

Information related to Regulation G

LGI:

Operating cash flow, free cash flow and adjusted free cash flow are non-GAAP measures as contemplated by the U.S. Securities and Exchange Commission's Regulation G. A reconciliation of historical operating cash flow, free cash flow and adjusted free cash flow to the most directly comparable GAAP financial measure is presented below:

	Three months ended June 30,		Six months ended June 30,	
	2011	2011	2010	2010
	in millions		in millions	
Total segment operating cash flow from continuing operations (a)	\$ 1,224.8	\$ 984.9	\$ 2,346.5	\$ 1,959.9
Stock-based compensation expense.....	(39.7)	(32.7)	(75.3)	(66.7)
Depreciation and amortization	(649.7)	(590.5)	(1,268.2)	(1,179.5)
Impairment, restructuring and other operating gains (charges), net	(4.6)	(34.6)	105.4	(83.0)
Operating income	530.8	327.1	1,108.4	630.7
Interest expense	(392.9)	(316.0)	(757.1)	(659.2)
Interest and dividend income	16.3	5.2	38.4	18.2
Realized and unrealized losses on derivative instruments, net	(449.1)	146.8	(462.0)	(363.7)
Foreign currency transaction gains (losses), net	205.4	(758.3)	589.8	(893.4)
Realized and unrealized gains (losses) due to changes in fair values of certain investments and debt, net.....	(48.9)	(28.9)	(142.5)	23.7
Gains (losses) on debt modifications and extinguishments, net.....	(187.1)	(2.8)	(206.4)	0.3
Other expense, net	(1.4)	(1.7)	(5.8)	(1.8)
Earnings (loss) from continuing operations before income taxes	<u>\$ (326.9)</u>	<u>\$ (628.6)</u>	<u>\$ 162.8</u>	<u>\$ (1,245.2)</u>
Net cash provided by operating activities of continuing operations.....	\$ 634.6	\$ 372.5	\$ 1,369.5	\$ 1,006.2
Excess tax benefits from stock-based compensation	2.9	0.1	23.1	34.4
Direct acquisition costs	5.6	13.2	9.4	51.8
Capital expenditures	(508.4)	(434.4)	(1,018.8)	(839.4)
Free cash flow (b)	<u>\$ 134.7</u>	<u>\$ (48.6)</u>	<u>\$ 383.2</u>	<u>\$ 253.0</u>
Free cash flow	\$ 134.7	\$ (48.6)	\$ 383.2	\$ 253.0
Old Unitymedia's free cash flow adjustment for pre-acquisition Q1 2010 period.....	—	—	—	(42.0)
Post-acquisition payments associated with Old Unitymedia's capital structure	6.5	7.2	12.9	44.8
Free cash flow deficit of VTR Wireless.....	23.9	—	33.7	—
Tax payments on J:COM disposal	—	126.0	—	126.0
Adjusted free cash flow	<u>\$ 165.1</u>	<u>\$ 84.6</u>	<u>\$ 429.8</u>	<u>\$ 381.8</u>

- (a) LGI defines operating cash flow as revenue less operating and SG&A expenses (excluding stock-based compensation, depreciation and amortization, provisions for litigation and impairment, restructuring and other operating charges or credits).
- (b) LGI defines free cash flow as net cash provided by operating activities, plus (i) excess tax benefits related to the exercise of stock incentive awards and (ii) cash payments for direct acquisition costs, less cash payments for capital expenditures, with each item excluding any cash provided or used by our discontinued operations.