LIBERTY GLOBAL GROUP
INVESTOR CALL
Q1 2017

“Safe Harbor”

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements with respect to our strategies, future growth prospects and opportunities; our expectations with respect to subscribers, revenue, OCF, Adjusted FCF and indirect costs; expectations with respect to the development, enhancement and expansion of our superior networks and innovative and advanced products and services; plans and expectations relating to new build and network extension opportunities; expectations regarding our share buyback program; the strength of our balance sheet and tenor of our third-party debt; statements regarding our joint venture in the Netherlands; and other information and statements that are not historical fact. These forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements. These risks and uncertainties include the continued use by subscribers and potential subscribers of our and our affiliates’ services and their willingness to upgrade to our more advanced offerings; our and our affiliates’ ability to meet challenges from competition, to manage rapid technological change or to maintain or increase rates to subscribers or to pass through increased costs to subscribers; the effects of changes in laws or regulation; general economic factors; our and our affiliates’ ability to obtain regulatory approval and satisfy regulatory conditions associated with acquisitions and dispositions; our and affiliates’ ability to successfully acquire and integrate new businesses and realize anticipated efficiencies from acquired businesses; the availability of attractive programming for our and our affiliates’ video services and the costs associated with such programming; our and our affiliates’ ability to achieve forecasted financial and operating targets; the outcome of any pending or threatened litigation; the ability of our operating companies and affiliates to access cash of their respective subsidiaries; the impact of our operating companies' and affiliates’ future financial performance, or market conditions generally, on the availability, terms and deployment of capital; fluctuations in currency exchange and interest rates; 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; our and our affiliates’ ability to adequately forecast and plan future network requirements including the costs and benefits associated with network expansions; and other factors detailed from time to time in our filings with the Securities and Exchange Commission, including our most recently filed Form 10-K, as amended, and Form 10-Q. These forward-looking statements speak only as of the date of this presentation. We expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Additional Information Relating to Defined Terms:

Please refer to the Appendix at the end of this presentation, as well as our press release dated May 7, 2017 and our SEC filings, for the definitions of the following terms which may be used herein including: Rebased Growth, Operating Cash Flow (“OCF”), Free Cash Flow (“FCF”), Revenue Generating Units (“RGUs”), Average Revenue per Unit (“ARPU”), as well as GAAP reconciliations, where applicable.

EXECUTIVE SUMMARY

Key European Highlights

Subscriber growth acceleration & efficiencies lay foundation for 2017

Subscriber Growth Ramping

244k RGU adds, up 40% YoY, and 91k post-paid mobile additions in Q1

Materially lower video attrition and solid broadband adds underpinned Q1 volumes

Q1 2017 Financial Results

Rebased revenue growth of 2%, impacted by challenging mobile trends & soft VMED top-line

4% rebased OCF growth, slowed by soft Virgin Media result

European New Build Program

U.K. Project Lightning reboot; new management team in place; further update at Q2

New build programs across the rest of Europe are progressing well

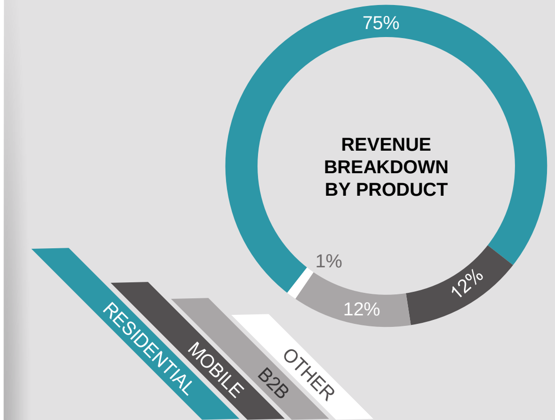
JV Insights & Guidance Update

First learnings from JV emerging; introduced innovative 4-play packages in April

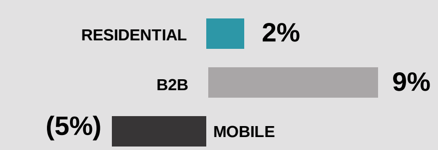
Updating 2017 rebased OCF target to around 5%; Adjusted FCF and P&E range guidance confirmed

(1) Please see Appendix for definitions and additional information.

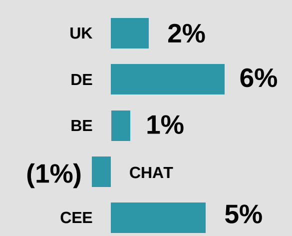
Product & Market Overview



REBASED REVENUE GROWTH BY PRODUCT



REBASED REVENUE GROWTH BY GEOGRAPHY

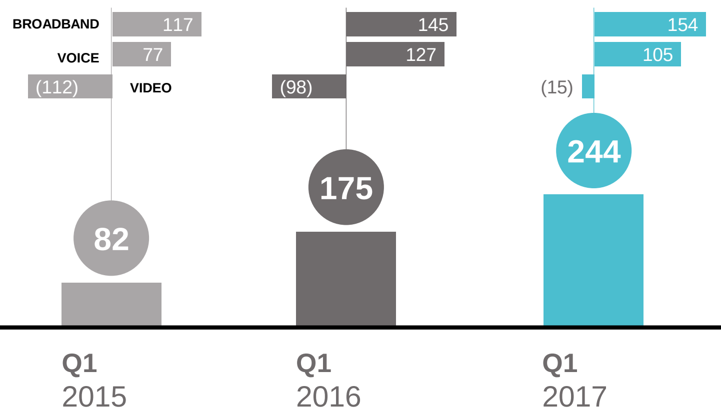


Core Fixed-line Business[1]

Investing in superior products to enhance future growth prospects

Net Adds Accelerating[2]

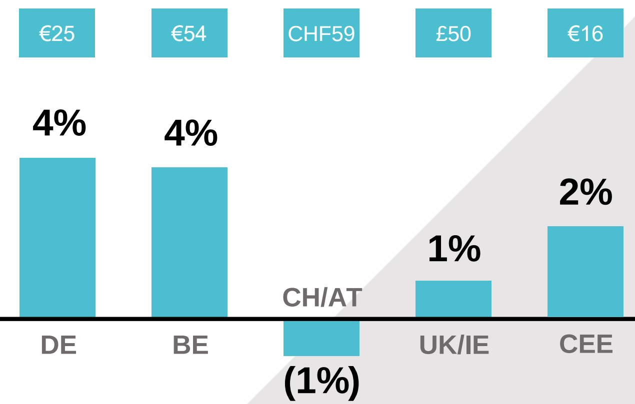
IN THOUSANDS



- Q1 net additions increased 40% versus 2016 and tripled as compared to 2015
- Strong improvement in video attrition across our existing footprint and supported by additions in new build areas

Customer ARPU Growth Varied

Q1 FIXED CUSTOMER ARPU GROWTH YoY



- Increased prices in 9 countries by the end of April
- U.K. and Swiss ARPUs under pressure due to (1) tier-mix, (2) discounting and (3) headwinds, including voice

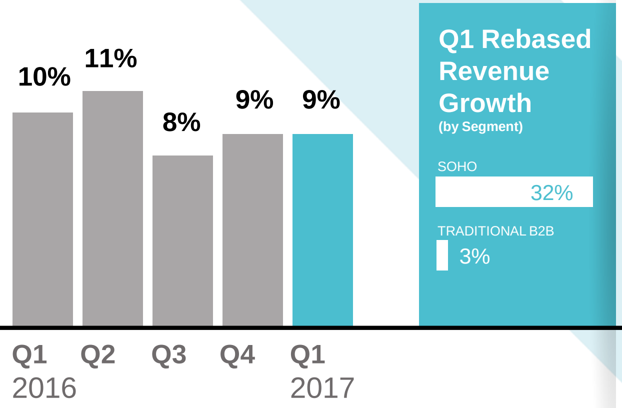
(1) Please see Appendix for definitions and additional information.
(2) Prior periods exclude the Netherlands.

Liberty GO Building Blocks[1]

B2B and Mobile each represent ~10% of Liberty Global Group's revenue

B2B – Solid Performance

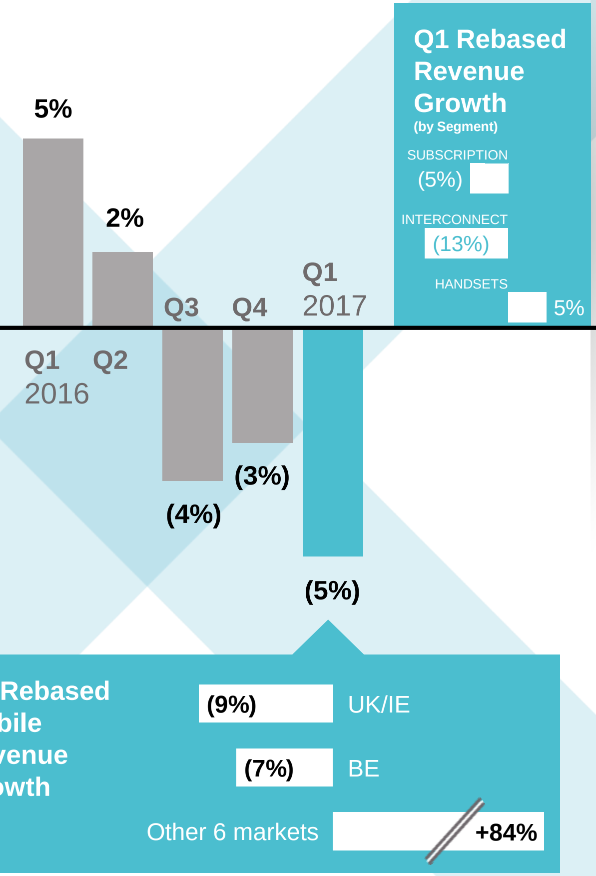
REBASED REVENUE GROWTH INCLUDING SOHO



- SOHO success driven by data-centric bundles, residential migrations and enhanced customer service support
- Key growth contributors in Q1 2017 were Belgium, U.K. & Ireland and Germany

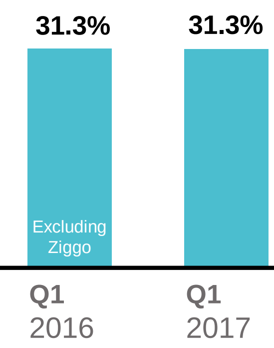
Mobile – U.K. & BE Softness

REBASED REVENUE GROWTH



Efficiencies on Track

INDIRECT COSTS AS % OF REVENUE



- Q1 2017 indirect cost flat despite higher sales and new build related spend vs Q1 2016[2]
- Going forward, expect indirect costs to remain relatively flat through 2018

(1) Please see Appendix for definitions and additional information.
(2) In absolute terms (local FX) and as % of revenue when excluding Ziggo in Q1 2016.

Virgin Media | Lightning Update[1]

New management team in place to reboot Project Lightning

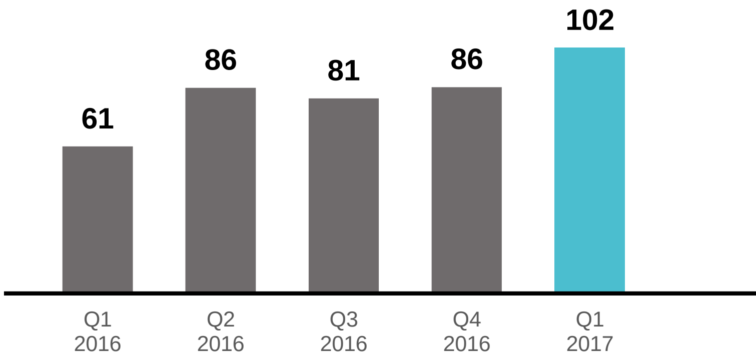
Project Lightning Transformation

Q1 2017 UPDATE

- Slowdown of new build near-term
- Key priorities of the new Lightning team:
  - Ensure Build Partner commitment for 2017
  - Accelerate Wayleaves & Permitting Process
  - New Partnership model with Local Authorities

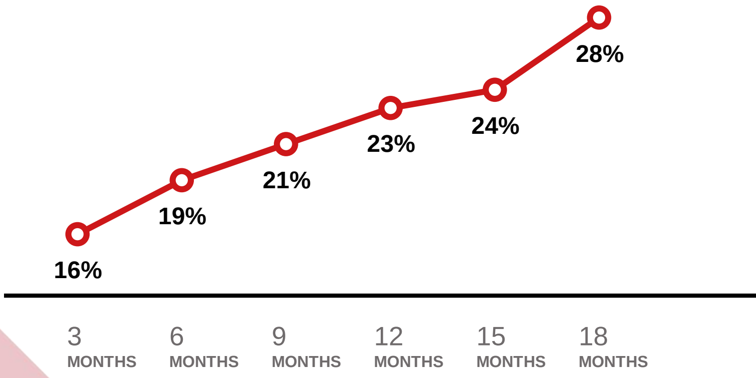
New Premises Added

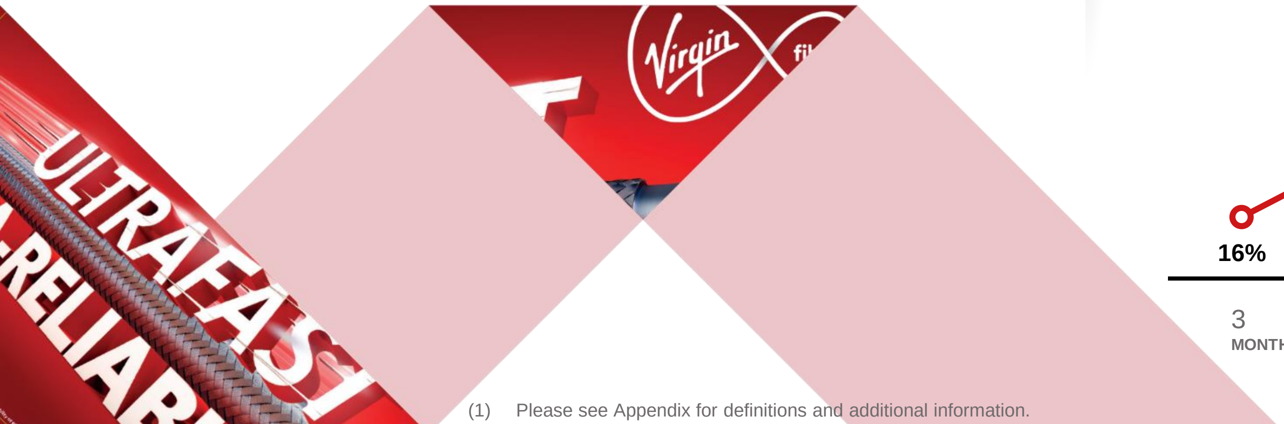
IN THOUSANDS – U.K. AND IRELAND



Active Customer Penetration U.K.

AS % OF CONNECTED PREMISES





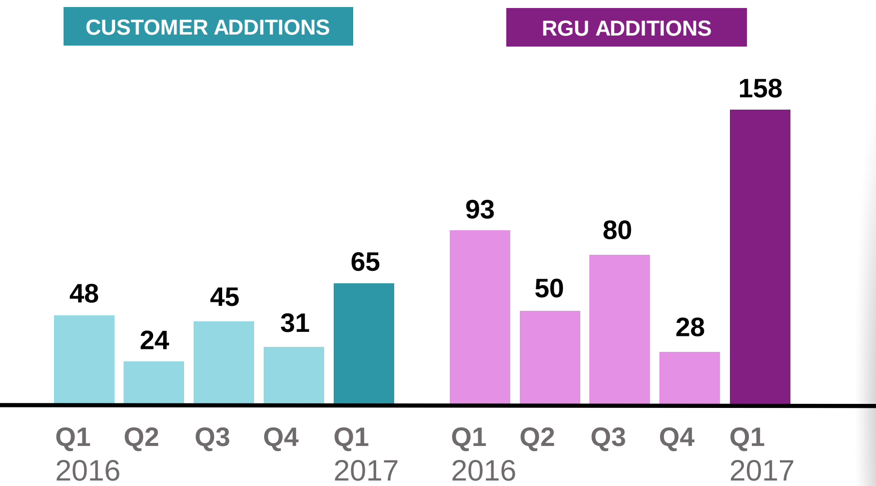
(1) Please see Appendix for definitions and additional information.

Virgin Media | Volume Growth Accelerating[(1)]

Superior speeds & great entertainment drive volume offset by lower mobile revenue

Robust Customer & RGU Additions

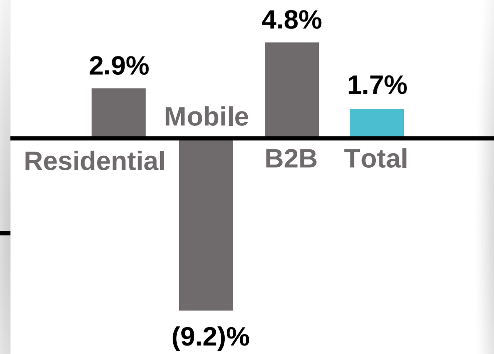
IN THOUSANDS – U.K. AND IRELAND



- Higher RGU growth on existing footprint and new build
- New services gaining traction and driving loyalty
  - Encouraging take-up of Virgin TV V6 box
  - 1.6m WiFi Hub 3.0/Connect routers
- New bundles offer 100, 200 and 300 Mbps speeds with new 4K V6 set-top box

Rebased Revenue Growth

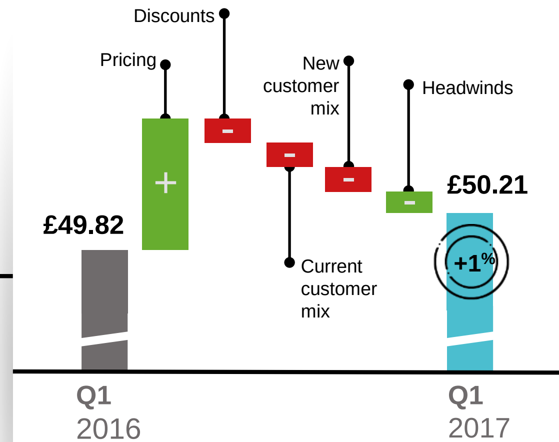
FOR Q1 2017 – U.K. AND IRELAND



- Cable: solid volumes offset by only modest ARPU growth
- Mobile: decline related to Freestyle, Interconnect and usage
- B2B: SOHO and SME fuel growth driven by strong customer service proposition

UK ARPU Fixed Customer

ILLUSTRATIVE WALK YoY



- Pricing benefit and headwinds in-line with expectations
- Discounts and customer tier mix were unfavorable to budget
- Focus on value of new bundles in our go-to-market strategy

(1) Please see Appendix for definitions and additional information.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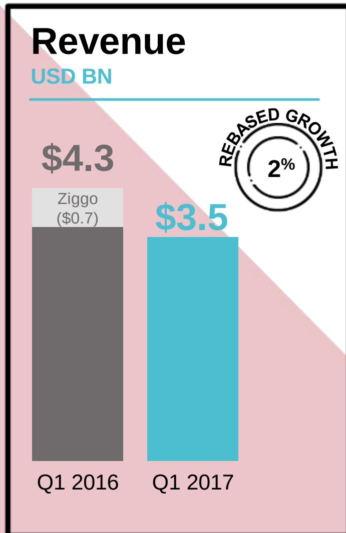
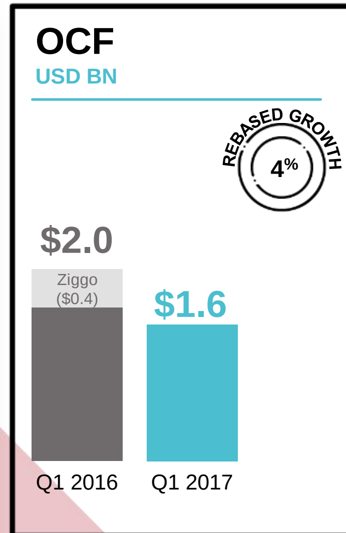
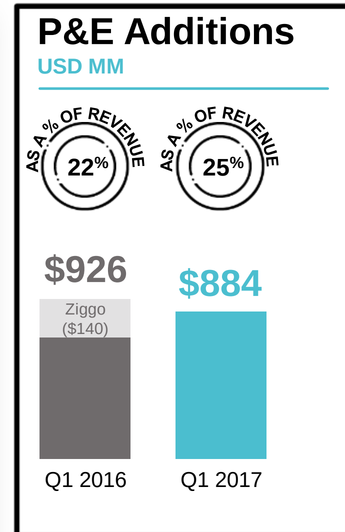
FINANCIAL RESULTS
| APPENDIX | EX
SAMSUNG
SAMSUNG

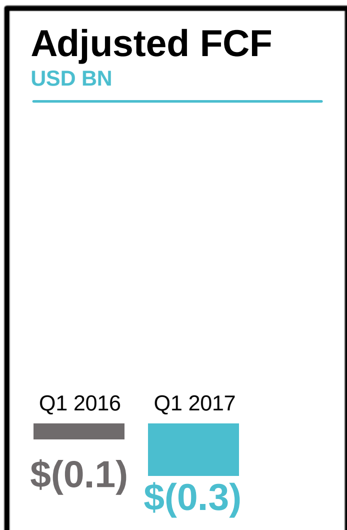
Q1 2017 Financial Results[1]

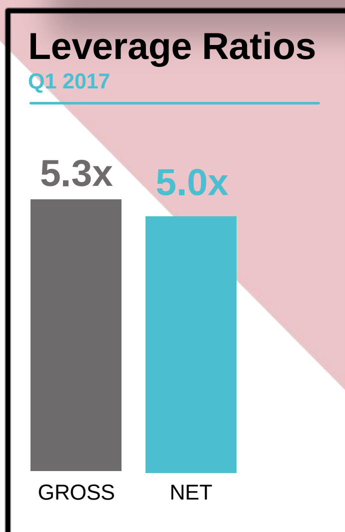
Strong balance sheet with $5.1 billion of liquidity and average debt tenor of ~7.5 years

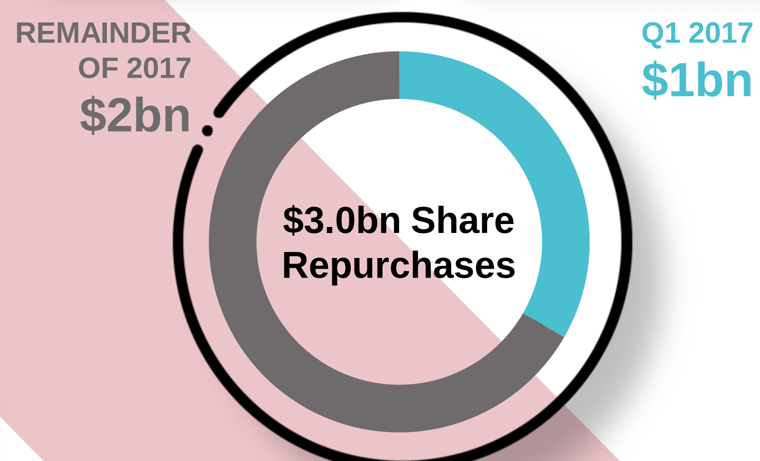












(1) Please see Appendix for definitions and additional information.

Q1 2017 Regional Financial Results[1]

Results led by Germany and Belgium offset by soft Virgin Media results

	% of Total Group Revenue	Rebased Revenue Growth	Rebased OCF Growth
UK & Ireland	43%	2%	1%
Belgium	19%	1%	8%
Germany	18%	6%	5%
Switzerland & Austria	12%	(1%)	(0%)
Central & Eastern Europe	8%	5%	4%

Virgin Media OCF Result Drivers

Q1 2017 RESULT

- ✘ Soft top-line result due to fixed customer ARPU pressure and mobile headwinds
- ✓ Direct costs largely on track; we continue to invest in content rights
- ✓ Indirect costs up YoY; investment in marketing spend mainly related to new campaigns; in-line with expectations

Lightning – Source of Sustainable Growth

PROJECT LIGHTNING

- No material OCF contribution from Project Lightning in 2017
- Expect more meaningful OCF contribution from Project Lightning beginning 2018
- Lightning still expected to deliver sustainable growth and attractive returns over the medium term
- Will provide an update after the second quarter

(1) Please see Appendix for definitions and additional information.

Liberty Global Group Conclusions

Investing in our products and network expansion to enhance organic growth

- Delivered solid subscriber acceleration in Q1
- Robust B2B results and continue investing in mobile
- Leveraging our scale to keep indirect costs flat
- Expect rebased OCF growth to be weighted towards second half of 2017
- Targeting $2bn of buybacks by year-end 2017

APPENDIX

EXECUTIVE SUMMARY

Definitions and Additional Information

GAAP are accounting principles generally accepted in the United States.

Revenue Generating Unit "RGU" is separately a Basic Video Subscriber, Enhanced Video Subscriber, DTH Subscriber, Internet Subscriber or Telephony Subscriber (each as defined and described below). A home, residential multiple dwelling unit, or commercial unit may contain one or more RGUs. For example, if a residential customer in our Austrian market subscribed to our enhanced video service, fixed-line telephony service and broadband internet service, the customer would constitute three RGUs. Total RGUs is the sum of Basic Video, Enhanced Video, DTH, Internet and Telephony Subscribers. RGUs generally are counted on a unique premises basis such that a given premises does not count as more than one RGU for any given service. On the other hand, if an individual receives one of our services in two premises (e.g., a primary home and a vacation home), that individual will count as two RGUs for that service. Each bundled cable, internet or telephony service is counted as a separate RGU regardless of the nature of any bundling discount or promotion. Non-paying subscribers are counted as subscribers during their free promotional service period. Some of these subscribers may choose to disconnect after their free service period. Services offered without charge on a long-term basis (e.g., VIP subscribers, free service to employees) generally are not counted as RGUs. We do not include subscriptions to mobile services in our externally reported RGU counts. In this regard, our March 31, 2017 RGU counts exclude our separately reported postpaid and prepaid mobile subscribers.

Organic RGU additions exclude RGUs of acquired entities at the date of acquisition and other nonorganic adjustments, but include the impact of changes in RGUs from the date of acquisition. All subscriber/RGU additions or losses refer to net organic changes, unless otherwise noted.

Subscription Revenue includes amounts received from subscribers for ongoing services, excluding installation fees and late fees.

Residential Revenue includes amounts received from our fixed-line triple-play and DTH businesses, but excludes SOHO services. Residential fixed also excludes the framework services revenue from the VodafoneZiggo JV and our small Irish broadcasting businesses.

Mobile Revenue includes mobile subscription, mobile interconnect and mobile handset sales revenue.

B2B Revenue includes revenue from business broadband internet, video, voice, mobile and data services offered to SOHO, medium and large enterprises, and on a wholesale basis, to other providers.

Other Revenue includes, among other items, the framework services revenue from the VodafoneZiggo JV and revenue from our small Irish broadcasting businesses.

Definitions and Additional Information

Total B2B includes subscription (SOHO) and non-subscription revenue. Non-subscription revenue includes the amortization of deferred upfront installation fees and deferred nonrecurring fees received on B2B contracts where we maintain ownership of the installed equipment.

Basic Video Subscriber Basic Video Subscriber is a home, residential multiple dwelling unit or commercial unit that receives our video service over our broadband network either via an analog video signal or via a digital video signal without subscribing to any recurring monthly service that requires the use of encryption-enabling technology. Encryption-enabling technology includes smart cards, or other integrated or virtual technologies that we use to provide our enhanced service offerings. With the exception of RGUs that we count on an EBU basis, we count RGUs on a unique premises basis. In other words,
a subscriber with multiple outlets in one premises is counted as one RGU and a subscriber with two homes and a subscription to our video service at each home is counted as two RGUs. In Europe, we have approximately 173,900 "lifeline" customers that are counted on a per connection basis, representing the least expensive regulated tier of video cable service, with only a few channels.

Enhanced Video Subscriber is a home, residential multiple dwelling unit or commercial unit that receives our video service over our broadband network or through a partner network via a digital video signal while subscribing to any recurring monthly service that requires the use of encryption-enabling technology. Enhanced Video Subscribers that are not counted on an EBU basis are counted on a unique premises basis. For example, a subscriber with one or more set-top boxes that receives our video service in one premises is generally counted as just one subscriber. An Enhanced Video Subscriber is not counted as a Basic Video Subscriber. As we migrate customers from basic to enhanced video services, we report a decrease in our Basic Video Subscribers equal to the increase in our Enhanced Video Subscribers. Subscribers to enhanced video services provided by our operations in Switzerland over partner networks receive basic video services from the partner networks as opposed to our operations.

DTH Subscriber is a home, residential multiple dwelling unit or commercial unit that receives our video programming broadcast directly via a geosynchronous satellite.

Internet Subscriber is a home, residential multiple dwelling unit or commercial unit that receives internet services over our networks, or that we service through a partner network. Our Internet Subscribers exclude 43,500 and 19,900 digital subscriber line ("DSL") subscribers within Austria and Belgium, respectively, who are not serviced over our networks. Our Internet Subscribers do not include customers that receive services from dial-up connections. In Switzerland, we offer a 2 Mbps internet service to our Basic and Enhanced Video Subscribers without an incremental recurring fee. Our Internet Subscribers in Switzerland include 93,400 subscribers who have requested and received this service.

Telephony Subscriber is a home, residential multiple dwelling unit or commercial unit that receives voice services over our networks, or that we service through a partner network. Telephony Subscribers exclude mobile telephony subscribers. Our Telephony Subscribers exclude 33,100 subscribers within Austria that are not serviced over our networks. In Switzerland, we offer a basic phone service to our Basic and Enhanced Video Subscribers without an incremental recurring fee. Our Telephony Subscribers in Switzerland include 101,600 subscribers who have requested and received this service.

Mobile Subscriber represents the number of active subscriber identification module ("SIM") cards in service rather than services provided. For example, if a mobile subscriber has both a data and voice plan on a smartphone this would equate to one mobile subscriber. Alternatively, a subscriber who has a voice and data plan for a mobile handset and a data plan for a laptop (via a dongle) would be counted as two mobile subscribers. Customers who do not pay a recurring monthly fee are excluded from our mobile telephony subscriber counts after periods of inactivity ranging from 30 to 90 days, based on industry standards within the respective country.

Active Customer Penetration is calculated as the number of active customers at the end of the timeframe presented divided by the total number of added homes that were connected to our network for the entire respective timeframe.

Definitions and Additional Information

Homes Passed are homes, residential multiple dwelling units or commercial units that can be connected to our networks without materially extending the distribution plant, except for DTH homes. Certain of our Homes Passed counts are based on census data that can change based on either revisions to the data or from new census results. We do not count homes passed for DTH. Due to the fact that we do not own the partner networks (defined below) used in Switzerland we do not report homes passed for Switzerland's partner networks.

Pursuant to service agreements, Switzerland offers enhanced video, broadband internet and telephony services over networks owned by third-party cable operators ("partner networks"). A partner network RGU is only recognized if there is a direct billing relationship with the customer.

Information on Rebased Growth For purposes of calculating rebased growth rates on a comparable basis for all businesses that we owned during 2017, we have adjusted our historical revenue and OCF for the three months ended March 31, 2016 to (i) include the pre-acquisition revenue and OCF of certain entities acquired during 2016 and 2017 in our rebased amounts for the three months ended March 31, 2016 to the same extent that the revenue and OCF of such entities are included in our results for the three months ended March 31, 2017, (ii) exclude the revenue and OCF of Ziggo Group Holding and a sports channel that were contributed to the VodafoneZiggo JV at the end of December 31, 2016, (iii) include revenue for the framework services agreement with the VodafoneZiggo JV in our rebased amounts for the three months ended March 31, 2016 as if the framework services agreement had been in place at the beginning of 2016, (iv) exclude the revenue and OCF of multi-channel multi-point (microwave) distribution system subscribers in Ireland that have disconnected since we announced the switch-off of this service effective April 2016 for the three months ended March 31, 2016 to the same extent that the revenue and OCF of these subscribers is excluded from our results for the three months ended March 31, 2017 (v) exclude the revenue and OCF of two small disposals made in Belgium during Q1 2017 to the same extent that the revenue and OCF of these disposed businesses is excluded from our results for the three months ended March 31, 2017 and (vi) reflect the translation of our rebased amounts for the three months ended March 31, 2016 at the applicable average foreign currency exchange rates that were used to translate our results for the three months ended March 31, 2017. We have included BASE and four small entities in whole or in part in the determination of our rebased revenue and OCF for the three months ended March 31, 2016. We have reflected the revenue and OCF of the acquired entities in our 2016 rebased amounts based on what we believe to be the most reliable information that is currently available to us (generally pre-acquisition financial statements), as adjusted for the estimated effects of (a) any significant differences between Generally Accepted Accounting Principles in the United States ("U.S. GAAP") and local generally accepted accounting principles, (b) any significant effects of acquisition accounting adjustments, (c) any significant differences between our accounting policies and those of the acquired entities and (d) other items we deem appropriate. We do not adjust pre-acquisition periods to eliminate nonrecurring items or to give retroactive effect to any changes in estimates that might be implemented during post-acquisition periods. As we did not own or operate the acquired businesses during the pre-acquisition periods, no assurance can be given that we have identified all adjustments necessary to present the revenue and OCF of these entities on a basis that is comparable to the corresponding post-acquisition amounts that are included in our historical results or that the pre-acquisition financial statements we have relied upon do not contain undetected errors. The adjustments reflected in our rebased amounts have not been prepared with a view towards complying with Article 11 of Regulation S-X. In addition, the rebased growth percentages are not necessarily indicative of the revenue and OCF that would have occurred if these transactions had occurred on the dates assumed for purposes of calculating our rebased amounts or the revenue and OCF that will occur in the future. The rebased growth percentages have been presented as a basis for assessing growth rates on a comparable basis, and are not presented as a measure of our pro forma financial performance.

Please see next slide for additional information on Rebased Growth

Definitions and Additional Information

Information on Rebased Growth The following table provides adjustments made to the 2016 amounts to derive our rebased growth rates for the Liberty Global Group:

	Revenue	OCF
	Three months ended March 31, 2016	Three months ended March 31, 2016
Liberty Global Group	in millions	
Acquisitions	$ 120.2	$ 39.4
Contribution of Ziggo Group Holding to the VodafoneZiggo JV and other dispositions (a)	(680.2)	(370.6)
Foreign Currency	(276.5)	(120.3)
Total decrease	$ (836.5)	$ (451.5)

a) In connection with the December 31, 2016 closing of the VodafoneZiggo JV transaction, we entered into a Framework Agreement that provides for the terms under which we provide services to the VodafoneZiggo JV. These adjustments to revenue and OCF are net of $31 million of revenue that we assumed would have been earned if the Framework Agreement had been in place on January 1, 2016.

Operating Cash Flow Definition and Reconciliation

As used herein, OCF has the same meaning as the term "Adjusted OIBDA" that is referenced in our 10-Q. 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. Our internal decision makers believe OCF is a meaningful measure 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 OCF 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. 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 U.S. GAAP measures of income or cash flows. A reconciliation of total segment OCF to our operating income is presented in the following table:

	Three months ended March 31, 2017	Three months ended March 31, 2016
	in millions	
Consolidated Liberty Global		
Operating income	$ 569.2	$ 586.6
Share-based compensation expense	39.0	69.0
Depreciation and amortization	1,322.2	1,435.5
Impairment, restructuring and other operating items, net	28.2	24.4
Total segment OCF	$ 1,958.6	$ 2,115.5
Liberty Global Group		
Operating income	$ 431.2	$ 526.6
Share-based compensation expense	33.4	67.2
Inter-group fees and allocations	(3.0)	(2.1)
Depreciation and amortization	1,128.3	1,383.2
Impairment, restructuring and other operating items, net	14.8	18.7
Total segment OCF	$ 1,604.7	$ 1,993.6

Adjusted Free Cash Flow Definition and Reconciliations(*)

We define Adjusted Free Cash Flow as net cash provided by our operating activities, plus (i) cash payments for third-party costs directly associated with successful and unsuccessful acquisitions and dispositions and (ii) 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 Adjusted 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. Adjusted 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 Adjusted Free Cash Flow as a supplement to, and not a substitute for, U.S. GAAP measures of liquidity included in our consolidated statements of cash flows. We changed our definition of adjusted free cash flow effective January 1, 2017 to remove the add-back of excess tax benefits from share-based compensation. This change, which was given effect for all periods presented, was made to accommodate our January 1, 2017 adoption of ASU 2016-09, Compensation - Stock Compensation, Improvements to Employee Share-Based Payment Accounting, pursuant to which we retrospectively revised the presentation of our condensed consolidated statements of cash flows to remove the operating cash outflows and financing cash inflows associated with excess tax benefits from share-based compensation. The following table provides the reconciliation of our net cash provided by operating activities to Adjusted Free Cash Flow for the indicated periods:

	Three months ended March 31,	
	2017	**2016**
	in millions	
Consolidated Liberty Global		
Net cash provided by operating activities	$ 978.7	$ 1,090.7
Cash payments for direct acquisition and disposition costs	2.7	8.2
Expenses financed by an intermediary	308.1	153.5
Capital expenditures	(624.8)	(637.1)
Principal payments on amounts financed by vendors and intermediaries	(1,033.0)	(672.9)
Principal payments on certain capital leases	(22.3)	(27.4)
Adjusted FCF	$ (390.6)	$ (85.0)
Liberty Global Group		
Net cash provided by operating activities	$ 902.8	$ 1,020.8
Cash payments for direct acquisition and disposition costs	1.8	8.1
Expenses financed by an intermediary	297.8	153.5
Capital expenditures	(500.4)	(587.1)
Principal payments on amounts financed by vendors and intermediaries	(1,014.2)	(672.9)
Principal payments on certain capital leases	(20.4)	(27.3)
Adjusted FCF	$ (332.6)	$ (104.9)

(*) Please see next slide for accompanying footnotes.

Definitions and Additional Information

Adjusted Free Cash Flow

1. 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.
2. For purposes of our adjusted 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.

Property & Equipment Additions and Capex

Our property and equipment additions include our capital expenditures on an accrual basis and amounts financed under vendor financing or capital lease arrangements. The capital expenditures that we report in our condensed consolidated statements of cash flows do not include amounts that are financed under 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 related principal is repaid.

Leverage and Liquidity

Our gross and net debt ratios are defined as total debt and net debt to annualized OCF of the latest quarter. Net debt is defined as total debt less cash and cash equivalents. For purposes of these calculations, debt is measured using swapped foreign currency rates, consistent with the covenant calculation requirements of our subsidiary debt agreements, and, in the case of the Liberty Global Group, excludes the loans backed or secured by the shares we hold in ITV plc, Sumitomo Corporation and Lions Gate Entertainment Corp.

Liquidity refers to cash and cash equivalents plus the maximum undrawn commitments under subsidiary borrowing facilities, without regard to covenant compliance calculations.

LiLAC Transaction

The Liberty Global ordinary shares and the LiLAC ordinary 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 ordinary shares and the LiLAC ordinary shares are intended to “track” the economic performance of the Liberty Global Group and the LiLAC Group, respectively (each as defined and described below). For more information regarding the tracking shares, see note 1 to our condensed consolidated financial statements included in our quarterly report on Form 10-Q filed on May 8, 2017 (the "Form 10-Q").

While the LiLAC Group and the Liberty Global Group have separate collections of businesses, assets and liabilities attributed to them, neither group is a separate legal entity. The LiLAC Group comprises our operations in Latin America and the Caribbean and has attributed to it CWC, VTR and Liberty Puerto Rico. The Liberty Global Group comprises our businesses, assets and liabilities not attributed to the LiLAC Group, including Virgin Media, Unitymedia, UPC Holding, Telenet and, through December 31, 2016, Ziggo Group Holding. The condensed consolidated financial statements of Liberty Global are included in our Form 10-Q. For attributed financial information of the Liberty Global Group and the LiLAC Group, see Exhibit 99.1 to our Form 10-Q.