



## Liberty Global's Superfast Broadband Investment Generates Economic Boost for European Consumers and Businesses

- Total social benefits estimated at €7 billion due to the impact of higher internet speeds, improved productivity and price competition

**London, United Kingdom** – May 30, 2017:

Independent research has outlined how investment in digital infrastructure by the world's largest international TV and broadband company is delivering transformative benefits to European consumers and businesses.

The analysis by economists Oxera Consulting studied the economic impact of Liberty Global's investment in broadband infrastructure between the start of 2013 and the end of the first quarter of 2017 and concluded that the higher broadband speed, improved productivity and price competition generated social benefits worth €7 billion in Europe. This impressive impact has been enabled by Liberty Global's investment of €14.5 billion<sup>(1)</sup> in total capital expenditures across all of its European operations in new and existing infrastructure, customer premises equipment, business support and other key services, including a significant investment to bring high-speed internet to four million more European households through new build and upgrades.

The report estimates that the economic benefits to society total more than €7 billion since the start of 2013, including €5 billion in speed benefits to customers through access to a greater range and quality of internet services. There is an additional €1.5 billion in productivity benefits through increased output of small businesses and home workers due to better connectivity, and €536 million<sup>(2)</sup> in price benefits, as Liberty Global's investments often introduce network competition to an area for the first time.

Oxera Consulting estimates that the €14.5 billion investment by Liberty Global between the beginning of 2013 and March 2017 has generated a total of €23.7 billion of economic transactions through the supply chain.

The report follows the November 2016 launch of Liberty Global's GIGAWorld initiative, which outlines Liberty Global's plans to bring gigabit internet speeds to the European countries in which it operates. Around 50 million homes in Europe have access to Liberty Global's fibre-based "GIGAReady" networks, and the company expects millions more to be connected over the coming years through its previously announced network extension programs in Europe.

CEO Mike Fries said: "GIGAWorld is our mission to build robust, reliable, superfast networks that can not only meet the connectivity and speed demands of consumers today, but also support the next-generation devices and applications of tomorrow that will fuel even greater demand. Our significant investment clearly has a positive



impact for consumers and businesses across Europe, and we are proud that it simultaneously generates billions for the economy, while creating clear social benefits through improved speed, productivity and competition.”

Enno Eilts, Partner at Oxera, said: “Liberty Global’s significant investment in the reach and capability of its broadband cable network is creating considerable benefits for companies and households across Europe. With the digital economy expanding seven times faster than the rest of the economy<sup>(3)</sup>, high-quality broadband networks are critical. As well as providing consumers with communication and entertainment services, fast and reliable broadband increases the productivity of businesses and provides individuals with access to substantial information and learning resources.”

## Notes to editors

### Measure of economic footprint

In simple monetary terms, Liberty Global has invested €14.5 billion in capital expenditure across its European operations between the start of 2013 and the end of Q1 2017.

This investment in Europe’s communications infrastructure requires supply chains that have a multiplier effect through the wider economy. The total economic footprint of Liberty Global’s investment includes the activity of Liberty Global’s suppliers, and of the suppliers to those suppliers, and so on up the value chain. The total economic value of this activity is estimated to be €23.7 billion.

### Measure of net benefits to consumers and businesses

Separate from the economic footprint of Liberty Global’s investment, the report also estimates the resulting net benefits for its customers (domestic and commercial)—i.e. the incremental benefits that they derive from accessing Liberty Global’s new and/or enhanced infrastructure over and above the benefits they would have received without the investment.

Consumers and businesses benefit from the following

- **Speed benefits:** High quality broadband networks can benefit consumers in terms of internet connection speed and reliability. Where customers can enjoy greater speeds as a result of switching to a Liberty Global service, this allows them to access a broader range and quality of internet services. For example a new interactive or high-quality service, such as virtual reality using binaural sound, 360° live streaming of events, or multiple members of a household being able to stream HD content simultaneously. The estimated speed benefit from Liberty Global’s investment to its European consumers and businesses is around €5.0 billion since the start of 2013 up to the end of the first quarter of 2017
- **Productivity benefits:** Businesses and home workers benefit from Liberty Global’s investment in faster speeds through better productivity. Taking advantage of Liberty Global’s investment in enhanced business broadband services, small businesses can communicate through video conferencing and collaborate in real time on projects using cloud-based services. They could save costs through better multi-tasking and having smaller premises. It is estimated that these benefits are worth €1.5 billion across Europe since the start of 2013 up to the end of the first quarter of 2017
- **Price benefits:** When Liberty Global introduces cable broadband to a new area, this increases competition in the market for high-speed broadband services. Importantly, such a change often introduces network competition to an area for the first time, where consumers previously had access only to services provided over the incumbent’s network. Academic evidence shows this competition puts downward pressure on prices for a given level of service, resulting in cost savings, and thus a monetary



benefit, to consumers. The estimated benefits to customers are €0.5 billion<sup>(2)</sup> across Europe since the start of 2013 up to the end of the first quarter of 2017

In total, Oxera's report estimates the benefits of Liberty Global's investment in its cable broadband network since 2013 to be worth €7 billion to customers and businesses in Europe.

#### Footnotes:

- (1) The €14.5 billion investment amount includes total capital expenditures, which includes customer premises equipment, new build and upgrades, capacity, capitalizable costs associated with maintaining and supporting the business, and products and enablers, of Liberty Global's consolidated European operations from the beginning of 2013 through March 31, 2017, adjusted for inflation.
- (2) Estimated price benefit of €536 million is calculated over a period of 15 years, in line with European Commission impact assessment guidelines.
- (3) As estimated by the European Commission.

## About Liberty Global

Liberty Global is the world's largest international TV and broadband company, with operations in more than 30 countries across Europe, Latin America and the Caribbean. We invest in the infrastructure that empowers our customers to make the most of the digital revolution. Our scale and commitment to innovation enable us to develop market-leading products delivered through next-generation networks that connect our 25 million customers who subscribe to over 50 million television, broadband internet and telephony services. We also serve over 10 million mobile subscribers and offer WiFi service across 6 million access points.

Liberty Global's businesses are comprised of two stocks: the Liberty Global Group (NASDAQ: LBTYA, LBTYB and LBTYK) for our European operations, and the LiLAC Group (NASDAQ: LILA and LILAK, OTC Link: LILAB), which consists of our operations in Latin America and the Caribbean. The Liberty Global Group operates in 11 European countries under the consumer brands Virgin Media, Unitymedia, Telenet and UPC. The Liberty Global Group also owns 50% of VodafoneZiggo, a Dutch joint venture, which has 4 million customers, 10 million fixed-line subscribers and 5 million mobile subscribers. The LiLAC Group operates in over 20 countries in Latin America and the Caribbean under the consumer brands VTR, Flow, Liberty, Más Móvil and BTC. In addition, the LiLAC Group operates a sub-sea fiber network throughout the region in over 30 markets.

For more information, please visit [www.libertyglobal.com](http://www.libertyglobal.com) or contact:

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