

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 March 31,	
	2013	2012
	in millions	
Total segment operating cash flow from continuing operations (a)	\$ 1,269.6	\$ 1,195.6
Stock-based compensation expense	(26.8)	(27.7)
Depreciation and amortization	(693.1)	(670.7)
Impairment, restructuring and other operating items, net	<u>(24.3)</u>	<u>(2.9)</u>
Operating income	525.4	494.3
Interest expense	(470.1)	(418.1)
Interest and dividend income	13.9	19.0
Realized and unrealized gains (losses) on derivative instruments, net	195.8	(614.1)
Foreign currency transaction gains (losses), net	(134.9)	479.0
Realized and unrealized gains due to changes in fair values of certain investments, net	72.2	50.9
Losses on debt modifications and extinguishments, net	(158.3)	(6.8)
Other expense, net	<u>(1.6)</u>	<u>(0.3)</u>
Earnings from continuing operations before income taxes	<u>\$ 42.4</u>	<u>\$ 3.9</u>
Net cash provided by operating activities of continuing operations	\$ 557.7	\$ 754.8
Excess tax benefits from stock-based compensation	1.3	0.5
Cash payments for direct acquisition costs	8.5	12.9
Capital expenditures	(504.3)	(521.3)
Principal payments on vendor financing obligations	(37.0)	(2.0)
Principal payments on certain capital leases	<u>(3.1)</u>	<u>(3.0)</u>
Free cash flow (b)	<u>\$ 23.1</u>	<u>\$ 241.9</u>
Free cash flow	\$ 23.1	\$ 241.9
Free cash flow deficit of VTR Wireless	<u>44.4</u>	<u>37.4</u>
Adjusted free cash flow	<u>\$ 67.5</u>	<u>\$ 279.3</u>

(a) LGI defines operating cash flow as revenue less operating and selling, general and administrative expenses (excluding stock-based compensation, depreciation and amortization, provisions for litigation and impairment, restructuring and other operating items).

(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 (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 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.