

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 December 31,		Year ended December,	
	2011	2010	2011	2010
	in millions			
Total segment operating cash flow from continuing operations (a)	\$ 1,099.5	\$ 1,006.4	\$ 4,482.3	\$ 3,881.7
Stock-based compensation expense.....	(25.7)	(26.3)	(131.3)	(111.0)
Depreciation and amortization	(618.7)	(577.1)	(2,457.0)	(2,251.5)
Impairment, restructuring and other operating charges, net.....	(46.9)	(15.9)	(75.6)	(125.6)
Operating income	408.2	387.1	1,818.4	1,393.6
Interest expense	(368.5)	(337.6)	(1,455.2)	(1,283.6)
Interest and dividend income	10.8	7.6	73.2	36.2
Realized and unrealized gains (losses) on derivative instruments, net	43.6	(175.7)	(60.4)	(1,152.3)
Foreign currency transaction losses, net.....	(374.6)	(69.7)	(572.6)	(237.1)
Realized and unrealized gains (losses) due to changes in fair values of certain investments and debt, net.....	50.8	21.1	(155.1)	127.8
Gains (losses) on debt modification, extinguishment and conversion, net.....	0.3	(4.8)	(218.4)	(29.8)
Other income (expense), net.....	0.3	(3.5)	(5.7)	(5.4)
Loss from continuing operations before income taxes.....	<u>\$ (229.1)</u>	<u>\$ (175.5)</u>	<u>\$ (575.8)</u>	<u>\$ (1,150.6)</u>
Net cash provided by operating activities of continuing operations.....	\$ 837.6	\$ 702.4	\$ 2,562.7	\$ 2,007.7
Excess tax benefits from stock-based compensation	4.4	(4.2)	37.7	44.7
Cash payments for direct acquisition costs	2.6	1.5	19.6	54.3
Capital expenditures	(511.3)	(475.7)	(1,927.0)	(1,690.5)
Principal payments on vendor financing obligations	(6.6)	—	(10.0)	—
Principal payments on certain capital leases	(3.2)	(1.8)	(11.4)	(8.9)
Free cash flow (b)	<u>\$ 323.5</u>	<u>\$ 222.2</u>	<u>\$ 671.6</u>	<u>\$ 407.3</u>
Free cash flow	\$ 323.5	\$ 222.2	\$ 671.6	\$ 407.3
Old Unitymedia's FCF adjustment for pre-acquisition Q1 2010 period	—	—	—	(42.0)
Post-acquisition payments associated with Old Unitymedia's capital structure	—	13.2	12.9	64.9
FCF deficit of VTR Wireless.....	44.1	—	106.5	—
Tax payments on J:COM disposal	—	44.9	—	228.0
Adjusted free cash flow	<u>\$ 367.6</u>	<u>\$ 280.3</u>	<u>\$ 791.0</u>	<u>\$ 658.2</u>

- (a) LGI defines operating cash flow as revenue less operating and selling, general and administrative expenses (excluding stock-based compensation, related-party fees and allocations, depreciation and amortization and impairment, restructuring and other operating charges or credits).
- (b) LGI defines free cash flow as net cash provided by our operating activities, plus (i) excess tax benefits related to the exercise of stock incentive awards and (ii) cash payments for direct acquisition costs, less (a) capital expenditures, as reported in our consolidated cash flow statements, (b) principal payments on vendor financing obligations and (c) principal payments on capital leases (exclusive of our network lease in Belgium and our duct leases in Germany), with each item excluding any cash provided or used by our discontinued operations.