot own assets, issue securities or enter into legally binding agreements. Holders of tracking shares have no direct claim to the group's assets and are not represented by separate boards of directors. Instead, holders of tracking shares are shareholders of the parent corporation, with a single board of directors, and are subject to all of the risks and liabilities of the parent corporation. We and our subsidiaries each continue to be responsible for our respective liabilities. Holders of Liberty Global Shares, LiLAC Shares and any other of our capital shares designated as ordinary shares from time to time will continue to be subject to risks associated with an investment in our company as a whole, even if a holder does not own both Liberty Global Shares and LiLAC Shares.

The "**LiLAC Group**" comprises our businesses, assets and liabilities in Latin America and the Caribbean and has attributed to it (i) VTR Finance B.V. (**VTR Finance**) and its subsidiaries, which include VTR, (ii) Lila Chile Holding B.V., which is the parent entity of VTR Finance, (iii) LiLAC Holdings Inc. (**LiLAC Holdings**) and its subsidiaries, which include Liberty Puerto Rico, (iv) LGE Coral Holdco Limited and its subsidiary, which were formed in anticipation of the acquisition of CWC (as described and defined in note 4), and (v) prior to July 1, 2015, the costs associated with certain corporate employees of Liberty Global that are exclusively focused on the management of the LiLAC Group (the **LiLAC Corporate Costs**). Effective July 1, 2015, these corporate employees were transferred to LiLAC Holdings. The "**Liberty Global Group**" comprises our businesses, assets and

liabilities not attributed to the LiLAC Group, including Virgin Media, Ziggo Group Holding, Unitymedia, Telenet, UPC Holding, our corporate entities (excluding the LiLAC Corporate Costs) and certain other less significant entities.

For additional information regarding our tracking share capital structure, including unaudited attributed financial information of the Liberty Global Group and the LiLAC Group, see Exhibit 99.1 to this Annual Report on Form 10-K.

On January 31, 2014, we completed the sale of substantially all of the assets (the **Chellomedia Disposal Group**) of Chellomedia B.V. (**Chellomedia**) (the **Chellomedia Transaction**). Chellomedia held certain of our programming interests in Europe and Latin America. We have accounted for the sale of the Chellomedia Disposal Group as a discontinued operation in our consolidated financial statements. For additional information regarding our discontinued operation, see note 5.

Unless otherwise indicated, ownership percentages and convenience translations into United States (**U.S.**) dollars are calculated as of December 31, 2015.

(2) Accounting Changes and Recent Accounting Pronouncements

Accounting Changes

In November 2015, the Financial Accounting Standards Board (**FASB**) issued Accounting Standards Update (**ASU**) No. 2015-17, *Balance Sheet Classification of Deferred Taxes* (**ASU 2015-17**). To simplify the presentation of deferred income taxes, ASU 2015-17 requires deferred tax assets and liabilities to be classified as noncurrent. ASU 2015-17 is effective for interim and annual periods beginning after December 15, 2016, with early adoption permitted. We early adopted ASU 2015-17 effective December 31, 2015 and, accordingly, all of our deferred tax balances are reflected as noncurrent in our December 31, 2015 consolidated balance sheet. Our December 31, 2014 deferred tax balances have not been retroactively revised.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (**ASU 2014-09**), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASU 2014-09, as amended by ASU No. 2015-14, will replace existing revenue recognition accounting principles generally accepted in the United States (**GAAP**) when it becomes effective for annual and interim reporting periods beginning after December 15, 2017. Early application is permitted for annual and interim reporting periods that begin after December 15, 2016. This new standard permits the use of either the retrospective or cumulative effect transition method. We will adopt ASU 2014-09 effective January 1, 2018 and we are currently evaluating the effect that ASU 2014-09 will have on our consolidated financial statements and related disclosures. We have not yet selected a transition method nor have we determined the effect of the standard on our ongoing financial reporting.

(3) Summary of Significant Accounting Policies

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are used in accounting for, among other things, the valuation of acquisition-related assets and liabilities, allowances for uncollectible accounts, programming and copyright expenses, deferred income taxes and related valuation allowances, loss contingencies, fair value measurements, impairment assessments, capitalization of internal costs associated with construction and installation activities, useful lives of long-lived assets, share-based compensation and actuarial liabilities associated with certain benefit plans. Actual results could differ from those estimates.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Principles of Consolidation

The accompanying consolidated financial statements include our accounts and the accounts of all voting interest entities where we exercise a controlling financial interest through the ownership of a direct or indirect controlling voting interest and variable interest entities for which our company is the primary beneficiary. All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents and Restricted Cash

Cash equivalents consist of money market funds and other investments that are readily convertible into cash and have maturities of three months or less at the time of acquisition. We record money market funds at the net asset value reported by the investment manager as there are no restrictions on our ability, contractual or otherwise, to redeem our investments at the stated net asset value reported by the investment manager.

Restricted cash consists of cash held in restricted accounts, including cash held as collateral for debt and other compensating balances. Restricted cash amounts that are required to be used to purchase long-term assets or repay long-term debt are classified as long-term assets. All other cash that is restricted to a specific use is classified as current or long-term based on the expected timing of the disbursement. At December 31, 2015 and 2014, our aggregate current and long-term restricted cash balances aggregated $127.9 million and $78.0 million, respectively.

Our significant non-cash investing and financing activities are disclosed in our consolidated statements of equity and in notes 4, 7, 9, and 10.

Trade Receivables

Our trade receivables are reported net of an allowance for doubtful accounts. Such allowance aggregated $115.7 million and $116.1 million at December 31, 2015 and 2014, respectively. The allowance for doubtful accounts is based upon our assessment of probable loss related to uncollectible accounts receivable. We use a number of factors in determining the allowance, including, among other things, collection trends, prevailing and anticipated economic conditions and specific customer credit risk. The allowance is maintained until either payment is received or the likelihood of collection is considered to be remote.

Concentration of credit risk with respect to trade receivables is limited due to the large number of customers and their dispersion across many different countries worldwide. We also manage this risk by disconnecting services to customers whose accounts are delinquent.

Investments

We make elections, on an investment-by-investment basis, as to whether we measure our investments at fair value. Such elections are generally irrevocable. With the exception of those investments over which we exercise significant influence, we generally elect the fair value method. For those investments over which we exercise significant influence, we generally elect the equity method.

Under the fair value method, investments are recorded at fair value and any changes in fair value are reported in realized and unrealized gains or losses due to changes in fair values of certain investments, net, in our consolidated statements of operations. All costs directly associated with the acquisition of an investment to be accounted for using the fair value method are expensed as incurred. Under the equity method of accounting, investments are recorded at cost and are subsequently increased or reduced to reflect the share of income or losses of the investee. All costs directly associated with the acquisition of an investment to be accounted for using the equity method are included in the carrying amount of the investment. For additional information regarding our fair value and equity method investments, see notes 6 and 8.

Dividends from publicly-traded investees are recognized when declared as dividend income in our consolidated statements of operations. Dividends from privately-held investees generally are reflected as reductions of the carrying values of the applicable investments.

Under the equity method, investments, originally recorded at cost, are adjusted to recognize our share of net earnings or losses of the affiliates as they occur rather than as dividends or other distributions are received, with our recognition of losses generally limited to the extent of our investment in, and advances and commitments to, the investee. The portion of the difference between our investment and our share of the net assets of the investee that represents goodwill is not amortized, but continues to be considered for impairment. Intercompany profits on transactions with equity affiliates for which assets remain on our or our investee's balance sheet are eliminated to the extent of our ownership in the investee.

We continually review our equity method investments to determine whether a decline in fair value below the cost basis is other-than-temporary. The primary factors we consider in our determination are the extent and length of time that the fair value of the investment is below our company's carrying value and the financial condition, operating performance and near-term prospects of the investee, changes in the stock price or valuation subsequent to the balance sheet date, and the impacts of exchange rates, if applicable. If the decline in fair value of an equity method investment is deemed to be other-than-temporary, the cost basis of the security is written down to fair value.

Realized gains and losses are determined on an average cost basis. Securities transactions are recorded on the trade date.

Financial Instruments

Due to the short maturities of cash and cash equivalents, restricted cash, short-term liquid investments, trade and other receivables, other current assets, accounts payable, accrued liabilities, subscriber advance payments and deposits and other current liabilities, their respective carrying values approximate their respective fair values. For information concerning the fair values of certain of our investments, our derivatives and debt, see notes 6, 7 and 10, respectively. For information concerning how we arrive at certain of our fair value measurements, see note 8.

Derivative Instruments

All derivative instruments, whether designated as hedging relationships or not, are recorded on the balance sheet at fair value. If the derivative instrument is not designated as a hedge, changes in the fair value of the derivative instrument are recognized in earnings. If the derivative instrument is designated as a fair value hedge, the changes in the fair value of the derivative instrument and of the hedged item attributable to the hedged risk are recognized in earnings. If the derivative instrument is designated as a cash flow hedge, the effective portions of changes in the fair value of the derivative instrument are recorded in other comprehensive earnings or loss and subsequently reclassified into our consolidated statements of operations when the hedged forecasted transaction affects earnings. Ineffective portions of changes in the fair value of cash flow hedges are recognized in earnings. With the exception of a limited number of our foreign currency forward contracts, we do not apply hedge accounting to our derivative instruments. For information regarding our derivative instruments, including our policy for classifying cash flows related to derivative instruments in our consolidated statements of cash flows, see note 7.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. We capitalize costs associated with the construction of new cable transmission and distribution facilities and the installation of new cable services. Capitalized construction and installation costs include materials, labor and other directly attributable costs. Installation activities that are capitalized include (i) the initial connection (or drop) from our cable system to a customer location, (ii) the replacement of a drop and (iii) the installation of equipment for additional services, such as digital cable, telephone or broadband internet service. The costs of other customer-facing activities such as reconnecting customer locations where a drop already exists, disconnecting customer locations and repairing or maintaining drops, are expensed as incurred. Interest capitalized with respect to construction activities was not material during any of the periods presented.

Capitalized internal-use software is included as a component of property and equipment. We capitalize internal and external costs directly associated with the development of internal-use software. We also capitalize costs associated with the purchase of software licenses. Maintenance and training costs, as well as costs incurred during the preliminary stage of an internal-use software development project, are expensed as incurred.

Depreciation is computed using the straight-line method over the estimated useful life of the underlying asset. Equipment under capital leases is amortized on a straight-line basis over the shorter of the lease term or estimated useful life of the asset. Useful lives used to depreciate our property and equipment are assessed periodically and are adjusted when warranted. The useful

lives of cable distribution systems that are undergoing a rebuild are adjusted such that property and equipment to be retired will be fully depreciated by the time the rebuild is completed. For additional information regarding the useful lives of our property and equipment, see note 9.

Additions, replacements and improvements that extend the asset life are capitalized. Repairs and maintenance are charged to operations.

We recognize a liability for asset retirement obligations in the period in which it is incurred if sufficient information is available to make a reasonable estimate of fair values. Asset retirement obligations may arise from the loss of rights of way that we obtain from local municipalities or other relevant authorities. Under certain circumstances, the authorities could require us to remove our network equipment from an area if, for example, we were to discontinue using the equipment for an extended period of time or the authorities were to decide not to renew our access rights. However, because the rights of way are integral to our ability to deliver broadband communications services to our customers, we expect to conduct our business in a manner that will allow us to maintain these rights for the foreseeable future. In addition, we have no reason to believe that the authorities will not renew our rights of way and, historically, renewals have been granted. We also have obligations in lease agreements to restore the property to its original condition or remove our property at the end of the lease term. Sufficient information is not available to estimate the fair value of our asset retirement obligations in certain of our lease arrangements. This is the case for long-term lease arrangements in which the underlying leased property is integral to our operations, there is not an acceptable alternative to the leased property and we have the ability to indefinitely renew the lease. Accordingly, for most of our rights of way and certain lease agreements, the possibility is remote that we will incur significant removal costs in the foreseeable future and, as such, we do not have sufficient information to make a reasonable estimate of fair value for these asset retirement obligations.

As of December 31, 2015 and 2014, the recorded value of our asset retirement obligations was $63.9 million and $65.1 million, respectively.

Intangible Assets

Our primary intangible assets relate to goodwill, customer relationships and cable television franchise rights. Goodwill represents the excess purchase price over the fair value of the identifiable net assets acquired in a business combination. Customer relationships and cable television franchise rights were originally recorded at their fair values in connection with business combinations.

Goodwill and other intangible assets with indefinite useful lives are not amortized, but instead are tested for impairment at least annually. Intangible assets with finite lives are amortized on a straight-line basis over their respective estimated useful lives to their estimated residual values, and reviewed for impairment.

We do not amortize our franchise rights and certain other intangible assets as these assets have indefinite lives. For additional information regarding the useful lives of our intangible assets, see note 9.

Impairment of Property and Equipment and Intangible Assets

We review, when circumstances warrant, the carrying amounts of our property and equipment and our intangible assets (other than goodwill and other indefinite-lived intangible assets) to determine whether such carrying amounts continue to be recoverable. Such changes in circumstance may include (i) an expectation of a sale or disposal of a long-lived asset or asset group, (ii) adverse changes in market or competitive conditions, (iii) an adverse change in legal factors or business climate in the markets in which we operate and (iv) operating or cash flow losses. For purposes of impairment testing, long-lived assets are grouped at the lowest level for which cash flows are largely independent of other assets and liabilities, generally at or below the reporting unit level (see below). If the carrying amount of the asset or asset group is greater than the expected undiscounted cash flows to be generated by such asset or asset group, an impairment adjustment is recognized. Such adjustment is measured by the amount that the carrying value of such asset or asset group exceeds its fair value. We generally measure fair value by considering (a) sale prices for similar assets, (b) discounted estimated future cash flows using an appropriate discount rate and/or (c) estimated replacement cost. Assets to be disposed of are carried at the lower of their financial statement carrying amount or fair value less costs to sell.

We evaluate the goodwill, franchise rights and other indefinite-lived intangible assets for impairment at least annually on October 1 and whenever other facts and circumstances indicate that the carrying amounts of goodwill and other indefinite-lived

intangible assets may not be recoverable. For impairment evaluations with respect to both goodwill and other indefinite-lived intangibles, we first make a qualitative assessment to determine if the goodwill or other indefinite-lived intangible may be impaired. In the case of goodwill, if it is more-likely-than-not that a reporting unit's fair value is less than its carrying value, we then compare the fair value of the reporting unit to its respective carrying amount. A reporting unit is an operating segment or one level below an operating segment (referred to as a "component"). In most cases, our operating segments are deemed to be a reporting unit either because the operating segment is comprised of only a single component, or the components below the operating segment are aggregated as they have similar economic characteristics. If the carrying value of a reporting unit were to exceed its fair value, we would then compare the implied fair value of the reporting unit's goodwill to its carrying amount, and any excess of the carrying amount over the fair value would be charged to operations as an impairment loss. With respect to franchise rights or other indefinite-lived intangible assets, if it is more-likely-than-not that the fair value of an indefinite-lived intangible asset is less than its carrying value, we then estimate its fair value and any excess of the carrying value over the fair value of the franchise right or other indefinite-lived intangible asset is also charged to operations as an impairment loss.

Income Taxes

Income taxes are accounted for under the asset and liability method. We recognize deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts and income tax basis of assets and liabilities and the expected benefits of utilizing net operating loss and tax credit carryforwards, using enacted tax rates in effect for each taxing jurisdiction in which we operate for the year in which those temporary differences are expected to be recovered or settled. We recognize the financial statement effects of a tax position when it is more-likely-than-not, based on technical merits, that the position will be sustained upon examination. Net deferred tax assets are then reduced by a valuation allowance if we believe it is more-likely-than-not such net deferred tax assets will not be realized. Certain of our valuation allowances and tax uncertainties are associated with entities that we acquired in business combinations. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the enactment date. Deferred tax liabilities related to investments in foreign subsidiaries and foreign corporate joint ventures that are essentially permanent in duration are not recognized until it becomes apparent that such amounts will reverse in the foreseeable future. Interest and penalties related to income tax liabilities are included in income tax expense in our consolidated statements of operations. For additional information on our income taxes, see note 11.

Foreign Currency Translation and Transactions

The reporting currency of our company is the U.S. dollar. The functional currency of our foreign operations generally is the applicable local currency for each foreign subsidiary and equity method investee. Assets and liabilities of foreign subsidiaries (including intercompany balances for which settlement is not anticipated in the foreseeable future) are translated at the spot rate in effect at the applicable reporting date. With the exception of certain material transactions, the amounts reported in our consolidated statements of operations are translated at the average exchange rates in effect during the applicable period. The resulting unrealized cumulative translation adjustment, net of applicable income taxes, is recorded as a component of accumulated other comprehensive earnings or loss in our consolidated statements of equity. With the exception of certain material transactions, the cash flows from our operations in foreign countries are translated at the average rate for the applicable period in our consolidated statements of cash flows. The impacts of material transactions generally are recorded at the applicable spot rates in our consolidated statements of operations and cash flows. The effect of exchange rates on cash balances held in foreign currencies are separately reported in our consolidated statements of cash flows.

Transactions denominated in currencies other than our or our subsidiaries' functional currencies are recorded based on exchange rates at the time such transactions arise. Changes in exchange rates with respect to amounts recorded in our consolidated balance sheets related to these non-functional currency transactions result in transaction gains and losses that are reflected in our consolidated statements of operations as unrealized (based on the applicable period end exchange rates) or realized upon settlement of the transactions.

Revenue Recognition

Service Revenue — Cable Networks. We recognize revenue from the provision of video, broadband internet and fixed-line telephony services over our cable network to customers in the period the related services are provided. Installation revenue (including reconnect fees) related to services provided over our cable network is recognized as revenue in the period during which the installation occurs to the extent these fees are equal to or less than direct selling costs, which costs are expensed as incurred. To the extent installation revenue exceeds direct selling costs, the excess revenue is deferred and amortized over the average expected subscriber life.

Sale of Multiple Products and Services. We sell video, broadband internet, fixed-line telephony and, in certain markets, mobile services to our customers in bundled packages at a rate lower than if the customer purchased each product on a standalone basis. Revenue from bundled packages generally is allocated proportionally to the individual services based on the relative standalone price for each respective service.

Mobile Revenue — General. Arrangement consideration from mobile contracts is allocated to the airtime service element and the handset service element based on the relative standalone prices of each element. The amount of arrangement consideration allocated to the handset is limited to the amount that is not contingent upon the delivery of future airtime services. Certain of our operations that provide mobile services offer handsets under a subsidized contract model, whereby upfront revenue recognition is limited to the upfront cash collected from the customer as the remaining monthly fees to be received from the customer, including fees that may be associated with the handset, are contingent upon delivering future airtime services. At certain of our operations, mobile customers may choose to enter into two distinct contractual relationships: (i) a mobile handset contract and (ii) a mobile airtime services contract (a **Split-contract Program**). Under the mobile handset contract, the customer takes full title to the handset upon delivery and typically has the option to either (a) pay for the handset in cash upon delivery or (b) pay for the handset in installments over a contractual period. Under these arrangements, the handset installment payments are not contingent upon delivering future airtime services and the arrangement consideration allocated to the handset is not limited to the upfront cash collected.

Mobile Revenue — Airtime Services. We recognize revenue from mobile services in the period the related services are provided. Revenue from pre-pay customers is recorded as deferred revenue prior to the commencement of services and revenue is recognized as the services are rendered or usage rights expire.

Mobile Revenue — Handset Revenue. Arrangement consideration allocated to handsets is recognized as revenue when the goods have been delivered and title has passed. For customers under a mobile handset installment contract that is independent of a mobile airtime services contract, revenue is recognized upon delivery only if collectibility is reasonably assured. Our assessment of collectibility is based principally on internal and external credit assessments as well as historical collection information for similar customers. To the extent that collectibility of installment payments from the customer is not reasonably assured upon delivery of the handset, handset revenue is recognized on a cash basis as customer payments are received.

*Business-to-Business (**B2B**) Revenue.* We defer upfront installation and certain nonrecurring fees received on B2B contracts where we maintain ownership of the installed equipment. The deferred fees are amortized into revenue on a straight-line basis over the term of the arrangement or the expected period of performance.

Promotional Discounts. For subscriber promotions, such as discounted or free services during an introductory period, revenue is recognized only to the extent of the discounted monthly fees charged to the subscriber, if any.

Subscriber Advance Payments and Deposits. Payments received in advance for the services we provide are deferred and recognized as revenue when the associated services are provided.

*Sales, Use and Other Value-Added Taxes (**VAT**).* Revenue is recorded net of applicable sales, use and other value-added taxes.

Share-Based Compensation

We recognize all share-based payments to employees, including grants of employee share incentive awards, based on their grant date fair values and our estimates of forfeitures. We recognize the grant date fair value of outstanding awards as a charge to operations over the vesting period. The cash benefits of tax deductions in excess of deferred taxes on recognized share-based

compensation expense are reported as a financing cash flow. Payroll taxes incurred in connection with the vesting or exercise of our share-based incentive awards are recorded as a component of share-based compensation expense in our consolidated statements of operations.

We use the straight-line method to recognize share-based compensation expense for our outstanding share awards that do not contain a performance condition and the accelerated expense attribution method for our outstanding share awards that contain a performance condition and vest on a graded basis.

We have calculated the expected life of options and share appreciation rights (**SAR**s) granted by Liberty Global to employees based on historical exercise trends. The expected volatility for Liberty Global options and SARs is generally based on a combination of (i) historical volatilities of Liberty Global ordinary shares for a period equal to the expected average life of the Liberty Global awards and (ii) volatilities implied from publicly-traded Liberty Global options.

Under U.K. corporate law, we are required to issue new shares of Liberty Global ordinary shares when Liberty Global options or SARs are exercised and when restricted share units (**RSU**s) and performance-based restricted share units (**PSU**s) vest. Although we repurchase Liberty Global ordinary shares from time to time, the parameters of our share purchase and redemption activities are not established solely with reference to the dilutive impact of our share-based compensation plans.

For additional information regarding our share-based compensation, see note 13.

Litigation Costs

Legal fees and related litigation costs are expensed as incurred.

Earnings or Loss per Share

Basic earnings or loss per share (**EPS**) is computed by dividing net earnings or loss by the weighted average number of shares (excluding restricted shares) outstanding for the period. Diluted earnings or loss per share presents the dilutive effect, if any, on a per share basis of potential shares (e.g., options, SARs, performance-based share appreciation rights (**PSAR**s), restricted shares, RSUs and convertible securities) as if they had been exercised, vested or converted at the beginning of the periods presented.

The details of our net earnings (loss) attributable to holders of Liberty Global Shares, LiLAC Shares and Old Liberty Global Shares are set forth below:

	Year ended December 31,		
	2015	2014	2013
		in millions	
Net earnings (loss) attributable to holders of:			
Liberty Global Shares (a)	$ (167.5)	$ —	$ —
LiLAC Shares (a)	17.2	—	—
Old Liberty Global Shares (b):			
Loss from continuing operations	(1,002.2)	(1,028.5)	(937.6)
Earnings (loss) from discontinued operation	—	333.5	(26.3)
	(1,002.2)	(695.0)	(963.9)
Net loss attributable to Liberty Global shareholders	$ (1,152.5)	$ (695.0)	$ (963.9)

____

(a) The amounts presented for the year ended December 31, 2015 relate to the period from July 1, 2015 through December 31, 2015.

(b) The amounts presented for the year ended December 31, 2015 relate to the period from January 1, 2015 through June 30, 2015.

The details of our weighted average shares outstanding are set forth below:

	Year ended December 31,		
	2015	**2014**	**2013**
Weighted average shares outstanding:			
Liberty Global Shares — basic and diluted (a)	864,721,483		
LiLAC Shares (a):			
Basic	43,915,757		
Diluted	44,235,275		
Old Liberty Global Shares — basic and diluted (b)	884,040,481	798,869,761	672,348,540

(a) The amounts presented for the year ended December 31, 2015 relate to the period from July 1, 2015 through December 31, 2015.

(b) The amounts presented for the year ended December 31, 2015 relate to the period from January 1, 2015 through June 30, 2015.

Liberty Global Shares. We reported a loss from continuing operations attributable to holders of Liberty Global Shares for the period from July 1, 2015 through December 31, 2015. Therefore, the potentially dilutive effect at December 31, 2015 of the following items was not included in the computation of diluted loss per share attributable to holders of Liberty Global Shares because their inclusion would have been anti-dilutive to the computation or, in the case of certain PSUs and Performance Grant Units (**PGUs**), because such awards had not yet met the applicable performance criteria: (i) the aggregate number of shares issuable pursuant to outstanding options, SARs, PSARs and RSUs of approximately 43.3 million, (ii) the aggregate number of shares issuable pursuant to PSUs and PGUs of approximately 4.5 million and (iii) the aggregate number of shares issuable pursuant to obligations that may be settled in cash or shares of approximately 2.7 million.

LiLAC Shares. The details of the calculation of EPS with respect to LiLAC Shares for the period from July 1, 2015 through December 31, 2015 are set forth in the following table:

Numerator:	
Net earnings attributable to holders of LiLAC Shares (basic and diluted EPS computation) (in millions)	$ 17.2
Denominator:	
Weighted average ordinary shares (basic EPS computation)	43,915,757
Incremental shares attributable to the assumed exercise of outstanding options, SARs and PSARs and the release of share units upon vesting (treasury stock method)	319,518
Weighted average ordinary shares (diluted EPS computation)	44,235,275

A total of 0.7 million options, SARs, PSARs and RSUs were excluded from the calculation of diluted earnings per share during the period from July 1, 2015 through December 31, 2015 because their effect would have been anti-dilutive.

Old Liberty Global Shares. We reported losses from continuing operations attributable to holders of Old Liberty Global Shares for the period from January 1, 2015 through June 30, 2015 and the years ended December 31, 2014 and 2013. Therefore, the potentially dilutive effect at June 30, 2015, December 31, 2014 and December 31, 2013 of the following items was not included in the computation of diluted loss per share attributable to holders of Old Liberty Global Shares because their inclusion would have been anti-dilutive to the computation or, in the case of certain PSUs and PGUs, because such awards had not yet met the applicable performance criteria: (i) the aggregate number of shares issuable pursuant to outstanding options, SARs, PSARs and restricted shares and RSUs of approximately 42.1 million, 39.1 million and 40.3 million, respectively, (ii) the aggregate number of shares issuable pursuant to PSUs and PGUs of approximately 5.3 million, 5.4 million and 3.7 million, respectively, and (iii) the aggregate number of shares issuable pursuant to obligations that may be settled in cash or shares of approximately 2.6 million for each of the respective dates.

(4) Acquisitions

Pending 2016 Acquisition

CWC. On November 16, 2015, we announced, pursuant to Rule 2.7 of the U.K. City Code on Takeovers and Mergers, the terms of a recommended acquisition pursuant to which we would acquire Cable & Wireless Communications Plc (**CWC**) for shares of Liberty Global in a scheme of arrangement. Under the terms of the transaction, CWC shareholders will be entitled to receive up to, in the aggregate: 31,651,616 Class A Liberty Global Shares, 77,488,978 Class C Liberty Global Shares, 3,648,524 Class A LiLAC Shares and 8,939,328 Class C LiLAC Shares. Further, CWC shareholders would be entitled to receive a special dividend in the amount of £0.03 ($0.04) per CWC share at the closing of the transaction, which would be in lieu of any previously-announced CWC dividend. We expect that the dividend and estimated fees and expenses will be funded from CWC liquidity, including incremental debt borrowings, and LiLAC Group liquidity. Completion of the acquisition, which is expected to occur during the second quarter of 2016, is subject to, among other conditions, Liberty Global and CWC shareholder approvals, certain regulatory approvals and court sanction of the scheme of arrangement. In connection with the proposed acquisition, we entered into an agreement with CWC to, among other things, provide our reasonable co-operation to CWC to complete the acquisition. If the acquisition of CWC is not completed as expected, under certain limited circumstances, we could be required to pay CWC a termination fee of $50 million.

Following completion of the acquisition of CWC, we intend to attribute CWC to the LiLAC Group, with the Liberty Global Group being granted an inter-group interest in the LiLAC Group. Based on the fully-diluted numbers of Liberty Global Shares, LiLAC Shares and CWC shares outstanding on November 16, 2015, after giving effect to the acquisition and such attribution, and treating the Liberty Global Group's inter-group interest in the LiLAC Group as being represented by additional LiLAC Shares, Liberty Global Group shareholders would have had an approximate 67.4% ownership interest in the LiLAC Group.

For information regarding an acquisition we completed subsequent to December 31, 2015, see note 20.

2015 Acquisition

On June 3, 2015, pursuant to a stock purchase agreement with the parent of Puerto Rico Cable Acquisition Company Inc., dba Choice Cable TV (**Choice**) and following regulatory approval, one of our subsidiaries, together with investment funds affiliated with Searchlight Capital Partners, L.P. (collectively, **Searchlight**), acquired 100% of Choice (the **Choice Acquisition**). Choice is a cable and broadband services provider in Puerto Rico. We acquired Choice in order to achieve certain financial, operational and strategic benefits through the integration of Choice with Liberty Puerto Rico. The combined business is 60.0%-owned by our company and 40.0%-owned by Searchlight.

The purchase price for Choice of $276.4 million was funded through (i) Liberty Puerto Rico's incremental debt borrowings, net of discount and fees, of $259.1 million, (ii) cash of $10.5 million and (iii) an equity contribution from Searchlight of $6.8 million.

We have accounted for the Choice Acquisition using the acquisition method of accounting, whereby the total purchase price was allocated to the acquired identifiable net assets of Choice based on assessments of their respective fair values, and the excess of the purchase price over the fair values of these identifiable net assets was allocated to goodwill. A summary of the purchase price and the preliminary opening balance sheet for the Choice Acquisition at the June 3, 2015 acquisition date is presented in the following table. The preliminary opening balance sheet is subject to adjustment based on our final assessment of the fair values of the acquired identifiable assets and liabilities. Although most items in the valuation process remain open, the items with the highest likelihood of changing upon finalization of the valuation process include property and equipment, goodwill, intangible assets associated with franchise rights and customer relationships and income taxes (in millions):

Cash and cash equivalents	$ 3.6
Other current assets	7.8
Property and equipment, net	79.8
Goodwill (a)	51.6
Intangible assets subject to amortization, net (b)	59.1
Franchise rights	147.8
Other assets, net	0.3
Other accrued and current liabilities	(13.2)
Non-current deferred tax liabilities	(60.4)
Total purchase price (c)	$ 276.4

____

(a) The goodwill recognized in connection with the Choice Acquisition is primarily attributable to (i) the ability to take advantage of Choice's existing advanced broadband communications network to gain immediate access to potential customers and (ii) synergies that are expected to be achieved through the integration of Choice with Liberty Puerto Rico. The entire amount of goodwill is expected to be deductible for U.S. tax purposes.

(b) Amount primarily includes intangible assets related to customer relationships. As of June 3, 2015, the weighted average useful life of Choice's intangible assets was approximately ten years.

(c) Excludes direct acquisition costs of $8.5 million incurred through December 31, 2015, which are included in impairment, restructuring and other operating items, net, in our consolidated statement of operations.

2014 Acquisition

On November 11, 2014 (the **Ziggo Acquisition Date**), pursuant to a merger protocol (the **Ziggo Merger Protocol**) with respect to an offer to acquire all of the shares of Ziggo Holding B.V. (**Ziggo**) that we did not already own (the **Ziggo Offer**), we gained control of Ziggo through the acquisition of 136,603,794 additional Ziggo shares, which increased our ownership interest in Ziggo to 88.9% (the **Ziggo Acquisition**). From November 12, 2014 through November 19, 2014, we acquired 18,998,057 additional Ziggo shares, further increasing our ownership interest in Ziggo to 98.4% (the **Ziggo NCI Acquisition**). Ziggo is a provider of video, broadband internet, fixed-line telephony and mobile services in the Netherlands. We acquired Ziggo in order to achieve certain financial, operational and strategic benefits through the integration of Ziggo with with our existing operations in the Netherlands and our other European operations.

Pursuant to the Ziggo Merger Protocol, Ziggo shareholders who tendered their Ziggo shares received an offer price of (i) 0.2282 Class A Old Liberty Global Shares, (ii) 0.5630 Class C Old Liberty Global Shares and (iii) €11.00 ($13.71 at the applicable rates) in cash for each Ziggo share that they tendered. In connection with the completion of the Ziggo Acquisition and the Ziggo NCI Acquisition, we (a) issued an aggregate of 35,508,342 Class A and 87,603,842 Class C Old Liberty Global Shares and (b) paid aggregate cash consideration of €1,711.6 million ($2,133.6 million at the applicable rates) to holders of Ziggo ordinary shares.

On December 3, 2014, we initiated a statutory squeeze-out procedure in accordance with the Dutch Civil Code (the **Statutory Squeeze-out**) in order to acquire the remaining 3,162,605 Ziggo shares not tendered through November 19, 2014. Under the Statutory Squeeze-out, which was completed during the second quarter of 2015, Ziggo shareholders other than Liberty Global

received cash consideration of €39.78 ($44.91 at the applicable rates) per share, plus interest, for an aggregate of €125.9 million ($142.2 million at the applicable rates). This amount was approved in April 2015 by the Enterprise Court in the Netherlands.

For accounting purposes, (i) the Ziggo Acquisition was treated as the acquisition of Ziggo by Liberty Global and (ii) the Ziggo NCI Acquisition and the Statutory Squeeze-out were treated as the acquisitions of a noncontrolling interest.

In connection with the completion of the Ziggo Acquisition, we obtained regulatory clearance from the European Commission on October 10, 2014, subject to the following commitments:

- our commitment to divest our *Film1* channels to a third party and to carry *Film1* on our network in the Netherlands for a period of three years. Accordingly, on July 21, 2015, we sold our *Film1* channels to Sony Pictures Television Networks. Under the terms of the agreement, all five *Film1* channels will continue to be carried on certain of our networks for a period of at least three years; and

- our commitment for a period of eight years with respect to our network in the Netherlands (i) not to enforce certain clauses currently contained in carriage agreements with broadcasters that restrict the ability of broadcasters to offer their channels and content via over-the-top services, (ii) not to enter into carriage agreements containing such clauses and (iii) to maintain adequate interconnection capacity through at least three uncongested routes into our network in the Netherlands, at least one of which must be with a large transit provider.

In July 2015, the Dutch incumbent telecommunications operator filed an appeal against the European Commission regarding its decision to approve the Ziggo Acquisition. We are not a party to the appeal and we do not expect that the filing of this appeal will have any impact on the ongoing integration and development of our operations in the Netherlands.

For accounting purposes, the Ziggo Acquisition was treated as the acquisition of Ziggo by Liberty Global. In this regard, the equity and cash consideration paid to acquire Ziggo plus the fair value of our pre-existing investment in Ziggo on the Ziggo Acquisition Date is set forth below (in millions):

Class A Old Liberty Global Shares (a)	$ 1,448.7
Class C Old Liberty Global Shares (a)	3,457.1
Cash (b)	1,872.9
Fair value of pre-existing investment in Ziggo (c)	2,015.4
Total	$ 8,794.1

____

(a) Represents the value assigned to the 31,172,985 Class A and 76,907,936 Class C Old Liberty Global Shares issued to Ziggo shareholders in connection with the Ziggo Acquisition through the Ziggo Acquisition Date. These amounts are based on (i) the exchange ratios specified by the Ziggo Merger Protocol, (ii) the applicable closing per share prices of Class A and Class C Old Liberty Global Shares and (iii) 136,603,794 ordinary shares of Ziggo tendered in the Ziggo Offer through the Ziggo Acquisition Date.

(b) Represents the cash consideration paid in connection with the Ziggo Acquisition.

(c) Represents the fair value of the 41,329,850 shares of Ziggo held by Liberty Global and its subsidiaries immediately prior to the Ziggo Acquisition.

We have accounted for the Ziggo Acquisition using the acquisition method of accounting, whereby the total purchase price was allocated to the acquired identifiable net assets of Ziggo based on assessments of their respective fair values, and the excess of the purchase price over the fair values of these identifiable net assets was allocated to goodwill. A summary of the purchase price and the preliminary opening balance sheet for the Ziggo Acquisition as of the Ziggo Acquisition Date is presented in the following table. The opening balance sheet presented below reflects our final purchase price allocation (in millions):

Cash and cash equivalents (a)	$ 1,889.7
Other current assets	69.7
Property and equipment, net	2,714.9
Goodwill (b)	7,866.5
Intangible assets subject to amortization, net (c)	4,857.0
Other assets, net	382.8
Current portion of debt and capital lease obligations	(604.0)
Other accrued and current liabilities	(461.8)
Long-term debt and capital lease obligations	(5,351.5)
Other long-term liabilities	(1,488.6)
Noncontrolling interest (d)	(1,080.6)
Total purchase price (e)	$ 8,794.1

____

(a) The Ziggo Acquisition resulted in $16.8 million of net cash acquired after deducting the cash consideration paid.

(b) The goodwill recognized in connection with the Ziggo Acquisition is primarily attributable to (i) the ability to take advantage of Ziggo's existing advanced broadband communications network to gain immediate access to potential customers and (ii) synergies that are expected to be achieved through the integration of Ziggo with our existing operations in the Netherlands and our other European operations.

(c) Amount primarily includes intangible assets related to customer relationships. As of the Ziggo Acquisition Date, the weighted average useful life of Ziggo's intangible assets was approximately ten years.

(d) Represents the fair value of the noncontrolling interest in Ziggo as of the Ziggo Acquisition Date.

(e) Excludes direct acquisition costs of $84.1 million incurred through December 31, 2014, which are included in impairment, restructuring and other operating items, net, in our consolidated statement of operations.

We have accounted for the Ziggo NCI Acquisition as an equity transaction, with the carrying amount of the noncontrolling interest adjusted to reflect the change in ownership of Ziggo. The difference between the fair value of consideration paid and the amount by which the noncontrolling interest was adjusted has been recognized as additional paid-in capital in our consolidated statement of equity. The impact of the Ziggo NCI Acquisition is summarized in the following table (in millions):

Reduction of noncontrolling interests	$ 927.2
Additional paid-in capital	23.5
Fair value of consideration paid (a)	$ 950.7

____

(a) Represents (i) the value assigned to the 4,335,357 Class A and 10,695,906 Class C Old Liberty Global Shares issued to Ziggo shareholders and (ii) cash consideration of €209.0 million ($260.7 million at the applicable rates) paid to Ziggo shareholders, based on the 18,998,057 ordinary shares of Ziggo tendered in connection with the Ziggo NCI Acquisition.

The cash consideration paid in the Ziggo Acquisition and the Ziggo NCI Acquisition was funded with a combination of debt and our existing liquidity. For information regarding the various debt financing arrangements that we entered into in connection

with the execution of the Ziggo Merger Protocol and the completion of the Ziggo Acquisition and the Ziggo NCI Acquisition, see note 10.

2013 Acquisition

On June 7, 2013, pursuant to an Agreement and Plan of Merger (the **Virgin Media Merger Agreement**) with Virgin Media and following receipt of regulatory and shareholder approvals, we acquired Virgin Media in a stock and cash merger (the **Virgin Media Acquisition**). Virgin Media is one of the U.K.'s largest providers of residential video, broadband internet, fixed-line telephony and mobile services in terms of number of customers. We acquired Virgin Media in order to achieve certain financial, operational and strategic benefits through the integration of Virgin Media with our existing European operations.

Pursuant to the Virgin Media Merger Agreement:

- Each share of common stock of Virgin Media was converted into the right to receive (i) 0.2582 Class A Old Liberty Global Shares, (ii) 0.6438 Class C Old Liberty Global Shares and (iii) $17.50 in cash; and
- Each share of Series A common stock of LGI was converted into the right to receive one Class A Old Liberty Global Share; each share of Series B common stock of LGI was converted into the right to receive one Class B Old Liberty Global Share; and each share of Series C common stock of LGI was converted into the right to receive one Class C Old Liberty Global Share.

In connection with the completion of the Virgin Media Acquisition, we issued 70,233,842 Class A and 175,122,182 Class C Old Liberty Global Shares to holders of Virgin Media common stock and 141,234,331 Class A, 10,176,295 Class B and 362,556,220 Class C Old Liberty Global Shares to holders of LGI Series A, Series B and Series C common stock, respectively.

In connection with the execution of the Virgin Media Merger Agreement, we entered into various debt financing arrangements.

In a transaction that did not impact our cash and cash equivalents, the net proceeds (after deducting certain transaction expenses) from the February 2013 issuance of the April 2021 VM Senior Secured Notes and 2023 VM Senior Notes (each as defined and described in note 10) of $3,557.5 million (equivalent at the transaction date) were placed into segregated escrow accounts (the **Virgin Media Escrow Accounts**) with a trustee. Such net proceeds were released in connection with the closing of the Virgin Media Acquisition.

The Virgin Media Acquisition and related refinancing transactions were funded with a combination of (i) the proceeds from the Virgin Media Escrow Accounts, (ii) borrowings under the VM Credit Facility (as defined and described in note 10) and (iii) our and Virgin Media's existing liquidity.

For accounting purposes, the Virgin Media Acquisition was treated as the acquisition of Virgin Media by Liberty Global (as the successor to LGI). In this regard, the equity and cash consideration paid to acquire Virgin Media is set forth below (in millions):

Class A Old Liberty Global Shares (a)	$ 2,735.0
Class C Old Liberty Global Shares (a)	6,369.9
Cash (b)	4,760.2
Fair value of the vested portion of Virgin Media stock incentive awards (c)	270.4
Total equity and cash consideration	$ 14,135.5

____

(a) Represents the value assigned to the 70,233,842 Class A and 175,122,182 Class C Old Liberty Global Shares issued to Virgin Media shareholders in connection with the Virgin Media Acquisition. These amounts are based on (i) the exchange ratios specified by the Virgin Media Merger Agreement, (ii) the closing per share price on June 7, 2013 of Series A and Series C LGI common stock of $38.94 and $36.37, respectively, and (iii) the 272,013,333 outstanding shares of Virgin Media common stock at June 7, 2013.

(b) Represents the cash consideration paid in connection with the Virgin Media Acquisition. This amount is based on (i) the $17.50 per share cash consideration specified by the Virgin Media Merger Agreement and (ii) the 272,013,333 outstanding shares of Virgin Media common stock at June 7, 2013.

(c) Represents the portion of the estimated fair value of the Virgin Media stock incentive awards that are attributable to services provided prior to the June 7, 2013 acquisition date. The estimated fair value is based on the attributes of the 13.03 million outstanding Virgin Media stock incentive awards at June 7, 2013, including the market price of the underlying Virgin Media common stock. The outstanding Virgin Media stock incentive awards at June 7, 2013 include 9.86 million stock options that have been valued using Black Scholes option valuations. In addition, Virgin Media's stock incentive awards at June 7, 2013 included 3.17 million restricted stock units that included performance conditions and, in certain cases, market conditions. Those restricted stock units with market conditions have been valued using Monte Carlo simulation models.

We have accounted for the acquisition of Virgin Media using the acquisition method of accounting, whereby the total purchase price was allocated to the acquired identifiable net assets of Virgin Media based on assessments of their respective fair values, and the excess of the purchase price over the fair values of these identifiable net assets was allocated to goodwill. A summary of the purchase price and opening balance sheet for the Virgin Media Acquisition at the June 7, 2013 acquisition date is presented in the following table. The opening balance sheet presented below reflects our final purchase price allocation (in millions):

Cash and cash equivalents	$ 694.6
Other current assets	932.2
Property and equipment, net	9,863.1
Goodwill (a)	9,000.8
Intangible assets subject to amortization (b)	3,925.8
Other assets, net	4,259.4
Current portion of debt and capital lease obligations	(1,184.5)
Other accrued and current liabilities (c) (d)	(1,892.2)
Long-term debt and capital lease obligations	(8,477.4)
Other long-term liabilities (c)	(1,326.3)
Additional paid-in capital (e)	(1,660.0)
Total purchase price (f)	$ 14,135.5

(a) The goodwill recognized in connection with the Virgin Media Acquisition is primarily attributable to (i) the ability to take advantage of Virgin Media's existing advanced broadband communications network to gain immediate access to potential customers and (ii) synergies that were expected to be achieved through the integration of Virgin Media with our other broadband communications operations in Europe.

(b) Amount primarily includes intangible assets related to customer relationships. At June 7, 2013, the weighted average useful life of Virgin Media's intangible assets was approximately seven years.

(c) No amounts were allocated to deferred revenue with respect to the then ongoing performance obligations associated with Virgin Media's B2B service contracts, as the remaining fees to be received under these contracts approximated fair value given our estimates of the costs associated with these performance obligations.

(d) Amount includes a $35.6 million liability that was recorded to adjust an unfavorable capacity contract to its estimated fair value. This amount was amortized through the March 31, 2014 expiration date of the contract as a reduction of Virgin Media's operating expenses so that the net effect of this amortization and the payments required under the contract approximated market rates. During the period from June 8, 2013 through December 31, 2013 and the year ended December 31, 2014, $22.8 million and $12.8 million, respectively, of this liability was amortized as a reduction of operating expenses in our consolidated statements of operations.

(e) Represents the equity component of the 6.50% convertible senior notes (the **VM Convertible Notes**). During the period from June 7, 2013 through December 31, 2013, 94.4% of the VM Convertible Notes were exchanged for Class A and Class C Old Liberty Global Shares and cash pursuant to the terms of the indenture underlying the VM Convertible Notes.

(f) Excludes direct acquisition costs of $51.5 million incurred through December 31, 2014, which are included in impairment, restructuring and other operating items, net, in our consolidated statements of operations.

Pro Forma Information

The following unaudited pro forma consolidated operating results give effect to (i) the acquisition of 100% of Ziggo and (ii) the Choice Acquisition, as if they had been completed as of January 1, 2014. These pro forma amounts are not necessarily indicative of the operating results that would have occurred if these transactions had occurred on such date. The pro forma adjustments are based on certain assumptions that we believe are reasonable. In the following table, we present the revenue that is attributed to the Liberty Global Group and the LiLAC Group as if such revenue had been attributed to each group at the beginning of each period presented. However, our presentation of net earnings (loss) and basic and diluted earnings (loss) per share attributed to (a) Liberty Global Shares, (b) LiLAC Shares and (c) Old Liberty Global Shares only includes the results of operations for the periods during which these shares were outstanding. Accordingly, (1) our net earnings (loss) attributed to Liberty Global Shares and LiLAC Shares relates to the period from July 1, 2015 through December 31, 2015 and (2) our net loss attributed to Old Liberty Global Shares relates to periods prior to July 1, 2015.

	Year ended December 31,	
	2015	2014
	in millions, except per share amounts	
Revenue:		
Liberty Global Group:		
Continuing operations	$ 17,062.7	$ 18,890.1
Discontinued operation	—	26.6
Total Liberty Global Group	17,062.7	18,916.7
LiLAC Group	1,254.4	1,291.9
Total	$ 18,317.1	$ 20,208.6
Net earnings (loss) attributable to Liberty Global shareholders:		
Liberty Global Shares	$ (167.5)	$ —
LiLAC Shares	17.2	—
Old Liberty Global Shares	(1,000.4)	(1,181.0)
Total	$ (1,150.7)	$ (1,181.0)
Basic and diluted earnings (loss) attributable to Liberty Global shareholders per share:		
Liberty Global Shares	$ (0.19)	
LiLAC Shares	$ 0.39	
Old Liberty Global Shares	$ (1.13)	$ (1.30)

Our consolidated statement of operations for 2015 includes revenue and net earnings of $52.1 million and $4.6 million, respectively, attributable to Choice.

The following unaudited pro forma consolidated operating results give effect to (i) the acquisition of 100% of Ziggo and (ii) the Virgin Media Acquisition, as if they had been completed as of January 1, 2013. These pro forma amounts are not necessarily indicative of the operating results that would have occurred if these transactions had occurred on such date. The pro forma adjustments are based on certain assumptions that we believe are reasonable. In the following table, we present the revenue that is attributed to the Liberty Global Group and the LiLAC Group as if such revenue had been attributed to each group at the beginning of each period presented. However, our presentation of net loss and basic and diluted loss per share attributed to (a) Liberty Global Shares, (b) LiLAC Shares and (c) Old Liberty Global Shares only includes the results of operations for the periods during which these shares were outstanding. Accordingly, our net loss for 2014 and 2013 is entirely attributed to Old Liberty Global Shares.

	Year ended December 31,	
	2014	2013
	in millions, except per share amounts	
Revenue:		
Liberty Global Group:		
Continuing operations	$ 18,890.1	$ 18,013.7
Discontinued operation	26.6	408.6
Total Liberty Global Group	18,916.7	18,422.3
LiLAC Group	1,204.6	1,288.8
Intergroup eliminations	—	(1.3)
Total	$ 20,121.3	$ 19,709.8
Net loss attributable to Liberty Global shareholders — Old Liberty Global Shares	$ (1,180.6)	$ (1,573.6)
Basic and diluted loss attributable to Liberty Global shareholders per share — Old Liberty Global Shares	$ (1.30)	$ (1.71)

Our consolidated statement of operations for 2014 includes revenue and net loss of $272.0 million and $98.7 million, respectively, attributable to Ziggo.

(5) Discontinued Operation

On January 31, 2014, we completed the sale of the Chellomedia Disposal Group to AMC Networks Inc. for €750.0 million ($1,013.1 million at the applicable rate) in cash. Accordingly, the Chellomedia Disposal Group is reflected as a discontinued operation in our consolidated statements of operations and cash flows for 2014 and 2013. The assets disposed of pursuant to the Chellomedia Transaction exclude Chellomedia's premium sports and film channels in the Netherlands. In connection with the sale of the Chellomedia Disposal Group, we recognized a pre-tax gain of $342.2 million. This pre-tax gain is net of a $64.0 million cumulative foreign currency translation loss, which was reclassified to net loss from accumulated other comprehensive earnings. The associated income tax expense of $9.5 million differs from the amount computed by applying the U.K. statutory income tax rate in effect at the time of 21.5% primarily due to the fact that (i) the transaction was not subject to taxation in the U.K. and (ii) most elements of the transaction were not subject to taxation in the Netherlands or the U.S. The net after-tax gain of $332.7 million is included in gain on disposal of discontinued operation, net of taxes, in our consolidated statement of operations.

Certain of our broadband communications operations will continue to receive programming services from the Chellomedia Disposal Group through contracts that were negotiated as part of the disposal. As such, Liberty Global will have continuing cash outflows associated with the Chellomedia Disposal Group through at least 2017. However, our involvement as an ongoing customer of the Chellomedia Disposal Group does not disqualify discontinued operations classification because (i) the ongoing cash outflows are not considered significant to the Chellomedia Disposal Group and (ii) Liberty Global does not possess any rights within the ongoing contractual arrangements that would allow us to exert influence over the Chellomedia Disposal Group.

The operating results of the Chellomedia Disposal Group are classified as a discontinued operation in our consolidated statements of operations and are summarized in the following table:

	Year ended December 31,	
	2014 (a) (b)	2013 (b)
	in millions	
Revenue	$ 26.6	$ 408.6
Operating income	$ 0.6	$ 12.1
Earnings (loss) before income taxes and noncontrolling interests	$ 0.9	$ (1.0)
Income tax expense	$ (0.1)	$ (22.7)
Earnings (loss) from discontinued operation attributable to Liberty Global shareholders, net of taxes	$ 0.8	$ (26.3)

(a) Includes the operating results of the Chellomedia Disposal Group through January 31, 2014, the date the Chellomedia Disposal Group was sold.

(b) Excludes the Chellomedia Disposal Group's intercompany revenue and expenses that are eliminated within Liberty Global's consolidated financial statements.

(6) Investments

The details of our investments are set forth below:

Accounting Method	December 31,	
	2015	2014
	in millions	
Fair value:		
ITV — subject to re-use rights	$ 1,624.1	$ 871.2
Sumitomo	471.1	473.1
Lionsgate	162.0	—
ITI Neovision	120.0	154.1
Other	214.6	164.3
Total — fair value	2,591.8	1,662.7
Equity	247.4	145.1
Cost	0.4	0.4
Total	$ 2,839.6	$ 1,808.2

Fair Value Investments

ITV. On July 17, 2014, we acquired an aggregate of 259,820,065 shares of ITV plc (**ITV**), a commercial broadcaster in the U.K., at a price of £1.85 ($3.14 at the transaction date) per share, for an investment of £480.7 million ($816.3 million at the transaction date) (the **Initial ITV Investment**). On July 30, 2015, we acquired an additional 138,695,445 shares of ITV at a per share price of £2.716 ($4.23 at the transaction date), for an additional investment of £376.7 million ($587.0 million at the transaction date) (the **Additional ITV Investment**), which together with the Initial ITV Investment constitutes our total investment in ITV (the **Total ITV Investment**). The aggregate purchase price paid to acquire the Total ITV Investment was financed through borrowings under secured borrowing arrangements (the **ITV Collar Loan**). The Total ITV Investment comprises 398,515,510 shares, or approximately 9.9% of the total outstanding shares of ITV as of June 30, 2015, the most current publicly-available information. All of the ITV shares we hold are subject to a share collar (the **ITV Collar**) and pledged as collateral under the ITV Collar Loan. Under the terms of the ITV Collar, the counterparty has the right to re-use all of the pledged ITV shares. For additional information regarding the ITV Collar, see note 7.

Sumitomo. At December 31, 2015 and 2014, we owned 45,652,043 shares of Sumitomo Corporation (**Sumitomo**) common stock. Our Sumitomo shares represented less than 5% of Sumitomo's outstanding common stock at December 31, 2015. These shares secure the Sumitomo Collar Loan, as defined and described in note 7.

Lionsgate. On November 12, 2015, we acquired an aggregate of 5.0 million shares of Lions Gate Entertainment Corp. (**Lionsgate**), at a price of $39.02 per share, for an investment of $195.1 million. The aggregate purchase price of the Lionsgate shares was financed using working capital, including $70.9 million of cash received pursuant to a variable prepaid forward transaction with respect to 2.5 million Lionsgate shares (the **Lionsgate Forward**). The Lionsgate Forward has economic characteristics similar to a collar plus a loan that is collateralized by a pledge of the aforementioned 2.5 million shares (the **Lionsgate Loan**). Under the terms of the Lionsgate Forward, the counterparty does not have the right to re-use the pledged Lionsgate shares without permission from Liberty Global. In connection with our acquisition of the Lionsgate shares, we also agreed, among other things and subject to certain exceptions, not to sell or transfer any of our Lionsgate shares (other than pursuant to the Lionsgate Forward) until November 2016. Our Lionsgate shares represented less than 5% of the total outstanding shares of Lionsgate as of the acquisition date. For additional information regarding the Lionsgate Forward, see note 7.

ITI Neovision. At December 31, 2015 and 2014, we owned a 17.0% interest in ITI Neovision S.A. (**ITI Neovision)** (formerly Canal+ Cyfrowy S.A.), a privately-held direct-to-home (**DTH**) operator in Poland.

Equity Method Investments

All3Media. As of December 31, 2015, our most significant equity method investment is our investment in All3Media Holdings Limited (**All3Media**), an independent television, film and digital production and distribution company in the U.K. Our investment in All3Media is held through our 50.0% interest in DLG Acquisition Limited (**DLG**), a joint venture between one of our subsidiaries and a subsidiary of Discovery Communications, Inc. (**Discovery**). In September 2014, we and a subsidiary of Discovery each contributed £90.0 million ($147.2 million at the transaction date) to DLG in connection with DLG's acquisition of 100% of All3Media. The December 31, 2015 carrying value of our investment in DLG, including a loan to DLG, was $132.1 million.

(7) Derivative Instruments

In general, we seek to enter into derivative instruments to protect against (i) increases in the interest rates on our variable-rate debt and (ii) foreign currency movements, particularly with respect to borrowings that are denominated in a currency other than the functional currency of the borrowing entity. In this regard, through our subsidiaries, we have entered into various derivative instruments to manage interest rate exposure and foreign currency exposure with respect to the U.S. dollar (**$**), the euro (**€**), the British pound sterling (**£**), the Swiss franc (**CHF**), the Chilean peso (**CLP**), the Czech koruna (**CZK**), the Hungarian forint (**HUF**), the Polish zloty (**PLN**) and the Romanian lei (**RON**). With the exception of a limited number of our foreign currency forward contracts, we do not apply hedge accounting to our derivative instruments. Accordingly, changes in the fair values of most of our derivative instruments are recorded in realized and unrealized gains or losses on derivative instruments, net, in our consolidated statements of operations.

The following table provides details of the fair values of our derivative instrument assets and liabilities:

	December 31, 2015			December 31, 2014		
	Current	Long-term (a)	Total	Current	Long-term (a)	Total
	in millions					
Assets:						
Cross-currency and interest rate derivative contracts:						
Liberty Global Group	$ 263.6	$ 1,518.5	$ 1,782.1	$ 443.6	$ 812.5	$ 1,256.1
LiLAC Group	11.8	291.7	303.5	—	101.2	101.2
Total cross-currency and interest rate derivative contracts (b)	275.4	1,810.2	2,085.6	443.6	913.7	1,357.3
Equity-related derivative instruments - Liberty Global Group (c)	135.5	273.0	408.5	—	400.2	400.2
Foreign currency forward contracts:						
Liberty Global Group	6.2	—	6.2	1.4	—	1.4
LiLAC Group	4.2	—	4.2	1.1	—	1.1
Total foreign currency forward contracts	10.4	—	10.4	2.5	—	2.5
Other - Liberty Global Group	0.6	1.0	1.6	0.5	0.9	1.4
Total assets:						
Liberty Global Group	405.9	1,792.5	2,198.4	445.5	1,213.6	1,659.1
LiLAC Group	16.0	291.7	307.7	1.1	101.2	102.3
Total	$ 421.9	$ 2,084.2	$ 2,506.1	$ 446.6	$ 1,314.8	$ 1,761.4
Liabilities:						
Cross-currency and interest rate derivative contracts:						
Liberty Global Group	$ 304.9	$ 1,194.7	$ 1,499.6	$ 987.9	$ 1,443.9	$ 2,431.8
LiLAC Group	—	13.8	13.8	39.5	—	39.5
Total cross-currency and interest rate derivative contracts (b)	304.9	1,208.5	1,513.4	1,027.4	1,443.9	2,471.3
Equity-related derivative instruments - Liberty Global Group (c)	34.7	39.7	74.4	15.3	73.1	88.4
Foreign currency forward contracts:						
Liberty Global Group	1.1	—	1.1	0.6	—	0.6
LiLAC Group	—	—	—	0.2	—	0.2
Total foreign currency forward contracts	1.1	—	1.1	0.8	—	0.8
Other - Liberty Global Group	5.6	0.1	5.7	0.2	0.1	0.3
Total liabilities:						
Liberty Global Group	346.3	1,234.5	1,580.8	1,004.0	1,517.1	2,521.1
LiLAC Group	—	13.8	13.8	39.7	—	39.7
Total	$ 346.3	$ 1,248.3	$ 1,594.6	$ 1,043.7	$ 1,517.1	$ 2,560.8

(a) Our long-term derivative assets and liabilities are included in other assets, net, and other long-term liabilities, respectively, in our consolidated balance sheets.

(b) We consider credit risk in our fair value assessments. As of December 31, 2015 and 2014, (i) the fair values of our cross-currency and interest rate derivative contracts that represented assets have been reduced by credit risk valuation adjustments aggregating $64.0 million and $30.9 million, respectively, and (ii) the fair values of our cross-currency and interest rate derivative contracts that represented liabilities have been reduced by credit risk valuation adjustments aggregating $86.5 million and $64.6 million, respectively. The adjustments to our derivative assets relate to the credit risk associated with counterparty nonperformance, and the adjustments to our derivative liabilities relate to credit risk associated with our own nonperformance. In all cases, the adjustments take into account offsetting liability or asset positions within a given contract. Our determination of credit risk valuation adjustments generally is based on our and our counterparties' credit risks, as observed in the credit default swap market and market quotations for certain of our subsidiaries' debt instruments, as applicable. The changes in the credit risk valuation adjustments associated with our cross-currency and interest rate derivative contracts resulted in net gains (losses) of ($9.3 million), ($120.9 million) and $15.3 million during 2015, 2014 and 2013, respectively. These amounts are included in realized and unrealized gains (losses) on derivative instruments, net, in our consolidated statements of operations. For further information regarding our fair value measurements, see note 8.

(c) Our equity-related derivative instruments include the fair value of (i) the ITV Collar, (ii) the share collar (the **Sumitomo Collar**) with respect to the shares of Sumitomo Corporation held by our company, (iii) the Lionsgate Forward (at December 31, 2015 only), and (iv) the Virgin Media Capped Calls (as defined and described below). The fair values of the ITV Collar, the Sumitomo Collar and the Lionsgate Forward, each as further described below, do not include credit risk valuation adjustments as we assume that any losses incurred by our company in the event of nonperformance by the respective counterparty would be, subject to relevant insolvency laws, fully offset against amounts we owe to such counterparty pursuant to the related secured borrowing arrangements.

The details of our realized and unrealized gains (losses) on derivative instruments, net, are as follows:

	Year ended December 31,		
	2015	**2014**	**2013**
		in millions	
Cross-currency and interest rate derivative contracts:			
Liberty Global Group	$ 855.7	$ 252.5	$ (600.2)
LiLAC Group	217.0	41.1	13.7
Total cross-currency and interest rate derivative contracts	1,072.7	293.6	(586.5)
Equity-related derivative instruments - Liberty Global Group:			
ITV Collar	(222.6)	(77.4)	—
Sumitomo Collar	(20.3)	(46.0)	(206.4)
Lionsgate Forward	14.5	—	—
Ziggo Collar (a)	—	(113.3)	(152.5)
Other	0.7	0.4	(3.4)
Total equity-related derivative instruments	(227.7)	(236.3)	(362.3)
Foreign currency forward contracts:			
Liberty Global Group	(9.0)	29.0	(73.9)
LiLAC Group	10.3	2.6	1.0
Total foreign currency forward contracts	1.3	31.6	(72.9)
Other - Liberty Global Group	0.9	(0.1)	1.3
Total Liberty Global Group	619.9	45.1	(1,035.1)
Total LiLAC Group	227.3	43.7	14.7
Total	$ 847.2	$ 88.8	$ (1,020.4)

(a) Upon completion of the Ziggo Acquisition, the Ziggo Collar (as defined and described below) was terminated.

The net cash received or paid related to our derivative instruments is classified as an operating, investing or financing activity in our consolidated statements of cash flows based on the objective of the derivative instrument and the classification of the applicable underlying cash flows. For foreign currency forward contracts that are used to hedge capital expenditures, the net cash received or paid is classified as an adjustment to capital expenditures in our consolidated statements of cash flows. For derivative contracts that are terminated prior to maturity, the cash paid or received upon termination that relates to future periods is classified as a financing activity. The classification of these net cash inflows (outflows) is as follows:

	Year ended December 31,		
	2015	2014	2013
		in millions	
Operating activities:			
Liberty Global Group	$ (225.9)	$ (425.2)	$ (358.1)
LiLAC Group	(28.8)	(20.5)	(44.0)
Total operating activities	(254.7)	(445.7)	(402.1)
Investing activities:			
Liberty Global Group	15.6	(30.2)	(66.5)
LiLAC Group	2.2	—	—
Total investing activities	17.8	(30.2)	(66.5)
Financing activities:			
Liberty Global Group	(301.2)	(183.6)	524.5
LiLAC Group	—	(37.4)	—
Total financing activities	(301.2)	(221.0)	524.5
Total cash outflows:			
Liberty Global Group	(511.5)	(639.0)	99.9
LiLAC Group	(26.6)	(57.9)	(44.0)
Total	$ (538.1)	$ (696.9)	$ 55.9

Counterparty Credit Risk

We are exposed to the risk that the counterparties to the derivative instruments of our subsidiary borrowing groups will default on their obligations to us. We manage these credit risks through the evaluation and monitoring of the creditworthiness of, and concentration of risk with, the respective counterparties. In this regard, credit risk associated with our derivative instruments is spread across a relatively broad counterparty base of banks and financial institutions. Collateral is generally not posted by either party under the derivative instruments of our subsidiary borrowing groups. At December 31, 2015, our exposure to counterparty credit risk included derivative assets with an aggregate fair value of $2,025.2 million.

Each of our subsidiary borrowing groups have entered into derivative instruments under master agreements with each counterparty that contain master netting arrangements that are applicable in the event of early termination by either party to such derivative instrument. The master netting arrangements under each of these master agreements are limited to the derivative instruments governed by the relevant master agreement within each individual borrowing group and are independent of similar arrangements of our other subsidiary borrowing groups.

Under our derivative contracts, it is generally only the non-defaulting party that has a contractual option to exercise early termination rights upon the default of the other counterparty and to set off other liabilities against sums due upon such termination. However, in an insolvency of a derivative counterparty, under the laws of certain jurisdictions, the defaulting counterparty or its insolvency representatives may be able to compel the termination of one or more derivative contracts and trigger early termination payment liabilities payable by us, reflecting any mark-to-market value of the contracts for the counterparty. Alternatively, or in addition, the insolvency laws of certain jurisdictions may require the mandatory set off of amounts due under such derivative contracts against present and future liabilities owed to us under other contracts between us and the relevant counterparty. Accordingly, it is possible that we may be subject to obligations to make payments, or may have present or future liabilities owed to us partially or fully discharged by set off as a result of such obligations, in the event of the insolvency of a derivative counterparty, even though it is the counterparty that is in default and not us. To the extent that we are required to make such payments, our ability to do so

will depend on our liquidity and capital resources at the time. In an insolvency of a defaulting counterparty, we will be an unsecured creditor in respect of any amount owed to us by the defaulting counterparty, except to the extent of the value of any collateral we have obtained from that counterparty.

In addition, where a counterparty is in financial difficulty, under the laws of certain jurisdictions, the relevant regulators may be able to (i) compel the termination of one or more derivative instruments, determine the settlement amount and/or compel, without any payment, the partial or full discharge of liabilities arising from such early termination that are payable by the relevant counterparty or (ii) transfer the derivative instruments to an alternative counterparty.

Details of our Derivative Instruments

In the following tables, we present the details of the various categories of our subsidiaries' derivative instruments. For each subsidiary with multiple derivative instruments that mature within the same calendar month, the notional amounts are shown in the aggregate, and interest rates are presented on a weighted average basis. In addition, for derivative instruments that were in effect as of December 31, 2015, we present a single date that represents the applicable final maturity date. For derivative instruments that become effective subsequent to December 31, 2015, we present a range of dates that represents the period covered by the applicable derivative instruments.

Cross-currency and Interest Rate Derivative Contracts

Cross-currency Swaps:

The terms of our outstanding cross-currency swap contracts at December 31, 2015 are as follows:

Subsidiary / Final maturity date	Notional amount due from counterparty		Notional amount due to counterparty		Interest rate due from counterparty	Interest rate due to counterparty
	in millions					
Virgin Media Investment Holdings Limited (**VMIH**), a subsidiary of Virgin Media:						
January 2023	$	400.0	€	339.6	5.75%	4.33%
June 2023	$	1,855.0	£	1,198.3	6 mo. LIBOR + 2.75%	6 mo. GBP LIBOR + 3.18%
February 2022	$	1,400.0	£	873.6	5.01%	5.49%
January 2023	$	1,000.0	£	648.6	5.25%	5.32%
January 2021	$	500.0	£	308.9	5.25%	6 mo. GBP LIBOR + 2.06%
October 2022	$	450.0	£	272.0	6.00%	6.43%
January 2022	$	425.0	£	255.8	5.50%	5.82%
April 2019	$	191.5	£	122.3	5.38%	5.49%
November 2016 (a)	$	55.0	£	27.7	6.50%	7.03%
October 2019	$	50.0	£	30.3	8.38%	8.98%
October 2019 - October 2022	$	50.0	£	30.7	6.00%	5.75%
UPC Broadband Holding B.V. (**UPC Broadband Holding**), a subsidiary of UPC Holding:						
January 2023	$	1,140.0	€	1,043.7	5.38%	3.71%
July 2021	$	440.0	€	337.2	6 mo. LIBOR + 2.50%	6 mo. EURIBOR + 2.87%
January 2017 - July 2021	$	262.1	€	194.1	6 mo. LIBOR + 2.50%	6 mo. EURIBOR + 2.51%
January 2020	$	252.5	€	192.5	6 mo. LIBOR + 4.93%	7.49%

Subsidiary / Final maturity date	Notional amount due from counterparty		Notional amount due to counterparty		Interest rate due from counterparty	Interest rate due to counterparty
	in millions					
November 2019	$	250.0	€	181.5	7.25%	7.74%
November 2021	$	250.0	€	181.4	7.25%	7.50%
October 2020	$	125.0	€	91.3	6 mo. LIBOR + 3.00%	6 mo. EURIBOR + 3.04%
January 2020	$	122.5	€	93.4	6 mo. LIBOR + 4.94%	6 mo. EURIBOR + 4.87%
December 2016	$	340.0	CHF	370.9	6 mo. LIBOR + 3.50%	6 mo. CHF LIBOR + 4.01%
July 2016 (a)	$	225.0	CHF	206.3	6 mo. LIBOR + 4.81%	1.00%
July 2016 - January 2020	$	225.0	CHF	206.3	6 mo. LIBOR + 4.81%	5.44%
July 2021	$	200.0	CHF	186.0	6 mo. LIBOR + 2.50%	6 mo. CHF LIBOR + 2.55%
January 2017 - July 2023	$	200.0	CHF	185.5	6 mo. LIBOR + 2.50%	6 mo. CHF LIBOR + 2.48%
November 2019	$	175.0	CHF	158.7	7.25%	6 mo. CHF LIBOR + 5.01%
January 2017 - July 2021	$	100.0	CHF	92.8	6 mo. LIBOR + 2.50%	6 mo. CHF LIBOR + 2.49%
July 2016 (a)	$	201.5	RON	489.3	6 mo. LIBOR + 3.50%	1.40%
July 2016 - July 2020	$	201.5	RON	489.3	6 mo. LIBOR + 3.50%	11.34%
January 2021	€	720.8	CHF	877.0	6 mo. EURIBOR + 2.50%	6 mo. CHF LIBOR + 2.62%
January 2017 - September 2022	€	383.8	CHF	477.0	6 mo. EURIBOR + 2.00%	6 mo. CHF LIBOR + 2.22%
January 2017	€	360.4	CHF	589.0	6 mo. EURIBOR + 3.75%	6 mo. CHF LIBOR + 3.94%
October 2016	€	285.1	CHF	346.7	10.51%	(0.73)%
October 2016 - April 2018	€	285.1	CHF	346.7	10.51%	9.87%
January 2020	€	175.0	CHF	258.6	7.63%	6.76%
July 2020	€	107.4	CHF	129.0	6 mo. EURIBOR + 3.00%	6 mo. CHF LIBOR + 3.28%
July 2023	€	85.3	CHF	95.0	6 mo. EURIBOR + 2.21%	6 mo. CHF LIBOR + 2.65%
July 2021	€	76.1	CHF	92.1	6 mo. EURIBOR + 2.50%	6 mo. CHF LIBOR + 2.88%
January 2017	€	75.0	CHF	110.9	7.63%	6.98%
January 2020	€	318.9	CZK	8,818.7	5.58%	5.44%
January 2017	€	60.0	CZK	1,703.1	5.50%	6.99%
July 2017	€	39.6	CZK	1,000.0	3.00%	3.75%
July 2016 (a)	€	260.0	HUF	75,570.0	5.50%	5.00%
July 2016 - January 2017	€	260.0	HUF	75,570.0	5.50%	10.56%
December 2016	€	150.0	HUF	43,367.5	5.50%	2.00%
July 2018	€	78.0	HUF	19,500.0	5.50%	9.15%
January 2017	€	245.0	PLN	1,000.6	5.50%	9.03%
September 2016	€	200.0	PLN	892.7	6.00%	3.91%
January 2020	€	144.6	PLN	605.0	5.50%	7.98%
July 2017	€	82.0	PLN	318.0	3.00%	5.60%

Subsidiary / Final maturity date		Notional amount due from counterparty		Notional amount due to counterparty	Interest rate due from counterparty	Interest rate due to counterparty
		in millions				
Amsterdamse Beheer-en Consultingmaatschappij B.V. (**ABC B.V.**), a subsidiary of Ziggo Group Holding:						
January 2022	$	2,350.0	€	1,819.0	6 mo. LIBOR + 2.75%	4.56%
January 2023	$	400.0	€	339.0	5.88%	4.58%
Unitymedia Hessen GmbH & Co. KG (**Unitymedia Hessen**), a subsidiary of Unitymedia:						
January 2023	$	2,450.0	€	1,799.0	5.62%	4.76%
VTR:						
January 2022	$	1,400.0	CLP	951,390.0	6.88%	6.36%

(a) Unlike the other cross-currency swaps presented in this table, the identified cross-currency swaps do not involve the exchange of notional amounts at the inception and maturity of the instruments. Accordingly, the only cash flows associated with these derivative instruments are interest payments and receipts.

Interest Rate Swaps:

The terms of our outstanding interest rate swap contracts at December 31, 2015 are as follows:

Subsidiary / Final maturity date		Notional amount	Interest rate due from counterparty	Interest rate due to counterparty
		in millions		
VMIH:				
October 2018	£	2,155.0	6 mo. GBP LIBOR	1.52%
October 2018 - June 2023	£	1,200.0	6 mo. GBP LIBOR	2.49%
January 2021	£	650.0	5.50%	6 mo. GBP LIBOR + 1.84%
January 2021	£	650.0	6 mo. GBP LIBOR + 1.84%	3.87%
April 2018	£	300.0	6 mo. GBP LIBOR	1.37%
UPC Broadband Holding:				
January 2022	$	675.0	6.88%	6 mo. LIBOR + 4.90%
July 2020	€	750.0	6.38%	6 mo. EURIBOR + 3.16%
July 2016	€	503.4	6 mo. EURIBOR	0.20%
July 2016 - January 2021	€	250.0	6 mo. EURIBOR	2.52%
July 2016 - January 2023	€	210.0	6 mo. EURIBOR	2.88%
November 2021	€	107.0	6 mo. EURIBOR	2.89%
July 2016 - July 2020	€	43.4	6 mo. EURIBOR	3.95%
July 2016	CHF	900.0	6 mo. CHF LIBOR	0.05%
January 2022	CHF	711.5	6 mo. CHF LIBOR	1.89%
July 2016 - January 2021	CHF	500.0	6 mo. CHF LIBOR	1.65%
July 2016 - January 2018	CHF	400.0	6 mo. CHF LIBOR	2.51%
December 2016	CHF	370.9	6 mo. CHF LIBOR	3.82%
November 2019	CHF	226.8	6 mo. CHF LIBOR + 5.01%	6.88%

Subsidiary / Final maturity date		Notional amount	Interest rate due from counterparty	Interest rate due to counterparty
		in millions		
ABC B.V.:				
January 2022	€	1,566.0	6 mo. EURIBOR	1.66%
January 2016	€	689.0	1 mo. EURIBOR + 3.75%	6 mo. EURIBOR + 3.59%
January 2016 - January 2017	€	689.0	1 mo. EURIBOR + 3.75%	6 mo. EURIBOR + 3.57%
January 2021	€	500.0	6 mo. EURIBOR	2.61%
July 2016	€	461.3	6 mo. EURIBOR	0.20%
July 2016 - January 2023	€	290.0	6 mo. EURIBOR	2.84%
March 2021	€	175.0	6 mo. EURIBOR	2.32%
July 2016 - January 2022	€	171.3	6 mo. EURIBOR	3.44%
Telenet International Finance S.a.r.l (**Telenet International**), a subsidiary of Telenet:				
July 2017	€	800.0	3 mo. EURIBOR	(0.17)%
June 2023	€	500.0	3 mo. EURIBOR	0.42%
July 2017 - June 2022	€	420.0	3 mo. EURIBOR	2.08%
June 2021	€	400.0	3 mo. EURIBOR	0.41%
July 2017 - June 2023	€	382.0	3 mo. EURIBOR	1.89%
June 2022	€	55.0	3 mo. EURIBOR	1.81%
Liberty Puerto Rico:				
October 2016 - January 2022	$	506.3	3 mo. LIBOR	2.49%
October 2016 - January 2019	$	168.8	3 mo. LIBOR	1.96%

Interest Rate Caps

Our purchased and sold interest rate cap contracts with respect to EURIBOR at December 31, 2015 are detailed below:

Subsidiary / Final maturity date	December 31, 2015		
		Notional amount	EURIBOR cap rate
		in millions	
Interest rate caps purchased (a):			
Liberty Global Europe Financing B.V. (**LGE Financing**), the immediate parent of UPC Holding:			
January 2020	€	735.0	7.00%
Telenet International:			
June 2017	€	50.0	4.50%
Telenet N.V., a subsidiary of Telenet:			
December 2017	€	0.5	6.50%
December 2017	€	0.5	5.50%
Interest rate cap sold (b):			
UPC Broadband Holding:			
January 2020	€	735.0	7.00%

(a) Our purchased interest rate caps entitle us to receive payments from the counterparty when the relevant EURIBOR exceeds the EURIBOR cap rate during the specified observation periods.

(b) Our sold interest rate cap requires that we make payments to the counterparty when the relevant EURIBOR exceeds the EURIBOR cap rate during the specified observation periods.

Interest Rate Collars

Our interest rate collar contracts establish floor and cap rates with respect to EURIBOR on the indicated notional amounts at December 31, 2015, as detailed below:

	December 31, 2015		
Subsidiary / Final maturity date	**Notional amount**	**EURIBOR floor rate (a)**	**EURIBOR cap rate (b)**
	in millions		
UPC Broadband Holding:			
July 2016 - January 2020	€ 1,135.0	1.00%	3.54%

(a) We make payments to the counterparty when the relevant EURIBOR is less than the EURIBOR floor rate during the specified observation periods.

(b) We receive payments from the counterparty when the relevant EURIBOR is greater than the EURIBOR cap rate during the specified observation periods.

Equity-related Derivative Instruments

ITV Collar and Secured Borrowing. The ITV Collar is comprised of (i) purchased put options exercisable by Liberty Global Incorporated Limited (**Liberty Global Limited**), our wholly-owned subsidiary, and (ii) written call options exercisable by the counterparty. The ITV Collar effectively hedges the value of our investment in ITV shares from losses due to market price decreases below the put option price while retaining a portion of the gains from market price increases up to the call option price. For additional information regarding our investment in ITV, see note 6.

The ITV Collar and related agreements also provided Liberty Global Limited with the ability to effectively finance the purchase of its ITV shares pursuant to the ITV Collar Loan. In July 2014 and in connection with the Initial ITV Investment, Liberty Global Limited borrowed £446.9 million ($764.5 million at the transaction date) under the ITV Collar Loan. In July 2015 and in connection with the Additional ITV Investment, Liberty Global Limited (i) modified the purchased put option and written call option strike prices within the ITV Collar and (ii) increased its borrowings under the ITV Collar Loan, resulting in net cash received of $92.0 million. The amount received in connection with the Additional ITV Investment includes $77.5 million of cash borrowings under the ITV Collar Loan that were not required to fund the Additional ITV Investment and $14.5 million related to the ITV Collar Loan modifications. Immediately prior to the completion of these modifications, the fair value of the ITV Collar was a $270.5 million liability. In connection with the ITV Collar modifications, this liability was effectively transferred on a non-cash basis to the principal amount of the ITV Collar Loan. At December 31, 2015, borrowings under the ITV Collar Loan were secured by all 398,515,510 of our ITV shares, which have been placed into a custody account. The ITV Collar Loan was issued at a discount with a zero coupon rate and has an average implied yield of 139 basis points (1.39%). The ITV Collar Loan, which has an average maturity of three years and contains no financial covenants, provides for customary representations and warranties, events of default and certain adjustment and termination events. Under the terms of the ITV Collar, the counterparty has the right to re-use the pledged ITV shares held in the custody account, but we have the right to recall the shares that are re-used by the counterparty subject to certain costs. In addition, the counterparty retains dividends on the ITV shares that the counterparty would need to borrow from the custody account to hedge its exposure under the ITV Collar (an estimated 390 million shares at December 31, 2015).

Sumitomo Collar and Secured Borrowing. The Sumitomo Collar is comprised of purchased put options exercisable by Liberty Programming Japan LLC (**Liberty Programming Japan**), our wholly-owned subsidiary, and written call options exercisable by

the counterparty with respect to all of the common shares of Sumitomo owned by Liberty Programming Japan. The Sumitomo Collar effectively hedges the value of our investment in Sumitomo shares from losses due to market price decreases below a per share value of ¥2,118.50 ($17.62) while retaining gains from market price increases up to a per share value of ¥2,787.50 ($23.19). At December 31, 2015, the market price of Sumitomo common stock was ¥1,240.50 ($10.32) per share. The Sumitomo Collar provides for a projected gross cash ordinary dividend to be paid per Sumitomo share during the term of the Sumitomo Collar. If the actual dividend paid does not exactly match the projected dividend, then an adjustment amount shall be payable between the parties to the Sumitomo Collar depending on the dividend actually paid by Sumitomo. The Sumitomo Collar may, at the option of Liberty Programming Japan, be settled in Sumitomo shares or in cash. The Sumitomo Collar also includes a purchased fair value put option, which effectively provides Liberty Programming Japan with the ability to sell the Sumitomo shares when the market price is trading between the put and call strike prices. The Sumitomo Collar matures in five equal semi-annual installments beginning on May 22, 2016. The fair value of the Sumitomo Collar as of December 31, 2015 was a net asset of $345.6 million, of which $120.6 million is classified as current in our consolidated balance sheet.

The Sumitomo Collar and related agreements also provide Liberty Programming Japan with the ability to borrow funds on a secured basis. Borrowings under these agreements, which are secured by a pledge of 100% of the Sumitomo shares owned by Liberty Programming Japan, bear interest at 1.883% and mature in five equal semi-annual installments beginning on May 22, 2016, are included in our current and long-term debt and capital lease obligations in our consolidated balance sheets. During 2007, Liberty Programming Japan borrowed ¥93.660 billion ($757.6 million at the transaction date) under these agreements (the **Sumitomo Collar Loan**). The pledge arrangement entered into by Liberty Programming Japan provides that Liberty Programming Japan will be able to exercise all voting and consensual rights and, subject to the terms of the Sumitomo Collar, receive dividends on the Sumitomo shares.

Lionsgate Forward and Secured Borrowing. The Lionsgate Forward has the economic equivalent of (i) purchased put options exercisable by Liberty Global Limited and (ii) written call options exercisable by the counterparty. The Lionsgate Forward effectively hedges the value of a portion of our investment in Lionsgate shares from losses due to market price decreases below the put option price while retaining a portion of the gains from market price increases up to the call option price. For additional information regarding our investment in Lionsgate, see note 6.

The Lionsgate Forward and related agreements also provided Liberty Global Limited with the ability to effectively finance a portion of the purchase of its Lionsgate shares pursuant to the Lionsgate Loan. In November 2015, Liberty Global Limited borrowed $69.7 million under the Lionsgate Loan. At December 31, 2015, borrowings under the Lionsgate Loan were secured by 2.5 million of our Lionsgate shares, which have been placed into a custody account. The Lionsgate Loan was issued at a discount with a zero coupon rate and an average implied yield of 350 basis points (3.5%). The Lionsgate Loan, which has an average maturity of five years and contains no financial covenants, provides for customary representations and warranties, events of default and certain adjustment and termination events. Under the terms of the Lionsgate Forward, the counterparty does not have the right to re-use the pledged Lionsgate shares without permission from Liberty Global. In addition, Liberty Global Limited is obligated to share with the counterparty the economic benefit of any dividends paid during the term of the pledge based on a formula that takes into account a theoretical hedging position by the counterparty under the Lionsgate Forward (an estimated 1.7 million shares at December 31, 2015).

Ziggo Collar and Secured Borrowing. In July 2013, Liberty Global Limited paid a net option premium of €38.6 million ($51.0 million at the transaction date) to enter into a share collar (the **Ziggo Collar**) and secured borrowing arrangement (the **Ziggo Collar Loan**) with respect to the then owned 24,957,000 Ziggo shares. The Ziggo Collar was comprised of (i) purchased put options exercisable by Liberty Global Limited and (ii) sold call options exercisable by the counterparty. Prior to the Ziggo Acquisition, the Ziggo Collar effectively hedged the value of a portion of our investment in Ziggo shares from significant losses due to market price decreases below the put option price while retaining a portion of the gains from market price increases up to the call option price.

The Ziggo Collar and related agreements also provided Liberty Global Limited with the ability to effectively finance the purchase of certain of its Ziggo shares pursuant to the Ziggo Collar Loan. In this regard, in July 2013, we borrowed €617.1 million ($816.4 million at the transaction date) under the Ziggo Collar Loan, including €486.4 million ($643.5 million at the transaction date) of non-cash borrowings that were used to finance the acquisition of Ziggo shares. Upon completion of the Ziggo Acquisition (see note 4), the Ziggo Collar was terminated and the Ziggo Collar Loan was settled.

Virgin Media Capped Calls. During 2010, Virgin Media entered into conversion hedges (the **Virgin Media Capped Calls**) in order to offset a portion of the dilutive effects associated with the exchange of certain exchangeable notes of Virgin Media. During

2013, and in connection with the exchange of certain exchangeable notes of Virgin Media, we settled 93.8% of the notional amount of the Virgin Media Capped Calls for cash proceeds of $534.8 million.

Foreign Currency Forwards

The following table summarizes our outstanding foreign currency forward contracts at December 31, 2015:

Subsidiary	Currency purchased forward		Currency sold forward		Maturity dates
	in millions				
LGE Financing	$	215.1	€	194.6	January 2016 - June 2016
LGE Financing	£	20.2	$	30.7	January 2016 - May 2016
LGE Financing	£	23.0	€	31.2	January 2016
UPC Broadband Holding	$	2.5	CZK	60.0	January 2016 - December 2016
UPC Broadband Holding	€	64.1	CHF	68.6	January 2016 - December 2016
UPC Broadband Holding	€	14.9	CZK	405.0	January 2016 - September 2016
UPC Broadband Holding	€	19.0	HUF	6,000.0	January 2016 - December 2016
UPC Broadband Holding	€	36.0	PLN	154.3	January 2016 - December 2016
UPC Broadband Holding	€	13.6	RON	61.6	January 2016 - March 2016
UPC Broadband Holding	£	3.6	€	4.9	January 2016 - December 2016
UPC Broadband Holding	CHF	81.0	€	74.9	January 2016
UPC Broadband Holding	CZK	435.0	€	16.1	January 2016
UPC Broadband Holding	HUF	6,600.0	€	21.1	January 2016
UPC Broadband Holding	PLN	39.0	€	9.2	January 2016
Telenet N.V	$	49.6	€	45.1	January 2016 - December 2016
VTR	$	143.1	CLP	100,022.5	January 2016 - November 2016

(8) Fair Value Measurements

We use the fair value method to account for (i) certain of our investments and (ii) our derivative instruments. The reported fair values of these investments and derivative instruments as of December 31, 2015 likely will not represent the value that will be paid or received upon the ultimate settlement or disposition of these assets and liabilities. In the case of the investments that we account for using the fair value method, the values we realize upon disposition will be dependent upon, among other factors, market conditions and the forecasted financial performance of the investees at the time of any such disposition. With respect to our derivative instruments, we expect that the values realized generally will be based on market conditions at the time of settlement, which may occur at the maturity of the derivative instrument or at the time of the repayment or refinancing of the underlying debt instrument.

GAAP provides for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. We record transfers of assets or liabilities into or out of Levels 1, 2 or 3 at the beginning of the quarter during which the transfer occurred. During 2015, no such transfers were made.

All of our Level 2 inputs (interest rate futures, swap rates and certain of the inputs for our weighted average cost of capital calculations) and certain of our Level 3 inputs (forecasted volatilities and credit spreads) are obtained from pricing services. These inputs, or interpolations or extrapolations thereof, are used in our internal models to calculate, among other items, yield curves, forward interest and currency rates and weighted average cost of capital rates. In the normal course of business, we receive market value assessments from the counterparties to our derivative contracts. Although we compare these assessments to our internal

valuations and investigate unexpected differences, we do not otherwise rely on counterparty quotes to determine the fair values of our derivative instruments. The midpoints of applicable bid and ask ranges generally are used as inputs for our internal valuations.

For our investments in ITV, Sumitomo and Lionsgate, the recurring fair value measurements are based on the quoted closing price of the respective shares at each reporting date. Accordingly, the valuations of these investments fall under Level 1 of the fair value hierarchy. Our other investments that we account for at fair value are privately-held companies, and therefore, quoted market prices are unavailable. The valuation technique we use for such investments is a combination of an income approach (discounted cash flow model based on forecasts) and a market approach (market multiples of similar businesses). With the exception of certain inputs for our weighted average cost of capital calculations that are derived from pricing services, the inputs used to value these investments are based on unobservable inputs derived from our assumptions. Therefore, the valuation of our privately-held investments falls under Level 3 of the fair value hierarchy. Any reasonably foreseeable changes in assumed levels of unobservable inputs for the valuations of our Level 3 investments would not be expected to have a material impact on our financial position or results of operations.

The recurring fair value measurement of our equity-related derivative instruments are based on binomial option pricing models, which require the input of observable and unobservable variables such as exchange-traded equity prices, risk-free interest rates, dividend yields and forecasted volatilities of the underlying equity securities. The valuations of our equity-related derivative instruments are based on a combination of Level 1 inputs (exchange traded equity prices), Level 2 inputs (interest rate futures and swap rates) and Level 3 inputs (forecasted volatilities). As changes in volatilities could have a significant impact on the overall valuations, we have determined that these valuations fall under Level 3 of the fair value hierarchy. For the December 31, 2015 valuation of the ITV Collar, we used estimated volatilities ranging from 25.7% to 27.6%. At December 31, 2015, the valuations of the Sumitomo Collar, the Virgin Media Capped Calls and the Lionsgate Forward were not significantly impacted by forecasted volatilities.

As further described in note 7, we have entered into various derivative instruments to manage our interest rate and foreign currency exchange risk. The recurring fair value measurements of these derivative instruments are determined using discounted cash flow models. Most of the inputs to these discounted cash flow models consist of, or are derived from, observable Level 2 data for substantially the full term of these derivative instruments. This observable data includes most interest rate futures and swap rates, which are retrieved or derived from available market data. Although we may extrapolate or interpolate this data, we do not otherwise alter this data in performing our valuations. We incorporate a credit risk valuation adjustment in our fair value measurements to estimate the impact of both our own nonperformance risk and the nonperformance risk of our counterparties. Our and our counterparties' credit spreads represent our most significant Level 3 inputs, and these inputs are used to derive the credit risk valuation adjustments with respect to our various interest rate and foreign currency derivative valuations. As we would not expect changes in our or our counterparties' credit spreads to have a significant impact on the valuations of these derivative instruments, we have determined that these valuations fall under Level 2 of the fair value hierarchy. Our credit risk valuation adjustments with respect to our cross-currency and interest rate swaps are quantified and further explained in note 7.

Fair value measurements are also used in connection with nonrecurring valuations performed in connection with impairment assessments and acquisition accounting. These nonrecurring valuations include the valuation of reporting units, customer relationship intangible assets, property and equipment and the implied value of goodwill. The valuation of private reporting units is based at least in part on discounted cash flow analyses. With the exception of certain inputs for our weighted average cost of capital and discount rate calculations that are derived from pricing services, the inputs used in our discounted cash flow analyses, such as forecasts of future cash flows, are based on our assumptions. The valuation of customer relationships is primarily based on an excess earnings methodology, which is a form of a discounted cash flow analysis. The excess earnings methodology requires us to estimate the specific cash flows expected from the customer relationship, considering such factors as estimated customer life, the revenue expected to be generated over the life of the customer, contributory asset charges, and other factors. Tangible assets are typically valued using a replacement or reproduction cost approach, considering factors such as current prices of the same or similar equipment, the age of the equipment and economic obsolescence. The implied value of goodwill is determined by allocating the fair value of a reporting unit to all of the assets and liabilities of that unit as if the reporting unit had been acquired in a business combination, with the residual amount allocated to goodwill. All of our nonrecurring valuations use significant unobservable inputs and therefore fall under Level 3 of the fair value hierarchy. During 2015, 2014 and 2013, we performed nonrecurring valuations for the purpose of determining the acquisition accounting for the Choice Acquisition, the Ziggo Acquisition and the Virgin Media Acquisition, respectively. We used discount rates of 11.75%, 8.50% and 9.00%, respectively, for our valuations of the customer relationships acquired as a result of these acquisitions. For the Choice Acquisition, the discount rate used to value franchise marketing rights acquired as a result of this acquisition was approximately 12.25%.

A summary of our assets and liabilities that are measured at fair value on a recurring basis is as follows:

Description	December 31, 2015	Fair value measurements at December 31, 2015 using: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	in millions			
Assets:				
Derivative instruments:				
Cross-currency and interest rate derivative contracts	$ 2,085.6	$ —	$ 2,085.6	$ —
Equity-related derivative instruments	408.5	—	—	408.5
Foreign currency forward contracts	10.4	—	10.4	—
Other	1.6	—	1.6	—
Total derivative instruments	2,506.1	—	2,097.6	408.5
Investments	2,591.8	2,257.2	—	334.6
Total assets	$ 5,097.9	$ 2,257.2	$ 2,097.6	$ 743.1
Liabilities - derivative instruments:				
Cross-currency and interest rate derivative contracts	$ 1,513.4	$ —	$ 1,513.4	$ —
Equity-related derivative instruments	74.4	—	—	74.4
Foreign currency forward contracts	1.1	—	1.1	—
Other	5.7	—	5.7	—
Total liabilities	$ 1,594.6	$ —	$ 1,520.2	$ 74.4

Description	December 31, 2014	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		Fair value measurements at December 31, 2014 using:		
		in millions		
Assets:				
Derivative instruments:				
Cross-currency and interest rate derivative contracts	$ 1,357.3	$ —	$ 1,357.3	$ —
Equity-related derivative instruments	400.2	—	—	400.2
Foreign currency forward contracts	2.5	—	2.5	—
Other	1.4	—	1.4	—
Total derivative instruments	1,761.4	—	1,361.2	400.2
Investments	1,662.7	1,344.3	—	318.4
Total assets	$ 3,424.1	$ 1,344.3	$ 1,361.2	$ 718.6
Liabilities - derivative instruments:				
Cross-currency and interest rate derivative contracts	$ 2,471.3	$ —	$ 2,471.3	$ —
Equity-related derivative instruments	88.4	—	—	88.4
Foreign currency forward contracts	0.8	—	0.8	—
Other	0.3	—	0.3	—
Total liabilities	$ 2,560.8	$ —	$ 2,472.4	$ 88.4

A reconciliation of the beginning and ending balances of our assets and liabilities measured at fair value on a recurring basis using significant unobservable, or Level 3, inputs is as follows:

	Investments	Equity-related derivative instruments	Total
		in millions	
Balance of net assets at January 1, 2015	$ 318.4	$ 311.8	$ 630.2
Losses included in net loss (a):			
Realized and unrealized losses on derivative instruments, net	—	(227.7)	(227.7)
Realized and unrealized losses due to changes in fair values of certain investments, net	(5.9)	—	(5.9)
Adjustments resulting from the modification of the terms of the ITV Collar, net (b)	—	256.0	256.0
Foreign currency translation adjustments and other, net	22.1	(6.0)	16.1
Balance of net assets at December 31, 2015	$ 334.6	$ 334.1	$ 668.7

____

(a) Most of these net losses relate to assets and liabilities that we continue to carry on our consolidated balance sheet as of December 31, 2015.

(b) On July 30, 2015, we modified the terms of the ITV Collar in connection with our acquisition of additional ITV shares. In connection with these modifications, we effectively transferred a liability associated with the ITV Collar to the ITV Collar Loan and received cash from the counterparty. For additional information regarding these adjustments, see note 7. For additional information regarding our investment in ITV, see note 6.

(9) Long-lived Assets

Property and Equipment, Net

The details of our property and equipment and the related accumulated depreciation are set forth below:

	Estimated useful life at December 31, 2015	December 31, 2015	December 31, 2014
		in millions	
Distribution systems:	3 to 30 years		
Liberty Global Group		$ 24,447.2	$ 24,985.6
LiLAC Group		1,037.8	1,026.9
Total		25,485.0	26,012.5
Customer premises equipment:	3 to 5 years		
Liberty Global Group		5,651.1	5,437.3
LiLAC Group		801.4	776.6
Total		6,452.5	6,213.9
Support equipment, buildings and land:	3 to 50 years		
Liberty Global Group		4,461.4	3,953.3
LiLAC Group		341.0	345.1
Total		4,802.4	4,298.4
Total property and equipment, gross:			
Liberty Global Group		34,559.7	34,376.2
LiLAC Group		2,180.2	2,148.6
Total		36,739.9	36,524.8
Accumulated depreciation:			
Liberty Global Group		(13,719.2)	(11,360.2)
LiLAC Group		(1,336.7)	(1,324.0)
Total		(15,055.9)	(12,684.2)
Total property and equipment, net:			
Liberty Global Group		20,840.5	23,016.0
LiLAC Group		843.5	824.6
Total		$ 21,684.0	$ 23,840.6

Depreciation expense of our continuing operations related to our property and equipment was $4,501.4 million, $4,401.6 million and $3,499.6 million during 2015, 2014 and 2013, respectively. Depreciation expense of our discontinued operation related to our property and equipment was nil during 2015 and 2014 and $11.5 million during 2013.

At December 31, 2015 and 2014, the amount of property and equipment, net, recorded under capital leases was $1,262.5 million and $1,580.8 million, respectively. Most of these amounts relate to assets included in our distribution systems category. Depreciation of assets under capital leases of our continuing operations is included in depreciation and amortization in our consolidated statements of operations.

During 2015, 2014 and 2013, we recorded non-cash increases related to vendor financing arrangements of $1,481.5 million, $975.3 million and $573.5 million, respectively, which exclude related VAT of $189.3 million, $114.9 million and $46.0 million, respectively, that were also financed by our vendors under these arrangements. In addition, during 2015, 2014 and 2013, we recorded non-cash increases to our property and equipment related to assets acquired under capital leases of $106.1 million, $127.2 million and $143.0 million, respectively.

Most of our property and equipment is pledged as security under our various debt instruments. For additional information, see note 10.

During the fourth quarter of 2014, we recorded an impairment charge of $68.7 million to reduce the carrying amount of certain of Ziggo's internal-use software assets to zero following our determination that these assets would have no future service potential for our combined operations in the Netherlands.

In May 2012, we began offering mobile services in Chile through a combination of our own wireless network and a third-party wireless access arrangement. During the second quarter of 2013, we began exploring strategic alternatives with respect to VTR's mobile operations, including alternatives that involved the use of expanded mobile virtual network operator (**MVNO**) arrangements. Effective April 1, 2013, we reduced the useful lives of certain of VTR's network equipment to reflect our then expectation that we would enter into a new MVNO arrangement and cease commercial use of VTR's mobile network during the fourth quarter of 2013. In September 2013, VTR (i) completed the process of migrating its mobile traffic to a third-party wireless network pursuant to its existing roaming agreement and (ii) ceased commercial use of its mobile network, which resulted in a further reduction in the useful lives of the aforementioned network equipment. As a result of these reductions in useful lives, VTR recognized aggregate incremental depreciation expense of $98.3 million during 2013. In connection with the foregoing, we recorded restructuring charges totaling $84.9 million during the third and fourth quarters of 2013. These restructuring charges include the fair value of (a) the remaining payments due under certain tower and real estate operating leases of $71.5 million and (b) certain other required payments associated with VTR's mobile network. In December 2013, VTR amended its existing roaming agreement with an agreement that provides for a full MVNO relationship. For information regarding our restructuring charges, see note 14.

Goodwill

Changes in the carrying amount of our goodwill during 2015 are set forth below:

	January 1, 2015	Acquisitions and related adjustments	Foreign currency translation adjustments and other	December 31, 2015
	in millions			
Liberty Global Group:				
European Operations Division:				
U.K./Ireland	$ 9,245.1	$ 58.7	$ (513.1)	$ 8,790.7
The Netherlands	8,605.0	142.2	(895.9)	7,851.3
Germany	3,456.9	—	(352.5)	3,104.4
Belgium	1,978.9	—	(201.8)	1,777.1
Switzerland/Austria	3,591.9	—	(91.5)	3,500.4
Total Western Europe	26,877.8	200.9	(2,054.8)	25,023.9
Central and Eastern Europe	1,302.1	7.3	(122.5)	1,186.9
Total European Operations Division	28,179.9	208.2	(2,177.3)	26,210.8
Corporate and other	34.4	—	(0.4)	34.0
Total Liberty Global Group	28,214.3	208.2	(2,177.7)	26,244.8
LiLAC Group:				
LiLAC Division:				
Chile	440.3	—	(63.3)	377.0
Puerto Rico	226.1	51.6	—	277.7
Total LiLAC Division	666.4	51.6	(63.3)	654.7
Corporate and other (a)	120.9	—	—	120.9
Total LiLAC Group	787.3	51.6	(63.3)	775.6
Total	$ 29,001.6	$ 259.8	$ (2,241.0)	$ 27,020.4

____

(a) Represents enterprise-level goodwill that is allocated to our Puerto Rico segment for purposes of our impairment tests.

If, among other factors, (i) our equity values were to decline significantly or (ii) the adverse impacts of economic, competitive, regulatory or other factors were to cause our results of operations or cash flows to be worse than anticipated, we could conclude in future periods that impairment charges are required in order to reduce the carrying values of our goodwill and, to a lesser extent, other long-lived assets. Any such impairment charges could be significant.

At December 31, 2015 and 2014 and based on exchange rates as of those dates, the accumulated goodwill impairments of our continuing operations were $186.8 million and $209.7 million, respectively. These amounts represent accumulated impairments related to our broadband communications operations in Romania, which operations are included within the European Operations Division's Central and Eastern Europe segment.

Changes in the carrying amount of our goodwill during 2014 are set forth below:

	January 1, 2014	Acquisitions and related adjustments	Foreign currency translation adjustments and other	December 31, 2014
		in millions		
Liberty Global Group:				
European Operations Division:				
U.K./Ireland	$ 9,844.2	$ 2.1	$ (601.2)	$ 9,245.1
The Netherlands	1,260.4	7,724.3	(379.7)	8,605.0
Germany	3,939.4	—	(482.5)	3,456.9
Belgium	2,255.1	—	(276.2)	1,978.9
Switzerland/Austria	4,031.1	2.3	(441.5)	3,591.9
Total Western Europe	21,330.2	7,728.7	(2,181.1)	26,877.8
Central and Eastern Europe	1,520.1	8.3	(226.3)	1,302.1
Total European Operations Division	22,850.3	7,737.0	(2,407.4)	28,179.9
Corporate and other	43.0	—	(8.6)	34.4
Total Liberty Global Group	22,893.3	7,737.0	(2,416.0)	28,214.3
LiLAC Group:				
LiLAC Division:				
Chile	508.5	—	(68.2)	440.3
Puerto Rico	226.1	—	—	226.1
Total LiLAC Division	734.6	—	(68.2)	666.4
Corporate and other (a)	120.9	—	—	120.9
Total LiLAC Group	855.5	—	(68.2)	787.3
Total	$ 23,748.8	$ 7,737.0	$ (2,484.2)	$ 29,001.6

____

(a) Represents enterprise-level goodwill that is allocated to our Puerto Rico segment for purposes of our impairment tests.

Intangible Assets Subject to Amortization, Net

The details of our intangible assets subject to amortization are set forth below:

	Estimated useful life at December 31, 2015	December 31, 2015			December 31, 2014		
		Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
		in millions					
Customer relationships:	4 to 15 years						
Liberty Global Group		$ 10,285.3	$ (3,410.7)	$ 6,874.6	$ 12,052.5	$ (3,037.0)	$ 9,015.5
LiLAC Group		149.0	(31.7)	117.3	90.0	(19.3)	70.7
Total		10,434.3	(3,442.4)	6,991.9	12,142.5	(3,056.3)	9,086.2
Other:	2 to 15 years						
Liberty Global Group		205.3	(104.8)	100.5	234.8	(131.2)	103.6
LiLAC Group		0.2	(0.1)	0.1	0.6	(0.6)	—
Total		205.5	(104.9)	100.6	235.4	(131.8)	103.6
Total intangible assets subject to amortization, net:							
Liberty Global Group		10,490.6	(3,515.5)	6,975.1	12,287.3	(3,168.2)	9,119.1
LiLAC Group		149.2	(31.8)	117.4	90.6	(19.9)	70.7
Total		$ 10,639.8	$ (3,547.3)	$ 7,092.5	$ 12,377.9	$ (3,188.1)	$ 9,189.8

In December 2013, Telenet's management determined that it would no longer be able to utilize its spectrum rights as a result of the conclusion of negotiations with network operators in Belgium and the absence of regulatory alternatives. This resulted in a triggering event with respect to the intangible asset related to Telenet's spectrum rights and, after performing an impairment analysis, Telenet recorded an impairment charge of $73.0 million during the fourth quarter of 2013 to reduce the carrying amount of this intangible asset to zero.

Amortization expense related to intangible assets with finite useful lives of our continuing operations was $1,324.4 million, $1,098.5 million and $776.8 million during 2015, 2014 and 2013, respectively. Amortization of intangible assets with finite useful lives of our discontinued operation was nil during 2015 and 2014, respectively, and $17.6 million during 2013. Based on the amortizable intangible asset balances of our continuing operations at December 31, 2015, we expect that amortization expense will be as follows for the next five years and thereafter. The U.S. dollar equivalents of such amortization expense amounts as of December 31, 2015 are presented below (in millions):

2016	$ 1,250.6
2017	1,138.5
2018	1,092.6
2019	1,052.8
2020	713.6
Thereafter	1,844.4
Total	$ 7,092.5

Other Indefinite-lived Intangible Assets

At December 31, 2015 and 2014, the franchise rights of Liberty Puerto Rico and other indefinite-lived intangible assets aggregating $690.5 million and $557.0 million, respectively, were included in other assets, net, in our consolidated balance sheets.

(10) Debt and Capital Lease Obligations

Debt

The U.S. dollar equivalents of the components of our consolidated third-party debt are as follows:

	December 31, 2015						
	Weighted average interest rate (a)	Unused borrowing capacity (b)		Estimated fair value (c)		Carrying value (d)	
		Borrowing currency	U.S. $ equivalent	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
				in millions			
Debt:							
Liberty Global Group:							
VM Notes	5.61 %	—	$ —	$ 10,594.1	$ 8,461.0	$ 10,582.6	$ 8,060.7
VM Credit Facility	3.73 %	(e)	777.2	3,413.7	4,734.9	3,455.0	4,804.0
Ziggo Credit Facilities	3.64 %	€ 800.0	869.3	5,161.0	4,663.0	5,222.5	4,710.8
Ziggo SPE Notes	4.47 %	—	—	1,582.7	—	1,703.9	—
Ziggo Notes	6.82 %	—	—	955.1	1,082.3	960.1	1,077.0
Unitymedia Notes	5.00 %	—	—	7,631.6	7,869.3	7,682.0	7,400.9
Unitymedia Revolving Credit Facilities	—	€ 500.0	543.3	—	319.4	—	338.8
UPCB SPE Notes	5.82 %	—	—	3,131.7	4,279.0	3,140.4	4,009.4
UPC Holding Senior Notes	6.59 %	—	—	1,601.4	2,603.6	1,486.7	2,391.6
UPC Broadband Holding Bank Facility	3.25 %	€ 990.1	1,075.8	1,284.3	3,156.4	1,302.4	3,179.2
Telenet SPE Notes	5.48 %	—	—	2,155.8	2,450.4	2,097.2	2,299.0
Telenet Credit Facility	3.41 %	€ 381.0	414.0	1,443.0	1,633.4	1,471.8	1,638.6
ITV Collar Loan (f)	1.38 %	—	—	1,547.9	678.2	1,538.7	667.0
Sumitomo Collar Loan (f)	1.88 %	—	—	805.6	818.0	787.6	787.7
Vendor financing (g)	3.30 %	—	—	1,688.9	946.4	1,688.9	946.4
Other	7.35 %	—	—	395.0	350.2	280.8	228.3
Total Liberty Global Group	4.69 %		3,679.6	43,391.8	44,045.5	43,400.6	42,539.4
LiLAC Group:							
VTR Finance Senior Secured Notes	6.88 %	—	—	1,301.1	1,439.4	1,400.0	1,400.0
VTR Credit Facility	—	(h)	191.0	—	—	—	—
Liberty Puerto Rico Bank Facility	5.11 %	$ 40.0	40.0	913.0	666.2	933.9	672.0
Total LiLAC Group	6.17 %		231.0	2,214.1	2,105.6	2,333.9	2,072.0
Total third-party debt	4.77 %		$ 3,910.6	$ 45,605.9	$ 46,151.1	45,734.5	44,611.4
Total capital lease obligations (i)						1,322.8	1,547.6
Total debt and capital lease obligations						47,057.3	46,159.0
Current maturities						(2,537.9)	(1,550.9)
Long-term debt and capital lease obligations						$ 44,519.4	$ 44,608.1

(a) Represents the weighted average interest rate in effect at December 31, 2015 for all borrowings outstanding pursuant to each debt instrument, including any applicable margin. The interest rates presented represent stated rates and do not include the impact of derivative instruments, deferred financing costs, original issue premiums or discounts and commitment fees, all of which affect our overall cost of borrowing. Including the effects of derivative instruments, original issue premiums or discounts and commitment fees, but excluding the impact of financing costs, our weighted average interest rate on our aggregate variable- and fixed-rate indebtedness was 4.9% (including 4.8% for the Liberty Global Group and 6.0% for the LiLAC Group) at December 31, 2015. For information regarding our derivative instruments, see note 7.

(b) Unused borrowing capacity represents the maximum availability under the applicable facility at December 31, 2015 without regard to covenant compliance calculations or other conditions precedent to borrowing. At December 31, 2015, based on the applicable leverage covenants, the full amount of unused borrowing capacity was available to be borrowed under each of the respective subsidiary facilities and there were no restrictions on the respective subsidiary's ability to make loans or distributions to other Liberty Global subsidiaries or Liberty Global, except as shown in the table below. In the following table, for each facility that is subject to limitations on borrowing availability, we present the actual borrowing availability under the respective facility and, for each subsidiary where the ability to make loans or distributions is limited, we present the amount that can be loaned or distributed to other Liberty Global subsidiaries or to Liberty Global. The amounts presented below assume no changes from December 31, 2015 borrowing levels and are based on the applicable covenant and other limitations in effect within each borrowing group at December 31, 2015, both before and after considering the impact of the completion of the December 31, 2015 compliance requirements.

	Limitation on availability			
	December 31, 2015		Upon completion of relevant December 31, 2015 compliance reporting requirements	
	Borrowing currency	U.S. $ equivalent	Borrowing currency	U.S. $ equivalent
	in millions			
Limitation on availability to be borrowed under:				
Ziggo Credit Facilities	€ 570.2	$ 619.6	€ 601.6	$ 653.7
Unitymedia Revolving Credit Facilities (1)	€ 435.2	$ 472.9	€ 500.0	$ 543.3
UPC Broadband Holding Bank Facility	€ 716.4	$ 778.4	€ 858.3	$ 932.6
Limitation on availability to be loaned or distributed by:				
Ziggo	€ 216.3	$ 235.0	€ 246.2	$ 267.5
Unitymedia (1)	€ 17.7	$ 19.2	€ 230.1	$ 250.0

---

(1) Amounts include the impact of the 10% redemption of the 2022 UM Senior Secured Notes and the January 2023 5.125% UM Euro Senior Secured Notes (as defined and described below under *Unitymedia Notes)*, which was completed in January 2016.

(c) The estimated fair values of our debt instruments are determined using the average of applicable bid and ask prices (mostly Level 1 of the fair value hierarchy) or, when quoted market prices are unavailable or not considered indicative of fair value, discounted cash flow models (mostly Level 2 of the fair value hierarchy). The discount rates used in the cash flow models are based on the market interest rates and estimated credit spreads of the applicable entity, to the extent available, and other relevant factors. For additional information concerning fair value hierarchies, see note 8.

(d) Amounts include the impact of premiums and discounts, where applicable.

(e) The VM Revolving Facility (as defined and described under *VM Credit Facility* below) is a multi-currency revolving facility with maximum borrowing capacity equivalent to £675.0 million ($994.5 million). The outstanding balance at December 31, 2015 was borrowed in euros.

(f) For information regarding the ITV Collar Loan and the Sumitomo Collar Loan, see note 7.

(g) Represents amounts owed pursuant to interest-bearing vendor financing arrangements that are used to finance certain of our property and equipment additions, and to a lesser extent, certain of our operating expenses. These obligations are generally due within one year. At December 31, 2015 and 2014, the amounts owed pursuant to these arrangements include $189.0 million and $101.7 million, respectively, of VAT that was paid on our behalf by the vendor. Repayments of vendor financing obligations are included in repayments and repurchases of debt and capital lease obligations in our consolidated statements of cash flows.

(h) The VTR Credit Facility is the senior secured credit facility of VTR and certain of its subsidiaries and comprises a $160.0 million U.S. dollar facility (the **VTR Dollar Credit Facility**) and a CLP 22.0 billion ($31.0 million) Chilean peso facility (the **VTR Peso Credit Facility**), each of which were undrawn at December 31, 2015. The VTR Dollar Credit Facility and the VTR Peso Credit Facility have fees on unused commitments of 1.1% and 1.34% per year, respectively. The interest rate for the VTR Dollar Credit Facility is LIBOR plus a margin of 2.75%. The interest rate for the VTR Peso Credit Facility is the applicable interbank offered rate for Chilean pesos in the relevant interbank market plus a margin of 3.35%. Borrowings under the VTR Dollar Credit Facility and the VTR Peso Credit Facility mature in January 2020 and January 2019, respectively.

(i) The U.S. dollar equivalents of our consolidated capital lease obligations are as follows:

	December 31,	
	2015	2014
	in millions	
Liberty Global Group:		
Unitymedia (1)	$ 703.1	$ 810.1
Telenet (2)	371.1	413.4
Virgin Media	159.5	255.3
Other subsidiaries	88.2	67.3
Total — Liberty Global Group	1,321.9	1,546.1
LiLAC Group:		
Liberty Puerto Rico	0.6	1.0
VTR	0.3	0.5
Total — LiLAC Group	0.9	1.5
Total	$ 1,322.8	$ 1,547.6

(1) Primarily represents Unitymedia's obligations under duct network lease agreements with Telekom Deutschland GmbH (**Deutsche Telekom**), an operating subsidiary of Deutsche Telekom AG, as the lessor. The original contracts were concluded in 2000 and 2001 and have indefinite terms, subject to certain mandatory statutory termination rights for either party after a term of 30 years. With certain limited exceptions, the lessor generally is not entitled to terminate these leases. For information regarding litigation involving these duct network lease agreements, see note 17.

(2) At December 31, 2015 and 2014, Telenet's capital lease obligations included €329.3 million ($357.8 million) and €328.6 million ($357.1 million), respectively, associated with Telenet's lease of the broadband communications network of the four associations of municipalities in Belgium, which we refer to as the pure intercommunalues or the "**PICs**." All capital expenditures associated with the PICs network are initiated by Telenet, but are executed and financed by the PICs through additions to this lease that are repaid over a 15-year term. These amounts do not include Telenet's commitment related to certain operating costs associated with the PICs network. For additional information regarding this commitment, see note 17.

General Information

At December 31, 2015, all of our outstanding debt had been incurred by one of our seven "borrowing groups." These borrowing groups include the respective restricted parent and subsidiary entities within Virgin Media, Ziggo Group Holding, Unitymedia, UPC Holding, Telenet, VTR Finance and Liberty Puerto Rico.

Credit Facilities. Each of our borrowing groups has entered into one or more credit facility agreements with certain financial institutions. Each of these credit facilities contain certain covenants, the more notable of which are as follows:

- Our credit facilities contain certain consolidated net leverage ratios, as specified in the relevant credit facility, which are required to be complied with on an incurrence and/or maintenance basis;

- Our credit facilities contain certain restrictions which, among other things, restrict the ability of the members of the relevant borrowing group to (i) incur or guarantee certain financial indebtedness, (ii) make certain disposals and acquisitions, (iii) create certain security interests over their assets, in each case, subject to certain customary and agreed exceptions and (iv) make certain restricted payments to their direct and/or indirect parent companies (and indirectly to Liberty Global) through dividends, loans or other distributions, subject to compliance with applicable covenants;

- Our credit facilities require that certain members of the relevant borrowing group guarantee the payment of all sums payable under the relevant credit facility and such group members are required to grant first-ranking security over their shares or, in certain borrowing groups, over substantially all of their assets to secure the payment of all sums payable thereunder;

- In addition to certain mandatory prepayment events, the instructing group of lenders under the relevant credit facility may cancel the commitments thereunder and declare the loans thereunder due and payable after the applicable notice period following the occurrence of a change of control (as specified in the relevant credit facility);

- Our credit facilities contain certain customary events of default, the occurrence of which, subject to certain exceptions and materiality qualifications, would allow the instructing group of lenders to (i) cancel the total commitments, (ii) accelerate all outstanding loans and terminate their commitments thereunder and/or (iii) declare that all or part of the loans be payable on demand;

- Our credit facilities require members of the relevant borrowing group to observe certain affirmative and negative undertakings and covenants, which are subject to certain materiality qualifications and other customary and agreed exceptions; and

- In addition to customary default provisions, our credit facilities generally include certain cross-default and cross-acceleration provisions with respect to other indebtedness of members of the relevant borrowing group, subject to agreed minimum thresholds and other customary and agreed exceptions.

Senior and Senior Secured Notes. Certain of our borrowing groups have issued senior and/or senior secured notes. In general, our senior and senior secured notes (i) are senior obligations of each respective issuer within the relevant borrowing group that rank equally with all of the existing and future senior debt of such issuer and are senior to all existing and future subordinated debt of each respective issuer within the relevant borrowing group, (ii) contain, in most instances, certain guarantees from other members of the relevant borrowing group (as specified in the applicable indenture) and (iii) with respect to our senior secured notes, are secured by certain pledges or liens over the assets and/or shares of certain members of the relevant borrowing group. In addition, the indentures governing our senior and senior secured notes contain certain covenants, the more notable of which are as follows:

- Our notes contain certain customary incurrence-based covenants. In addition, our notes provide that any failure to pay principal prior to expiration of any applicable grace period, or any acceleration with respect to other indebtedness of the issuer or certain subsidiaries, over agreed minimum thresholds (as specified under the applicable indenture), is an event of default under the respective notes;

- Our notes contain certain restrictions which, among other things, restrict the ability of the members of the relevant borrowing group to (i) incur or guarantee certain financial indebtedness, (ii) make certain disposals and acquisitions, (iii)

create certain security interests over their assets, in each case, subject to certain customary and agreed exceptions and (iv) make certain restricted payments to its direct and/or indirect parent companies (and indirectly to Liberty Global) through dividends, loans or other distributions, subject to compliance with applicable covenants;

- If the relevant issuer or certain of its subsidiaries (as specified in the applicable indenture) sells certain assets, such issuer must offer to repurchase the applicable notes at par, or if a change of control (as specified in the applicable indenture) occurs, such issuer must offer to repurchase all of the relevant notes at a redemption price of 101%; and

- Our senior secured notes contain certain early redemption provisions including the ability to, during each 12-month period commencing on the issue date for such notes until the applicable call date, redeem up to 10% of the principal amount of the notes to be redeemed at a redemption price equal to 103% of the principal amount of the notes to be redeemed plus accrued and unpaid interest.

SPE Notes. From time to time, we create special purpose financing entities ("**SPEs**"), which are 100% owned by third parties, for the primary purpose of facilitating the offering of senior and senior secured notes, which we collectively refer to as the "**SPE Notes**." In this regard, SPE Notes have been issued, and are outstanding at December 31, 2015, by Ziggo Bond Finance B.V. (**Ziggo Bond Finance**) and Ziggo Secured Finance B.V. (**Ziggo Secured Finance**), collectively the "**Ziggo SPEs**", UPCB Finance IV Limited (**UPCB Finance IV**), UPCB Finance V Limited (**UPCB Finance V**) and UPCB Finance VI Limited (**UPCB Finance VI**), collectively the "**UPCB SPEs**", and Telenet Finance III Luxembourg S.C.A. (**Telenet Finance III**), Telenet Finance IV Luxembourg S.C.A. (**Telenet Finance IV**), Telenet Finance V Luxembourg S.C.A. (**Telenet Finance V**) and Telenet Finance VI Luxembourg S.C.A. (**Telenet Finance VI**), collectively the "**Telenet SPEs**."

The SPEs used the proceeds from the issuance of SPE Notes to fund term loan facilities under their respective borrowing group (as further described below), each a "**Funded Facility**" and collectively the "**Funded Facilities**". Each SPE is dependent on payments from the relevant borrower under the applicable Funded Facility in order to service its payment obligations under each respective SPE Note. Although none of the respective borrowing entities under the Funded Facilities have any equity or voting interest in any of the relevant SPEs, each of the Funded Facility term loans creates a variable interest in the respective SPE for which the relevant borrowing entity is the primary beneficiary. As such, each borrowing entity under the relevant Funded Facility and its parent entities, including Liberty Global, are required to consolidate the relevant SPEs. As a result, the amounts outstanding under the Funded Facilities are eliminated in the respective borrowing group's and Liberty Global's consolidated financial statements.

Pursuant to the respective indentures for the SPE Notes (the **SPE Indentures**) and the respective accession agreements for the Funded Facilities, the call provisions, maturity and applicable interest rate for each Funded Facility are the same as those of the related SPE Notes. The SPEs, as lenders under the relevant credit facility for each respective borrowing group, are treated the same as the other lenders under the respective credit facility, with benefits, rights and protections similar to those afforded to the other lenders. Through the covenants in the applicable SPE Indentures and the applicable security interests over (i) all of the issued shares of the relevant SPE and (ii) the relevant SPE's rights under the applicable Funded Facility granted to secure the relevant SPE's obligations under the relevant SPE Notes, the holders of the SPE Notes are provided indirectly with the benefits, rights, protections and covenants granted to the SPEs as lenders under the respective credit facility. The SPEs are prohibited from incurring any additional indebtedness, subject to certain exceptions under the SPE Indentures.

VM Notes

The details of the outstanding notes of Virgin Media as of December 31, 2015 are summarized in the following table:

VM Notes	Maturity	Interest rate	Original issue amount	Outstanding principal amount: Borrowing currency	Outstanding principal amount: U.S. $ equivalent	Estimated fair value	Carrying value (a)
					in millions		
VM Senior Notes (b):							
2022 VM Senior Notes:							
2022 VM 4.875% Dollar Senior Notes	February 15, 2022	4.875%	$ 118.7	$ 118.7	$ 118.7	$ 108.1	$ 119.4
2022 VM 5.25% Dollar Senior Notes	February 15, 2022	5.250%	$ 95.0	$ 95.0	95.0	88.4	95.7
2022 VM Sterling Senior Notes	February 15, 2022	5.125%	£ 44.1	£ 44.1	65.0	63.6	65.4
2023 VM Senior Notes:							
2023 VM Dollar Senior Notes	April 15, 2023	6.375%	$ 530.0	$ 530.0	530.0	539.9	530.0
2023 VM Sterling Senior Notes	April 15, 2023	7.000%	£ 250.0	£ 250.0	368.4	388.1	368.4
2024 VM Senior Notes:							
2024 VM Dollar Senior Notes	October 15, 2024	6.000%	$ 500.0	$ 500.0	500.0	498.4	500.0
2024 VM Sterling Senior Notes	October 15, 2024	6.375%	£ 300.0	£ 300.0	442.0	448.9	442.0
2025 VM Senior Notes:							
2025 VM Euro Senior Notes	January 15, 2025	4.500%	€ 460.0	€ 460.0	499.8	476.4	499.8
2025 VM Dollar Senior Notes	January 15, 2025	5.750%	$ 400.0	$ 400.0	400.0	389.3	400.0
VM Senior Secured Notes (c):							
January 2021 VM Senior Secured Notes:							
January 2021 VM Sterling Senior Secured Notes	January 15, 2021	5.500%	£ 628.4	£ 628.4	925.9	984.9	936.2
January 2021 VM Dollar Senior Secured Notes	January 15, 2021	5.250%	$ 447.9	$ 447.9	447.9	472.5	458.0
April 2021 VM Senior Secured Notes:							
April 2021 VM Sterling Senior Secured Notes	April 15, 2021	6.000%	£ 1,100.0	£ 990.0	1,458.7	1,515.1	1,458.7
April 2021 VM Dollar Senior Secured Notes	April 15, 2021	5.375%	$ 1,000.0	$ 900.0	900.0	932.6	900.0
2025 VM Senior Secured Notes:							
2025 VM 5.5% Sterling Senior Secured Notes	January 15, 2025	5.500%	£ 430.0	£ 387.0	570.2	560.6	570.2
2025 VM 5.125% Sterling Senior Secured Notes	January 15, 2025	5.125%	£ 300.0	£ 300.0	442.0	423.5	442.0
2025 VM Dollar Senior Secured Notes	January 15, 2025	5.500%	$ 425.0	$ 425.0	425.0	425.5	425.0
2026 VM Senior Secured Notes	January 15, 2026	5.250%	$ 1,000.0	$ 1,000.0	1,000.0	971.9	1,004.8
2027 VM Senior Secured Notes	January 15, 2027	4.875%	£ 525.0	£ 525.0	773.5	712.6	773.5
2029 VM Senior Secured Notes	March 28, 2029	6.250%	£ 400.0	£ 400.0	589.4	593.8	593.5
Total					$ 10,551.5	$ 10,594.1	$10,582.6

(a) Amounts include the impact of premiums, where applicable, including amounts recorded in connection with the acquisition accounting for Virgin Media.

(b) The VM Senior Notes were issued by Virgin Media Finance PLC (**Virgin Media Finance**), a wholly-owned subsidiary of Virgin Media.

(c) The VM Senior Secured Notes were issued by Virgin Media Secured Finance PLC (**Virgin Media Secured Finance**), a wholly-owned subsidiary of Virgin Media.

Subject to the circumstances described below, the VM Notes are non-callable prior to the applicable call date (**VM Call Date**) as presented in the below table. At any time prior to the respective VM Call Date, Virgin Media Secured Finance or Virgin Media Finance may redeem some or all of the applicable notes by paying a "make-whole" premium, which is the present value of all remaining scheduled interest payments to the applicable VM Call Date using the discount rate (as specified in the applicable indenture) as of the redemption date plus 50 basis points (25 basis points in the case of the January 2021 VM Senior Secured Notes).

VM Notes	VM Call Date
2022 VM Senior Notes	(a)
2023 VM Senior Notes	April 15, 2018
2024 VM Senior Notes	October 15, 2019
2025 VM Senior Notes	January 15, 2020
January 2021 VM Senior Secured Notes	(a)
April 2021 VM Senior Secured Notes	April 15, 2017
2025 VM 5.5% Sterling Senior Secured Notes	January 15, 2019
2025 VM Dollar Senior Secured Notes	January 15, 2019
2025 VM 5.125% Sterling Senior Secured Notes	January 15, 2020
2026 VM Senior Secured Notes	January 15, 2020
2027 VM Senior Secured Notes	January 15, 2021
2029 VM Senior Secured Notes	January 15, 2021

(a) The 2022 VM Senior Notes and the January 2021 VM Senior Secured Notes are non-callable. At any time prior to maturity, some or all of these notes may be redeemed by paying a "make-whole" premium, which is the present value of all remaining scheduled interest payments to the respective maturity date.

Virgin Media Finance or Virgin Media Secured Finance (as applicable) may redeem some or all of the VM Senior Notes and the VM Senior Secured Notes (with the exception of the 2022 VM Senior Notes and the January 2021 VM Senior Secured Notes) at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and additional amounts (as specified in the applicable indenture), if any, to the applicable redemption date, as set forth below:

	Redemption price					
	2023 VM Dollar Senior Notes	**2023 VM Sterling Senior Notes**	**2024 VM Dollar Senior Notes**	**2024 VM Sterling Senior Notes**	**2025 VM Dollar Senior Notes**	**2025 VM Euro Senior Notes**
12-month period commencing	April 15	April 15	October 15	October 15	January 15	January 15
2016	N.A.	N.A.	N.A.	N.A.	N.A	N.A
2017	N.A.	N.A.	N.A.	N.A.	N.A	N.A
2018	103.188%	103.500%	N.A.	N.A.	N.A	N.A
2019	102.125%	102.333%	103.000%	103.188%	N.A	N.A
2020	101.063%	101.667%	102.000%	102.125%	102.875%	102.250%
2021	100.000%	100.000%	101.000%	101.063%	101.917%	101.500%
2022	100.000%	100.000%	100.000%	100.000%	100.958%	100.750%
2023	N.A.	N.A.	100.000%	100.000%	100.000%	100.000%
2024 and thereafter	N.A.	N.A.	N.A.	N.A.	100.000%	100.000%

	Redemption price							
	April 2021 VM Dollar Senior Secured Notes	**April 2021 VM Sterling Senior Secured Notes**	**2025 VM 5.5% Sterling Senior Secured Notes**	**2025 VM Dollar Senior Secured Notes**	**2025 VM 5.125% Sterling Senior Secured Notes**	**2026 VM Senior Secured Notes**	**2027 VM Senior Secured Notes**	**2029 VM Senior Secured Notes**
12-month period commencing	April 15	April 15	January 15	January 15	January 15	January 15	January 15	January 15
2016	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2017	102.688%	103.000%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2018	101.344%	101.500%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2019	100.000%	100.000%	102.750%	102.750%	N.A.	N.A.	N.A.	N.A.
2020	100.000%	100.000%	101.833%	101.833%	102.563%	102.625%	N.A.	N.A.
2021	N.A.	N.A.	100.000%	100.000%	101.708%	101.313%	102.438%	103.125%
2022	N.A.	N.A.	100.000%	100.000%	100.854%	100.656%	101.219%	102.083%
2023	N.A.	N.A.	100.000%	100.000%	100.000%	100.000%	100.609%	101.042%
2024 and thereafter	N.A.	N.A.	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%

2015 Refinancing Transactions. On January 28, 2015, in connection with the UPC Ireland Transfer (as defined and described under *UPC Broadband Holding Bank Facility — 2015 Transactions* below), (i) Virgin Media Secured Finance issued the 2025 VM 5.125% Senior Secured Notes and (ii) Virgin Media Finance issued the 2025 VM Senior Notes. A portion of the proceeds from the 2025 VM 5.125% Senior Secured Notes and the 2025 VM Senior Notes were ultimately used to redeem certain amounts outstanding under the UPC Holding Senior Notes and the UPCB SPE Notes, each as defined and described below.

On March 30, 2015, Virgin Media Secured Finance issued (i) $500.0 million principal amount of 5.25% senior secured notes due January 15, 2026 (the **Original 2026 VM Senior Secured Notes**) and (ii) the 2027 VM Senior Secured Notes. On April 30, 2015, Virgin Media Secured Finance issued $500.0 million principal amount of 5.25% senior secured notes due January 15, 2026 (the **Additional 2026 VM Senior Secured Notes** and, together with the Original 2026 VM Senior Secured Notes, the **2026 VM Senior Secured Notes**). The Additional 2026 VM Senior Secured Notes were issued at 101% of par. The net proceeds from the

2026 VM Senior Secured Notes and the 2027 VM Senior Secured Notes were used to (a) redeem 10% of the principal amount of each of the following: (1) the April 2021 VM Sterling Senior Secured Notes, (2) the April 2021 VM Dollar Senior Secured Notes and (3) the 2025 VM 5.5% Sterling Senior Secured Notes, each at a redemption price equal to 103% of the applicable redeemed principal amount in accordance with the indentures governing each of the notes, (b) prepay in full the £375.0 million ($552.5 million) outstanding principal amount of term loan A under the VM Credit Facility (as defined and described below) and (c) prepay $900.0 million of the then existing $2,755.0 million outstanding principal amount of term loan B (**VM Facility B**) under the VM Credit Facility, and roll the remaining outstanding term loans under VM Facility B into a new term loan VM Facility F (as described below). In connection with these transactions, we recognized a loss on debt modification and extinguishment, net, of $44.3 million. This loss includes (I) the write-off of $28.6 million of deferred financing costs, (II) the payment of $10.7 million of redemption premium, (III) the write-off of $4.2 million of unamortized discount and (IV) the payment of $0.8 million of third-party costs.

2014 Refinancing Transactions. During 2014, we completed a number of refinancing transactions that generally resulted in lower interest rates and extended maturities. In connection with these transactions, we recognized a gain on debt modification and extinguishment, net, of $32.3 million. This gain includes (i) the write-off of $170.9 million of unamortized premium, (ii) the payment of $123.0 million of redemption premium and (iii) the write-off of $15.6 million of deferred financing costs.

VM Credit Facility

The VM Credit Facility is the senior secured credit facility of certain subsidiaries of Virgin Media. The details of our borrowings under the VM Credit Facility as of December 31, 2015 are summarized in the following table:

VM Facility	Maturity	Interest rate	Facility amount (in borrowing currency)	Unused borrowing capacity	Carrying value (a)
				in millions	
D	June 30, 2022	LIBOR + 3.25% (b)	£ 100.0	$ —	$ 147.0
E	June 30, 2023	LIBOR + 3.50% (b)	£ 849.4	—	1,248.8
F	June 30, 2023	LIBOR + 2.75% (b)	$ 1,855.0	—	1,841.9
VM Revolving Facility (c)	December 31, 2021	LIBOR + 2.75%	(d)	777.2	217.3
Total				$ 777.2	$ 3,455.0

(a) The carrying values of VM Facilities D, E and F include the impact of discounts.

(b) VM Facilities D, E and F each have a LIBOR floor of 0.75%.

(c) The VM Revolving Facility has a fee on unused commitments of 1.1% per year.

(d) The VM Revolving Facility is a multi-currency revolving facility with maximum borrowing capacity equivalent to £675.0 million ($994.5 million). The outstanding balance at December 31, 2015 was borrowed in euros.

2015 Refinancing Transactions. In June 2015, (i) the then outstanding $1,855.0 million of commitments under the existing VM Facility B were effectively rolled into a new dollar denominated term loan (**VM Facility F**) and (ii) we amended the terms of our VM Revolving Facility to extend the maturity to December 31, 2021, reduce the margin from 3.25% to 2.75% and increase the commitments by £15.0 million ($22.1 million).

Ziggo Credit Facilities

The Ziggo Credit Facilities are the senior secured credit facilities of certain subsidiaries of Ziggo Group Holding. The details of our borrowings under the Ziggo Credit Facilities as of December 31, 2015 are summarized in the following table:

Ziggo Credit Facility	Maturity	Interest rate	Facility amount (in borrowing currency) (a)	Unused borrowing capacity (b)	Carrying value (c)
				in millions	
Ziggo Dollar Facility	January 15, 2022	LIBOR + 2.75% (d)	$ 2,350.0	$ —	$ 2,319.7
Ziggo Euro Facility	January 15, 2022	EURIBOR + 3.00% (e)	€ 2,000.0	—	2,153.9
Ziggo Proceeds Loans:					
Ziggo Senior Secured Proceeds Loan (f)	January 15, 2025	3.750%	€ 800.0	—	869.3
Ziggo Senior Proceeds Loans:					
Ziggo Euro Senior Proceeds Loan (f)	January 15, 2025	4.625%	€ 400.0	—	434.6
Ziggo Dollar Senior Proceeds Loan (f)	January 15, 2025	5.875%	$ 400.0	—	400.0
New Ziggo Credit Facility	March 31, 2021	EURIBOR + 3.75%	€ 689.2	—	748.9
Ziggo Revolving Facilities	June 30, 2020	(g)	€ 800.0	869.3	—
Elimination of the Ziggo Proceeds Loans in consolidation				—	(1,703.9)
Total				$ 869.3	$ 5,222.5

(a) Except as described in (f) below, amounts represent total third-party facility amounts at December 31, 2015.

(b) At December 31, 2015, our availability under the Ziggo Credit Facilities was limited to €570.2 million ($619.6 million). When the relevant December 31, 2015 compliance reporting requirements have been completed, and assuming no changes from December 31, 2015 borrowing levels, we anticipate that our availability under the Ziggo Credit Facilities will be limited to €601.6 million ($653.7 million).

(c) The carrying values of the Ziggo Dollar Facility and the Ziggo Euro Facility include the impact of discounts.

(d) The Ziggo Dollar Facility has a LIBOR floor of 0.75%.

(e) The Ziggo Euro Facility has a EURIBOR floor of 0.75%.

(f) As further discussed in the below description of the Ziggo SPE Notes, the amounts outstanding under the Ziggo Senior Secured Proceeds Loan, the Ziggo Euro Senior Proceeds Loan and the Ziggo Dollar Senior Proceeds Loan are eliminated in Liberty Global's consolidated financial statements.

(g) The Ziggo Revolving Facilities include (i) a €750.0 million ($815.0 million) facility that bears interest at EURIBOR plus a margin of 2.75% and has a fee on unused commitments of 1.1% per year and (ii) a €50.0 million ($54.3 million) facility that bears interest at EURIBOR plus a margin of 2.00% and has a fee on unused commitments of 0.8% per year.

Ziggo SPE Notes

The details of the Ziggo SPE Notes as of December 31, 2015 are summarized in the following table:

Ziggo SPE Notes	Maturity	Interest rate	Outstanding principal amount — Borrowing currency	Outstanding principal amount — U.S. $ equivalent	Estimated fair value	Carrying value
				in millions		
Ziggo 2025 Senior Secured Notes	January 15, 2025	3.750%	€ 800.0	$ 869.3	$ 805.2	$ 869.3
Ziggo 2025 Senior Notes:						
Ziggo 2025 Euro Senior Notes	January 15, 2025	4.625%	€ 400.0	434.6	405.0	434.6
Ziggo 2025 Dollar Senior Notes	January 15, 2025	5.875%	$ 400.0	400.0	372.5	400.0
Total				$ 1,703.9	$ 1,582.7	$ 1,703.9

Subject to the circumstances described below, the Ziggo SPE Notes are non-callable until January 15, 2020. If, however, at any time prior to January 15, 2020, all or a portion of the loans under the related Ziggo Proceeds Loans are voluntarily prepaid (a **Ziggo Early Redemption Event**), then the applicable Ziggo SPE will be required to redeem an aggregate principal amount of its Ziggo SPE Notes equal to the aggregate principal amount of the loans so prepaid under the relevant Ziggo Proceeds Loan. In general, the redemption price payable will equal 100% of the principal amount of the applicable Ziggo SPE Notes to be redeemed and a "make-whole" premium, which is the present value of all remaining scheduled interest payments to the first call date using the discount rate (as specified in the applicable indenture) as of the redemption date plus 50 basis points.

Upon the occurrence of a Ziggo Early Redemption Event on or after January 15, 2020, the applicable Ziggo SPE will redeem an aggregate principal amount of its Ziggo SPE Notes equal to the principal amount of the related Ziggo Proceeds Loans prepaid at the following redemption prices (expressed as a percentage of the principal amount), plus accrued and unpaid interest and additional amounts (as specified in the applicable indenture), if any, to the redemption date, as set forth below:

	Redemption price — Ziggo 2025 Dollar Senior Notes	Redemption price — Ziggo 2025 Euro Senior Notes	Redemption price — Ziggo 2025 Senior Secured Notes
12-month period commencing January 15:			
2020	102.938%	102.313%	101.875%
2021	101.958%	101.542%	101.250%
2022	100.979%	100.771%	100.625%
2023 and thereafter	100.000%	100.000%	100.000%

2015 Refinancing Transactions. On January 29, 2015, Ziggo Bond Finance issued (i) the Ziggo 2025 Dollar Senior Notes and (ii) the Ziggo 2025 Euro Senior Notes, the proceeds of which were used to fund the Ziggo Senior Proceeds Loans, with UPC Nederland Holding I B.V. as the borrower.

On February 4, 2015, Ziggo Secured Finance issued the Ziggo 2025 Senior Secured Notes and used such proceeds to fund the Ziggo Senior Secured Proceeds Loan, with UPC Nederland Holding III B.V. as the borrower.

In connection with the Ziggo Services Transfer (as defined and described under *UPC Broadband Holding Bank Facility — 2015 Transactions* below), the proceeds from the Ziggo Proceeds Loans were ultimately used to redeem certain amounts outstanding under the UPC Holding Senior Notes and the UPCB SPE Notes, each as defined and described below.

Ziggo Notes

The details of the Ziggo Notes as of December 31, 2015 are summarized in the following table:

Ziggo Notes	Maturity	Interest rate	Outstanding principal amount: Borrowing currency	Outstanding principal amount: U.S. $ equivalent	Estimated fair value	Carrying value (a)
				in millions		
Ziggo 2020 Euro Senior Secured Notes (b)	March 27, 2020	3.625%	€ 71.7	$ 77.9	$ 77.5	$ 79.8
Ziggo 2024 Euro Senior Notes (c)	May 15, 2024	7.125%	€ 743.1	807.5	877.6	880.3
Total				$ 885.4	$ 955.1	$ 960.1

(a) Amounts include the impact of premiums.

(b) The Ziggo 2020 Euro Senior Secured Notes were issued by Ziggo B.V., a wholly-owned subsidiary of Ziggo Bond Company B.V. (**Ziggo Bondco**), which is a wholly-owned subsidiary of Ziggo Group Holding.

(c) The Ziggo 2024 Euro Senior Notes were issued by Ziggo Bondco.

The Ziggo 2024 Euro Senior Notes are non-callable until May 15, 2019. At any time prior to May 15, 2019, Ziggo Bondco may redeem some or all of the Ziggo 2024 Euro Senior Notes by paying a "make-whole" premium. Ziggo Bondco may redeem some or all of the Ziggo 2024 Euro Senior Notes at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and additional amounts (as specified in the applicable indenture), if any, to the redemption date, as set forth below:

	Redemption price
12-month period commencing May 15:	
2019	103.563%
2020	102.375%
2021	101.188%
2022 and thereafter	100.000%

Unitymedia Notes

The details of the Unitymedia Notes as of December 31, 2015 are summarized in the following table:

Unitymedia Notes	Maturity	Interest rate	Original issue amount	Outstanding principal amount: Borrowing currency	Outstanding principal amount: U.S. $ equivalent	Estimated fair value	Carrying value
					in millions		
UM Senior Notes (a):							
2025 UM Senior Notes....	January 15, 2025	6.125 %	$ 900.0	$ 900.0	$ 900.0	$ 893.8	$ 900.0
2027 UM Senior Notes....	January 15, 2027	3.750 %	€ 700.0	€ 700.0	760.6	657.0	760.6
UM Senior Secured Notes (b):							
2022 UM Senior Secured Notes	September 15, 2022	5.500 %	€ 650.0	€ 585.0	635.7	675.4	635.7
January 2023 UM Senior Secured Notes:							
January 2023 UM Dollar Senior Secured Notes.........................	January 15, 2023	5.500 %	$1,000.0	$ 1,000.0	1,000.0	996.3	1,000.0
January 2023 5.75% UM Euro Senior Secured Notes...........	January 15, 2023	5.750 %	€ 500.0	€ 405.0	440.1	467.6	440.1
January 2023 5.125% UM Euro Senior Secured Notes...........	January 21, 2023	5.125 %	€ 500.0	€ 450.0	489.0	513.7	489.0
April 2023 UM Senior Secured Notes	April 15, 2023	5.625 %	€ 350.0	€ 280.0	304.2	322.7	304.2
2025 UM Senior Secured Notes:							
2025 UM Euro Senior Secured Notes...........	January 15, 2025	4.000 %	€1,000.0	€ 1,000.0	1,086.6	1,050.6	1,086.6
2025 UM Dollar Senior Secured Notes...........	January 15, 2025	5.000 %	$ 550.0	$ 550.0	550.0	529.0	550.0
2026 UM Senior Secured Notes	February 15, 2026	4.625 %	€ 420.0	€ 420.0	456.4	455.5	456.4
2027 UM Senior Secured Notes	January 15, 2027	3.500 %	€ 500.0	€ 500.0	543.3	502.9	543.3
2029 UM Senior Secured Notes	January 15, 2029	6.250 %	€ 475.0	€ 475.0	516.1	567.1	516.1
Total					$ 7,682.0	$ 7,631.6	$7,682.0

(a) The UM Senior Notes were issued by Unitymedia.

(b) The UM Senior Secured Notes were issued by Unitymedia Hessen and Unitymedia NRW GmbH, each a subsidiary of Unitymedia (together, the **UM Senior Secured Notes Issuers**).

Subject to the circumstances described below, the Unitymedia Notes are non-callable prior to the applicable call date (**UM Call Date**) as presented in the below table. At any time prior to the respective UM Call Date, Unitymedia or the UM Senior Secured Notes Issuers may redeem some or all of the applicable notes by paying a "make-whole" premium, which is the present value of all remaining scheduled interest payments to the applicable UM Call Date using the discount rate (as specified in the applicable indenture) as of the redemption date plus 50 basis points.

Unitymedia Notes	UM Call Date
2025 UM Senior Notes	January 15, 2020
2027 UM Senior Notes	January 15, 2021
2022 UM Senior Secured Notes	September 15, 2017
January 2023 UM Dollar Senior Secured Notes	January 15, 2018
January 2023 5.75% UM Euro Senior Secured Notes	January 15, 2018
January 2023 5.125% UM Euro Senior Secured Notes	January 21, 2018
April 2023 UM Senior Secured Notes	April 15, 2018
2025 UM Senior Secured Notes	January 15, 2020
2026 UM Senior Secured Notes	February 15, 2021
2027 UM Senior Secured Notes	January 15, 2021
2029 UM Senior Secured Notes	January 15, 2021

Unitymedia or the UM Senior Secured Notes Issuers (as applicable) may redeem some or all of the Unitymedia Notes at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and additional amounts (as specified in the applicable indenture), if any, to the applicable redemption date, as set forth below:

	Redemption price					
	2025 UM Senior Notes	2027 UM Senior Notes	2022 UM Senior Secured Notes	January 2023 UM Dollar Senior Secured Notes	January 2023 5.75% UM Euro Senior Secured Notes	January 2023 5.125% UM Euro Senior Secured Notes
12-month period commencing	January 15	January 15	September 15	January 15	January 15	January 21
2016	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2017	N.A.	N.A.	102.750%	N.A.	N.A.	N.A.
2018	N.A.	N.A.	101.833%	102.750%	102.875%	102.563%
2019	N.A.	N.A.	100.917%	101.833%	101.917%	101.708%
2020	103.063%	N.A.	100.000%	100.917%	100.958%	100.854%
2021	102.042%	101.875%	100.000%	100.000%	100.000%	100.000%
2022	101.021%	100.938%	N.A.	100.000%	100.000%	100.000%
2023	100.000%	100.469%	N.A.	N.A.	N.A.	N.A.
2024 and thereafter	100.000%	100.000%	N.A.	N.A.	N.A.	N.A.

	Redemption price					
	April 2023 UM Senior Secured Notes	2025 UM Euro Senior Secured Notes	2025 UM Dollar Senior Secured Notes	2026 UM Senior Secured Notes	2027 UM Senior Secured Notes	2029 UM Senior Secured Notes
12-month period commencing	April 15	January 15	January 15	February 15	January 15	January 15
2016	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2017	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2018	102.813%	N.A.	N.A.	N.A.	N.A.	N.A.
2019	101.875%	N.A.	N.A.	N.A.	N.A.	N.A.
2020	100.938%	102.000%	102.500%	N.A.	N.A.	N.A.
2021	100.000%	101.333%	101.667%	102.313%	101.750%	103.125%
2022	100.000%	100.667%	100.833%	101.156%	100.875%	102.083%
2023	N.A.	100.000%	100.000%	100.578%	100.438%	101.042%
2024 and thereafter	N.A.	100.000%	100.000%	100.000%	100.000%	100.000%

2015 Refinancing Transactions. On March 11, 2015, the UM Senior Secured Notes Issuers issued the 2027 UM Senior Secured Notes. The net proceeds from the 2027 UM Senior Secured Notes were used to (i) redeem 10% of the principal amount of each of the following series of notes: (a) the 2022 UM Senior Secured Notes, (b) the January 2023 5.75% UM Euro Senior Secured Notes, (c) the January 2023 5.125% UM Euro Senior Secured Notes and (d) the April 2023 UM Senior Secured Notes, each at a redemption price equal to 103% of the applicable redeemed principal amount in accordance with the indentures governing each of the notes, and (ii) prepay the then outstanding balance under the UM Senior Secured Facility (as defined and described under *Unitymedia Revolving Credit Facilities* below). In connection with these transactions, we recognized a loss on debt modification and extinguishment, net, of $8.1 million. This loss includes (1) the payment of $6.4 million of redemption premium and (2) the write-off of $1.7 million of deferred financing costs.

On March 16, 2015, Unitymedia issued the 2027 UM Senior Notes. The net proceeds from the 2027 UM Senior Notes were used to fully redeem the €618.0 million ($671.5 million) principal amount of 9.5% senior notes issued by Unitymedia. In connection with this transaction, we recognized a loss on debt modification and extinguishment, net, of $91.2 million. This loss includes (i) the payment of $89.8 million of redemption premium and (ii) the write-off of $1.4 million of unamortized discount.

On December 23, 2015, the UM Senior Secured Notes Issuers issued the 2026 UM Senior Secured Notes. The net proceeds from the 2026 UM Senior Secured Notes were used to (i) redeem 10% of the principal amount of each of the following series of notes: (a) the 2022 UM Senior Secured Notes, (b) the January 2023 5.75% UM Euro Senior Secured Notes, (c) the January 2023 5.125% UM Euro Senior Secured Notes and (d) the April 2023 UM Senior Secured Notes, each at a redemption price equal to 103% of the applicable redeemed principal amount in accordance with the indentures governing each of the notes, and (ii) prepay the outstanding balance under the UM Senior Secured Facility. As the 10% redemptions of the 2022 UM Senior Secured Notes and the January 2023 5.125% UM Euro Senior Secured Notes were not completed until January 2016, the related proceeds from the issuance of the 2026 UM Senior Secured Notes of €108.2 million ($117.6 million) were held in escrow at December 31, 2015 as cash collateral. In connection with the redemption of the January 2023 5.75% UM Euro Senior Secured Notes, the April 2023 UM Senior Secured Notes and the prepayment of the outstanding balance under the UM Senior Secured Facility, we recognized a loss on debt modification and extinguishment, net, of $3.1 million in 2015. This loss includes (1) the payment of $2.6 million of redemption premium and (2) the write-off of $0.5 million of deferred financing costs.

2014 and 2013 Refinancing Transactions. During 2014 and 2013, we completed a number of refinancing transactions that generally resulted in lower interest rates and extended maturities. In connection with these transactions, we recognized losses on debt modification and extinguishment, net, of $130.8 million and $112.5 million during 2014 and 2013, respectively. These losses include (i) the payment of redemption premiums of $115.1 million and $75.0 million, respectively, (ii) the write-off of deferred financing costs of $14.0 million and $21.6 million, respectively, (iii) the write-off of unamortized discounts of $12.3 million and $15.9 million, respectively, and (iv) the write-off during 2014 of $10.6 million of unamortized premium.

Unitymedia Revolving Credit Facilities

The Unitymedia Revolving Credit Facilities are the senior secured credit facilities of certain subsidiaries of Unitymedia. The details of our borrowings under the Unitymedia Revolving Credit Facilities as of December 31, 2015 are summarized in the following table:

Unitymedia Facility	Maturity	Interest rate	Facility amount (in borrowing currency)	Unused borrowing capacity (a)	Carrying value
				in millions	
UM Senior Secured Facility (b) (d)	December 31, 2020	EURIBOR + 2.75%	€ 420.0	$ 456.4	$ —
UM Super Senior Secured Facility (c)	December 31, 2020	EURIBOR + 2.25%	€ 80.0	86.9	—
Total				$ 543.3	$ —

____

(a) At December 31, 2015, our availability under the Unitymedia Revolving Credit Facilities was limited to €435.2 million ($472.9 million). When the relevant December 31, 2015 compliance reporting requirements have been completed, and assuming no changes from December 31, 2015 borrowing levels, we anticipate the full amount of unused borrowing capacity under the Unitymedia Revolving Credit Facilities will be available to be borrowed. The Unitymedia Revolving Credit Facilities may be used for general corporate and working capital purposes.

(b) The UM Senior Secured Facility has a fee on unused commitments of 1.1% per year.

(c) The UM Super Senior Secured Facility has a fee on unused commitments of 0.9% per year and is senior with respect to the priority of proceeds received from the enforcement of shared collateral to (i) the Unitymedia Notes and (ii) the UM Senior Secured Facility.

UPCB SPE Notes

The details of the UPCB SPE Notes as of December 31, 2015 are summarized in the following table:

UPCB SPE Notes	Maturity	Interest rate	Original issue amount	Outstanding principal amount: Borrowing currency	Outstanding principal amount: U.S. $ equivalent	Estimated fair value	Carrying value
					in millions		
UPCB Finance IV Notes:							
UPCB Finance IV Dollar Notes (a)	January 15, 2025	5.375%	$ 1,140.0	$ 1,140.0	$ 1,140.0	$ 1,080.9	$ 1,138.4
UPCB Finance IV Euro Notes	January 15, 2027	4.000%	€ 600.0	€ 600.0	652.0	616.5	652.0
UPCB Finance V Notes	November 15, 2021	7.250%	$ 750.0	$ 675.0	675.0	719.7	675.0
UPCB Finance VI Notes	January 15, 2022	6.875%	$ 750.0	$ 675.0	675.0	714.6	675.0
Total					$ 3,142.0	$ 3,131.7	$ 3,140.4

____

(a) The UPCB Finance IV Dollar Notes comprise (i) $800.0 million aggregate principal amount of senior secured notes (the **Original UPCB Finance IV Dollar Notes**) and (ii) an additional $340.0 million principal amount of senior secured notes (the **Additional UPCB Finance IV Dollar Notes**). The carrying value includes the impact of a discount with respect to the Additional UPCB Finance IV Dollar Notes.

Subject to the circumstances described below, the UPCB Finance IV Dollar Notes are non-callable until January 15, 2020, the UPCB Finance IV Euro Notes are non-callable until January 15, 2021, the UPCB Finance V Notes are non-callable until November 15, 2016 and the UPCB Finance VI Notes are non-callable until January 15, 2017 (each a **UPCB SPE Notes Call Date**). If, however, at any time prior to the applicable UPCB SPE Notes Call Date, all or a portion of the loans under the related UPCB SPE Funded Facility are voluntarily prepaid (a **UPCB Early Redemption Event**), then the applicable UPCB SPE will be required to redeem an aggregate principal amount of its UPCB SPE Notes equal to the aggregate principal amount of the loans so prepaid under the relevant UPCB SPE Funded Facility. In general, the redemption price payable will equal 100% of the principal amount of the applicable UPCB SPE Notes to be redeemed and a "make-whole" premium, which is the present value of all remaining scheduled interest payments to the applicable UPCB SPE Notes Call Date using the discount rate (as specified in the applicable indenture) as of the redemption date plus 50 basis points.

Upon the occurrence of a UPCB Early Redemption Event on or after the applicable UPCB SPE Notes Call Date, the applicable UPCB SPE will redeem an aggregate principal amount of its UPCB SPE Notes equal to the principal amount of the related UPCB SPE Funded Facility prepaid at the following redemption prices (expressed as a percentage of the principal amount), plus accrued and unpaid interest and additional amounts (as specified in the applicable indenture), if any, to the applicable redemption date, as set forth below:

	Redemption price			
	UPCB Finance IV Dollar Notes	**UPCB Finance IV Euro Notes**	**UPCB Finance V Notes**	**UPCB Finance VI Notes**
12-month period commencing	January 15	January 15	November 15	January 15
2016	N.A.	N.A.	103.625%	N.A.
2017	N.A.	N.A.	102.417%	103.438%
2018	N.A.	N.A.	101.208%	102.292%
2019	N.A.	N.A.	100.000%	101.146%
2020	102.688%	N.A.	100.000%	100.000%
2021	101.792%	102.000%	100.000%	100.000%
2022	100.896%	101.000%	N.A.	100.000%
2023	100.000%	100.500%	N.A.	N.A.
2024 and thereafter	100.000%	100.000%	N.A.	N.A.

2015 Refinancing Transactions. During 2015, UPCB Finance IV issued (i) the Original UPCB Finance IV Dollar Notes, (ii) the UPCB Finance IV Euro Notes and (iii) the Additional UPCB Finance IV Dollar Notes, the proceeds of which were used to fund UPC Facilities AL, AK and AL2, respectively. UPC Facility AL2 has been merged with UPC Facility AL. The net proceeds from UPC Facility AL and UPC Facility AK were used to (a) prepay the remaining €190.0 million ($206.5 million) outstanding principal amount of UPC Facility Y, together with accrued and unpaid interest and the related prepayment premium, to UPCB Finance II and, in turn, UPCB Finance II used such proceeds to fully redeem the remaining outstanding amount of its UPCB Finance II Notes, (b) prepay the $1.0 billion outstanding principal amount of UPC Facility Z, together with accrued and unpaid interest and the related prepayment premium, to UPCB Finance III Limited (**UPCB Finance III**) and, in turn, UPCB Finance III used such proceeds to fully redeem the $1.0 billion aggregate principal amount of its 6.625% senior secured notes, (c) prepay in full the then outstanding €600.0 million ($652.0 million) amount under UPC Facility AI and (d) prepay 10% of the outstanding principal amount of each of the following: (1) UPC Facility AC, together with accrued and unpaid interest and the related prepayment premium, to UPCB Finance V and, in turn, UPCB Finance V used such proceeds to redeem 10% of the outstanding principal amount of the UPCB Finance V Notes and (2) UPC Facility AD, together with accrued and unpaid interest and the related prepayment premium, to UPCB Finance VI and, in turn, UPCB Finance VI used such proceeds to redeem 10% of the outstanding principal amount of the UPCB Finance VI Notes. The redemption price for the UPCB Finance V Notes and the UPCB Finance VI Notes was 103% of the applicable redeemed principal amount. In connection with these transactions, we recognized a loss on debt modification and extinguishment, net, of $59.6 million. This loss includes (I) the payment of $54.3 million of redemption premium and (II) the write-off of $5.3 million of deferred financing costs.

UPC Holding Senior Notes

The details of the UPC Holding Senior Notes as of December 31, 2015 are summarized in the following table:

UPC Holding Senior Notes	Maturity	Outstanding principal amount			
		Borrowing currency	U.S. $ equivalent	Estimated fair value	Carrying value
			in millions		
UPC Holding 6.375% Senior Notes (a)	September 15, 2022	€ 600.0	$ 652.0	$ 693.9	$ 647.6
UPC Holding 6.75% Senior Notes:					
UPC Holding 6.75% Euro Senior Notes	March 15, 2023	€ 450.0	489.0	528.7	489.0
UPC Holding 6.75% CHF Senior Notes	March 15, 2023	CHF 350.0	350.1	378.8	350.1
Total			$ 1,491.1	$ 1,601.4	$ 1,486.7

____

(a) Carrying value includes the impact of a discount.

At any time prior to September 15, 2017, in the case of the UPC Holding 6.375% Senior Notes, and March 15, 2018, in the case of the UPC Holding 6.75% Senior Notes, UPC Holding may redeem some or all of such UPC Holding Senior Notes by paying a "make-whole" premium, which is the present value of all scheduled interest payments until September 15, 2017 or March 15, 2018 (as applicable) using the discount rate (as specified in the applicable indenture) as of the redemption date, plus 50 basis points.

UPC Holding may redeem some or all of the UPC Holding Senior Notes at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and additional amounts (as specified in the applicable indenture), if any, to the applicable redemption date, as set forth below:

	Redemption price	
	UPC Holding 6.375% Senior Notes	UPC Holding 6.75% Senior Notes
12-month period commencing	September 15	March 15
2016	N.A.	N.A.
2017	103.188%	N.A.
2018	102.125%	103.375%
2019	101.063%	102.250%
2020	100.000%	101.125%
2021 and thereafter	100.000%	100.000%

2015 Transaction. During the first quarter of 2015, UPC Holding used the cash consideration received in connection with the UPC Ireland Transfer to redeem in full the €640.0 million ($695.4 million) principal amount of its 8.375% senior notes due August 15, 2020. In connection with this transaction, we recognized a loss on debt modification and extinguishment, net, of $69.3 million. This loss includes (i) the payment of $59.2 million of redemption premium and (ii) the write-off of $10.1 million of deferred financing costs.

2014 and 2013 Transactions. During 2014 and 2013, we completed a number of refinancing transactions that generally resulted in lower interest rates and extended maturities. In connection with these transactions, we recognized losses on debt modification and extinguishment, net, of $41.5 million and $85.5 million during 2014 and 2013, respectively, which includes (i) the payments of redemption premium of $19.7 million and $35.6 million, respectively, (ii) the write-off of unamortized discount of $17.4 million and $24.5 million, respectively, (iii) the write-off of deferred financing costs of $4.4 million and $19.0 million, respectively, and (iv) aggregate interest expense of nil and $6.4 million, respectively.

UPC Broadband Holding Bank Facility

The UPC Broadband Holding Bank Facility is the senior secured credit facility of certain subsidiaries of UPC Holding. The details of our borrowings under the UPC Broadband Holding Bank Facility as of December 31, 2015 are summarized in the following table:

UPC Broadband Holding Facility	Maturity	Interest rate	Facility amount (in borrowing currency) (a)	Unused borrowing capacity (b)	Carrying value
				in millions	
AC (c)	November 15, 2021	7.250%	$ 675.0	$ —	$ 675.0
AD (c)	January 15, 2022	6.875%	$ 675.0	—	675.0
AH (d)	June 30, 2021	LIBOR + 2.50% (e)	$ 1,305.0	—	1,302.4
AK (c)	January 15, 2027	4.000%	€ 600.0	—	652.0
AL (c)	January 15, 2025	5.375%	$ 1,140.0	—	1,140.0
AM	December 31, 2021	EURIBOR + 2.75%	€ 990.1	1,075.8	—
Elimination of Facilities AC, AD, AK and AL in consolidation (c)				—	(3,142.0)
Total				$ 1,075.8	$ 1,302.4

(a) Except as described in (c) below, amounts represent total third-party facility amounts at December 31, 2015 without giving effect to the impact of discounts.

(b) At December 31, 2015, our availability under the UPC Broadband Holding Bank Facility was limited to €716.4 million ($778.4 million). When the relevant December 31, 2015 compliance reporting requirements have been completed, and assuming no changes from the December 31, 2015 borrowing levels, we anticipate that our availability under the UPC Broadband Holding Bank Facility will be limited to €858.3 million ($932.6 million). UPC Facility AM has a fee on unused commitments of 1.1% per year.

(c) As further discussed in the below description of the UPCB SPE Notes, the amounts borrowed by UPC Financing Partnership (**UPC Financing**) outstanding under UPC Facilities AC, AD, AK and AL are eliminated in Liberty Global's consolidated financial statements.

(d) The carrying value of UPC Facility AH includes the impact of a discount.

(e) UPC Facility AH has a LIBOR floor of 0.75%.

2015 Transactions. During the first quarter of 2015, in connection with certain internal reorganizations of our broadband and wireless communications businesses in Europe, (i) a controlling interest in UPC Broadband Ireland Ltd. and its subsidiaries was transferred from a subsidiary of UPC Holding to a subsidiary of Virgin Media (the **UPC Ireland Transfer**), with the remaining noncontrolling interest transferred to another subsidiary of Liberty Global outside the UPC Holding borrowing group and (ii) Ziggo Services B.V. (**Ziggo Services**) and its subsidiaries were transferred from a subsidiary of UPC Holding to Ziggo Group Holding (the **Ziggo Services Transfer**). UPC Holding used the cash consideration received in connection with the Ziggo Services Transfer and the UPC Ireland Transfer to prepay (a) the full €500.0 million ($543.3 million) outstanding principal amount of UPC Facility V, together with accrued and unpaid interest and the related prepayment premium to UPCB Finance I Limited (**UPCB Finance I**) and, in turn, UPCB Finance I used such proceeds to fully redeem the €500.0 million ($543.3 million) aggregate principal amount of its 7.625% senior secured notes, (b) €560.0 million ($608.5 million) of its €750.0 million ($815.0 million) outstanding principal amount of UPC Facility Y, together with accrued and unpaid interest and the related prepayment premium to UPCB Finance II Limited (**UPCB Finance II**) and, in turn, UPCB Finance II used such proceeds to redeem €560.0 million ($608.5 million) of the €750.0 million ($815.0 million) aggregate principal amount of its 6.375% senior secured notes (the **UPCB Finance II Notes**) and (c) the remaining €870.2 million ($945.6 million) outstanding principal amount of UPC Facility AG, together with accrued and unpaid interest. In connection with these transactions, we recognized a loss on debt modification and extinguishment,

net, of $76.9 million. This loss includes (1) the payment of $53.5 million of redemption premium, (2) the write-off of $18.7 million of deferred financing costs and (3) the write-off of $4.7 million of unamortized discount.

On August 3, 2015, UPC Financing entered into UPC Facility AM (a revolving term loan). In connection with this transaction, the then existing undrawn revolving term loan UPC Facility AI was cancelled.

2014 and 2013 Refinancing Transactions. During 2014 and 2013, we completed a number of refinancing transactions that generally resulted in additional borrowings or extended maturities under the the UPC Broadband Holding Bank Facility. In connection with these transactions, we recognized losses on debt modification and extinguishment, net, of $16.5 million and $11.9 million during 2014 and 2013, respectively. These losses include (i) the write-off of deferred financing costs and unamortized discounts of $16.5 million and $4.2 million, respectively, and (ii) third-party debt modification costs of nil and $7.7 million, respectively.

Telenet SPE Notes

The details of the Telenet SPE Notes as of December 31, 2015 are summarized in the following table:

Telenet SPEs Notes	Maturity	Interest rate	Outstanding principal amount		Estimated fair value	Carrying value
			Borrowing currency	U.S. $ equivalent		
				in millions		
Telenet Finance III Notes	February 15, 2021	6.625%	€ 300.0	$ 326.0	$ 337.4	$ 326.0
Telenet Finance IV Notes	June 15, 2021	EURIBOR + 3.875%	€ 400.0	434.6	435.2	434.6
6.25% Telenet Finance V Notes	August 15, 2022	6.250%	€ 450.0	489.0	529.0	489.0
6.75% Telenet Finance V Notes	August 15, 2024	6.750%	€ 250.0	271.7	298.8	271.7
Telenet Finance VI Notes	July 15, 2027	4.875%	€ 530.0	575.9	555.4	575.9
Total				$ 2,097.2	$ 2,155.8	$ 2,097.2

Subject to the circumstances described below, the Telenet Finance III Notes are non-callable until February 15, 2016, the Telenet Finance IV Notes are non-callable until June 15, 2014, the 6.25% Telenet Finance V Notes are non-callable until August 15, 2017, the 6.75% Telenet Finance V Notes are non-callable until August 15, 2018 and the Telenet Finance VI Notes are non-callable until July 15, 2021 (each a **Telenet SPE Notes Call Date**). If, however, at any time prior to the applicable Telenet SPE Notes Call Date, all or a portion of the loans under the related Telenet SPE Funded Facility are voluntarily prepaid (a **Telenet Early Redemption Event**), then the applicable Telenet SPE will be required to redeem an aggregate principal amount of its Telenet SPE Notes equal to the principal amount of the loans so prepaid under the relevant Telenet SPE Funded Facility. In general, the redemption price payable will equal 100% of the principal amount of the applicable Telenet SPE Notes to be redeemed and a “make-whole” premium, which is the present value of all remaining scheduled interest payments to the applicable Telenet SPE Notes Call Date using the discount rate (as specified in the applicable indenture) as of the redemption date plus 50 basis points.

Upon the occurrence of a Telenet Early Redemption Event on or after the applicable Telenet SPE Notes Call Date, the applicable Telenet SPE will redeem an aggregate principal amount of its Telenet SPE Notes equal to the principal amount of the related Telenet SPE Funded Facility prepaid at the following redemption prices (expressed as a percentage of the principal amount), plus accrued and unpaid interest and additional amounts (as specified in the applicable indenture), if any, to the applicable redemption date, as set for below:

	Redemption price				
	Telenet Finance III Notes	**Telenet Finance IV Notes**	**6.25% Telenet Finance V Notes**	**6.75% Telenet Finance V Notes**	**Telenet Finance VI Notes**
12-month period commencing	February 15	June 15	August 15	August 15	July 15
2016	103.313%	100.000%	N.A.	N.A.	N.A.
2017	102.209%	100.000%	103.125%	N.A.	N.A.
2018	101.104%	100.000%	102.083%	103.375%	N.A.
2019	100.000%	100.000%	101.563%	102.531%	N.A.
2020	100.000%	100.000%	100.000%	101.688%	N.A.
2021	100.000%	100.000%	100.000%	100.844%	102.438%
2022	N.A.	N.A.	100.000%	100.000%	101.219%
2023	N.A.	N.A.	N.A.	100.000%	100.609%
2024 and thereafter	N.A.	N.A.	N.A.	100.000%	100.000%

2015 Refinancing Transactions. On July 24, 2015, Telenet Finance VI issued the Telenet Finance VI Notes. Telenet Finance VI used the proceeds from the Telenet Finance VI Notes to fund Telenet Facility AB. The net proceeds from Telenet Facility AB were used to prepay the full €500.0 million ($543.3 million) principal amount of Telenet Facility M, together with accrued and unpaid interest and the related prepayment premium, to Telenet Finance Luxembourg S.C.A. (**Telenet Finance**) and, in turn, Telenet Finance used such proceeds to fully redeem the €500.0 million ($543.3 million) principal amount of its 6.375% senior secured notes. In connection with this transaction, we recognized a loss on debt modification and extinguishment, net, of $34.3 million, representing the payment of redemption premium.

Telenet Credit Facility

The Telenet Credit Facility is the senior secured credit facility of certain subsidiaries of Telenet. The details of our borrowings under the Telenet Credit Facility as of December 31, 2015 are summarized in the following table:

Telenet Facility	Maturity	Interest rate	Facility amount (in borrowing currency) (a)	Unused borrowing capacity (b)	Carrying value
				in millions	
O (c)	February 15, 2021	6.625%	€ 300.0	$ —	$ 326.0
P (c)	June 15, 2021	EURIBOR + 3.875%	€ 400.0	—	434.6
U (c)	August 15, 2022	6.250%	€ 450.0	—	489.0
V (c)	August 15, 2024	6.750%	€ 250.0	—	271.7
W (d)	June 30, 2022	EURIBOR + 3.25%	€ 474.1	—	514.2
X (e)	September 30, 2020	EURIBOR + 2.75%	€ 381.0	414.0	—
Y (d)	June 30, 2023	EURIBOR + 3.50%	€ 882.9	—	957.6
Z	June 30, 2018	EURIBOR + 2.25%	€ 200.0	(f)	—
AA	June 30, 2023	EURIBOR + 3.50%	€ 800.0	(f)	—
AB (c)	July 15, 2027	4.875%	€ 530.0	—	575.9
Elimination of Telenet Facilities O, P, U, V and AB in consolidation (c)				—	(2,097.2)
Total				$ 414.0	$ 1,471.8

(a) Except as described in (c) below, amounts represent total third-party facility amounts at December 31, 2015 without giving effect to the impact of discounts.

(b) Telenet Facility X has a fee on unused commitments of 1.1% per year.

(c) As further discussed in the below description of the Telenet SPE Notes, the amounts outstanding under Telenet Facilities O, P, U, V and AB are eliminated in Liberty Global's consolidated financial statements.

(d) The carrying values of Telenet Facilities W and Y include the impact of discounts.

(e) On July 1, 2015, (i) the commitments under Telenet's revolving credit facilities were increased by €85.0 million ($92.4 million) (**Telenet Facility X2**) and (ii) a lender under the then existing Telenet Facility S agreed to novate commitments of €10.0 million ($10.9 million) to a subsidiary of Telenet and enter into the new Telenet Facility X2, which was subsequently merged with Telenet Facility X, resulting in total increased availability under Telenet Facility X of €95.0 million ($103.3 million). In September 2015, Telenet Facility S, which was undrawn, was cancelled.

(f) On May 7, 2015, Telenet International entered into a new revolving credit facility (**Telenet Facility Z**) and a new term loan facility (**Telenet Facility AA**). At December 31, 2015, Telenet Facility Z and Telenet Facility AA were undrawn. In February 2016, Telenet borrowed the full amount under Telenet Facility Z and Telenet Facility AA and €217.0 million ($245.9 million at the transaction date) under Telenet Facility X to fund a portion of the cash consideration paid to acquire BASE Company N.V. (**BASE**). Although Telenet currently has the ability, subject to certain restrictions and covenant limitations, to draw certain amounts under Telenet Facility Z and Telenet Facility AA for general corporate purposes, we expect that these facilities will remain undrawn until the closing of the acquisition of BASE. Accordingly, Telenet's unused borrowing capacity at December 31, 2015 excludes the availability under Telenet Facility Z and Telenet Facility AA. For information regarding Telenet's acquisition of BASE, see note 20.

2014 Refinancing Transactions. During 2014, we completed a number of refinancing transactions that generally resulted in lower interest rates and extended maturities. In connection with these transactions, we recognized a loss on debt modification and extinguishment, net, of $11.9 million, which includes (i) the write-off of $7.1 million of deferred financing costs, (ii) the payment of $3.6 million of redemption premium and (iii) the write-off of $1.2 million of unamortized discount.

VTR Finance Senior Secured Notes

On January 24, 2014, VTR Finance issued $1.4 billion principal amount of VTR Finance Senior Secured Notes. At any time prior to January 15, 2019, VTR Finance may redeem some or all of the VTR Finance Senior Secured Notes by paying a "make-whole" premium, which is the present value of all remaining scheduled interest payments to January 15, 2019 using the discount rate (as specified in the VTR Indenture) as of the applicable redemption date plus 50 basis points.

VTR Finance may redeem all or part of the VTR Finance Senior Secured Notes at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and additional amounts (as specified in the VTR Indenture), if any, to the applicable redemption date, as set forth below:

	Redemption price
12-month period commencing January 15:	
2019	103.438%
2020	102.292%
2021	101.146%
2022 and thereafter	100.000%

Liberty Puerto Rico Bank Facility

The Liberty Puerto Rico Bank Facility is the senior secured credit facility of certain subsidiaries of Liberty Puerto Rico. The details of our borrowings under the Liberty Puerto Rico Bank Facility as of December 31, 2015 are summarized in the following table:

Liberty Puerto Rico Facility	Maturity	Interest rate	Facility amount (in borrowing currency)	Unused borrowing capacity	Carrying value (a)
				in millions	
LPR Term Loan B (b)	January 7, 2022	LIBOR + 3.50% (c)	$ 765.0	$ —	$ 757.0
LPR Term Loan C (b)	July 7, 2023	LIBOR + 6.75% (c)	$ 177.5	—	176.9
Revolving Loan (d)	July 7, 2020	LIBOR + 3.50%	$ 40.0	40.0	—
Total				$ 40.0	$ 933.9

(a) The carrying values of LPR Term Loan B and LPR Term Loan C include the impact of discounts.

(b) In June 2015, we increased the principal amount outstanding under (i) LPR Term Loan B by $235.0 million and (ii) LPR Term Loan C by $32.5 million. Substantially all of the net proceeds from this borrowing were used to fund a portion of the purchase price for the Choice Acquisition. For additional information regarding the Choice Acquisition, see note 4.

(c) LPR Term Loan B and LPR Term Loan C each have a LIBOR floor of 1.0%.

(d) The LPR Revolving Loan has a fee on unused commitments of 0.50% or 0.375% depending on the consolidated total net leverage ratio (as specified in the Liberty Puerto Rico Bank Facility).

2014 Refinancing Transactions. During 2014, we completed various refinancing transactions that generally resulted in additional borrowings or extended maturities under the Liberty Puerto Rico Bank Facility. In connection with these transactions,

we recognized a loss on debt modification and extinguishment, net, of $9.8 million. This loss includes (i) third-party costs of $7.1 million, (ii) the write-off of deferred financing costs of $3.6 million and (iii) the write-off of unamortized premium of $0.9 million.

Maturities of Debt and Capital Lease Obligations

Maturities of our debt and capital lease obligations as of December 31, 2015 are presented below for the named entity and its subsidiaries, unless otherwise noted. Amounts presented below represent U.S. dollar equivalents based on December 31, 2015 exchange rates:

Debt:

	Liberty Global Group							LiLAC Group			
	Virgin Media	Ziggo Group Holding (a)	Unitymedia	UPC Holding (b)	Telenet (c)	Other	Total Liberty Global Group	VTR	Liberty Puerto Rico	Total LiLAC Group	Total
	in millions										
Year ending December 31:											
2016	$ 1,028.5	$ 125.7	$ 254.6	$ 593.7	$ 8.0	$ 370.2	$ 2,380.7	$ —	$ —	$ —	$ 2,380.7
2017	—	0.4	—	—	8.0	511.7	520.1	—	—	—	520.1
2018	—	—	—	—	8.0	1,261.5	1,269.5	—	—	—	1,269.5
2019	—	—	—	—	18.4	351.6	370.0	—	—	—	370.0
2020	—	77.9	—	—	12.2	27.6	117.7	—	—	—	117.7
Thereafter	13,804.9	7,783.4	7,569.6	5,938.1	3,657.1	27.6	38,780.7	1,400.0	942.5	2,342.5	41,123.2
Total debt maturities	14,833.4	7,987.4	7,824.2	6,531.8	3,711.7	2,550.2	43,438.7	1,400.0	942.5	2,342.5	45,781.2
Unamortized premium (discount)	16.8	25.2	—	(8.6)	(2.7)	(68.8)	(38.1)	—	(8.6)	(8.6)	(46.7)
Total debt	$14,850.2	$ 8,012.6	$ 7,824.2	$ 6,523.2	$ 3,709.0	$ 2,481.4	$ 43,400.6	$1,400.0	$ 933.9	$2,333.9	$ 45,734.5
Current portion (d)	$ 1,029.9	$ 125.7	$ 254.6	$ 593.7	$ 8.0	$ 370.2	$ 2,382.1	$ —	$ —	$ —	$ 2,382.1
Noncurrent portion	$13,820.3	$ 7,886.9	$ 7,569.6	$ 5,929.5	$ 3,701.0	$ 2,111.2	$ 41,018.5	$1,400.0	$ 933.9	$2,333.9	$ 43,352.4

(a) Amounts include the Ziggo SPE Notes issued by the Ziggo SPEs. As described above, the Ziggo SPEs are consolidated by Ziggo Group Holding and Liberty Global.

(b) Amounts include the UPCB SPE Notes issued by the UPCB SPEs. As described above, the UPCB SPEs are consolidated by UPC Holding and Liberty Global.

(c) Amounts include the Telenet SPE Notes issued by the Telenet SPEs. As described above, the Telenet SPEs are consolidated by Telenet and Liberty Global.

(d) The outstanding principal amounts of our subsidiaries' revolving credit facilities are included in our current debt maturities.

Capital lease obligations:

	Liberty Global Group						
	Unitymedia	Telenet	Virgin Media	Other	Total Liberty Global Group	Total LiLAC Group	Total
				in millions			
Year ending December 31:							
2016	$ 79.7	$ 63.6	$ 76.4	$ 24.0	$ 243.7	$ 0.8	$ 244.5
2017	79.7	60.3	35.5	18.9	194.4	0.2	194.6
2018	79.7	58.2	12.0	12.7	162.6	—	162.6
2019	79.7	48.7	5.2	7.8	141.4	—	141.4
2020	79.7	46.0	4.2	5.5	135.4	—	135.4
Thereafter	787.5	218.4	206.0	42.8	1,254.7	—	1,254.7
Total principal and interest payments	1,186.0	495.2	339.3	111.7	2,132.2	1.0	2,133.2
Amounts representing interest	(482.9)	(124.1)	(179.8)	(23.5)	(810.3)	(0.1)	(810.4)
Present value of net minimum lease payments	$ 703.1	$ 371.1	$ 159.5	$ 88.2	$ 1,321.9	$ 0.9	$ 1,322.8
Current portion	$ 26.3	$ 40.5	$ 69.1	$ 19.1	$ 155.0	$ 0.8	$ 155.8
Noncurrent portion	$ 676.8	$ 330.6	$ 90.4	$ 69.1	$ 1,166.9	$ 0.1	$ 1,167.0

Non-cash Refinancing Transactions

During 2015, 2014 and 2013, certain of our refinancing transactions included non-cash borrowings and repayments of debt aggregating $3,586.5 million, $5,418.8 million and $5,061.5 million, respectively. During 2013, we also recorded a $3,557.5 million non-cash increase to our debt as a result of certain financing transactions completed in contemplation of the execution of the Virgin Media Merger Agreement. For additional information, see note 4.

(11) Income Taxes

Liberty Global files its primary income tax return in the U.K. Its subsidiaries file income tax returns in the U.K., the U.S., the Netherlands and a number of other jurisdictions. The income taxes of Liberty Global and its subsidiaries are presented on a separate return basis for each tax-paying entity or group.

The components of our loss from continuing operations before income taxes are as follows:

	Year ended December 31,		
	2015	2014	2013
		in millions	
The Netherlands	$ (1,353.3)	$ (644.5)	$ 799.9
U.S.	(924.5)	(1,105.6)	(306.3)
U.K.	778.1	585.7	(976.0)
Switzerland	395.3	326.1	284.3
Chile	182.3	43.1	(84.5)
Belgium	175.4	21.5	89.5
Germany	(5.1)	(294.7)	(355.8)
Other	67.2	12.5	22.4
Total	$ (684.6)	$ (1,055.9)	$ (526.5)

Income tax benefit (expense) consists of:

	Current	Deferred	Total
		in millions	
Year ended December 31, 2015:			
Continuing operations:			
U.K.	$ (0.9)	$ (208.5)	$ (209.4)
The Netherlands	2.5	159.0	161.5
Belgium	(125.4)	11.1	(114.3)
Switzerland	(63.2)	(14.7)	(77.9)
Chile	(57.4)	13.5	(43.9)
Germany	(66.7)	24.3	(42.4)
U.S. (a)	(81.2)	58.7	(22.5)
Other	(22.7)	6.7	(16.0)
Total — continuing operations	$ (415.0)	$ 50.1	$ (364.9)
Year ended December 31, 2014:			
Continuing operations:			
U.K.	$ (2.1)	$ 113.4	$ 111.3
U.S. (a)	(22.5)	129.6	107.1
Belgium	(138.7)	31.7	(107.0)
Switzerland	(76.8)	3.1	(73.7)
The Netherlands	11.1	42.5	53.6
Germany	(22.6)	37.0	14.4
Chile	17.1	(24.1)	(7.0)
Other	(41.1)	17.4	(23.7)
Total — continuing operations	$ (275.6)	$ 350.6	$ 75.0
Discontinued operation	$ —	$ (0.1)	$ (0.1)
Year ended December 31, 2013:			
Continuing operations:			
U.K.	$ (2.4)	$ (245.2)	$ (247.6)
Belgium	(97.1)	(16.2)	(113.3)
The Netherlands	0.5	97.3	97.8
Switzerland	(53.6)	(4.4)	(58.0)
Germany	(13.2)	(38.1)	(51.3)
Chile	(34.0)	56.0	22.0
U.S. (a)	(106.0)	104.9	(1.1)
Other	(31.1)	27.1	(4.0)
Total — continuing operations	$ (336.9)	$ (18.6)	$ (355.5)
Discontinued operation	$ (20.5)	$ (2.2)	$ (22.7)

(a) Includes federal and state income taxes. Our U.S. state income taxes were not material during any of the years presented.

Income tax benefit (expense) attributable to our loss from continuing operations before income taxes differs from the amounts computed using the applicable income tax rate as a result of the following factors:

	Year ended December 31,		
	2015	2014	2013
		in millions	
Computed "expected" tax benefit (a)	$ 136.9	$ 221.7	$ 121.1
Change in valuation allowances (b):			
Decrease	(508.3)	(373.1)	(112.6)
Increase	6.8	11.9	31.7
Enacted tax law and rate changes (c)	(280.5)	23.9	(377.8)
Tax effect of intercompany financing	154.9	166.9	82.7
International rate differences (b) (d):			
Increase	200.8	266.4	148.2
Decrease	(52.7)	(27.6)	(50.8)
Basis and other differences in the treatment of items associated with investments in subsidiaries and affiliates (b):			
Decrease	(96.9)	(168.0)	(288.0)
Increase	3.3	32.6	284.0
Non-deductible or non-taxable interest and other expenses (b):			
Decrease	(106.6)	(236.5)	(133.5)
Increase	48.1	58.0	85.2
Non-deductible or non-taxable foreign currency exchange results (b):			
Increase	53.2	71.9	0.5
Decrease	(5.1)	(16.3)	(56.1)
Recognition of previously unrecognized tax benefits	44.4	29.5	—
Tax benefit associated with technology innovation	21.0	—	—
Change in subsidiary tax attributes due to a deemed change in control	—	—	(88.0)
Other, net	15.8	13.7	(2.1)
Total income tax benefit (expense)	$ (364.9)	$ 75.0	$ (355.5)

____

(a) The statutory or "expected" tax rates are the U.K. rates of 20.0%, 21.0% and 23.0% for 2015, 2014 and 2013, respectively.

(b) Country jurisdictions giving rise to increases are grouped together and shown separately from country jurisdictions giving rise to decreases.

(c) In November 2015, it was announced that the U.K. corporate income tax rate will change from the current rate of 20.0% to 19.0% in April 2017 and 18.0% in April 2020. The impact of these rate changes on our deferred tax balances was recorded in the fourth quarter of 2015 when the relevant legislation was enacted. In April 2014, the U.K. corporate income tax rate decreased from 23.0% to 21.0%. Substantially all of the impact of the April 2014 rate change on our deferred tax balances was recorded in the third quarter of 2013 when the relevant legislation was enacted.

(d) Amounts reflect adjustments (either an increase or a decrease) to "expected" tax benefit for statutory rates in jurisdictions in which we operate outside of the U.K.

The current and non-current components of our deferred tax assets are as follows:

	December 31,	
	2015 (a)	2014
	in millions	
Current deferred tax assets	$ —	$ 290.3
Non-current deferred tax assets (b)	2,342.9	2,587.0
Current deferred tax liabilities	—	(0.6)
Non-current deferred tax liabilities (b)	(1,785.7)	(2,369.4)
Net deferred tax asset	$ 557.2	$ 507.3

(a) In accordance with ASU 2015-17, all of our deferred tax balances are reflected as noncurrent in our December 31, 2015 balance sheet. Our December 31, 2014 deferred tax balances have not been retroactively revised. For further information, see note 2.

(b) Our non-current deferred tax assets and liabilities are included in other assets, net and other long-term liabilities, respectively, in our consolidated balance sheets.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below:

	December 31,	
	2015	2014
	in millions	
Deferred tax assets:		
Net operating loss and other carryforwards	$ 5,873.2	$ 6,637.9
Property and equipment, net	2,583.1	2,970.7
Debt	1,611.7	1,189.0
Derivative instruments	173.1	345.9
Intangible assets	112.4	149.6
Other future deductible amounts	272.5	265.3
Deferred tax assets	10,626.0	11,558.4
Valuation allowance	(6,395.6)	(6,679.4)
Deferred tax assets, net of valuation allowance	4,230.4	4,879.0
Deferred tax liabilities:		
Intangible assets	(1,826.5)	(2,338.2)
Property and equipment, net	(1,053.4)	(1,362.9)
Investments	(374.5)	(367.6)
Derivative instruments	(280.7)	(142.7)
Other future taxable amounts	(138.1)	(160.3)
Deferred tax liabilities	(3,673.2)	(4,371.7)
Net deferred tax asset	$ 557.2	$ 507.3

Our deferred income tax valuation allowance decreased $283.8 million in 2015. This decrease reflects the net effect of (i) the net tax expense related to our continuing operations of $501.5 million, (ii) foreign currency translation adjustments, (iii) the effect of enacted tax law and rate changes and (iv) other individually insignificant items.

Virgin Media had property and equipment on which future U.K. tax deductions can be claimed of $21.0 billion and $21.6 billion at December 31, 2015 and 2014, respectively. The maximum amount of these "capital allowances" that can be claimed in any one year is 18% of the remaining balance, after additions, disposals and prior claims. The tax effects of the excess of these capital allowances over the related financial reporting bases are included in the 2015 and 2014 deferred tax assets related to property and equipment, net, in the above table.

At December 31, 2015, our unrecognized excess tax benefits aggregated $179.0 million. These excess tax benefits, which represent tax deductions in excess of the financial reporting expense for share-based compensation, will not be recognized for financial reporting purposes until such time as these tax benefits can be realized as a reduction of income taxes payable. The tax effects of these unrecognized excess tax benefits are not included in the above table.

The significant components of our tax loss carryforwards and related tax assets at December 31, 2015 are as follows:

Country	Tax loss carryforward	Related tax asset	Expiration date
	in millions		
U.K.:			
Amount attributable to capital losses	$ 17,822.6	$ 3,208.0	Indefinite
Amount attributable to net operating losses	1,528.8	275.2	Indefinite
The Netherlands	3,539.1	884.8	2016-2024
Germany	2,002.2	321.8	Indefinite
U.S.	1,323.2	329.4	2019-2033
Luxembourg	1,052.0	307.4	Indefinite
Belgium	586.4	199.3	Indefinite
France	522.7	180.0	Indefinite
Ireland	558.5	69.8	Indefinite
Hungary	230.9	43.9	2020-2025
Other	247.8	53.6	Various
Total	$ 29,414.2	$ 5,873.2	

Our tax loss carryforwards within each jurisdiction combine all companies' tax losses (both capital and ordinary losses) in that jurisdiction, however, certain tax jurisdictions limit the ability to offset taxable income of a separate company or different tax group with the tax losses associated with another separate company or group. Further, tax jurisdictions restrict the type of taxable income that the above losses are able to offset. The majority of the tax losses shown in the above table are not expected to be realized, including certain losses that are limited in use due to change in control or same business tests.

We intend to indefinitely reinvest earnings from certain non-U.S. operations except to the extent the earnings are subject to current income taxes. At December 31, 2015, income and withholding taxes for which a net deferred tax liability might otherwise be required have not been provided on an estimated $9.1 billion of cumulative temporary differences (including, for this purpose, any difference between the aggregate tax basis in stock of a consolidated subsidiary and the corresponding amount of the subsidiary's net equity, including cumulative translation adjustments, determined for financial reporting purposes) on non-U.S. entities. The determination of the additional withholding tax that would arise upon a reversal of temporary differences is impractical to estimate as it is subject to offset by available foreign tax credits and subject to certain limitations.

In general, a U.K. or U.S. corporation may claim a foreign tax credit against its income tax expense for foreign income taxes paid or accrued. A U.S. corporation may also claim a credit for foreign income taxes paid or accrued on the earnings of a foreign corporation paid to the U.S. corporation as a dividend.

Our ability to claim a foreign tax credit for dividends received from our foreign subsidiaries or foreign taxes paid or accrued is subject to various significant limitations under U.S. tax laws including a limited carry back and carry forward period. Some of our operating companies are located in countries with which the U.K. or U.S. does not have income tax treaties. Because we lack

treaty protection in these countries, we may be subject to high rates of withholding taxes on distributions and other payments from these operating companies and may be subject to double taxation on our income. Limitations on the ability to claim a foreign tax credit, lack of treaty protection in some countries and the inability to offset losses in one jurisdiction against income earned in another jurisdiction could result in a high effective tax rate on our earnings. Since a significant portion of our revenue is generated outside of the U.K. and substantially all of our revenue is generated outside the U.S., including in jurisdictions that do not have tax treaties with the U.K. or U.S., these risks are greater for us than for companies that generate most of their revenue in the U.K. or U.S. or in jurisdictions that have these treaties.

Through our subsidiaries, we maintain a presence in many countries. Many of these countries maintain highly complex tax regimes that differ significantly from the system of income taxation used in the U.K. and the U.S. We have accounted for the effect of these taxes based on what we believe is reasonably expected to apply to us and our subsidiaries based on tax laws currently in effect and reasonable interpretations of these laws. Because some jurisdictions do not have systems of taxation that are as well established as the system of income taxation used in the U.K., U.S. or tax regimes used in other major industrialized countries, it may be difficult to anticipate how other jurisdictions will tax our and our subsidiaries' current and future operations.

Although we intend to take reasonable tax planning measures to limit our tax exposures, no assurance can be given that we will be able to do so.

We and our subsidiaries file consolidated and standalone income tax returns in various jurisdictions. In the normal course of business, our income tax filings are subject to review by various taxing authorities. In connection with such reviews, disputes could arise with the taxing authorities over the interpretation or application of certain income tax rules related to our business in that tax jurisdiction. Such disputes may result in future tax and interest and penalty assessments by these taxing authorities. The ultimate resolution of tax contingencies will take place upon the earlier of (i) the settlement date with the applicable taxing authorities in either cash or agreement of income tax positions or (ii) the date when the tax authorities are statutorily prohibited from adjusting the company's tax computations.

In general, tax returns filed by our company or our subsidiaries for years prior to 2008 are no longer subject to examination by tax authorities. Certain of our subsidiaries are currently involved in income tax examinations in various jurisdictions in which we operate, including Chile (2010 through 2012), the Czech Republic (2013), Germany (2008 through 2013), Hungary (2012 through 2013), the Netherlands (2013 through 2015), Poland (2013), Slovakia (2011), Switzerland (2011-2012) and the U.S. (2009 through 2015). Except as noted below, any adjustments that might arise from the foregoing examinations are not expected to have a material impact on our consolidated financial position or results of operations. In the U.S., we have received notices of adjustment from the Internal Revenue Service with respect to our 2013, 2010 and 2009 income tax returns, as well as a proposed adjustment to our 2013 withholding tax return. We have entered into the appeals process with respect to the 2010 and 2009 matters. While we believe that the ultimate resolution of these proposed adjustments will not have a material impact on our consolidated financial position, results of operations or cash flows, no assurance can be given that this will be the case given the amounts involved and the complex nature of the related issues.

The changes in our unrecognized tax benefits are summarized below:

	2015	2014	2013
		in millions	
Balance at January 1	$ 513.5	$ 490.9	$ 359.7
Additions based on tax positions related to the current year	142.3	38.2	102.3
Reductions for tax positions of prior years	(42.2)	(50.2)	(14.2)
Additions for tax positions of prior years	27.0	64.5	41.5
Foreign currency translation	(22.3)	(27.0)	7.9
Lapse of statute of limitations	(8.3)	(1.9)	(6.3)
Settlements with tax authorities	(0.1)	(1.0)	—
Balance at December 31	$ 609.9	$ 513.5	$ 490.9

No assurance can be given that any of these tax benefits will be recognized or realized.

As of December 31, 2015, our unrecognized tax benefits included $299.4 million of tax benefits that would have a favorable impact on our effective income tax rate if ultimately recognized, after considering amounts that we would expect to be offset by valuation allowances and other factors.

During 2016, it is reasonably possible that the resolution of ongoing examinations by tax authorities as well as expiration of statutes of limitation could result in significant reductions to our unrecognized tax benefits related to tax positions taken as of December 31, 2015. The amount of any such reductions could range up to $250 million. Other than the potential impacts of these ongoing examinations and the expected expiration of certain statutes of limitation, we do not expect any material changes to our unrecognized tax benefits during 2016. No assurance can be given as to the nature or impact of any changes in our unrecognized tax positions during 2016.

During 2015, 2014 and 2013, the income tax benefit (expense) of our continuing operations includes net income tax expense of $10.3 million, $10.9 million and $14.0 million, respectively, representing the net accrual of interest and penalties during the period. Our other long-term liabilities include accrued interest and penalties of $61.4 million at December 31, 2015.

(12) Equity

Capitalization

Our authorized share capital consists of an aggregate nominal amount of $20.0 million, consisting of any of the following: (i) Liberty Global Shares (Class A, B or C), each with a nominal value of $0.01 per share, (ii) LiLAC Shares (Class A, B or C), each with a nominal value of $0.01 per share, (iii) preference shares, with a nominal value to be determined by the board of directors, the issuance of one or more classes or series of which as may be authorized by the board of directors, and (iv) any other shares of one or more classes as may be determined by the board of directors or by the shareholders of Liberty Global.

Under Liberty Global's Articles of Association, effective as of July 1, 2015, holders of Liberty Global Class A ordinary shares and LiLAC Class A ordinary shares are entitled to one vote for each such share held, and holders of Liberty Global Class B ordinary shares and LiLAC Class B ordinary shares are entitled to 10 votes for each such share held, on all matters submitted to a vote of Liberty Global shareholders at any general meeting (annual or special). Holders of Liberty Global Class C ordinary shares and LiLAC Class C ordinary shares are not entitled to any voting powers except as required by law.

At the option of the holder, each Liberty Global Class B ordinary share is convertible into one Liberty Global Class A ordinary share and each LiLAC Class B ordinary share is convertible into one LiLAC Class A ordinary share. One Liberty Global Class A ordinary share is reserved for issuance for each Liberty Global Class B ordinary share that is issued (10,472,517 shares issued as of December 31, 2015), and one LiLAC Class A ordinary share is reserved for issuance for each LiLAC Class B ordinary share (523,423 shares issued as of December 31, 2015). At December 31, 2015, there were (i) 873,333 and 2,738,536 Liberty Global Class A and Class C ordinary shares, respectively, reserved for issuance pursuant to outstanding stock options, (ii) 10,582,609 and 27,314,828 Liberty Global Class A and Class C ordinary shares, respectively, reserved for issuance pursuant to outstanding SARs and PSARs and (iii) 2,255,176, 666,667 and 3,352,533 Liberty Global Class A, Class B and Class C ordinary shares, respectively, reserved for issuance pursuant to outstanding PSUs, PGUs and RSUs. In addition, there were (a) 21,233 and 57,742 LiLAC Class A and Class C ordinary shares, respectively, reserved for issuance pursuant to outstanding stock options, (b) 373,319 and 997,765 LiLAC Class A and Class C ordinary shares, respectively, reserved for issuance pursuant to outstanding SARs and PSARs and (c) 88,016, 33,333 and 114,643 LiLAC Class A, Class B and Class C ordinary shares, respectively, reserved for issuance pursuant to outstanding PSUs, PGUs and RSUs.

Subject to any preferential rights of any outstanding class of our preference shares, the holders of Liberty Global and LiLAC Class A, Class B and Class C ordinary shares will be entitled to such dividends as may be declared from time to time by our board of directors from funds available therefore. Such dividends may be declared in favor of Liberty Global Ordinary Shares and LiLAC Ordinary Shares, in equal or unequal amounts, or only in favor of the Liberty Global Ordinary Shares or the LiLAC Ordinary Shares. There are currently no contractual restrictions on our ability to pay dividends in cash or shares.

In the event of our liquidation, dissolution and winding up, after payment or provision for payment of our debts and liabilities and subject to the prior payment in full of any preferential amounts to which our preference shareholders may be entitled, the holders of Liberty Global ordinary shares and LiLAC ordinary shares will be entitled to receive their proportionate interests,

expressed in liquidation units, in any assets available for distribution to our ordinary shares regardless of whether such assets are then attributed to the Liberty Global Group or the LiLAC Group. Liquidation units will be allocated to each Liberty Global ordinary share and each LiLAC ordinary share, respectively, based on their respective volume-weighted average price over the 20 trading-day period commencing shortly after the commencement of ordinary-course (regular-way) trading of the LiLAC Shares. Pursuant to the terms of our articles of association, the liquidation units for each Liberty Global Share and each LiLAC Share are 1 and 0.94893, respectively.

On January 26, 2014, our board of directors approved a share split in the form of a share dividend (the **2014 Share Dividend**), which constitutes a bonus issue under our articles of association and English law, of one Liberty Global Class C ordinary share on each outstanding Liberty Global Class A, Class B and Class C ordinary share as of the February 14, 2014 record date. The distribution date for the 2014 Share Dividend was March 3, 2014. All Liberty Global share and per share amounts presented herein give retrospective effect to the 2014 Share Dividend.

A summary of the changes in our share capital during 2015 is set forth in the table below:

	Liberty Global Shares			LiLAC Shares			Old Liberty Global Shares		
	Class A	Class B	Class C	Class A	Class B	Class C	Class A	Class B	Class C
Balance at January 1, 2015	$ —	$ —	$ —	$ —	$ —	$ —	$ 2.5	$ 0.1	$ 6.3
Repurchase and cancellation of Old Liberty Global Shares	—	—	—	—	—	—	—	—	(0.1)
Liberty Global call option contracts	—	—	—	—	—	—	—	—	(0.1)
Balance at June 30, 2015	—	—	—	—	—	—	2.5	0.1	6.1
Impact of the LiLAC Transaction	2.5	0.1	6.1	0.1	—	0.3	(2.5)	(0.1)	(6.1)
Repurchase and cancellation of Liberty Global Shares	—	—	(0.1)	—	—	—	—	—	—
Liberty Global call option contracts	—	—	(0.1)	—	—	—	—	—	—
Balance at December 31, 2015	$ 2.5	$ 0.1	$ 5.9	$ 0.1	$ —	$ 0.3	$ —	$ —	$ —

Share Repurchases

During 2015, 2014 and 2013, our board of directors authorized various share repurchase programs, the most recent of which provides for the repurchase of up to $4.5 billion (before direct acquisition costs) of Liberty Global Class A and/or Class C ordinary shares. Under these plans, we receive authorization to acquire up to the specified amount of Liberty Global Class A and Class C ordinary shares or other authorized securities from time to time through open market or privately negotiated transactions, which may include derivative transactions. The timing of the repurchase of shares or other securities pursuant to our equity repurchase programs, which may be suspended or discontinued at any time, is dependent on a variety of factors, including market conditions. As of December 31, 2015, the remaining amount authorized for share repurchases was $1,601.1 million. Subsequent to December 31, 2015, our board of directors increased this amount to $4.0 billion.

As a U.K. incorporated company, we may only elect to repurchase shares or pay dividends to the extent of our “Distributable Reserves.” Distributable Reserves, which are not linked to a GAAP reported amount, may be created through the earnings of the U.K. parent company and, amongst other methods, through a reduction in share premium approved by the English Companies Court. Based on the amounts set forth in our 2014 U.K. Companies Act Report dated April 27, 2015, which are our most recent “Relevant Accounts” for the purposes of determining our Distributable Reserves under U.K. law, our Distributable Reserves are $27.9 billion. This amount does not reflect earnings, share repurchases or other activity that occurred in 2015, each of which impacts the amount of our Distributable Reserves.

The following table provides details of our share repurchases during 2015, 2014 and 2013:

	Class A Liberty Global Shares and Class/Series A Old Liberty Shares		Class C Liberty Global Shares and Class/Series C Old Liberty Shares		
Purchase date	**Shares purchased**	**Average price paid per share (a)**	**Shares purchased**	**Average price paid per share (a)**	**Total cost (a)**
					in millions
Shares purchased pursuant to repurchase programs during:					
2015 (b)	—	$ —	49,984,562	$ 46.91	$ 2,344.5
2014 (c)	8,062,792	$ 42.19	28,401,019	$ 44.25	$ 1,596.9
2013 (c)	6,550,197	$ 37.70	24,761,397	$ 36.55	$ 1,151.9

____

(a) Includes direct acquisition costs and the effects of derivative instruments, where applicable.

(b) Amounts include repurchases of (i) Old Liberty Global Shares from January 1 through June 30, 2015 and (ii) Liberty Global Shares from July 1 through December 31, 2015.

(c) Amounts include repurchases of Old Liberty Global Shares.

Call Option Contracts

From time to time, we enter into call option contracts pursuant to which we contemporaneously (i) sell call options on shares of Liberty Global ordinary shares and (ii) purchase call options on an equivalent number of shares of Liberty Global ordinary shares with an exercise price of zero. These contracts can result in the receipt of cash and shares of Liberty Global ordinary shares. Shares acquired through the exercise of the call options are included in our share repurchases and the net gain on cash settled contracts is recorded as an increase to additional paid-in capital in our consolidated statements of equity.

Acquisition of Interests in VTR and VTR Wireless

On March 14, 2014, a subsidiary of VTR Finance acquired each of the 20.0% noncontrolling ownership interests in VTR and VTR Wireless SpA (**VTR Wireless**) from Inversiones Corp Comm 2 SpA (the **VTR NCI Acquisition**), formerly known as Corp Comm S.A. (the **VTR NCI Owner**). VTR Wireless was an indirect subsidiary of Liberty Global that was merged with a subsidiary of VTR in December 2014. The consideration for the VTR NCI Acquisition was satisfied by the allotment and issuance of 10,091,178 Old Liberty Global Class C ordinary shares to the VTR NCI Owner. The VTR NCI Acquisition has been accounted for as an equity transaction, the net effect of which was to record the issued Old Liberty Global Class C shares at the $185.4 million carrying value of the acquired noncontrolling interests.

Other

Telenet Tender. On December 17, 2012, Binan Investments B.V. (**Binan**), our wholly-owned subsidiary, launched a voluntary and conditional cash public offer (the **Telenet Tender**) for (i) all of Telenet's issued shares that Binan did not already own or that were not held by Telenet (the **Telenet Bid Shares**) and (ii) certain outstanding vested and unvested employee warrants (the **Telenet Bid Warrants**). As of the February 1, 2013 transaction date of the Telenet Tender, the offer price for the Telenet Bid Shares was €35.00 ($47.85) per share. The offer prices for the Telenet Bid Warrants, which were calculated using the Black Scholes option pricing model and a price of €35.00 for each of the Telenet Bid Shares, ranged from €13.48 ($18.43) per share to €25.47 ($34.82) per share.

Pursuant to the Telenet Tender, we paid aggregate consideration of €332.5 million ($454.6 million at the transaction date) to acquire (i) 9,497,637 of the Telenet Bid Shares, increasing our ownership interest in Telenet's issued and outstanding shares at such date to 58.4%, and (ii) 3,000 of the Telenet Bid Warrants. As we owned a controlling financial interest in Telenet prior to the launch of the Telenet Tender, we accounted for the impact of the acquisition of the additional Telenet shares as an equity transaction.

Subsidiary Distributions. From time to time, Telenet, VTR and certain other of our subsidiaries make cash distributions to their respective shareholders. Our share of these distributions is eliminated in consolidation and the noncontrolling interest owners' share of these distributions is reflected as a charge against noncontrolling interests in our consolidated statements of equity.

Restricted Net Assets

The ability of certain of our subsidiaries to distribute or loan all or a portion of their net assets to our company is limited by the terms of applicable debt facilities. At December 31, 2015, substantially all of our net assets represented net assets of our subsidiaries that were subject to such limitations.

(13) Share-based Compensation

Our share-based compensation expense is based on the share-based incentive awards held by our and our subsidiaries' employees, including awards issued by Liberty Global.

A summary of our aggregate share-based compensation expense is set forth below:

	Year ended December 31,		
	2015	2014	2013
		in millions	
Liberty Global shares:			
Performance-based incentive awards (a)	$ 157.1	$ 129.9	$ 58.6
Other share-based incentive awards	149.6	99.7	182.9
Total Liberty Global shares (b) (c)	306.7	229.6	241.5
Telenet share-based incentive awards (d)	9.2	14.6	56.5
Other	2.3	13.0	4.5
Total	$ 318.2	$ 257.2	$ 302.5
Included in:			
Continuing operations:			
Operating expense:			
Liberty Global Group	$ 3.1	$ 4.8	$ 10.8
LiLAC Group	0.3	2.8	1.3
Total operating expense	3.4	7.6	12.1
SG&A expense:			
Liberty Global Group	312.7	240.8	283.5
LiLAC Group (c) (e)	2.1	8.8	5.1
Total SG&A expense	314.8	249.6	288.6
Total — continuing operations	318.2	257.2	300.7
Discontinued operation	—	—	1.8
Total	$ 318.2	$ 257.2	$ 302.5

(a) Includes share-based compensation expense related to (i) Liberty Global PSUs, (ii) a challenge performance award plan for certain executive officers and key employees (the **Challenge Performance Awards**) and (iii) for 2015 and 2014, PGUs to our Chief Executive Officer, as described below. The Challenge Performance Awards include PSARs and PSUs.

(b) In connection with the Virgin Media Acquisition, we issued Liberty Global share-based incentive awards (**Virgin Media Replacement Awards**) to employees and former directors of Virgin Media in exchange for corresponding Virgin Media awards. Virgin Media recorded share-based compensation expense of $54.1 million and $55.8 million during 2015 and 2014, respectively, including compensation expense related to the Virgin Media Replacement Awards and new awards that

were granted after the Virgin Media Replacement Awards were issued. During 2013, Virgin Media recorded share-based compensation expense of $134.3 million, primarily related to the Virgin Media Replacement Awards, including $80.1 million that was charged to expense in recognition of the Virgin Media Replacement Awards that were fully vested on June 7, 2013 or for which vesting was accelerated pursuant to the terms of the Virgin Media Merger Agreement on or prior to December 31, 2013.

(c) In connection with the LiLAC Transaction, the compensation committee of our board of directors approved modifications to our outstanding share-based incentive awards (the **Award Modifications**) in accordance with the underlying share-based incentive plans. The objective of the compensation committee was to ensure a relatively unchanged intrinsic value of outstanding equity awards before and after the bonus issuance of the LiLAC Shares. The mechanism to modify outstanding share-based incentive awards, as approved by the compensation committee, utilized the volume-weighted average price of the respective shares for the five days prior to and the five days following the bonus issuance (**Modification VWAPs**). In order to determine if any incremental stock-based compensation expense should be recorded as a result of the Award Modifications, we are required to measure the changes in the fair values of the then outstanding share-based incentive awards using market prices immediately before and immediately after the Award Modifications. Due to declines in the share prices of our Class A and Class C Liberty Global Shares following the bonus issuance, the exercise prices of options, SARs and PSARs determined using the Modification VWAPs were lower than the exercise prices that would have resulted if the market prices immediately before and after the Award Modifications had been used. Accordingly, the Black-Scholes fair values of our options, SARs and PSARs increased as a result of the Award Modifications, resulting in incremental stock-based compensation expense of $99.3 million. This amount includes $69.3 million of expense recognized during 2015 related to awards that vested on or prior to December 31, 2015 and $30.0 million of expense that will be recognized in future periods through 2019 as the related awards vest.

(d) Represents the share-based compensation expense associated with Telenet's share-based incentive awards, which, at December 31, 2015, included (i) warrants and employee stock options (1,813,815 awards outstanding at a weighted average exercise price of €42.17 ($45.82)), (ii) performance-based specific stock option plans for the Chief Executive Officer (745,000 awards outstanding at a weighted average exercise price of €40.60 ($44.12)), (iii) performance-based share award (82,747 awards outstanding) and (iv) an employee share purchase plan. During 2013, Telenet modified the terms of certain of its share-based incentive plans to provide for anti-dilution adjustments in connection with its shareholder returns. In connection with these anti-dilution adjustments, Telenet recognized share-based compensation expense of $32.7 million and continues to recognize additional share-based compensation expense as the underlying options vest. In addition, during 2013, Telenet recognized expense of $6.2 million related to the accelerated vesting of certain options.

(e) The amount for 2015 includes the reversal of $1.8 million of share-based compensation expense, primarily related to forfeitures of unvested PSUs during the first quarter of 2015.

The following table provides certain information related to share-based compensation not yet recognized for share-based incentive awards related to Liberty Global ordinary shares as of December 31, 2015:

	Liberty Global Shares and LiLAC Shares (a)	Liberty Global performance-based awards (b)
Total compensation expense not yet recognized (in millions)	$ 192.0	$ 85.5
Weighted average period remaining for expense recognition (in years)	2.7	0.9

(a) Amounts relate to awards granted or assumed by Liberty Global under (i) the Liberty Global 2014 Incentive Plan (as amended and restated effective February 24, 2015), (ii) the Liberty Global 2014 Nonemployee Director Incentive Plan, (iii) the Liberty Global, Inc. 2005 Incentive Plan (as amended and restated effective June 7, 2013) (the **Liberty Global 2005 Incentive Plan**), (iv) the Liberty Global, Inc. 2005 Nonemployee Director Incentive Plan (as amended and restated effective June 7, 2013) (the **Liberty Global 2005 Director Incentive Plan**) and (v) certain other incentive plans of Virgin Media, including Virgin Media's 2010 stock incentive plan (the **VM Incentive Plan**). All new awards are granted under the Liberty Global 2014 Incentive Plan or the Liberty Global 2014 Nonemployee Director Incentive Plan. The Liberty Global 2014

Incentive Plan, the Liberty Global 2014 Nonemployee Director Incentive Plan, the Liberty Global 2005 Incentive Plan, the Liberty Global 2005 Director Incentive Plan and the VM Incentive Plan are described below.

(b) Amounts relate to (i) the Challenge Performance Awards, (ii) PSUs and (iii) the PGUs.

The following table summarizes certain information related to the incentive awards granted and exercised with respect to Liberty Global ordinary shares:

	Year ended December 31,		
	2015	2014	2013
Assumptions used to estimate fair value of options, SARs and PSARs granted:			
Risk-free interest rate	0.96 - 1.89%	0.81 - 1.77%	0.36 - 1.27%
Expected life (a)	3.0 - 5.5 years	3.1 - 5.1 years	3.2 - 7.1 years
Expected volatility (a)	23.1 - 30.1%	25.1 - 28.7%	26.5 - 35.8%
Expected dividend yield	none	none	none
Weighted average grant date fair value per share of awards granted:			
Options	$ 14.73	$ 11.40	$ 11.09
SARs	$ 10.76	$ 8.93	$ 8.36
PSARs	$ —	$ 8.15	$ 8.31
RSUs	$ 51.85	$ 40.68	$ 35.74
PSUs	$ 51.57	$ 40.42	$ 34.94
PGUs	$ —	$ 44.04	$ —
Total intrinsic value of awards exercised (in millions):			
Options	$ 106.8	$ 126.6	$ 175.0
SARs	$ 51.7	$ 48.7	$ 73.2
PSARs	$ 0.2	$ 0.4	$ —
Cash received from exercise of options (in millions)	$ 40.5	$ 54.8	$ 81.0
Income tax benefit related to share-based compensation (in millions)	$ 67.4	$ 54.6	$ 48.0

(a) The 2013 ranges shown for these assumptions exclude the awards for certain former employees of Virgin Media who were expected to exercise their awards immediately or soon after the Virgin Media Acquisition. For these awards, the assumptions used for expected life and volatility were essentially nil.

Share Incentive Plans — Liberty Global Ordinary Shares

Incentive Plans

As of December 31, 2015, we are authorized to grant incentive awards under the Liberty Global 2014 Incentive Plan and the Liberty Global 2014 Nonemployee Director Incentive Plan. Generally, we may grant non-qualified share options, SARs, restricted shares, RSUs, cash awards, performance awards or any combination of the foregoing under either of these incentive plans (collectively, awards). Ordinary shares issuable pursuant to awards made under these incentive plans will be made available from either authorized but unissued shares or shares that have been issued but reacquired by our company. Awards may be granted at or above fair value in any class of ordinary shares. The maximum number of Liberty Global ordinary shares with respect to which awards may be issued under the Liberty Global 2014 Incentive Plan and the Liberty Global 2014 Nonemployee Director Incentive Plan is 105 million (of which no more than 50.25 million shares may consist of Class B ordinary shares) and 10.5 million, respectively, in each case, subject to anti-dilution and other adjustment provisions in the respective plan. As of December 31, 2015, the Liberty Global 2014 Incentive Plan and the Liberty Global 2014 Nonemployee Director Incentive Plan had 84,782,474 and 10,120,239 ordinary shares available for grant, respectively.

In connection with the Virgin Media Acquisition, we assumed the VM Incentive Plan. Awards under the VM Incentive Plan issued prior to June 7, 2013 have a 10-year term and become fully exercisable within five years of continued employment. Certain performance-based awards that were granted during the first quarter of 2013 were canceled upon completion of the Virgin Media Acquisition. These canceled awards were subsequently replaced by PSUs that were granted under the VM Incentive Plan on June 24, 2013. For the remaining performance-based awards that were outstanding prior to June 7, 2013, the performance objectives lapsed upon the completion of the Virgin Media Acquisition and such awards vest on the third anniversary of the grant date.

Awards (other than performance-based awards) issued under the Liberty Global 2005 Incentive Plan and under the VM Incentive Plan after June 7, 2013 generally (i) vest 12.5% on the six month anniversary of the grant date and then vest at a rate of 6.25% each quarter thereafter and (ii) expire seven years after the grant date. Awards (other than RSUs) issued under the Liberty Global 2005 Director Incentive Plan generally vest in three equal annual installments, provided the director continues to serve as director immediately prior to the vesting date, and expire 10 years after the grant date. RSUs vest on the date of the first annual general meeting of shareholders following the grant date. No further awards will be granted under the Liberty Global 2005 Incentive Plan, the Liberty Global 2005 Director Incentive Plan or the VM Incentive Plan.

Awards (other than performance-based awards) under the Liberty Global 2014 Incentive Plan generally (i) vest 12.5% on the six month anniversary of the grant date and then vest at a rate of 6.25% each quarter thereafter and (ii) expire seven years after the grant date. Awards (other than RSUs) issued under the Liberty Global 2014 Nonemployee Director Incentive Plan generally vest in three equal annual installments, provided the director continues to serve as director immediately prior to the vesting date, and expire seven years after the grant date. RSUs vest on the date of the first annual general meeting of shareholders following the grant date. These awards may be granted at or above fair value in any class of ordinary shares.

Performance Awards

The following is a summary of the material terms and conditions with respect to our performance-based awards for certain executive officers and key employees. These awards were granted under the Liberty Global 2014 Incentive Plan, the Liberty Global 2005 Incentive Plan and the VM Incentive Plan.

Liberty Global PSUs. PSUs are granted to executive officers and key employees annually based on a target annual equity value for each executive and key employee, of which approximately two-thirds would be delivered in the form of an annual award of PSUs and approximately one-third in the form of an annual award of SARs. Each currently-outstanding PSU represents the right to receive one Liberty Global or LiLAC Class A or Class C ordinary share, as applicable, subject to performance and vesting. Generally, the performance period for the PSUs covers a two-year period and the performance target is based on the achievement of a specified compound annual growth rate (**CAGR**) in a consolidated Adjusted OIBDA metric (as defined in note 18), adjusted for events such as acquisitions, dispositions and changes in foreign currency exchange rates that affect comparability (**Adjusted OIBDA CAGR**), and the participant's annual performance ratings during the two-year performance period. A performance range of 75% to 125% of the target Adjusted OIBDA CAGR generally results in award recipients earning 50% to 150% of their respective PSUs, subject to reduction or forfeiture based on individual performance. The PSUs generally vest 50% on each of March 31 and September 30 of the year following the end of the performance period.

Subsequent to December 31, 2015, the compensation committee of our board of directors approved the grant of up to 6.26 million PSU awards pursuant to a performance plan that is based on the achievement of a specified Adjusted OIBDA CAGR during the three-year period ended December 31, 2018 (with 2015 as the base year). We expect that over 95% of these awards will cover Liberty Global Shares and the remainder will cover LiLAC Shares.

Liberty Global Challenge Performance Awards. Effective June 24, 2013, our compensation committee approved the Challenge Performance Awards, which consisted solely of PSARs for our senior executive officers and a combination of PSARs and PSUs for our other executive officers and key employees. Each PSU represents the right to receive one Liberty Global or LiLAC Class A or Class C ordinary share, as applicable, subject to performance and vesting. The performance criteria for the Challenge Performance Awards will be based on the participant's performance and achievement of individual goals in each of the years 2013, 2014 and 2015. Subject to forfeitures and the satisfaction of performance conditions, 100% of each participant's Challenge Performance Awards will vest on June 24, 2016. The PSARs have a term of seven years and base prices equal to the respective market closing prices of the applicable class on the grant date.

Liberty Global Performance Grant Award. Effective May 1, 2014, our compensation committee authorized the grant of PGUs to our Chief Executive Officer, comprising a total of one million PGUs with respect to Class A Old Liberty Global Shares and one million PGUs with respect to Class B Old Liberty Global Shares. The PGUs, which were subject to a performance condition that was achieved in 2014, vest in three equal annual installments, the first of which occurred on March 15, 2015. As a result of the LiLAC Transaction, our Chief Executive Officer also received 33,333 PGUs with respect to Class A LiLAC Shares and 33,333 PGUs with respect to Class B LiLAC Shares, each of which vest over the same period as the May 1, 2014 award grant described above.

Share-based Award Activity — Liberty Global Ordinary Shares

The following tables summarize the share-based award activity during 2015 with respect to awards issued by Liberty Global:

Liberty Global Shares and Old Liberty Global Shares

Options — Class A ordinary shares	Number of shares	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value
			in years	in millions
Outstanding at January 1, 2015	1,726,259	$ 18.01		
Granted	61,763	$ 54.97		
Forfeited	(13,836)	$ 23.59		
Exercised	(920,468)	$ 14.03		
Outstanding at June 30, 2015	853,718	$ 24.90		
Impact of Award Modifications	60,414	(2.32)		
Outstanding at July 1, 2015	914,132	$ 22.58		
Forfeited	(7,718)	$ 22.61		
Exercised	(33,081)	$ 15.19		
Outstanding at December 31, 2015	873,333	$ 22.85	5.2	$ 17.5
Exercisable at December 31, 2015	414,553	$ 16.53	3.7	$ 10.7

Options — Class C ordinary shares	Number of shares	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value
			in years	in millions
Outstanding at January 1, 2015	3,946,192	$ 17.67		
Granted	622,301	$ 43.34		
Forfeited	(34,493)	$ 22.23		
Exercised	(1,613,927)	$ 14.99		
Outstanding at June 30, 2015	2,920,073	$ 24.57		
Impact of Award Modifications	204,344	(2.24)		
Outstanding at July 1, 2015	3,124,417	$ 22.33		
Forfeited	(41,208)	$ 29.99		
Exercised	(344,673)	$ 8.33		
Outstanding at December 31, 2015	2,738,536	$ 23.98	5.8	$ 46.8
Exercisable at December 31, 2015	1,129,269	$ 15.55	3.5	$ 28.5

Liberty Global Shares and Old Liberty Global Shares — continued:

SARs — Class A ordinary shares	Number of shares	Weighted average base price	Weighted average remaining contractual term	Aggregate intrinsic value
			in years	in millions
Outstanding at January 1, 2015	5,607,988	$ 31.07		
Granted	2,252,602	$ 53.11		
Forfeited	(106,696)	$ 37.27		
Exercised	(354,800)	$ 25.68		
Outstanding at June 30, 2015	7,399,094	$ 37.95		
Impact of Award Modifications	527,825	(3.36)		
Outstanding at July 1, 2015	7,926,919	$ 34.59		
Granted	70,845	$ 51.21		
Forfeited	(99,761)	$ 41.67		
Exercised	(204,851)	$ 25.40		
Outstanding at December 31, 2015	7,693,152	$ 34.89	4.6	$ 72.2
Exercisable at December 31, 2015	3,642,857	$ 26.56	3.4	$ 59.3

SARs — Class C ordinary shares	Number of shares	Weighted average base price	Weighted average remaining contractual term	Aggregate intrinsic value
			in years	in millions
Outstanding at January 1, 2015	14,689,045	$ 28.49		
Granted	4,505,204	$ 51.41		
Forfeited	(262,502)	$ 34.80		
Exercised	(1,062,945)	$ 23.48		
Outstanding at June 30, 2015	17,868,802	$ 34.47		
Impact of Award Modifications	1,250,817	(2.94)		
Outstanding at July 1, 2015	19,119,619	$ 31.53		
Granted	141,690	$ 48.11		
Forfeited	(217,585)	$ 38.57		
Exercised	(358,377)	$ 25.17		
Outstanding at December 31, 2015	18,685,347	$ 31.70	4.3	$ 199.9
Exercisable at December 31, 2015	10,003,440	$ 24.31	3.2	$ 168.3

Liberty Global Shares and Old Liberty Global Shares — continued:

PSARs — Class A ordinary shares	Number of shares	Weighted average base price	Weighted average remaining contractual term	Aggregate intrinsic value
			in years	in millions
Outstanding at January 1, 2015	2,788,749	$ 35.10		
Forfeited	(35,625)	$ 35.03		
Exercised	(4,166)	$ 35.03		
Outstanding at June 30, 2015	2,748,958	$ 35.10		
Impact of Award Modifications	142,250	(3.17)		
Outstanding at July 1, 2015	2,891,208	$ 31.93		
Forfeited	(1,751)	$ 31.87		
Outstanding at December 31, 2015	2,889,457	$ 31.93	4.5	$ 30.1
Exercisable at December 31, 2015	14,602	$ 31.87	1.4	$ 0.2

PSARs — Class C ordinary shares	Number of shares	Weighted average base price	Weighted average remaining contractual term	Aggregate intrinsic value
			in years	in millions
Outstanding at January 1, 2015	8,366,248	$ 33.48		
Forfeited	(106,875)	$ 33.41		
Exercised	(12,499)	$ 33.41		
Outstanding at June 30, 2015	8,246,874	$ 33.48		
Impact of Award Modifications	387,836	(2.96)		
Outstanding at July 1, 2015	8,634,710	$ 30.52		
Forfeited	(5,229)	$ 30.46		
Outstanding at December 31, 2015	8,629,481	$ 30.52	4.5	$ 88.4
Exercisable at December 31, 2015	43,671	$ 30.46	1.4	$ 0.5

Liberty Global Shares and Old Liberty Global Shares — continued:

RSUs — Class A ordinary shares	Number of shares	Weighted average grant date fair value per share	Weighted average remaining contractual term
			in years
Outstanding at January 1, 2015	565,270	$ 38.27	
Granted	298,713	$ 53.11	
Forfeited	(18,827)	$ 37.52	
Released from restrictions	(205,540)	$ 37.16	
Outstanding at June 30, 2015	639,616	$ 45.58	
Impact of Award Modifications	30,748	(2.17)	
Outstanding at July 1, 2015	670,364	$ 43.41	
Granted	13,890	$ 52.46	
Forfeited	(21,544)	$ 43.61	
Released from restrictions	(97,734)	$ 40.93	
Outstanding at December 31, 2015	564,976	$ 44.06	3.4

RSUs — Class C ordinary shares	Number of shares	Weighted average grant date fair value per share	Weighted average remaining contractual term
			in years
Outstanding at January 1, 2015	1,387,003	$ 35.59	
Granted	597,426	$ 51.40	
Forfeited	(45,611)	$ 34.70	
Released from restrictions	(553,929)	$ 34.55	
Outstanding at June 30, 2015	1,384,889	$ 42.85	
Impact of Award Modifications	67,240	(1.74)	
Outstanding at July 1, 2015	1,452,129	$ 41.11	
Granted	27,780	$ 49.14	
Forfeited	(47,384)	$ 41.03	
Released from restrictions	(238,343)	$ 37.61	
Outstanding at December 31, 2015	1,194,182	$ 41.99	3.3

Liberty Global Shares and Old Liberty Global Shares — continued:

PSUs and PGUs — Class A ordinary shares	**Number of shares**	**Weighted average grant date fair value per share**	**Weighted average remaining contractual term**
			in years
Outstanding at January 1, 2015	1,989,693	$ 41.34	
Granted	410,716	$ 52.82	
Performance adjustment (a)	50,410	$ 37.31	
Forfeited	(22,619)	$ 38.47	
Released from restrictions	(543,707)	$ 41.12	
Outstanding at June 30, 2015	1,884,493	$ 43.84	
Impact of Award Modifications	1,185	(2.10)	
Outstanding at July 1, 2015	1,885,678	$ 41.74	
Granted	15,410	$ 52.46	
Forfeited	(3,054)	$ 38.66	
Released from restrictions	(207,834)	$ 35.54	
Outstanding at December 31, 2015	1,690,200	$ 42.61	1.2

PGUs — Class B ordinary shares	**Number of shares**	**Weighted average grant date fair value per share**	**Weighted average remaining contractual term**
			in years
Outstanding at January 1, 2015	1,000,000	$ 44.55	
Released from restrictions	(333,333)	$ 44.55	
Outstanding at June 30, 2015	666,667	$ 44.55	
Impact of Award Modifications	—	(2.12)	
Outstanding at July 1 and December 31, 2015	666,667	$ 42.43	1.2

Liberty Global Shares and Old Liberty Global Shares — continued:

PSUs — Class C ordinary shares	Number of shares	Weighted average grant date fair value per share	Weighted average remaining contractual term
			in years
Outstanding at January 1, 2015	2,442,767	$ 36.71	
Granted	821,432	$ 51.12	
Performance adjustment (a)	147,179	$ 34.80	
Forfeited	(58,997)	$ 36.02	
Released from restrictions	(614,341)	$ 34.80	
Outstanding at June 30, 2015	2,738,040	$ 41.38	
Impact of Award Modifications	3,126	(1.98)	
Outstanding at July 1, 2015	2,741,166	$ 39.40	
Granted	30,820	$ 49.14	
Forfeited	(6,292)	$ 36.74	
Released from restrictions	(607,343)	$ 33.15	
Outstanding at December 31, 2015	2,158,351	$ 41.30	1.1

____

(a) Represents the increase in PSUs associated with the first quarter 2015 determination that 113.6% of the PSUs that were granted in 2013 (the 2013 PSUs) had been earned. As of December 31, 2015, all of the earned 2013 PSUs have been released from restrictions.

LiLAC Shares

Options — Class A ordinary shares	Number of shares	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value
			in years	in millions
Outstanding at January 1, 2015	—	$ —		
Impact of Award Modifications	21,233	24.29		
Outstanding at July 1 and December 31, 2015	21,233	$ 24.29	4.1	$ 0.4
Exercisable at December 31, 2015	14,145	$ 16.12	3.2	$ 0.4

Options — Class C ordinary shares	Number of shares	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value
			in years	in millions
Outstanding at January 1, 2015	—	$ —		
Impact of Award Modifications	57,742	22.42		
Outstanding at July 1 and December 31, 2015	57,742	$ 22.42	3.8	$ 1.2
Exercisable at December 31, 2015	42,321	$ 15.97	3.1	$ 1.1

LiLAC Shares — continued:

SARs — Class A ordinary shares	Number of shares	Weighted average base price	Weighted average remaining contractual term	Aggregate intrinsic value
			in years	in millions
Outstanding at January 1, 2015	—	$ —		
Impact of Award Modifications	223,823	30.54		
Outstanding at July 1, 2015	223,823	$ 30.54		
Granted	10,107	$ 42.76		
Forfeited	(381)	$ 32.76		
Exercised	(357)	$ 28.19		
Outstanding at December 31, 2015	233,192	$ 31.07	4.4	$ 2.6
Exercisable at December 31, 2015	122,905	$ 23.93	3.3	$ 2.2

SARs — Class C ordinary shares	Number of shares	Weighted average base price	Weighted average remaining contractual term	Aggregate intrinsic value
			in years	in millions
Outstanding at January 1, 2015	—	$ —		
Impact of Award Modifications	560,844	29.27		
Outstanding at July 1, 2015	560,844	$ 29.27		
Granted	20,214	$ 42.55		
Forfeited	(909)	$ 32.38		
Exercised	(876)	$ 27.26		
Outstanding at December 31, 2015	579,273	$ 29.73	4.1	$ 8.0
Exercisable at December 31, 2015	339,951	$ 23.28	3.1	$ 6.7

PSARs — Class A ordinary shares	Number of shares	Weighted average base price	Weighted average remaining contractual term	Aggregate intrinsic value
			in years	in millions
Outstanding at January 1, 2015	—	$ —		
Impact of Award Modifications	140,215	30.08		
Outstanding at July 1, 2015	140,215	$ 30.08		
Forfeited	(88)	$ 30.02		
Outstanding at December 31, 2015	140,127	$ 30.08	4.5	$ 1.6
Exercisable at December 31, 2015	305	$ 30.02	1.8	$ —

LiLAC Shares — continued:

PSARs — Class C ordinary shares	**Number of shares**	**Weighted average base price**	**Weighted average remaining contractual term**	**Aggregate intrinsic value**
			in years	**in millions**
Outstanding at January 1, 2015	—	$ —		
Impact of Award Modifications	418,753	30.30		
Outstanding at July 1, 2015	418,753	$ 30.30		
Forfeited	(261)	$ 30.23		
Outstanding at December 31, 2015	418,492	$ 30.30	4.5	$ 5.3
Exercisable at December 31, 2015	913	$ 30.23	1.8	$ —

RSUs — Class A ordinary shares	**Number of shares**	**Weighted average grant date fair value per share**	**Weighted average remaining contractual term**
			in years
Outstanding at January 1, 2015	—	$ —	
Impact of Award Modifications	397	52.94	
Outstanding at July 1, 2015	397	$ 52.94	
Granted	1,316	$ 42.76	
Outstanding at December 31, 2015	1,713	$ 45.12	3.0

RSUs — Class C ordinary shares	**Number of shares**	**Weighted average grant date fair value per share**	**Weighted average remaining contractual term**
			in years
Outstanding at January 1, 2015	—	$ —	
Impact of Award Modifications	796	48.68	
Outstanding at July 1, 2015	796	$ 48.68	
Granted	2,632	$ 42.55	
Outstanding at December 31, 2015	3,428	$ 43.97	3.0

PSUs and PGUs — Class A ordinary shares	**Number of shares**	**Weighted average grant date fair value per share**	**Weighted average remaining contractual term**
			in years
Outstanding at January 1, 2015	—	$ —	
Impact of Award Modifications	92,932	41.85	
Outstanding at July 1, 2015	92,932	$ 41.85	
Granted	3,007	$ 42.76	
Forfeited	(153)	$ 38.63	
Released from restrictions	(9,483)	$ 35.72	
Outstanding at December 31, 2015	86,303	$ 42.56	1.2

LiLAC Shares — continued:

PGUs — Class B ordinary shares	Number of shares	Weighted average grant date fair value per share	Weighted average remaining contractual term
			in years
Outstanding at January 1, 2015	—	$ —	
Impact of Award Modifications	33,333	42.43	
Outstanding at July 1 and December 31, 2015	33,333	$ 42.43	1.2

PSUs — Class C ordinary shares	Number of shares	Weighted average grant date fair value per share	Weighted average remaining contractual term
			in years
Outstanding at January 1, 2015	—	$ —	
Impact of Award Modifications	133,609	39.59	
Outstanding at July 1, 2015	133,609	$ 39.59	
Granted	6,014	$ 42.55	
Forfeited	(317)	$ 36.70	
Released from restrictions	(28,091)	$ 33.26	
Outstanding at December 31, 2015	111,215	$ 41.36	1.1

(14) Restructuring Liabilities

A summary of changes in our restructuring liabilities during 2015 is set forth in the table below:

	Employee severance and termination	Office closures	Contract termination and other	Total
	in millions			
Restructuring liability as of January 1, 2015	$ 27.6	$ 12.5	$ 116.0	$ 156.1
Restructuring charges (credits)	102.3	(0.8)	2.3	103.8
Cash paid	(67.9)	(5.8)	(29.4)	(103.1)
Foreign currency translation adjustments and other	6.5	1.4	(18.2)	(10.3)
Restructuring liability as of December 31, 2015	$ 68.5	$ 7.3	$ 70.7	$ 146.5
Current portion	$ 63.7	$ 1.2	$ 34.1	$ 99.0
Noncurrent portion	4.8	6.1	36.6	47.5
Total	$ 68.5	$ 7.3	$ 70.7	$ 146.5

Our restructuring charges during 2015 included (i) employee severance and termination costs related to certain reorganization and integration activities of $61.8 million in the Netherlands, $20.9 million in U.K./Ireland, $9.7 million in Germany, $3.5 million in Switzerland/Austria and $2.6 million in Puerto Rico, (ii) contract termination charges of $8.1 million in Belgium, $6.0 million in Chile and $4.5 million in Puerto Rico and (iii) a credit of $17.0 million recorded by Telenet during the fourth quarter following the settlement of its digital terrestrial television (**DTT**) capacity contract obligations, the fair value of which were originally recorded during 2014 when Telenet discontinued the provision of DTT services.

We expect to record significant restructuring charges during 2016, due largely to our ongoing company-wide effort to optimize our operating model. In addition, we expect to undertake restructuring programs in certain of our operating segments, including programs to be undertaken in connection with the integration of acquired entities.

A summary of changes in our restructuring liabilities during 2014 is set forth in the table below:

	Employee severance and termination	Office closures	Contract termination	Total
	in millions			
Restructuring liability as of January 1, 2014	$ 26.6	$ 14.9	$ 72.0	$ 113.5
Restructuring charges	60.4	9.5	97.0	166.9
Cash paid	(66.3)	(10.8)	(34.4)	(111.5)
Ziggo liability at acquisition date	8.2	—	—	8.2
Foreign currency translation adjustments and other	(1.3)	(1.1)	(18.6)	(21.0)
Restructuring liability as of December 31, 2014	$ 27.6	$ 12.5	$ 116.0	$ 156.1
Current portion	$ 27.5	$ 4.4	$ 20.4	$ 52.3
Noncurrent portion	0.1	8.1	95.6	103.8
Total	$ 27.6	$ 12.5	$ 116.0	$ 156.1

Prior to March 31, 2014, Telenet operated a DTT business that served a limited number of subscribers. The DTT network was accessed by Telenet pursuant to third-party capacity contracts that were accounted for as operating agreements. On March 31, 2014, Telenet discontinued the provision of DTT services and, accordingly, recorded an $86.1 million restructuring charge during the three months ended March 31, 2014. This charge was equal to the then fair value of the remaining payments due under the DTT capacity contracts.

Our restructuring charges during 2014 also included $17.5 million, $11.2 million, $10.7 million, $10.1 million and $9.8 million of employee severance and termination costs related to reorganization and integration activities, primarily in U.K./Ireland, the Netherlands, Germany, Chile and the European Operations Division's central operations, respectively.

A summary of changes in our restructuring liabilities during 2013 is set forth in the table below:

	Employee severance and termination	Office closures	Contract termination	Total
	in millions			
Restructuring liability as of January 1, 2013	$ 39.7	$ 4.0	$ 13.1	$ 56.8
Restructuring charges	77.9	(0.1)	100.9	178.7
Cash paid	(91.5)	(14.1)	(17.6)	(123.2)
Virgin Media liability at acquisition date	0.1	23.3	—	23.4
Foreign currency translation adjustments and other	1.2	1.8	(11.4)	(8.4)
Reclassification of Chellomedia Disposal Group to discontinued operations	(0.8)	—	(13.0)	(13.8)
Restructuring liability as of December 31, 2013	$ 26.6	$ 14.9	$ 72.0	$ 113.5

As further described in note 9, we recorded restructuring charges totaling $84.9 million during the third and fourth quarters of 2013 as a result of VTR's decision to cease commercial use of its mobile network. These restructuring charges included the fair value of (i) the then remaining payments due under VTR's tower and real estate operating leases of $71.5 million and (ii) certain other required payments associated with VTR's mobile network. In addition, our restructuring charges during 2013 included

$46.1 million, $14.1 million and $8.1 million of employee severance and termination costs related to reorganization and integration activities in U.K./Ireland, Germany and Chile, respectively.

(15) Defined Benefit Plans

Certain of our subsidiaries in Europe maintain various funded and unfunded defined benefit plans for their employees. A significant portion of these defined benefit plans are closed to new entrants and existing participants do not accrue any additional benefits.

The table below provides summary information on our defined benefit plans:

	Year ended December 31,		
	2015	2014	2013
		in millions	
Projected benefit obligation	$ 1,188.3	$ 1,247.6	$ 1,163.0
Fair value of plan assets (a)	$ 1,092.6	$ 1,122.7	$ 1,057.0
Net liability	$ 95.7	$ 124.9	$ 106.0
Net periodic pension cost (b)	$ 11.8	$ 9.6	$ 21.5

(a) The fair value of plan assets is primarily based on Level 1 inputs of the fair value hierarchy (as further described in note 8). Our plan assets comprise investments in debt securities, equity securities, hedge funds, insurance contracts and certain other assets.

(b) The 2015 amount excludes aggregate curtailment gains of $7.9 million, which are included in impairment, restructuring and other operating items, net, in our consolidated statement of operations.

Based on December 31, 2015 exchange rates and information available as of that date, our subsidiaries' contributions to their respective defined benefit plans in 2016 are expected to aggregate $56.0 million.

(16) Accumulated Other Comprehensive Earnings

Accumulated other comprehensive earnings included in our consolidated balance sheets and statements of equity reflect the aggregate impact of foreign currency translation adjustments and pension-related adjustments and other. The changes in the components of accumulated other comprehensive earnings, net of taxes, are summarized as follows:

	Liberty Global shareholders				
	Foreign currency translation adjustments	Pension-related adjustments and other	Accumulated other comprehensive earnings	Non-controlling interests	Total accumulated other comprehensive earnings
			in millions		
Balance at January 1, 2013	$ 1,604.1	$ (3.6)	$ 1,600.5	$ 37.3	$ 1,637.8
Other comprehensive earnings	918.1	10.2	928.3	(16.9)	911.4
Balance at December 31, 2013	2,522.2	6.6	2,528.8	20.4	2,549.2
Other comprehensive loss	(810.1)	(72.1)	(882.2)	(0.5)	(882.7)
Balance at December 31, 2014	1,712.1	(65.5)	1,646.6	19.9	1,666.5
Other comprehensive loss	(732.9)	(17.8)	(750.7)	0.5	(750.2)
Balance at December 31, 2015	$ 979.2	$ (83.3)	$ 895.9	$ 20.4	$ 916.3

The components of other comprehensive earnings, net of taxes, are reflected in our consolidated statements of comprehensive earnings (loss). The following table summarizes the tax effects related to each component of other comprehensive earnings (loss), net of amounts reclassified to our consolidated statements of operations:

	Pre-tax amount	Tax benefit	Net-of-tax amount
		in millions	
Year ended December 31, 2015:			
Foreign currency translation adjustments	$ (737.1)	$ 4.2	$ (732.9)
Pension-related adjustments and other	(23.4)	6.1	(17.3)
Other comprehensive loss	(760.5)	10.3	(750.2)
Other comprehensive earnings attributable to noncontrolling interests (a)	(0.7)	0.2	(0.5)
Other comprehensive loss attributable to Liberty Global shareholders	$ (761.2)	$ 10.5	$ (750.7)
Year ended December 31, 2014:			
Foreign currency translation adjustments	$ (816.4)	$ 6.3	$ (810.1)
Pension-related adjustments	(89.9)	17.3	(72.6)
Other comprehensive loss	(906.3)	23.6	(882.7)
Other comprehensive loss attributable to noncontrolling interests (a)	0.8	(0.3)	0.5
Other comprehensive loss attributable to Liberty Global shareholders	$ (905.5)	$ 23.3	$ (882.2)
Year ended December 31, 2013:			
Foreign currency translation adjustments	$ 896.4	$ 4.4	$ 900.8
Pension-related adjustments	12.1	(1.5)	10.6
Other comprehensive earnings	908.5	2.9	911.4
Other comprehensive loss attributable to noncontrolling interests (b)	17.3	(0.4)	16.9
Other comprehensive earnings attributable to Liberty Global shareholders	$ 925.8	$ 2.5	$ 928.3

(a) Amounts represent the noncontrolling interest owners' share of our pension-related adjustments.

(b) Amounts represent the noncontrolling interest owners' share of our foreign currency translation adjustments and pension-related adjustments.

(17) Commitments and Contingencies

Commitments

In the normal course of business, we have entered into agreements that commit our company to make cash payments in future periods with respect to programming contracts, network and connectivity commitments, non-cancellable operating leases, purchases of customer premises and other equipment and other items. The following table sets forth the U.S. dollar equivalents of such commitments as of December 31, 2015:

	Payments due during:						
	2016	**2017**	**2018**	**2019**	**2020**	**Thereafter**	**Total**
				in millions			
Programming commitments	$ 1,004.5	$ 883.7	$ 698.6	$ 272.2	$ 11.0	$ 7.6	$ 2,877.6
Network and connectivity commitments	647.0	241.7	130.9	90.7	58.2	916.3	2,084.8
Purchase commitments	1,036.1	227.2	102.6	47.2	38.1	77.6	1,528.8
Operating leases	151.6	126.3	107.1	85.1	58.3	276.4	804.8
Other commitments	68.2	31.3	23.1	19.3	9.3	17.0	168.2
Total (a)	$ 2,907.4	$ 1,510.2	$ 1,062.3	$ 514.5	$ 174.9	$ 1,294.9	$ 7,464.2

____

(a) The commitments included in this table do not reflect any liabilities that are included in our December 31, 2015 consolidated balance sheet.

Programming commitments consist of obligations associated with certain of our programming, studio output and sports rights contracts that are enforceable and legally binding on us as we have agreed to pay minimum fees without regard to (i) the actual number of subscribers to the programming services, (ii) whether we terminate service to a portion of our subscribers or dispose of a portion of our distribution systems or (iii) whether we discontinue our premium sports services. In addition, programming commitments do not include increases in future periods associated with contractual inflation or other price adjustments that are not fixed. Accordingly, the amounts reflected in the above table with respect to these contracts are significantly less than the amounts we expect to pay in these periods under these contracts. Historically, payments to programming vendors have represented a significant portion of our operating costs, and we expect that this will continue to be the case in future periods. In this regard, our total third-party programming and copyright costs aggregated $2,313.9 million (including $2,066.6 million for the Liberty Global Group and $247.3 million for the LiLAC Group), $2,160.0 million (including $1,928.0 million for the Liberty Global Group and $232.0 million for the LiLAC Group) and $1,631.0 million (including $1,385.1 million for the Liberty Global Group and $245.9 million for the LiLAC Group) during 2015, 2014 and 2013, respectively.

Network and connectivity commitments include (i) Telenet's commitments for certain operating costs associated with its leased network, (ii) commitments associated with our MVNO agreements, (iii) service commitments associated with our network extension projects, primarily in the U.K. and (iv) certain repair and maintenance, fiber capacity and energy commitments of Unitymedia. Effective October 1, 2015, Telenet's commitments for certain operating costs are subject to adjustment based on changes in the network operating costs incurred by Telenet with respect to its own networks. These potential adjustments are not subject to reasonable estimation and, therefore, are not included in the above table. The amounts reflected in the above table with respect to certain of our MVNO commitments represent fixed minimum amounts payable under these agreements and, therefore, may be significantly less than the actual amounts we ultimately pay in these periods.

Purchase commitments include unconditional and legally binding obligations related to (i) the purchase of customer premises and other equipment and (ii) certain service-related commitments, including call center, information technology and maintenance services.

Commitments arising from acquisition agreements are not reflected in the above table. For information regarding our commitments under acquisition agreements, see note 4.

In addition to the commitments set forth in the table above, we have significant commitments under (i) derivative instruments and (ii) defined benefit plans and similar agreements, pursuant to which we expect to make payments in future periods. For information regarding our derivative instruments, including the net cash paid or received in connection with these instruments during 2015, 2014 and 2013, see note 7. For information regarding our defined benefit plans, see note 15.

We also have commitments pursuant to agreements with, and obligations imposed by, franchise authorities and municipalities, which may include obligations in certain markets to move aerial cable to underground ducts or to upgrade, rebuild or extend portions of our broadband communication systems. Such amounts are not included in the above table because they are not fixed or determinable.

Rental expense of our continuing operations under non-cancellable operating lease arrangements amounted to $219.0 million (including $204.7 million for the Liberty Global Group and $14.3 million for the LiLAC Group), $268.3 million (including $252.0 million for the Liberty Global Group and $16.3 million for the LiLAC Group) and $238.6 million (including $203.7 million for the Liberty Global Group and $34.9 million for the LiLAC Group) during 2015, 2014 and 2013, respectively. It is expected that in the normal course of business, operating leases that expire generally will be renewed or replaced by similar leases.

We have established various defined contribution benefit plans for our and our subsidiaries' employees. The aggregate expense of our continuing operations for matching contributions under the various defined contribution employee benefit plans was $76.7 million (including $75.0 million for the Liberty Global Group and $1.7 million for the LiLAC Group), $63.2 million (including $61.7 million for the Liberty Global Group and $1.5 million for the LiLAC Group) and $48.2 million (including $47.6 million for the Liberty Global Group and $0.6 million for the LiLAC Group) during 2015, 2014 and 2013, respectively.

Guarantees and Other Credit Enhancements

In the ordinary course of business, we may provide (i) indemnifications to our lenders, our vendors and certain other parties and (ii) performance and/or financial guarantees to local municipalities, our customers and vendors. Historically, these arrangements have not resulted in our company making any material payments and we do not believe that they will result in material payments in the future.

Legal and Regulatory Proceedings and Other Contingencies

Interkabel Acquisition. On November 26, 2007, Telenet and the PICs announced a non-binding agreement-in-principle to transfer the analog and digital television activities of the PICs, including all existing subscribers to Telenet. Subsequently, Telenet and the PICs entered into a binding agreement (the **2008 PICs Agreement**), which closed effective October 1, 2008. Beginning in December 2007, Proximus NV/SA (**Proximus**), the incumbent telecommunications operator in Belgium, instituted several proceedings seeking to block implementation of these agreements. Proximus lodged summary proceedings with the President of the Court of First Instance of Antwerp to obtain a provisional injunction preventing the PICs from effecting the agreement-in-principle and initiated a civil procedure on the merits claiming the annulment of the agreement-in-principle. In March 2008, the President of the Court of First Instance of Antwerp ruled in favor of Proximus in the summary proceedings, which ruling was overturned by the Court of Appeal of Antwerp in June 2008. Proximus brought this appeal judgment before the Cour de Cassation (the **Belgian Supreme Court**), which confirmed the appeal judgment in September 2010. On April 6, 2009, the Court of First Instance of Antwerp ruled in favor of the PICs and Telenet in the civil procedure on the merits, dismissing Proximus's request for the rescission of the agreement-in-principle and the 2008 PICs Agreement. On June 12, 2009, Proximus appealed this judgment with the Court of Appeal of Antwerp. In this appeal, Proximus is now also seeking compensation for damages should the 2008 PICs Agreement not be rescinded. While these proceedings were suspended indefinitely, other proceedings were initiated, which resulted in a ruling by the Belgian Council of State in May 2014 annulling (i) the decision of the PICs not to organize a public market consultation and (ii) the decision from the PICs' board of directors to approve the 2008 PICs Agreement. In December 2015, Proximus resumed the civil proceedings pending with the Court of Appeal of Antwerp seeking to have the 2008 PICs Agreement annulled and claiming damages of €1.4 billion ($1.5 billion).

Telenet is in the process of evaluating the resumed proceedings and claim for damages and intends to defend itself vigorously. No assurance can be given as to the outcome of these or other proceedings. However, an unfavorable outcome of existing or future proceedings could potentially lead to the annulment of the 2008 PICs Agreement and/or to an obligation of Telenet to pay compensation for damages, subject to the relevant provisions of the 2008 PICs Agreement, which stipulate that Telenet is only responsible for damages in excess of €20.0 million ($21.7 million). We do not expect the ultimate resolution of this matter to have

a material impact on our results of operations, cash flows or financial position. No amounts have been accrued by us with respect to this matter as the likelihood of loss is not considered to be probable.

Deutsche Telekom Litigation. On December 28, 2012, Unitymedia filed a lawsuit against Deutsche Telekom in which Unitymedia asserts that it pays excessive prices for the co-use of Deutsche Telekom's cable ducts in Unitymedia's footprint. The Federal Network Agency approved rates for the co-use of certain ducts of Deutsche Telekom in March 2011. Based in part on these approved rates, Unitymedia is seeking a reduction of the annual lease fees (approximately €76 million ($83 million) for 2012) by approximately two-thirds and the return of similarly calculated overpayments from 2009 through the ultimate settlement date, plus accrued interest. While we expect a decision by the court of first instance during 2016, the resolution of this matter may take several years and no assurance can be given that Unitymedia's claims will be successful. Any recovery by Unitymedia will not be reflected in our consolidated financial statements until such time as the final disposition of this matter has been reached.

Vivendi Litigation. A wholly-owned subsidiary of our company is a plaintiff in certain litigation titled Liberty Media Corporation, et. al. v. Vivendi S.A. and Universal Studios. A predecessor of Liberty Global was a subsidiary of Liberty Media Corporation (**Liberty Media**) through June 6, 2004. In connection with Liberty Media's prosecution of the action, our subsidiary assigned its rights to Liberty Media in exchange for a contingent payout in the event Liberty Media recovered any amounts as a result of the action. Our subsidiary's interest in any such recovery will be equal to 10% of the recovery amount, including any interest awarded, less the amount to be retained by Liberty Media for (i) all fees and expenses incurred by Liberty Media in connection with the action (including expenses to be incurred in connection with any appeals and the payment of certain deferred legal fees) and (ii) agreed upon interest on such fees and expenses. On January 17, 2013, following a jury trial, the court entered a final judgment in favor of the plaintiffs in the amount of €944 million ($1,026 million), including prejudgment interest. Vivendi S.A. and Universal Studios have filed a notice of appeal of the court's final judgment to the Second Circuit Court of Appeals. As a result, the amount that our subsidiary may ultimately recover in connection with the final resolution of the action, if any, is uncertain. Any recovery by our company will not be reflected in our consolidated financial statements until such time as the final disposition of this matter has been reached.

Liberty Puerto Rico Matter. In November 2012, we completed a business combination that resulted in, among other matters, the combination of our then operating subsidiary in Puerto Rico with San Juan Cable, LLC dba OneLink Communications (**OneLink**). In connection with this transaction (the **OneLink Acquisition**), Liberty Puerto Rico, as the surviving entity, became a party to certain claims previously asserted by the incumbent telephone operator against OneLink based on alleged conduct of OneLink that occurred prior to the OneLink Acquisition (the **PRTC Claim**). The PRTC Claim includes an allegation that OneLink acted in an anticompetitive manner in connection with a series of legal and regulatory proceedings it initiated against the incumbent telephone operator in Puerto Rico beginning in 2009. In March 2014, a separate class action claim was filed in Puerto Rico (the **Class Action Claim**) containing allegations substantially similar to those asserted in the PRTC Claim, but alleging ongoing injury on behalf of a consumer class (as opposed to harm to a competitor). The former owners of OneLink have partially indemnified us through November 27, 2016 for any losses we may incur in connection with the PRTC Claim up to a specified maximum amount. However, the indemnity does not cover any potential losses resulting from the Class Action Claim. Liberty Puerto Rico has recorded a provision and a related indemnification asset representing its best estimate of the net loss that it may incur upon the ultimate resolution of the PRTC Claim. While Liberty Puerto Rico expects that the net amount required to satisfy these contingencies will not materially differ from the estimated amount it has accrued, no assurance can be given that the ultimate resolution of these matters will not have an adverse impact on our results of operations, cash flows or financial position in any given period.

Belgium Regulatory Developments. In December 2010, the Belgisch Instituut voor Post en Telecommunicatie and the regional regulators for the media sectors (together, the **Belgium Regulatory Authorities**) published their respective draft decisions reflecting the results of their joint analysis of the broadcasting market in Belgium.

The Belgium Regulatory Authorities adopted a final decision on July 1, 2011 (the July 2011 Decision) with some minor revisions. The regulatory obligations imposed by the July 2011 Decision include (i) an obligation to make a resale offer at "retail minus" of the cable analog package available to third party operators (including Proximus), (ii) an obligation to grant third-party operators (except Proximus) access to digital television platforms (including the basic digital video package) at "retail minus," and (iii) an obligation to make a resale offer at "retail minus" of broadband internet access available to beneficiaries of the digital television access obligation that wish to offer bundles of digital video and broadband internet services to their customers (except Proximus).

In February 2012, Telenet submitted draft reference offers regarding the obligations described above, and the Belgium Regulatory Authorities published the final decision on September 9, 2013. Telenet has implemented the access obligations as described in its reference offers and, as of June 23, 2014, access to the Telenet network had become operational and can be applied by wireless operator Mobistar SA (**Mobistar**). In addition, as a result of the November 2014 decision by the Brussels Court of Appeal described below, on November 14, 2014, Proximus submitted a request to Telenet to commence access negotiations. Telenet contests this request and has asked the Belgium Regulatory Authorities to assess the reasonableness of the Proximus request. The timing for a decision regarding this assessment by the Belgium Regulatory Authorities is not known.

On December 14, 2015, the Belgium Regulatory Authorities published a draft decision, which amended previously-issued decisions, that sets forth the "retail-minus" tariffs of minus 26% for basic television (basic analog and digital video package) and minus 18% for the bundle of basic television and broadband internet services during an initial two-year period. Following this two-year period, the tariffs would change to minus 15% and 7%, respectively. The draft decision was notified to the European Commission and a final decision is expected in the first quarter of 2016. A "retail-minus" method of pricing involves a wholesale tariff calculated as the retail price for the offered service by Telenet, excluding VAT and copyrights, and further deducting the retail costs avoided by offering the wholesale service (such as costs for billing, franchise, consumer service, marketing and sales).

Telenet filed an appeal against the July 2011 Decision with the Brussels Court of Appeal. On November 12, 2014, the Brussels Court of Appeal rejected Telenet's appeal of the July 2011 Decision and accepted Proximus's claim that Proximus should be allowed access to Telenet's, among other operators, digital television platform and the resale of bundles of digital video and broadband internet services. On November 30, 2015, Telenet filed an appeal of this decision with the Belgian Supreme Court. In 2015, Telenet and wireless operator Mobistar each filed an appeal with the Brussels Court of Appeal against the decision regarding the quantitative aspects of the reference offers. A decision with respect to these appeals is expected during 2016. There can be no certainty that Telenet's appeals will be successful.

The July 2011 Decision aims to, and in its application may, strengthen Telenet's competitors by granting them resale access to Telenet's network to offer competing products and services notwithstanding Telenet's substantial historical financial outlays in developing the infrastructure. In addition, any resale access granted to competitors could (i) limit the bandwidth available to Telenet to provide new or expanded products and services to the customers served by its network and (ii) adversely impact Telenet's ability to maintain or increase its revenue and cash flows. The extent of any such adverse impacts ultimately will be dependent on the extent that competitors take advantage of the resale access ultimately afforded to Telenet's network and other competitive factors or market developments.

Financial Transactions Tax. Eleven countries in the EU, including Belgium, Germany, Austria and Slovakia, are participating in an enhanced cooperation procedure to introduce a financial transactions tax (the **FTT**). Under the draft language of the FTT proposal, a wide range of financial transactions could be taxed at rates of at least 0.01% for derivative transactions based on the notional amount and 0.1% for other covered financial transactions based on the underlying transaction price. Each of the individual countries would be permitted to determine an exact rate, which could be higher than the proposed rates of 0.01% and 0.1%. Any implementation of the FTT could have a global impact because it would apply to all financial transactions where a financial institution is involved (including unregulated entities that engage in certain types of covered activity) and either of the parties (whether the financial institution or its counterparty) is in one of the eleven participating countries. Although ongoing debate in the relevant countries demonstrates continued momentum around the FTT, uncertainty remains as to when the FTT would be implemented and the breadth of its application. Based on our understanding of the current status of the potential FTT, we do not expect that any implementation of the FTT would occur before January 2017. Any imposition of the FTT could increase banking fees and introduce taxes on internal transactions that we currently perform. Due to the uncertainty regarding the FTT, we are currently unable to estimate the financial impact that the FTT could have on our results of operations, cash flows or financial position.

Virgin Media VAT Matters. Virgin Media's application of VAT with respect to certain revenue generating activities has been challenged by the U.K. tax authorities. Virgin Media has estimated its maximum exposure in the event of an unfavorable outcome to be £45.2 million ($66.6 million) as of December 31, 2015. No portion of this exposure has been accrued by Virgin Media as the likelihood of loss is not considered to be probable. A court hearing was held at the end of September 2014 in relation to the U.K. tax authorities' challenge and the court's decision is expected prior to March 31, 2016.

On March 19, 2014, the U.K. government announced a change in legislation with respect to the charging of VAT in connection with prompt payment discounts such as those that we offer to our fixed-line telephony customers. This change, which took effect

on May 1, 2014, impacted our company and some of our competitors. As a result of this legislation, our revenue was $24.0 million lower during 2015 as compared to 2014. The U.K. tax authority issued a decision in the fourth quarter of 2015 challenging our application of the prompt payment discount rules prior to the May 1, 2014 change in legislation. We have appealed this decision. As part of the appeal process, we were required to make aggregate payments of £67.0 million ($99.1 million at the respective transaction dates), which included the challenged amount of £63.7 million and related interest of £3.3 million. The aggregate amount paid does not include penalties, which could be significant in the unlikely event that penalties were to be assessed. This matter will likely be subject to court proceedings that could delay the ultimate resolution for an extended period of time. No portion of this potential exposure has been accrued by our company as the likelihood of loss is not considered to be probable.

Hungary VAT Matter. In September 2015, our DTH operations in Luxembourg received a first instance decision from the Hungarian tax authorities as a result of an audit with respect to VAT payments that the Hungarian tax authorities conducted for the years 2010 through 2012. The Hungarian tax authorities have assessed our DTH operations with an obligation to pay VAT for the years audited of HUF 5,902.2 million ($20.3 million), excluding interest and penalties, which could be significant. We believe that our DTH operations have operated in compliance with all applicable rules, regulations and interpretations thereof, including a binding tax ruling that we received from the Hungarian government in 2010. Although we are appealing the first instance decision, we may be required to pay all or a portion of the assessed amount during the pendency of the appeal. No portion of this exposure has been accrued by us as the likelihood of loss is not considered to be probable.

Telenet MVNO Matter. Telenet and Mobistar are currently in dispute over amounts payable to Mobistar with respect to certain provisions of Telenet's MVNO agreement with Mobistar (the **Mobistar MVNO Agreement**). As part of this dispute, Mobistar initiated legal proceedings against Telenet claiming, among other things, that the migration period after termination or expiration of the Mobistar MVNO Agreement should be shortened from 24 months to six months. Telenet believes it has strong arguments against Mobistar's claims and intends to defend itself vigorously. We cannot currently predict the outcome of these proceedings; however, in the unlikely event that the migration period is shortened, Telenet's mobile business could be adversely impacted. The oral hearing in this matter is currently scheduled for September 23, 2016.

Other Regulatory Issues. Video distribution, broadband internet, fixed-line telephony, mobile and content businesses are regulated in each of the countries in which we operate. The scope of regulation varies from country to country, although in some significant respects regulation in European markets is harmonized under the regulatory structure of the EU. Adverse regulatory developments could subject our businesses to a number of risks. Regulation, including conditions imposed on us by competition or other authorities as a requirement to close acquisitions or dispositions, could limit growth, revenue and the number and types of services offered and could lead to increased operating costs and property and equipment additions. In addition, regulation may restrict our operations and subject them to further competitive pressure, including pricing restrictions, interconnect and other access obligations, and restrictions or controls on content, including content provided by third parties. Failure to comply with current or future regulation could expose our businesses to various penalties. In this regard, beginning in September 2014, various decreases to tariff rates have been proposed and implemented by Chilean regulatory authorities, and a further decrease to one tariff rate is pending. None of these decreases had, or are expected to have, a material impact on VTR's revenue or expenses.

We have security accreditations across a range of B2B products and services in order to increase our offerings to public sector organizations in the U.K. These accreditations are granted subject to periodic reviews of our policies and procedures by U.K. governmental authorities. If we were to fail to maintain these accreditations or obtain new accreditations when required, it could impact our ability to provide certain offerings to the public sector.

In addition to the foregoing items, we have contingent liabilities related to matters arising in the ordinary course of business including (i) legal proceedings, (ii) issues involving VAT and wage, property and other tax issues and (iii) disputes over interconnection, programming, copyright and channel carriage fees. While we generally expect that the amounts required to satisfy these contingencies will not materially differ from any estimated amounts we have accrued, no assurance can be given that the resolution of one or more of these contingencies will not result in a material impact on our results of operations, cash flows or financial position in any given period. Due, in general, to the complexity of the issues involved and, in certain cases, the lack of a clear basis for predicting outcomes, we cannot provide a meaningful range of potential losses or cash outflows that might result from any unfavorable outcomes.

(18) Segment Reporting

We generally identify our reportable segments as those consolidated subsidiaries that represent 10% or more of our revenue, Adjusted OIBDA (as defined below) or total assets. In certain cases, we may elect to include an operating segment in our segment disclosure that does not meet the above-described criteria for a reportable segment. We evaluate performance and make decisions about allocating resources to our operating segments based on financial measures such as revenue and Adjusted OIBDA. In addition, we review non-financial measures such as subscriber growth, as appropriate.

Adjusted operating income before depreciation and amortization (**Adjusted OIBDA**) is the primary measure used by our chief operating decision maker to evaluate segment operating performance. Adjusted OIBDA is also a key factor that is used by our internal decision makers to (i) determine how to allocate resources to segments and (ii) evaluate the effectiveness of our management for purposes of annual and other incentive compensation plans. As we use the term, Adjusted OIBDA is defined as operating income before depreciation and amortization, share-based compensation, provisions and provision releases related to significant litigation and impairment, restructuring and other operating items. Other operating items include (a) gains and losses on the disposition of long-lived assets, (b) third-party costs directly associated with successful and unsuccessful acquisitions and dispositions, including legal, advisory and due diligence fees, as applicable, and (c) other acquisition-related items, such as gains and losses on the settlement of contingent consideration. Our internal decision makers believe Adjusted OIBDA is a meaningful measure and is superior to available GAAP measures because it represents a transparent view of our recurring operating performance that is unaffected by our capital structure and allows management to (1) readily view operating trends, (2) perform analytical comparisons and benchmarking between segments and (3) identify strategies to improve operating performance in the different countries in which we operate. We believe our Adjusted OIBDA measure is useful to investors because it is one of the bases for comparing our performance with the performance of other companies in the same or similar industries, although our measure may not be directly comparable to similar measures used by other public companies. Adjusted OIBDA should be viewed as a measure of operating performance that is a supplement to, and not a substitute for, operating income, net earnings or loss, cash flow from operating activities and other GAAP measures of income or cash flows. A reconciliation of total segment Adjusted OIBDA to our loss from continuing operations before income taxes is presented below.

We began presenting our operating segment in Puerto Rico as a separate reportable segment during the second quarter of 2015 in anticipation of the issuance of the LiLAC Shares. Previously, this operating segment was included in our corporate and other category. Segment information for all periods presented reflects the above-described change. We present only the reportable segments of our continuing operations in the tables below.

As of December 31, 2015, our reportable segments are as follows:

- European Operations Division:
    - U.K./Ireland
    - The Netherlands
    - Germany
    - Belgium
    - Switzerland/Austria
    - Central and Eastern Europe
- LiLAC Division:
    - Chile
    - Puerto Rico

All of the reportable segments set forth above derive their revenue primarily from broadband communications services, including video, broadband internet and fixed-line telephony services. Most of our reportable segments also provide B2B and mobile services. At December 31, 2015, our operating segments in the European Operations Division provided broadband communications services in 12 European countries and DTH services to customers in the Czech Republic, Hungary, Romania and Slovakia through a Luxembourg-based organization that we refer to as "**UPC DTH**." In addition to UPC DTH, our Central and Eastern Europe segment includes our broadband communications operations in the Czech Republic, Hungary, Poland, Romania and Slovakia. The European Operations Division's central and other category includes (i) costs associated with certain centralized functions, including billing systems, network operations, technology, marketing, facilities, finance and other administrative functions, and (ii) intersegment eliminations within the European Operations Division. The corporate and other category for the

Liberty Global Group includes less significant consolidated operating segments that provide programming and other services. Intersegment eliminations primarily represent the elimination of intercompany transactions between our broadband communications and programming operations. Inter-group eliminations primarily represent the elimination of intercompany transactions between the Liberty Global Group and the LiLAC Group.

Performance Measures of Our Reportable Segments

The amounts presented below represent 100% of each of our reportable segment's revenue and Adjusted OIBDA. As we have the ability to control Telenet and Liberty Puerto Rico, we consolidate 100% of the revenue and expenses of these entities in our consolidated statements of operations despite the fact that third parties own significant interests in these entities. The noncontrolling owners' interests in the operating results of Telenet, Liberty Puerto Rico and other less significant majority-owned subsidiaries are reflected in net earnings or loss attributable to noncontrolling interests in our consolidated statements of operations.

	Year ended December 31,					
	2015		2014		2013	
	Revenue	Adjusted OIBDA	Revenue	Adjusted OIBDA	Revenue	Adjusted OIBDA
	in millions					
Liberty Global Group:						
European Operations Division:						
U.K./Ireland (a)	$ 7,058.7	$ 3,162.1	$ 7,409.9	$ 3,235.7	$ 4,117.4	$ 1,742.8
The Netherlands (b)	2,745.3	1,519.5	1,498.5	857.9	1,242.4	721.7
Germany	2,399.5	1,502.1	2,711.5	1,678.2	2,559.2	1,541.1
Belgium	2,021.0	990.3	2,279.4	1,125.0	2,185.9	1,049.4
Switzerland/Austria	1,758.2	1,040.1	1,846.1	1,056.4	1,767.1	1,005.7
Total Western Europe	15,982.7	8,214.1	15,745.4	7,953.2	11,872.0	6,060.7
Central and Eastern Europe	1,066.6	474.0	1,259.5	583.0	1,272.0	584.5
Central and other	(5.4)	(289.2)	(7.1)	(282.7)	(0.4)	(239.1)
Total European Operations Division	17,043.9	8,398.9	16,997.8	8,253.5	13,143.6	6,406.1
Corporate and other	42.3	(222.6)	70.8	(212.0)	77.1	(169.2)
Intersegment eliminations (c)	(23.5)	—	(24.9)	4.0	(34.0)	44.8
Total Liberty Global Group	17,062.7	8,176.3	17,043.7	8,045.5	13,186.7	6,281.7
LiLAC Group:						
LiLAC Division:						
Chile	838.1	328.1	898.5	351.0	991.6	353.6
Puerto Rico (d)	379.2	167.2	306.1	128.9	297.2	107.3
Total LiLAC Division	1,217.3	495.3	1,204.6	479.9	1,288.8	460.9
Corporate and other	—	(4.3)	—	(3.1)	—	(1.9)
Total LiLAC Group	1,217.3	491.0	1,204.6	476.8	1,288.8	459.0
Inter-group eliminations	—	—	—	—	(1.3)	—
Total	$18,280.0	$ 8,667.3	$18,248.3	$ 8,522.3	$14,474.2	$ 6,740.7

(a) The amounts presented for 2013 include the post-acquisition revenue and Adjusted OIBDA of Virgin Media from June 8, 2013 through December 31, 2013.

(b) The amounts presented for 2014 include the post-acquisition revenue and Adjusted OIBDA of Ziggo from November 12, 2014 through December 31, 2014.

(c) The intersegment eliminations that are applicable to revenue are primarily related to transactions between our European Operations Division and our continuing programming operations. The intersegment eliminations that are applicable to Adjusted OIBDA are related to transactions between our European Operations Division and the Chellomedia Disposal Group, which eliminations are no longer recorded following the completion of the Chellomedia Transaction on January 31, 2014.

(d) The amounts presented for 2015 include the post-acquisition revenue and Adjusted OIBDA of Choice, which was acquired on June 3, 2015.

The following table provides a reconciliation of total segment Adjusted OIBDA from continuing operations to loss from continuing operations before income taxes:

	Year ended December 31,		
	2015	2014	2013
		in millions	
Total segment Adjusted OIBDA from continuing operations	$ 8,667.3	$ 8,522.3	$ 6,740.7
Share-based compensation expense	(318.2)	(257.2)	(300.7)
Depreciation and amortization	(5,825.8)	(5,500.1)	(4,276.4)
Release of litigation provision	—	—	146.0
Impairment, restructuring and other operating items, net	(174.1)	(536.8)	(297.5)
Operating income	2,349.2	2,228.2	2,012.1
Interest expense	(2,441.4)	(2,544.7)	(2,286.9)
Interest and dividend income	35.9	31.7	113.1
Realized and unrealized gains (losses) on derivative instruments, net	847.2	88.8	(1,020.4)
Foreign currency transaction gains (losses), net	(1,149.2)	(836.5)	349.3
Realized and unrealized gains due to changes in fair values of certain investments, net	124.5	205.2	524.1
Losses on debt modification and extinguishment, net	(388.0)	(186.2)	(212.2)
Other expense, net	(62.8)	(42.4)	(5.6)
Loss from continuing operations before income taxes	$ (684.6)	$ (1,055.9)	$ (526.5)

Balance Sheet Data of our Reportable Segments

Selected balance sheet data of our reportable segments is set forth below:

	Long-lived assets		Total assets	
	December 31,		December 31,	
	2015	2014	2015	2014
	in millions			
Liberty Global Group:				
European Operations Division:				
U.K./Ireland	$ 19,789.9	$ 21,754.2	$ 23,647.6	$ 25,487.2
The Netherlands	14,741.7	17,092.7	15,132.1	17,387.0
Germany	7,898.9	9,117.9	8,634.1	9,512.8
Belgium	3,674.9	4,149.5	4,493.6	4,828.8
Switzerland/Austria	5,108.0	5,300.9	5,438.6	5,643.9
Total Western Europe	51,213.4	57,415.2	57,346.0	62,859.7
Central and Eastern Europe	2,268.0	2,459.9	2,357.5	2,566.4
Central and other	543.9	499.4	1,574.3	2,613.2
Total European Operations Division	54,025.3	60,374.5	61,277.8	68,039.3
Corporate and other	119.6	68.9	3,332.5	2,045.2
Total Liberty Global Group	54,144.9	60,443.4	64,610.3	70,084.5
LiLAC Group:				
LiLAC Division:				
Chile	873.7	1,017.3	1,506.6	1,513.2
Puerto Rico	1,468.8	1,128.3	1,599.4	1,213.7
Total LiLAC Division	2,342.5	2,145.6	3,106.0	2,726.9
Corporate and other	—	—	161.5	44.1
Total LiLAC Group	2,342.5	2,145.6	3,267.5	2,771.0
Inter-group eliminations	—	—	(10.6)	(13.6)
Total	$ 56,487.4	$ 62,589.0	$ 67,867.2	$ 72,841.9

Property and Equipment Additions of our Reportable Segments

The property and equipment additions of our reportable segments (including capital additions financed under vendor financing or capital lease arrangements) are presented below and reconciled to the capital expenditure amounts included in our consolidated statements of cash flows. For additional information concerning capital additions financed under vendor financing and capital lease arrangements, see note 9.

	Year ended December 31,		
	2015	2014	2013
		in millions	
Liberty Global Group:			
European Operations Division:			
U.K./Ireland (a)	$ 1,527.3	$ 1,506.7	$ 827.5
The Netherlands (b)	536.1	268.0	242.4
Germany	535.7	574.5	543.4
Belgium	371.6	448.9	453.7
Switzerland/Austria	315.6	327.2	306.4
Total Western Europe	3,286.3	3,125.3	2,373.4
Central and Eastern Europe	277.3	264.8	271.6
Central and other	280.7	257.9	256.0
Total European Operations Division	3,844.3	3,648.0	2,901.0
Corporate and other	65.9	5.0	6.3
Total Liberty Global Group	3,910.2	3,653.0	2,907.3
LiLAC Group:			
Chile	149.0	195.8	188.5
Puerto Rico (c)	78.1	60.4	65.8
Total LiLAC Group	227.1	256.2	254.3
Total property and equipment additions	4,137.3	3,909.2	3,161.6
Assets acquired under capital-related vendor financing arrangements	(1,481.5)	(975.3)	(573.5)
Assets acquired under capital leases	(106.1)	(127.2)	(143.0)
Changes in current liabilities related to capital expenditures	(50.2)	(122.3)	36.4
Total capital expenditures	$ 2,499.5	$ 2,684.4	$ 2,481.5

(a) The amount presented for 2013 includes the post-acquisition property and equipment additions of Virgin Media from June 8, 2013 through December 31, 2013.

(b) The amount presented for 2014 includes the post-acquisition property and equipment additions of Ziggo from November 12, 2014 through December 31, 2014.

(c) The amount presented for 2015 includes the post-acquisition property and equipment additions of Choice, which was acquired on June 3, 2015.

Revenue by Major Category

Our revenue by major category is set forth below:

	Year ended December 31,		
	2015	**2014**	**2013**
		in millions	
Subscription revenue (a):			
Video	$ 6,383.6	$ 6,538.3	$ 5,720.7
Broadband internet	5,079.7	4,718.5	3,535.0
Fixed-line telephony	3,162.0	3,259.5	2,506.5
Cable subscription revenue	14,625.3	14,516.3	11,762.2
Mobile subscription revenue (b)	1,037.3	1,085.6	669.9
Total subscription revenue	15,662.6	15,601.9	12,432.1
B2B revenue (c)	1,560.5	1,501.3	980.5
Other revenue (b) (d)	1,056.9	1,145.1	1,061.6
Total	$ 18,280.0	$ 18,248.3	$ 14,474.2

____

(a) Subscription revenue includes amounts received from subscribers for ongoing services, excluding installation fees and late fees. Subscription revenue from subscribers who purchase bundled services at a discounted rate is generally allocated proportionally to each service based on the standalone price for each individual service. As a result, changes in the standalone pricing of our cable and mobile products or the composition of bundles can contribute to changes in our product revenue categories from period to period.

(b) Mobile subscription revenue excludes mobile interconnect revenue of $212.7 million, $245.0 million and $175.2 million during 2015, 2014 and 2013, respectively. Mobile interconnect revenue and revenue from mobile handset sales are included in other revenue.

(c) B2B revenue includes revenue from business broadband internet, video, voice, mobile and data services offered to medium to large enterprises and, on a wholesale basis, to other operators. We also provide services to certain small or home office (**SOHO**) subscribers. SOHO subscribers pay a premium price to receive expanded service levels along with video, broadband internet, fixed-line telephony or mobile services that are the same or similar to the mass marketed products offered to our residential subscribers. Revenue from SOHO subscribers, which is included in cable subscription revenue, aggregated $321.8 million, $220.7 million and $158.9 million during 2015, 2014 and 2013, respectively.

(d) Other revenue includes, among other items, interconnect, mobile handset sales, channel carriage fee and installation revenue.

Geographic Segments

The revenue of our geographic segments is set forth below:

	Year ended December 31,		
	2015	2014	2013
		in millions	
Liberty Global Group:			
European Operations Division:			
U.K. (a)	$ 6,663.3	$ 6,941.1	$ 3,653.7
The Netherlands (b)	2,745.3	1,498.5	1,242.4
Germany	2,399.5	2,711.5	2,559.2
Belgium	2,021.0	2,279.4	2,185.9
Switzerland	1,390.3	1,414.4	1,332.1
Poland	399.7	469.9	460.4
Ireland	395.4	468.8	463.7
Austria	367.9	431.7	435.0
Hungary	258.5	310.2	313.8
The Czech Republic	176.6	221.0	248.9
Romania	158.1	173.3	163.8
Slovakia	59.3	74.5	74.6
Other	9.0	3.5	10.1
Total European Operations Division	17,043.9	16,997.8	13,143.6
Other, including intersegment eliminations	18.8	45.9	43.1
Total Liberty Global Group	17,062.7	17,043.7	13,186.7
LiLAC Group:			
Chile	838.1	898.5	991.6
Puerto Rico (c)	379.2	306.1	297.2
Total LiLAC Group	1,217.3	1,204.6	1,288.8
Inter-group eliminations	—	—	(1.3)
Total	$ 18,280.0	$ 18,248.3	$ 14,474.2

(a) The amount presented for 2013 reflects the post-acquisition revenue of Virgin Media from June 8, 2013 through December 31, 2013.

(b) The amount presented for 2014 reflects the post-acquisition revenue of Ziggo from November 12, 2014 through December 31, 2014.

(c) The amount presented for 2015 reflects the post-acquisition revenue of Choice, which was acquired on June 3, 2015.

The long-lived assets of our geographic segments are set forth below:

	December 31,	
	2015	2014
	in millions	
Liberty Global Group:		
European Operations Division:		
U.K.	$ 19,127.8	$ 21,098.3
The Netherlands	14,741.7	17,092.7
Germany	7,898.9	9,117.9
Switzerland	4,117.7	4,218.9
Belgium	3,674.9	4,149.5
Austria	990.3	1,082.0
Poland	893.2	983.5
Ireland	662.1	655.9
The Czech Republic	534.8	580.4
Hungary	494.4	535.7
Romania	194.0	209.1
Slovakia	103.2	110.5
Other (a)	592.3	540.1
Total European Operations Division	54,025.3	60,374.5
U.S. and other (b)	119.6	68.9
Total Liberty Global Group	54,144.9	60,443.4
LiLAC Group:		
Puerto Rico	1,468.8	1,128.3
Chile	873.7	1,017.3
Total LiLAC Group	2,342.5	2,145.6
Total	$ 56,487.4	$ 62,589.0

(a) Primarily represents long-lived assets of the European Operations Division's central operations, which are located in the Netherlands.

(b) Primarily represents the assets of our corporate offices.

(19) Quarterly Financial Information (Unaudited)

	2015			
	1st quarter	2nd quarter	3rd quarter	4th quarter
	in millions, except per share amounts			
Revenue	$ 4,516.9	$ 4,566.5	$ 4,597.4	$ 4,599.2
Operating income	$ 557.5	$ 624.9	$ 545.5	$ 621.3
Net earnings (loss) attributable to Liberty Global shareholders	$ (537.5)	$ (464.7)	$ 133.3	$ (283.6)
Basic and diluted earnings (loss) attributable to Liberty Global shareholders per share (note 3):				
Liberty Global Shares			$ 0.12	$ (0.32)
LiLAC Shares			$ 0.69	$ (0.30)
Old Liberty Global Shares	$ (0.61)	$ (0.53)		

	2014			
	1st quarter	2nd quarter	3rd quarter	4th quarter
	in millions, except per share amounts			
Revenue	$ 4,533.7	$ 4,602.2	$ 4,497.2	$ 4,615.2
Operating income	$ 581.7	$ 669.5	$ 703.7	$ 273.3
Net earnings (loss) attributable to Liberty Global shareholders	$ (78.8)	$ (249.9)	$ 157.1	$ (523.4)
Basic and diluted earnings (loss) attributable to Liberty Global shareholders per share - Old Liberty Global Shares (note 3)	$ (0.10)	$ (0.32)	$ 0.20	$ (0.62)

(20) Subsequent Event

BASE Acquisition. On February 11, 2016, pursuant to a definitive agreement and following regulatory approval, Telenet acquired BASE for a cash purchase price of €1,324.4 million ($1,500.5 million at the transaction date) (the **BASE Acquisition**). BASE is the third-largest mobile network operator in Belgium. We expect that the BASE Acquisition will provide Telenet with cost-effective long-term mobile access to effectively compete for future growth opportunities in the Belgium mobile market. The BASE Acquisition was funded through a combination of €1.0 billion ($1.1 billion at the transaction date) of new debt facilities and existing liquidity of Telenet. On February 4, 2016, the European Commission approved Telenet's acquisition of BASE following Telenet's agreement to divest both the JIM Mobile prepaid customer base and BASE's 50% stake in Viking Co NV to MEDIALAAN NV, which was announced in November 2015. Information with regard to the acquisition accounting and pro forma effect of the acquisition of BASE is not yet available.

LIBERTY GLOBAL PLC

SCHEDULE I
(Parent Company Information - See Notes to Consolidated Financial Statements)

CONDENSED BALANCE SHEETS
(Parent Company Only)

	December 31,	
	2015	2014
	in millions	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 24.6	$ 36.7
Interest receivables — related-party	446.2	448.7
Other receivables — related-party	248.6	157.8
Current notes receivable — related-party	—	5,666.8
Other current assets	10.8	7.5
Total current assets	730.2	6,317.5
Long-term notes receivable — related-party	9,727.1	9,656.9
Investments in consolidated subsidiaries, including intercompany balances	3,851.9	750.0
Other assets, net	10.6	4.2
Total assets	$ 14,319.8	$ 16,728.6

LIBERTY GLOBAL PLC

SCHEDULE I
(Parent Company Information - See Notes to Consolidated Financial Statements)

CONDENSED BALANCE SHEETS — (Continued)
(Parent Company Only)

	December 31,	
	2015	2014
	in millions	
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 20.7	$ 46.4
Other payables — related-party	198.0	105.3
Debt — related-party	1,121.7	679.2
Accrued liabilities and other	13.7	16.0
Total current liabilities	1,354.1	846.9
Long-term notes payable — related-party	1,336.9	18.9
Other long-term liabilities — related-party	974.3	1,146.6
Other long-term liabilities	2.1	1.7
Total liabilities	3,667.4	2,014.1
Commitments and contingencies		
Shareholders' equity:		
Liberty Global Shares — Class A, $0.01 nominal value. Issued and outstanding 252,766,455 and nil shares, respectively	2.5	—
Liberty Global Shares — Class B, $0.01 nominal value. Issued and outstanding 10,472,517 and nil shares, respectively	0.1	—
Liberty Global Shares — Class C, $0.01 nominal value. Issued and outstanding 584,044,394 and nil shares, respectively	5.9	—
LiLAC Shares — Class A, $0.01 nominal value. Issued and outstanding 12,630,580 and nil shares, respectively	0.1	—
LiLAC Shares — Class B, $0.01 nominal value. Issued and outstanding 523,423 and nil shares, respectively	—	—
LiLAC Shares — Class C, $0.01 nominal value. Issued and outstanding 30,772,874 and nil shares, respectively	0.3	—
Old Liberty Global Shares — Class A, $0.01 nominal value. Issued and outstanding nil and 251,167,686 shares, respectively	—	2.5
Old Liberty Global Shares — Class B, $0.01 nominal value. Issued and outstanding nil and 10,139,184 shares, respectively	—	0.1
Old Liberty Global Shares — Class C, $0.01 nominal value. Issued and outstanding nil and 630,353,372 shares, respectively	—	6.3
Additional paid-in capital	14,908.1	17,070.8
Accumulated deficit	(5,160.1)	(4,007.6)
Accumulated other comprehensive earnings, net of taxes	895.9	1,646.6
Treasury shares, at cost	(0.4)	(4.2)
Total shareholders' equity	10,652.4	14,714.5
Total liabilities and shareholders' equity	$ 14,319.8	$ 16,728.6

LIBERTY GLOBAL PLC

SCHEDULE I
(Parent Company Information - See Notes to Consolidated Financial Statements)

CONDENSED STATEMENTS OF OPERATIONS
(Parent Company Only)

	Year ended December 31, 2015	Year ended December 31, 2014	Period from June 8, 2013 through December 31, 2013
		in millions	
Operating costs and expenses:			
Selling, general and administrative (including share-based compensation)	$ 83.2	$ 43.0	$ 9.7
Related-party fees and allocations	62.7	151.8	54.9
Depreciation and amortization	0.2	—	—
Other operating expenses	14.0	3.5	—
Operating loss	(160.1)	(198.3)	(64.6)
Non-operating income (expense):			
Interest expense — related-party	(71.2)	(9.6)	(0.1)
Interest income — related-party	787.3	821.7	468.4
Realized and unrealized gains (losses) on derivative instruments, net	—	13.7	(4.5)
Foreign currency transaction losses, net	(29.8)	(58.2)	—
Other expense, net	(2.5)	(8.1)	—
	683.8	759.5	463.8
Earnings before income taxes and equity in losses of consolidated subsidiaries, net	523.7	561.2	399.2
Equity in losses of consolidated subsidiaries, net	(1,574.7)	(1,120.8)	(1,306.3)
Income tax expense	(101.5)	(135.4)	(105.8)
Net loss	$ (1,152.5)	$ (695.0)	$ (1,012.9)

LIBERTY GLOBAL PLC

SCHEDULE I

(Parent Company Information - See Notes to Consolidated Financial Statements)

CONDENSED STATEMENTS OF CASH FLOWS

(Parent Company Only)

	Year ended December 31, 2015	Year ended December 31, 2014	Period from June 8, 2013 through December 31, 2013
		in millions	
Cash flows from operating activities:			
Net loss	$ (1,152.5)	$ (695.0)	$ (1,012.9)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Equity in losses of consolidated subsidiaries, net	1,574.7	1,120.8	1,306.3
Share-based compensation expense	34.6	20.2	3.5
Related-party fees and allocations	62.7	151.8	54.9
Depreciation and amortization	0.2	—	—
Other operating expenses	14.0	3.5	—
Realized and unrealized losses (gains) on derivative instruments, net	—	(13.7)	4.5
Foreign currency transaction losses, net	29.8	58.2	—
Deferred income tax benefit	(5.8)	(3.6)	(0.4)
Changes in operating assets and liabilities:			
Receivables and other operating assets	146.4	0.2	(104.9)
Payables and accruals	(34.3)	(65.3)	2.6
Net cash provided by operating activities	669.8	577.1	253.6
Cash flows from investing activities:			
Distribution and repayments from (investments in and advances to) consolidated subsidiaries, net	36.4	(368.3)	949.0
Other investing activities, net	(2.5)	1.8	(11.3)
Net cash provided (used) by investing activities	33.9	(366.5)	937.7
Cash flows from financing activities:			
Borrowings of related-party debt	11,241.9	1,221.5	—
Repayments of related-party debt	(9,590.7)	(542.3)	—
Repurchase of Liberty Global ordinary shares	(2,320.5)	(1,584.9)	(971.8)
Proceeds (payments) associated with call option contracts, net	(78.3)	(41.7)	4.1
Proceeds from issuance of Liberty Global shares upon exercise of options	40.5	54.8	78.1
Proceeds received from subsidiaries in connection with the issuance of Liberty Global ordinary shares	—	435.1	—
Other financing activities, net	(9.6)	(6.6)	(11.0)
Net cash used by financing activities	(716.7)	(464.1)	(900.6)
Effect of exchange rate changes on cash	0.9	(0.5)	—
Net increase (decrease) in cash and cash equivalents	(12.1)	(254.0)	290.7
Cash and cash equivalents:			
Beginning of period	36.7	290.7	—
End of period	$ 24.6	$ 36.7	$ 290.7

LIBERTY GLOBAL, INC.

SCHEDULE I
(Parent Company Information - See Notes to Consolidated Financial Statements)

CONDENSED STATEMENT OF OPERATIONS
(Parent Company Only)

	Period from January 1, 2013 through June 7, 2013
	in millions
Operating costs and expenses:	
Selling, general and administrative (including stock-based compensation)	$ 43.5
Depreciation and amortization	0.3
Other operating expenses	48.1
Operating loss	(91.9)
Non-operating expense:	
Interest expense, net	(0.7)
Other expense, net	(0.1)
	(0.8)
Loss before income taxes and equity in earnings of consolidated subsidiaries, net	(92.7)
Equity in earnings of consolidated subsidiaries, net	120.0
Income tax benefit	21.7
Net earnings	$ 49.0

LIBERTY GLOBAL, INC.

SCHEDULE I
(Parent Company Information - See Notes to Consolidated Financial Statements)

CONDENSED STATEMENT OF CASH FLOWS
(Parent Company Only)

	Period from January 1, 2013 through June 7, 2013
	in millions
Cash flows from operating activities:	
Net earnings	$ 49.0
Adjustments to reconcile net earnings to net cash used by operating activities:	
Equity in earnings of consolidated subsidiaries, net	(120.0)
Stock-based compensation expense	11.5
Depreciation and amortization	0.3
Other operating expenses	48.1
Deferred income tax benefit	(21.9)
Changes in operating assets and liabilities:	
Receivables and other operating assets	(7.2)
Payables and accruals	(23.8)
Net cash used by operating activities	(64.0)
Cash flows from investing activities:	
Distribution and repayments from consolidated subsidiaries, net	163.1
Capital expenditures	(0.7)
Net cash provided by investing activities	162.4
Cash flows from financing activities:	
Repurchase of LGI common stock	(185.4)
Proceeds related to call option contracts for LGI common stock	55.5
Payment of net settled employee withholding taxes on stock incentive awards	(13.1)
Proceeds from issuance of LGI common stock upon exercise of stock options	2.9
Net cash used by financing activities	(140.1)
Net decrease in cash and cash equivalents	(41.7)
Cash and cash equivalents:	
Beginning of period	69.4
End of period	$ 27.7

LIBERTY GLOBAL PLC

SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS

	Allowance for doubtful accounts — Trade receivables						
	Balance at beginning of period	Additions to costs and expenses	Acquisitions	Deductions or write-offs	Foreign currency translation adjustments	Disposals/ discontinued operation	Balance at end of period
				in millions			
Year ended December 31:							
2013	$ 103.0	113.3	12.9	(98.1)	1.7	(10.2)	$ 122.6
2014	$ 122.6	119.1	7.9	(120.5)	(13.0)	—	$ 116.1
2015	$ 116.1	104.1	1.1	(95.4)	(10.2)	—	$ 115.7

Report of Independent Registered Public Accounting Firm

The Board of Directors
Liberty Global plc:

We have audited the accompanying consolidated balance sheets of Liberty Global plc and subsidiaries (the Company) as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive earnings (loss), equity and cash flows for each of the years in the three-year period ended December 31, 2014. In connection with our audits of the consolidated financial statements, we also have audited financial statement schedules I and II. These consolidated financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2014 and 2013, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2014, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2014, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 12, 2015 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Denver, Colorado
February 12, 2015

LIBERTY GLOBAL PLC

CONSOLIDATED BALANCE SHEETS

	December 31,	
	2014	2013
	in millions	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,158.5	$ 2,701.9
Trade receivables, net	1,499.5	1,588.7
Derivative instruments (note 7)	446.6	252.1
Deferred income taxes (note 11)	290.3	226.1
Prepaid expenses	189.7	238.2
Current assets of discontinued operation (note 5)	—	238.7
Other current assets	335.9	236.9
Total current assets	3,920.5	5,482.6
Investments (including $1,662.7 million and $3,481.8 million, respectively, measured at fair value) (note 6)	1,808.2	3,491.2
Property and equipment, net (note 9)	23,840.6	23,974.9
Goodwill (note 9)	29,001.6	23,748.8
Intangible assets subject to amortization, net (note 9)	9,189.8	5,795.4
Long-term assets of discontinued operation (note 5)	—	513.6
Other assets, net (notes 7, 9 and 11)	5,081.2	4,707.8
Total assets	$ 72,841.9	$ 67,714.3

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL PLC

CONSOLIDATED BALANCE SHEETS — (Continued)

	December 31,	
	2014	2013
	in millions	
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 1,039.0	$ 1,072.9
Deferred revenue and advance payments from subscribers and others	1,452.2	1,406.2
Current portion of debt and capital lease obligations (note 10)	1,550.9	1,023.4
Derivative instruments (note 7)	1,043.7	751.2
Accrued interest	690.6	598.7
Accrued programming and copyright fees	368.5	359.1
Current liabilities of discontinued operation (note 5)	—	127.5
Other accrued and current liabilities (notes 11 and 14)	3,045.4	2,344.0
Total current liabilities	9,190.3	7,683.0
Long-term debt and capital lease obligations (note 10)	44,608.1	43,680.9
Long-term liabilities of discontinued operation (note 5)	—	19.8
Other long-term liabilities (notes 7, 11, 14 and 15)	4,927.5	4,789.1
Total liabilities	58,725.9	56,172.8
Commitments and contingencies (notes 4, 7, 10, 11, 15, 17 and 20)		
Equity (note 12):		
Liberty Global shareholders:		
Class A ordinary shares, $0.01 nominal value. Issued and outstanding 251,167,686 and 222,081,117 shares, respectively	2.5	2.2
Class B ordinary shares, $0.01 nominal value. Issued and outstanding 10,139,184 and 10,147,184 shares, respectively	0.1	0.1
Class C ordinary shares, $0.01 nominal value. Issued and outstanding 630,353,372 and 556,221,669 shares, respectively	6.3	5.6
Additional paid-in capital	17,070.8	12,809.4
Accumulated deficit	(4,007.6)	(3,312.6)
Accumulated other comprehensive earnings, net of taxes	1,646.6	2,528.8
Treasury shares, at cost	(4.2)	(7.7)
Total Liberty Global shareholders	14,714.5	12,025.8
Noncontrolling interests	(598.5)	(484.3)
Total equity	14,116.0	11,541.5
Total liabilities and equity	$ 72,841.9	$ 67,714.3

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL PLC

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year ended December 31,		
	2014	2013	2012
	in millions, except share and per share amounts		
Revenue (note 18)	$ 18,248.3	$ 14,474.2	$ 9,930.8
Operating costs and expenses:			
Operating (other than depreciation and amortization) (including share-based compensation) (note 13)	6,810.4	5,417.7	3,349.7
Selling, general and administrative (SG&A) (including share-based compensation) (note 13)	3,172.8	2,616.5	1,860.3
Depreciation and amortization	5,500.1	4,276.4	2,661.5
Release of litigation provision (note 17)	—	(146.0)	—
Impairment, restructuring and other operating items, net (notes 4, 9, 14 and 17)	536.8	297.5	76.2
	16,020.1	12,462.1	7,947.7
Operating income	2,228.2	2,012.1	1,983.1
Non-operating income (expense):			
Interest expense	(2,544.7)	(2,286.9)	(1,673.6)
Interest and dividend income	31.7	113.1	42.1
Realized and unrealized gains (losses) on derivative instruments, net (note 7)	88.8	(1,020.4)	(1,070.3)
Foreign currency transaction gains (losses), net	(836.5)	349.3	438.4
Realized and unrealized gains (losses) due to changes in fair values of certain investments, net (notes 6 and 8)	205.2	524.1	(10.2)
Losses on debt modification, extinguishment and conversion, net (note 10)	(186.2)	(212.2)	(213.8)
Other expense, net	(42.4)	(5.6)	(4.6)
	(3,284.1)	(2,538.6)	(2,492.0)
Loss from continuing operations before income taxes	(1,055.9)	(526.5)	(508.9)
Income tax benefit (expense) (note 11)	75.0	(355.5)	(75.0)
Loss from continuing operations	(980.9)	(882.0)	(583.9)
Discontinued operations (note 5):			
Earnings (loss) from discontinued operations, net of taxes	0.8	(23.7)	47.1
Gain on disposal of discontinued operations, net of taxes	332.7	—	924.1
	333.5	(23.7)	971.2
Net earnings (loss)	(647.4)	(905.7)	387.3
Net earnings attributable to noncontrolling interests	(47.6)	(58.2)	(64.5)
Net earnings (loss) attributable to Liberty Global shareholders	$ (695.0)	$ (963.9)	$ 322.8
Basic and diluted earnings (loss) attributable to Liberty Global shareholders per share (note 3):			
Continuing operations	$ (1.29)	$ (1.39)	$ (1.17)
Discontinued operations	0.42	(0.04)	1.77
	$ (0.87)	$ (1.43)	$ 0.60
Weighted average ordinary shares outstanding - basic and diluted	798,869,761	672,348,540	534,641,440

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL PLC

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)

	Year ended December 31,		
	2014	2013	2012
		in millions	
Net earnings (loss)	$ (647.4)	$ (905.7)	$ 387.3
Other comprehensive earnings (loss), net of taxes (note 16):			
Foreign currency translation adjustments	(935.9)	900.8	98.0
Reclassification adjustments included in net earnings (loss)	124.4	(0.7)	(12.1)
Pension-related adjustments and other	(71.2)	11.3	5.4
Other comprehensive earnings (loss)	(882.7)	911.4	91.3
Comprehensive earnings (loss)	(1,530.1)	5.7	478.6
Comprehensive earnings attributable to noncontrolling interests	(47.1)	(41.3)	(64.8)
Comprehensive earnings (loss) attributable to Liberty Global shareholders	$ (1,577.2)	$ (35.6)	$ 413.8

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL PLC

CONSOLIDATED STATEMENTS OF EQUITY

	Liberty Global shareholders								
	Common stock			Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive earnings, net of taxes	Total Liberty Global shareholders	Non-controlling interests	Total equity
	Series A	Series B	Series C						
					in millions				
Balance at January 1, 2012	$ 1.5	$ 0.1	$ 5.2	$ 3,960.6	$ (2,671.5)	$ 1,509.5	$ 2,805.4	$ 126.0	$ 2,931.4
Net earnings	—	—	—	—	322.8	—	322.8	64.5	387.3
Other comprehensive earnings, net of taxes (note 16)	—	—	—	—	—	91.0	91.0	0.3	91.3
Repurchase and cancellation of LGI common stock (note 12)	(0.1)	—	(0.1)	(980.5)	—	—	(980.7)	—	(980.7)
LGI call option contracts (note 12)	—	—	—	(53.2)	—	—	(53.2)	—	(53.2)
Share-based compensation (note 13)	—	—	—	70.4	—	—	70.4	—	70.4
Telenet Share Repurchase Agreement (note 12)	—	—	—	(62.8)	—	—	(62.8)	2.2	(60.6)
Sale of Austar (note 5)	—	—	—	—	—	—	—	(84.4)	(84.4)
Puerto Rico Transaction (note 4)	—	—	—	48.3	—	—	48.3	48.2	96.5
Distributions by subsidiaries to noncontrolling interest owners (note 12)	—	—	—	—	—	—	—	(351.3)	(351.3)
Adjustments due to changes in subsidiaries' equity and other, net	—	—	—	(31.2)	—	—	(31.2)	69.6	38.4
Balance at December 31, 2012	$ 1.4	$ 0.1	$ 5.1	$ 2,951.6	$ (2,348.7)	$ 1,600.5	$ 2,210.0	$ (124.9)	$ 2,085.1

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL PLC

CONSOLIDATED STATEMENTS OF EQUITY — (Continued)

	Liberty Global shareholders											Non-controlling interests	Total equity
	Ordinary Shares			Common stock			Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive earnings, net of taxes	Treasury shares, at cost	Total Liberty Global shareholders		
	Class A	Class B	Class C	Series A	Series B	Series C							
	in millions												
Balance at January 1, 2013	$ —	$ —	$ —	$ 1.4	$ 0.1	$ 5.1	$ 2,951.6	$ (2,348.7)	$ 1,600.5	$ —	$ 2,210.0	$ (124.9)	$ 2,085.1
Net loss	—	—	—	—	—	—	—	(963.9)	—	—	(963.9)	58.2	(905.7)
Other comprehensive earnings, net of taxes (note 16)	—	—	—	—	—	—	—	—	928.3	—	928.3	(16.9)	911.4
Shares issued in connection with the Virgin Media Acquisition and impacts of related change in parent entity (notes 1 and 4)	2.1	0.1	5.6	(1.4)	(0.1)	(5.1)	9,374.1	—	—	—	9,375.3	—	9,375.3
Revaluation of VM Convertible Notes in connection with the Virgin Media Acquisition (notes 4 and 10)	—	—	—	—	—	—	1,660.0	—	—	—	1,660.0	—	1,660.0
Repurchase and cancellation of Liberty Global and LGI shares (note 12)	(0.1)	—	(0.1)	—	—	—	(1,151.7)	—	—	—	(1,151.9)	—	(1,151.9)
Distributions by subsidiaries to noncontrolling interest owners (note 12)	—	—	—	—	—	—	—	—	—	—	—	(542.7)	(542.7)
Purchase of additional Telenet shares (note 12)	—	—	—	—	—	—	(525.7)	—	—	—	(525.7)	63.5	(462.2)
Share-based compensation (note 13)	—	—	—	—	—	—	206.3	—	—	—	206.3	—	206.3
Exchange of VM Convertible Notes (note 10)	0.1	—	0.1	—	—	—	113.5	—	—	—	113.7	—	113.7
Adjustments due to changes in subsidiaries' equity and other, net	0.1	—	—	—	—	—	181.3	—	—	(7.7)	173.7	78.5	252.2
Balance at December 31, 2013	$ 2.2	$ 0.1	$ 5.6	$ —	$ —	$ —	$ 12,809.4	$ (3,312.6)	$ 2,528.8	$ (7.7)	$ 12,025.8	$ (484.3)	$ 11,541.5

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL PLC

CONSOLIDATED STATEMENTS OF EQUITY — (Continued)

	Liberty Global shareholders								Non-controlling interests	Total equity
	Ordinary Shares			Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive earnings, net of taxes	Treasury shares, at cost	Total Liberty Global shareholders		
	Class A	Class B	Class C							
	in millions									
Balance at January 1, 2014	$ 2.2	$ 0.1	$ 5.6	$ 12,809.4	$ (3,312.6)	$ 2,528.8	$ (7.7)	$ 12,025.8	$ (484.3)	$ 11,541.5
Net loss	—	—	—	—	(695.0)	—	—	(695.0)	47.6	(647.4)
Other comprehensive loss, net of taxes (note 16)	—	—	—	—	—	(882.2)	—	(882.2)	(0.5)	(882.7)
Repurchase and cancellation of Liberty Global ordinary shares (note 12)	—	—	(0.2)	(1,596.7)	—	—	—	(1,596.9)	—	(1,596.9)
VTR NCI Acquisition (note 12)	—	—	0.1	185.3	—	—	—	185.4	(185.4)	—
Shares issued in connection with the Ziggo Acquisition (note 4)	0.3	—	0.8	4,904.7	—	—	—	4,905.8	1,080.6	5,986.4
Ziggo NCI Acquisition and impact of Statutory Squeeze-out (note 4)	—	—	0.1	663.8	—	—	—	663.9	(1,080.6)	(416.7)
Share-based compensation (note 13)	—	—	—	216.0	—	—	—	216.0	—	216.0
Adjustments due to changes in subsidiaries' equity and other, net (note 12)	—	—	(0.1)	(111.7)	—	—	3.5	(108.3)	24.1	(84.2)
Balance at December 31, 2014	$ 2.5	$ 0.1	$ 6.3	$ 17,070.8	$ (4,007.6)	$ 1,646.6	$ (4.2)	$ 14,714.5	$ (598.5)	$ 14,116.0

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL PLC

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2014	2013	2012
		in millions	
Cash flows from operating activities:			
Net earnings (loss)	$ (647.4)	$ (905.7)	$ 387.3
Loss (earnings) from discontinued operations	(333.5)	23.7	(971.2)
Loss from continuing operations	(980.9)	(882.0)	(583.9)
Adjustments to reconcile loss from continuing operations to net cash provided by operating activities:			
Share-based compensation expense	257.2	300.7	110.1
Depreciation and amortization	5,500.1	4,276.4	2,661.5
Release of litigation provision	—	(146.0)	—
Impairment, restructuring and other operating items, net	536.8	297.5	76.2
Amortization of deferred financing costs and non-cash interest accretion	84.3	78.0	65.7
Realized and unrealized losses (gains) on derivative instruments, net	(88.8)	1,020.4	1,070.3
Foreign currency transaction losses (gains), net	836.5	(349.3)	(438.4)
Realized and unrealized losses (gains) due to changes in fair values of certain investments, including impact of dividends	(203.7)	(523.1)	19.6
Losses on debt modification, extinguishment and conversion, net	186.2	212.2	213.8
Deferred income tax expense (benefit)	(350.6)	18.6	36.0
Excess tax benefits from share-based compensation	(7.0)	(41.0)	(6.7)
Changes in operating assets and liabilities, net of the effects of acquisitions and dispositions:			
Receivables and other operating assets	860.5	866.7	785.0
Payables and accruals	(1,017.8)	(1,208.1)	(1,171.7)
Net cash provided (used) by operating activities of discontinued operations	(9.6)	10.3	82.2
Net cash provided by operating activities	5,603.2	3,931.3	2,919.7
Cash flows from investing activities:			
Capital expenditures	(2,684.4)	(2,481.5)	(1,868.3)
Investments in and loans to affiliates and others	(1,016.6)	(1,350.3)	(32.4)
Proceeds received upon disposition of discontinued operations, net of disposal costs	988.5	—	1,055.4
Cash paid in connection with acquisitions, net of cash acquired	(73.3)	(4,073.4)	(154.2)
Other investing activities, net	(13.8)	(44.9)	41.8
Net cash used by investing activities of discontinued operations, including deconsolidated cash	(3.8)	(14.9)	(123.2)
Net cash used by investing activities	$ (2,803.4)	$ (7,965.0)	$ (1,080.9)

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL PLC

CONSOLIDATED STATEMENTS OF CASH FLOWS — (Continued)

	Year ended December 31,		
	2014	2013	2012
		in millions	
Cash flows from financing activities:			
Repayments and repurchases of debt and capital lease obligations	$ (11,316.1)	$ (8,318.6)	$ (4,373.6)
Borrowings of debt	9,572.4	9,670.3	5,981.4
Repurchase of Liberty Global and LGI shares	(1,584.9)	(1,157.2)	(970.3)
Payment of financing costs, debt premiums and exchange offer consideration	(379.8)	(389.6)	(229.8)
Purchase of additional shares of subsidiaries	(260.7)	(461.3)	—
Net cash received (paid) related to derivative instruments	(221.0)	524.5	(108.4)
Change in cash collateral	(58.7)	3,593.8	59.6
Distributions by subsidiaries to noncontrolling interest owners	(11.7)	(538.1)	(335.1)
Decrease (increase) in restricted cash related to the Telenet Tender	—	1,539.7	(1,464.1)
Contributions by noncontrolling interest owners to subsidiaries	—	22.2	115.1
Other financing activities, net	0.4	137.6	(139.9)
Net cash used by financing activities of discontinued operations	(1.2)	(7.4)	(4.7)
Net cash provided (used) by financing activities	(4,261.3)	4,615.9	(1,469.8)
Effect of exchange rate changes on cash:			
Continuing operations	(81.9)	85.4	28.3
Discontinued operations	—	—	(9.6)
Total	(81.9)	85.4	18.7
Net increase (decrease) in cash and cash equivalents:			
Continuing operations	(1,528.8)	679.6	443.0
Discontinued operations	(14.6)	(12.0)	(55.3)
Net increase (decrease) in cash and cash equivalents	(1,543.4)	667.6	387.7
Cash and cash equivalents:			
Beginning of year	2,701.9	2,038.9	1,651.2
End of year	1,158.5	2,706.5	2,038.9
Less cash and cash equivalents of discontinued operations at end of year	—	(4.6)	—
Cash and cash equivalents of continuing operations at end of year	$ 1,158.5	$ 2,701.9	$ 2,038.9
Cash paid for interest:			
Continuing operations	$ 2,376.7	$ 2,148.8	$ 1,562.7
Discontinued operations	—	—	28.9
Total	$ 2,376.7	$ 2,148.8	$ 1,591.6
Net cash paid for taxes:			
Continuing operations	$ 97.3	$ 97.5	$ 0.3
Discontinued operations	2.2	11.7	11.5
Total	$ 99.5	$ 109.2	$ 11.8

The accompanying notes are an integral part of these consolidated financial statements.

(1) Basis of Presentation

Liberty Global plc (Liberty Global) is a public limited company organized under the laws of England and Wales. As a result of a series of mergers that were completed on June 7, 2013, Liberty Global became the publicly-held parent company of the successors by merger of Liberty Global, Inc. (LGI) (the predecessor to Liberty Global) and Virgin Media Inc. (Virgin Media). In these notes, the terms "we," "our," "our company" and "us" may refer, as the context requires, to Liberty Global (or its predecessor) or collectively to Liberty Global (or its predecessor) and its subsidiaries.

We are an international provider of video, broadband internet, fixed-line telephony and mobile services, with consolidated operations at December 31, 2014 in 14 countries. Through Virgin Media and Unitymedia KabelBW GmbH (Unitymedia KabelBW), each a wholly-owned subsidiary, and Telenet Group Holding NV (Telenet), a 56.6%-owned subsidiary, we provide video, broadband internet, fixed-line telephony and mobile services in the United Kingdom (U.K.), Germany and Belgium, respectively. In the Netherlands, we provide video, broadband internet, fixed-line telephony and mobile services through (i) Ziggo Holding B.V. (Ziggo), formerly known as Ziggo N.V., which, as described in note 4, we acquired on November 11, 2014, and (ii) UPC Nederland B.V. (UPC Nederland). We also provide (i) video, broadband internet and fixed-line telephony services in eight other European countries and (ii) mobile services in four other European countries. The operations of Virgin Media, Unitymedia KabelBW, Telenet, Ziggo, UPC Nederland and our other operations in Europe are collectively referred to herein as the "European Operations Division." In Chile, we provide video, broadband internet, fixed-line telephony and mobile services through VTR GlobalCom SpA (VTR). Our consolidated operations also include the broadband communications operations of Liberty Cablevision of Puerto Rico LLC (Liberty Puerto Rico), an entity in which we hold a 60.0% ownership interest.

At December 31, 2013, we owned programming interests in Europe and Latin America that were held through Chellomedia B.V. (Chellomedia). Certain of Chellomedia's subsidiaries and affiliates provided programming services to certain of our broadband communications operations, primarily in Europe. On January 31, 2014, we completed the sale of substantially all of Chellomedia's assets (the Chellomedia Disposal Group). On May 23, 2012, we completed the sale of our then 54.15%-owned subsidiary, Austar United Communications Limited (Austar), a provider of direct-to-home (DTH) services in Australia. We have accounted for the Chellomedia Disposal Group and Austar as discontinued operations in our consolidated financial statements. Accordingly, (i) the Chellomedia Disposal Group is presented as a discontinued operation in our consolidated balance sheet as of December 31, 2013, (ii) our consolidated statements of operations and cash flows have been reclassified to present the Chellomedia Disposal Group and Austar as discontinued operations for all periods presented and (iii) the amounts presented in these notes relate only to our continuing operations, unless otherwise noted. For additional information regarding our discontinued operations, see note 5.

On January 26, 2014, our board of directors approved a share split in the form of a share dividend (the 2014 Share Dividend), which constitutes a bonus issue under our articles of association and English law, of one Liberty Global Class C ordinary share on each outstanding Liberty Global Class A, Class B and Class C ordinary share as of the February 14, 2014 record date. The distribution date for the 2014 Share Dividend was March 3, 2014. All Liberty Global share and per share amounts presented herein have been retroactively adjusted to give effect to the 2014 Share Dividend.

Unless otherwise indicated, ownership percentages and convenience translations into United States (U.S.) dollars are calculated as of December 31, 2014.

(2) Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASU 2014-09 will replace existing revenue recognition accounting principles generally accepted in the United States (GAAP) when it becomes effective, currently scheduled for January 1, 2017. Early application is not permitted. This new standard permits the use of either the retrospective or cumulative effect transition method. We are currently evaluating the effect that ASU 2014-09 will have on our consolidated financial statements and related disclosures. We have not yet selected a transition method nor have we determined the effect of the standard on our ongoing financial reporting.

(3) Summary of Significant Accounting Policies

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are used in accounting for, among other things, the valuation of acquisition-related assets and liabilities, allowances for uncollectible accounts, programming and copyright expenses, deferred income taxes and related valuation allowances, loss contingencies, fair value measurements, impairment assessments, capitalization of internal costs associated with construction and installation activities, useful lives of long-lived assets, share-based compensation and actuarial liabilities associated with certain benefit plans. Actual results could differ from those estimates.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Principles of Consolidation

The accompanying consolidated financial statements include our accounts and the accounts of all voting interest entities where we exercise a controlling financial interest through the ownership of a direct or indirect controlling voting interest and variable interest entities for which our company is the primary beneficiary. All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents and Restricted Cash

Cash equivalents consist of money market funds and other investments that are readily convertible into cash and have maturities of three months or less at the time of acquisition. We record money market funds at the net asset value reported by the investment manager as there are no restrictions on our ability, contractual or otherwise, to redeem our investments at the stated net asset value reported by the investment manager.

Restricted cash consists of cash held in restricted accounts, including cash held as collateral for debt and other compensating balances. Restricted cash amounts that are required to be used to purchase long-term assets or repay long-term debt are classified as long-term assets. All other cash that is restricted to a specific use is classified as current or long-term based on the expected timing of the disbursement. At December 31, 2014 and 2013, our aggregate current and long-term restricted cash balances aggregated $78.0 million and $23.3 million, respectively.

Our significant non-cash investing and financing activities are disclosed in our consolidated statements of equity and in notes 4, 5, 9, and 10.

Trade Receivables

Our trade receivables are reported net of an allowance for doubtful accounts. Such allowance aggregated $116.1 million and $122.6 million at December 31, 2014 and 2013, respectively. The allowance for doubtful accounts is based upon our assessment of probable loss related to uncollectible accounts receivable. We use a number of factors in determining the allowance, including,

among other things, collection trends, prevailing and anticipated economic conditions and specific customer credit risk. The allowance is maintained until either receipt of payment or the likelihood of collection is considered to be remote.

Concentration of credit risk with respect to trade receivables is limited due to the large number of customers and their dispersion across many different countries worldwide. We also manage this risk by disconnecting services to customers whose accounts are delinquent.

Investments

We make elections, on an investment-by-investment basis, as to whether we measure our investments at fair value. Such elections are generally irrevocable. We generally elect the fair value method for all investments, except those investments over which we exercise significant influence. For investments over which we have significant influence, we consider statutory reporting obligations, the significance of transactions between our company and our equity affiliates and other factors in determining whether the fair value should be applied. We generally will not elect the fair value option if we are required to account for an investment under the equity method of accounting under statutory reporting obligations. In addition, we generally do not elect the fair value option for those significant-influence investments with which Liberty Global or its consolidated subsidiaries have significant related-party obligations.

Under the fair value method, investments are recorded at fair value and any changes in fair value are reported in realized and unrealized gains or losses due to changes in fair values of certain investments, net, in our consolidated statements of operations. All costs directly associated with the acquisition of an investment to be accounted for using the fair value method are expensed as incurred. Under the equity method of accounting, investments are recorded at cost and are subsequently increased or reduced to reflect the share of income or losses of the investee. All costs directly associated with the acquisition of an investment to be accounted for using the equity method are included in the carrying amount of the investment. For additional information regarding our fair value and equity method investments, see notes 6 and 8.

Dividends from publicly-traded investees are recognized when declared as dividend income in our consolidated statements of operations. Dividends from privately-held investees generally are reflected as reductions of the carrying values of the applicable investments.

Realized gains and losses are determined on an average cost basis. Securities transactions are recorded on the trade date.

Financial Instruments

Due to the short maturities of cash and cash equivalents, restricted cash, short-term liquid investments, trade and other receivables, other current assets, accounts payable, accrued liabilities, subscriber advance payments and deposits and other current liabilities, their respective carrying values approximate their respective fair values. For information concerning the fair values of certain of our investments, our derivatives and debt, see notes 6, 7 and 10, respectively. For information concerning how we arrive at certain of our fair value measurements, see note 8.

Derivative Instruments

All derivative instruments, whether designated as hedging relationships or not, are recorded on the balance sheet at fair value. If the derivative instrument is not designated as a hedge, changes in the fair value of the derivative instrument are recognized in earnings. If the derivative instrument is designated as a fair value hedge, the changes in the fair value of the derivative instrument and of the hedged item attributable to the hedged risk are recognized in earnings. If the derivative instrument is designated as a cash flow hedge, the effective portions of changes in the fair value of the derivative instrument are recorded in other comprehensive earnings or loss and subsequently reclassified into our consolidated statements of operations when the hedged forecasted transaction affects earnings. Ineffective portions of changes in the fair value of cash flow hedges are recognized in earnings. We generally do not apply hedge accounting to our derivative instruments. For information regarding our derivative instruments, including our policy for classifying cash flows related to derivative instruments in our consolidated statements of cash flows, see note 7.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. We capitalize costs associated with the construction of new cable transmission and distribution facilities and the installation of new cable services. Capitalized construction and installation costs include materials, labor and other directly attributable costs. Installation activities that are capitalized include (i) the initial connection (or drop) from our cable system to a customer location, (ii) the replacement of a drop and (iii) the installation of equipment for additional services, such as digital cable, telephone or broadband internet service. The costs of other customer-facing activities such as reconnecting customer locations where a drop already exists, disconnecting customer locations and repairing or maintaining drops, are expensed as incurred. Interest capitalized with respect to construction activities was not material during any of the periods presented.

Capitalized internal-use software is included as a component of property and equipment. We capitalize internal and external costs directly associated with the development of internal-use software. We also capitalize costs associated with the purchase of software licenses. Maintenance and training costs, as well as costs incurred during the preliminary stage of an internal-use software development project, are expensed as incurred.

Depreciation is computed using the straight-line method over the estimated useful life of the underlying asset. Equipment under capital leases is amortized on a straight-line basis over the shorter of the lease term or estimated useful life of the asset. Useful lives used to depreciate our property and equipment are assessed periodically and are adjusted when warranted. The useful lives of cable distribution systems that are undergoing a rebuild are adjusted such that property and equipment to be retired will be fully depreciated by the time the rebuild is completed. For additional information regarding the useful lives of our property and equipment, see note 9.

Additions, replacements and improvements that extend the asset life are capitalized. Repairs and maintenance are charged to operations.

We recognize a liability for asset retirement obligations in the period in which it is incurred if sufficient information is available to make a reasonable estimate of fair values. Asset retirement obligations may arise from the loss of rights of way that we obtain from local municipalities or other relevant authorities. Under certain circumstances, the authorities could require us to remove our network equipment from an area if, for example, we were to discontinue using the equipment for an extended period of time or the authorities were to decide not to renew our access rights. However, because the rights of way are integral to our ability to deliver broadband communications services to our customers, we expect to conduct our business in a manner that will allow us to maintain these rights for the foreseeable future. In addition, we have no reason to believe that the authorities will not renew our rights of way and, historically, renewals have been granted. We also have obligations in lease agreements to restore the property to its original condition or remove our property at the end of the lease term. Sufficient information is not available to estimate the fair value of our asset retirement obligations in certain of our lease arrangements. This is the case for long-term lease arrangements in which the underlying leased property is integral to our operations, there is not an acceptable alternative to the leased property and we have the ability to indefinitely renew the lease. Accordingly, for most of our rights of way and certain lease agreements, the possibility is remote that we will incur significant removal costs in the foreseeable future and, as such, we do not have sufficient information to make a reasonable estimate of fair value for these asset retirement obligations.

As of December 31, 2014 and 2013, the recorded value of our asset retirement obligations was $65.1 million and $79.3 million, respectively.

Intangible Assets

Our primary intangible assets relate to goodwill, customer relationships and cable television franchise rights. Goodwill represents the excess purchase price over the fair value of the identifiable net assets acquired in a business combination. Customer relationships and cable television franchise rights were originally recorded at their fair values in connection with business combinations.

Goodwill and other intangible assets with indefinite useful lives are not amortized, but instead are tested for impairment at least annually. Intangible assets with finite lives are amortized on a straight-line basis over their respective estimated useful lives to their estimated residual values, and reviewed for impairment.

We do not amortize our franchise rights and certain other intangible assets as these assets have indefinite lives. For additional information regarding the useful lives of our intangible assets, see note 9.

Impairment of Property and Equipment and Intangible Assets

We review, when circumstances warrant, the carrying amounts of our property and equipment and our intangible assets (other than goodwill and other indefinite-lived intangible assets) to determine whether such carrying amounts continue to be recoverable. Such changes in circumstance may include, among other items, (i) an expectation of a sale or disposal of a long-lived asset or asset group, (ii) adverse changes in market or competitive conditions, (iii) an adverse change in legal factors or business climate in the markets in which we operate and (iv) operating or cash flow losses. For purposes of impairment testing, long-lived assets are grouped at the lowest level for which cash flows are largely independent of other assets and liabilities, generally at or below the reporting unit level (see below). If the carrying amount of the asset or asset group is greater than the expected undiscounted cash flows to be generated by such asset or asset group, an impairment adjustment is recognized. Such adjustment is measured by the amount that the carrying value of such asset or asset group exceeds its fair value. We generally measure fair value by considering (a) sale prices for similar assets, (b) discounted estimated future cash flows using an appropriate discount rate and/or (c) estimated replacement cost. Assets to be disposed of are carried at the lower of their financial statement carrying amount or fair value less costs to sell.

We evaluate the goodwill, franchise rights and other indefinite-lived intangible assets for impairment at least annually on October 1 and whenever other facts and circumstances indicate that the carrying amounts of goodwill and other indefinite-lived intangible assets may not be recoverable. For impairment evaluations with respect to both goodwill and other indefinite-lived intangibles, we first make a qualitative assessment to determine if the goodwill or other indefinite-lived intangible may be impaired. In the case of goodwill, if it is more-likely-than-not that a reporting unit's fair value is less than its carrying value, we then compare the fair value of the reporting unit to its respective carrying amount. A reporting unit is an operating segment or one level below an operating segment (referred to as a "component"). In most cases, our operating segments are deemed to be a reporting unit either because the operating segment is comprised of only a single component, or the components below the operating segment are aggregated as they have similar economic characteristics. If the carrying value of a reporting unit were to exceed its fair value, we would then compare the implied fair value of the reporting unit's goodwill to its carrying amount, and any excess of the carrying amount over the fair value would be charged to operations as an impairment loss. With respect to franchise rights or other indefinite-lived intangible assets, if it is more-likely-than-not that the fair value of an indefinite-lived intangible asset is less than its carrying value, we then estimate its fair value and any excess of the carrying value over the fair value of the franchise right or other indefinite-lived intangible asset is also charged to operations as an impairment loss.

Income Taxes

Income taxes are accounted for under the asset and liability method. We recognize deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts and income tax basis of assets and liabilities and the expected benefits of utilizing net operating loss and tax credit carryforwards, using enacted tax rates in effect for each taxing jurisdiction in which we operate for the year in which those temporary differences are expected to be recovered or settled. We recognize the financial statement effects of a tax position when it is more-likely-than-not, based on technical merits, that the position will be sustained upon examination. Net deferred tax assets are then reduced by a valuation allowance if we believe it is more-likely-than-not such net deferred tax assets will not be realized. Certain of our valuation allowances and tax uncertainties are associated with entities that we acquired in business combinations. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the enactment date. Deferred tax liabilities related to investments in foreign subsidiaries and foreign corporate joint ventures that are essentially permanent in duration are not recognized until it becomes apparent that such amounts will reverse in the foreseeable future. Interest and penalties related to income tax liabilities are included in income tax expense. For additional information on our income taxes, see note 11.

Defined Benefit Plans

Certain of our subsidiaries maintain various employee defined benefit plans. Certain assumptions and estimates must be made in order to determine the costs and future benefits that will be associated with these plans. These assumptions include (i) the estimated long-term rates of return to be earned by plan assets, (ii) the estimated discount rates used to value the projected benefit obligations and (iii) estimated wage increases. We estimate discount rates annually based upon the yields on high-quality fixed-income investments available at the measurement date and expected to be available during the period to maturity of the

benefits under the applicable defined benefit plan. For the long-term rates of return, we consider relevant factors such as discount rates and estimated returns on the subsidiaries' targeted and actual asset allocations. To the extent that net actuarial gains or losses exceed 10% of the greater of plan assets or plan liabilities, such gains or losses are amortized over the average future service period of plan participants. For additional information, see note 15.

Foreign Currency Translation and Transactions

The reporting currency of our company is the U.S. dollar. The functional currency of our foreign operations generally is the applicable local currency for each foreign subsidiary and equity method investee. Assets and liabilities of foreign subsidiaries (including intercompany balances for which settlement is not anticipated in the foreseeable future) are translated at the spot rate in effect at the applicable reporting date. With the exception of certain material transactions, the amounts reported in our consolidated statements of operations are translated at the average exchange rates in effect during the applicable period. The resulting unrealized cumulative translation adjustment, net of applicable income taxes, is recorded as a component of accumulated other comprehensive earnings or loss in our consolidated statements of equity. With the exception of certain material transactions, the cash flows from our operations in foreign countries are translated at the average rate for the applicable period in our consolidated statements of cash flows. The impacts of material transactions generally are recorded at the applicable spot rates in our consolidated statements of operations and cash flows. The effect of exchange rates on cash balances held in foreign currencies are separately reported in our consolidated statements of cash flows.

Transactions denominated in currencies other than our or our subsidiaries' functional currencies are recorded based on exchange rates at the time such transactions arise. Changes in exchange rates with respect to amounts recorded in our consolidated balance sheets related to these non-functional currency transactions result in transaction gains and losses that are reflected in our consolidated statements of operations as unrealized (based on the applicable period end exchange rates) or realized upon settlement of the transactions.

Revenue Recognition

Service Revenue — Cable Networks. We recognize revenue from the provision of video, broadband internet and fixed-line telephony services over our cable network to customers in the period the related services are provided. Installation revenue (including reconnect fees) related to services provided over our cable network is recognized as revenue in the period during which the installation occurs to the extent these fees are equal to or less than direct selling costs, which costs are expensed as incurred. To the extent installation revenue exceeds direct selling costs, the excess revenue is deferred and amortized over the average expected subscriber life.

Sale of Multiple Products and Services. We sell video, broadband internet, fixed-line telephony and, in certain markets, mobile services to our customers in bundled packages at a rate lower than if the customer purchased each product on a standalone basis. Revenue from bundled packages generally is allocated proportionally to the individual services based on the relative standalone price for each respective service.

Mobile Revenue — General. Arrangement consideration from mobile contracts is allocated to the airtime service element and the handset service element based on the relative standalone prices of each element. The amount of arrangement consideration allocated to the handset is limited to the amount that is not contingent upon the delivery of future airtime services. Certain of our operations that provide mobile services offer handsets under a subsidized contract model, whereby upfront revenue recognition is limited to the upfront cash collected from the customer as the remaining monthly fees to be received from the customer, including fees that may be associated with the handset, are contingent upon delivering future airtime services. At certain of our operations, mobile customers may choose to enter into two distinct contractual relationships: (i) a mobile handset contract and (ii) a mobile airtime services contract. Under the mobile handset contract, the customer takes full title to the handset upon delivery and typically has the option to either (a) pay for the handset in cash upon delivery or (b) pay for the handset in installments over a contractual period. Under these arrangements, the handset installments payments are not contingent upon delivering future airtime services and the arrangement consideration allocated to the handset is not limited to the upfront cash collected.

Mobile Revenue — Airtime Services. We recognize revenue from mobile services in the period the related services are provided. Revenue from pre-pay customers is recorded as deferred revenue prior to the commencement of services and revenue is recognized as the services are rendered or usage rights expire.

Mobile Revenue — Handset Revenue. Arrangement consideration allocated to handsets is recognized as revenue when the goods have been delivered and title has passed. For customers under a mobile handset installment contract that is independent of a mobile airtime services contract, revenue is recognized upon delivery only if collectibility is reasonably assured. Our assessment of collectibility is based principally on internal and external credit assessments as well as historical collection information for similar customers. To the extent that collectibility of installment payments from the customer is not reasonably assured upon delivery of the handset, handset revenue is recognized on a cash basis as customer payments are received.

Business-to-Business (B2B) Revenue. We defer upfront installation and certain nonrecurring fees received on B2B contracts where we maintain ownership of the installed equipment. The deferred fees are amortized into revenue on a straight-line basis over the term of the arrangement or the expected period of performance.

Promotional Discounts. For subscriber promotions, such as discounted or free services during an introductory period, revenue is recognized only to the extent of the discounted monthly fees charged to the subscriber, if any.

Subscriber Advance Payments and Deposits. Payments received in advance for the services we provide are deferred and recognized as revenue when the associated services are provided.

Sales, Use and Other Value-Added Taxes (VAT). Revenue is recorded net of applicable sales, use and other value-added taxes.

Share-Based Compensation

We recognize all share-based payments to employees, including grants of employee share incentive awards based on their grant-date fair values and our estimates of forfeitures. We recognize the fair value of outstanding awards as a charge to operations over the vesting period. The cash benefits of tax deductions in excess of deferred taxes on recognized share-based compensation expense are reported as a financing cash flow.

We use the straight-line method to recognize share-based compensation expense for our outstanding share awards that do not contain a performance condition and the accelerated expense attribution method for our outstanding share awards that contain a performance condition and vest on a graded basis.

We have calculated the expected life of options and share appreciation rights (SARs) granted by Liberty Global to employees based on historical exercise trends. The expected volatility for Liberty Global options and SARs is generally based on a combination of (i) historical volatilities of Liberty Global ordinary shares for a period equal to the expected average life of the Liberty Global awards and (ii) volatilities implied from publicly traded Liberty Global options.

Under U.K. corporate law, we are required to issue new shares of Liberty Global ordinary shares when Liberty Global options or SARs are exercised and when restricted share units (RSUs) and performance-based restricted share units (PSUs) vest. Although we repurchase Liberty Global ordinary shares from time to time, the parameters of our share purchase and redemption activities are not established solely with reference to the dilutive impact of our share-based compensation plans.

For additional information regarding our share-based compensation, see note 13.

Litigation Costs

Legal fees and related litigation costs are expensed as incurred.

Earnings or Loss per Ordinary Share

Basic earnings or loss per share attributable to Liberty Global shareholders is computed by dividing net earnings or loss attributable to Liberty Global shareholders by the weighted average number of ordinary shares (excluding restricted shares) outstanding for the period. Diluted earnings or loss per share attributable to Liberty Global shareholders presents the dilutive effect, if any, on a per share basis of potential ordinary shares (e.g., options, SARs, restricted shares, RSUs and convertible securities) as if they had been exercised, vested or converted at the beginning of the periods presented.

We reported losses from continuing operations attributable to Liberty Global shareholders during 2014, 2013 and 2012. Therefore, the potentially dilutive effect at December 31, 2014, 2013 and 2012 of (i) the aggregate number of shares issuable pursuant to outstanding options, SARs, PSARs (as defined in note 13) and restricted shares and RSUs of approximately 39.1 million, 40.3 million and 19.7 million, respectively, (ii) the number of shares issuable pursuant to PSUs and PGUs (as defined in note 13) of approximately 5.4 million, 3.7 million and 3.0 million, respectively, and (iii) the aggregate number of shares issuable pursuant to obligations that may be settled in cash or shares of approximately 2.6 million, 2.6 million and 7.3 million, respectively, were not included in the computation of diluted loss per share attributable to Liberty Global shareholders because their inclusion would have been anti-dilutive to the computation or, in the case of certain PSUs, because such awards had not yet met the applicable performance criteria.

The details of our net earnings (loss) attributable to Liberty Global shareholders are set forth below:

	Year ended December 31,		
	2014	2013	2012
		in millions	
Amounts attributable to Liberty Global shareholders:			
Loss from continuing operations	$ (1,028.5)	$ (937.6)	$ (623.7)
Earnings (loss) from discontinued operations	333.5	(26.3)	946.5
Net earnings (loss) attributable to Liberty Global shareholders	$ (695.0)	$ (963.9)	$ 322.8

(4) Acquisitions

Pending 2015 Acquisition

On December 9, 2014, one of our subsidiaries, together with investment funds affiliated with Searchlight Capital Partners, L.P. (collectively, Searchlight), entered into an agreement to acquire 100% of the parent of Puerto Rico Cable Acquisition Company Inc., dba Choice Cable TV (Choice), the second largest cable and broadband services provider in Puerto Rico (the Choice Acquisition). The transaction values Choice at an enterprise value, before transaction costs, of approximately $272.5 million. Most of the purchase price is expected to be funded through $257.5 million of committed facilities under the Liberty Puerto Rico Bank Facility, as defined and described in note 10. The Choice Acquisition is subject to customary closing conditions, including regulatory approvals, and is expected to close in the first half of 2015. Upon completion of the Choice Acquisition, Choice's operations will be combined with those of Liberty Puerto Rico, and the combined business will be 60%-owned by our company and 40%-owned by Searchlight.

2014 Acquisition

Ziggo. On November 11, 2014 (the Ziggo Acquisition Date), pursuant to an Agreement and Plan of Merger (the Ziggo Merger Agreement) with respect to an offer to acquire all of the shares of Ziggo that we did not already own (the Ziggo Offer), we gained control of Ziggo through the acquisition of 136,603,794 additional Ziggo shares, which increased our ownership interest in Ziggo to 88.9% (the Ziggo Acquisition). From November 12, 2014 through November 19, 2014, we acquired 18,998,057 additional Ziggo shares, further increasing our ownership interest in Ziggo to 98.4% (the Ziggo NCI Acquisition). We have accounted for the Ziggo Acquisition using the acquisition method of accounting and the Ziggo NCI Acquisition as the acquisition of a noncontrolling interest. Ziggo is a provider of video, broadband internet, fixed-line telephony and mobile services in the Netherlands. We acquired Ziggo in order to achieve certain financial, operational and strategic benefits through the integration of Ziggo with UPC Nederland and our other European operations.

Pursuant to the Ziggo Merger Agreement, Ziggo shareholders who tendered their Ziggo shares received an offer price of (i) 0.2282 Liberty Global Class A ordinary shares, (ii) 0.5630 Liberty Global Class C ordinary shares and (iii) €11.00 ($13.71 at the applicable rates) in cash for each Ziggo share that they tendered. In connection with the completion of the Ziggo Acquisition and the Ziggo NCI Acquisition, we (i) issued an aggregate of 35,508,342 Liberty Global Class A and 87,603,842 Liberty Global Class C ordinary shares and (ii) paid aggregate cash consideration of €1,711.6 million ($2,133.6 million at the applicable rates) to holders of Ziggo ordinary shares.

On December 3, 2014, we initiated a statutory squeeze-out procedure in accordance with the Dutch Civil Code (the Statutory Squeeze-out) in order to acquire the remaining 3,162,605 Ziggo shares not tendered through November 19, 2014. Under the Statutory Squeeze-out, Ziggo shareholders other than Liberty Global will receive cash consideration. We have submitted €39.78 ($48.14) per share as the suggested cash consideration to be paid in the Statutory Squeeze-out. This suggested per share consideration is subject to confirmation of the applicable court in the Netherlands. Effective upon the commencement of the Statutory Squeeze-out, the remaining noncontrolling interest in Ziggo became mandatorily redeemable, and accordingly, is reflected as a liability that is included in other accrued and current liabilities in our consolidated balance sheet. The difference between the carrying value of the noncontrolling interest immediately prior to the date that the noncontrolling interest became mandatorily redeemable and the expected redemption value of €125.8 million ($152.2 million) was reflected as a $2.6 million decrease to additional paid-in capital in our consolidated statement of equity. The Statutory Squeeze-out is expected to be completed during the third quarter of 2015.

In connection with the completion of the Ziggo Acquisition, we obtained regulatory clearance from the European Commission on October 10, 2014, subject to the following commitments:

- our commitment to divest our *Film1* channel to a third party and to carry *Film1* on our network in the Netherlands for a period of three years; and
- our commitment for a period of eight years with respect to our network in the Netherlands (i) not to enforce certain clauses currently contained in carriage agreements with broadcasters that restrict the ability of broadcasters to offer their channels and content via over-the-top services, (ii) not to enter into carriage agreements containing such clauses and (iii) to maintain adequate interconnection capacity through at least three uncongested routes into our network in the Netherlands, at least one of which must be with a large transit provider.

For accounting purposes, the Ziggo Acquisition was treated as the acquisition of Ziggo by Liberty Global. In this regard, the equity and cash consideration paid to acquire Ziggo plus the fair value of our pre-existing investment in Ziggo on the Ziggo Acquisition Date is set forth below (in millions):

Liberty Global Class A ordinary shares (a)	$	1,448.7
Liberty Global Class C ordinary shares (a)		3,457.1
Cash (b)		1,872.9
Fair value of pre-existing investment in Ziggo (c)		2,015.4
Total	$	8,794.1

____

(a) Represents the value assigned to the 31,172,985 Liberty Global Class A and 76,907,936 Liberty Global Class C ordinary shares issued to Ziggo shareholders in connection with the Ziggo Acquisition through the Ziggo Acquisition Date. These amounts are based on (i) the exchange ratios specified by the Ziggo Merger Agreement, (ii) the applicable closing per share prices of Liberty Global Class A and Class C ordinary shares and (iii) 136,603,794 ordinary shares of Ziggo tendered in the Ziggo Offer through the Ziggo Acquisition Date.

(b) Represents the cash consideration paid in connection with the Ziggo Acquisition.

(c) Represents the fair value of the 41,329,850 million shares of Ziggo held by Liberty Global and its subsidiaries immediately prior to the Ziggo Acquisition.

We have accounted for the Ziggo Acquisition using the acquisition method of accounting, whereby the total purchase price was allocated to the acquired identifiable net assets of Ziggo based on assessments of their respective fair values, and the excess of the purchase price over the fair values of these identifiable net assets was allocated to goodwill. A summary of the purchase price and the preliminary opening balance sheet for the Ziggo Acquisition as of the Ziggo Acquisition Date is presented in the following table. The preliminary opening balance sheet is subject to adjustment based on our final assessment of the fair values of the acquired identifiable assets and liabilities. Although most items in the valuation process remain open, the items with the highest likelihood of changing upon finalization of the valuation process include property and equipment, goodwill, intangible assets associated with customer relationships and income taxes (in millions):

Cash and cash equivalents (a)	$	1,889.7
Other current assets		69.6
Property and equipment, net		2,714.9
Goodwill (b)		7,724.3
Intangible assets subject to amortization (c)		5,000.9
Other assets, net		394.6
Current portion of debt and capital lease obligations		(604.0)
Other accrued and current liabilities		(443.5)
Long-term debt and capital lease obligations		(5,351.5)
Other long-term liabilities		(1,520.3)
Noncontrolling interest (d)		(1,080.6)
Total purchase price (e)	$	8,794.1

(a) The Ziggo Acquisition resulted in $16.8 million of net cash received after deducting the cash consideration paid in the Ziggo Acquisition.

(b) The goodwill recognized in connection with the Ziggo Acquisition is primarily attributable to (i) the ability to take advantage of Ziggo's existing advanced broadband communications network to gain immediate access to potential customers and (ii) substantial synergies that are expected to be achieved through the integration of Ziggo with UPC Nederland and our other European operations.

(c) Amount primarily includes intangible assets related to customer relationships. As of the Ziggo Acquisition Date, the weighted average useful life of Ziggo's intangible assets was approximately ten years.

(d) Represents the fair value of the noncontrolling interest in Ziggo as of the Ziggo Acquisition Date.

(e) Excludes direct acquisition costs of $84.1 million incurred through December 31, 2014, which are included in impairment, restructuring and other operating items, net, in our consolidated statement of operations.

We have accounted for the Ziggo NCI Acquisition as an equity transaction, with the carrying amount of the noncontrolling interest adjusted to reflect the change in ownership of Ziggo. The difference between the fair value of consideration paid and the amount by which the noncontrolling interest was adjusted has been recognized as additional paid-in capital in our consolidated statement of equity. The impact of the Ziggo NCI Acquisition is summarized in the following table (in millions):

Reduction of noncontrolling interests	$	927.2
Additional paid-in capital		23.5
Fair value of consideration paid (a)	$	950.7

(a) Represents (i) the value assigned to the 4,335,357 Liberty Global Class A and 10,695,906 Liberty Global Class C ordinary shares issued to Ziggo shareholders and (ii) cash consideration of €209.0 million ($260.7 million at the applicable rates)

paid to Ziggo shareholders, based on the 18,998,057 ordinary shares of Ziggo tendered in connection with the Ziggo NCI Acquisition.

The cash consideration paid in the Ziggo Acquisition and the Ziggo NCI Acquisition was funded with a combination of debt and our existing liquidity. For information regarding the various debt financing arrangements that we entered into in connection with the execution of the Ziggo Merger Agreement and the completion of the Ziggo Acquisition and the Ziggo NCI Acquisition, see note 10. For information regarding additional debt financing transactions involving Ziggo and UPC Nederland that we completed during the first quarter of 2015, see note 20.

2013 Acquisition

Virgin Media. On June 7, 2013, pursuant to an Agreement and Plan of Merger (the Virgin Media Merger Agreement) with Virgin Media and following receipt of regulatory and shareholder approvals, we acquired Virgin Media in a stock and cash merger (the Virgin Media Acquisition). Virgin Media is one of the U.K.'s largest providers of residential broadband internet, television, fixed-line telephony and mobile services in terms of number of customers. We acquired Virgin Media in order to achieve certain financial, operational and strategic benefits through the integration of Virgin Media with our existing European operations.

Pursuant to the Virgin Media Merger Agreement:

- Each share of common stock of Virgin Media was converted into the right to receive (i) 0.2582 Class A ordinary shares of Liberty Global, (ii) 0.6438 Class C ordinary shares of Liberty Global and (iii) $17.50 in cash (collectively, the Virgin Media Merger Consideration); and

- Each share of Series A common stock of LGI was converted into the right to receive one Class A ordinary share of Liberty Global; each share of Series B common stock of LGI was converted into the right to receive one Class B ordinary share of Liberty Global; and each share of Series C common stock of LGI was converted into the right to receive one Class C ordinary share of Liberty Global.

In connection with the completion of the Virgin Media Acquisition, we issued 70,233,842 Class A and 175,122,182 Class C ordinary shares to holders of Virgin Media common stock and 141,234,331 Class A, 10,176,295 Class B and 362,556,220 Class C ordinary shares to holders of LGI Series A, Series B and Series C common stock, respectively.

In connection with the execution of the Virgin Media Merger Agreement, we entered into various debt financing arrangements. For additional information, see note 10.

In a transaction that did not impact our cash and cash equivalents, the net proceeds (after deducting certain transaction expenses) from the February 2013 issuance of the April 2021 VM Senior Secured Notes and 2023 VM Senior Notes (each as defined and described in note 10) of $3,557.5 million (equivalent at the transaction date) were placed into segregated escrow accounts (the Virgin Media Escrow Accounts) with a trustee. Such net proceeds were released in connection with the closing of the Virgin Media Acquisition.

The Virgin Media Acquisition and related refinancing transactions were funded with a combination of (i) the proceeds from the Virgin Media Escrow Accounts, (ii) borrowings under the VM Credit Facility (as defined and described in note 10) and (iii) our and Virgin Media's existing liquidity.

For accounting purposes, the Virgin Media Acquisition was treated as the acquisition of Virgin Media by Liberty Global (as the successor to LGI). In this regard, the equity and cash consideration paid to acquire Virgin Media is set forth below (in millions):

Class A ordinary shares (a)	$ 2,735.0
Class C ordinary shares (a)	6,369.9
Cash (b)	4,760.2
Fair value of the vested portion of Virgin Media stock incentive awards (c)	270.4
Total equity and cash consideration	$ 14,135.5

(a) Represents the value assigned to the 70,233,842 Class A and 175,122,182 Class C ordinary shares issued to Virgin Media shareholders in connection with the Virgin Media Acquisition. These amounts are based on (i) the exchange ratios specified by the Virgin Media Merger Agreement, (ii) the closing per share price on June 7, 2013 of Series A and Series C LGI common stock of $38.94 and $36.37, respectively, and (iii) the 272,013,333 outstanding shares of Virgin Media common stock at June 7, 2013.

(b) Represents the cash consideration paid in connection with the Virgin Media Acquisition. This amount is based on (i) the $17.50 per share cash consideration specified by the Virgin Media Merger Agreement and (ii) the 272,013,333 outstanding shares of Virgin Media common stock at June 7, 2013.

(c) Represents the portion of the estimated fair value of the Virgin Media stock incentive awards that are attributable to services provided prior to the June 7, 2013 acquisition date. The estimated fair value is based on the attributes of the 13.03 million outstanding Virgin Media stock incentive awards at June 7, 2013, including the market price of the underlying Virgin Media common stock. The outstanding Virgin Media stock incentive awards at June 7, 2013 include 9.86 million stock options that have been valued using Black Scholes option valuations. In addition, Virgin Media's stock incentive awards at June 7, 2013 included 3.17 million restricted stock units that included performance conditions and, in certain cases, market conditions. Those restricted stock units with market conditions have been valued using Monte Carlo simulation models.

We have accounted for the acquisition of Virgin Media using the acquisition method of accounting, whereby the total purchase price was allocated to the acquired identifiable net assets of Virgin Media based on assessments of their respective fair values, and the excess of the purchase price over the fair values of these identifiable net assets was allocated to goodwill. A summary of the purchase price and opening balance sheet for the Virgin Media Acquisition at the June 7, 2013 acquisition date is presented in the following table. The opening balance sheet presented below reflects our final purchase price allocation (in millions):

Cash and cash equivalents	$ 694.6
Other current assets	932.2
Property and equipment, net	9,863.1
Goodwill (a)	9,000.8
Intangible assets subject to amortization (b)	3,925.8
Other assets, net	4,259.4
Current portion of debt and capital lease obligations	(1,184.5)
Other accrued and current liabilities (c) (d)	(1,892.2)
Long-term debt and capital lease obligations	(8,477.4)
Other long-term liabilities (c)	(1,326.3)
Additional paid-in capital (e)	(1,660.0)
Total purchase price (f)	$ 14,135.5

(a) The goodwill recognized in connection with the Virgin Media Acquisition is primarily attributable to (i) the ability to take advantage of Virgin Media's existing advanced broadband communications network to gain immediate access to potential customers and (ii) substantial synergies that were expected to be achieved through the integration of Virgin Media with our other broadband communications operations in Europe.

(b) Amount primarily includes intangible assets related to customer relationships. At June 7, 2013, the weighted average useful life of Virgin Media's intangible assets was approximately seven years.

(c) No amounts were allocated to deferred revenue with respect to the then ongoing performance obligations associated with Virgin Media's B2B service contracts, as the remaining fees to be received under these contracts approximated fair value given our estimates of the costs associated with these performance obligations.

(d) Amount includes a $35.6 million liability that was recorded to adjust an unfavorable capacity contract to its estimated fair value. This amount was amortized through the March 31, 2014 expiration date of the contract as a reduction of Virgin Media's operating expenses so that the net effect of this amortization and the payments required under the contract approximated market rates. During the period from June 8, 2013 through December 31, 2013 and the year ended December 31, 2014, $22.8 million and $12.8 million, respectively, of this liability was amortized as a reduction of operating expenses in our consolidated statements of operations.

(e) Represents the equity component of the VM Convertible Notes (as defined and described in note 10). During the period from June 7, 2013 through December 31, 2013, 94.4% of the VM Convertible Notes were exchanged for Liberty Global Class A and Class C ordinary shares and cash pursuant to the terms of the VM Convertible Notes Indenture. For additional information, see note 10.

(f) Excludes direct acquisition costs of $51.5 million, which are included in impairment, restructuring and other operating items, net, in our consolidated statements of operations.

2012 Acquisitions

Puerto Rico. On November 8, 2012, one of our subsidiaries, LGI Broadband Operations, Inc. (LGI Broadband Operations), completed a series of transactions (collectively, the Puerto Rico Transaction) with certain investment funds affiliated with Searchlight that resulted in their joint ownership of (i) Liberty Cablevision of Puerto Rico LLC (Old Liberty Puerto Rico), a subsidiary of LGI Broadband Operations, and (ii) San Juan Cable, LLC, doing business as OneLink Communications (OneLink), a broadband communications operator in Puerto Rico. In connection with the Puerto Rico Transaction, (i) Old Liberty Puerto Rico and OneLink were merged, with OneLink as the surviving entity, and (ii) OneLink was renamed Liberty Puerto Rico.

Immediately prior to the acquisition of OneLink, LGI Broadband Operations contributed its 100% interest in Old Liberty Puerto Rico, and Searchlight contributed cash of $94.7 million, to Leo Cable LP (Leo Cable), a newly formed entity. Leo Cable in turn used the cash contributed by Searchlight to fund the acquisition of 100% of the equity of OneLink from a third party (the OneLink Seller) for a purchase price of $96.5 million, including closing adjustments and $1.8 million of transaction-related costs paid by Old Liberty Puerto Rico on behalf of the OneLink Seller. Such purchase price, together with OneLink's consolidated net debt (aggregate fair value of debt and capital lease obligations outstanding less cash and cash equivalents) at November 8, 2012 of $496.0 million, resulted in total consideration of $592.5 million, excluding direct acquisition costs of $18.1 million, which are included in impairment, restructuring and other operating items, net, in our consolidated statement of operations.

In November 2013, LGI Broadband Operations reached a settlement agreement with respect to certain claims against the OneLink Seller, pursuant to which, among other matters, LGI Broadband Operations received a cash payment of $20.0 million. This amount is included as a credit within impairment, restructuring and other operating items, net, in our consolidated statement of operations, and the cash received is included within cash provided by operating activities in our consolidated statement of cash flows.

As a result of the Puerto Rico Transaction, LGI Broadband Operations acquired a 60.0% interest, and Searchlight acquired a 40.0% interest, in Leo Cable. As LGI Broadband Operations' 60.0% interest represents a controlling financial interest, LGI Broadband Operations consolidates Leo Cable.

We have accounted for the Puerto Rico Transaction as the acquisition of OneLink and the effective sale of a 40.0% interest in Old Liberty Puerto Rico. The effective sale of the 40.0% interest in Old Liberty Puerto Rico was accounted for as an equity transaction. We have accounted for the acquisition of OneLink using the acquisition method of accounting.

A summary of the purchase price and opening balance sheet for OneLink at the November 8, 2012 acquisition date is presented in the following table. The opening balance sheet presented below reflects our final purchase price allocation (in millions):

Cash and cash equivalents	$ 4.4
Other current assets (a)	19.2
Property and equipment, net	150.2
Intangible assets subject to amortization (b)	90.5
Intangible assets not subject to amortization - cable television franchise rights	285.0
Goodwill (c)	226.1
Other assets, net	1.2
Current portion of debt and capital lease obligations	(3.5)
Other current liabilities (a)	(54.1)
Long-term debt and capital lease obligations	(496.9)
Deferred tax liabilities	(125.6)
Total purchase price	$ 96.5

(a) Other current liabilities include an accrual for a loss contingency that was measured based on our best estimate of the probable loss. The OneLink Seller partially indemnified us for the outcome of this loss contingency and, accordingly, other current assets includes an indemnification asset, measured using the same basis as the associated loss contingency.

(b) Amount primarily includes intangible assets related to customer relationships. At November 8, 2012, the weighted average useful life of OneLink's intangible assets was approximately 10 years.

(c) The goodwill recognized in connection with the Puerto Rico Transaction is primarily attributable to (i) the ability to take advantage of the existing advanced broadband communications networks of OneLink to gain immediate access to potential customers and (ii) substantial synergies that were expected to be achieved through the integration of OneLink with our existing broadband communications operations in Puerto Rico.

Pro Forma Information

The following unaudited pro forma consolidated operating results give effect to (i) the acquisition of 100% of Ziggo and (ii) the Virgin Media Acquisition, as if they had been completed as of January 1, 2013. These pro forma amounts are not necessarily indicative of the operating results that would have occurred if these transactions had occurred on such date. The pro forma adjustments are based on certain assumptions that we believe are reasonable.

	Year ended December 31,	
	2014	2013
	in millions, except per share amounts	
Revenue:		
Continuing operations	$ 20,095.7	$ 19,301.2
Discontinued operations	26.6	408.6
Total	$ 20,122.3	$ 19,709.8
Net loss attributable to Liberty Global shareholders	$ (1,223.0)	$ (1,200.2)
Basic and diluted loss attributable to Liberty Global shareholders per share	$ (1.35)	$ (1.30)

Our consolidated statement of operations for 2014 includes revenue and net loss of $272.0 million and $98.7 million, respectively, attributable to Ziggo.

The following unaudited pro forma consolidated operating results give effect to (i) the Virgin Media Acquisition and (ii) the Puerto Rico Transaction, as if they had been completed as of January 1, 2012. These pro forma amounts are not necessarily indicative of the operating results that would have occurred if these transactions had occurred on such date. The pro forma adjustments are based on certain assumptions that we believe are reasonable.

	Year ended December 31,	
	2013	2012
	in millions, except per share amounts	
Revenue:		
Continuing operations	$ 17,239.1	$ 16,465.0
Discontinued operations	408.6	673.7
Total	$ 17,647.7	$ 17,138.7
Net earnings (loss) attributable to Liberty Global shareholders (a)	$ (1,300.4)	$ 3,701.5
Basic earnings (loss) attributable to Liberty Global shareholders per share (a)	$ (1.63)	$ 4.48
Diluted earnings (loss) attributable to Liberty Global shareholders per share (a)	$ (1.63)	$ 4.39

____

(a) The 2012 amounts reflect the impact of a $4,144.9 million release of valuation allowances on Virgin Media's deferred tax assets. This release was included in Virgin Media's historical results for the fourth quarter of 2012.

Our consolidated statement of operations for 2013 includes revenue and net loss of $3,653.7 million and $987.8 million, respectively, attributable to Virgin Media.

(5) Discontinued Operations

Chellomedia Disposal Group. On January 31, 2014, we completed the sale of the Chellomedia Disposal Group to AMC Networks Inc. for €750.0 million ($1,013.1 million at the applicable rate) in cash (the Chellomedia Transaction). Accordingly, the Chellomedia Disposal Group is reflected as a discontinued operation in our consolidated statements of operations and cash flows for all periods presented. The assets disposed of pursuant to the Chellomedia Transaction exclude Chellomedia's premium sports and film channels in the Netherlands. In connection with the sale of the Chellomedia Disposal Group, we recognized a pre-tax gain of $342.2 million. This pre-tax gain is net of a $64.0 million cumulative foreign currency translation loss, which was reclassified to net loss from accumulated other comprehensive earnings. The associated income tax expense of $9.5 million differs from the amount computed by applying the U.K. statutory income tax rate in effect at the time of 21.5% primarily due to the fact that (i) the transaction was not subject to taxation in the U.K. and (ii) most elements of the transaction were not subject to taxation in the Netherlands or the U.S. The net after-tax gain of $332.7 million is included in gain on disposal of discontinued operations, net of taxes, in our consolidated statement of operations.

Certain of our broadband communications operations will continue to receive programming services from the Chellomedia Disposal Group through contracts that were negotiated as part of the disposal. As such, Liberty Global will have continuing cash outflows associated with the Chellomedia Disposal Group through at least 2017. However, our involvement as an ongoing customer of the Chellomedia Disposal Group does not disqualify discontinued operations classification because (i) the ongoing cash outflows are not considered significant to the Chellomedia Disposal Group and (ii) Liberty Global does not possess any rights within the ongoing contractual arrangements that would allow us to exert influence over the Chellomedia Disposal Group.

The summarized financial position of the Chellomedia Disposal Group as of December 31, 2013 is as follows (in millions):

Assets:	
Cash and cash equivalents	$ 4.6
Other current assets	234.1
Investments	21.1
Property and equipment, net	43.1
Goodwill	224.4
Other assets	225.0
Total assets (a)	$ 752.3
Liabilities:	
Current liabilities	$ 127.5
Other long-term liabilities	19.8
Total liabilities (a)	147.3
Total equity	605.0
Total liabilities and equity	$ 752.3

(a) Excludes intercompany payables and receivables that are eliminated within Liberty Global's consolidated financial statements.

Austar. On July 11, 2011, our company and Austar entered into agreements with certain third parties (collectively, FOXTEL) pursuant to which FOXTEL agreed to acquire 100% of Austar's ordinary shares through a series of transactions (the Austar Transaction), one of which involved our temporary acquisition of the 45.85% of Austar's ordinary shares held by the noncontrolling shareholders (the Austar NCI Acquisition). On April 26, 2012, pursuant to the terms of the Austar NCI Acquisition, all of the shares of Austar that we did not already own were acquired by a new wholly-owned subsidiary of Liberty Global (LGI Austar Holdco), with funding provided by a loan from FOXTEL. On May 23, 2012, FOXTEL acquired 100% of Austar from LGI Austar Holdco for AUD 1.52 ($1.50 at the transaction date) per share in cash, which represented a total equity sales price of AUD 1,932.7 million ($1,906.6 million at the transaction date) for the 100% interest in Austar (based on Austar ordinary shares outstanding at the transaction date) or AUD 1,046.5 million for our 54.15% interest in Austar. Upon completion of these transactions and excluding proceeds related to the shares acquired in the Austar NCI Acquisition, our company realized cash proceeds equivalent to $1,056.1 million after taking into account applicable foreign currency forward contracts and before considering cash paid for disposal costs.

In connection with the sale of Austar, we recognized a pre-tax gain of $928.2 million that includes (i) cumulative foreign currency translation gains of $22.6 million and (ii) cumulative cash flow hedge losses of $15.1 million, each of which have been reclassified to net earnings from accumulated other comprehensive earnings. The associated deferred income tax expense of $4.1 million differs from the amount computed by applying the U.S. federal income tax rate of 35% primarily due to the fact that (i) the Austar Transaction was not subject to taxation in Australia and (ii) most elements of the Austar Transaction were not subject to taxation in the U.S. This gain, net of income taxes, is included in gain on disposal of discontinued operations, net of taxes, in our consolidated statement of operations.

The combined operating results of the Chellomedia Disposal Group (2014, 2013 and 2012) and Austar (2012) are classified as discontinued operations in our consolidated statements of operations and are summarized in the following table:

	Year ended December 31,		
	2014 (a) (b)	2013 (b)	2012 (b) (c)
		in millions	
Revenue	$ 26.6	$ 408.6	$ 673.7
Operating income	$ 0.6	$ 12.1	$ 78.7
Earnings (loss) before income taxes and noncontrolling interests	$ 0.9	$ (1.0)	$ 75.2
Income tax expense	$ (0.1)	$ (22.7)	$ (28.1)
Earnings (loss) from discontinued operations attributable to Liberty Global shareholders, net of taxes	$ 0.8	$ (26.3)	$ 22.4

(a) Includes the operating results of the Chellomedia Disposal Group through January 31, 2014, the date the Chellomedia Disposal Group was sold.

(b) Excludes the Chellomedia Disposal Group's intercompany revenue and expenses that are eliminated within Liberty Global's consolidated financial statements.

(c) Includes the operating results of Austar through May 23, 2012, the date the Austar Transaction was completed.

(6) Investments

The details of our investments are set forth below:

Accounting Method	December 31, 2014	December 31, 2013
	in millions	
Fair value:		
Ziggo:		
Not subject to re-use rights (34.1 million shares at December 31, 2013)	$ —	$ 1,560.1
Subject to re-use rights (22.9 million shares at December 31, 2013)	—	1,049.4
Total — Ziggo	—	2,609.5
ITV — subject to re-use rights	871.2	—
Sumitomo	473.1	572.9
Other	318.4	299.4
Total — fair value	1,662.7	3,481.8
Equity	145.1	8.9
Cost	0.4	0.5
Total	$ 1,808.2	$ 3,491.2
Discontinued operation — Investments held by the Chellomedia Disposal Group	$ —	$ 21.1

Fair Value Investments

Ziggo. Prior to the November 11, 2014 completion of the Ziggo Acquisition, we accounted for our investment in shares of Ziggo as a fair value investment. For additional information regarding the Ziggo Acquisition, see note 4.

At December 31, 2013, we owned 57,000,738 shares of Ziggo, representing 28.5% of the then outstanding shares of Ziggo. In April 2013, LGE HoldCo V BV, our wholly-owned subsidiary, entered into a limited recourse margin loan agreement (the Ziggo Margin Loan) with respect to a portion of our investment in Ziggo and, in July 2013, we entered into a share collar (the Ziggo Collar) and secured borrowing arrangement (the Ziggo Collar Loan) with respect to a portion of our owned Ziggo shares. All but 4,743,738 of the Ziggo shares that we owned at December 31, 2013 were pledged as collateral under one or the other of the Ziggo Collar and Ziggo Collar Loan. During 2013, we received aggregate cash dividends from Ziggo of $78.4 million after taking into account the impact of the Ziggo Collar. In connection with the Ziggo Acquisition, the Ziggo Collar was terminated and the Ziggo Collar Loan was settled. For additional information on the Ziggo Collar and Ziggo Collar Loan, see note 7. As described in note 10, we repaid the Ziggo Margin Loan during the first quarter of 2014.

The summarized financial condition of Ziggo as of December 31, 2013 is set forth below (in millions):

Current assets	$ 261.9
Long-term assets	6,131.5
Total assets	$ 6,393.4
Current liabilities	$ 539.3
Long-term liabilities	4,516.0
Owners' equity	1,338.1
Total liabilities and owners' equity	$ 6,393.4

The summarized results of operations of Ziggo for the periods indicated are set forth below:

	2014 (a)	2013 (b)
	in millions	
Revenue	$ 1,876.9	$ 1,570.7
Operating income	$ 336.0	$ 418.5
Net earnings (loss)	$ (230.3)	$ 199.1

____

(a) Amounts relate to the period from January 1, 2014 through the Ziggo Acquisition Date.

(b) Amounts relate to the period from March 28, 2013 (the date of our initial investment in Ziggo) through December 31, 2013.

ITV. On July 17, 2014, we acquired an aggregate of 259,820,065 shares of ITV plc (ITV) from British Sky Broadcasting Group plc at a price of £1.85 ($3.14 at the transaction date) per share, for a total investment of £480.7 million ($816.3 million at the transaction date). ITV is a commercial broadcaster in the U.K. Our ITV shares represent 6.4% of the total outstanding shares of ITV as of September 30, 2014, the most current publicly-available information. All of our ITV shares are subject to a share collar (the ITV Collar) and pledged as collateral under a secured borrowing arrangement (the ITV Collar Loan). Under the terms of the ITV Collar, the counterparty has the right to re-use all of the pledged ITV shares. For additional information regarding the ITV Collar Loan and the ITV Collar, including a description of the related re-use rights and the impact of the ITV Collar on the dividends we receive on our ITV shares, see note 7.

Sumitomo. At December 31, 2014 and 2013, we owned 45,652,043 shares of Sumitomo Corporation (Sumitomo) common stock. Our Sumitomo shares represented less than 5% of Sumitomo's outstanding common stock at December 31, 2014. These shares secure the Sumitomo Collar Loan, as defined and described in note 7.

Other. Includes various fair value investments, the most significant of which is our 17.0% interest in ITI Neovision S.A. (ITI Neovision) (formerly Canal+ Cyfrowy S.A.), a privately-held DTH operator in Poland.

Equity Method Investments

All3Media. As of December 31, 2014, our most significant equity method investment is our investment in All3Media Holdings Limited (All3Media), an independent television, film and digital production and distribution company in the U.K. Our investment in All3Media is held through our 50.0% interest in DLG Acquisition Limited (DLG), a joint venture between one of our subsidiaries and a subsidiary of Discovery Communications, Inc. (Discovery). In September 2014, we and a subsidiary of Discovery each contributed £90.0 million ($147.2 million at the transaction date) to DLG in connection with DLG's acquisition of 100% of All3Media.

Chellomedia Disposal Group

Substantially all of the investments held by the Chellomedia Disposal Group were measured at fair value. The investments held by the Chellomedia Disposal Group at December 31, 2013 are included in long-term assets of discontinued operations on our consolidated balance sheet. For additional information regarding the Chellomedia Disposal Group, see note 5.

(7) Derivative Instruments

In general, we seek to enter into derivative instruments to protect against (i) increases in the interest rates on our variable-rate debt and (ii) foreign currency movements, particularly with respect to borrowings that are denominated in a currency other than the functional currency of the borrowing entity. In this regard, through our subsidiaries, we have entered into various derivative instruments to manage interest rate exposure and foreign currency exposure with respect to the U.S. dollar ($), the euro (€), the British pound sterling (£), the Swiss franc (CHF), the Chilean peso (CLP), the Czech koruna (CZK), the Hungarian forint (HUF), the Polish zloty (PLN) and the Romanian lei (RON). We generally do not apply hedge accounting to our derivative instruments. Accordingly, changes in the fair values of most of our derivative instruments are recorded in realized and unrealized gains or losses on derivative instruments, net, in our consolidated statements of operations.

The following table provides details of the fair values of our derivative instrument assets and liabilities:

	December 31, 2014			December 31, 2013		
	Current	Long-term (a)	Total	Current	Long-term (a)	Total
	in millions					
Assets:						
Cross-currency and interest rate derivative contracts (b)	$ 443.6	$ 913.7	$ 1,357.3	$ 248.4	$ 520.8	$ 769.2
Equity-related derivative instruments (c)	—	400.2	400.2	—	430.4	430.4
Foreign currency forward contracts	2.5	—	2.5	2.6	—	2.6
Other	0.5	0.9	1.4	1.1	0.9	2.0
Total	$ 446.6	$ 1,314.8	$ 1,761.4	$ 252.1	$ 952.1	$ 1,204.2
Liabilities:						
Cross-currency and interest rate derivative contracts (b)	$ 1,027.4	$ 1,443.9	$ 2,471.3	$ 727.2	$ 2,191.4	$ 2,918.6
Equity-related derivative instruments (c)	15.3	73.1	88.4	15.6	101.3	116.9
Foreign currency forward contracts	0.8	—	0.8	8.2	12.0	20.2
Other	0.2	0.1	0.3	0.2	0.6	0.8
Total	$ 1,043.7	$ 1,517.1	$ 2,560.8	$ 751.2	$ 2,305.3	$ 3,056.5

(a) Our long-term derivative assets and liabilities are included in other assets, net, and other long-term liabilities, respectively, in our consolidated balance sheets.

(b) We consider credit risk in our fair value assessments. As of December 31, 2014 and 2013, (i) the fair values of our cross-currency and interest rate derivative contracts that represented assets have been reduced by credit risk valuation adjustments aggregating $30.9 million and $9.8 million, respectively, and (ii) the fair values of our cross-currency and interest rate derivative contracts that represented liabilities have been reduced by credit risk valuation adjustments aggregating $64.6 million and $173.0 million, respectively. The adjustments to our derivative assets relate to the credit risk associated with counterparty nonperformance and the adjustments to our derivative liabilities relate to credit risk associated with our own nonperformance. In all cases, the adjustments take into account offsetting liability or asset positions within a given contract. Our determination of credit risk valuation adjustments generally is based on our and our counterparties' credit risks, as observed in the credit default swap market and market quotations for certain of our subsidiaries' debt instruments, as applicable. The changes in the credit risk valuation adjustments associated with our cross-currency and interest rate derivative contracts resulted in net gains (losses) of ($120.9 million), $15.3 million and ($57.3 million) during 2014, 2013 and 2012, respectively. These amounts are included in realized and unrealized gains (losses) on derivative instruments, net, in our consolidated statements of operations. For further information concerning our fair value measurements, see note 8.

(c) Our equity-related derivative instruments include the fair value of (i) the ITV Collar (as described below) at December 31, 2014, (ii) the share collar (the Sumitomo Collar) with respect to the Sumitomo shares held by our company, (iii) the Virgin Media Capped Calls (as defined and described below) and (iv) the Ziggo Collar (as described below) at December 31, 2013. The fair values of our equity collars do not include credit risk valuation adjustments as we assume that any losses incurred by our company in the event of nonperformance by the respective counterparty would be, subject to relevant insolvency laws, fully offset against amounts we owe to such counterparty pursuant to the related secured borrowing arrangements.

The details of our realized and unrealized gains (losses) on derivative instruments, net, are as follows:

	Year ended December 31,		
	2014	**2013**	**2012**
		in millions	
Cross-currency and interest rate derivative contracts	$ 293.6	$ (586.5)	$ (958.3)
Equity-related derivative instruments:			
Ziggo Collar	(113.3)	(152.5)	—
ITV Collar	(77.4)	—	—
Sumitomo Collar	(46.0)	(206.4)	(109.0)
Virgin Media Capped Calls	0.4	(3.4)	—
Total equity-related derivative instruments	(236.3)	(362.3)	(109.0)
Foreign currency forward contracts	31.6	(72.9)	(6.0)
Other	(0.1)	1.3	3.0
Total	$ 88.8	$ (1,020.4)	$ (1,070.3)

The net cash received or paid related to our derivative instruments is classified as an operating, investing or financing activity in our consolidated statements of cash flows based on the objective of the derivative instrument and the classification of the applicable underlying cash flows. For derivative contracts that are terminated prior to maturity, the cash paid or received upon termination that relates to future periods is classified as a financing activity. The classification of these cash inflows (outflows) are as follows:

	Year ended December 31,		
	2014	2013	2012
		in millions	
Operating activities	$ (445.7)	$ (402.1)	$ (435.5)
Investing activities	(30.2)	(66.5)	23.7
Financing activities	(221.0)	524.5	(108.4)
Total	$ (696.9)	$ 55.9	$ (520.2)

Counterparty Credit Risk

We are exposed to the risk that the counterparties to the derivative instruments of our subsidiary borrowing groups will default on their obligations to us. We manage these credit risks through the evaluation and monitoring of the creditworthiness of, and concentration of risk with, the respective counterparties. In this regard, credit risk associated with our derivative instruments is spread across a relatively broad counterparty base of banks and financial institutions. Collateral is generally not posted by either party under the derivative instruments of our subsidiary borrowing groups. At December 31, 2014, our exposure to counterparty credit risk included derivative assets with an aggregate fair value of $1,040.9 million.

Each of our subsidiary borrowing groups have entered into derivative instruments under master agreements with each counterparty that contain master netting arrangements that are applicable in the event of early termination by either party to such derivative instrument. The master netting arrangements under each of these master agreements are limited to the derivative instruments governed by the relevant master agreement within each individual borrowing group and are independent of similar arrangements of our other subsidiary borrowing groups.

Under our derivative contracts, it is generally only the non-defaulting party that has a contractual option to exercise early termination rights upon the default of the other counterparty and to set off other liabilities against sums due upon such termination. However, in an insolvency of a derivative counterparty, under the laws of certain jurisdictions, the defaulting counterparty or its insolvency representatives may be able to compel the termination of one or more derivative contracts and trigger early termination payment liabilities payable by us, reflecting any mark-to-market value of the contracts for the counterparty. Alternatively, or in addition, the insolvency laws of certain jurisdictions may require the mandatory set off of amounts due under such derivative contracts against present and future liabilities owed to us under other contracts between us and the relevant counterparty. Accordingly, it is possible that we may be subject to obligations to make payments, or may have present or future liabilities owed to us partially or fully discharged by set off as a result of such obligations, in the event of the insolvency of a derivative counterparty, even though it is the counterparty that is in default and not us. To the extent that we are required to make such payments, our ability to do so will depend on our liquidity and capital resources at the time. In an insolvency of a defaulting counterparty, we will be an unsecured creditor in respect of any amount owed to us by the defaulting counterparty, except to the extent of the value of any collateral we have obtained from that counterparty.

In addition, where a counterparty is in financial difficulty, under the laws of certain jurisdictions, the relevant regulators may be able to (i) compel the termination of one or more derivative instruments, determine the settlement amount and/or compel, without any payment, the partial or full discharge of liabilities arising from such early termination that are payable by the relevant counterparty or (ii) transfer the derivative instruments to an alternative counterparty.

Details of our Derivative Instruments

In the following tables, we present the details of the various categories of our subsidiaries' derivative instruments. For each subsidiary, the notional amount of multiple derivative instruments that mature within the same calendar month are shown in the aggregate and interest rates are presented on a weighted average basis. In addition, for derivative instruments that were in effect as of December 31, 2014, we present a single date that represents the applicable final maturity date. For derivative instruments that become effective subsequent to December 31, 2014, we present a range of dates that represents the period covered by the applicable derivative instruments.

Cross-currency and Interest Rate Derivative Contracts

Cross-currency Swaps:

The terms of our outstanding cross-currency swap contracts at December 31, 2014 are as follows:

Subsidiary / Final maturity date		Notional amount due from counterparty		Notional amount due to counterparty	Interest rate due from counterparty	Interest rate due to counterparty
		in millions				
Virgin Media Investment Holdings Limited (VMIH), a subsidiary of Virgin Media:						
February 2022	$	1,400.0	£	873.6	5.01%	5.49%
June 2020	$	1,384.6	£	901.4	6 mo. LIBOR + 2.75%	6 mo. GBP LIBOR + 3.18%
October 2020	$	1,370.4	£	881.6	6 mo. LIBOR + 2.75%	6 mo. GBP LIBOR + 3.10%
January 2021	$	500.0	£	308.9	5.25%	6 mo. GBP LIBOR + 2.06%
October 2022	$	450.0	£	272.0	6.00%	6.43%
January 2022	$	425.0	£	255.8	5.50%	5.82%
April 2019	$	291.5	£	186.2	5.38%	5.49%
November 2016 (a)	$	55.0	£	27.7	6.50%	7.03%
October 2019	$	50.0	£	30.3	8.38%	8.98%
October 2019 - October 2022	$	50.0	£	30.7	6.00%	5.75%
UPC Broadband Holding BV (UPC Broadband Holding), a subsidiary of UPC Holding BV:						
July 2018	$	525.0	€	396.3	6 mo. LIBOR + 1.99%	6.25%
January 2020	$	327.5	€	249.5	6 mo. LIBOR + 4.92%	7.52%
January 2015 - July 2021	$	312.0	€	240.0	6 mo. LIBOR + 2.50%	6 mo. EURIBOR + 2.87%
January 2015	$	300.0	€	226.5	6 mo. LIBOR + 1.75%	5.78%
October 2020	$	300.0	€	219.1	6 mo. LIBOR + 3.00%	6 mo. EURIBOR + 3.04%
January 2017 - July 2021	$	262.1	€	194.1	6 mo. LIBOR + 2.50%	6 mo. EURIBOR + 2.51%
November 2019	$	250.0	€	181.5	7.25%	7.74%
November 2021	$	250.0	€	181.4	7.25%	7.50%
July 2018	$	200.0	€	151.0	6 mo. LIBOR + 3.00%	7.31%
January 2020	$	197.5	€	150.5	6 mo. LIBOR + 4.92%	6 mo. EURIBOR + 4.91%
July 2021	$	128.0	€	97.2	6 mo. LIBOR + 2.50%	6 mo. EURIBOR + 2.90%

Subsidiary / Final maturity date	Notional amount due from counterparty		Notional amount due to counterparty		Interest rate due from counterparty	Interest rate due to counterparty
	in millions					
January 2015 - July 2018	$	100.0	€	75.4	6 mo. LIBOR + 1.75%	5.77%
December 2016	$	340.0	CHF	370.9	6 mo. LIBOR + 3.50%	6 mo. CHF LIBOR + 4.01%
January 2017 - July 2021	$	300.0	CHF	278.3	6 mo. LIBOR + 2.50%	6 mo. CHF LIBOR + 2.46%
November 2019	$	250.0	CHF	226.8	7.25%	6 mo. CHF LIBOR + 5.01%
January 2020	$	225.0	CHF	206.3	6 mo. LIBOR + 4.81%	5.44%
January 2015 - July 2021	$	200.0	CHF	186.0	6 mo. LIBOR + 2.50%	6 mo. CHF LIBOR + 2.55%
January 2015	$	171.5	CHF	187.1	6 mo. LIBOR + 2.75%	6 mo. CHF LIBOR + 2.95%
July 2020	$	201.5	RON	489.3	6 mo. LIBOR + 3.50%	11.34%
January 2015	€	898.4	CHF	1,466.0	6 mo. EURIBOR + 1.68%	6 mo. CHF LIBOR + 1.94%
January 2015 - January 2021	€	720.8	CHF	877.0	6 mo. EURIBOR + 2.50%	6 mo. CHF LIBOR + 2.62%
January 2015 - September 2022	€	383.8	CHF	477.0	6 mo. EURIBOR + 2.00%	6 mo. CHF LIBOR + 2.22%
January 2015 - January 2017	€	360.4	CHF	589.0	6 mo. EURIBOR + 3.75%	6 mo. CHF LIBOR + 3.94%
April 2018	€	285.1	CHF	346.7	10.51%	9.87%
January 2020	€	175.0	CHF	258.6	7.63%	6.76%
January 2015 - July 2021	€	161.4	CHF	187.1	6 mo. EURIBOR + 2.35%	6 mo. CHF LIBOR + 2.76%
July 2020	€	107.4	CHF	129.0	6 mo. EURIBOR + 3.00%	6 mo. CHF LIBOR + 3.28%
January 2017	€	75.0	CHF	110.9	7.63%	6.98%
December 2015	€	69.1	CLP	53,000.0	3.50%	5.75%
January 2015	€	365.8	CZK	10,521.8	5.48%	5.99%
January 2015 - January 2020	€	318.9	CZK	8,818.7	5.58%	5.44%
January 2015 - January 2017	€	60.0	CZK	1,703.1	5.50%	6.99%
July 2017	€	39.6	CZK	1,000.0	3.00%	3.75%
January 2015	€	260.0	HUF	75,570.0	5.50%	9.40%
January 2015 - January 2017	€	260.0	HUF	75,570.0	5.50%	10.56%
December 2016	€	150.0	HUF	43,367.5	5.50%	9.20%
July 2018	€	78.0	HUF	19,500.0	5.50%	9.15%
January 2015	€	400.5	PLN	1,605.6	5.50%	7.50%
January 2015 - January 2017	€	245.0	PLN	1,000.6	5.50%	9.03%
September 2016	€	200.0	PLN	892.7	6.00%	8.19%
January 2015 - January 2020	€	144.6	PLN	605.0	5.50%	7.98%
July 2017	€	82.0	PLN	318.0	3.00%	5.60%
December 2015	CLP	53,000.0	€	69.1	5.75%	3.50%

Subsidiary / Final maturity date		Notional amount due from counterparty		Notional amount due to counterparty	Interest rate due from counterparty	Interest rate due to counterparty
		in millions				
Amsterdamse Beheer-en Consultingmaatschappij BV (ABC B.V.), a subsidiary of Ziggo:						
January 2022	$	2,350.0	€	1,727.0	6 mo. LIBOR + 2.75%	4.56%
Unitymedia Hessen GmbH & Co. KG (Unitymedia Hessen), a subsidiary of Unitymedia KabelBW:						
January 2023	$	1,652.9	€	1,252.5	5.67%	4.50%
January 2021	$	797.1	€	546.5	5.50%	5.60%
VTR:						
January 2022	$	1,400.0	CLP	760,340.0	6.88%	10.94%

____

(a) Unlike the other cross-currency swaps presented in this table, the identified cross-currency swap does not involve the exchange of notional amounts at the inception and maturity of the instrument. Accordingly, the only cash flows associated with this instrument are interest payments and receipts.

Interest Rate Swaps:

The terms of our outstanding interest rate swap contracts at December 31, 2014 are as follows:

Subsidiary / Final maturity date		Notional amount	Interest rate due from counterparty	Interest rate due to counterparty
		in millions		
VMIH:				
October 2018	£	2,155.0	6 mo. GBP LIBOR	1.52%
January 2021	£	650.0	5.50%	6 mo. GBP LIBOR + 1.84%
January 2021	£	650.0	6 mo. GBP LIBOR + 1.84%	3.87%
December 2015	£	600.0	6 mo. GBP LIBOR	2.90%
April 2018	£	300.0	6 mo. GBP LIBOR	1.37%
UPC Broadband Holding:				
July 2020	$	1,000.0	6.63%	6 mo. LIBOR + 3.03%
January 2022	$	750.0	6.88%	6 mo. LIBOR + 4.89%
January 2015	€	1,554.0	1 mo. EURIBOR + 3.75%	6 mo. EURIBOR + 3.56%
January 2015 - January 2016	€	1,554.0	1 mo. EURIBOR + 3.75%	6 mo. EURIBOR + 3.58%
January 2015	€	1,364.8	6 mo. EURIBOR	3.44%
July 2020	€	750.0	6.38%	6 mo. EURIBOR + 3.16%
January 2015 - January 2021	€	750.0	6 mo. EURIBOR	2.57%
January 2015 - December 2016	€	500.0	6 mo. EURIBOR	4.32%
January 2015 - January 2023	€	290.0	6 mo. EURIBOR	2.79%
December 2015	€	263.3	6 mo. EURIBOR	3.97%
January 2023	€	210.0	6 mo. EURIBOR	2.88%
January 2015 - January 2018	€	175.0	6 mo. EURIBOR	3.74%
January 2015 - July 2020	€	171.3	6 mo. EURIBOR	3.95%

Subsidiary / Final maturity date	Notional amount		Interest rate due from counterparty	Interest rate due to counterparty
	in millions			
July 2020	€	171.3	6 mo. EURIBOR	4.32%
January 2015 - November 2021	€	107.0	6 mo. EURIBOR	2.89%
January 2015	CHF	2,380.0	6 mo. CHF LIBOR	2.81%
January 2015 - January 2022	CHF	711.5	6 mo. CHF LIBOR	1.89%
January 2015 - January 2021	CHF	500.0	6 mo. CHF LIBOR	1.65%
January 2015 - January 2018	CHF	400.0	6 mo. CHF LIBOR	2.51%
January 2015 - December 2016	CHF	370.9	6 mo. CHF LIBOR	3.82%
January 2015 - November 2019	CHF	226.8	6 mo. CHF LIBOR + 5.01%	6.88%
ABC B.V.:				
January 2022	€	1,566.0	6 mo. EURIBOR	1.66%
Telenet International Finance S.a.r.l (Telenet International), a subsidiary of Telenet:				
June 2023	€	500.0	3 mo. EURIBOR	1.45%
July 2017 - June 2022	€	420.0	3 mo. EURIBOR	2.08%
June 2021	€	400.0	3 mo. EURIBOR	0.41%
July 2017 - June 2023	€	382.0	3 mo. EURIBOR	1.89%
July 2017	€	150.0	3 mo. EURIBOR	3.55%
August 2015 - June 2022	€	55.0	3 mo. EURIBOR	1.81%
June 2015	€	50.0	3 mo. EURIBOR	3.55%

Interest Rate Caps

Our purchased and sold interest rate cap contracts with respect to EURIBOR at December 31, 2014 are detailed below:

Subsidiary / Final maturity date	December 31, 2014		
	Notional amount		EURIBOR cap rate
	in millions		
Interest rate caps purchased (a):			
Liberty Global Europe Financing BV (LGE Financing), the immediate parent of UPC Holding BV:			
January 2015 - January 2020	€	735.0	7.00%
Telenet International:			
June 2015 - June 2017	€	50.0	4.50%
Telenet NV, a subsidiary of Telenet:			
December 2017	€	0.6	6.50%
December 2017	€	0.6	5.50%
Interest rate cap sold (b):			
UPC Broadband Holding:			
January 2015 - January 2020	€	735.0	7.00%

(a) Our purchased interest rate caps entitle us to receive payments from the counterparty when EURIBOR exceeds the EURIBOR cap rate.

(b) Our sold interest rate cap requires that we make payments to the counterparty when EURIBOR exceeds the EURIBOR cap rate.

Interest Rate Collars

Our interest rate collar contracts establish floor and cap rates with respect to EURIBOR on the indicated notional amounts at December 31, 2014, as detailed below:

	December 31, 2014		
Subsidiary / Final maturity date	**Notional amount**	**EURIBOR floor rate (a)**	**EURIBOR cap rate (b)**
	in millions		
UPC Broadband Holding:			
January 2015 - January 2020	€ 1,135.0	1.00%	3.54%
Telenet International:			
July 2017	€ 650.0	2.00%	4.00%

(a) We make payments to the counterparty when EURIBOR is less than the EURIBOR floor rate.

(b) We receive payments from the counterparty when EURIBOR is greater than the EURIBOR cap rate.

Equity-Related Derivative Instruments

Ziggo Collar and Secured Borrowing. In July 2013, Liberty Global Incorporated Limited (Liberty Global Limited), our wholly-owned subsidiary, paid a net option premium of €38.6 million ($51.0 million at the transaction date) to enter into the Ziggo Collar with respect to the then owned 24,957,000 Ziggo shares. The Ziggo Collar was comprised of (i) purchased put options exercisable by Liberty Global Limited and (ii) sold call options exercisable by the counterparty. Prior to the Ziggo Acquisition, the Ziggo Collar effectively hedged the value of a portion of our investment in Ziggo shares from significant losses due to market price decreases below the put option price while retaining a portion of the gains from market price increases up to the call option price.

The Ziggo Collar and related agreements also provided Liberty Global Limited with the ability to effectively finance the purchase of certain of its Ziggo shares pursuant to the Ziggo Collar Loan. In this regard, in July 2013, we borrowed €617.1 million ($816.4 million at the transaction date) under the Ziggo Collar Loan, including €486.4 million ($643.5 million at the transaction date) of non-cash borrowings that were used to finance the acquisition of Ziggo shares. At December 31, 2013, borrowings under the Ziggo Collar Loan were secured by 24,957,000 shares of Ziggo that were placed into a custody account. The Ziggo Collar Loan was issued at a discount with a zero coupon rate and an average implied yield of 45 basis points (0.45%). Under the terms of the Ziggo Collar, the counterparty had the right to re-use most of the Ziggo shares held in the custody account (up to an estimated 22.9 million shares at December 31, 2013), but we had the right to recall the shares that were re-used by the counterparty subject to certain costs. Pursuant to the terms of the Ziggo Collar, we lent to the counterparty 15.7 million Ziggo shares (the Lent Shares) on October 10, 2014. In addition, the counterparty had the right to retain dividends on the Ziggo shares that the counterparty would need to borrow from the custody account to hedge its exposure under the Ziggo Collar (an estimated 18.7 million shares at December 31, 2013). In January 2014, we settled a portion of the Ziggo Collar and Ziggo Collar Loan such that the number of Ziggo shares covered by these instruments was reduced to 19,965,600. Upon completion of the Ziggo Acquisition (see note 4), the Ziggo Collar was terminated, the Ziggo Collar Loan was settled and the counterparty was relieved of its obligation to redeliver to us the Lent Shares.

ITV Collar and Secured Borrowing. In July 2014, Liberty Global Limited entered into the ITV Collar with respect to all 259,820,065 of our ITV shares. The ITV Collar is comprised of (i) purchased put options exercisable by Liberty Global Limited and (ii) written call options exercisable by the counterparty. The ITV Collar effectively hedges the value of our investment in ITV shares from significant losses due to market price decreases below the put option price while retaining a portion of the gains from market price increases up to the call option price. For additional information regarding our investment in ITV, see note 6.

The ITV Collar and related agreements also provided Liberty Global Limited with the ability to effectively finance the purchase of its ITV shares pursuant to the ITV Collar Loan. In this regard, in July 2014, we borrowed £446.9 million ($764.5 million at the transaction date) under the ITV Collar Loan. At December 31, 2014, borrowings under the ITV Collar Loan were secured by all 259,820,065 of our ITV shares, which have been placed into a custody account. The ITV Collar Loan was issued at a discount with a zero coupon rate and an average implied yield of 173 basis points (1.73%). The ITV Collar Loan, which has an average maturity of three years and contains no financial covenants, provides for customary representations and warranties, events of default and certain adjustment and termination events. Under the terms of the ITV Collar, the counterparty has the right to re-use the pledged ITV shares held in the custody account, but we have the right to recall the shares that are re-used by the counterparty subject to certain costs. In addition, the counterparty retains dividends on the ITV shares that the counterparty would need to borrow from the custody account to hedge its exposure under the ITV Collar (an estimated 205 million shares at December 31, 2014).

Sumitomo Collar and Secured Borrowing. The Sumitomo Collar is comprised of purchased put options exercisable by Liberty Programming Japan LLC (Liberty Programming Japan), a wholly-owned subsidiary, and written call options exercisable by the counterparty with respect to all of the common shares of Sumitomo owned by Liberty Programming Japan. The Sumitomo Collar effectively hedges the value of our investment in Sumitomo shares from losses due to market price decreases below a per share value of ¥2,118.50 ($17.68) while retaining gains from market price increases up to a per share value of ¥2,787.50 ($23.26). At December 31, 2014, the market price of Sumitomo common stock was ¥1,242.00 ($10.36) per share. The Sumitomo Collar provides for a projected gross cash ordinary dividend to be paid per Sumitomo share during the term of the Sumitomo Collar. If the actual dividend paid does not exactly match the projected dividend, then an adjustment amount shall be payable between the parties to the Sumitomo Collar depending on the dividend actually paid by Sumitomo. The Sumitomo Collar may, at the option of Liberty Programming Japan, be settled in Sumitomo shares or in cash. The Sumitomo Collar also includes a purchased fair value put option, which effectively provides Liberty Programming Japan with the ability to sell the Sumitomo shares when the market price is trading between the put and call strike prices. The Sumitomo Collar matures in five equal semi-annual installments beginning on May 22, 2016. The fair value of the Sumitomo Collar as of December 31, 2014 was a net asset of $351.1 million.

The Sumitomo Collar and related agreements also provide Liberty Programming Japan with the ability to borrow funds on a secured basis. Borrowings under these agreements, which are secured by a pledge of 100% of the Sumitomo shares owned by Liberty Programming Japan, bear interest at 1.883%, mature in five equal semi-annual installments beginning on May 22, 2016, and are included in long-term debt and capital lease obligations in our consolidated balance sheets. During 2007, Liberty Programming Japan borrowed ¥93.660 billion ($757.6 million at the transaction date) under these agreements (the Sumitomo Collar Loan). The pledge arrangement entered into by Liberty Programming Japan provides that Liberty Programming Japan will be able to exercise all voting and consensual rights and, subject to the terms of the Sumitomo Collar, receive dividends on the Sumitomo shares.

Virgin Media Capped Calls. During 2010, Virgin Media entered into conversion hedges (the Virgin Media Capped Calls) with respect to the VM Convertible Notes, as defined and described in note 10, in order to offset a portion of the dilutive effects associated with conversion of the VM Convertible Notes. We account for the Virgin Media Capped Calls at fair value using a binomial pricing model and changes in fair value are reported in realized and unrealized gains or losses on derivative instruments, net, in our consolidated statements of operations. The Virgin Media Capped Calls mature on dates ranging from September 30, 2016 to November 10, 2016.

As further described in note 10, most of the VM Convertible Notes were exchanged for Liberty Global Class A and Class C ordinary shares and cash pursuant to the terms of the VM Convertible Notes Indenture (as defined in note 10). Accordingly, during 2013, we settled 93.8% of the notional amount of the Virgin Media Capped Calls for cash proceeds of $534.8 million.

Foreign Currency Forwards

The following table summarizes our outstanding foreign currency forward contracts at December 31, 2014:

Subsidiary	Currency purchased forward		Currency sold forward		Maturity dates
	in millions				
UPC Broadband Holding	$	0.8	CZK	14.9	January 2015 - March 2015
UPC Broadband Holding	€	63.8	CHF	76.0	January 2015 - December 2015
UPC Broadband Holding	€	4.5	CZK	123.3	January 2015 - March 2015
UPC Broadband Holding	€	4.1	HUF	1,275.0	January 2015 - March 2015
UPC Broadband Holding	€	12.0	PLN	51.0	January 2015 - March 2015
UPC Broadband Holding	£	1.2	€	1.4	January 2015 - March 2015
UPC Broadband Holding	CHF	67.0	€	55.7	January 2015
UPC Broadband Holding	CZK	300.0	€	10.9	January 2015
UPC Broadband Holding	HUF	7,400.0	€	23.6	January 2015
UPC Broadband Holding	PLN	90.0	€	20.9	January 2015
UPC Broadband Holding	RON	31.0	€	6.9	January 2015
VTR	$	52.4	CLP	31,739.4	January 2015 - December 2015

(8) Fair Value Measurements

We use the fair value method to account for (i) certain of our investments and (ii) our derivative instruments. The reported fair values of these investments and derivative instruments as of December 31, 2014 likely will not represent the value that will be paid or received upon the ultimate settlement or disposition of these assets and liabilities. In the case of the investments that we account for using the fair value method, the values we realize upon disposition will be dependent upon, among other factors, market conditions and the forecasted financial performance of the investees at the time of any such disposition. With respect to our derivative instruments, we expect that the values realized generally will be based on market conditions at the time of settlement, which may occur at the maturity of the derivative instrument or at the time of the repayment or refinancing of the underlying debt instrument.

GAAP provides for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. We record transfers of assets or liabilities in or out of Levels 1, 2 or 3 at the beginning of the quarter during which the transfer occurred. During 2014, no such transfers were made.

All of our Level 2 inputs (interest rate futures, swap rates and certain of the inputs for our weighted average cost of capital calculations) and certain of our Level 3 inputs (forecasted volatilities and credit spreads) are obtained from pricing services. These inputs, or interpolations or extrapolations thereof, are used in our internal models to calculate, among other items, yield curves, forward interest and currency rates and weighted average cost of capital rates. In the normal course of business, we receive market value assessments from the counterparties to our derivative contracts. Although we compare these assessments to our internal valuations and investigate unexpected differences, we do not otherwise rely on counterparty quotes to determine the fair values of our derivative instruments. The midpoints of applicable bid and ask ranges generally are used as inputs for our internal valuations.

For our investments in ITV and Sumitomo, the recurring fair value measurements are based on the quoted closing price of the respective shares at each reporting date. Accordingly, the valuations of these investments fall under Level 1 of the fair value hierarchy. Our other investments that we account for at fair value are privately-held companies and, therefore, quoted market prices are unavailable. The valuation technique we use for such investments is a combination of an income approach (discounted cash flow model based on forecasts) and a market approach (market multiples of similar businesses). With the exception of certain

inputs for our weighted average cost of capital calculations that are derived from pricing services, the inputs used to value these investments are based on unobservable inputs derived from our assumptions. Therefore, the valuation of our privately-held investments falls under Level 3 of the fair value hierarchy. Any reasonably foreseeable changes in assumed levels of unobservable inputs for the valuations of our Level 3 investments would not be expected to have a material impact on our financial position or results of operations.

The recurring fair value measurement of our equity-related derivatives are based on binomial option pricing models, which require the input of observable and unobservable variables such as exchange traded equity prices, risk-free interest rates, dividend yields and forecasted volatilities of the underlying equity securities. The valuations of our equity-related derivatives are based on a combination of Level 1 inputs (exchange traded equity prices), Level 2 inputs (interest rate futures and swap rates) and Level 3 inputs (forecasted volatilities). As changes in volatilities could have a significant impact on the overall valuations, we have determined that these valuations fall under Level 3 of the fair value hierarchy. For the December 31, 2014 valuation of the ITV Collar, we used estimated volatilities ranging from 23.8% to 27.3%. At December 31, 2014, the valuations of the Sumitomo Collar and the Virgin Media Capped Calls were not significantly impacted by forecasted volatilities.

As further described in note 7, we have entered into various derivative instruments to manage our interest rate and foreign currency exchange risk. The recurring fair value measurements of these derivative instruments are determined using discounted cash flow models. Most of the inputs to these discounted cash flow models consist of, or are derived from, observable Level 2 data for substantially the full term of these derivative instruments. This observable data includes most interest rate futures and swap rates, which are retrieved or derived from available market data. Although we may extrapolate or interpolate this data, we do not otherwise alter this data in performing our valuations. We incorporate a credit risk valuation adjustment in our fair value measurements to estimate the impact of both our own nonperformance risk and the nonperformance risk of our counterparties. Our and our counterparties' credit spreads represent our most significant Level 3 inputs, and these inputs are used to derive the credit risk valuation adjustments with respect to our various interest rate and foreign currency derivative valuations. As we would not expect changes in our or our counterparties' credit spreads to have a significant impact on the valuations of these derivative instruments, we have determined that these valuations fall under Level 2 of the fair value hierarchy. Our credit risk valuation adjustments with respect to our cross-currency and interest rate swaps are quantified and further explained in note 7.

Fair value measurements are also used in connection with nonrecurring valuations performed in connection with impairment assessments and acquisition accounting. These nonrecurring valuations include the valuation of reporting units, customer relationship intangible assets, property and equipment and the implied value of goodwill. The valuation of private reporting units is based at least in part on discounted cash flow analyses. With the exception of certain inputs for our weighted average cost of capital and discount rate calculations that are derived from pricing services, the inputs used in our discounted cash flow analyses, such as forecasts of future cash flows, are based on our assumptions. The valuation of customer relationships is primarily based on an excess earnings methodology, which is a form of a discounted cash flow analysis. The excess earnings methodology requires us to estimate the specific cash flows expected from the customer relationship, considering such factors as estimated customer life, the revenue expected to be generated over the life of the customer, contributory asset charges, and other factors. Tangible assets are typically valued using a replacement or reproduction cost approach, considering factors such as current prices of the same or similar equipment, the age of the equipment and economic obsolescence. The implied value of goodwill is determined by allocating the fair value of a reporting unit to all of the assets and liabilities of that unit as if the reporting unit had been acquired in a business combination, with the residual amount allocated to goodwill. All of our nonrecurring valuations use significant unobservable inputs and therefore fall under Level 3 of the fair value hierarchy. During 2014 and 2013, we performed nonrecurring valuations for the purpose of determining the acquisition accounting for the Ziggo Acquisition and the Virgin Media Acquisition, respectively. We used discount rates of 8.5% and 9.0%, respectively, for our valuations of the customer relationships acquired as a result of these acquisitions. For additional information, see note 4.

A summary of our assets and liabilities that are measured at fair value on a recurring basis is as follows:

Description	December 31, 2014	Fair value measurements at December 31, 2014 using: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	in millions			
Assets:				
Derivative instruments:				
Cross-currency and interest rate derivative contracts	$ 1,357.3	$ —	$ 1,357.3	$ —
Equity-related derivative instruments	400.2	—	—	400.2
Foreign currency forward contracts	2.5	—	2.5	—
Other	1.4	—	1.4	—
Total derivative instruments	1,761.4	—	1,361.2	400.2
Investments	1,662.7	1,344.3	—	318.4
Total assets	$ 3,424.1	$ 1,344.3	$ 1,361.2	$ 718.6
Liabilities - derivative instruments:				
Cross-currency and interest rate derivative contracts	$ 2,471.3	$ —	$ 2,471.3	$ —
Equity-related derivative instruments	88.4	—	—	88.4
Foreign currency forward contracts	0.8	—	0.8	—
Other	0.3	—	0.3	—
Total liabilities	$ 2,560.8	$ —	$ 2,472.4	$ 88.4

Description	December 31, 2013	Fair value measurements at December 31, 2013 using: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		in millions		
Assets:				
Derivative instruments:				
Cross-currency and interest rate derivative contracts	$ 769.2	$ —	$ 769.2	$ —
Equity-related derivative instrument	430.4	—	—	430.4
Foreign currency forward contracts	2.6	—	2.6	—
Other	2.0	—	2.0	—
Total derivative instruments	1,204.2	—	773.8	430.4
Investments	3,481.8	3,182.4	—	299.4
Total assets	$ 4,686.0	$ 3,182.4	$ 773.8	$ 729.8
Liabilities - derivative instruments:				
Cross-currency and interest rate derivative contracts	$ 2,918.6	$ —	$ 2,918.6	$ —
Equity-related derivative instrument	116.9	—	—	116.9
Foreign currency forward contracts	20.2	—	20.2	—
Other	0.8	—	0.8	—
Total liabilities	$ 3,056.5	$ —	$ 2,939.6	$ 116.9

A reconciliation of the beginning and ending balances of our assets and liabilities measured at fair value on a recurring basis using significant unobservable, or Level 3, inputs is as follows:

	Investments	Equity-related derivative instruments	Total
		in millions	
Balance of net assets at January 1, 2014	$ 299.4	$ 313.5	$ 612.9
Termination and other activity related to Ziggo Collar (a)	—	212.5	212.5
Gains (losses) included in loss from continuing operations (b):			
Realized and unrealized losses on derivative instruments, net	—	(236.3)	(236.3)
Realized and unrealized gain due to changes in fair values of certain investments, net	26.1	—	26.1
Foreign currency translation adjustments, dividends and other, net	(7.1)	22.1	15.0
Balance of net assets at December 31, 2014	$ 318.4	$ 311.8	$ 630.2

(a) For additional information regarding the Ziggo Collar, see note 7.

(b) With the exception of a $113.3 million loss that we incurred during 2014 with respect to the Ziggo Collar, substantially all of these net losses relate to assets and liabilities of our continuing operations that we continue to carry on our consolidated balance sheet as of December 31, 2014.

(9) Long-lived Assets

Property and Equipment, Net

The details of our property and equipment and the related accumulated depreciation are set forth below:

	Estimated useful life at December 31, 2014	December 31,	
		2014	2013
		in millions	
Distribution systems	3 to 30 years	$ 26,286.5	$ 25,193.2
Customer premises equipment	3 to 5 years	6,213.9	6,126.0
Support equipment, buildings and land	3 to 50 years	4,024.4	3,581.9
		36,524.8	34,901.1
Accumulated depreciation		(12,684.2)	(10,926.2)
Total property and equipment, net		$ 23,840.6	$ 23,974.9

Depreciation expense of our continuing operations related to our property and equipment was $4,401.6 million, $3,499.6 million and $2,201.4 million during 2014, 2013 and 2012, respectively. Depreciation expense of our discontinued operations related to our property and equipment was nil, $11.5 million and $12.3 million during 2014, 2013 and 2012, respectively.

At December 31, 2014 and 2013, the amount of property and equipment, net, recorded under capital leases was $1,580.8 million and $1,877.3 million, respectively. Most of these amounts relate to assets included in our distribution systems category. Depreciation of assets under capital leases of our continuing operations is included in depreciation and amortization in our consolidated statements of operations.

During 2014, 2013 and 2012, we recorded non-cash increases to our property and equipment related to assets acquired under capital leases of $127.2 million, $143.0 million and $63.1 million, respectively. In addition, during 2014, 2013 and 2012, we recorded non-cash increases related to vendor financing arrangements of $975.3 million, $573.5 million and $246.5 million, respectively, which exclude related VAT of $114.9 million, $46.0 million and $28.5 million, respectively, that were also financed by our vendors under these arrangements.

Most of our property and equipment is pledged as security under our various debt instruments. For additional information, see note 10.

In May 2012, we began offering mobile services in Chile through a combination of our own wireless network and a third-party wireless access arrangement. During the second quarter of 2013, we began exploring strategic alternatives with respect to VTR's mobile operations, including alternatives that involved the use of expanded mobile virtual network operator (MVNO) arrangements. Effective April 1, 2013, we reduced the useful lives of certain of VTR's network equipment to reflect our then expectation that we would enter into a new MVNO arrangement and cease commercial use of VTR's mobile network during the fourth quarter of 2013. In September 2013, VTR (i) completed the process of migrating its mobile traffic to a third-party wireless network pursuant to its existing roaming agreement and (ii) ceased commercial use of its mobile network, which resulted in a further reduction in the useful lives of the aforementioned network equipment. As a result of these reductions in useful lives, VTR's mobile operations recognized aggregate incremental depreciation expense of $98.3 million during 2013. In connection with the foregoing, we have recorded restructuring charges totaling $84.9 million during the third and fourth quarters of 2013. These restructuring charges include the fair value of (i) the remaining payments due under certain tower and real estate operating leases of $71.5 million and (ii) certain other required payments associated with VTR's mobile network. In December 2013, VTR amended its existing roaming agreement with an agreement that provides for a full MVNO relationship. For information regarding our restructuring charges, see note 14.

During the fourth quarter of 2014, we recorded a $68.7 million impairment charge to reduce the carrying amount of certain of Ziggo's internal-use software assets to zero. This internal-use software has no future service potential for Liberty Global as it will not be used by our combined operations in the Netherlands.

Goodwill

Changes in the carrying amount of our goodwill during 2014 are set forth below:

	January 1, 2014	Acquisitions and related adjustments	Foreign currency translation adjustments and other	December 31, 2014
		in millions		
European Operations Division:				
U.K./Ireland	$ 9,844.2	$ 2.1	$ (601.2)	$ 9,245.1
The Netherlands	1,260.4	7,724.3	(379.7)	8,605.0
Germany	3,939.4	—	(482.5)	3,456.9
Belgium	2,255.1	—	(276.2)	1,978.9
Switzerland/Austria	4,031.1	2.3	(441.5)	3,591.9
Total Western Europe	21,330.2	7,728.7	(2,181.1)	26,877.8
Central and Eastern Europe	1,520.1	8.3	(226.3)	1,302.1
Total European Operations Division	22,850.3	7,737.0	(2,407.4)	28,179.9
Chile	508.5	—	(68.2)	440.3
Corporate and other	390.0	—	(8.6)	381.4
Total	$ 23,748.8	$ 7,737.0	$ (2,484.2)	$ 29,001.6

Based on the results of our October 1, 2014 goodwill impairment test, a hypothetical decline of 20% or more in the fair value of one of our reporting units, Liberty Puerto Rico, could result in the need to record a goodwill impairment charge. At December 31, 2014, the goodwill associated with the Liberty Puerto Rico reporting unit, which is included in our corporate and other category, was $347.0 million. If, among other factors, (i) our equity values were to decline significantly or (ii) the adverse impacts of economic, competitive, regulatory or other factors were to cause our results of operations or cash flows to be worse than anticipated, we could conclude in future periods that impairment charges are required in order to reduce the carrying values of our goodwill and, to a lesser extent, other long-lived assets. Any such impairment charges could be significant.

At December 31, 2014 and 2013 and based on exchange rates as of those dates, the accumulated goodwill impairments of our continuing operations were $209.7 million and $239.6 million, respectively. These amounts represent accumulated impairments related to our broadband communications operations in Romania, which operations are included within the European Operations Division's Central and Eastern Europe segment.

Changes in the carrying amount of our goodwill during 2013 are set forth below:

	January 1, 2013	Acquisitions and related adjustments	Reclassification of Chellomedia Disposal Group to discontinued operations	Foreign currency translation adjustments and other	December 31, 2013
			in millions		
European Operations Division:					
U.K./Ireland	$ 235.5	$ 9,000.8	$ —	$ 607.9	$ 9,844.2
The Netherlands	1,206.2	—	—	54.2	1,260.4
Germany	3,770.3	—	—	169.1	3,939.4
Belgium	2,158.3	—	—	96.8	2,255.1
Switzerland/Austria	3,903.9	0.6	—	126.6	4,031.1
Total Western Europe	11,274.2	9,001.4	—	1,054.6	21,330.2
Central and Eastern Europe	1,509.5	—	—	10.6	1,520.1
Total European Operations Division	12,783.7	9,001.4	—	1,065.2	22,850.3
Chile	558.0	—	—	(49.5)	508.5
Corporate and other	535.9	77.2	(223.4)	0.3	390.0
Total	$ 13,877.6	$ 9,078.6	$ (223.4)	$ 1,016.0	$ 23,748.8

Intangible Assets Subject to Amortization, Net

The details of our intangible assets subject to amortization are set forth below:

	Estimated useful life at December 31, 2014	December 31, 2014			December 31, 2013		
		Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
				in millions			
Customer relationships	4 to 15 years	$ 12,142.5	$ (3,056.3)	$ 9,086.2	$ 8,116.7	$ (2,458.4)	$ 5,658.3
Other	2 to 15 years	235.4	(131.8)	103.6	288.1	(151.0)	137.1
Total		$ 12,377.9	$ (3,188.1)	$ 9,189.8	$ 8,404.8	$ (2,609.4)	$ 5,795.4

In December 2013, Telenet's management determined that it would no longer be able to utilize its spectrum rights as a result of the conclusion of negotiations with network operators in Belgium and the absence of regulatory alternatives. This resulted in a triggering event with respect to the intangible asset related to Telenet's spectrum rights and, after performing an impairment analysis, Telenet recorded an impairment charge of $73.0 million during the fourth quarter of 2013 to reduce the carrying amount of this intangible asset to zero.

Amortization of intangible assets with finite useful lives of our continuing operations was $1,098.5 million, $776.8 million and $460.1 million during 2014, 2013 and 2012, respectively. Amortization of intangible assets with finite useful lives of our discontinued operations was nil, $17.6 million and $17.3 million during 2014, 2013 and 2012, respectively. Based on the amortizable intangible asset balances of our continuing operations at December 31, 2014, we expect that amortization expense will be as follows for the next five years and thereafter. The U.S. dollar equivalents of such amortization expense amounts as of December 31, 2014 are presented below (in millions):

2015	$ 1,406.8
2016	1,360.6
2017	1,226.4
2018	1,089.2
2019	1,086.8
Thereafter	3,020.0
Total	$ 9,189.8

Other Indefinite-lived Intangible Assets

At December 31, 2014 and 2013, franchise rights and other indefinite-lived intangible assets aggregating $557.0 million and $470.2 million, respectively, were included in other assets, net, in our consolidated balance sheets.

(10) Debt and Capital Lease Obligations

The U.S. dollar equivalents of the components of our consolidated debt and capital lease obligations are as follows:

	December 31, 2014						
	Weighted average interest rate (a)	Unused borrowing capacity (b)		Estimated fair value (c)		Carrying value (d)	
		Borrowing currency	U.S. $ equivalent	December 31,		December 31,	
				2014	2013	2014	2013
				in millions			
Debt:							
VM Notes	5.83%	—	$ —	$ 8,461.0	$ 9,188.7	$ 8,060.7	$ 9,150.1
VM Credit Facility	3.78%	£ 660.0	1,028.4	4,734.9	4,388.9	4,804.0	4,352.8
VM Convertible Notes (e)	6.50%	—	—	178.7	164.1	56.8	57.5
UPC Broadband Holding Bank Facility	3.56%	€ 1,046.2	1,266.0	3,156.4	5,717.8	3,179.2	5,671.4
UPC Holding Senior Notes	7.16%	—	—	2,603.6	3,297.4	2,391.6	3,099.2
UPCB SPE Notes	6.88%	—	—	4,279.0	4,536.5	4,009.4	4,219.5
Unitymedia KabelBW Notes	5.75%	—	—	7,869.3	8,058.2	7,400.9	7,651.9
Unitymedia KabelBW Revolving Credit Facilities	2.63%	€ 220.0	266.2	319.4	—	338.8	—
Ziggo Credit Facility	3.63%	€ 650.0	786.5	4,663.0	—	4,710.8	—
Ziggo Notes	6.82%	—	—	1,082.3	—	1,077.0	—
Telenet SPE Notes	5.93%	—	—	2,450.4	2,916.5	2,299.0	2,759.2
Telenet Credit Facility	3.44%	€ 322.9	390.8	1,633.4	1,956.9	1,638.6	1,936.9
VTR Finance Senior Secured Notes	6.88%	—	—	1,439.4	—	1,400.0	—
Sumitomo Collar Loan (f)	1.88%	—	—	818.0	939.3	787.7	894.3
Liberty Puerto Rico Bank Facility	5.20%	$ 40.0	40.0	666.2	666.2	672.0	665.0
ITV Collar Loan (f)	1.73%	—	—	678.2	—	667.0	—
Vendor financing (g)	3.45%	—	—	946.4	603.1	946.4	603.1
Other (h)	9.28%	(i)	196.2	171.5	1,795.4	171.5	1,795.1
Total debt	5.13%		$ 3,974.1	$ 46,151.1	$ 44,229.0	44,611.4	42,856.0
Capital lease obligations:							
Unitymedia KabelBW (j)						810.1	952.0
Telenet (k)						413.4	451.2
Virgin Media						255.3	373.5
Other subsidiaries						68.8	71.6
Total capital lease obligations						1,547.6	1,848.3
Total debt and capital lease obligations						46,159.0	44,704.3
Current maturities						(1,550.9)	(1,023.4)
Long-term debt and capital lease obligations						$ 44,608.1	$ 43,680.9

(a) Represents the weighted average interest rate in effect at December 31, 2014 for all borrowings outstanding pursuant to each debt instrument, including any applicable margin. The interest rates presented represent stated rates and do not include the impact of our interest rate derivative instruments, deferred financing costs, original issue premiums or discounts or commitment fees, all of which affect our overall cost of borrowing. Including the effects of derivative instruments, original issue premiums and discounts and commitment fees, but excluding the impact of financing costs, our weighted average interest rate on our aggregate variable- and fixed-rate indebtedness was 6.0% at December 31, 2014. For information concerning our derivative instruments, see note 7.

(b) Unused borrowing capacity represents the maximum availability under the applicable facility at December 31, 2014 without regard to covenant compliance calculations or other conditions precedent to borrowing. At December 31, 2014, the full amount of unused borrowing capacity was available to be borrowed under each of the respective subsidiary facilities based on the applicable leverage and other financial covenants, except as noted below. At December 31, 2014, our availability under the UPC Broadband Holding Bank Facility and the Unitymedia KabelBW Revolving Credit Facilities (each as defined and described below) was limited to €906.7 million ($1,097.2 million) and €15.1 million ($18.3 million), respectively. When the relevant December 31, 2014 compliance reporting requirements have been completed and assuming no changes from December 31, 2014 borrowing levels, we anticipate that our availability under the UPC Broadband Holding Bank Facility and the Unitymedia KabelBW Revolving Credit Facilities will be limited to €889.1 million ($1,075.9 million) and €123.7 million ($149.7 million), respectively. In addition to the limitations noted above, the debt instruments of our subsidiaries contain restricted payment tests that limit the amount that can be loaned or distributed to other Liberty Global subsidiaries and ultimately to Liberty Global. At December 31, 2014, these restrictions did not impact our ability to access the liquidity of our subsidiaries to satisfy our corporate liquidity needs beyond what is described above, except that the availability to be loaned or distributed by Virgin Media and Ziggo was limited to £508.8 million ($792.8 million) and €37.1 million ($44.9 million), respectively. When the relevant December 31, 2014 compliance reporting requirements have been completed and assuming no changes from December 31, 2014 borrowing levels, we anticipate that the availability of Virgin Media and Ziggo will be limited to £525.7 million ($819.1 million) and €11.4 million ($13.8 million), respectively. For information concerning transactions completed subsequent to December 31, 2014 that could have an impact on unused borrowing capacity, see note 20.

(c) The estimated fair values of our debt instruments were determined using the average of applicable bid and ask prices (mostly Level 1 of the fair value hierarchy) or, when quoted market prices are unavailable or not considered indicative of fair value, discounted cash flow models (mostly Level 2 of the fair value hierarchy). The discount rates used in the cash flow models are based on the market interest rates and estimated credit spreads of the applicable entity, to the extent available, and other relevant factors. For additional information concerning fair value hierarchies, see note 8.

(d) Amounts include the impact of premiums and discounts, where applicable.

(e) The amount reported in the estimated fair value column for the VM Convertible Notes (as defined and described below) represents the estimated fair value of the remaining VM Convertible Notes outstanding as of December 31, 2014, including both the debt and equity components.

(f) For information regarding the Sumitomo Collar Loan and the ITV Collar Loan, see note 7.

(g) Represents amounts owed pursuant to interest-bearing vendor financing arrangements that are used to finance certain of our property and equipment additions. These obligations are generally due within one year. At December 31, 2014 and 2013, the amounts owed pursuant to these arrangements include $101.7 million and $47.3 million, respectively, of VAT that was paid on our behalf by the vendor. Repayments of vendor financing obligations are included in repayments and repurchases of debt and capital lease obligations in our consolidated statements of cash flows.

(h) The December 31, 2013 amounts include (i) outstanding borrowings of $113.1 million under VTR's then-existing CLP 60.0 billion ($98.9 million) term loan bank facility, (ii) $852.6 million related to the Ziggo Collar Loan and (iii) $634.3 million related to the Ziggo Margin Loan. In January 2014, all outstanding amounts under VTR's term loan bank facility were repaid and this facility was cancelled. In connection with this transaction, we recognized a loss on debt modification, extinguishment and conversion, net, of $2.0 million related to the write-off of deferred financing costs. During the first

quarter of 2014, we used existing cash to repay the full amount of the Ziggo Margin Loan that was secured by a portion of our investment in Ziggo. In connection with this transaction, we recognized a loss on debt modification, extinguishment and conversion, net, of $2.3 million related to the write-off of deferred financing costs. Upon completion of the Ziggo Acquisition, the Ziggo Collar was terminated and the Ziggo Collar Loan was settled. In connection with this transaction, we recognized a loss on debt modification, extinguishment and conversion, net, of $4.0 million related to the payment of redemption premium. For information regarding our investment in Ziggo, see note 6.

(i) Unused borrowing capacity relates to the senior secured revolving credit facility of entities within VTR, which includes a $160.0 million U.S. dollar facility (the VTR Dollar Credit Facility) and a CLP 22.0 billion ($36.2 million) Chilean peso facility (the VTR CLP Credit Facility and, together with the VTR Dollar Credit Facility, the VTR Credit Facility), each of which were undrawn at December 31, 2014.

(j) Primarily represents Unitymedia KabelBW's obligations under duct network lease agreements with Telekom Deutschland GmbH (Deutsche Telekom), an operating subsidiary of Deutsche Telekom AG, as the lessor. The original contracts were concluded in 2000 and 2001 and have indefinite terms, subject to certain mandatory statutory termination rights for either party after a term of 30 years. With certain limited exceptions, the lessor generally is not entitled to terminate these leases. For information regarding litigation involving these duct network lease agreements, see note 17.

(k) At December 31, 2014 and 2013, Telenet's capital lease obligations included €328.6 million ($397.6 million) and €309.0 million ($373.9 million), respectively, associated with Telenet's lease of the broadband communications network of the four associations of municipalities in Belgium, which we refer to as the pure intercommunalues or the "PICs." All capital expenditures associated with the PICs network are initiated by Telenet, but are executed and financed by the PICs through additions to this lease that are repaid over a 15-year term. These amounts do not include Telenet's commitment related to certain operating costs associated with the PICs network. For additional information regarding this commitment, see note 17.

VM Notes

On March 28, 2014, Virgin Media Secured Finance PLC (Virgin Media Secured Finance), a wholly-owned subsidiary of Virgin Media, issued (i) $425.0 million principal amount of 5.5% senior secured notes due January 15, 2025 (the 2025 VM 5.5% Dollar Senior Secured Notes), (ii) £430.0 million ($670.0 million) principal amount of 5.5% senior secured notes due January 15, 2025 (the 2025 VM 5.5% Sterling Senior Secured Notes and, together with the 2025 VM 5.5% Dollar Senior Secured Notes, the 2025 VM Senior Secured Notes) and (iii) £225.0 million ($350.6 million) principal amount of 6.25% senior secured notes due March 28, 2029 (the Original 2029 VM Senior Secured Notes). In April 2014, the net proceeds from the 2025 VM Senior Secured Notes and the Original 2029 VM Senior Secured Notes were used to redeem all of the £875.0 million ($1,363.4 million) principal amount of 7.0% senior secured notes due 2018 (the 2018 VM Sterling Senior Secured Notes). In connection with these transactions, we recognized a gain on debt modification, extinguishment and conversion, net, of $5.2 million, which includes (i) the write-off of $61.8 million of unamortized premium, (ii) the payment of $51.3 million of redemption premium and (iii) the write-off of $5.3 million of deferred financing costs.

In April 2014, Virgin Media Secured Finance issued £175.0 million ($272.7 million) principal amount of 6.25% senior secured notes due March 28, 2029 (the Additional 2029 VM Senior Secured Notes and, together with the Original 2029 VM Senior Secured Notes, the 2029 VM Senior Secured Notes) at an issue price of 101.75%. The net proceeds from the Additional 2029 VM Senior Secured Notes, together with the proceeds from VM Facilities D and E (as defined and described below), were used to fully redeem the $1.0 billion principal amount of 6.5% senior secured notes due 2018 (the 2018 VM Dollar Senior Secured Notes). In connection with this transaction, we recognized a loss on debt modification, extinguishment and conversion, net, of $5.4 million, which includes (i) the write-off of $33.9 million of unamortized premium, (ii) the payment of $32.4 million of redemption premium and (iii) the write-off of $6.9 million of deferred financing costs.

On October 7, 2014, Virgin Media Finance PLC (Virgin Media Finance), a wholly-owned subsidiary of Virgin Media, issued (i) £300.0 million ($467.4 million) principal amount of 6.375% senior notes due October 15, 2024 (the 2024 VM Sterling Senior Notes) and (ii) $500.0 million principal amount of 6.0% senior notes due October 15, 2024 (the 2024 VM Dollar Senior Notes and, together with the 2024 VM Sterling Senior Notes, the 2024 VM Senior Notes). On October 24, 2014, the net proceeds from the 2024 VM Senior Notes were used to fully redeem (i) the $507.1 million principal amount of 8.375% senior notes due 2019 (the 2019 VM Dollar Senior Notes) and (ii) the £253.5 million ($395.0 million) principal amount of 8.875% senior notes due 2019

(the 2019 VM Sterling Senior Notes and, together with the 2019 VM Dollar Senior Notes, the 2019 VM Senior Notes). In connection with these transactions, we recognized a gain on debt modification, extinguishment and conversion, net, of $32.5 million, which includes (i) the write-off of $75.2 million of unamortized premium, (ii) the payment of $39.3 million of redemption premium and (iii) the write-off of $3.4 million of deferred financing costs.

The details of the outstanding senior notes of Virgin Media as of December 31, 2014 are summarized in the following table:

VM Notes	Maturity	Interest rate	Outstanding principal amount		Estimated fair value	Carrying value (a)
			Borrowing currency	U.S. $ equivalent		
			in millions			
2022 VM Senior Notes:						
2022 VM Dollar Senior Notes	February 15, 2022	4.875%	$ 118.7	$ 118.7	$ 113.9	$ 119.6
2022 VM Dollar Senior Notes	February 15, 2022	5.250%	$ 95.0	95.0	90.5	95.8
2022 VM Sterling Senior Notes	February 15, 2022	5.125%	£ 44.1	68.7	69.7	69.3
2023 VM Senior Notes:						
2023 VM Dollar Senior Notes	April 15, 2023	6.375%	$ 530.0	530.0	555.8	530.0
2023 VM Sterling Senior Notes	April 15, 2023	7.000%	£ 250.0	389.5	425.1	389.5
2024 VM Senior Notes:						
2024 VM Dollar Senior Notes	October 15, 2024	6.000%	$ 500.0	500.0	525.0	500.0
2024 VM Sterling Senior Notes	October 15, 2024	6.375%	£ 300.0	467.4	504.8	467.4
January 2021 VM Senior Secured Notes:						
January 2021 VM Sterling Senior Secured Notes	January 15, 2021	5.500%	£ 628.4	979.1	1,055.0	992.2
January 2021 VM Dollar Senior Secured Notes	January 15, 2021	5.250%	$ 447.9	447.9	468.0	460.1
April 2021 VM Senior Secured Notes:						
April 2021 VM Sterling Senior Secured Notes	April 15, 2021	6.000%	£ 1,100.0	1,713.9	1,810.3	1,713.9
April 2021 VM Dollar Senior Secured Notes	April 15, 2021	5.375%	$ 1,000.0	1,000.0	1,033.1	1,000.0
2025 VM Senior Secured Notes:						
2025 VM 5.5% Sterling Senior Secured Notes	January 15, 2025	5.500%	£ 430.0	670.0	694.7	670.0
2025 VM 5.5% Dollar Senior Secured Notes	January 15, 2025	5.500%	$ 425.0	425.0	440.1	425.0
2029 VM Sterling Senior Secured Notes	March 28, 2029	6.250%	£ 400.0	623.2	675.0	627.9
Total				$ 8,028.4	$ 8,461.0	$ 8,060.7

(a) Amounts include the impact of premiums, where applicable, including amounts recorded in connection with the acquisition accounting for the Virgin Media Acquisition.

The 2022 VM Senior Notes, the 2023 VM Senior Notes and the 2024 VM Senior Notes were issued by Virgin Media Finance and are collectively referred to as the "VM Senior Notes." The January 2021 VM Senior Secured Notes, the April 2021 VM Senior Secured Notes, the 2025 VM Senior Secured Notes and the 2029 VM Senior Secured Notes were issued by Virgin Media Secured Finance and are collectively referred to as the "VM Senior Secured Notes" and, together with the VM Senior Notes, the VM Notes).

The VM Senior Notes are unsecured senior obligations of Virgin Media Finance that rank equally with all of the existing and future senior debt of Virgin Media Finance and are senior to all existing and future subordinated debt of Virgin Media Finance.

The VM Senior Notes are guaranteed on a senior basis by Virgin Media and certain subsidiaries of Virgin Media, and on a senior subordinated basis by VMIH and Virgin Media Investments Limited (VMIL).

The VM Senior Secured Notes are senior obligations of Virgin Media Secured Finance that rank equally with all of the existing and future senior debt of Virgin Media Secured Finance and are senior to all existing and future subordinated debt of Virgin Media Secured Finance. The VM Senior Secured Notes are guaranteed on a senior basis by Virgin Media and certain subsidiaries of Virgin Media (the VM Senior Secured Guarantors), and are secured by liens on substantially all of the assets of Virgin Media Secured Finance and the VM Senior Secured Guarantors (except for Virgin Media).

The VM Notes contain certain customary incurrence-based covenants. For example, the ability to raise certain additional debt and make certain distributions or loans to other subsidiaries of Liberty Global is subject to a consolidated gross leverage ratio test (or a consolidated net leverage ratio test with respect to the 2024 VM Senior Notes, the 2025 VM Senior Secured Notes and the 2029 VM Senior Secured Notes), in each case, as specified in the applicable indenture. In addition, the VM Notes provide that any failure to pay principal prior to expiration of any applicable grace period, or any acceleration with respect to other indebtedness of £50.0 million ($77.9 million) (or £75.0 million ($116.9 million) with respect to the 2024 VM Senior Notes, the 2025 VM Senior Secured Notes and the 2029 VM Senior Secured Notes) or more in the aggregate of Virgin Media and/or certain of its subsidiaries (as specified under the applicable indenture), is an event of default under the VM Notes.

Subject to the circumstances described below, the VM Notes are non-callable prior to the applicable call date as presented in the below table. At any time prior to the respective call date, Virgin Media Secured Finance or Virgin Media Finance may redeem some or all of the applicable notes by paying a "make-whole" premium, which is the present value of all remaining scheduled interest payments to the applicable call date using the discount rate (as specified in the applicable indenture) as of the redemption date plus 50 basis points (25 basis points in the case of the January 2021 VM Senior Secured Notes).

VM Notes	Call Date
2022 VM Senior Notes	(a)
2023 VM Senior Notes	April 15, 2018
2024 VM Senior Notes	October 15, 2019
January 2021 VM Senior Secured Notes	(a)
April 2021 VM Senior Secured Notes	April 15, 2017
2025 VM Senior Secured Notes	January 15, 2019
2029 VM Senior Secured Notes	January 15, 2021

(a) The 2022 VM Senior Notes and the January 2021 VM Senior Secured Notes are non-callable. At any time prior to maturity, some or all of these notes may be redeemed by paying a "make-whole" premium, which is the present value of all remaining scheduled interest payments to February 15, 2022 in the case of the 2022 VM Senior Notes or January 15, 2021 in the case of the January 2021 VM Senior Secured Notes.

Virgin Media Secured Finance or Virgin Media Finance (as applicable) may redeem some or all of the April 2021 VM Senior Secured Notes, the 2023 VM Senior Notes, the 2024 VM Senior Notes, the 2025 VM Senior Secured Notes or the 2029 VM Senior Secured Notes at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and additional amounts (as specified in the applicable indenture), if any, to the applicable redemption date, if redeemed during the twelve-month period commencing on October 15, in the case of the 2024 VM Senior Notes, or April 15, in the case of the April 2021 VM Senior Secured Notes and the 2023 VM Senior Notes and January 15, in the case of the 2025 VM Senior Secured Notes and the 2029 VM Senior Secured Notes of the years set forth below:

	Redemption price							
Year	April 2021 VM Dollar Senior Secured Notes	April 2021 VM Sterling Senior Secured Notes	2023 VM Dollar Senior Notes	2023 VM Sterling Senior Notes	2024 VM Dollar Senior Notes	2024 VM Sterling Senior Notes	2025 VM Senior Secured Notes	2029 VM Senior Secured Notes
2015	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2016	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2017	102.688%	103.000%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2018	101.344%	101.500%	103.188%	103.500%	N.A.	N.A.	N.A.	N.A.
2019	100.000%	100.000%	102.125%	102.333%	103.000%	103.188%	102.750%	N.A.
2020	100.000%	100.000%	101.063%	101.667%	102.000%	102.125%	101.833%	N.A.
2021	N.A.	N.A.	100.000%	100.000%	101.000%	101.063%	100.000%	103.125%
2022	N.A.	N.A.	100.000%	100.000%	100.000%	100.000%	100.000%	102.083%
2023	N.A.	N.A.	N.A.	N.A.	100.000%	100.000%	100.000%	101.042%
2024 and thereafter	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	100.000%	100.000%

If VMIH or Virgin Media Finance (as applicable) or the restricted subsidiaries (as specified in the applicable indenture) sell certain assets, Virgin Media Secured Finance or Virgin Media Finance must offer to repurchase the relevant VM Notes at par, or if Virgin Media Communications Limited (Virgin Media Communications), a wholly-owned subsidiary of Virgin Media, or certain of its subsidiaries experience changes in control (as specified in the applicable indenture), Virgin Media Secured Finance or Virgin Media Finance (as applicable) must offer to repurchase all of the relevant VM Notes at a redemption price of 101%.

For information regarding certain senior notes issued by Virgin Media Secured Finance and Virgin Media Finance subsequent to December 31, 2014, see note 20.

VM Credit Facility

On June 7, 2013, VMIH, together with certain other subsidiaries of Virgin Media as borrowers and guarantors (the Virgin Media Credit Facility Borrowers), entered into a new senior secured credit facility agreement, as amended and restated on June 14, 2013 (the VM Credit Facility), pursuant to which the lenders thereunder agreed to provide the borrowers with (i) a £375.0 million ($584.3 million) term loan (VM Facility A), (ii) a $2,755.0 million term loan (VM Facility B), (iii) a £600.0 million ($934.9 million) term loan (VM Facility C) and (iv) a £660.0 million ($1,028.4 million) revolving credit facility (the VM Revolving Facility). With the exception of the VM Revolving Facility, all available amounts were borrowed under the VM Credit Facility in June 2013.

In April 2014, Virgin Media entered into (a) a new £100.0 million ($155.8 million) term loan (VM Facility D) and (b) a new £849.4 million ($1,323.5 million) term loan (VM Facility E), each under the VM Credit Facility. In connection with these transactions, (1) certain lenders under the then-existing VM Facility C effectively rolled £500.4 million ($779.7 million) of their drawn commitments under VM Facility C to VM Facilities D and E and (2) the remaining outstanding balance of VM Facility C was repaid with existing liquidity.

The VM Credit Facility requires that certain of the Virgin Media Credit Facility Borrowers that generate not less than 80% of such group's EBITDA (as specified in the VM Credit Facility) in any financial year, guarantee the payment of all sums payable

under the VM Credit Facility and such group members are required to grant first-ranking security over all or substantially all of their assets to secure the payment of all sums payable. In addition, the holding company of each borrower must give a share pledge over its shares in such borrower.

In addition to mandatory prepayments which must be made for certain disposal proceeds (subject to certain de minimis thresholds), the lenders may cancel their commitments and declare the loans due and payable after 30 business days following the occurrence of a change of control in respect of VMIH, subject to certain exceptions.

The VM Credit Facility contains certain customary events of default, the occurrence of which, subject to certain exceptions and materiality qualifications, would allow the lenders to (i) cancel the total commitments, (ii) accelerate all outstanding loans and terminate their commitments thereunder and/or (iii) declare that all or part of the loans be payable on demand. The VM Credit Facility contains certain representations and warranties customary for facilities of this type, which are subject to exceptions, baskets and materiality qualifications.

The VM Credit Facility restricts the ability of the Virgin Media Credit Facility Borrowers and certain of their subsidiaries to, among other things, (i) incur or guarantee certain financial indebtedness, (ii) make certain disposals and acquisitions and (iii) create certain security interests over their assets, in each case, subject to carve-outs from such limitations.

The VM Credit Facility requires the borrowers to observe certain affirmative undertakings or covenants, which covenants are subject to materiality and other customary and agreed exceptions. In addition, the VM Credit Facility also requires compliance with various financial covenants such as senior net debt to annualized EBITDA and total net debt to annualized EBITDA, each as specified in the VM Credit Facility.

In addition to customary default provisions, the VM Credit Facility provides that any event of default with respect to indebtedness of £50.0 million ($77.9 million) or more in the aggregate of Virgin Media Finance and its subsidiaries is an event of default under the VM Credit Facility.

The VM Credit Facility permits the Virgin Media Credit Facility Borrowers and certain of their subsidiaries to make certain distributions and restricted payments to its parent company (and indirectly to Liberty Global) through loans, advances or dividends subject to compliance with applicable covenants.

The details of our borrowings under the VM Credit Facility as of December 31, 2014 are summarized in the following table:

Facility	Maturity	Interest rate	Facility amount (in borrowing currency)	Unused borrowing capacity	Carrying value (a)
				in millions	
A	June 7, 2019	LIBOR + 3.25%	£ 375.0	$ —	$ 584.3
B	June 7, 2020	LIBOR + 2.75% (b)	$ 2,755.0	—	2,744.0
D	June 30, 2022	LIBOR + 3.25% (b)	£ 100.0	—	155.4
E	June 30, 2023	LIBOR + 3.50% (b)	£ 849.4	—	1,320.3
VM Revolving Facility (c)	June 7, 2019	LIBOR + 3.25%	£ 660.0	1,028.4	—
Total				$ 1,028.4	$ 4,804.0

(a) The carrying values of VM Facilities B, D and E include the impact of discounts.

(b) VM Facilities B, D and E each have a LIBOR floor of 0.75%.

(c) The VM Revolving Facility has a fee on unused commitments of 1.3% per year.

VM Convertible Notes

In April 2008, Virgin Media issued $1.0 billion principal amount of 6.50% convertible senior notes (the VM Convertible Notes), pursuant to an indenture (as supplemented, the VM Convertible Notes Indenture). The VM Convertible Notes mature on November 15, 2016, unless the VM Convertible Notes are exchanged or repurchased prior thereto pursuant to the terms of the VM Convertible Notes Indenture.

As a result of the application of acquisition accounting in connection with the Virgin Media Acquisition, the $2,716.8 million estimated fair value of the VM Convertible Notes at June 7, 2013 was allocated between the respective debt and equity components. The portion allocated to the debt component of $1,056.8 million was measured based on the estimated fair value of a debt instrument that has the same terms as the VM Convertible Notes without the conversion feature. The amount allocated to the debt component resulted in a premium to the principal amount of the VM Convertible Notes. The $1,660.0 million portion allocated to the equity component was recorded as an increase to additional paid-in capital in our consolidated statement of equity.

The VM Convertible Notes are exchangeable under certain conditions for (subject to further adjustment as specified in the VM Convertible Notes Indenture and subject to Virgin Media's right to settle in cash or a combination of Liberty Global ordinary shares and cash) 13.4339 of our Class A ordinary shares, 33.4963 of our Class C ordinary shares and $910.51 in cash (without interest) for each $1,000 in principal amount of VM Convertible Notes exchanged. The circumstances under which the VM Convertible Notes are exchangeable are more fully described in the VM Convertible Notes Indenture, including, for example, based on the relationship of the value of the Virgin Media Merger Consideration to the conversion price of the VM Convertible Notes. Based on the trading prices of our Class A and Class C ordinary shares during a specified period, as provided for in the VM Convertible Notes Indenture, the VM Convertible Notes are currently exchangeable.

During the 2013 period following the Virgin Media Acquisition, an aggregate of $944.2 million principal amount of VM Convertible Notes had been exchanged following the Virgin Media Acquisition for 13.1 million Class A and 9.8 million Class C ordinary shares and $885.1 million of cash. The difference between the cash portion of the exchange consideration and the aggregate $998.8 million fair value of the exchanged VM Convertible Notes on the exchange dates resulted in a net increase to equity of $113.7 million. No gain or loss on extinguishment was recorded for these exchanges as the debt component of the VM Convertible Notes was measured at fair value shortly before the exchanges pursuant to the application of acquisition accounting in connection with the Virgin Media Acquisition. After giving effect to all exchanges completed through December 31, 2014, the remaining principal amount outstanding under the VM Convertible Notes was $54.8 million.

The VM Convertible Notes are senior unsecured obligations of Virgin Media that rank equally in right of payment with all of Virgin Media's existing and future senior and unsecured indebtedness and rank senior in right to all of Virgin Media's existing and future subordinated indebtedness. The VM Convertible Notes are effectively subordinated to all existing and future indebtedness and other obligations of Virgin Media's subsidiaries. The VM Convertible Notes Indenture does not contain any financial or restrictive covenants. The VM Convertible Notes are non-callable.

UPC Broadband Holding Bank Facility

The UPC Broadband Holding Bank Facility, as amended from time to time, is the senior secured credit facility of UPC Broadband Holding, our wholly-owned subsidiary. The security package for the UPC Broadband Holding Bank Facility includes a pledge over the shares of UPC Broadband Holding and the shares of certain of UPC Broadband Holding's majority-owned operating companies. The UPC Broadband Holding Bank Facility is also guaranteed by UPC Holding B.V. (UPC Holding), the immediate parent of UPC Broadband Holding, and is senior to other long-term debt obligations of UPC Broadband Holding and UPC Holding. The agreement governing the UPC Broadband Holding Bank Facility contains covenants that limit, among other things, UPC Broadband Holding's ability to merge with or into another company, acquire other companies, incur additional debt, dispose of assets, make distributions or pay dividends, provide loans and guarantees and enter into hedging agreements. In addition to customary default provisions, including defaults on other indebtedness of UPC Broadband Holding and its subsidiaries, the UPC Broadband Holding Bank Facility provides that any event of default with respect to indebtedness of (i) €50.0 million ($60.5 million) or more in the aggregate of (a) Liberty Global Europe LLC (the indirect parent of Liberty Global Europe Holding BV, Liberty Global Europe), (b) any other company of which UPC Broadband Holding is a subsidiary and which is a subsidiary of Liberty Global Europe and (c) UPC Holding II BV (a subsidiary of UPC Holding) and (ii) €15.0 million ($18.2 million) or more in the aggregate of any member of the UPC Broadband Holding borrower group, is an event of default under the UPC Broadband Holding Bank Facility.

The UPC Broadband Holding Bank Facility permits UPC Broadband Holding to transfer funds to its parent company (and indirectly to Liberty Global) through loans, advances or dividends provided that UPC Broadband Holding maintains compliance with applicable covenants. If a change of control occurs, as specified in the UPC Broadband Holding Bank Facility, the facility agent may (if required by the majority lenders) cancel each facility and declare all outstanding amounts immediately due and payable. The UPC Broadband Holding Bank Facility requires compliance with various financial covenants such as: (i) senior debt (after deducting cash and cash equivalent investments) to annualized EBITDA, (ii) EBITDA to total cash interest, (iii) EBITDA to senior debt service, (iv) EBITDA to senior interest and (v) total debt (after deducting cash and cash equivalent investments) to annualized EBITDA, each term as specified in the UPC Broadband Holding Bank Facility.

The covenant in the UPC Broadband Holding Bank Facility relating to disposals of assets includes a basket for permitted disposals of assets, the annualized EBITDA of which does not exceed a certain percentage of the annualized EBITDA of the UPC Broadband Holding borrower group, each term as specified in the UPC Broadband Holding Bank Facility. The UPC Broadband Holding Bank Facility includes a recrediting mechanism, in relation to the permitted disposals basket, based on the proportion of net sales proceeds that are (i) used to prepay facilities and (ii) reinvested in the borrower group.

The UPC Broadband Holding Bank Facility includes a mandatory prepayment requirement of four times annualized EBITDA of certain disposed assets. The prepayment amount may be allocated to one or more of the facilities at UPC Broadband Holding's discretion and then applied to the loans under the relevant facility on a pro rata basis, as specified in the UPC Broadband Holding Bank Facility. A prepayment may be waived by the majority lenders subject to the requirement to maintain pro forma covenant compliance. If the mandatory prepayment amount is less than €100.0 million ($121.0 million), then no prepayment is required (subject to pro forma covenant compliance). No such prepayment is required to be made where an amount, equal to the amount that would otherwise be required to be prepaid, is deposited in a blocked account on terms that the principal amount deposited may only be released in order to make the relevant prepayment or to reinvest in assets in accordance with the terms of the UPC Broadband Holding Bank Facility, which expressly includes permitted acquisitions and capital expenditures. Any amounts deposited in the blocked account that have not been reinvested (or contracted to be so reinvested), within 12 months of the relevant permitted disposal, are required to be applied in prepayment in accordance with the terms of the UPC Broadband Holding Bank Facility.

The details of our borrowings under the UPC Broadband Holding Bank Facility as of December 31, 2014 are summarized in the following table:

Facility	Maturity	Interest rate	Facility amount (in borrowing currency) (a)	Unused borrowing capacity (b)	Carrying value (c)
				in millions	
V (d)	January 15, 2020	7.625%	€ 500.0	$ —	$ 605.0
Y (d)	July 1, 2020	6.375%	€ 750.0	—	907.5
Z (d)	July 1, 2020	6.625%	$ 1,000.0	—	1,000.0
AC (d)	November 15, 2021	7.250%	$ 750.0	—	750.0
AD (d)	January 15, 2022	6.875%	$ 750.0	—	750.0
AG (e)	March 31, 2021	EURIBOR + 3.75%	€ 1,554.4	—	1,877.2
AH	June 30, 2021	LIBOR + 2.50% (f)	$ 1,305.0	—	1,302.0
AI	April 30,2019	EURIBOR + 3.25%	€ 1,046.2	1,266.0	—
Elimination of Facilities V, Y, Z, AC and AD in consolidation (d)				—	(4,012.5)
Total				$ 1,266.0	$ 3,179.2

(a) Except as described in (d) below, amounts represent total third-party facility amounts at December 31, 2014 without giving effect to the impact of discounts.

(b) At December 31, 2014, our availability under the UPC Broadband Holding Bank Facility was limited to €906.7 million ($1,097.2 million). When the relevant December 31, 2014 compliance reporting requirements have been completed, we

anticipate that our availability under the UPC Broadband Holding Bank Facility will be limited to €889.1 million ($1,075.9 million). Facility AI has a fee on unused commitments of 1.3% per year.

(c) The carrying values of Facilities AG and AH include the impact of discounts.

(d) As further discussed in the below description of the UPCB SPE Notes, the amounts outstanding under Facilities V, Y, Z, AC and AD are eliminated in Liberty Global's consolidated financial statements.

(e) For information regarding certain financing transactions subsequent to December 31, 2014 whereby, among other items, a portion of Facility AG was rolled into a new facility, see note 20.

(f) Facility AH has a LIBOR floor of 0.75%.

Refinancing Transactions. During 2014, 2013 and 2012, we completed a number of refinancing transactions that generally resulted in additional borrowings or extended maturities under the the UPC Broadband Holding Bank Facility. In connection with these transactions, we recognized losses on debt modification, extinguishment and conversion, net, of $16.5 million, $11.9 million and $16.3 million during 2014, 2013 and 2012, respectively. These losses include (i) write-offs of deferred financing costs and unamortized discounts of $16.5 million, $4.2 million and $14.3 million, respectively, and (ii) nil, $7.7 million and $2.0 million of third-party debt modification costs, respectively.

UPC Holding Senior Notes

2014 Transactions. During April 2014, we used existing cash to fully redeem UPC Holding's $400.0 million principal amount of 9.875% senior notes due 2018 (the UPC Holding 9.875% Senior Notes). In connection with this transaction, we recognized a loss on debt modification, extinguishment and conversion, net, of $41.5 million, which includes (i) the payment of $19.7 million of redemption premium, (ii) the write-off of $17.4 million of unamortized discount and (iii) the write-off of $4.4 million of deferred financing costs.

2013 Transactions. On March 26, 2013, UPC Holding issued (i) €450.0 million ($544.5 million) principal amount of 6.75% senior notes (the UPC Holding 6.75% Euro Senior Notes) and (ii) CHF 350.0 million ($352.1 million) principal amount of 6.75% senior notes (the UPC Holding 6.75% CHF Senior Notes and, together with the UPC Holding 6.75% Euro Senior Notes, the UPC Holding 6.75% Senior Notes).

On April 25, 2013, the net proceeds from the issuance of the UPC Holding 6.75% Senior Notes were used to redeem in full (a) UPC Holding's €300.0 million ($363.0 million) principal amount of 8.0% senior notes due 2016 (the UPC Holding 8.0% Senior Notes) and (b) UPC Holding's €400.0 million ($484.0 million) principal amount of 9.75% senior notes due 2018 (the UPC Holding 9.75% Senior Notes). Our obligations with respect to the UPC Holding 8.0% Senior Notes and the UPC Holding 9.75% Senior Notes were legally discharged with the trustee on March 26, 2013 and March 27, 2013, respectively, in connection with the issuance of the UPC Holding 6.75% Senior Notes. The trustee, in turn, paid all amounts due to the holders of the UPC Holding 8.0% Senior Notes and UPC Holding 9.75% Senior Notes on April 25, 2013. We incurred aggregate debt extinguishment losses of $85.5 million during the first quarter of 2013, which includes (i) $35.6 million of redemption premium related to the UPC Holding 8.0% Senior Notes and the UPC Holding 9.75% Senior Notes, (ii) the write-off of $24.5 million of unamortized discount related to the UPC Holding 9.75% Senior Notes, (iii) the write-off of $19.0 million of deferred financing costs associated with the UPC Holding 8.0% Senior Notes and the UPC Holding 9.75% Senior Notes and (iv) $6.4 million of aggregate interest incurred on the UPC Holding 8.0% Senior Notes and the UPC Holding 9.75% Senior Notes between the respective dates that we and the trustee were legally discharged, as described above.

We collectively refer to the UPC Holding 6.75% Senior Notes, UPC Holding's €600.0 million ($726.0 million) principal amount of 6.375% senior notes due 2022 (the UPC Holding 6.375% Senior Notes) and UPC Holding's €640.0 million ($774.4 million) principal amount of 8.375% senior notes due 2020 (the UPC Holding 8.375% Senior Notes) as the "UPC Holding Senior Notes."

The details of the UPC Holding Senior Notes as of December 31, 2014 are summarized in the following table:

UPC Holding Senior Notes	Maturity	Outstanding principal amount — Borrowing currency		Outstanding principal amount — U.S. $ equivalent	Estimated fair value	Carrying value (a)
				in millions		
UPC Holding 8.375% Senior Notes	August 15, 2020	€	640.0	$ 774.4	$ 833.4	$ 774.4
UPC Holding 6.375% Senior Notes	September 15, 2022	€	600.0	726.0	786.8	720.6
UPC Holding 6.75% Euro Senior Notes	March 15, 2023	€	450.0	544.5	597.3	544.5
UPC Holding 6.75% CHF Senior Notes	March 15, 2023	CHF	350.0	352.1	386.1	352.1
Total				$ 2,397.0	$ 2,603.6	$ 2,391.6

(a) Amounts include the impact of discounts, where applicable.

Each issue of the UPC Holding Senior Notes are senior obligations that rank equally with all of the existing and future senior debt and are senior to all existing and future subordinated debt of UPC Holding. The UPC Holding Senior Notes are secured (on a shared basis) by pledges of the shares of UPC Holding. The UPC Holding Senior Notes contain certain customary incurrence-based covenants. For example, the ability to raise certain additional debt and make certain distributions or loans to other subsidiaries of Liberty Global is subject to a consolidated leverage ratio test, as specified in the applicable indenture. In addition, the UPC Holding Senior Notes provide that any failure to pay principal prior to expiration of any applicable grace period, or any acceleration with respect to other indebtedness of €50.0 million ($60.5 million) or more in the aggregate of UPC Holding or its restricted subsidiaries (as specified in the applicable indenture), including UPC Broadband Holding, is an event of default under the UPC Holding Senior Notes.

At any time prior to August 15, 2015, in the case of the UPC Holding 8.375% Senior Notes, September 15, 2017, in the case of the UPC Holding 6.375% Senior Notes, and March 15, 2018, in the case of the UPC Holding 6.75% Senior Notes, UPC Holding may redeem some or all of such UPC Holding Senior Notes by paying a "make-whole" premium, which is the present value of all scheduled interest payments until August 15, 2015, September 15, 2017 or March 15, 2018 (as applicable) using the discount rate (as specified in the applicable indenture) as of the redemption date, plus 50 basis points.

UPC Holding may redeem some or all of the UPC Holding Senior Notes at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and additional amounts (as specified in the applicable indenture), if any, to the applicable redemption date, if redeemed during the twelve-month period commencing on August 15, in the case of the UPC Holding 8.375% Senior Notes, September 15, in the case of the UPC Holding 6.375% Senior Notes, and March 15, in the case of the UPC Holding 6.75% Senior Notes, of the years set forth below:

Year	Redemption Price — UPC Holding 8.375% Senior Notes	Redemption Price — UPC Holding 6.375% Senior Notes	Redemption Price — UPC Holding 6.75% Senior Notes
2015	104.188%	N.A.	N.A.
2016	102.792%	N.A.	N.A.
2017	101.396%	103.188%	N.A.
2018	100.000%	102.125%	103.375%
2019	100.000%	101.063%	102.250%
2020	100.000%	100.000%	101.125%
2021 and thereafter	N.A.	100.000%	100.000%

If all or substantially all of the assets of UPC Holding and certain of its subsidiaries are disposed of or any other change of control (as specified in the applicable indenture) is triggered, UPC Holding must offer to repurchase all of the relevant UPC Holding Senior Notes at a redemption price of 101% of the principal amount of such UPC Holding Senior Notes.

For information regarding certain financing transactions completed subsequent to December 31, 2014 that impact the UPC Holding Senior Notes, see note 20.

UPCB SPE Notes

UPCB Finance Limited (UPCB Finance I), UPCB Finance II Limited (UPCB Finance II), UPCB Finance III Limited (UPCB Finance III), UPCB Finance V Limited (UPCB Finance V) and UPCB Finance VI Limited (UPCB Finance VI and, together with UPCB Finance I, UPCB Finance II, UPCB Finance III and UPCB Finance V, the UPCB SPEs) are all special purpose financing entities that are owned 100% by charitable trusts. The UPCB SPEs were created for the primary purposes of facilitating the offerings of €500.0 million ($605.0 million) principal amount of 7.625% senior secured notes (the UPCB Finance I Notes), €750.0 million ($907.5 million) principal amount of 6.375% senior secured notes (the UPCB Finance II Notes), $1.0 billion principal amount of 6.625% senior secured notes (the UPCB Finance III Notes), $750.0 million principal amount of 7.25% senior secured notes (the UPCB Finance V Notes) and $750.0 million principal amount of 6.875% senior secured notes (the UPCB Finance VI Notes and, together with the UPCB Finance I Notes, the UPCB Finance II Notes, the UPCB Finance III Notes and the UPCB Finance V Notes, the UPCB SPE Notes), respectively. The UPCB Finance I Notes, the UPCB Finance II Notes, the UPCB Finance III Notes, the UPCB Finance V Notes and the UPCB Finance VI Notes were issued on January 20, 2010, January 31, 2011, February 16, 2011, November 16, 2011 and February 7, 2012, respectively.

The UPCB Finance I Notes were issued at an original issue discount of 0.862%, resulting in cash proceeds before commissions and fees of €495.7 million ($699.7 million at the transaction date). The UPCB Finance II Notes, UPCB Finance III Notes, UPCB Finance V Notes and UPCB Finance VI Notes were each issued at par. UPCB Finance I, UPCB Finance II, UPCB Finance III, UPCB Finance V and UPCB Finance VI used the proceeds from the (i) UPCB Finance I Notes and available cash, (ii) UPCB Finance II Notes, (iii) UPCB Finance III Notes, (iv) UPCB Finance V Notes and (v) UPCB Finance VI Notes to fund new additional Facilities V, Y, Z, AC and AD, respectively, (each, a UPCB SPE Funded Facility, and together, the Funded Facilities) under the UPC Broadband Holding Bank Facility, with UPC Financing Partnership (UPC Financing) as the borrower. The proceeds from the Funded Facilities generally were used to repay amounts outstanding under the UPC Broadband Holding Bank Facility.

Each UPCB SPE is dependent on payments from UPC Financing under the applicable UPCB SPE Funded Facility in order to service its payment obligations under each respective UPCB SPE Note. Although UPC Financing has no equity or voting interest in any of the UPCB SPEs, each of the UPCB SPE Funded Facility loans creates a variable interest in the respective UPCB SPE for which UPC Financing is the primary beneficiary, as contemplated by GAAP. As such, UPC Financing and its parent entities, including UPC Holding and Liberty Global, are required by the provisions of GAAP to consolidate the UPCB SPEs. As a result, the amounts outstanding under the Funded Facilities are eliminated in Liberty Global's consolidated financial statements.

Pursuant to the respective indentures for the UPCB SPE Notes (the UPCB SPE Indentures) and the respective accession agreements for the Funded Facilities, the call provisions, maturity and applicable interest rate for each UPCB SPE Funded Facility are the same as those of the related UPCB SPE Notes. The UPCB SPEs, as lenders under the UPC Broadband Holding Bank Facility, are treated the same as the other lenders under the UPC Broadband Holding Bank Facility, with benefits, rights and protections similar to those afforded to the other lenders. Through the covenants in the applicable UPCB SPE Indentures and the applicable security interests over (i) all of the issued shares of the relevant UPCB SPE and (ii) the relevant UPCB SPE's rights under the applicable UPCB SPE Funded Facility granted to secure the relevant UPCB SPE's obligations under the relevant UPCB SPE Notes, the holders of the UPCB SPE Notes are provided indirectly with the benefits, rights, protections and covenants granted to the UPCB SPEs as lenders under the UPC Broadband Holding Bank Facility.

The UPCB SPEs are prohibited from incurring any additional indebtedness, subject to certain exceptions under the UPCB SPE Indentures.

The details of the UPCB SPE Notes as of December 31, 2014 are summarized in the following table:

UPCB SPEs	Maturity	Interest rate	Outstanding principal amount: Borrowing currency	Outstanding principal amount: U.S. $ equivalent	Estimated fair value	Carrying value (a)
				in millions		
UPCB Finance I Notes	January 15, 2020	7.625%	€ 500.0	$ 605.0	$ 631.9	$ 601.9
UPCB Finance II Notes	July 1, 2020	6.375%	€ 750.0	907.5	954.0	907.5
UPCB Finance III Notes	July 1, 2020	6.625%	$ 1,000.0	1,000.0	1,054.4	1,000.0
UPCB Finance V Notes	November 15, 2021	7.250%	$ 750.0	750.0	821.7	750.0
UPCB Finance VI Notes	January 15, 2022	6.875%	$ 750.0	750.0	817.0	750.0
Total				$ 4,012.5	$ 4,279.0	$ 4,009.4

(a) Amounts include the impact of discounts, where applicable.

Subject to the circumstances described below, the UPCB Finance I Notes are non-callable until January 15, 2015, the UPCB Finance II Notes and the UPCB Finance III Notes are non-callable until July 1, 2015, the UPCB Finance V Notes are non-callable until November 15, 2016 and the UPCB Finance VI Notes are non-callable until January 15, 2017 (each a UPCB SPE Notes Call Date). If, however, at any time prior to the applicable UPCB SPE Notes Call Date, all or a portion of the loans under the related UPCB SPE Funded Facility are voluntarily prepaid (an Early Redemption Event), then the applicable UPCB SPE will be required to redeem an aggregate principal amount of its UPCB SPE Notes equal to the aggregate principal amount of loans so prepaid under the related UPCB SPE Funded Facility. In general, the redemption price payable will equal the sum of (i) 100% of the principal amount of the applicable UPCB SPE Notes to be redeemed, (ii) the excess of (a) the present value at such redemption date of (1) the redemption price of such UPCB SPE Notes on the applicable UPCB SPE Notes Call Date, as determined in accordance with the table below, plus (2) all required remaining scheduled interest payments thereon due through the applicable UPCB SPE Notes Call Date (excluding accrued and unpaid interest to such redemption date), computed using the discount rate specified in the applicable UPCB SPE Indenture, over (b) the principal amount of such UPCB SPE Notes to be redeemed and (iii) accrued but unpaid interest thereon and additional amounts (as specified in the applicable UPCB SPE Indenture), if any, to the applicable redemption date (the Make-Whole Redemption Price). However, in the case of an Early Redemption Event with respect to Facility Z, AC or AD occurring prior to the applicable UPCB SPE Notes Call Date, the redemption price payable upon redemption of an aggregate principal amount of the relevant UPCB SPE Notes not exceeding 10% of the original aggregate principal amount of such UPCB SPE Notes during each twelve-month period commencing on February 16, 2011, in the case of Facility Z, November 16, 2011, in the case of Facility AC, or February 7, 2012, in the case of Facility AD, will equal 103% of the principal amount of the relevant UPCB SPE Notes redeemed plus accrued and unpaid interest thereon and additional amounts, if any, to the applicable redemption date. The redemption price payable for any principal amount of such UPCB SPE Notes redeemed in excess of the 10% limitation will be the Make-Whole Redemption Price.

Upon the occurrence of an Early Redemption Event on or after the applicable UPCB SPE Notes Call Date, the applicable UPCB SPE will redeem an aggregate principal amount of its UPCB SPE Notes equal to the principal amount of the related UPCB SPE Funded Facility prepaid at the following redemption prices (expressed as a percentage of the principal amount), plus accrued and unpaid interest and additional amounts, (as specified in the applicable UPCB SPE Indenture), if any, to the applicable redemption date, if redeemed during the twelve-month period commencing on January 15, in the case of the UPCB Finance I Notes and the UPCB Finance VI Notes, July 1, in the case of the UPCB Finance II Notes and the UPCB Finance III Notes, and November 15, in the case of the UPCB Finance V Notes, of the years set forth below:

	Redemption Price				
Year	**UPCB Finance I Notes**	**UPCB Finance II Notes**	**UPCB Finance III Notes**	**UPCB Finance V Notes**	**UPCB Finance VI Notes**
2015	103.813%	103.188%	103.313%	N.A.	N.A.
2016	102.542%	102.125%	102.208%	103.625%	N.A.
2017	101.271%	101.063%	101.104%	102.417%	103.438%
2018	100.000%	100.000%	100.000%	101.208%	102.292%
2019	100.000%	100.000%	100.000%	100.000%	101.146%
2020 and thereafter	100.000%	100.000%	100.000%	100.000%	100.000%

For information regarding certain financing transactions completed subsequent to December 31, 2014 that impact the UPCB SPE Notes, see note 20.

Unitymedia KabelBW Notes and KBW Notes

Unitymedia KabelBW Exchange, Special Optional Redemptions and KBW Fold-in. Prior to the exchange and redemption transactions described below, the KBW Notes consisted of (i) UPC Germany HoldCo 1 GmbH's €680.0 million ($822.8 million) principal amount of 9.5% senior notes due 2021 (the KBW Senior Notes) and (ii) the following notes issued by Kabel BW GmbH (KBW): (a) €800.0 million ($968.1 million) principal amount of 7.5% senior secured notes due 2019 (the KBW Euro Senior Secured Notes), (b) $500.0 million principal amount of 7.5% senior secured notes due 2019 (the KBW Dollar Senior Secured Notes and together with the KBW Euro Senior Secured Notes, the KBW Senior Secured Fixed-Rate Notes) and (c) €420.0 million ($508.2 million) principal amount of senior secured floating-rate notes due 2018 (the KBW Senior Secured Floating-Rate Notes and together with the KBW Senior Secured Fixed-Rate Notes, the KBW Senior Secured Notes).

In May 2012, Unitymedia KabelBW and certain of its subsidiaries completed (i) the exchange (the Unitymedia KabelBW Exchange) of (a) 90.9% of the outstanding principal amount of the KBW Senior Notes for an equal amount of UM Senior Exchange Notes (as defined and described below) and (b) 92.5% of the outstanding principal amount of the KBW Senior Secured Notes for an equal amount of UM Senior Secured Exchange Notes (as defined and described below), (ii) the redemption (the Special Optional Redemptions) of the remaining KBW Notes that were not exchanged pursuant to the Unitymedia KabelBW Exchange and (iii) a series of mergers and consolidations, pursuant to which an indirect parent company of KBW became a subsidiary of Unitymedia Hessen (the KBW Fold-in). The redemption price with respect to the Special Optional Redemptions was 101% of the applicable principal amount thereof, and such redemptions were initially funded with borrowings under the Unitymedia KabelBW Revolving Credit Facilities (as defined and described below). In connection with these transactions, we recognized aggregate losses on debt modification, extinguishment and conversion, net, of $7.0 million during 2012, which includes (i) $5.6 million of third-party costs and (ii) $1.4 million of redemption premium pursuant to the Special Optional Redemptions.

The details of (i) the Unitymedia KabelBW Exchange and (ii) the Special Optional Redemptions are as follows:

	Outstanding principal amount prior to the Unitymedia KabelBW Exchange		Principal amount exchanged pursuant to the Unitymedia KabelBW Exchange		Principal amount redeemed pursuant to the Special Optional Redemptions	
KBW Notes	**Borrowing currency**	**U.S. $ equivalent (a)**	**Borrowing currency**	**U.S. $ equivalent (a)**	**Borrowing currency**	**U.S. $ equivalent (a)**
			in millions			
KBW Senior Notes (b)	€ 680.0	$ 890.0	€ 618.0	$ 808.8	€ 62.0	$ 81.2
KBW Euro Senior Secured Notes (c)	€ 800.0	1,047.0	€ 735.1	962.1	€ 64.9	84.9
KBW Dollar Senior Secured Notes (d)	$ 500.0	500.0	$ 459.3	459.3	$ 40.7	40.7
KBW Senior Secured Floating-Rate Notes (e)	€ 420.0	549.7	€ 395.9	518.2	€ 24.1	31.5
Total		$ 2,986.7		$ 2,748.4		$ 238.3

(a) Translations are calculated as of the May 4, 2012 transaction date.

(b) The KBW Senior Notes tendered for exchange were exchanged for an equal principal amount of 9.5% senior notes issued by Unitymedia KabelBW due March 15, 2021 (the UM Senior Exchange Notes).

(c) The KBW Euro Senior Secured Notes tendered for exchange were exchanged for an equal principal amount of 7.5% senior secured notes issued by Unitymedia Hessen and Unitymedia NRW GmbH (each, a subsidiary of Unitymedia KabelBW and, together, the UM Senior Secured Notes Issuers) due March 15, 2019 (the UM Euro Senior Secured Exchange Notes).

(d) The KBW Dollar Senior Secured Notes tendered for exchange were exchanged for an equal principal amount of 7.5% senior secured notes issued by the UM Senior Secured Notes Issuers due March 15, 2019 (the UM Dollar Senior Secured Exchange Notes and, together with the UM Euro Senior Secured Exchange Notes, the UM Senior Secured Fixed-Rate Exchange Notes). In December 31, 2014, the UM Senior Secured Fixed-Rate Exchange Notes were redeemed in full as described below.

(e) The KBW Senior Secured Floating-Rate Notes tendered for exchange were exchanged for an equal principal amount of senior secured floating-rate notes issued by the UM Senior Secured Notes Issuers due March 15, 2018 (the UM Senior Secured Floating-Rate Exchange Notes and, together with the UM Senior Secured Floating-Rate Exchange Notes, the UM Senior Secured Exchange Notes). The UM Senior Secured Floating-Rate Exchange Notes, prior to their redemption as described below, bore interest at a rate of EURIBOR plus 4.25%.

December 2014 UM Senior Secured Notes. On December 17, 2014, the UM Senior Secured Notes Issuers issued (i) €1,000.0 million ($1,210.1 million) principal amount of 4.0% senior secured notes due January 15, 2025 (the December 2014 UM Euro Senior Secured Notes) and (ii) $550.0 million principal amount of 5.0% senior secured notes due January 15, 2025 (the December 2014 UM Dollar Senior Secured Notes and, together with the December 2014 UM Euro Senior Secured Notes, the December 2014 UM Senior Secured Notes). A portion of the net proceeds from the December 2014 UM Senior Secured Notes were used to redeem in full the UM Senior Secured Fixed-Rate Exchange Notes. In connection with this transaction, we recognized a loss on debt extinguishment of $59.5 million, which includes (i) the payment of $70.1 million of redemption premium and (ii) the write-off of $10.6 million of unamortized premium.

October 2014 UM Senior Notes. On October 22, 2014, Unitymedia KabelBW issued $900.0 million principal amount of 6.125% senior notes due January 15, 2025 (the October 2014 UM Senior Notes). On November 7, 2014, the net proceeds from the October 2014 UM Senior Notes were used to fully redeem Unitymedia KabelBW's €665.0 million ($804.7 million) principal amount of 9.625% senior notes (the 2009 UM Senior Notes). In connection with this transaction, we recognized a loss on debt extinguishment of $71.3 million, which includes (i) the payment of $45.0 million of redemption premium, (ii) the write-off of $14.0 million of deferred financing costs and (iii) the write-off of $12.3 million of unamortized discount.

November 2013 UM Senior Secured Notes. On November 21, 2013, the UM Senior Secured Notes Issuers issued €475.0 million ($574.8 million) principal amount of 6.25% senior secured notes due January 15, 2029 (the November 2013 UM Senior Secured Notes). A portion of the net proceeds from the issuance of the November 2013 UM Senior Secured Notes were used to redeem all of the then outstanding 2009 UM Euro Senior Secured Notes (as defined and described below). In connection with this transaction, we recognized a loss on debt extinguishment of $41.4 million, which includes (i) the payment of $24.5 million of redemption premium and (ii) the write-off of $16.9 million associated with deferred financing costs and unamortized discount.

April 2013 UM Senior Secured Notes. On April 16, 2013, the UM Senior Secured Notes Issuers issued €350.0 million ($423.5 million) principal amount of 5.625% senior secured notes due April 15, 2023 (the April 2013 UM Senior Secured Notes).

January 2013 UM Senior Secured Notes. On January 21, 2013, the UM Senior Secured Notes Issuers issued €500.0 million ($605.0 million) principal amount of 5.125% senior secured notes due January 21, 2023 (the January 2013 UM Senior Secured Notes). The net proceeds from the issuance of the January 2013 UM Senior Secured Notes were used to redeem a portion of the €1,430.0 million ($1,730.4 million) principal amount of 8.125% senior secured notes (the 2009 UM Euro Senior Secured Notes). In connection with this transaction, we recognized a loss on debt extinguishment of $71.1 million, which includes (i) the payment of $50.5 million of redemption premium and (ii) the write-off of $20.6 million associated with deferred financing costs and unamortized discount.

December 2012 UM Senior Secured Notes. On December 14, 2012, the UM Senior Secured Notes Issuers issued $1.0 billion principal amount of 5.5% senior secured notes due January 15, 2023 (the December 2012 UM Dollar Senior Secured Notes) and €500.0 million ($605.0 million) principal amount of 5.75% senior secured notes due January 15, 2023 (the December 2012 UM Euro Senior Secured Notes and, together with the December 2012 UM Dollar Senior Secured Notes, the December 2012 UM Senior Secured Notes), each at par. The net proceeds from the issuance of the December 2012 UM Senior Secured Notes were used to purchase and redeem (i) all of the $845.0 million principal amount 8.125% senior secured notes (the 2009 UM Dollar Senior Secured Notes) and (ii) €524.0 million ($634.1 million) of the 2009 UM Euro Senior Secured Notes. In connection with these transactions, we recognized a loss on debt extinguishment of $175.8 million, which includes (i) the payment of $125.9 million of redemption premium and (ii) the write-off of $49.4 million associated with deferred financing costs and unamortized discount.

September 2012 UM Senior Secured Notes. On September 19, 2012, the UM Senior Secured Notes Issuers issued €650.0 million ($786.5 million) principal amount of 5.5% senior secured notes due September 15, 2022 (the September 2012 UM Senior Secured Notes). The net proceeds from the issuance of the September 2012 UM Senior Secured Notes were used to redeem in full the UM Senior Secured Floating-Rate Exchange Notes at a redemption price of 101%, with the remaining €241.8 million ($292.6 million) available for general corporate purposes. In connection with this transaction, we recognized a loss on debt extinguishment of $10.2 million representing the payment of redemption premium.

We refer to the UM Senior Exchange Notes, the September 2012 UM Senior Secured Notes, the December 2012 UM Senior Secured Notes, the January 2013 UM Senior Secured Notes, the April 2013 UM Senior Secured Notes, the November 2013 UM Senior Secured Notes, the October 2014 UM Senior Notes and the December 2014 UM Senior Secured Notes, collectively, as the "Unitymedia KabelBW Notes."

The details of the Unitymedia KabelBW Notes as of December 31, 2014 are summarized in the following table:

Unitymedia KabelBW Notes	Maturity	Interest rate	Outstanding principal amount: Borrowing currency	Outstanding principal amount: U.S. $ equivalent	Estimated fair value	Carrying value (a)
				in millions		
UM Senior Exchange Notes	March 15, 2021	9.500 %	€ 618.0	$ 747.7	$ 837.9	$ 746.1
September 2012 UM Senior Secured Notes	September 15, 2022	5.500 %	€ 650.0	786.5	843.5	786.5
December 2012 UM Dollar Senior Secured Notes	January 15, 2023	5.500 %	$ 1,000.0	1,000.0	1,046.3	1,000.0
December 2012 UM Euro Senior Secured Notes	January 15, 2023	5.750 %	€ 500.0	605.0	657.9	605.0
January 2013 UM Senior Secured Notes	January 21, 2023	5.125 %	€ 500.0	605.0	646.6	605.0
April 2013 UM Senior Secured Notes	April 15, 2023	5.625 %	€ 350.0	423.5	461.1	423.5
November 2013 UM Senior Secured Notes	January 15, 2029	6.250 %	€ 475.0	574.8	654.5	574.8
October 2014 UM Senior Notes	January 15, 2025	6.125 %	$ 900.0	900.0	932.6	900.0
December 2014 UM Euro Senior Secured Notes	January 15, 2025	4.000 %	€ 1,000.0	1,210.0	1,237.2	1,210.0
December 2014 UM Dollar Senior Secured Notes	January 15, 2025	5.000 %	$ 550.0	550.0	551.7	550.0
Total				$ 7,402.5	$ 7,869.3	$ 7,400.9

(a) Amounts include the impact of discounts, where applicable.

The UM Senior Exchange Notes and the October 2014 UM Senior Notes are senior obligations of Unitymedia KabelBW that rank equally with all of the existing and future senior debt of Unitymedia KabelBW and are senior to all existing and future subordinated debt of Unitymedia KabelBW. The UM Senior Exchange Notes and the October 2014 UM Senior Notes are guaranteed on a senior subordinated basis by various subsidiaries of Unitymedia KabelBW and are secured by a first-ranking pledge over the shares of Unitymedia KabelBW and junior-priority share pledges and other asset security of certain subsidiaries of Unitymedia KabelBW.

The September 2012 UM Senior Secured Notes, the December 2012 UM Senior Secured Notes, the January 2013 UM Senior Secured Notes, the April 2013 UM Senior Secured Notes, the November 2013 UM Senior Secured Notes and the December 2014 UM Senior Secured Notes are (i) senior obligations of the UM Senior Secured Notes Issuers that rank equally with all of the existing and future senior debt of each UM Senior Secured Notes Issuer and are senior to all existing and future subordinated debt of each of the UM Senior Secured Notes Issuers and (ii) are secured by a first-ranking pledge over the shares of Unitymedia KabelBW and the UM Senior Secured Notes Issuers and certain other share and/or asset security of Unitymedia KabelBW and certain of its subsidiaries.

The Unitymedia KabelBW Notes contain certain customary incurrence-based covenants. For example, the ability to raise certain additional debt and make certain distributions or loans to other subsidiaries of Liberty Global is subject to a consolidated leverage ratio test, as specified in the applicable indenture. The Unitymedia KabelBW Notes provide that any failure to pay principal prior to expiration of any applicable grace period, or any acceleration with respect to other indebtedness of €25.0 million ($30.3 million) (or €75.0 million ($90.8 million) with respect to the October 2014 UM Senior Notes and the December 2014 UM Senior Secured Notes) or more in the aggregate of Unitymedia KabelBW or a UM Senior Secured Notes Issuer or any of the restricted subsidiaries (as specified in the applicable indenture) is an event of default under the Unitymedia KabelBW Notes.

Subject to the circumstances described below, the Unitymedia KabelBW Notes are non-callable prior to the applicable call date as presented in the below table. At any time prior to the respective call date, Unitymedia KabelBW or UM Senior Secured Notes Issuers may redeem some or all of the applicable notes by paying a "make-whole" premium, which is the present value of

all remaining scheduled interest payments to the applicable call date using the discount rate (as specified in the applicable indenture) as of the redemption date plus 50 basis points.

Unitymedia KabelBW Notes	Call Date
UM Senior Exchange Notes	March 15, 2016
September 2012 UM Senior Secured Notes	September 15, 2017
December 2012 UM Senior Secured Notes	January 15, 2018
January 2013 UM Senior Secured Notes	January 21, 2018
April 2013 UM Senior Secured Notes	April 15, 2018
November 2013 UM Senior Secured Notes	January 15, 2021
October 2014 UM Senior Notes	January 15, 2020
December 2014 UM Senior Secured Notes	January 15, 2020

Unitymedia KabelBW or the UM Senior Secured Notes Issuers (as applicable) may redeem some or all of the Unitymedia KabelBW Notes at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and additional amounts (as specified in the applicable indenture), if any, to the applicable redemption date, if redeemed during the twelve-month period commencing on March 15, in the case of the UM Senior Exchange Notes, September 15, in the case of the September 2012 UM Senior Secured Notes, January 15, in the case of the December 2012 UM Senior Secured Notes, the November 2013 UM Senior Secured Notes, the October 2014 UM Senior Notes and the December 2014 UM Senior Secured Notes, January 21, in the case of the January 2013 UM Senior Secured Notes, or April 15, in the case of the April 2013 UM Senior Secured Notes, of the years set forth below:

	Redemption Price									
Year	UM Senior Exchange Notes	September 2012 UM Senior Secured Notes	December 2012 UM Dollar Senior Secured Notes	December 2012 UM Euro Senior Secured Notes	January 2013 UM Senior Secured Notes	April 2013 UM Senior Secured Notes	November 2013 UM Senior Secured Notes	October 2014 UM Senior Notes	December 2014 UM Euro Senior Secured Notes	December 2014 UM Dollar Senior Secured Notes
2016	104.750%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2017	103.167%	102.750%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2018	101.583%	101.833%	102.750%	102.875%	102.563%	102.813%	N.A.	N.A.	N.A.	N.A.
2019	100.000%	100.917%	101.833%	101.917%	101.708%	101.875%	N.A.	N.A.	N.A.	N.A.
2020	100.000%	100.000%	100.917%	100.958%	100.854%	100.938%	N.A.	103.063%	102.000%	102.500%
2021	N.A.	100.000%	100.000%	100.000%	100.000%	100.000%	103.125%	102.042%	101.333%	101.667%
2022	N.A.	N.A.	100.000%	100.000%	100.000%	100.000%	102.083%	101.021%	100.667%	100.833%
2023	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	101.042%	100.000%	100.000%	100.000%
2024 and thereafter	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	100.000%	100.000%	100.000%	100.000%

KBW and its immediate parent (collectively, the New UM Guarantors) have granted, in addition to guarantees provided by Unitymedia KabelBW and/or certain of its subsidiaries, a senior guarantee of the September 2012 UM Senior Secured Notes, the December 2012 UM Senior Secured Notes, the January 2013 UM Senior Secured Notes, the April 2013 UM Senior Secured Notes, the November 2013 UM Senior Secured Notes and the December 2014 UM Senior Secured Notes. The New UM Guarantors have also granted a senior subordinated guarantee of the UM Senior Exchange Notes and the October 2014 UM Senior Notes. In addition, the New UM Guarantors have provided certain share and asset security in favor of the September 2012 UM Senior Secured Notes, the December 2012 UM Senior Secured Notes, the January 2013 UM Senior Secured Notes, the April 2013 UM Senior Secured Notes, the November 2013 UM Senior Secured Notes and the December 2014 UM Senior Secured Notes.

If all or substantially all of the assets of (i) Unitymedia KabelBW and certain of its subsidiaries or (ii) the UM Senior Secured Notes Issuer and certain of their subsidiaries are disposed of or any other change of control (as specified in the relevant Unitymedia KabelBW Notes) is triggered, Unitymedia KabelBW or the UM Senior Secured Notes Issuers (as applicable) must offer to

repurchase all of the relevant Unitymedia KabelBW Notes at a redemption price of 101% of the principal amount of such Unitymedia KabelBW Notes.

Unitymedia KabelBW Revolving Credit Facilities

During the third quarter of 2014, Unitymedia Hessen completed the refinancing of its then existing €337.5 million ($408.4 million) and €80.0 million ($96.8 million) revolving credit facilities (the Old Unitymedia KabelBW Revolving Credit Facilities). Pursuant to this refinancing, the respective commitments of the lenders under the Old Unitymedia KabelBW Revolving Credit Facilities were cancelled and Unitymedia Hessen entered into (i) a new €80.0 million ($96.8 million) super senior secured revolving credit facility agreement (the UM Super Senior Secured Facility) and (ii) a new €420.0 million ($508.2 million) senior secured revolving credit facility agreement (the UM Senior Secured Facility and, together with the UM Super Senior Secured Facility, the Unitymedia KabelBW Revolving Credit Facilities). At December 31, 2014, we had €280.0 million ($338.8 million) outstanding under the Unitymedia KabelBW Revolving Credit Facilities and our availability was limited to €15.1 million ($18.3 million). When the relevant December 31, 2014 compliance reporting requirements have been completed and assuming no changes from December 31, 2014 borrowing levels, we anticipate that our availability will be limited to €123.7 million ($149.7 million).

The UM Super Senior Secured Facility bears interest at EURIBOR plus a margin of 2.25%, matures in December 2020 and has a fee on unused commitments of 0.9% per year. The UM Senior Secured Facility bears interest at EURIBOR plus a margin of 2.75%, matures in December 2020 and has a fee on unused commitments of 1.1% per year. The UM Super Senior Secured Facility is senior with respect to the priority of proceeds received from the enforcement of shared collateral to (i) the Unitymedia KabelBW Notes and (ii) the UM Senior Secured Facility. The Unitymedia KabelBW Revolving Credit Facilities may be used for general corporate and working capital purposes.

In addition to customary restrictive covenants and events of default, the Unitymedia KabelBW Revolving Credit Facilities require compliance with a consolidated net leverage ratio, as specified in the applicable facility, in the event that the outstanding borrowings under either facility are more than 33.3% of the total commitments. The Unitymedia KabelBW Revolving Credit Facilities are secured by a pledge over the shares of the borrower and certain other asset security of certain subsidiaries of Unitymedia KabelBW. The Unitymedia KabelBW Revolving Credit Facilities permit Unitymedia KabelBW to transfer funds to its parent company (and indirectly to Liberty Global) through loans, dividends or other distributions provided that Unitymedia KabelBW maintains compliance with applicable covenants. If a change of control occurs, as specified in the Unitymedia KabelBW Revolving Credit Facilities, each lender may cancel its commitments and declare all outstanding amounts immediately due and payable.

Ziggo Credit Facility

On January 27, 2014, in connection with our then pending acquisition of Ziggo, Ziggo B.V. and certain of its subsidiaries entered into (i) a U.S. dollar-denominated term loan facility in an aggregate principal amount of $2,350.0 million (the Ziggo Dollar Facility), (ii) a euro-denominated term loan facility in an aggregate principal amount of €1,566.0 million ($1,895.0 million) (the Ziggo Euro Facility) and (iii) an aggregate €650.0 million ($786.5 million) in revolving credit facilities (the Ziggo Revolving Facilities, as further described below). The Ziggo Dollar Facility, the Ziggo Euro Facility and the Ziggo Revolving Facilities are collectively referred to as the "Ziggo Credit Facility." Ziggo B.V. is a wholly-owned subsidiary of Ziggo Bond Company B.V. (Ziggo Bondco), which is a wholly-owned subsidiary of Ziggo.

Also on January 27, 2014, LGE HoldCo VII B.V., our wholly-owned subsidiary, entered into (i) a €434.0 million ($525.2 million) term loan facility (the Ziggo Acquisition Facility) and (ii) a euro-denominated revolving credit facility in an aggregate principal amount of €650.0 million ($786.5 million) (the Ziggo Acquisition Revolving Facility). Upon completion of the Ziggo Acquisition (a) the Ziggo Acquisition Facility was rolled into the Ziggo Euro Facility and (b) the Ziggo Acquisition Revolving Facility was cancelled.

The details of our borrowings under the Ziggo Credit Facility as of December 31, 2014 are summarized in the following table:

Facility	Maturity	Interest rate	Facility amount (in borrowing currency)	Unused borrowing capacity	Carrying value (a)
				in millions	
Ziggo Euro Facility	January 15, 2022	EURIBOR + 3.00%	€ 2,000.0	$ —	$ 2,395.5
Ziggo Dollar Facility	January 15, 2022	LIBOR + 2.75%	$ 2,350.0	—	2,315.3
Ziggo Revolving Facilities	June 30, 2020	(b)	€ 650.0	786.5	—
Total				$ 786.5	$ 4,710.8

(a) Amounts include the impact of discounts, where applicable.

(b) The Ziggo Revolving Facilities include (i) a €600.0 million ($726.0 million) facility that bears interest at EURIBOR plus a margin of 2.75% and has a fee on unused commitments of 1.1% per year and (ii) a €50.0 million ($60.5 million) facility that bears interest at EURIBOR plus a margin of 2.00% and has a fee on unused commitments of 0.8% per year.

The Ziggo Credit Facility requires that certain subsidiaries of Ziggo (as specified in the applicable indenture) that generate not less than 80% of such group's EBITDA (as specified in the Ziggo Credit Facility) in any financial year, guarantee the payment of all sums payable under the Ziggo Credit Facility and such group members are required to grant first-ranking security over all or substantially all of the assets to secure the payment of all sums payable. In addition, the holding company of each borrower must give a share pledge over its shares in such borrower and all rights under subordinated shareholder funding must be pledged.

In addition to mandatory prepayments which must be made for certain disposal proceeds (subject to certain de minimis thresholds), the facility agent may (if required by the majority lenders) cancel their commitments and declare the loans due and payable after 30 business days following the occurrence of a change of control.

The Ziggo Credit Facility contains certain customary events of default, the occurrence of which, subject to certain exceptions and materiality qualifications, would allow the lenders to (i) cancel the total commitments, (ii) accelerate all outstanding loans and terminate their commitments thereunder and/or (iii) declare that all or part of the loans be payable on demand. The Ziggo Credit Facility contains certain representations and warranties customary for facilities of this type, which are subject to exceptions and materiality qualifications.

The Ziggo Credit Facility restricts the ability of the borrowers to, among other things, (i) incur or guarantee certain financial indebtedness, (ii) make certain disposals, distributions and acquisitions and (iii) create certain security interests over their assets, in each case, subject to carve-outs from such limitations.

The Ziggo Credit Facility requires the borrowers to observe certain affirmative undertakings, which are subject to materiality and other customary and agreed exceptions. In addition, the Ziggo Credit Facility also requires compliance with certain financial covenants such as a senior net debt leverage ratio and a total net debt leverage ratio, as specified in the indenture.

The Ziggo Credit Facility permits certain members of the Ziggo borrowing group to make certain distributions and restricted payments to its parent company (and indirectly to Liberty Global) through loans, advances or dividends, subject to compliance with applicable covenants.

For information regarding certain financing transactions impacting the Ziggo borrowing group completed subsequent to December 31, 2014, see note 20.

Ziggo Notes

At December 31, 2014, the following senior notes of certain Ziggo subsidiaries were outstanding:

- €743.1 million ($899.2 million) principal amount of 7.125% senior notes due May 15, 2024 (the Ziggo 2024 Euro Senior Notes); and

- €71.7 million ($86.8 million) principal amount of 3.625% senior secured notes due March 27, 2020 (the Ziggo 2020 Euro Senior Secured Notes).

The Ziggo 2024 Euro Senior Notes and the Ziggo 2020 Euro Senior Secured Notes are collectively referred to as the "Ziggo Notes".

The details of the Ziggo Notes as of December 31, 2014 are summarized in the following table:

			Outstanding principal amount			
Ziggo Notes	**Maturity**	**Interest rate**	**Borrowing currency**	**U.S. $ equivalent**	**Estimated fair value**	**Carrying value (a)**
				in millions		
Ziggo 2020 Euro Senior Secured Notes	March 27, 2020	3.625%	€ 71.7	$ 86.8	$ 88.7	$ 89.3
Ziggo 2024 Euro Senior Notes	May 15, 2024	7.125%	€ 743.1	899.2	993.6	987.7
Total				$ 986.0	$ 1,082.3	$ 1,077.0

(a) Amounts include the impact of premiums, where applicable.

The Ziggo 2020 Euro Senior Secured Notes are senior secured obligations of Ziggo B.V. and are guaranteed on a senior secured basis by various subsidiaries of Ziggo B.V. The Ziggo 2020 Euro Senior Secured Notes are non-callable. At any time prior to maturity, Ziggo B.V. may redeem some or all of the Ziggo 2020 Euro Senior Secured Notes by paying a "make-whole" premium, which is the present value at such redemption date using the discount rate (as specified in the applicable indenture) as of the redemption date plus 50 basis points.

The Ziggo 2024 Euro Senior Notes are senior obligations of Ziggo Bondco and are secured by a pledge of the shares of Ziggo Bondco. The Ziggo 2024 Euro Senior Notes are non-callable until May 15, 2019. At any time prior to May 15, 2019, Ziggo Bondco may redeem some or all of the Ziggo 2024 Euro Senior Notes by paying a "make-whole" premium. Ziggo Bondco may redeem some or all of the Ziggo 2024 Euro Senior Notes at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and additional amounts (as specified in the applicable indenture), if any, to the redemption date, if redeemed during the twelve-month period commencing on May 15 of the years set forth below:

Year	**Redemption price**
2019	103.563%
2020	102.375%
2021	101.188%
2022 and thereafter	100.000%

The Ziggo 2024 Euro Senior Notes contain certain customary incurrence-based covenants that restrict the ability of Ziggo Bondco and certain subsidiaries to raise certain additional debt and make certain distributions or loans to other subsidiaries of Liberty Global.

If Ziggo B.V. or Ziggo Bondco sell certain assets or experience changes in control (as specified in the applicable indenture) Ziggo B.V. or Ziggo Bondco must offer to repurchase all of the relevant Ziggo Notes at a redemption price of 101%.

For information regarding certain financing transactions completed subsequent to December 31, 2014 that impact the Ziggo borrowing group, see note 20.

Telenet Credit Facility

The Telenet Credit Facility, as amended, is the senior secured credit facility of Telenet International. In addition to customary restrictive covenants, prepayment requirements and events of default, including defaults on other indebtedness of Telenet and its subsidiaries, the Telenet Credit Facility requires compliance with a net total debt to consolidated annualized EBITDA covenant and a consolidated EBITDA to total cash interest covenant, each as specified in the Telenet Credit Facility. Under the Telenet Credit Facility, members of the borrower group are permitted to make certain distributions and restricted payments to its shareholders subject to compliance with applicable covenants. The Telenet Credit Facility is secured by (i) pledges over the shares of Telenet NV and certain of its subsidiaries, (ii) pledges over certain intercompany and subordinated shareholder loans and (iii) pledges over certain receivables, real estate and other assets of Telenet NV, Telenet International and certain other Telenet subsidiaries. The agreement governing the Telenet Credit Facility contains covenants that limit, among other things, Telenet's ability to merge with or into another company, acquire other companies, incur additional debt, dispose of assets, make distributions or pay dividends, provide loans and guarantees and enter into hedging agreements. In addition to customary default provisions, including defaults on other indebtedness of Telenet and its subsidiaries, the Telenet Credit Facility provides that any event of default with respect to indebtedness of €50.0 million ($60.5 million) or more in the aggregate of Telenet and certain of its subsidiaries is an event of default under the Telenet Credit Facility. If a change of control occurs, as specified in the Telenet Credit Facility, the facility agent may (if required by the majority lenders) cancel the total commitments and declare all outstanding amounts immediately due and payable.

The details of our borrowings under the Telenet Credit Facility as of December 31, 2014 are summarized in the following table:

Facility	Maturity	Interest rate	Facility amount (in borrowing currency) (a)	Unused borrowing capacity (b)	Carrying value
				in millions	
M (c)	November 15, 2020	6.375%	€ 500.0	$ —	$ 605.0
O (c)	February 15, 2021	6.625%	€ 300.0	—	363.0
P (c)	June 15, 2021	EURIBOR + 3.875%	€ 400.0	—	484.0
S	December 31, 2016	EURIBOR + 2.75%	€ 36.9	44.7	—
U (c)	August 15, 2022	6.250%	€ 450.0	—	544.5
V (c)	August 15, 2024	6.750%	€ 250.0	—	302.5
W (d)	June 30, 2022	EURIBOR + 3.25%	€ 474.1	—	572.5
X	September 30, 2020	EURIBOR + 2.75%	€ 286.0	346.1	—
Y (d)	June 30, 2023	EURIBOR + 3.50%	€ 882.9	—	1,066.1
Elimination of Telenet Facilities M, O, P, U and V in consolidation (c)				—	(2,299.0)
Total				$ 390.8	$ 1,638.6

(a) Except as described in (c) below, amounts represent total third-party facility amounts at December 31, 2014.

(b) Telenet Facilities S and X each have a fee on unused commitments of 1.1% per year.

(c) As described below, the amounts outstanding under Telenet Facilities M, O, P, U and V are eliminated in Liberty Global's consolidated financial statements.

(d) The carrying values of Telenet Facilities W and Y include the impact of discounts.

Refinancing Transactions. In April 2014, Telenet entered into Telenet Facility W and Telenet Facility Y. The net proceeds from these issuances, along with available cash and cash equivalents, were used to (i) fully redeem the outstanding amounts under existing Facilities Q, R and T under the Telenet Credit Facility and (ii) fully repay the €100.0 million ($121.0 million) outstanding principal amount under Telenet Facility N to Telenet Finance Luxembourg II S.A. (Telenet Finance II) and, in turn, Telenet Finance II used the proceeds to fully redeem its 5.3% senior secured notes due November 2016 (the Telenet Finance II Notes). Telenet Finance II was a special purpose financing entity that, prior to the redemption of the Telenet Finance II Notes, was consolidated by Telenet. In addition, the commitments under Telenet's then existing revolving credit facility (Telenet Facility S) were reduced from €158.0 million ($191.2 million) to €36.9 million ($44.7 million) and Telenet entered into Telenet Facility X. In connection with these transactions, we recognized a loss on debt modification, extinguishment and conversion, net, of $11.9 million, which includes (a) the write-off of $7.1 million of deferred financing costs, (b) the payment of $3.6 million of redemption premium and (c) the write-off of $1.2 million of unamortized discount.

Telenet SPE Notes

Telenet Finance Luxembourg S.C.A. (Telenet Finance), Telenet Finance III Luxembourg S.C.A. (Telenet Finance III), Telenet Finance IV Luxembourg S.C.A. (Telenet Finance IV) and Telenet Finance V Luxembourg S.C.A. (Telenet Finance V and, together with Telenet Finance, Telenet Finance II, Telenet Finance III and Telenet Finance IV, the Telenet SPEs) are all special purpose financing entities that are owned 100% by certain third parties. The Telenet SPEs were created for the primary purposes of facilitating the offerings of €500.0 million ($605.0 million) principal amount of 6.375% senior secured notes (the Telenet Finance Notes), €300.0 million ($363.0 million) principal amount of 6.625% senior secured notes (the Telenet Finance III Notes), €400.0 million ($484.0 million) principal amount of floating-rate senior secured notes (the Telenet Finance IV Notes), €450.0 million ($544.5 million) principal amount of 6.25% senior secured notes (the 6.25% Telenet Finance V Notes) and €250.0 million ($302.5 million) principal amount of 6.75% senior secured notes (the 6.75% Telenet Finance V Notes and, together with the 6.25% Telenet Finance V Notes, the Telenet Finance V Notes). We refer to the Telenet Finance Notes, the Telenet Finance III Notes, the Telenet Finance IV Notes and the Telenet Finance V Notes collectively as the "Telenet SPE Notes."

On November 3, 2010, February 15, 2011 and June 15, 2011, the applicable Telenet SPE issued the Telenet Finance Notes, the Telenet Finance III Notes and the Telenet Finance IV Notes and, on August 13, 2012, Telenet Finance V issued the 6.75% Telenet Finance V Notes and the 6.25% Telenet Finance V Notes, respectively. The proceeds from these Telenet SPE Notes were used to fund the respective new Facilities M, O, P, U and V of the Telenet Credit Facility, the proceeds of which were in turn generally applied to repay amounts outstanding under the Telenet Credit Facility.

Each Telenet SPE is dependent on payments from Telenet International under the applicable facility (each, a Telenet SPE Funded Facility) of the Telenet Credit Facility in order to service its payment obligations under its Telenet SPE Notes. Although Telenet International has no equity or voting interest in any of the Telenet SPEs, each of the Telenet SPE Funded Facility loans creates a variable interest in the respective Telenet SPE for which Telenet International is the primary beneficiary, as contemplated by GAAP. As such, Telenet International and its parent entities, including Telenet and Liberty Global, are required by the provisions of GAAP to consolidate the Telenet SPEs. Accordingly, the amounts outstanding under Facilities M, O, P, U and V have been eliminated in Liberty Global's consolidated financial statements.

Pursuant to the respective indentures for the Telenet SPE Notes (the Telenet SPE Indentures) and the respective accession agreements for the Telenet SPE Funded Facilities, the call provisions, maturity and applicable interest rate for each Telenet SPE Funded Facility are the same as those of the related Telenet SPE Notes. The Telenet SPEs, as lenders under the Telenet Credit Facility, are treated the same as the other lenders under the Telenet Credit Facility, with benefits, rights and protections similar to those afforded to the other lenders. Through the covenants in the applicable Telenet SPE Indenture and the applicable security interests over (i) all of the issued shares of the relevant Telenet SPE and (ii) the relevant Telenet SPE's rights under the applicable Telenet SPE Funded Facility granted to secure the obligations of the relevant Telenet SPE under the relevant Telenet SPE Notes, the holders of the Telenet SPE Notes are provided indirectly with the benefits, rights, protections and covenants, granted to the Telenet SPEs as lenders under the Telenet Credit Facility.

The Telenet SPEs are prohibited from incurring any additional indebtedness, subject to certain exceptions, under the Telenet SPE Indentures.

Subject to the circumstances described below, the Telenet Finance Notes may not be redeemed prior to November 15, 2015, the Telenet Finance III Notes may not be redeemed prior to February 15, 2016, the Telenet Finance IV Notes may not be redeemed prior to June 15, 2014, the 6.25% Telenet Finance V Notes may not be redeemed prior to August 15, 2017 (except as described above) and the 6.75% Telenet Finance V Notes may not be redeemed prior to August 15, 2018 (each a Telenet SPE Notes Call Date). If, however, at any time prior to the applicable Telenet SPE Notes Call Date, a voluntary prepayment of all or a portion of the loans under the related Telenet SPE Funded Facility occurs, then the applicable Telenet SPE will be required to redeem an aggregate principal amount of its Telenet SPE Notes equal to the principal amount of the loans so prepaid under the related Telenet SPE Funded Facility. The redemption price payable will equal the sum of (i) 100% of the principal amount of the applicable Telenet SPE Notes to be redeemed, (ii) the excess of (a) the present value at such redemption date of (1) the redemption price of such Telenet SPE Notes on the applicable Telenet SPE Notes Call Date, as determined in accordance with the table below, plus (2) all required remaining scheduled interest payments thereon due through the applicable Telenet SPE Notes Call Date (excluding accrued and unpaid interest to such redemption date), computed using the discount rate specified in the applicable Telenet SPE Indenture, over (b) the principal amount of such Telenet SPE Notes to be redeemed and (iii) accrued and unpaid interest thereon and additional amounts (as specified in the applicable Telenet SPE Indenture), if any, to the applicable redemption date.

On or after (i) the applicable Telenet SPE Notes Call Date, upon the voluntary prepayment of all or a portion of the loans under the related Telenet SPE Funded Facility, the applicable Telenet SPE will redeem an aggregate principal amount of its Telenet SPE Notes equal to the principal amount of the loans so prepaid and (ii) in the case of the Telenet SPE Notes, additional amounts (as specified in the applicable Telenet SPE Indenture), if any, to the applicable redemption date, if redeemed during the twelve-month period commencing on (a) November 15 for the Telenet Finance Notes, (b) February 15 for the Telenet Finance III Notes, (c) June 15 for the Telenet Finance IV Notes and (d) August 15 for the Telenet Finance V Notes, of the years set forth below:

	Redemption Price				
Year	**Telenet Finance Notes**	**Telenet Finance III Notes**	**Telenet Finance IV Notes**	**6.25% Telenet Finance V Notes**	**6.75% Telenet Finance V Notes**
2015	103.188%	N.A.	101.000%	N.A.	N.A.
2016	102.125%	103.313%	100.000%	N.A.	N.A.
2017	101.063%	102.209%	100.000%	103.125%	N.A.
2018	100.000%	101.104%	100.000%	102.083%	103.375%
2019	100.000%	100.000%	100.000%	101.563%	102.531%
2020	100.000%	100.000%	100.000%	100.000%	101.688%
2021	N.A.	100.000%	100.000%	100.000%	100.844%
2022 and thereafter	N.A.	N.A.	N.A.	100.000%	100.000%

The details of the Telenet SPE Notes as of December 31, 2014 are summarized in the following table:

			Outstanding principal amount			
Telenet SPEs Notes	**Maturity**	**Interest rate**	**Borrowing currency**	**U.S. $ equivalent**	**Estimated fair value**	**Carrying value**
				in millions		
Telenet Finance Notes	November 15, 2020	6.375%	€ 500.0	$ 605.0	$ 639.8	$ 605.0
Telenet Finance III Notes	February 15, 2021	6.625%	€ 300.0	363.0	387.0	363.0
Telenet Finance IV Notes	June 15, 2021	EURIBOR + 3.875%	€ 400.0	484.0	487.0	484.0
6.25% Telenet Finance V Notes	August 15, 2022	6.250%	€ 450.0	544.5	595.9	544.5
6.75% Telenet Finance V Notes	August 15, 2024	6.750%	€ 250.0	302.5	340.7	302.5
Total				$ 2,299.0	$ 2,450.4	$ 2,299.0

VTR Finance Senior Secured Notes

On January 24, 2014, VTR Finance B.V. (VTR Finance) issued $1.4 billion principal amount of 6.875% senior secured notes due January 15, 2024 (the VTR Finance Senior Secured Notes) pursuant to an indenture dated January 24, 2014 (the VTR Indenture). The net proceeds from the issuance of the VTR Finance Senior Secured Notes were used, together with existing cash of our subsidiaries, to repay all of the outstanding indebtedness under Facilities R, S and AE of the UPC Broadband Holding Bank Facility in connection with the extraction of VTR Finance and its subsidiaries from the UPC Holding credit pool.

Taking into account the derivative contracts that we entered into in connection with the VTR Finance Senior Secured Notes, our effective borrowing cost for the VTR Finance Senior Secured Notes is 10.94%.

The VTR Finance Senior Secured Notes are senior obligations of VTR Finance and rank equally with all other existing and future debt of VTR Finance that is not subordinated in right of payment to the VTR Finance Senior Secured Notes and senior in right of payment to all existing and future subordinated debt of VTR Finance. The VTR Finance Senior Secured Notes are secured by a first-ranking pledge over all the shares of VTR Finance and VTR Finance's subsidiary, United Chile LLC.

At any time prior to January 15, 2019, VTR Finance may redeem some or all of the VTR Finance Senior Secured Notes by paying a "make-whole" premium, which is the present value of all remaining scheduled interest payments to January 15, 2019 using the discount rate (as specified in the VTR Indenture) as of the applicable redemption date plus 50 basis points.

At any time prior to January 15, 2019, VTR Finance may redeem during each twelve-month period commencing on January 24, 2014 up to 10% of the principal amount of the VTR Finance Senior Secured Notes at a redemption price equal to 103% of the principal amount thereof plus accrued and unpaid interest.

VTR Finance may redeem all or part of the VTR Finance Senior Secured Notes at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and additional amounts (as specified in the VTR Indenture), if any, to the applicable redemption date, if redeemed during the twelve-month period commencing January 15 of the years set forth below:

Year	Redemption price
2019	103.438%
2020	102.292%
2021	101.146%
2022 and thereafter	100.000%

VTR Credit Facility

The VTR Credit Facility is the senior secured credit facility of VTR and certain of its subsidiaries and consists of the VTR Dollar Credit Facility and the VTR CLP Credit Facility. The VTR Dollar Credit Facility and the VTR CLP Credit Facility have fees on unused commitments of 1.1% and 1.34% per year, respectively. The interest rate for the VTR Dollar Credit Facility is LIBOR plus a margin of 2.75%. The interest rate for the VTR CLP Credit Facility is the applicable interbank offered rate for Chilean pesos in the relevant interbank market plus a margin of 3.35%. Borrowings under the VTR Dollar Credit Facility and the VTR CLP Credit Facility mature in January 2020 and January 2019, respectively.

Liberty Puerto Rico Bank Facility

At December 31, 2014, the Liberty Puerto Rico Bank Facility consists of (i) a $530.0 million first lien term loan that matures on January 7, 2022 (the LPR Term Loan B), (ii) a $145.0 million second lien term loan that matures on July 7, 2023 (the LPR Term Loan C) and (iii) a $40.0 million revolving credit facility (the LPR Revolving Loan), which revolving facility was undrawn at December 31, 2014. The net proceeds from LPR Term Loan B and LPR Term Loan C were used to repay all amounts previously outstanding under the Liberty Puerto Rico Bank Facility. The LPR Term Loan B and LPR Term Loan C, each of which were issued at 99.5% of par, bear interest at LIBOR plus 3.50% and LIBOR plus 6.75%, respectively, and are subject to a LIBOR floor of 1.0%. The LPR Revolving Loan, which matures on July 7, 2020 and bears interest at LIBOR plus 3.50%, has a fee on unused

commitments of 0.50% or 0.375% depending on the consolidated total net leverage ratio (as specified in the Liberty Puerto Rico Bank Facility).

In addition to customary restrictive covenants, prepayment requirements and events of default, including defaults on other indebtedness of Liberty Puerto Rico and its subsidiaries, the Liberty Puerto Rico Bank Facility requires compliance with the following financial covenants: (i) consolidated total net leverage ratio and (ii) consolidated first lien net leverage ratio, each as specified in the Liberty Puerto Rico Bank Facility. The Liberty Puerto Rico Bank Facility permits Liberty Puerto Rico to transfer funds to its parent company (and indirectly to Liberty Global) through loans, dividends or other distributions provided that Liberty Puerto Rico maintains compliance with applicable covenants.

The Liberty Puerto Rico Bank Facility is secured by pledges over (i) the Liberty Puerto Rico shares indirectly owned by our company and (ii) certain other assets owned by Liberty Puerto Rico.

In December 2014, we entered into additional facilities under the Liberty Puerto Rico Bank Facility in connection with our execution of the agreement to acquire Choice. These facilities provide for $257.5 million of aggregate borrowing availability subject to the completion of the Choice Acquisition. For additional information regarding the Choice Acquisition, see note 4.

Refinancing Transactions. During 2014 and 2012, we completed refinancing transactions that generally resulted in additional borrowings or extended maturities under the Liberty Puerto Rico Bank Facility. In connection with these transactions, we recognized losses on debt modification, extinguishment and conversion, net, of $9.8 million and $4.4 million during 2014 and 2012, respectively. These losses include (i) third-party costs of $7.1 million and $3.8 million, respectively, (ii) the write-offs of deferred financing costs of $3.6 million and $0.6 million, respectively and (iii) the write-offs of unamortized premiums of $0.9 million and nil, respectively.

Maturities of Debt and Capital Lease Obligations

Maturities of our debt and capital lease obligations as of December 31, 2014 are presented below for the named entity and its subsidiaries, unless otherwise noted. Amounts presented below represent U.S. dollar equivalents based on December 31, 2014 exchange rates:

Debt:

	Virgin Media	UPC Holding (a)	Unitymedia KabelBW	Ziggo	Telenet (b)	Other	Total
				in millions			
Year ending December 31:							
2015	$ 406.5	$ 436.0	$ 455.5	$ —	$ 9.0	$ 43.3	$ 1,350.3
2016	—	—	—	—	9.0	351.0	360.0
2017	—	—	—	—	9.0	908.1	917.1
2018	—	—	—	—	9.0	239.5	248.5
2019	584.3	—	—	—	20.5	—	604.8
Thereafter	12,262.7	9,595.4	7,402.5	5,755.9	4,040.2	2,074.8	41,131.5
Total debt maturities	13,253.5	10,031.4	7,858.0	5,755.9	4,096.7	3,616.7	44,612.2
Unamortized premium (discount)	19.8	(15.2)	(1.6)	31.9	(3.4)	(32.3)	(0.8)
Total debt	$ 13,273.3	$ 10,016.2	$ 7,856.4	$ 5,787.8	$ 4,093.3	$ 3,584.4	$ 44,611.4
Current portion (c)	$ 408.6	$ 436.0	$ 455.5	$ —	$ 9.0	$ 43.3	$ 1,352.4
Noncurrent portion	$ 12,864.7	$ 9,580.2	$ 7,400.9	$ 5,787.8	$ 4,084.3	$ 3,541.1	$ 43,259.0

(a) Amounts include the UPCB SPE Notes issued by the UPCB SPEs. As described above, the UPCB SPEs are consolidated by UPC Holding.

(b) Amounts include certain senior secured notes issued by special purpose financing entities that are consolidated by Telenet.

(c) Includes the $338.8 million principal amount outstanding under the revolving credit facilities of our subsidiaries.

Capital lease obligations:

	Unitymedia KabelBW	Telenet	Virgin Media	Other	Total
			in millions		
Year ending December 31:					
2015	$ 88.7	$ 66.7	$ 122.7	$ 22.3	$ 300.4
2016	88.7	65.2	69.5	20.1	243.5
2017	88.7	63.4	29.6	13.1	194.8
2018	88.7	60.0	6.6	5.8	161.1
2019	88.7	49.6	4.4	2.9	145.6
Thereafter	965.9	252.5	222.1	21.8	1,462.3
Total principal and interest payments	1,409.4	557.4	454.9	86.0	2,507.7
Amounts representing interest	(599.3)	(144.0)	(199.6)	(17.2)	(960.1)
Present value of net minimum lease payments	$ 810.1	$ 413.4	$ 255.3	$ 68.8	$ 1,547.6
Current portion	$ 27.1	$ 41.3	$ 111.6	$ 18.5	$ 198.5
Noncurrent portion	$ 783.0	$ 372.1	$ 143.7	$ 50.3	$ 1,349.1

Non-cash Refinancing Transactions

During 2014, 2013 and 2012, certain of our refinancing transactions included non-cash borrowings and repayments of debt aggregating $5,418.8 million, $5,061.5 million and $3,793.4 million, respectively. During 2013, we also recorded a $3,557.5 million non-cash increase to our debt as a result of certain financing transactions completed in contemplation of the execution of the Virgin Media Merger Agreement. For additional information, see note 4.

(11) Income Taxes

As a result of the Virgin Media Acquisition, pursuant to which Liberty Global became the publicly-held parent company of the successors by merger of LGI and Virgin Media, our statutory tax rate changed during 2013 from the U.S. federal income tax rate of 35.0% to the U.K. statutory income tax rate. The U.K. statutory income tax rate is currently 21.0%. Liberty Global has filed income tax returns in the U.K. and U.S. for 2014 and 2013, and LGI will continue to file consolidated income tax returns in the U.S. The income taxes of Liberty Global and its subsidiaries are presented on a separate return basis for each tax-paying entity or group.

The components of our loss from continuing operations before income taxes are as follows:

	Year ended December 31,		
	2014	2013	2012
		in millions	
U.S.	$ (1,105.6)	$ (306.3)	$ (73.3)
The Netherlands	(644.5)	799.9	(152.3)
U.K.	585.7	(976.0)	(11.6)
Switzerland	326.1	284.3	274.8
Germany	(294.7)	(355.8)	(498.4)
Belgium	21.5	89.5	96.9
Other	55.6	(62.1)	(145.0)
Total	$ (1,055.9)	$ (526.5)	$ (508.9)

Income tax benefit (expense) consists of:

	Current	Deferred	Total
		in millions	
Year ended December 31, 2014:			
Continuing operations:			
U.K.	$ (2.1)	$ 113.4	$ 111.3
U.S. (a)	(22.5)	129.6	107.1
Belgium	(138.7)	31.7	(107.0)
Switzerland	(76.8)	3.1	(73.7)
The Netherlands	11.1	42.5	53.6
Germany	(22.6)	37.0	14.4
Other	(24.0)	(6.7)	(30.7)
Total — continuing operations	$ (275.6)	$ 350.6	$ 75.0
Discontinued operations	$ —	$ (0.1)	$ (0.1)
Year ended December 31, 2013:			
Continuing operations:			
U.K.	$ (2.4)	$ (245.2)	$ (247.6)
Belgium	(97.1)	(16.2)	(113.3)
The Netherlands	0.5	97.3	97.8
Switzerland	(53.6)	(4.4)	(58.0)
Germany	(13.2)	(38.1)	(51.3)
U.S. (a)	(106.0)	104.9	(1.1)
Other	(65.1)	83.1	18.0
Total — continuing operations	$ (336.9)	$ (18.6)	$ (355.5)
Discontinued operations	$ (20.5)	$ (2.2)	$ (22.7)
Year ended December 31, 2012:			
Continuing operations:			
Germany	$ 4.0	$ 119.6	$ 123.6
The Netherlands	(8.2)	(67.6)	(75.8)
Switzerland	(8.7)	(63.7)	(72.4)
Belgium	(1.5)	(54.5)	(56.0)
U.S. (a)	38.2	(44.6)	(6.4)
U.K.	(0.1)	(0.7)	(0.8)
Other	(62.7)	75.5	12.8
Total — continuing operations	$ (39.0)	$ (36.0)	$ (75.0)
Discontinued operations	$ (14.8)	$ (13.3)	$ (28.1)

(a) Includes federal and state income taxes. Our U.S. state income taxes were not material during any of the years presented.

Income tax benefit (expense) attributable to our loss from continuing operations before income taxes differs from the amounts computed using the applicable income tax rate as a result of the following factors:

	Year ended December 31,		
	2014	2013	2012
		in millions	
Computed "expected" tax benefit (a)	$ 221.7	$ 121.1	$ 178.1
Change in valuation allowances (b):			
Decrease	(373.1)	(112.6)	(148.3)
Increase	11.9	31.7	25.6
International rate differences (b) (c):			
Increase	266.4	148.2	60.6
Decrease	(27.6)	(50.8)	(81.8)
Non-deductible or non-taxable interest and other expenses (b):			
Decrease	(236.5)	(133.5)	(84.7)
Increase	58.0	85.2	2.4
Tax effect of intercompany financing	166.9	82.7	—
Basis and other differences in the treatment of items associated with investments in subsidiaries and affiliates	(135.4)	(4.0)	(24.6)
Non-deductible or non-taxable foreign currency exchange results (b):			
Increase	71.9	0.5	—
Decrease	(16.3)	(56.1)	(10.4)
Recognition of previously unrecognized tax benefits	29.5	—	—
Enacted tax law and rate changes (d)	23.9	(377.8)	12.3
Change in subsidiary tax attributes due to a deemed change in control	—	(88.0)	—
Other, net	13.7	(2.1)	(4.2)
Total income tax benefit (expense)	$ 75.0	$ (355.5)	$ (75.0)

____

(a) The statutory or "expected" tax rates are the U.K. rate of 21.0%, the U.K. rate of 23.0% and the U.S. rate of 35.0% for 2014, 2013 and 2012, respectively.

(b) Country jurisdictions giving rise to increases are grouped together and shown separately from country jurisdictions giving rise to decreases.

(c) Amounts reflect adjustments (either an increase or a decrease) to "expected" tax benefit for statutory rates in jurisdictions in which we operate outside of the U.K. for 2014 and 2013 and outside of the U.S. for 2012.

(d) In April 2014, the U.K. corporate income tax rate decreased from 23.0% to 21.0%, with a further decline to 20.0% scheduled for April 2015. Substantially all of the impact of these rate changes on our deferred tax balances was recorded in the third quarter of 2013.

The current and non-current components of our deferred tax assets are as follows:

	December 31,	
	2014	2013
	in millions	
Current deferred tax assets	$ 290.3	$ 226.1
Non-current deferred tax assets (a)	2,587.0	2,641.8
Current deferred tax liabilities (a)	(0.6)	(1.5)
Non-current deferred tax liabilities (a)	(2,369.4)	(1,554.2)
Net deferred tax asset	$ 507.3	$ 1,312.2

____

(a) Our current deferred tax liabilities are included in other accrued and current liabilities, and our non-current deferred tax assets and liabilities are included in other assets, net, and other long-term liabilities, respectively, in our consolidated balance sheets.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below:

	December 31,	
	2014	2013
	in millions	
Deferred tax assets:		
Net operating loss and other carryforwards	$ 6,637.9	$ 7,286.1
Property and equipment, net	3,469.2	3,470.7
Debt	1,189.0	837.7
Derivative instruments	345.9	518.4
Intangible assets	149.6	187.5
Other future deductible amounts	265.3	265.0
Deferred tax assets	12,056.9	12,565.4
Valuation allowance	(6,679.4)	(7,052.8)
Deferred tax assets, net of valuation allowance	5,377.5	5,512.6
Deferred tax liabilities:		
Intangible assets	(2,338.2)	(1,471.1)
Property and equipment, net	(1,861.4)	(1,945.3)
Investments	(367.6)	(400.7)
Derivative instruments	(142.7)	(129.5)
Other future taxable amounts	(160.3)	(253.8)
Deferred tax liabilities	(4,870.2)	(4,200.4)
Net deferred tax asset	$ 507.3	$ 1,312.2

Our deferred income tax valuation allowance decreased $373.4 million in 2014. This decrease reflects the net effect of (i) foreign currency translation adjustments, (ii) the net tax expense related to our continuing operations of $361.2 million, (iii) acquisitions, (iv) expiration of net operating losses and (v) other individually insignificant items.

Virgin Media had property and equipment on which future U.K. tax deductions can be claimed of $21.6 billion and $22.2 billion at December 31, 2014 and 2013, respectively. The maximum amount of these "capital allowances" that can be claimed in any one year is 18% of the remaining balance, after additions, disposals and prior claims. The tax effects of these capital allowances are included in the 2014 and 2013 deferred tax assets related to property and equipment, net, in the above table.

At December 31, 2014, our unrecognized excess tax benefits aggregated $141.7 million. These excess tax benefits, which represent tax deductions in excess of the financial reporting expense for share-based compensation, will not be recognized for financial reporting purposes until such time as these tax benefits can be realized as a reduction of income taxes payable. The tax effects of these unrecognized excess tax benefits are not included in the above table.

The significant components of our tax loss carryforwards and related tax assets at December 31, 2014 are as follows:

Country	Tax loss carryforward	Related tax asset	Expiration date
	in millions		
U.K.	$ 21,119.2	$ 4,223.8	Indefinite
The Netherlands	3,025.8	756.4	2015-2023
Germany	2,670.1	424.8	Indefinite
U.S.	1,550.3	405.1	2019-2034
Luxembourg	1,030.7	301.2	Indefinite
France	585.1	201.4	Indefinite
Belgium	506.3	172.1	Indefinite
Ireland	466.0	58.2	Indefinite
Hungary	209.8	39.9	2025
Other	240.7	55.0	Various
Total	$ 31,404.0	$ 6,637.9	

Our tax loss carryforwards within each jurisdiction combine all companies' tax losses (both capital and ordinary losses) in that jurisdiction, however, certain tax jurisdictions limit the ability to offset taxable income of a separate company or different tax group with the tax losses associated with another separate company or group. The majority of the tax losses shown in the above table are not expected to be realized, including certain losses that are limited in use due to change in control or same business tests.

We intend to indefinitely reinvest earnings from certain non-U.S. operations except to the extent the earnings are subject to current income taxes. At December 31, 2014, income and withholding taxes for which a net deferred tax liability might otherwise be required have not been provided on an estimated $11.1 billion of cumulative temporary differences (including, for this purpose, any difference between the aggregate tax basis in stock of a consolidated subsidiary and the corresponding amount of the subsidiary's net equity determined for financial reporting purposes) on non-U.S. entities. The determination of the additional withholding tax that would arise upon a reversal of temporary differences is impractical to estimate as it is subject to offset by available foreign tax credits and subject to certain limitations.

In general, a U.K. or U.S. corporation may claim a foreign tax credit against its income tax expense for foreign income taxes paid or accrued. A U.S. corporation may also claim a credit for foreign income taxes paid or accrued on the earnings of a foreign corporation paid to the U.S. corporation as a dividend.

Our ability to claim a foreign tax credit for dividends received from our foreign subsidiaries or foreign taxes paid or accrued is subject to various significant limitations under U.S. tax laws including a limited carry back and carry forward period. Some of our operating companies are located in countries with which the U.K. or U.S. does not have income tax treaties. Because we lack treaty protection in these countries, we may be subject to high rates of withholding taxes on distributions and other payments from these operating companies and may be subject to double taxation on our income. Limitations on the ability to claim a foreign tax credit, lack of treaty protection in some countries, and the inability to offset losses in one jurisdiction against income earned in another jurisdiction could result in a high effective tax rate on our earnings. Since a significant portion of our revenue is generated outside of the U.K. and substantially all of our revenue is generated outside the U.S., including in jurisdictions that do not have tax treaties with the U.K. or U.S., these risks are greater for us than for companies that generate most of their revenue in the U.K. or U.S. or in jurisdictions that have these treaties.

Through our subsidiaries, we maintain a presence in many countries. Many of these countries maintain highly complex tax regimes that differ significantly from the system of income taxation used in the U.K. and the U.S. We have accounted for the

effect of these taxes based on what we believe is reasonably expected to apply to us and our subsidiaries based on tax laws currently in effect and reasonable interpretations of these laws. Because some jurisdictions do not have systems of taxation that are as well established as the system of income taxation used in the U.K., U.S. or tax regimes used in other major industrialized countries, it may be difficult to anticipate how other jurisdictions will tax our and our subsidiaries' current and future operations.

Although we intend to take reasonable tax planning measures to limit our tax exposures, no assurance can be given that we will be able to do so.

We and our subsidiaries file consolidated and standalone income tax returns in various jurisdictions. In the normal course of business, our income tax filings are subject to review by various taxing authorities. In connection with such reviews, disputes could arise with the taxing authorities over the interpretation or application of certain income tax rules related to our business in that tax jurisdiction. Such disputes may result in future tax and interest and penalty assessments by these taxing authorities. The ultimate resolution of tax contingencies will take place upon the earlier of (i) the settlement date with the applicable taxing authorities in either cash or agreement of income tax positions or (ii) the date when the tax authorities are statutorily prohibited from adjusting the company's tax computations.

In general, tax returns filed by our company or our subsidiaries for years prior to 2008 are no longer subject to examination by tax authorities. Certain of our subsidiaries are currently involved in income tax examinations in various jurisdictions in which we operate, including Germany (2008 through 2010), the Netherlands (2011 through 2014), Slovakia (2011), Switzerland (2011 through 2012) and the U.S. (2009 through 2014). Except as noted below, any adjustments that might arise from the foregoing examinations are not expected to have a material impact on our consolidated financial position or results of operations. In the U.S., the consolidated income tax returns of LGI for 2009 through 2014 are under examination and, during the fourth quarter of 2013, we received two notifications from the Internal Revenue Service (IRS) regarding proposed adjustments to the 2010 and 2009 taxable income of LGI. We are in discussions with the IRS with respect to these proposed adjustments. While we believe that the resolution of these proposed adjustments will not have a material impact on our consolidated financial position, results of operations or cash flows, no assurance can be given that this will be the case given the amounts involved and the complex nature of the related issues.

The changes in our unrecognized tax benefits are summarized below:

	2014	2013	2012
		in millions	
Balance at January 1	$ 490.9	$ 359.7	$ 400.6
Additions for tax positions of prior years	64.5	41.5	5.5
Reductions for tax positions of prior years	(50.2)	(14.2)	(124.2)
Additions based on tax positions related to the current year	38.2	102.3	89.9
Foreign currency translation	(27.0)	7.9	2.9
Lapse of statute of limitations	(1.9)	(6.3)	(15.0)
Settlements with tax authorities	(1.0)	—	—
Balance at December 31	$ 513.5	$ 490.9	$ 359.7

No assurance can be given that any of these tax benefits will be recognized or realized.

As of December 31, 2014, our unrecognized tax benefits included $332.9 million of tax benefits that would have a favorable impact on our effective income tax rate if ultimately recognized, after considering amounts that we would expect to be offset by valuation allowances and other factors.

During 2015, it is reasonably possible that the resolution of ongoing examinations by tax authorities as well as expiration of statutes of limitation could result in significant reductions to our unrecognized tax benefits related to tax positions taken as of December 31, 2014. The amount of any such reductions could range up to $230 million. Other than the potential impacts of these ongoing examinations and the expected expiration of certain statutes of limitation, we do not expect any material changes to our

unrecognized tax benefits during 2015. No assurance can be given as to the nature or impact of any changes in our unrecognized tax positions during 2015.

During 2014, 2013 and 2012, the income tax benefit (expense) of our continuing operations includes net income tax expense of $10.9 million, $14.0 million and $7.7 million, respectively, representing the net accrual of interest and penalties during the period. Our other long-term liabilities include accrued interest and penalties of $51.7 million at December 31, 2014.

(12) Equity

Capitalization

Our authorized share capital consists of an aggregate nominal amount of $20.0 million, consisting of any of the following: (i) Liberty Global Class A ordinary shares, Liberty Global Class B ordinary shares and Liberty Global Class C ordinary shares, each with a nominal value of $0.01 per share, (ii) Liberty Global preferred shares, with a nominal value of $0.01 per share, the issuance of one or more classes or series of which as may be authorized by the board of directors, and (iii) any other shares of one or more classes as may be determined by the board of directors or by the shareholders of Liberty Global.

Under Liberty Global's Articles of Association, holders of Liberty Global Class A ordinary shares are entitled to one vote for each such share held, and holders of Liberty Global Class B ordinary shares are entitled to 10 votes for each such share held, on all matters submitted to a vote of Liberty Global shareholders at any general meeting (annual or special). Holders of Liberty Global Class C ordinary shares are not entitled to any voting powers.

Each Liberty Global Class B ordinary share is convertible into one Liberty Global Class A ordinary share at the option of the holder. One Liberty Global Class A ordinary share is reserved for issuance for each Liberty Global Class B ordinary share that is issued (10,139,184 shares issued as of December 31, 2014). At December 31, 2014, there were (i) 1,726,259 and 3,946,192 Liberty Global Class A and Class C ordinary shares, respectively, reserved for issuance pursuant to outstanding stock options, (ii) 8,396,737 and 23,055,293 Liberty Global Class A and Class C ordinary shares, respectively, reserved for issuance pursuant to outstanding SARs and PSARs, and (iii) 2,554,963, 1,000,000 and 3,829,770 Liberty Global Class A, Class B and Class C ordinary shares, respectively, reserved for issuance pursuant to outstanding PSUs, PGUs and RSUs.

Subject to any preferential rights of any outstanding class of our preferred shares, the holders of Liberty Global Class A, Class B and Class C ordinary shares will be entitled to such dividends as may be declared from time to time by our board of directors from funds available therefor. Except with respect to certain share distributions, whenever a dividend is paid to the holder of one class of our ordinary shares, we shall also pay to the holders of the other classes of our ordinary shares an equal per share dividend. There are currently no contractual restrictions on our ability to pay dividends in cash or shares.

In the event of our liquidation, dissolution and winding up, after payment or provision for payment of our debts and liabilities and subject to the prior payment in full of any preferential amounts to which our preferred shareholders may be entitled, the holders of Liberty Global Class A, Class B and Class C ordinary shares will share equally, on a share for share basis, in our assets remaining for distribution to the holders of Liberty Global ordinary shares.

Acquisition of Interests in VTR and VTR Wireless

On March 14, 2014, a subsidiary of VTR Finance acquired each of the 20.0% noncontrolling ownership interests in VTR and VTR Wireless SpA (VTR Wireless) from Inversiones Corp Comm 2 SpA (the VTR NCI Acquisition), formerly known as Corp Comm S.A. (the VTR NCI Owner). VTR Wireless was an indirect subsidiary of Liberty Global that was merged with a subsidiary of VTR in December 2014. The consideration for the VTR NCI Acquisition was satisfied by the allotment and issuance of 10,091,178 Liberty Global Class C ordinary shares to the VTR NCI Owner. The VTR NCI Acquisition has been accounted for as an equity transaction, the net effect of which was to record the issued Liberty Global Class C shares at the $185.4 million carrying value of the acquired noncontrolling interests.

Share Repurchases

During 2014, 2013 and 2012, our board of directors authorized various share repurchase programs, the most recent of which provides for the repurchase of up to $4.5 billion (before direct acquisition costs) of Liberty Global Class A and/or Class C ordinary shares. Under these plans, we receive authorization to acquire up to the specified amount of Liberty Global Class A and Class C ordinary shares or other authorized securities from time to time through open market or privately negotiated transactions, which may include derivative transactions. The timing of the repurchase of shares or other securities pursuant to our equity repurchase programs, which may be suspended or discontinued at any time, is dependent on a variety of factors, including market conditions. As of December 31, 2014, the remaining amount authorized for share repurchases was $1,933.7 million. Subsequent to December 31, 2014, our board of directors authorized an additional $2.0 billion of availability for share repurchases.

As a U.K. incorporated company, we may only elect to repurchase shares or pay dividends to the extent of our "Distributable Reserves." Distributable Reserves, which are not linked to a GAAP reported amount, may be created through the earnings of the U.K. parent company and, amongst other methods, through a reduction in share premium approved by the English Companies Court. Based on the amounts set forth in our 2013 U.K. Companies Act Report that was filed with the U.K. Companies House on May, 7, 2014, which are our most recent "Relevant Accounts" for the purposes of determining our Distributable Reserves under U.K. law, our Distributable Reserves are $28.7 billion. This amount does not reflect earnings, share repurchases, dividends or other activity that occurred in 2014, each of which impacts the amount of our Distributable Reserves.

The following table provides details of our share repurchases during 2014, 2013 and 2012:

	Liberty Global Class A ordinary shares or LGI Series A common stock		Liberty Global Class C ordinary shares or LGI Series C common stock		
Purchase date	**Shares purchased**	**Average price paid per share (a)**	**Shares purchased**	**Average price paid per share (a)**	**Total cost (a)**
					in millions
Shares purchased pursuant to repurchase programs during:					
2014	8,062,792	$ 42.19	28,401,019	$ 44.25	$ 1,596.9
2013	6,550,197	$ 37.70	24,761,397	$ 36.55	$ 1,151.9
2012	5,611,380	$ 27.30	32,782,838	$ 25.24	$ 980.7

(a) Includes direct acquisition costs and the effects of derivative instruments, where applicable.

Call Option Contracts

From time to time, we enter into call option contracts pursuant to which we contemporaneously (i) sell call options on shares of Liberty Global ordinary shares and (ii) purchase call options on an equivalent number of shares of Liberty Global ordinary shares with an exercise price of zero. These contracts can result in the receipt of cash and shares of Liberty Global ordinary shares. Shares acquired through the exercise of the call options are included in our share repurchases and the net gain on cash settled contracts is recorded as an increase to additional paid-in capital in our consolidated statements of equity.

Other

Telenet Tender. On December 17, 2012, Binan Investments B.V. (Binan), our wholly-owned subsidiary, launched a voluntary and conditional cash public offer (the Telenet Tender) for (i) all of Telenet's issued shares that Binan did not already own or that were not held by Telenet (the Telenet Bid Shares) and (ii) certain outstanding vested and unvested employee warrants (the Telenet Bid Warrants). The offer price for the Telenet Bid Shares was €35.00 ($42.35) per share. The offer prices for the Telenet Bid Warrants, which were calculated using the Black Scholes option pricing model and a price of €35.00 for each of the Telenet Bid Shares, ranged from €13.48 ($16.31) per share to €25.47 ($30.82) per share.

Pursuant to the Telenet Tender, which was completed on February 1, 2013, we paid aggregate consideration of €332.5 million ($454.6 million at the transaction date) to acquire (i) 9,497,637 of the Telenet Bid Shares, increasing our ownership interest in Telenet's issued and outstanding shares at such date to 58.4%, and (ii) 3,000 of the Telenet Bid Warrants. As we owned a controlling financial interest in Telenet prior to the launch of the Telenet Tender, we accounted for the impact of the acquisition of the additional Telenet shares as an equity transaction.

Telenet Share Repurchases. From time to time, Telenet's shareholders approve share repurchase programs. Under these programs, Telenet is able to acquire outstanding shares of up to a certain maximum threshold within a given period of time following the approval date.

Subsidiary Distributions. During 2013 and 2012, Telenet and VTR made certain cash distributions to their respective shareholders. Our share of these distributions was eliminated in consolidation and the noncontrolling interest owners' share of these distributions was reflected as a charge against noncontrolling interests in our consolidated statements of equity.

Restricted Net Assets

The ability of certain of our subsidiaries to distribute or loan all or a portion of their net assets to our company is limited by the terms of applicable debt facilities. At December 31, 2014, substantially all of our net assets represented net assets of our subsidiaries that were subject to such limitations.

(13) Share-based Compensation

Our share-based compensation expense is based on the share-based incentive awards held by our and our subsidiaries' employees, including share-based incentive awards related to Liberty Global shares and the shares of certain of our subsidiaries. The following table summarizes our share-based compensation expense:

	Year ended December 31,		
	2014	2013	2012
		in millions	
Liberty Global shares:			
Performance-based incentive awards (a)	$ 129.9	$ 58.6	$ 33.0
Other share-based incentive awards	99.7	182.9	46.0
Total Liberty Global shares (b)	229.6	241.5	79.0
Telenet share-based incentive awards (c)	14.6	56.5	31.2
Other	13.0	4.5	2.2
Total	$ 257.2	$ 302.5	$ 112.4
Included in:			
Continuing operations:			
Operating expense	$ 7.6	$ 12.1	$ 8.5
SG&A expense	249.6	288.6	101.6
Total - continuing operations	257.2	300.7	110.1
Discontinued operations (d)	—	1.8	2.3
Total	$ 257.2	$ 302.5	$ 112.4

____

(a) Includes share-based compensation expense related to (i) Liberty Global PSUs for all periods presented, (ii) a challenge performance award plan issued on June 24, 2013 for certain executive officers and key employees (the Challenge Performance Awards) and (iii) for 2014, the Performance Grant Units (PGUs), as described below. The Challenge Performance Awards include performance-based share appreciation rights (PSARs) and PSUs.

(b) In connection with the Virgin Media Acquisition, we issued Liberty Global share-based incentive awards (Virgin Media Replacement Awards) to employees and former directors of Virgin Media in exchange for corresponding Virgin Media

awards. Virgin Media recorded share-based compensation expense of $55.8 million during 2014, including compensation expense related to the Virgin Media Replacement Awards and new awards that were granted after the Virgin Media Replacement Awards were issued. During 2013, Virgin Media recorded share-based compensation expense of $134.3 million, primarily related to the Virgin Media Replacement Awards, including $80.1 million that was charged to expense in recognition of the Virgin Media Replacement Awards that were fully vested on June 7, 2013 or for which vesting was accelerated pursuant to the terms of the Virgin Media Merger Agreement on or prior to December 31, 2013.

(c) Represents the share-based compensation expense associated with Telenet's share-based incentive awards, including (i) warrants and employee stock options with 1,082,322 awards outstanding as of December 31, 2014 at a weighted average exercise price of €27.17 ($32.88), (ii) an employee share purchase plan, (iii) performance-based specific stock option plans for the Chief Executive Officer with 565,000 awards outstanding as of December 31, 2014 at a weighted average exercise price of €37.43 ($45.29) and (iv) performance-based stock options with 87,529 awards outstanding as of December 31, 2014. During 2013 and 2012, Telenet modified the terms of certain of its share-based incentive plans to provide for anti-dilution adjustments in connection with its shareholder returns. In connection with these anti-dilution adjustments, Telenet recognized share-based compensation expense of $32.7 million and $12.6 million, respectively, and continues to recognize additional share-based compensation expense as the underlying options vest. In addition, during 2013, Telenet recognized expense of $6.2 million related to the accelerated vesting of certain options.

(d) Amounts relate to the share-based compensation expense associated with the Liberty Global share-based incentive awards held by certain employees of the Chellomedia Disposal Group.

The following table provides certain information related to share-based compensation not yet recognized for share-based incentive awards related to Liberty Global ordinary shares as of December 31, 2014:

	Liberty Global ordinary shares (a)	Liberty Global performance-based awards (b)
Total compensation expense not yet recognized (in millions)	$ 132.7	$ 162.5
Weighted average period remaining for expense recognition (in years)	2.6	1.3

____

(a) Amounts relate to awards granted or assumed by Liberty Global under (i) the Liberty Global 2014 Incentive Plan, (ii) the Liberty Global 2014 Nonemployee Director Incentive Plan, (iii) the Liberty Global, Inc. 2005 Incentive Plan (as amended and restated effective June 7, 2013) (the Liberty Global 2005 Incentive Plan), (iv) the Liberty Global, Inc. 2005 Nonemployee Director Incentive Plan (as amended and restated effective June 7, 2013) (the Liberty Global 2005 Director Incentive Plan) and (v) certain other incentive plans of Virgin Media, including Virgin Media's 2010 stock incentive plan (the VM Incentive Plan). All new awards are granted under the Liberty Global 2014 Incentive Plan or the Liberty Global 2014 Nonemployee Director Incentive Plan. The Liberty Global 2014 Incentive Plan, the Liberty Global 2014 Nonemployee Director Incentive Plan, the Liberty Global 2005 Incentive Plan, the Liberty Global 2005 Director Incentive Plan and the VM Incentive Plan are described below.

(b) Amounts relate to (i) the Challenge Performance Awards, (ii) PSUs and (iii) the PGUs, as defined and described below.

The following table summarizes certain information related to the incentive awards granted and exercised with respect to Liberty Global ordinary shares:

	Year ended December 31,		
	2014	2013	2012
Assumptions used to estimate fair value of options, SARs and PSARs granted:			
Risk-free interest rate	0.81 - 1.77%	0.36 - 1.27%	0.37 - 1.68%
Expected life (a)	3.1 - 5.1 years	3.2 - 7.1 years	3.3 - 7.9 years
Expected volatility (a)	25.1 - 28.7%	26.5 - 35.8%	28.0 - 40.4%
Expected dividend yield	none	none	none
Weighted average grant-date fair value per share of awards granted:			
Options	$ 11.40	$ 11.09	$ 10.00
SARs	$ 8.93	$ 8.36	$ 7.18
PSARs	$ 8.15	$ 8.31	$ —
RSUs	$ 40.68	$ 35.74	$ 24.57
PSUs and PGUs	$ 42.47	$ 34.94	$ 25.09
Total intrinsic value of awards exercised (in millions):			
Options	$ 126.6	$ 175.0	$ 43.9
SARs	$ 48.7	$ 73.2	$ 52.0
PSARs	$ 0.4	$ —	$ —
Cash received from exercise of options (in millions)	$ 54.8	$ 81.0	$ 25.6
Income tax benefit related to share-based compensation (in millions)	$ 54.6	$ 48.0	$ 16.1

____

(a) The 2013 ranges shown for these assumptions exclude the awards for certain former employees of Virgin Media who were expected to exercise their awards immediately or soon after the Virgin Media Acquisition. For these awards, the assumptions used for expected life and volatility were essentially nil.

Share Incentive Plans — Liberty Global Ordinary Shares

Incentive Plans

As of December 31, 2014, we are authorized to grant incentive awards under the Liberty Global 2014 Incentive Plan and the Liberty Global 2014 Nonemployee Director Incentive Plan. Generally, we may grant non-qualified share options, SARs, restricted shares, RSUs, cash awards, performance awards or any combination of the foregoing under any of these incentive plans (collectively, awards). Ordinary shares issuable pursuant to awards made under these incentive plans will be made available from either authorized but unissued shares or shares that have been issued but reacquired by our company. Awards may be granted at or above fair value in any class of ordinary shares. The maximum number of Liberty Global shares with respect to which awards may be issued under the Liberty Global 2014 Incentive Plan and the Liberty Global 2014 Nonemployee Director Incentive Plan is 100 million (of which no more than 50 million shares may consist of Class B ordinary shares) and 10 million, respectively, in each case, subject to anti-dilution and other adjustment provisions in the respective plan. As of December 31, 2014, the Liberty Global 2014 Incentive Plan and the Liberty Global 2014 Nonemployee Director Incentive Plan had 89,582,279 and 9,745,984 ordinary shares available for grant, respectively.

Awards under the Liberty Global 2005 Incentive Plan and the Liberty Global 2005 Director Incentive Plan issued prior to June 2005 are fully vested and expire 10 years after the grant date. In connection with the Virgin Media Acquisition, we assumed the VM Incentive Plan. Awards under the VM Incentive Plan issued prior to June 7, 2013 have a 10-year term and become fully exercisable within five years of continued employment. Certain performance-based awards that were granted during the first quarter of 2013 were canceled upon completion of the Virgin Media Acquisition. These canceled awards were subsequently replaced by PSUs that were granted under the VM Incentive Plan on June 24, 2013. For the remaining performance-based awards

that were outstanding prior to June 7, 2013, the performance objectives lapsed upon the completion of the Virgin Media Acquisition and such awards vest on the third anniversary of the grant date. No further awards will be granted under the Liberty Global 2005 Incentive Plan, the Liberty Global 2005 Director Incentive Plan or the VM Incentive Plan.

Awards (other than performance-based awards) under the Liberty Global 2005 Incentive Plan issued after June 2005 and under the VM Incentive Plan after June 7, 2013 generally (i) vest 12.5% on the six month anniversary of the grant date and then vest at a rate of 6.25% each quarter thereafter and (ii) expire seven years after the grant date. Awards (other than RSUs) issued after June 2005 under the Liberty Global 2005 Director Incentive Plan generally vest in three equal annual installments, provided the director continues to serve as director immediately prior to the vesting date, and expire 10 years after the grant date. RSUs vest on the date of the first annual general meeting of shareholders following the grant date. These awards may be granted at or above fair value in any class of ordinary shares.

Awards (other than performance-based awards) under the Liberty Global 2014 Incentive Plan generally (i) vest 12.5% on the six month anniversary of the grant date and then vest at a rate of 6.25% each quarter thereafter and (ii) expire seven years after the grant date. Awards (other than RSUs) issued under the Liberty Global 2014 Nonemployee Director Incentive Plan generally vest in three equal annual installments, provided the director continues to serve as director immediately prior to the vesting date, and expire seven years after the grant date. RSUs vest on the date of the first annual general meeting of shareholders following the grant date. These awards may be granted at or above fair value in any class of ordinary shares.

Performance Awards

The following is a summary of the material terms and conditions with respect to our performance-based awards for certain executive officers and key employees. These awards were granted under the Liberty Global 2014 Incentive Plan, the Liberty Global 2005 Incentive Plan and the VM Incentive Plan.

Liberty Global PSUs. PSUs are granted to executive officers and key employees annually based on a target annual equity value for each executive and key employee, of which approximately two-thirds would be delivered in the form of an annual award of PSUs and approximately one-third in the form of an annual award of SARs. Each PSU represents the right to receive one Class A or Class C ordinary share, as applicable, subject to performance and vesting. Generally, the performance period for the PSUs covers a two-year period and the performance target is based on the achievement of a specified compound annual growth rate (CAGR) in a consolidated operating cash flow metric (as defined in the applicable underlying agreement), adjusted for events such as acquisitions, dispositions and changes in foreign currency exchange rates that affect comparability (OCF CAGR), and the participant's annual performance ratings during the two-year performance period. A performance range of 75% to 125% of the target OCF CAGR generally results in award recipients earning 50% to 150% of their respective PSUs, subject to reduction or forfeiture based on individual performance. The PSUs generally vest 50% on each of March 31 and September 30 of the year following the end of the performance period.

Liberty Global Challenge Performance Awards. Effective June 24, 2013, our compensation committee approved the Challenge Performance Awards, which consisted solely of PSARs for our senior executive officers and a combination of PSARs and PSUs for our other executive officers and key employees. Each PSU represents the right to receive one Class A ordinary share or one Class C ordinary share, as applicable, subject to performance and vesting. The performance criteria for the Challenge Performance Awards will be based on the participant's performance and achievement of individual goals in each of the years 2013, 2014 and 2015. Subject to forfeitures and the satisfaction of performance conditions, 100% of each participant's Challenge Performance Awards will vest on June 24, 2016. The PSARs have a term of seven years and base prices equal to the respective market closing prices of the applicable class on the grant date.

Liberty Global Performance Grant Award. Effective May 1, 2014, our compensation committee authorized the grant of PGUs to our Chief Executive Officer, comprising a total of one million Class A PSUs and one million Class B PSUs. The PGUs, which were subject to a performance condition that was achieved in 2014, will vest in three equal annual installments commencing on March 15, 2015.

Share-based Award Activity - Liberty Global Ordinary Shares

The following tables summarize the share-based award activity during 2014 with respect to Liberty Global ordinary shares:

Options — Class A ordinary shares	Number of shares	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value
			in years	in millions
Outstanding at January 1, 2014	2,708,445	$ 16.12		
Granted	78,677	$ 42.54		
Cancelled	(51,826)	$ 22.49		
Exercised	(1,009,037)	$ 14.61		
Outstanding at December 31, 2014	1,726,259	$ 18.01	5.4	$ 55.6
Exercisable at December 31, 2014	1,125,619	$ 13.84	4.5	$ 40.9

Options — Class C ordinary shares	Number of shares	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value
			in years	in millions
Outstanding at January 1, 2014	7,031,369	$ 14.95		
Granted	157,346	$ 40.86		
Cancelled	(128,419)	$ 21.13		
Exercised	(3,114,104)	$ 12.54		
Outstanding at December 31, 2014	3,946,192	$ 17.67	5.7	$ 120.9
Exercisable at December 31, 2014	2,452,721	$ 13.72	4.8	$ 84.8

SARs — Class A ordinary shares	Number of shares	Weighted average base price	Weighted average remaining contractual term	Aggregate intrinsic value
			in years	in millions
Outstanding at January 1, 2014	4,168,758	$ 24.78		
Granted	2,192,672	$ 40.90		
Forfeited	(203,409)	$ 32.22		
Exercised	(550,033)	$ 21.97		
Outstanding at December 31, 2014	5,607,988	$ 31.07	4.8	$ 107.3
Exercisable at December 31, 2014	2,527,237	$ 23.25	3.6	$ 68.1

SARs — Class C ordinary shares	Number of shares	Weighted average base price	Weighted average remaining contractual term	Aggregate intrinsic value
			in years	in millions
Outstanding at January 1, 2014	12,437,530	$ 23.87		
Granted	4,408,368	$ 39.07		
Forfeited	(566,688)	$ 22.52		
Exercised	(1,590,165)	$ 20.92		
Outstanding at December 31, 2014	14,689,045	$ 28.49	4.5	$ 291.2
Exercisable at December 31, 2014	7,308,864	$ 21.95	3.5	$ 192.7

PSARs — Class A ordinary shares	Number of shares	Weighted average base price	Weighted average remaining contractual term	Aggregate intrinsic value
			in years	in millions
Outstanding at January 1, 2014	2,817,498	$ 35.07		
Granted	10,000	$ 43.58		
Forfeited	(29,376)	$ 35.03		
Exercised	(9,373)	$ 35.03		
Outstanding at December 31, 2014	2,788,749	$ 35.10	5.5	$ 42.1
Exercisable at December 31, 2014	7,499	$ 35.03	1.8	$ 0.1

PSARs — Class C ordinary shares	Number of shares	Weighted average base price	Weighted average remaining contractual term	Aggregate intrinsic value
			in years	in millions
Outstanding at January 1, 2014	8,452,494	$ 33.44		
Granted	30,000	$ 43.03		
Forfeited	(88,127)	$ 33.41		
Exercised	(28,119)	$ 33.41		
Outstanding at December 31, 2014	8,366,248	$ 33.48	5.5	$ 124.1
Exercisable at December 31, 2014	22,498	$ 33.41	1.8	$ 0.3

RSUs — Class A ordinary shares	Number of shares	Weighted average grant-date fair value per share	Weighted average remaining contractual term
			in years
Outstanding at January 1, 2014	725,676	$ 35.48	
Granted	226,069	$ 41.77	
Forfeited	(44,428)	$ 33.32	
Released from restrictions	(342,047)	$ 35.07	
Outstanding at December 31, 2014	565,270	$ 38.27	4.6

RSUs — Class C ordinary shares	Number of shares	Weighted average grant-date fair value per share	Weighted average remaining contractual term
			in years
Outstanding at January 1, 2014	1,944,468	$ 32.79	
Granted	460,866	$ 40.14	
Forfeited	(122,418)	$ 30.93	
Released from restrictions	(895,913)	$ 32.36	
Outstanding at December 31, 2014	1,387,003	$ 35.59	4.5

PSUs and PGUs — Class A ordinary shares	Number of shares	Weighted average grant-date fair value per share	Weighted average remaining contractual term
			in years
Outstanding at January 1, 2014	924,648	$ 32.05	
Granted	1,518,276	$ 42.74	
Performance adjustment (a)	(138,668)	$ 26.17	
Forfeited	(40,627)	$ 35.77	
Released from restrictions	(273,936)	$ 26.24	
Outstanding at December 31, 2014	1,989,693	$ 41.34	1.8

PGUs — Class B ordinary shares	Number of shares	Weighted average grant-date fair value per share	Weighted average remaining contractual term
			in years
Outstanding at January 1, 2014	—	$ —	
Granted	1,000,000	$ 44.55	
Outstanding at December 31, 2014	1,000,000	$ 44.55	2.2

PSUs — Class C ordinary shares	Number of shares	Weighted average grant-date fair value per share	Weighted average remaining contractual term
			in years
Outstanding at January 1, 2014	2,744,452	$ 29.99	
Granted	1,048,614	$ 39.83	
Performance adjustment (a)	(416,004)	$ 24.73	
Forfeited	(112,487)	$ 33.15	
Released from restrictions	(821,808)	$ 24.79	
Outstanding at December 31, 2014	2,442,767	$ 36.71	1.3

____

(a) Represents the reduction in PSUs associated with the first quarter 2014 determination that 66.3% of the PSUs that were granted in 2012 (the 2012 PSUs) had been earned. As of December 31, 2014, all of the earned 2012 PSUs have been released from restrictions.

(14) Restructuring Liabilities

A summary of changes in our restructuring liabilities during 2014 is set forth in the table below:

	Employee severance and termination	Office closures	Contract termination and other	Total
	in millions			
Restructuring liability as of January 1, 2014	$ 26.6	$ 14.9	$ 72.0	$ 113.5
Restructuring charges	60.4	9.5	97.0	166.9
Cash paid	(66.3)	(10.8)	(34.4)	(111.5)
Ziggo liability at acquisition date	8.2	—	—	8.2
Foreign currency translation adjustments and other	(1.3)	(1.1)	(18.6)	(21.0)
Restructuring liability as of December 31, 2014	$ 27.6	$ 12.5	$ 116.0	$ 156.1
Current portion	$ 27.5	$ 4.4	$ 20.4	$ 52.3
Noncurrent portion	0.1	8.1	95.6	103.8
Total	$ 27.6	$ 12.5	$ 116.0	$ 156.1

Prior to March 31, 2014, Telenet operated a digital terrestrial television (DTT) business that served a limited number of subscribers. The DTT network was accessed by Telenet pursuant to third-party capacity contracts that were accounted for as operating agreements. On March 31, 2014, Telenet discontinued the provision of DTT services and, accordingly, recorded an $86.1 million restructuring charge during the three months ended March 31, 2014. This charge was equal to the then fair value of the remaining payments due under the DTT capacity contracts.

Our restructuring charges during 2014 include $17.5 million, $11.2 million, $10.7 million, $10.1 million and $9.8 million of employee severance and termination costs related to reorganization and integration activities, primarily in the U.K., the Netherlands, Germany, Chile and the European Operations Division's central operations, respectively.

A summary of changes in our restructuring liabilities during 2013 is set forth in the table below:

	Employee severance and termination	Office closures	Contract termination	Total
	in millions			
Restructuring liability as of January 1, 2013	$ 39.7	$ 4.0	$ 13.1	$ 56.8
Restructuring charges	77.9	(0.1)	100.9	178.7
Cash paid	(91.5)	(14.1)	(17.6)	(123.2)
Virgin Media liability at acquisition date	0.1	23.3	—	23.4
Foreign currency translation adjustments and other	1.2	1.8	(11.4)	(8.4)
Reclassification of Chellomedia Disposal Group to discontinued operations	(0.8)	—	(13.0)	(13.8)
Restructuring liability as of December 31, 2013	$ 26.6	$ 14.9	$ 72.0	$ 113.5
Current portion	$ 26.5	$ 13.2	$ 25.8	$ 65.5
Noncurrent portion	0.1	1.7	46.2	48.0
Total	$ 26.6	$ 14.9	$ 72.0	$ 113.5

As further described in note 9, we recorded restructuring charges totaling $84.9 million during the third and fourth quarters of 2013 as a result of VTR's decision to cease commercial use of its mobile network. These restructuring charges include the fair value of (i) the then remaining payments due under VTR's tower and real estate operating leases of $71.5 million and (ii) certain other required payments associated with VTR's mobile network. In addition, our restructuring charges during 2013 include $46.1 million, $14.1 million and $8.1 million of employee severance and termination costs related to reorganization and integration activities in the U.K., Germany and Chile, respectively.

(15) Defined Benefit Plans

Certain of our subsidiaries in Europe maintain various funded and unfunded defined benefit plans for their employees. Annual service cost for these employee benefit plans is determined using the projected unit credit actuarial method. The subsidiaries that maintain funded plans have established investment policies for plan assets. The investment strategies are long-term in nature and designed to meet the following objectives:

- Ensure that funds are available to pay benefits as they become due;
- Maximize the total returns on plan assets subject to prudent risk taking; and
- Preserve or improve the funded status of the trusts over time.

Our subsidiaries review the asset allocation within their respective portfolios on a regular basis. Generally, the portfolios will be rebalanced to a target allocation when an individual asset class approaches its minimum or maximum targeted level. Allocations to real estate occur over multiple time periods. Assets targeted to real estate, but not yet allocated, are invested in fixed income securities with corresponding adjustments to fixed income rebalancing guidelines.

The following is a summary of the funded status of our defined benefit plans:

	Year ended December 31,	
	2014	2013
	in millions	
Projected benefit obligation at beginning of period	$ 1,163.0	$ 384.6
Acquisition (a)	—	687.1
Service cost	22.3	25.8
Prior service cost	0.8	—
Interest cost	42.9	26.8
Actuarial loss (gain)	149.7	(4.8)
Participants' contributions	11.9	11.8
Benefits paid	(38.7)	(28.1)
Effect of changes in exchange rates	(104.3)	59.8
Projected benefit obligation at end of period	$ 1,247.6	$ 1,163.0
Accumulated benefit obligation at end of period	$ 1,226.1	$ 1,144.7
Fair value of plan assets at beginning of period	$ 1,057.0	$ 310.9
Acquisition (a)	—	626.0
Actual earnings of plan assets	114.6	37.0
Group contributions	68.2	44.6
Participants' contributions	11.9	11.8
Benefits paid	(37.9)	(27.6)
Effect of changes in exchange rates	(91.1)	54.3
Fair value of plan assets at end of period	$ 1,122.7	$ 1,057.0
Net liability (b)	$ 124.9	$ 106.0

(a) The 2013 amount relates to the Virgin Media Acquisition.

(b) The net liability related to our defined benefit plans is included in other long-term liabilities in our consolidated balance sheets.

The change in the amount of net actuarial gain (loss) not yet recognized as a component of net periodic pension costs in our consolidated statements of operations is as follows:

	Pre-tax amount	Tax benefit (expense)	Net-of-tax amount
		in millions	
Balance of net actuarial loss at January 1, 2013	$ (5.2)	$ 1.6	$ (3.6)
Net actuarial gain	12.7	(1.4)	11.3
Amount recognized as a component of net loss attributable to Liberty Global shareholders	(0.8)	0.1	(0.7)
Changes in ownership and other	(0.6)	0.2	(0.4)
Balance of net actuarial gain at December 31, 2013	6.1	0.5	6.6
Net actuarial loss	(87.6)	16.7	(70.9)
Amount recognized as a component of net loss attributable to Liberty Global shareholders	(1.7)	0.3	(1.4)
Changes in ownership and other	0.2	—	0.2
Balance of net actuarial loss at December 31, 2014	$ (83.0)	$ 17.5	$ (65.5)

We expect that the amount of net actuarial gain or loss to be recognized in our 2015 consolidated statement of operations will not be significant.

The measurement dates used to determine our defined benefit plan assumptions were December 31, 2014 and December 31, 2013. The actuarial assumptions used to compute the net periodic pension cost are based on information available as of the beginning of the period, specifically market interest rates, past experience and management's best estimate of future economic conditions. Changes in these assumptions may impact future benefit costs and obligations. In computing future costs and obligations, the subsidiaries must make assumptions about such items as employee mortality and turnover, expected salary and wage increases, discount rate, expected long-term rate of return on plan assets and expected future cost increases.

The expected rates of return on the assets of the funded plans are the long-term rates of return the subsidiaries expect to earn on their trust assets. The rates of return are determined by the investment composition of the plan assets and the long-term risk and return forecast for each asset category. The forecasts for each asset class are generated using historical information as well as an analysis of current and expected market conditions. The expected risk and return characteristics for each asset class are reviewed annually and revised, as necessary, to reflect changes in the financial markets. To compute the expected return on plan assets, the subsidiaries apply an expected rate of return to the fair value of the plan assets.

The weighted average assumptions used in determining benefit obligations and net periodic pension cost are as follows:

	December 31,	
	2014	2013
Expected rate of salary increase	2.6%	3.1%
Discount rate	2.6%	3.8%
Expected rate of return on plan assets	4.0%	5.1%

The components of net periodic pension cost recorded in our consolidated statements of operations are as follows:

	Year ended December 31,	
	2014	2013
	in millions	
Service cost	$ 22.3	$ 25.8
Interest cost	42.9	26.8
Expected return on plan assets	(53.7)	(30.0)
Other	(1.9)	(1.1)
Net periodic pension cost	$ 9.6	$ 21.5

The asset allocation by asset category and by fair value hierarchy level (as further described in note 8) of our plan assets is as follows:

	December 31, 2014			
	Total	Level 1	Level 2	Level 3
	in millions			
Equity securities	$ 353.8	$ 353.8	$ —	$ —
Debt securities	318.8	318.8	—	—
Insurance contract (a)	158.0	—	—	158.0
Hedge funds	136.5	120.1	16.4	—
Guarantee investment contracts	86.0	86.0	—	—
Real estate	39.9	32.9	—	7.0
Other	29.7	29.7	—	—
Total	$ 1,122.7	$ 941.3	$ 16.4	$ 165.0

	December 31, 2013			
	Total	Level 1	Level 2	Level 3
	in millions			
Equity securities	$ 344.3	$ 344.3	$ —	$ —
Debt securities	275.5	275.5	—	—
Insurance contract (a)	153.4	—	—	153.4
Hedge funds	133.1	117.8	15.3	—
Guarantee investment contracts	83.0	83.0	—	—
Real estate	36.7	28.9	—	7.8
Other	31.0	31.0	—	—
Total	$ 1,057.0	$ 880.5	$ 15.3	$ 161.2

(a) Relates to the purchase of an insurance contract authorized by the trustee of one of our defined benefit plans. The insurance contract will pay an income stream to the plan that is expected to match all future cash outflows with respect to certain liabilities. The fair value of this insurance contract is presented as an asset of the plan and is measured based on the future cash flows to be received under the contract discounted using the same discount rate used to measure the associated liabilities.

A reconciliation of the beginning and ending balances of our plan assets measured at fair value using Level 3 inputs is as follows (in millions):

Balance at January 1, 2014	$ 161.2
Actual return on plan assets:	
Gains relating to assets still held at year-end	14.6
Purchases, sales and settlements of investments, net	(1.2)
Foreign currency translation adjustments	(9.6)
Balance at December 31, 2014	$ 165.0

The trustees of the defined benefit pension plans have in place weighted average target asset allocations of 27% equities, 26% bonds, 20% insurance contracts, 11% hedge funds, 8% guarantee investment contracts, 5% real estate and 3% other at December 31, 2014. As markets move relative to each other, the asset allocation may move away from the target investment strategy. Rebalancing of the assets may be carried out from time to time by the trustees.

Based on December 31, 2014 exchange rates and information available as of that date, our subsidiaries' contributions to their respective defined benefit plans in 2015 are expected to aggregate $58.5 million.

As of December 31, 2014, the benefits that we currently expect to pay during the next ten years with respect to our defined benefit plans are as follows (in millions):

2015	$ 33.2
2016	$ 31.2
2017	$ 32.5
2018	$ 31.9
2019	$ 32.2
2020 through 2024	$ 176.5

(16) Accumulated Other Comprehensive Earnings

Accumulated other comprehensive earnings included in our consolidated balance sheets and statements of equity reflect the aggregate impact of foreign currency translation adjustments, unrealized gains and losses on cash flow hedges and pension-related adjustments. The changes in the components of accumulated other comprehensive earnings, net of taxes, are summarized as follows:

	Liberty Global shareholders					
	Foreign currency translation adjustments	Unrealized gains (losses) on cash flow hedges	Pension-related adjustments	Accumulated other comprehensive earnings	Non-controlling interests	Total accumulated other comprehensive earnings
	in millions					
Balance at January 1, 2012	$ 1,529.7	$ (10.5)	$ (9.7)	$ 1,509.5	$ (23.1)	$ 1,486.4
Sale of Austar	—	—	—	—	60.1	60.1
Other comprehensive earnings	74.4	10.5	6.1	91.0	0.3	91.3
Balance at December 31, 2012	1,604.1	—	(3.6)	1,600.5	37.3	1,637.8
Other comprehensive earnings	918.1	—	10.2	928.3	(16.9)	911.4
Balance at December 31, 2013	2,522.2	—	6.6	2,528.8	20.4	2,549.2
Other comprehensive loss	(810.1)	—	(72.1)	(882.2)	(0.5)	(882.7)
Balance at December 31, 2014	$ 1,712.1	$ —	$ (65.5)	$ 1,646.6	$ 19.9	$ 1,666.5

The components of other comprehensive earnings, net of taxes, are reflected in our consolidated statements of comprehensive earnings (loss). The following table summarizes the tax effects related to each component of other comprehensive earnings, net of amounts reclassified to our consolidated statements of operations:

	Pre-tax amount	Tax benefit (expense)	Net-of-tax amount
		in millions	
Year ended December 31, 2014:			
Foreign currency translation adjustments	$ (816.4)	$ 6.3	$ (810.1)
Pension-related adjustments	(89.9)	17.3	(72.6)
Other comprehensive loss	(906.3)	23.6	(882.7)
Other comprehensive earnings attributable to noncontrolling interests (a)	0.8	(0.3)	0.5
Other comprehensive loss attributable to Liberty Global shareholders	$ (905.5)	$ 23.3	$ (882.2)
Year ended December 31, 2013:			
Foreign currency translation adjustments	$ 896.4	$ 4.4	$ 900.8
Pension-related adjustments	12.1	(1.5)	10.6
Other comprehensive earnings	908.5	2.9	911.4
Other comprehensive earnings attributable to noncontrolling interests (b)	17.3	(0.4)	16.9
Other comprehensive earnings attributable to Liberty Global shareholders	$ 925.8	$ 2.5	$ 928.3
Year ended December 31, 2012:			
Foreign currency translation adjustments	$ 76.0	$ (0.6)	$ 75.4
Cash flow hedges	15.1	(4.6)	10.5
Pension-related adjustments	6.0	(0.6)	5.4
Other comprehensive earnings	97.1	(5.8)	91.3
Other comprehensive loss attributable to noncontrolling interests (b)	0.1	(0.4)	(0.3)
Other comprehensive earnings attributable to Liberty Global shareholders	$ 97.2	$ (6.2)	$ 91.0

____

(a) Amounts represent the noncontrolling interest owners' share of our pension-related adjustments.

(b) Amounts represent the noncontrolling interest owners' share of our foreign currency translation adjustments and pension-related adjustments.

(17) Commitments and Contingencies

Commitments

In the normal course of business, we have entered into agreements that commit our company to make cash payments in future periods with respect to programming contracts, network and connectivity commitments, purchases of customer premises and other equipment, non-cancelable operating leases and other items. The U.S. dollar equivalents of such commitments as of December 31, 2014 are presented below:

	Payments due during:						
	2015	**2016**	**2017**	**2018**	**2019**	**Thereafter**	**Total**
				in millions			
Continuing operations:							
Programming commitments	$ 863.9	$ 785.4	$ 612.7	$ 528.0	$ 231.4	$ 2.0	$ 3,023.4
Network and connectivity commitments	359.9	261.5	240.2	127.1	90.2	1,048.5	2,127.4
Purchase commitments	827.8	119.4	62.9	10.1	4.0	—	1,024.2
Operating leases	174.0	141.5	117.3	98.1	75.4	279.3	885.6
Other commitments	350.2	198.7	150.1	90.0	39.2	48.2	876.4
Total (a)	$ 2,575.8	$ 1,506.5	$ 1,183.2	$ 853.3	$ 440.2	$ 1,378.0	$ 7,937.0

____

(a) The commitments reflected in this table do not reflect any liabilities that are included in our December 31, 2014 consolidated balance sheet.

Programming commitments consist of obligations associated with certain of our programming, studio output and sports rights contracts that are enforceable and legally binding on us in that we have agreed to pay minimum fees without regard to (i) the actual number of subscribers to the programming services, (ii) whether we terminate service to a portion of our subscribers or dispose of a portion of our distribution systems or (iii) whether we discontinue our premium film or sports services. In addition, programming commitments do not include increases in future periods associated with contractual inflation or other price adjustments that are not fixed. Accordingly, the amounts reflected in the above table with respect to these contracts are significantly less than the amounts we expect to pay in these periods under these contracts. Payments to programming vendors have in the past represented, and are expected to continue to represent in the future, a significant portion of our operating costs. In this regard, during 2014, 2013 and 2012, the third-party programming and copyright costs incurred by our broadband communications and DTH operations aggregated $2,145.0 million, $1,612.5 million and $978.4 million, respectively. The ultimate amount payable in excess of the contractual minimums of our studio output contracts, which expire at various dates through 2019, is dependent upon the number of subscribers to our premium movie service and the theatrical success of the films that we exhibit.

Network and connectivity commitments include (i) Telenet's commitments for certain operating costs associated with its leased network, (ii) commitments associated with our MVNO agreements and (iii) certain repair and maintenance, fiber capacity and energy commitments of Unitymedia KabelBW. Subsequent to October 1, 2015, Telenet's commitments for certain operating costs will be subject to adjustment based on changes in the network operating costs incurred by Telenet with respect to its own networks. These potential adjustments are not subject to reasonable estimation and, therefore, are not included in the above table. The amounts reflected in the table with respect to certain of our MVNO commitments represent fixed minimum amounts payable under these agreements and, therefore, may be significantly less than the actual amounts we ultimately pay in these periods.

Purchase commitments include unconditional purchase obligations associated with commitments to purchase customer premises and other equipment that are enforceable and legally binding on us.

Commitments arising from acquisition agreements are not reflected in the above table. In addition, the table does not include our commitments with respect to the amounts we have agreed to pay to settle the FCO Appeals, as defined and described below.

In addition to the commitments set forth in the table above, we have significant commitments under (i) derivative instruments and (ii) defined benefit plans and similar agreements, pursuant to which we expect to make payments in future periods. For

information regarding our derivative instruments, including the net cash paid or received in connection with these instruments during 2014, 2013 and 2012, see note 7. For information regarding our defined benefit plans, see note 15.

We also have commitments pursuant to agreements with, and obligations imposed by, franchise authorities and municipalities, which may include obligations in certain markets to move aerial cable to underground ducts or to upgrade, rebuild or extend portions of our broadband communication systems. Such amounts are not included in the above table because they are not fixed or determinable.

Rental expense of our continuing operations under non-cancelable operating lease arrangements amounted to $268.3 million, $238.6 million and $197.4 million during 2014, 2013 and 2012, respectively. It is expected that in the normal course of business, operating leases that expire generally will be renewed or replaced by similar leases.

We have established various defined contribution benefit plans for our and our subsidiaries' employees. The aggregate expense of our continuing operations for matching contributions under the various defined contribution employee benefit plans was $63.2 million, $48.2 million and $26.4 million during 2014, 2013 and 2012, respectively.

Guarantees and Other Credit Enhancements

In the ordinary course of business, we may provide indemnifications to our lenders, our vendors and certain other parties and performance and/or financial guarantees to local municipalities, our customers and vendors. Historically, these arrangements have not resulted in our company making any material payments and we do not believe that they will result in material payments in the future.

Legal and Regulatory Proceedings and Other Contingencies

Interkabel Acquisition. On November 26, 2007, Telenet and the PICs announced a non-binding agreement-in-principle to transfer the analog and digital television activities of the PICs, including all existing subscribers to Telenet. Subsequently, Telenet and the PICs entered into a binding agreement (the 2008 PICs Agreement), which closed effective October 1, 2008. Beginning in December 2007, Belgacom NV/SA (Belgacom), the incumbent telecommunications operator in Belgium, instituted several proceedings seeking to block implementation of these agreements. It lodged summary proceedings with the President of the Court of First Instance of Antwerp to obtain a provisional injunction preventing the PICs from effecting the agreement-in-principle and initiated a civil procedure on the merits claiming the annulment of the agreement-in-principle. In March 2008, the President of the Court of First Instance of Antwerp ruled in favor of Belgacom in the summary proceedings, which ruling was overturned by the Court of Appeal of Antwerp in June 2008. Belgacom brought this appeal judgment before the Cour de Cassation (the Belgian Supreme Court), which confirmed the appeal judgment in September 2010. On April 6, 2009, the Court of First Instance of Antwerp ruled in favor of the PICs and Telenet in the civil procedure on the merits, dismissing Belgacom's request for the rescission of the agreement-in-principle and the 2008 PICs Agreement. On June 12, 2009, Belgacom appealed this judgment with the Court of Appeal of Antwerp. In this appeal, Belgacom is now also seeking compensation for damages should the 2008 PICs Agreement not be rescinded. However, the claim for compensation has not yet been quantified. At the introductory hearing, which was held on September 8, 2009, the proceedings on appeal were postponed indefinitely at the request of Belgacom.

In parallel with the above proceedings, Belgacom filed a complaint with the Government Commissioner seeking suspension of the approval by the PICs' board of directors of the agreement-in-principle and initiated suspension and annulment procedures before the Belgian Council of State against these approvals and subsequently against the board resolutions of the PICs approving the 2008 PICs Agreement. In this complaint, Belgacom's primary argument was that the PICs should have organized a public market consultation before entering into the agreement-in-principal and the 2008 PICs Agreement. Belgacom's efforts to suspend approval of these agreements were unsuccessful. In the annulment cases, the Belgian Council of State decided on May 2, 2012 to refer a number of questions of interpretation of European Union (EU) law for preliminary ruling to the European Court of Justice. On November 14, 2013, the European Court of Justice ruled that a majority of the reasons invoked by the PICs not to organize a market consultation were not overriding reasons of public interest to justify abolishing the PICs' duty to organize such consultation. The annulment case was subsequently resumed with the Belgian Council of State, which was required to follow the interpretation given by the European Court of Justice with respect to the points of EU law. On January 16, 2014, the Advocate General with the Council of State recommended that the decisions of the board of the PICs not to organize a public market consultation be annulled, and on May 27, 2014, the Belgian Council of State ruled in favor of Belgacom and annulled (i) the decision of the PICs not to organize a public market consultation and (ii) the decision from the PICs' board of directors to approve the 2008 PICs Agreement.

The Belgian Council of State ruling did not annul the 2008 PICs Agreement itself. Belgacom may now resume the civil proceedings that are still pending with the Court of Appeal of Antwerp in order to have the 2008 PICs Agreement annulled and claim damages.

It is possible that Belgacom or another third party or public authority will initiate further legal proceedings in an attempt to annul the 2008 PICs Agreement. No assurance can be given as to the outcome of these or other proceedings. However, an unfavorable outcome of existing or future proceedings could potentially lead to the annulment of the 2008 PICs Agreement and/or to an obligation of Telenet to pay compensation for damages, subject to the relevant provisions of the 2008 PICs Agreement, which stipulate that Telenet is only responsible for damages in excess of €20.0 million ($24.2 million). In light of the fact that Belgacom has not quantified the amount of damages that it is seeking and we have no basis for assessing the amount of losses we would incur in the unlikely event that the 2008 PICs Agreement were to be annulled, we cannot provide a reasonable estimate of the range of loss that would be incurred in the event the ultimate resolution of this matter were to be unfavorable to Telenet. However, we do not expect the ultimate resolution of this matter to have a material impact on our results of operations, cash flows or financial position.

Deutsche Telekom Litigation. On December 28, 2012, Unitymedia KabelBW filed a lawsuit against Deutsche Telekom in which Unitymedia KabelBW asserts that it pays excessive prices for the co-use of Deutsche Telekom's cable ducts in Unitymedia KabelBW's footprint. The Federal Network Agency approved rates for the co-use of certain ducts of Deutsche Telekom in March 2011. Based in part on these approved rates, Unitymedia KabelBW is seeking a reduction of the annual lease fees (approximately €76 million ($92 million) for 2012) by approximately two-thirds and the return of similarly calculated overpayments from 2009 through the ultimate settlement date, plus accrued interest. While we expect a decision by the court of first instance during the first half of 2015, the resolution of this matter may take several years and no assurance can be given that Unitymedia KabelBW's claims will be successful. Any recovery by Unitymedia KabelBW will not be reflected in our consolidated financial statements until such time as the final disposition of this matter has been reached.

Vivendi Litigation. A wholly-owned subsidiary of our company is a plaintiff in certain litigation titled Liberty Media Corporation, et. al. v. Vivendi S.A. and Universal Studio. A predecessor of Liberty Global was a subsidiary of Liberty Media Corporation (Liberty Media) through June 6, 2004. In connection with Liberty Media's prosecution of the action, our subsidiary assigned its rights to Liberty Media in exchange for a contingent payout in the event Liberty Media recovered any amounts as a result of the action. Our subsidiary's interest in any such recovery will be equal to 10% of the recovery amount, including any interest awarded, less the amount to be retained by Liberty Media for (i) all fees and expenses incurred by Liberty Media in connection with the action (including expenses to be incurred in connection with any appeals and the payment of certain deferred legal fees) and (ii) agreed upon interest on such fees and expenses. On January 17, 2013, following a jury trial, the court entered a final judgment in favor of the plaintiffs in the amount of €944 million ($1,142 million), including prejudgment interest. Vivendi S.A. and Universal Studios have filed a notice of appeal of the court's final judgment to the Second Circuit Court of Appeals. As a result, the amount that our subsidiary may ultimately recover in connection with the final resolution of the action, if any, is uncertain. Any recovery by our company will not be reflected in our consolidated financial statements until such time as the final disposition of this matter has been reached.

Liberty Puerto Rico Matter. Liberty Puerto Rico, as the surviving entity in the Puerto Rico Transaction, is a party to certain claims previously asserted by the incumbent telephone operator against OneLink based on alleged conduct of OneLink that occurred prior to the acquisition of OneLink (the PRTC Claim). This claim included an allegation that OneLink acted in an anticompetitive manner in connection with a series of legal and regulatory proceedings it initiated against the incumbent telephone operator in Puerto Rico beginning in 2009. In March 2014, a separate class action claim was filed in Puerto Rico (the Class Action Claim) containing allegations substantially similar to those asserted in the PRTC Claim, but alleging ongoing injury on behalf of a consumer class (as opposed to harm to a competitor). The former owners of OneLink have partially indemnified us for any losses we may incur in connection with the PRTC Claim up to a specified maximum amount. However, the indemnity does not cover any potential losses resulting from the Class Action Claim. Liberty Puerto Rico has recorded a provision and a related indemnification asset representing its best estimate of the net loss that it may incur upon the ultimate resolution of the PRTC Claim. While Liberty Puerto Rico expects that the net amount required to satisfy these contingencies will not materially differ from the estimated amount it has accrued, no assurance can be given that the ultimate resolution of these matters will not have an adverse impact on our results of operations, cash flows or financial position in any given period.

Netherlands Regulatory Developments. In December 2011, the Autoriteit Consument & Markt (ACM) completed a market assessment of the television market in the Netherlands, concluding that there were no grounds for regulation of that market. On December 22, 2011, referring to its final assessment of the television market, ACM rejected previously filed requests from a

number of providers to perform a new market analysis of the television market. This decision by ACM was appealed by such providers to the Dutch Supreme Administrative Court. On November 5, 2012, the Dutch Supreme Administrative Court rejected the appeals against ACM's decision.

In May 2012, the Dutch Parliament adopted laws that provide, among other matters, the power to ACM to impose an obligation for the mandatory resale of television services and to the Commissariaat voor de Media to supervise such resale obligation. These laws became effective on January 1, 2013, notwithstanding the above-described November 5, 2012 decision of the Dutch Supreme Administrative Court. On January 29, 2014, a Dutch civil court, in a proceeding initiated by UPC Nederland, declared the resale obligation laws non-binding because they infringe EU law. The Dutch Government did not appeal the January 2014 decision, and the resale obligation laws were formally withdrawn on November 26, 2014. We consider the withdrawal of the resale obligation laws to be the final resolution of this matter.

Belgium Regulatory Developments. In December 2010, the Belgisch Instituut voor Post en Telecommunicatie and the regional regulators for the media sectors (together, the Belgium Regulatory Authorities) published their respective draft decisions reflecting the results of their joint analysis of the broadcasting market in Belgium.

After a public consultation, the draft decisions were submitted to the European Commission. The European Commission issued a notice on the draft decision that criticized the analysis of the broadcasting markets on several grounds, including the fact that the Belgium Regulatory Authorities failed to analyze upstream wholesale markets. It also expressed doubts as to the necessity and proportionality of the various remedies.

The Belgium Regulatory Authorities adopted a final decision on July 1, 2011 (the July 2011 Decision) with some minor revisions. The regulatory obligations imposed by the July 2011 Decision include (i) an obligation to make a resale offer at "retail minus" of the cable analog package available to third party operators (including Belgacom), (ii) an obligation to grant third-party operators (except Belgacom) access to digital television platforms (including the basic digital video package) at "retail minus," and (iii) an obligation to make a resale offer at "retail minus" of broadband internet access available to beneficiaries of the digital television access obligation that wish to offer bundles of digital video and broadband internet services to their customers (except Belgacom).

Telenet submitted draft reference offers regarding the obligations described above in February 2012, in response to which the Belgium Regulatory Authorities subsequently made their observations, launched a national consultation process and consulted with the European Commission. Although the European Commission expressed doubts regarding the analog resale offers on August 8, 2013, the European Commission did not object to the reference offers. The Belgium Regulatory Authorities published the final decision on September 9, 2013. The regulated wholesale services had to be available approximately six months after a third-party operator filed a letter of intent and paid an advance payment to Telenet. On December 27, 2013, wireless operator Mobistar SA (Mobistar) submitted a letter of intent and paid the advance payment on January 10, 2014. Telenet has implemented the access obligations as described in its reference offers and, as of June 23, 2014, access to the Telenet network had become operational and can be applied by Mobistar. In addition, as a result of the November 2014 decision by the Brussels Court of Appeal described below, on November 14, 2014, Belgacom submitted a request to Telenet to commence access negotiations.

On April 2, 2013, the Belgium Regulatory Authorities issued a draft decision regarding the "retail-minus" tariffs of minus 35% for basic television (basic analog and digital video package) and minus 30% for the bundle of basic television and broadband internet services. A "retail-minus" method of pricing involves a wholesale tariff calculated as the retail price for the offered service by Telenet, excluding VAT and copyrights, and further deducting the retail costs avoided by offering the wholesale service (such as costs for billing, franchise, consumer service, marketing and sales). On October 4, 2013, the Belgium Regulatory Authorities notified a draft quantitative decision to the European Commission in which they changed the "retail-minus" tariffs to minus 30% for basic television (basic analog and digital video package) and to minus 23% for the bundle of basic television and broadband internet services. Even though the European Commission made a number of comments regarding the appropriateness of certain assumptions in the proposed costing methodology, the Belgium Regulatory Authorities adopted such "retail-minus" tariffs on December 11, 2013.

Telenet filed an appeal against the July 2011 Decision with the Brussels Court of Appeal. On November 12, 2014, the Brussels Court of Appeal rejected Telenet's appeal of the July 2011 Decision and accepted Belgacom's claim that Belgacom should be allowed access to Telenet's, among other operators, digital television platform. Telenet is currently considering the possibility to file an appeal against this decision with the Belgian Supreme Court. Telenet also filed an appeal with the Brussels Court of Appeal

against the decision regarding the qualitative and the quantitative aspects of the reference offers. Wireless operator Mobistar also filed an appeal against the decision regarding the quantitative aspects of the reference offers. A decision with respect to these appeals is not expected before the end of 2015. There can be no certainty that Telenet's appeals will be successful.

The July 2011 Decision aims to, and in its application may, strengthen Telenet's competitors by granting them resale access to Telenet's network to offer competing products and services notwithstanding Telenet's substantial historical financial outlays in developing the infrastructure. In addition, any resale access granted to competitors could (i) limit the bandwidth available to Telenet to provide new or expanded products and services to the customers served by its network and (ii) adversely impact Telenet's ability to maintain or increase its revenue and cash flows. The extent of any such adverse impacts ultimately will be dependent on the extent that competitors take advantage of the resale access ultimately afforded to Telenet's network and other competitive factors or market developments.

FCO Regulatory Issues. Our 2011 acquisition of the German cable network KBW (the KBW Acquisition) was subject to the approval of The Federal Cartel Office (the FCO) in Germany, which approval was received in December 2011. In January 2012, two of our competitors (collectively, the Appellants), including the incumbent telecommunications operator, each filed an appeal (collectively, the FCO Appeals) against the FCO regarding its decision to approve our KBW Acquisition. On August 14, 2013, the Düsseldorf Court of Appeal issued a ruling that set aside the FCO's clearance decision. Although the Düsseldorf Court of Appeal did not grant the right to appeal against its ruling to the Federal Supreme Court, on September 16, 2013, we filed a formal request to appeal to the Federal Court of Justice seeking permission to appeal the Düsseldorf Court of Appeal's decision and our reasoned submission was filed on December 16, 2013. During the first quarter of 2014, interested third parties commented on our submission. The Düsseldorf Court of Appeal's ruling is not legally binding until all appeals have been rejected.

During the fourth quarter of 2014, we, together with our German subsidiaries, entered into agreements with the Appellants pursuant to which the Appellants withdrew the FCO Appeals and, on January 21, 2015, the FCO consented to the withdrawal. If the Federal Court of Justice terminates the proceedings, which we expect to occur during the first quarter of 2015, the FCO's clearance decision with respect to our KBW Acquisition will become final (without any additional review or conditions). Upon termination of the proceedings, we have agreed to pay the Appellants an aggregate amount of €183.5 million ($222.0 million). This amount, which was recorded during the fourth quarter of 2014, is included in impairment, restructuring and other operating items, net, in our consolidated statement of operations. Once the FCO Appeals are withdrawn, we will consider this matter to be closed.

Financial Transactions Tax. Eleven countries in the EU, including Belgium, Germany, Austria and Slovakia, are participating in an enhanced cooperation procedure to introduce a financial transactions tax (FTT). Under the draft language of the FTT proposal, a wide range of financial transactions could be taxed at rates of at least 0.01% for derivative transactions based on the notional amount and 0.1% for other covered financial transactions based on the underlying transaction price. Each of the individual countries would be permitted to determine an exact rate, which could be higher than the proposed rates of 0.01% and 0.1%. Any implementation of the FTT could have a global impact because it would apply to all financial transactions where a financial institution is involved (including unregulated entities that engage in certain types of covered activity) and either of the parties (whether the financial institution or its counterparty) is in one of the eleven participating countries. Although ongoing debate in the relevant countries demonstrates continued momentum around the FTT, uncertainty remains as to when the FTT would be implemented and the breadth of its application. Based on our understanding of the current status of the potential FTT, we do not expect that any implementation of the FTT would occur before 2016. Any imposition of the FTT could increase banking fees and introduce taxes on internal transactions that we currently perform. Due to the uncertainty regarding the FTT, we are currently unable to estimate the financial impact that the FTT could have on our results of operations, cash flows or financial position.

Virgin Media VAT Matters. Virgin Media's application of the VAT with respect to certain revenue generating activities has been challenged by the U.K. tax authorities. Virgin Media has estimated its maximum exposure in the event of an unfavorable outcome to be £40.3 million ($62.8 million) as of December 31, 2014. No portion of this exposure has been accrued by Virgin Media as the likelihood of loss is not considered to be probable. A court hearing was held at the end of September 2014 in relation to the U.K. tax authorities' challenge and the court's decision is expected at some point prior to March 31, 2015.

On March 19, 2014, the U.K. government announced a change in legislation with respect to the charging of VAT in connection with prompt payment discounts such as those that Virgin Media offers to its fixed-line telephony customers. The changes, which took effect on May 1, 2014, impacted Virgin Media and as a result of this legislation, Virgin Media's revenue was £28.9 million ($45.0 million) lower during 2014, as compared to 2013. Recent correspondence from the U.K. government indicates that it may seek to challenge Virgin Media's application of the prompt payment discount rules prior to the May 1, 2014 change in legislation.

If such a challenge were to be issued by the U.K. government, Virgin Media could be required to make a payment of the challenged amount in order to make an appeal. Virgin Media currently estimates that the challenged amount could be up to approximately £65 million ($101 million) before any penalties or interest. Any challenge and subsequent appeal would likely be subject to court proceedings that could delay the ultimate resolution of this matter for an extended period of time. No portion of this potential exposure has been accrued by Virgin Media as no claim has been asserted or assessed and the likelihood of loss is not considered to be probable.

Cignal. On April 26, 2002, Liberty Global Europe received a notice that certain former shareholders of Cignal Global Communications (Cignal) filed a lawsuit (the 2002 Cignal Action) against Liberty Global Europe. On June 13, 2006, Liberty Global Europe, Priority Telecom NV, Euronext NV and Euronext Amsterdam NV were each served with a summons for a new action (the 2006 Cignal Action) purportedly on behalf of all other former Cignal shareholders and provisionally for the nine plaintiffs in the 2002 Cignal Action. During the third quarter of 2007, we recorded a litigation provision of $146.0 million based on our assessment at the time of our loss exposure with respect to the 2002 Cignal Action and the 2006 Cignal Action. On October 25, 2013, we received what we consider to be the final resolution of the 2006 Cignal Action and the effective resolution of the 2002 Cignal Action. Accordingly, we released the entire $146.0 million provision related to this matter during the third quarter of 2013.

Other Regulatory Issues. Video distribution, broadband internet, fixed-line telephony, mobile and content businesses are regulated in each of the countries in which we operate. The scope of regulation varies from country to country, although in some significant respects regulation in European markets is harmonized under the regulatory structure of the EU. Adverse regulatory developments could subject our businesses to a number of risks. Regulation, including conditions imposed on us by competition or other authorities as a requirement to close acquisitions or dispositions, could limit growth, revenue and the number and types of services offered and could lead to increased operating costs and property and equipment additions. In addition, regulation may restrict our operations and subject them to further competitive pressure, including pricing restrictions, interconnect and other access obligations, and restrictions or controls on content, including content provided by third parties. Failure to comply with current or future regulation could expose our businesses to various penalties. In this regard, during September 2014, VTR received a tariff proposal from the Chilean regulatory authority that would have retroactive effect to June 2012. The tariff proposal represents a significant reduction in the fixed-line interconnection rates currently charged by VTR. VTR is in the process of formulating its objections and comments to the tariff proposal and is currently unable to reasonably predict the outcome of the tariff-setting process. VTR has continued to recognize fixed-line interconnect revenue at the currently enacted rates. Final resolution of the tariff-setting process in Chile is expected to occur during the first half of 2015. If the September 2014 tariff proposal were ultimately to be upheld, including retroactive application to June 2012, VTR would be required to issue credit notes of approximately CLP 7.4 billion ($12.2 million) for revenue previously recognized through December 31, 2014.

We have security accreditations across a range of B2B products and services in order to increase our offerings to public sector organizations in the U.K. These accreditations are granted subject to periodic reviews of our policies and procedures by U.K. governmental authorities. If we were to fail to maintain these accreditations or obtain new accreditations when required, it could impact our ability to provide certain offerings to the public sector.

Other. In addition to the foregoing items, we have contingent liabilities related to matters arising in the ordinary course of business including (i) legal proceedings, (ii) issues involving VAT and wage, property and other tax issues and (iii) disputes over interconnection, programming, copyright and carriage fees. While we generally expect that the amounts required to satisfy these contingencies will not materially differ from any estimated amounts we have accrued, no assurance can be given that the resolution of one or more of these contingencies will not result in a material impact on our results of operations, cash flows or financial position in any given period. Due, in general, to the complexity of the issues involved and, in certain cases, the lack of a clear basis for predicting outcomes, we cannot provide a meaningful range of potential losses or cash outflows that might result from any unfavorable outcomes.

(18) Segment Reporting

We generally identify our reportable segments as those consolidated subsidiaries that represent 10% or more of our revenue, operating cash flow (as defined below) or total assets. In certain cases, we may elect to include an operating segment in our segment disclosure that does not meet the above-described criteria for a reportable segment. We evaluate performance and make decisions about allocating resources to our operating segments based on financial measures such as revenue and operating cash flow. In addition, we review non-financial measures such as subscriber growth, as appropriate.

Operating cash flow is the primary measure used by our chief operating decision maker to evaluate segment operating performance. Operating cash flow is also a key factor that is used by our internal decision makers to (i) determine how to allocate resources to segments and (ii) evaluate the effectiveness of our management for purposes of annual and other incentive compensation plans. As we use the term, operating cash flow is defined as revenue less operating and SG&A expenses (excluding share-based compensation, depreciation and amortization, provisions and provision releases related to significant litigation and impairment, restructuring and other operating items). Other operating items include (a) gains and losses on the disposition of long-lived assets, (b) third-party costs directly associated with successful and unsuccessful acquisitions and dispositions, including legal, advisory and due diligence fees, as applicable, and (c) other acquisition-related items, such as gains and losses on the settlement of contingent consideration. Our internal decision makers believe operating cash flow is a meaningful measure and is superior to available GAAP measures because it represents a transparent view of our recurring operating performance that is unaffected by our capital structure and allows management to (1) readily view operating trends, (2) perform analytical comparisons and benchmarking between segments and (3) identify strategies to improve operating performance in the different countries in which we operate. We believe our operating cash flow measure is useful to investors because it is one of the bases for comparing our performance with the performance of other companies in the same or similar industries, although our measure may not be directly comparable to similar measures used by other public companies. Operating cash flow should be viewed as a measure of operating performance that is a supplement to, and not a substitute for, operating income, net earnings or loss, cash flow from operating activities and other GAAP measures of income or cash flows. A reconciliation of total segment operating cash flow to our loss from continuing operations before income taxes is presented below.

During the fourth quarter of 2014, we began presenting (i) our operating segments in the U.K. and Ireland as one combined reportable segment, (ii) our operating segments in Switzerland and Austria as one combined reportable segment and (iii) our UPC DTH operating segment, as described below, as part of our Central and Eastern Europe reportable segment. These changes were made as a result of internal changes in organizational structures, changes in how these segments are evaluated and monitored by the chief operating decision maker and the integration of certain functions within these reportable segments. Previously, (a) our operating segments in the U.K. and Switzerland were each separate reportable segments, (b) our operating segments in Ireland and Austria were combined into one reportable segment, "Other Western Europe," and (c) our UPC DTH operating segment was included in the European Operations Division's central and other category. Segment information for all periods presented has been revised to reflect the above-described changes. We present only the reportable segments of our continuing operations in the tables below.

As of December 31, 2014, our reportable segments are as follows:

- European Operations Division:
    - U.K./Ireland
    - The Netherlands
    - Germany
    - Belgium
    - Switzerland/Austria
    - Central and Eastern Europe
- Chile

All of the reportable segments set forth above derive their revenue primarily from broadband communications services, including video, broadband internet and fixed-line telephony services. Most of our reportable segments also provide B2B services and certain of our reportable segments provide mobile services. At December 31, 2014, our operating segments in the European Operations Division provided broadband communications services in 12 European countries and DTH services to customers in the Czech Republic, Hungary, Romania and Slovakia through a Luxembourg-based organization that we refer to as "UPC DTH." Our Central and Eastern Europe segment includes (i) our broadband communications operating segments in the Czech Republic, Hungary, Poland, Romania and Slovakia and (ii) our UPC DTH operating segment. The European Operations Division's central and other category includes (a) costs associated with certain centralized functions, including billing systems, network operations, technology, marketing, facilities, finance and other administrative functions, and (b) intersegment eliminations within the European Operations Division. In Chile, we provide video, broadband internet, fixed-line telephony and mobile services. Our corporate and other category includes (A) less significant consolidated operating segments that provide (I) broadband communications services in Puerto Rico and (II) programming and other services and (B) our corporate category. Intersegment eliminations

primarily represent the elimination of intercompany transactions between our broadband communications and programming operations.

Performance Measures of Our Reportable Segments

The amounts presented below represent 100% of each of our reportable segment's revenue and operating cash flow. As we have the ability to control Telenet and Liberty Puerto Rico, we consolidate 100% of the revenue and expenses of these entities in our consolidated statements of operations despite the fact that third parties own significant interests in these entities. The noncontrolling owners' interests in the operating results of Telenet, Liberty Puerto Rico and other less significant majority-owned subsidiaries are reflected in net earnings or loss attributable to noncontrolling interests in our consolidated statements of operations.

	Year ended December 31,					
	2014		2013		2012	
	Revenue	Operating cash flow	Revenue	Operating cash flow	Revenue	Operating cash flow
	in millions					
European Operations Division:						
U.K./Ireland (a)	$ 7,409.9	$ 3,235.7	$ 4,117.4	$ 1,742.8	$ 426.4	$ 189.1
The Netherlands (b)	1,498.5	857.9	1,242.4	721.7	1,229.1	737.1
Germany	2,711.5	1,678.2	2,559.2	1,541.1	2,311.0	1,364.3
Belgium	2,279.4	1,125.0	2,185.9	1,049.4	1,918.0	940.7
Switzerland/Austria	1,846.1	1,056.4	1,767.1	1,005.7	1,681.8	936.5
Total Western Europe	15,745.4	7,953.2	11,872.0	6,060.7	7,566.3	4,167.7
Central and Eastern Europe	1,259.5	583.0	1,272.0	584.5	1,231.2	589.2
Central and other	(7.1)	(282.7)	(0.4)	(239.1)	1.5	(195.7)
Total European Operations Division	16,997.8	8,253.5	13,143.6	6,406.1	8,799.0	4,561.2
Chile	898.5	351.0	991.6	353.6	940.6	314.2
Corporate and other	376.9	(86.2)	374.3	(63.8)	224.1	(83.1)
Intersegment eliminations (c)	(24.9)	4.0	(35.3)	44.8	(32.9)	38.6
Total	$18,248.3	$ 8,522.3	$14,474.2	$ 6,740.7	$ 9,930.8	$ 4,830.9

(a) The amounts presented for 2013 include the post-acquisition revenue and operating cash flow of Virgin Media from June 8, 2013 through December 31, 2013.

(b) The amounts presented for 2014 include the post-acquisition revenue and operating cash flow of Ziggo from November 12, 2014 through December 31, 2014.

(c) The intersegment eliminations that are applicable to revenue are primarily related to transactions between our European Operations Division and our continuing programming operations. The intersegment eliminations that are applicable to operating cash flow are related to transactions between our European Operations Division and the Chellomedia Disposal Group, which eliminations are no longer recorded following the completion of the Chellomedia Transaction on January 31, 2014.

The following table provides a reconciliation of total segment operating cash flow from continuing operations to loss from continuing operations before income taxes:

	Year ended December 31,		
	2014	2013	2012
		in millions	
Total segment operating cash flow from continuing operations	$ 8,522.3	$ 6,740.7	$ 4,830.9
Share-based compensation expense	(257.2)	(300.7)	(110.1)
Depreciation and amortization	(5,500.1)	(4,276.4)	(2,661.5)
Release of litigation provision	—	146.0	—
Impairment, restructuring and other operating items, net	(536.8)	(297.5)	(76.2)
Operating income	2,228.2	2,012.1	1,983.1
Interest expense	(2,544.7)	(2,286.9)	(1,673.6)
Interest and dividend income	31.7	113.1	42.1
Realized and unrealized gains (losses) on derivative instruments, net	88.8	(1,020.4)	(1,070.3)
Foreign currency transaction gains (losses), net	(836.5)	349.3	438.4
Realized and unrealized gains (losses) due to changes in fair values of certain investments, net	205.2	524.1	(10.2)
Losses on debt modification, extinguishment and conversion, net	(186.2)	(212.2)	(213.8)
Other expense, net	(42.4)	(5.6)	(4.6)
Loss from continuing operations before income taxes	$ (1,055.9)	$ (526.5)	$ (508.9)

Balance Sheet Data of our Reportable Segments

Selected balance sheet data of our reportable segments is set forth below:

	Long-lived assets		Total assets	
	December 31,		December 31,	
	2014	2013	2014	2013
	in millions			
European Operations Division:				
U.K./Ireland	$ 21,754.2	$ 24,322.1	$ 25,487.2	$ 30,598.8
The Netherlands	17,092.7	2,496.5	17,387.0	2,845.3
Germany	9,117.9	10,754.7	9,512.8	11,968.2
Belgium	4,149.5	4,737.4	4,828.8	5,909.2
Switzerland/Austria	5,300.9	5,961.8	5,643.9	6,484.8
Total Western Europe	57,415.2	48,272.5	62,859.7	57,806.3
Central and Eastern Europe	2,459.9	2,898.7	2,566.4	3,127.4
Central and other	499.4	463.5	2,613.2	1,639.1
Total European Operations Division	60,374.5	51,634.7	68,039.3	62,572.8
Chile	1,017.3	1,139.7	1,513.2	1,628.9
Corporate and other	1,197.2	1,214.9	3,289.4	2,760.3
Total - continuing operations	62,589.0	53,989.3	72,841.9	66,962.0
Discontinued operation (a)	—	513.6	—	752.3
Total	$ 62,589.0	$ 54,502.9	$ 72,841.9	$ 67,714.3

(a) At December 31, 2013, the long-lived assets and total assets of the Chellomedia Disposal Group are presented in long-term assets of discontinued operation in our consolidated balance sheet.

Property and Equipment Additions of our Reportable Segments

The property and equipment additions of our reportable segments (including capital additions financed under vendor financing or capital lease arrangements) are presented below and reconciled to the capital expenditure amounts included in our consolidated statements of cash flows. For additional information concerning capital additions financed under vendor financing and capital lease arrangements, see note 9.

	Year ended December 31,		
	2014	**2013**	**2012**
		in millions	
European Operations Division:			
U.K./Ireland (a)	$ 1,506.7	$ 827.5	$ 74.5
The Netherlands (b)	268.0	242.4	221.8
Germany	574.5	543.4	559.5
Belgium	448.9	453.7	440.0
Switzerland/Austria	327.2	306.4	292.8
Total Western Europe	3,125.3	2,373.4	1,588.6
Central and Eastern Europe	264.8	271.6	248.7
Central and other	257.9	256.0	144.3
Total European Operations Division	3,648.0	2,901.0	1,981.6
Chile	195.8	188.5	243.4
Corporate and other	65.4	72.1	33.6
Property and equipment additions	3,909.2	3,161.6	2,258.6
Assets acquired under capital-related vendor financing arrangements	(975.3)	(573.5)	(246.5)
Assets acquired under capital leases	(127.2)	(143.0)	(63.1)
Changes in current liabilities related to capital expenditures	(122.3)	36.4	(80.7)
Total capital expenditures	$ 2,684.4	$ 2,481.5	$ 1,868.3

____

(a) The amount presented for 2013 includes the post-acquisition property and equipment additions of Virgin Media from June 8, 2013 through December 31, 2013.

(b) The amount presented for 2014 includes the post-acquisition property and equipment additions of Ziggo from November 12, 2014 through December 31, 2014.

Revenue by Major Category

Our revenue by major category is set forth below:

	Year ended December 31,		
	2014	2013	2012
		in millions	
Subscription revenue (a):			
Video	$ 6,544.0	$ 5,724.1	$ 4,637.6
Broadband internet	4,724.6	3,538.7	2,407.0
Fixed-line telephony	3,261.4	2,508.5	1,518.9
Cable subscription revenue	14,530.0	11,771.3	8,563.5
Mobile subscription revenue (b)	1,085.6	669.9	131.5
Total subscription revenue	15,615.6	12,441.2	8,695.0
B2B revenue (c)	1,517.9	986.9	467.9
Other revenue (b) (d)	1,114.8	1,046.1	767.9
Total revenue	$ 18,248.3	$ 14,474.2	$ 9,930.8

____

(a) Subscription revenue includes amounts received from subscribers for ongoing services, excluding installation fees and late fees. Subscription revenue from subscribers who purchase bundled services at a discounted rate is generally allocated proportionally to each service based on the standalone price for each individual service. As a result, changes in the standalone pricing of our cable and mobile products or the composition of bundles can contribute to changes in our product revenue categories from period to period.

(b) Mobile subscription revenue excludes mobile interconnect revenue of $245.0 million, $175.2 million and $35.1 million during 2014, 2013 and 2012, respectively. Mobile interconnect revenue and revenue from mobile handset sales are included in other revenue.

(c) B2B revenue includes revenue from business broadband internet, video, voice, wireless and data services offered to medium to large enterprises and, on a wholesale basis, to other operators. We also provide services to certain small office and home office (SOHO) subscribers. SOHO subscribers pay a premium price to receive enhanced service levels along with video, broadband internet, fixed-line telephony or mobile services that are the same or similar to the mass marketed products offered to our residential subscribers. Revenue from SOHO subscribers, which aggregated $204.1 million, $152.5 million and $59.7 million during 2014, 2013 and 2012, respectively, is included in cable subscription revenue.

(d) Other revenue includes, among other items, interconnect, installation and carriage fee revenue.

Geographic Segments

The revenue of our geographic segments is set forth below:

	Year ended December 31,		
	2014	2013	2012
		in millions	
European Operations Division:			
U.K. (a)	$ 6,941.1	$ 3,653.7	$ —
Germany	2,711.5	2,559.2	2,311.0
Belgium	2,279.4	2,185.9	1,918.0
Switzerland	1,414.4	1,332.1	1,259.8
The Netherlands (b)	1,498.5	1,242.4	1,229.1
Ireland	468.8	463.7	426.4
Poland	469.9	460.4	450.0
Austria	431.7	435.0	422.0
Hungary	310.2	313.8	298.9
The Czech Republic	221.0	248.9	253.4
Romania	173.3	163.8	149.4
Slovakia	74.5	74.6	70.5
Other	3.5	10.1	10.5
Total European Operations Division	16,997.8	13,143.6	8,799.0
Chile	898.5	991.6	940.6
Puerto Rico	306.1	297.2	145.5
Other, including intersegment eliminations	45.9	41.8	45.7
Total	$ 18,248.3	$ 14,474.2	$ 9,930.8

(a) The amount presented for 2013 reflects the post-acquisition revenue of Virgin Media from June 8, 2013 through December 31, 2013.

(b) The amount presented for 2014 reflects the post-acquisition revenue of Ziggo from November 12, 2014 through December 31, 2014.

The long-lived assets of our geographic segments are set forth below:

	December 31,	
	2014	2013
	in millions	
European Operations Division:		
U.K.	$ 21,098.3	$ 23,570.6
The Netherlands	17,092.7	2,496.5
Germany	9,117.9	10,754.7
Switzerland	4,218.9	4,745.7
Belgium	4,149.5	4,737.4
Austria	1,082.0	1,216.1
Poland	983.5	1,178.5
Ireland	655.9	751.5
The Czech Republic	580.4	679.7
Hungary	535.7	640.6
Romania	209.1	226.0
Slovakia	110.5	131.0
Other (a)	540.1	506.4
Total European Operations Division	60,374.5	51,634.7
Puerto Rico	1,128.3	1,131.9
Chile	1,017.3	1,139.7
U.S. and other (b)	68.9	83.0
Total - continuing operations	62,589.0	53,989.3
Discontinued operation (c)	—	513.6
Total	$ 62,589.0	$ 54,502.9

(a) Primarily represents long-lived assets of the European Operations Division's central operations, which are located in the Netherlands.

(b) Primarily represents the assets of our corporate offices.

(c) At December 31, 2013, the long-lived assets of the Chellomedia Disposal Group are presented in long-term assets of discontinued operation in our consolidated balance sheet.

(19) Quarterly Financial Information (Unaudited)

	2014			
	1st quarter	2nd quarter	3rd quarter	4th quarter
	in millions, except per share amounts			
Revenue	$ 4,533.7	$ 4,602.2	$ 4,497.2	$ 4,615.2
Operating income	$ 581.7	$ 669.5	$ 703.7	$ 273.3
Net earnings (loss) attributable to Liberty Global shareholders	$ (78.8)	$ (249.9)	$ 157.1	$ (523.4)
Basic and diluted earnings (loss) attributable to Liberty Global shareholders per share (note 3)	$ (0.10)	$ (0.32)	$ 0.20	$ (0.62)

	2013			
	1st quarter	2nd quarter	3rd quarter	4th quarter
	in millions, except per share amounts			
Revenue	$ 2,671.9	$ 3,057.8	$ 4,276.5	$ 4,468.0
Operating income	$ 528.2	$ 445.1	$ 521.2	$ 517.6
Net loss attributable to Liberty Global shareholders	$ (1.0)	$ (11.6)	$ (830.1)	$ (121.2)
Basic and diluted loss attributable to Liberty Global shareholders per share (note 3)	$ —	$ (0.02)	$ (1.04)	$ (0.16)

(20) Subsequent Events

Overview

During the first quarter of 2015, we undertook the financing transactions described below in connection with certain internal reorganizations of our broadband and wireless communications businesses in Europe. These internal reorganizations include:

- the transfer on February 12, 2015 of a controlling interest in UPC Broadband Ireland Ltd. and its subsidiaries from a subsidiary of UPC Holding to a subsidiary of Virgin Media (the UPC Ireland Transfer), with the remaining noncontrolling interest transferred to another subsidiary of Liberty Global outside the UPC Holding borrowing group; and

- the planned first quarter 2015 internal reorganization of our broadband and wireless communications businesses in the Netherlands (the NL Reorganization), pursuant to which UPC Nederland and Ziggo and/or their successor companies and their subsidiaries will become indirect subsidiaries of Ziggo Group Holding B.V. (Ziggo Group Holding), a wholly-owned subsidiary of Liberty Global that was formed subsequent to December 31, 2014. Currently, UPC Nederland is a wholly-owned subsidiary of UPC Holding.

UPC Ireland Transfer

In contemplation of the UPC Ireland Transfer, certain subsidiaries of Virgin Media issued the following senior notes on January 28, 2015:

- Virgin Media Secured Finance issued £300.0 million ($467.4 million) principal amount of 5.125% senior secured notes due January 15, 2025 (the 2025 VM 5.125% Senior Secured Notes); and

- Virgin Media Finance issued (i) $400.0 million principal amount of 5.75% senior notes (the 2025 VM Dollar Senior Notes) and (ii) €460.0 million ($556.6 million) principal amount of 4.50% senior notes (the 2025 VM Euro Senior Notes and, together with the 2025 VM Dollar Senior Notes, the 2025 VM Senior Notes), each of which are due January 15, 2025.

A portion of the proceeds from the 2025 VM 5.125% Senior Secured Notes and the 2025 VM Senior Notes, along with a portion of the Proceeds Loans (as defined and described below) will ultimately be used to redeem (a) the full principal amount of the UPC Holding 8.375% Senior Notes, (b) the full principal amount of the UPCB Finance I Notes and (c) €560.0 million ($677.6 million) principal amount of the UPCB Finance II Notes, including the related redemption premiums.

The 2025 VM 5.125% Senior Secured Notes contain terms that are similar to the VM Senior Secured Notes with respect to ranking and covenant requirements and are guaranteed on the same basis as the VM Senior Secured Notes. The 2025 VM Senior Notes contain terms that are similar to the VM Senior Notes with respect to ranking and covenant requirements and are guaranteed on the same basis as the VM Senior Notes. For more information, see note 10.

Subject to the circumstances described below, the 2025 VM 5.125% Senior Secured Notes and the 2025 VM Senior Notes are non-callable until January 15, 2020. At any time prior to January 15, 2020, Virgin Media Secured Finance or Virgin Media Finance (as applicable) may redeem some or all of the 2025 VM 5.125% Senior Secured Notes and 2025 VM Senior Notes by paying a “make-whole” premium, which is the present value of all remaining scheduled interest payments to the first call date using the discount rate (as specified in the indenture) as of the redemption date plus 50 basis points.

Virgin Media Secured Finance or Virgin Media Finance (as applicable) may redeem some or all of the 2025 VM 5.125% Senior Secured Notes or the 2025 VM Senior Notes at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and additional amounts (as specified in the indenture), if any, to the redemption date, if redeemed during the twelve-month period commencing on January 15 of the years set forth below:

	Redemption price		
Year	2025 VM 5.125% Senior Secured Notes	2025 VM Dollar Senior Notes	2025 VM Euro Senior Notes
2020	102.563%	102.875%	102.250%
2021	101.708%	101.917%	101.500%
2022	100.854%	100.958%	100.750%
2023 and thereafter	100.000%	100.000%	100.000%

Prior to January 15, 2020, during each 12-month period commencing on the date on which the 2025 VM 5.125% Senior Secured Notes and the 2025 VM Senior Notes are issued, each of Virgin Media Secured Finance or Virgin Media Finance may redeem up to 10% of the principal amount of the 2025 VM 5.125% Senior Secured Notes and the 2025 VM Senior Notes, respectively, at a redemption price equal to 103% of the principal amount thereof plus accrued and unpaid interest up to (but excluding) the redemption date.

In addition, for a period of six months from the date on which the 2025 VM 5.125% Senior Secured Notes and the 2025 VM Senior Notes are issued, Virgin Media Secured Finance or Virgin Media Finance may redeem the 2025 VM 5.125% Senior Secured Notes and the 2025 VM Senior Notes, respectively, at par.

If Virgin Media Secured Finance or Virgin Media Finance (as applicable) or the restricted subsidiaries (as specified in the indenture) sell certain assets, Virgin Media Secured Finance or Virgin Media Finance must offer to repurchase the 2025 VM 5.125% Senior Secured Notes or the 2025 VM Senior Notes, as applicable, at par, or if Virgin Media Communications or certain of its subsidiaries experience changes in control (as specified in the indenture) Virgin Media Secured Finance or Virgin Media Finance (as applicable) must offer to repurchase the 2025 VM 5.125% Senior Secured Notes and the 2025 VM Senior Notes at a redemption price of 101%.

NL Reorganization

In contemplation of the NL Reorganization, we formed two special purpose financing entities, Ziggo Bond Finance B.V. (Ziggo Bond Finance) and its subsidiary, Ziggo Secured Finance B.V. (Ziggo Secured Finance and, together with Ziggo Bond Finance, the Ziggo SPEs) for the primary purpose of facilitating (i) the issuance of the Ziggo SPE Notes and (ii) the creation of the New Ziggo Credit Facility (each as defined and described below). The Ziggo SPEs are wholly-owned by a Dutch foundation.

Ziggo SPE Notes. On January 29, 2015, Ziggo Bond Finance issued (i) $400.0 million aggregate principal amount of 5.875% senior notes (the Ziggo 2025 Dollar Senior Notes) and (ii) €400.0 million ($484.0 million) aggregate principal amount of 4.625% senior notes (the Ziggo 2025 Euro Senior Notes and, together with the Ziggo 2025 Dollar Senior Notes, the Ziggo 2025 Senior Notes), in each case due January 15, 2025.

On February 4, 2015, Ziggo Secured Finance issued €800.0 million ($968.1 million) aggregate principal amount of 3.750% senior secured notes (the Ziggo 2025 Senior Secured Notes and, together with the Ziggo 2025 Senior Notes, the Ziggo SPE Notes) due January 15, 2015.

Pending consummation of the NL Reorganization, the net proceeds of the Ziggo SPE Notes (the Escrowed Proceeds) were placed into certain escrow accounts. The release of the Escrowed Proceeds is subject to the satisfaction of certain conditions, including the certification that the NL Reorganization will be consummated within three business days following the release of the Escrowed Proceeds. If the conditions to the release of the Escrowed Proceeds have not been satisfied on or prior to July 31, 2015, the Ziggo SPE Notes will be subject to a special mandatory redemption (the Special Mandatory Redemption) at a redemption price equal to 100% of the aggregate initial issue price of the Ziggo SPE Notes plus accrued and unpaid interest from the issue date to such special mandatory redemption date and additional amounts, as specified in the applicable indenture, if any.

Upon release of the Escrowed Proceeds (i) Ziggo Secured Finance will use the proceeds of the Ziggo 2025 Senior Secured Notes to fund one or more proceeds loans denominated in euro, in an aggregate amount equal to the principal amount of the Ziggo 2025 Senior Secured Notes (the Senior Secured Proceeds Loans) to one or two subsidiaries of Ziggo Group Holding in such capacity a Senior Secured Proceeds Loan Borrower), subject to the terms of a senior secured proceeds loan facility (the Senior Secured Proceeds Loan Facility) and (ii) Ziggo Bond Finance will use the proceeds of the Ziggo 2025 Senior Notes to fund one or more proceeds loans denominated in U.S. dollars, in an amount equal to the principal amount of the Ziggo 2025 Dollar Senior Notes, and one or more proceeds loans denominated in euro, in an amount equal to the principal amount of the Ziggo 2025 Euro Senior Notes (together, the Senior Proceeds Loans, and along with the Senior Secured Proceeds Loans, the Proceeds Loans) to one or two subsidiaries of Ziggo Group Holding (each in such capacity a Senior Proceeds Loan Borrower, and together with the Senior Secured Proceeds Loan Borrowers, the Proceeds Loan Borrowers), subject to the terms of a senior proceeds loan facility. A portion of the proceeds from the Proceeds Loans, along with a portion of the 2025 VM 5.125% Senior Secured Notes and the 2025 VM Senior Notes, will ultimately be used to redeem (a) the full principal amount of the UPC Holding 8.375% Senior Notes, (b) the full principal amount of the UPCB Finance I Notes and (c) €560.0 million ($677.6 million) principal amount of the UPCB Finance II Notes, including the related redemption premiums.

Each of the Ziggo SPEs is dependent on payments from the applicable Proceeds Loan Borrowers in order to service its payment obligations under the applicable Ziggo SPE Notes. None of the Proceeds Loan Borrowers or any of their respective subsidiaries guarantee or provide any credit support for the Ziggo SPEs' obligations under the Ziggo SPE Notes, however certain subsidiaries of Ziggo Group Holding agreed to be bound by the covenants in the indentures governing the Ziggo SPE Notes. Although the Proceeds Loan Borrowers have no equity or voting interest in any of the Ziggo SPEs, each of the Proceeds Loans creates a variable interest in the respective Ziggo SPE for which the applicable Proceeds Loan Borrower is the primary beneficiary, as contemplated by GAAP. As such, the Proceeds Loan Borrowers and their parent entities, including Ziggo Group Holding and Liberty Global, are required by the provisions of GAAP to consolidate the Ziggo SPEs. Accordingly, the amounts outstanding under the Proceeds Loans will be eliminated in Liberty Global's consolidated financial statements.

Subject to the Special Mandatory Redemption and the circumstances described above, the Ziggo SPE Notes are non-callable until January 15, 2020. At any time prior to January 15, 2020, Ziggo Secured Finance or Ziggo Bond Finance may redeem some or all of the Ziggo SPE Notes (as applicable) by paying a "make-whole" premium, which is the present value of all remaining scheduled interest payments to the first call date using the discount rate (as specified in the applicable indenture) as of the redemption date plus 50 basis points.

Ziggo Secured Finance or Ziggo Bond Finance may redeem some or all of the Ziggo SPE Notes (as applicable) at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and additional amounts (as specified in the applicable indenture), if any, to the redemption date, if redeemed during the twelve-month period commencing on January 15 of the years set forth below:

	Redemption price		
Year	Ziggo 2025 Dollar Senior Notes	Ziggo 2025 Euro Senior Notes	Ziggo 2025 Senior Secured Notes
2020	102.938%	102.313%	101.875%
2021	101.958%	101.542%	101.250%
2022	100.979%	100.771%	100.625%
2023 and thereafter	100.000%	100.000%	100.000%

Prior to January 15, 2020, the Proceeds Loan Borrowers may instruct the applicable Ziggo SPE during each 12-month period commencing on the date on which the Ziggo 2025 Senior Secured Notes are issued, to redeem up to 10% of the principal amount of the Ziggo 2025 Senior Secured Notes at a redemption price equal to 103% of the principal amount thereof plus accrued and unpaid interest up to (but excluding) the redemption date.

If Ziggo Secured Finance or Ziggo Bond Finance or the restricted subsidiaries experience changes in control (as specified in the applicable indenture) Ziggo Secured Finance or Ziggo Bond Finance (as applicable) must offer to repurchase the Ziggo SPE Notes at a redemption price of 101%.

The call provisions, maturity and applicable interest rate for each of the Proceeds Loans will be substantially the same as those of the applicable series of the Ziggo SPE Notes described above.

The Ziggo 2025 Senior Notes are senior obligations of Ziggo Bond Finance that rank equally in right of payment with all existing and future senior debt of Ziggo Bond Finance and senior to all existing and future subordinated debt of Ziggo Bond Finance that is not subordinated to the Ziggo 2025 Senior Notes. The Ziggo 2025 Senior Secured Notes are senior obligations of Ziggo Secured Finance that rank equally in right of payment with all existing and future senior debt of Ziggo Secured Finance and are senior to all existing and future subordinated debt of Ziggo Secured Finance that is not subordinated to the Ziggo 2025 Senior Secured Notes. Upon the release of the Escrowed Proceeds, the Ziggo SPE Notes will be secured by a first-ranking security interest over (i) all of the issued shares of the applicable Ziggo SPE and (ii) the applicable Ziggo SPE's rights to and benefits from the applicable Proceeds Loans.

The Senior Secured Proceeds Loans will be senior obligations of the Senior Secured Proceeds Loan Borrowers. The Senior Secured Proceeds Loans will rank equally with all existing and future senior debt of the Senior Secured Proceeds Loan Borrowers and senior to all future subordinated debt of the Senior Secured Proceeds Loan Borrowers. The obligations of a Senior Secured Proceeds Loan Borrower under a Senior Secured Proceeds Loan will be guaranteed on a senior secured basis by the other Senior Secured Proceeds Loan Borrower that is not a borrower of such Senior Secured Proceeds Loan.

The Senior Proceeds Loans will be senior obligations of the Senior Proceeds Loan Borrowers. The Senior Proceeds Loans will rank equally with all existing and future senior debt of the Senior Proceeds Loan Borrowers and senior to all future subordinated debt of the Senior Proceeds Loan Borrowers. The obligations of a Senior Proceeds Loan Borrower under a Senior Proceeds Loan will be guaranteed on a senior basis by the other Senior Proceeds Loan Borrower that is not a borrower of such Senior Proceeds Loan.

New Ziggo Credit Facility. In connection with the NL Reorganization, lenders under the existing Facility AG under the UPC Broadband Holding Bank Facility agreed to roll €684.2 million ($827.9 million) into a new euro denominated term loan (Facility AJ) under the UPC Broadband Holding Bank Facility. The terms of Facility AJ will be substantially the same as the terms of Facility AG, except that the terms of Facility AJ will provide for the rollover of Facility AJ, upon completion of the NL Reorganization, into new term loans (the SPV Term Loans) under a new senior secured credit facility with Ziggo Secured Finance as the borrower (the New Ziggo Credit Facility). If the NL Reorganization is completed, Facility AJ will roll into the SPV Term Loans on a cashless basis (the SPV Credit Facility Rollover). As a result of the SPV Credit Facility Rollover, one or more receivables will be created owing from UPC Nederland to Ziggo Secured Finance. These receivables will be funded on a cashless basis as one or more facilities (the Rollover Loans) subject to the terms of the Senior Secured Proceeds Loan Facility. The New Ziggo Credit Facility, if entered into, will rank equally with the Ziggo 2025 Senior Secured Notes, including with respect to the proceeds of enforcement of the Notes Collateral, and the Rollover Loans will rank equally with the Senior Secured Proceeds Loans.

LIBERTY GLOBAL PLC

SCHEDULE I
(Parent Company Information - See Notes to Consolidated Financial Statements)

CONDENSED BALANCE SHEETS
(Parent Company Only)

	December 31,	
	2014	2013
	in millions	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 36.7	$ 290.7
Interest receivables — related-party	448.7	247.1
Other receivables — related-party	157.8	260.4
Current notes receivable — related-party	5,666.8	—
Other current assets	7.5	9.6
Total current assets	6,317.5	807.8
Long-term notes receivable — related-party	9,656.9	9,557.6
Investments in consolidated subsidiaries, including intercompany balances	750.0	1,742.8
Other assets, net	4.2	3.0
Total assets	$ 16,728.6	$ 12,111.2
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 46.4	$ 11.4
Other payables — related-party	105.3	47.1
Debt — related-party	679.2	—
Accrued liabilities and other	16.0	6.7
Total current liabilities	846.9	65.2
Long-term notes payable — related-party	18.9	18.6
Other long-term liabilities — related-party	1,146.6	—
Other long-term liabilities	1.7	1.6
Total liabilities	2,014.1	85.4
Commitments and contingencies		
Shareholders' equity:		
Class A ordinary shares, $0.01 nominal value. Issued and outstanding 251,167,686 and 222,081,117 shares, respectively	2.5	2.2
Class B ordinary shares, $0.01 nominal value. Issued and outstanding 10,139,184 and 10,147,184 shares, respectively	0.1	0.1
Class C ordinary shares, $0.01 nominal value. Issued and outstanding 630,353,372 and 556,221,669 shares, respectively	6.3	5.6
Additional paid-in capital	17,070.8	12,809.4
Accumulated deficit	(4,007.6)	(3,312.6)
Accumulated other comprehensive earnings, net of taxes	1,646.6	2,528.8
Treasury shares, at cost	(4.2)	(7.7)
Total shareholders' equity	14,714.5	12,025.8
Total liabilities and shareholders' equity	$ 16,728.6	$ 12,111.2

LIBERTY GLOBAL PLC

SCHEDULE I
(Parent Company Information - See Notes to Consolidated Financial Statements)

CONDENSED STATEMENTS OF OPERATIONS
(Parent Company Only)

	Year ended December 31, 2014	Period from June 8, 2013 through December 31, 2013
	in millions	
Operating costs and expenses:		
Selling, general and administrative (including share-based compensation)	$ 43.0	$ 9.7
Related-party fees and allocations	151.8	54.9
Other operating expenses	3.5	—
Operating loss	(198.3)	(64.6)
Non-operating income (expense):		
Interest income, net	812.1	468.3
Realized and unrealized gains (losses) on derivative instruments, net	13.7	(4.5)
Foreign currency transaction losses, net	(58.2)	—
Other expense, net	(8.1)	—
	759.5	463.8
Earnings before income taxes and equity in losses of consolidated subsidiaries, net	561.2	399.2
Equity in losses of consolidated subsidiaries, net	(1,120.8)	(1,306.3)
Income tax expense	(135.4)	(105.8)
Net loss	$ (695.0)	$ (1,012.9)

LIBERTY GLOBAL PLC

SCHEDULE I
(Parent Company Information - See Notes to Consolidated Financial Statements)

CONDENSED STATEMENTS OF CASH FLOWS
(Parent Company Only)

	Year ended December 31, 2014	Period from June 8, 2013 through December 31, 2013
	in millions	
Cash flows from operating activities:		
Net loss	$ (695.0)	$ (1,012.9)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Equity in losses of consolidated subsidiaries, net	1,120.8	1,306.3
Share-based compensation expense	20.2	3.5
Related-party fees and allocations	151.8	54.9
Other operating expenses	3.5	—
Realized and unrealized losses (gains) on derivative instruments, net	(13.7)	4.5
Foreign currency transaction losses, net	58.2	—
Deferred income tax benefit	(3.6)	(0.4)
Changes in operating assets and liabilities:		
Receivables and other operating assets	0.2	(104.9)
Payables and accruals	(65.3)	2.6
Net cash provided by operating activities	577.1	253.6
Cash flows from investing activities:		
Distributions and advances from subsidiaries and affiliates, net	(368.3)	949.0
Other investing activities, net	1.8	(11.3)
Net cash provided (used) by investing activities	(366.5)	937.7
Cash flows from financing activities:		
Repurchase of Liberty Global shares	(1,584.9)	(971.8)
Borrowings of related-party debt	1,221.5	—
Repayments of related-party debt	(542.3)	—
Proceeds received from subsidiaries in connection with the issuance of Liberty Global shares	435.1	—
Proceeds from issuance of Liberty Global shares upon exercise of stock options	54.8	78.1
Proceeds (payments) associated with call option contracts, net	(41.7)	4.1
Other financing activities, net	(6.6)	(11.0)
Net cash used by financing activities	(464.1)	(900.6)
Effect of exchange rate changes on cash	(0.5)	—
Net increase (decrease) in cash and cash equivalents	(254.0)	290.7
Cash and cash equivalents:		
Beginning of period	290.7	—
End of period	$ 36.7	$ 290.7

LIBERTY GLOBAL, INC.

SCHEDULE I
(Parent Company Information - See Notes to Consolidated Financial Statements)

CONDENSED STATEMENTS OF OPERATIONS
(Parent Company Only)

	Period from January 1, 2013 through June 7, 2013	Year ended December 31, 2012
	in millions	
Operating costs and expenses:		
Selling, general and administrative (including stock-based compensation)	$ 43.5	$ 98.1
Depreciation and amortization	0.3	0.8
Other operating charges	48.1	—
Operating loss	(91.9)	(98.9)
Non-operating expense:		
Interest expense, net	(0.7)	(0.1)
Other expense, net	(0.1)	(0.5)
	(0.8)	(0.6)
Loss before income taxes and equity in earnings of consolidated subsidiaries, net	(92.7)	(99.5)
Equity in earnings of consolidated subsidiaries, net	120.0	390.7
Income tax benefit	21.7	31.6
Net earnings	$ 49.0	$ 322.8

LIBERTY GLOBAL, INC.

SCHEDULE I
(Parent Company Information - See Notes to Consolidated Financial Statements)

CONDENSED STATEMENTS OF CASH FLOWS
(Parent Company Only)

	Period from January 1, 2013 through June 7, 2013	Year ended December 31, 2012
	in millions	
Cash flows from operating activities:		
Net earnings	$ 49.0	$ 322.8
Adjustments to reconcile net earnings to net cash used by operating activities:		
Equity in earnings of consolidated subsidiaries, net	(120.0)	(390.7)
Stock-based compensation expense	11.5	33.0
Depreciation and amortization	0.3	0.8
Other operating charges	48.1	—
Deferred income tax expense (benefit)	(21.9)	111.7
Excess tax benefits from stock-based compensation	—	(2.6)
Changes in operating assets and liabilities:		
Receivables and other operating assets	(7.2)	(27.1)
Payables and accruals	(23.8)	(71.4)
Net cash used by operating activities	(64.0)	(23.5)
Cash flows from investing activities:		
Distributions and advances from subsidiaries and affiliates, net	163.1	855.1
Capital expenditures	(0.7)	(2.0)
Net cash provided by investing activities	162.4	853.1
Cash flows from financing activities:		
Repurchase of LGI common stock	(185.4)	(970.3)
Proceeds (payments) related to call option contracts for LGI common stock	55.5	(52.1)
Payment of net settled employee withholding taxes on stock incentive awards	(13.1)	(22.1)
Proceeds from issuance of LGI common stock upon exercise of stock options	2.9	25.6
Excess tax benefits from stock-based compensation	—	2.6
Net cash used by financing activities	(140.1)	(1,016.3)
Net decrease in cash and cash equivalents	(41.7)	(186.7)
Cash and cash equivalents:		
Beginning of period	69.4	256.1
End of period	$ 27.7	$ 69.4

LIBERTY GLOBAL PLC

SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS

	Allowance for doubtful accounts — Trade receivables							
	Balance at beginning of period		Additions to costs and expenses	Acquisitions	Deductions or write-offs	Foreign currency translation adjustments	Disposals/ discontinued operations	Balance at end of period
					in millions			
Year ended December 31:								
2012	$	144.0	66.4	4.0	(113.6)	2.2	—	$ 103.0
2013	$	103.0	113.3	12.9	(98.1)	1.7	(10.2)	$ 122.6
2014	$	122.6	119.1	7.9	(120.5)	(13.0)	—	$ 116.1

Annex II

Profit Forecast of the Liberty Global Group and the LiLAC Group

SECTION A: PROFIT FORECAST FOR THE LIBERTY GLOBAL GROUP AND THE LILAC GROUP FOR THE FINANCIAL YEAR ENDING DECEMBER 31, 2016

1. GENERAL

In the February Release, we provided the following full-year 2016 financial guidance targets, which were deemed ordinary-course profit forecasts for purposes of the Code:

- 5% to 7% rebased OCF growth, for Liberty Global Group, excluding the Netherlands and BASE; and
- 5% to 7% rebased OCF growth for LiLAC Group, excluding CWC.

In the above statements, OCF has the same meaning as the term "Adjusted OIBDA" that is included in note 18 to the 2015 Consolidated Financial Statements. OCF is the primary measure used by our chief operating decision maker to evaluate segment operating performance. OCF is also a key factor that is used by our internal decision makers to (i) determine how to allocate resources to segments and (ii) evaluate the effectiveness of our management for purposes of annual and other incentive compensation plans. As we use the term, OCF is defined as operating income before depreciation and amortization, share-based compensation, provisions and provision releases related to significant litigation and impairment, restructuring and other operating items. Other operating items include (a) gains and losses on the disposition of long-lived assets, (b) third-party costs directly associated with successful and unsuccessful acquisitions and dispositions, including legal, advisory and due diligence fees, as applicable, and (c) other acquisition-related items, such as gains and losses on the settlement of contingent consideration.

OCF should be viewed as a measure of operating performance that is a supplement to, and not a substitute for, operating income, net earnings or loss, cash flow from operating activities and other GAAP measures of income or cashflows.

While our OCF measure should not be considered a measurement of profit, the above statements for the year ending December 31, 2016, are deemed to be "profit forecasts" for the purposes of the Prospectus Rules (the "**Liberty Global Profit Forecast**").

The Liberty Global Directors have considered the Liberty Global Profit Forecast and confirm that it is valid as at the date of this Prospectus and has been properly compiled on the basis of the assumptions set out above and that the basis of the accounting used is consistent with Liberty Global's accounting policies including those used in the preparation of the 2015 Consolidated Financial Statements and the 2014 Consolidated Financial Statements.

2. BASIS OF PREPARATION

The Liberty Global Profit Forecast has been prepared on a basis consistent with the accounting policies for Liberty Global, which are in accordance with U.S. GAAP and the basis used to prepare the 2015 Consolidated Financial Statements and the 2014 Consolidated Financial Statements, as well as those which Liberty Global anticipates will also be the basis applicable for the year ending December 31, 2016. Liberty Global has prepared the Liberty Global Profit Forecast based on an internal management forecast to December 31, 2016.

3. ASSUMPTIONS

The principal assumptions upon which the profit forecast is based are included below. Our 2016 guidance for the Liberty Global Group mentioned above excludes our Dutch business, Ziggo, and the recently acquired BASE in Belgium, whereas the 2016 guidance for the LiLAC Group excludes CWC.

There is a clear distinction made between assumptions which the Liberty Global Directors (or other members of Liberty Global's management) can influence and those which they cannot influence.

The following factors are outside the influence or control of the Liberty Global Directors (and other members of Liberty Global's management):

- Economic and business conditions and industry trends in the countries in which we operate;
- The competitive environment in the industries in the countries in which we operate, including competitor responses to our products and services;
- Fluctuations in currency exchange rates and interest rates;
- Instability in global financial markets, including sovereign debt issues and related fiscal reforms;
- Consumer disposable income and spending levels, including the availability and amount of individual consumer debt;
- Changes in consumer television viewing preferences and habits;
- Consumer acceptance of our existing service offerings, including our digital video, broadband internet, fixed-line telephony, mobile and business service offerings, and of new technology, programming alternatives and other products and services that we may offer in the future;
- Changes in laws or treaties relating to taxation, or the interpretation thereof, in the U.K., U.S. or in other countries in which we operate;
- Changes in laws and government regulations that may impact the availability and cost of capital and the derivative instruments that hedge certain of our financial risks;
- The ability of suppliers and vendors (including our third-party wireless network providers under our MVNO arrangements) to timely deliver quality products, equipment, software, services and access; and
- Events that are outside of our control, such as political unrest in international markets, terrorist attacks, malicious human acts, natural disasters, pandemics and other similar events.

The following factors are within the influence or control of the Liberty Global Directors (or other members of Liberty Global's management):

- Our ability to maintain or increase the number of subscriptions to our digital video, broadband internet, fixed-line telephony and mobile service offerings and our average revenue per household;
- Our ability to maintain or increase rates to our subscribers or to pass through increased costs to our subscribers;
- That there will be no material change in the present management or control of Liberty Global or its existing operational strategy; and
- That Liberty Global's accounting policies will be consistently applied in the financial year ending December 31, 2016.

SECTION B: ACCOUNTANTS' REPORT ON THE PROFIT FORECAST OF THE LIBERTY GLOBAL GROUP AND THE LILAC GROUP

KPMG LLP
Transaction Services
15 Canada Square
Canary Wharf
London E14 5GL
United Kingdom

Tel +44 (0) 20 7311 1000
Fax +44 (0) 20 7311 3311

The Directors
Liberty Global plc
Griffin House,
161 Hammersmith Road,
London, W6 8BS

March 22, 2016

Ladies and Gentlemen

Liberty Global plc (the Company)

We report on the profit forecast of Liberty Global plc and its subsidiaries (the "Group") for the year ending December 31, 2016 (the "Liberty Global Profit Forecast") comprising:

- Full-year guidance of 5% to 7% rebased OCF growth, for Liberty Global Group, excluding the Netherlands and BASE
- Full-year guidance of 5% to 7% rebased OCF growth for LiLAC Group, excluding Cable & Wireless

The Liberty Global Profit Forecast, and the material assumptions upon which it is based, are set out in Annex II, Section A of the prospectus issued by the Company dated March 22, 2016. This report is required by paragraph 13.2 of Annex I of the Prospectus Directive Regulation and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Liberty Global Profit Forecast in accordance with the requirements of the Prospectus Directive Regulation.

It is our responsibility to form an opinion as required by the Prospectus Directive Regulation as to the proper compilation of the Liberty Global Profit Forecast and to report that opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 23.1 of Annex I of the Prospectus Directive Regulation, consenting to its inclusion in the prospectus.

Basis of preparation of the Liberty Global Profit Forecast

The Liberty Global Profit Forecast has been prepared on the basis stated in Annex II, Section A of the prospectus and is based on a forecast to December 31, 2016. The Liberty Global Profit Forecast is required to be presented on a basis consistent with the accounting policies of the Group.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included considering whether the Liberty Global Profit Forecast has been accurately computed based upon the disclosed assumptions and the accounting policies of the Group. Whilst the assumptions upon which the Liberty Global Profit Forecast are based are solely the responsibility of the directors of the Company, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the directors of the Company which, in our opinion, are necessary for a proper understanding of the Liberty Global Profit Forecast, have not been disclosed and whether any material assumption made by the directors of the Company appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Liberty Global Profit Forecast has been properly compiled on the basis stated.

Since the Liberty Global Profit Forecast and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the Liberty Global Profit Forecast and differences may be material.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion the Liberty Global Profit Forecast has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies of the Group.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the prospectus in compliance with paragraph 1.2 of Annex I of the Prospectus Directive Regulation.

Yours faithfully

KPMG LLP

KPMG LLP, a UK limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Registered in England No OC301540
Registered office: 15 Canada Square, London, E14 5GL
For full details of our professional regulation please refer to 'Regulatory Information' under 'About/About KPMG' at www.kpmg.com/uk

[This page is intentionally left blank]

Printed by RR Donnelley - 137337