

PRESS RELEASE



Liberty Global Reports Q2 2020 Results

U.K. joint venture with Telefonica proceeding on track¹

Best result in over two years for customer and broadband additions

Repurchased over \$750 million of stock through the end of July

Q2 loss from continuing operations increased 48% YoY to \$504 million

Q2 Adjusted EBITDA of \$1,189 million, effectively flat YoY

Denver, Colorado: August 3, 2020

Liberty Global plc today announced its Q2 2020 financial results. Our former operations in Austria, Germany, Hungary, Romania and the Czech Republic, along with our DTH business (collectively, the "Discontinued Operations") are presented as discontinued operations for the three and six months ended June 30, 2019. Unless otherwise indicated, the information in this release relates only to our continuing operations. Effective with the release of our second quarter earnings we have stopped using the term Operating Cash Flow ("OCF") and now use the term "Adjusted EBITDA". As we define the term, Adjusted EBITDA has the same meaning as OCF had previously, and therefore does not impact any previously reported amounts.

CEO Mike Fries stated, "Against the backdrop of the COVID-19 pandemic, we continue to effectively navigate through these unprecedented times. Our core focus will always be on ensuring the health and safety of our employees, while delivering an unparalleled connectivity experience for our customers. On that front, our fiber-rich networks continue to perform extremely well despite the surge in usage over the last several months. We understand the importance of seamless connectivity and strive to deliver the best possible products and services to our customers.

Customer satisfaction, as measured by net promoter scores, has been at record highs across the majority of our footprint, which translated into our best net customer and broadband additions since Q3 2017. This result was led by a strong performance at Virgin Media, where we added 24,000 customers, our best Q2 result in four years. Fixed-mobile convergence ("FMC") continues to drive good mobile growth with over 100,000 post-paid additions, and FMC penetrations reaching 23%, 46% and 22% at Virgin Media, Telenet and UPC Switzerland, respectively.

We are making great progress with pre-merger planning for our announced combination of Virgin Media and O2 U.K., and are working closely with the European Commission and U.K. regulators to ensure a smooth review of the transaction.

With respect to our financials, Q2 revenue declined by 4% year-over-year and was impacted by approximately \$110 million in generally low margin COVID-19 related impacts. As such, our Adjusted EBITDA performance was resilient, ending the quarter effectively flat compared to the prior-year period. And with a continued decline in our capital intensity, we delivered 14% rebased² OFCF growth year-over-year.

Despite uncertainty regarding the medium-term impact from the COVID-19 crisis, we are reaffirming all of our original full-year guidance metrics. From a balance sheet perspective, we have refinanced over \$10 billion of long-term debt YTD, extended our average tenor³ to over 7 years and lowered our fully-swapped borrowing cost to 4.0% for the Full Company⁴. As such, our balance sheet remains in great shape with \$9.8 billion of total liquidity⁵ for the Full Company, including \$7.4 billion in cash⁶. During Q2 we remained active on share buybacks, upping our total repurchases to over \$750 million spent from mid-February through July."

Q2 Highlights

- Q2 reported revenue declined 4.5%; rebased² revenue decreased 4.3%
- Q2 loss from continuing operations increased 48% YoY to \$503.8 million
- Q2 Adjusted EBITDA⁷ down 0.2% on a reported basis and 0.4% on a rebased basis to \$1,188.5 million
- Q2 property & equipment additions were 21.6% of revenue as compared to 24.0% in Q2 2019
- Built 126,000 new premises during Q2, including 93,000 in the U.K. & Ireland
- Solid balance sheet with \$9.8 billion of liquidity⁵ for the Full Company⁴
 - Comprised of \$4.4 billion of cash, \$3.0 billion of investments held under separately managed accounts (SMAs) and \$2.4 billion of unused borrowing capacity⁸
- Gross and net leverage⁹ of 5.3x and 3.8x, respectively, on a Full Company basis
- Fully-swapped borrowing cost of 4.0% on debt balance of \$27.7 billion for the Full Company
- Repurchased approximately \$750 million of stock through July 31, 2020
- Making excellent progress on our announced transaction to combine Virgin Media with O2, the U.K.'s largest mobile operator

Liberty Global (continuing operations)	Q2 2020	Q2 2019	YoY Change (reported)	YoY Change (rebased)	YTD 2020	YoY Change (reported)
Customers						
Organic Customer Additions (Losses)	7,700	(28,600)	126.9%		(11,200)	63.0%
Financial (in millions, except percentages)						
Revenue	\$ 2,722.9	\$ 2,850.4	(4.5%)	(4.3%)	\$ 5,598.7	(2.1%)
Earnings (loss) from continuing operations	\$ (503.8)	\$ (339.6)	(48.4)%		\$ 513.9	179.5%
Adjusted EBITDA	\$ 1,188.5	\$ 1,190.7	(0.2)%	(0.4)%	\$ 2,338.8	(1.5)%
P&E additions	\$ 588.0	\$ 682.7	(13.9)%		\$ 1,242.4	(10.1)%
OFCF	\$ 600.5	\$ 508.0	18.2%	14.2%	\$ 1,096.4	10.4%
Cash provided by operating activities	\$ 1,142.1	\$ 1,322.2	(13.6)%		\$ 1,591.9	
Cash used by investing activities	\$ (1,285.2)	\$ (315.0)	(308.0)%		\$ (3,634.4)	
Cash used by financing activities	\$ (938.1)	\$ (857.9)	(9.3)%		\$ (1,721.3)	
Adjusted FCF ⁽ⁱ⁾	\$ 455.7	\$ 591.8	(23.0)%			

(i) Adjusted FCF for the three months ended June 30, 2019 is presented on a pro forma basis, which gives pro forma effect to certain adjustments to our recurring cash flows that we have or expect to realize following the disposition of the Discontinued Operations. For additional details, see the information and reconciliation included within the Glossary.



Customer Growth

	Three months ended		Six months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Organic customer net additions (losses) by market				
U.K./Ireland	23,900	(5,600)	22,800	19,900
Belgium	(2,900)	(8,200)	(10,400)	(23,400)
Switzerland	(16,400)	(18,100)	(32,800)	(41,700)
CEE (Poland and Slovakia)	3,100	3,300	9,200	14,900
Total	7,700	(28,600)	(11,200)	(30,300)

- Customer Relationships: During Q2 we gained 8,000 customer relationships, as compared to a loss of 29,000 in the prior-year period
- U.K./Ireland: Virgin Media gained 24,000 customer relationships in Q2 as compared to a loss of 6,000 in Q2 2019, as our market leading broadband speeds and FMC bundles led to increased customer satisfaction and contributed to our best Q2 customer net adds since 2016
- Belgium: Telenet lost 3,000 customer relationships in Q2, which was an improvement compared to a loss of 8,000 in Q2 2019, primarily driven by successful quad-play bundles
- Switzerland: Customer attrition of 16,000 in Q2 was a year-over-year improvement compared to a loss of 18,000 in Q2 2019, as commercial momentum improved but was still adversely impacted by competitive market conditions
- CEE (Poland and Slovakia): CEE added 3,000 customer relationships in both Q2 2020 and Q2 2019, driven by growth in new build areas

Revenue Highlights

The following table presents (i) revenue of each of our consolidated reportable segments for the comparative periods and (ii) the percentage change from period to period on both a reported and rebased basis:

Revenue	Three months ended		Increase/(decrease)		Six months ended		Increase/(decrease)	
	June 30,				June 30,			
	2020	2019	Reported %	Rebased %	2020	2019	Reported %	Rebased %
in millions, except % amounts								
U.K./Ireland	\$ 1,531.8	\$ 1,644.0	(6.8)	(3.6)	\$ 3,152.4	\$ 3,305.3	(4.6)	(2.1)
Belgium	682.5	713.2	(4.3)	(5.2)	1,400.6	1,425.1	(1.7)	(2.8)
Switzerland	299.1	315.0	(5.0)	(8.6)	615.9	631.0	(2.4)	(5.7)
CEE	116.2	119.1	(2.4)	4.2	235.3	238.2	(1.2)	3.8
Central and Corporate.....	93.7	60.2	55.6	(4.2)	194.9	120.9	61.2	2.0
Intersegment eliminations	(0.4)	(1.1)	N.M.	N.M.	(0.4)	(2.1)	N.M.	N.M.
Total	\$ 2,722.9	\$ 2,850.4	(4.5)	(4.3)	\$ 5,598.7	\$ 5,718.4	(2.1)	(2.3)

N.M. - Not Meaningful



- Reported revenue for the three and six months ended June 30, 2020 decreased 4.5% and 2.1% YoY, respectively
 - The decreases were primarily driven by the impact of (i) organic revenue contraction and (ii) negative foreign exchange ("FX") movements, mainly related to the weakening of the British Pound and Euro against the U.S. dollar
- Rebased revenue declined 4.3% in Q2 and 2.3% YTD, including:
 - An unfavorable decrease of approximately \$28 million in Q2 in U.K./Ireland associated with the pausing or cancellation of certain sporting events due to the COVID-19 pandemic, including (i) credits that were given to certain customers and (ii) the estimated impact of certain customers canceling their premium sports subscriptions
 - An unfavorable impact of \$5.3 million in Q2 related to revenue recognized by Virgin Media in the second quarter of 2019 in connection with the sale of rights to future commission payments on customer handset insurance arrangements
 - An unfavorable decrease of \$2.1 million in Q2 due to the acceleration of revenue from our distribution partner in Switzerland for the broadcast of ice hockey. Switzerland's ice hockey league was cancelled as a result of the COVID-19 pandemic, accordingly, the related revenue for the associated sports rights that would have been recorded during the second quarter of 2020 was recognized during the first quarter of 2020

Q2 2020 Rebased Revenue Growth - Segment Highlights

- U.K./Ireland: Rebased revenue decreased 3.6% YoY in Q2, with certain low-margin revenue streams being impacted by the COVID-19 pandemic, including (i) lower cable revenue associated with the aforementioned pausing or cancellation of certain sporting events, (ii) lower handset sales due to retail store closures, (iii) lower revenue from late fees due to the temporary suspension of late payment charges during the lock-down period and (iv) a reduction in revenue from business network services. These decreases were only partially offset by an increase in wholesale revenue related to long-term leases of a portion of our network
- Belgium: Rebased revenue declined 5.2% YoY in Q2 driven by (i) lower interconnect revenue, (ii) lower revenue from handset sales and (iii) a decline in advertising and production revenue at De Vijver Media
- Switzerland: Rebased revenue declined 8.6% YoY in Q2, primarily due to (i) lower consumer subscription revenue as a result of customer volume losses and ARPU pressure and (ii) lower mobile handset sales
- CEE (Poland and Slovakia): Rebased revenue grew 4.2% YoY in Q2, primarily due to an increase in residential cable subscription revenue driven by new build areas and growth in B2B
- Central and Corporate: Rebased revenue decreased 4.2% YoY in Q2, primarily due to a decrease in CPE sales to the VodafoneZiggo JV



Earnings (loss) from Continuing Operations

- Earnings (loss) from continuing operations was (\$503.8 million) and (\$339.6 million) for the three months ended June 30, 2020 and 2019, respectively, and \$513.9 million and (\$646.5 million) for the six months ended June 30, 2020 and 2019, respectively
- The changes in our earnings (loss) from continuing operations primarily resulted from the net effect of (i) changes in realized and unrealized gains (losses) on derivative instruments, net, (ii) decreases in depreciation and amortization, (iii) changes in realized and unrealized gains (losses) due to changes in fair values of certain investments and debt, net, (iv) changes in foreign currency transactions gains (losses), net and (v) decreases in Adjusted EBITDA, as further described below

Adjusted EBITDA Highlights

The following table presents (i) Adjusted EBITDA^(*) of each of our consolidated reportable segments for the comparative periods and (ii) the percentage change from period to period on both a reported and rebased basis:

Adjusted EBITDA	Three months ended				Six months ended			
	June 30,		Increase/(decrease)		June 30,		Increase/(decrease)	
	2020	2019	Reported %	Rebased %	2020	2019	Reported %	Rebased %
in millions, except % amounts								
U.K./Ireland	\$ 654.9	\$ 687.5	(4.7)	(1.5)	\$ 1,310.3	\$ 1,379.7	(5.0)	(2.5)
Belgium	354.1	349.4	1.3	3.7	685.7	688.4	(0.4)	2.2
Switzerland	150.9	159.8	(5.6)	(9.9)	285.0	316.1	(9.8)	(12.9)
CEE	52.7	54.1	(2.6)	4.2	107.0	107.8	(0.7)	4.5
Central and Corporate.....	(24.1)	(60.1)	59.9	2.7	(49.2)	(119.4)	58.8	3.9
Intersegment eliminations	—	—	N.M.	N.M.	—	1.4	N.M.	N.M.
Total	\$ 1,188.5	\$ 1,190.7	(0.2)	(0.4)	\$ 2,338.8	\$ 2,374.0	(1.5)	(2.0)

N.M. - Not Meaningful

(*) Consolidated Adjusted EBITDA is a non-GAAP measure, which we believe 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 readily view operating trends from a consolidated view. Investors should view consolidated Adjusted EBITDA as a supplement to, and not a substitute for, earnings or loss from continuing operations and other U.S. GAAP measures of performance. For additional information on our Adjusted EBITDA measure, including a reconciliation to earnings (loss) from continuing operations, see the Glossary.

- Reported Adjusted EBITDA for the three and six months ended June 30, 2020 decreased 0.2% and 1.5% YoY, respectively
 - These decreases were primarily driven by (i) the aforementioned negative impact of FX movements and (ii) an organic Adjusted EBITDA decline
- Rebased Adjusted EBITDA declined 0.4% and 2.0% for the three and six months ended June 30, 2020, respectively, including:
 - The aforementioned unfavorable impacts of certain revenue items, as discussed in the "Revenue Highlights" section above



- The following current year impacts:
 - Lower costs of \$28.9 million in U.K./Ireland related to credits received during the second quarter of 2020 in connection with the pausing or cancellation of certain sporting events due to the COVID-19 pandemic, which offset the aforementioned revenue declines
 - A \$12.1 million net favorable impact in Q2 related to certain revenue and costs for sports rights that were accelerated as a result of the COVID-19 pandemic. In this respect, certain sports leagues in Belgium and Switzerland were cancelled and, accordingly, \$14.2 million of aggregate prepaid amounts for the associated sports rights that were previously scheduled to be expensed during the second quarter of 2020 were recognized during the first quarter of 2020. This decrease in costs was only partially offset by the aforementioned associated \$2.1 million decrease in revenue in Switzerland
 - Unfavorable network tax increases of \$4.4 million and \$14.4 million for Q2 and YTD, respectively, following an increase in the rateable value of our U.K. networks, which is being phased in over a six-year period ending in 2022
 - Lower call center costs in U.K./Ireland primarily due to lockdowns during the second quarter of 2020 associated with the COVID-19 pandemic, which prevented certain outsourced contract services from being performed
- The following 2019 impacts:
 - Lower severance costs in U.K./Ireland of \$6.3 million associated with revisions to our operating model and a decrease in FTEs
 - A favorable decrease in personnel costs in Central and Corporate related to a \$5.0 million cash bonus in Q2 2019 associated with the renewal of an existing executive employment contract on similar terms

Q2 2020 Rebased Adjusted EBITDA - Segment Highlights

- U.K./Ireland: Rebased Adjusted EBITDA declined 1.5% YoY in Q2 due to the aforementioned revenue performance offset by a decrease in our cost base due to various COVID-19 impacts, including (i) lower programming costs due to the aforementioned credits received during Q2 associated with the pausing or cancellation of certain sporting events, (ii) a reduction in customer care costs due to the temporary closure of offshore call centers, (iii) lower marketing costs and (iv) lower handset sales costs due to store closures. These cost reductions were only partially offset by a \$4.4 million net increase in network taxes
- Belgium: Rebased Adjusted EBITDA increased 3.7% YoY in Q2, primarily due to (i) lower programming, sales and marketing expenses as a result of the COVID-19 pandemic and (ii) lower costs related to outsourced labor and professional services, including staff-related expenses and other indirect costs as a result of the continued focus on tight control
- Switzerland: Rebased Adjusted EBITDA declined 9.9% YoY in Q2, mainly due to the loss of residential cable subscription revenue, partially offset by lower programming and handset costs



- CEE (Poland and Slovakia): Rebased Segment Adjusted EBITDA growth of 4.2% YoY in Q2, largely driven by the increase in residential cable subscription revenue

OCFCF Highlights

The following table presents (i) OFCF of each of our consolidated reportable segments for the comparative periods and (ii) the percentage change from period to period on both a reported and rebased basis:

OCFCF	Three months ended				Six months ended			
	June 30,		Increase/(decrease)		June 30,		Increase/(decrease)	
	2020	2019	Reported %	Rebased %	2020	2019	Reported %	Rebased %
in millions, except % amounts								
U.K./Ireland	\$ 332.1	\$ 316.1	5.1	8.7	\$ 640.9	\$ 613.0	4.6	7.3
Belgium	243.8	216.0	12.9	15.4	433.8	413.3	5.0	7.4
Switzerland	96.3	82.5	16.7	10.4	161.2	180.2	(10.5)	(13.6)
CEE	31.8	34.4	(7.6)	(1.4)	67.2	66.4	1.2	6.7
Central and Corporate	(103.5)	(141.0)	26.6	0.6	(206.7)	(281.6)	26.6	1.3
Intersegment eliminations	—	—	N.M.	N.M.	—	1.4	N.M.	N.M.
Total	<u>\$ 600.5</u>	<u>\$ 508.0</u>	<u>18.2</u>	<u>14.2</u>	<u>\$ 1,096.4</u>	<u>\$ 992.7</u>	<u>10.4</u>	<u>6.0</u>

N.M. - Not Meaningful

Net Earnings (Loss) Attributable to Liberty Global Shareholders

- Net earnings (loss) attributable to Liberty Global shareholders was (\$524.2 million) and \$53.0 million for the three months ended June 30, 2020 and 2019, respectively, and \$425.6 million and \$60.0 million for the six months ended June 30, 2020 and 2019, respectively

Leverage and Liquidity

- Total principal amount of debt and finance leases: \$27.7 billion for the Full Company
- Leverage ratios⁹: At June 30, 2020, our adjusted gross and net leverage ratios were 5.3x and 3.8x, respectively, on a Full Company basis
- Average debt tenor³: Over 7 years, with ~77% not due until 2026 or thereafter on a Full Company basis
- Borrowing costs: Blended, fully-swapped cost of debt was 4.0% for the Full Company
- Liquidity⁵: \$9.8 billion on a Full Company basis, including (i) \$4.4 billion of cash at June 30, 2020, (ii) \$3.0 billion of investments held under SMAs and (iii) \$2.4 billion of aggregate unused borrowing capacity⁸ under our credit facilities



Forward-Looking Statements and Disclaimer

This press release 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; expectations with respect to progress on the announced U.K. joint venture with Telefonica to combine Virgin Media with O2, including related regulatory matters; expectations with respect to continued network resiliency amidst the COVID-19 usage surge; expectations regarding our financial performance and related full year guidance metrics; expectations with respect to our share repurchase plan; the strength of our balance sheet, tenor of our third-party debt and anticipated borrowing capacity; 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 events that are outside of our control, such as 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 potential impact of the outbreak of COVID-19 on our company; the effects of changes in laws or regulation; the effects of the U.K.'s exit from the E.U.; 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, vendors and contractors 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-Q and Form 10-K/A. These forward-looking statements speak only as of the date of this release. 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.

About Liberty Global

Liberty Global (NASDAQ: LBTYA, LBTYB and LBTYK) is one of the world's leading converged video, broadband and communications companies, with operations in six European countries under the consumer brands Virgin Media, Telenet and UPC. We invest in the infrastructure and digital platforms that empower our customers to make the most of the digital revolution. Our substantial scale and commitment to innovation enable us to develop market-leading products delivered through next-generation networks that connect 11 million customers subscribing to 25 million TV, broadband internet and telephony services. We also serve 6 million mobile subscribers and offer WiFi service through millions of access points across our footprint.

In addition, Liberty Global owns 50% of VodafoneZiggo, a joint venture in the Netherlands with 4 million customers subscribing to 10 million fixed-line and 5 million mobile services, as well as significant investments in ITV, All3Media, ITI Neovision, Lionsgate, the Formula E racing series and several regional sports networks. For more information, please visit www.libertyglobal.com or contact:

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Balance Sheets, Statements of Operations and Statements of Cash Flows

The condensed consolidated balance sheets, statements of operations and statements of cash flows of Liberty Global are in our 10-Q.

Rebase Information

Rebase growth percentages, which are non-GAAP measures, are presented as a basis for assessing growth rates on a comparable basis. For purposes of calculating rebased growth rates on a comparable basis for all businesses that we owned during 2020, we have adjusted our historical revenue, Adjusted EBITDA and OFCF for the three and six months ended June 30, 2019 to (i) include the pre-acquisition revenue, Adjusted EBITDA and P&E additions of entities acquired during 2019 in our rebased amounts for the three and six months ended June 30, 2019 to the same extent that the revenue, Adjusted EBITDA and P&E additions of these entities are included in our results for the three and six months ended June 30, 2020, (ii) exclude the revenue, Adjusted EBITDA and P&E additions in our rebased amounts for the three and six months ended June 30, 2019 for entities disposed of during 2020, (iii) include revenue and costs for the temporary elements of transitional and other services provided to the VodafoneZiggo JV, Vodafone, Deutsche Telekom (the buyer of UPC Austria), Liberty Latin America and M7 Group (the buyer of UPC DTH), to reflect amounts related to these services equal to those included in our results for the three and six months ended June 30, 2020 and (iv) reflect the translation of our rebased amounts for the three and six months ended June 30, 2019 at the applicable average foreign currency exchange rates that were used to translate our results for the three and six months ended June 30, 2020. We have reflected the revenue, Adjusted EBITDA and P&E additions of these acquired entities in our 2019 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 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, Adjusted EBITDA and OFCF 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. In addition, the rebased growth percentages are not necessarily indicative of the revenue, Adjusted EBITDA and OFCF that would have occurred if these transactions had occurred on the dates assumed for purposes of calculating our rebased amounts or the revenue, Adjusted EBITDA and OFCF that will occur in the future. Investors should view rebased growth as a supplement to, and not a substitute for, U.S. GAAP measures of performance included in our condensed consolidated statements of operations.

The following table provides adjustments made to the 2019 amounts to derive our rebased growth rates:

	Three months ended June 30, 2019			Six months ended June 30, 2019		
	Revenue	Adjusted EBITDA	OCF	Revenue	Adjusted EBITDA	OCF
	in millions					
Acquisitions	\$ 23.9	\$ —	\$ —	\$ 55.2	\$ 0.9	\$ 0.9
Dispositions ⁽ⁱ⁾	37.0	34.2	35.0	72.5	67.3	68.1
Foreign Currency	(67.1)	(31.1)	(17.0)	(118.5)	(54.5)	(26.9)
Total increase (decrease)	\$ (6.2)	\$ 3.1	\$ 18.0	\$ 9.2	\$ 13.7	\$ 42.1

⁽ⁱ⁾ Relates primarily to rebase adjustments for agreements to provide transitional and other services to the VodafoneZiggo JV, Vodafone, Liberty Latin America, Deutsche Telekom and M7 Group. These adjustments result in an equal amount of fees in both the 2020 and 2019 periods for those services that are deemed to be temporary in nature.



Liquidity

The following table details the U.S. dollar equivalent balances of our liquidity position⁽ⁱ⁾ at June 30, 2020, which includes our (i) cash and cash equivalents, (ii) investments held under SMAs and (iii) unused borrowing capacity at June 30, 2020:

	Cash and Cash Equivalents	SMAs ⁽ⁱⁱ⁾	Unused Borrowing Capacity ⁽ⁱⁱⁱ⁾	Total Liquidity
in millions				
Liberty Global and unrestricted subsidiaries	\$ 4,221.6	\$ 2,986.5	\$ —	\$ 7,208.1
Virgin Media ^(iv)	31.8	—	1,238.0	1,269.8
UPC Holding	26.8	—	562.2	589.0
Telenet	80.4	—	624.0	704.4
Total	\$ 4,360.6	\$ 2,986.5	\$ 2,424.2	\$ 9,771.3

(i) Except as otherwise indicated, the amounts reported in the table include the named entity and its subsidiaries.

(ii) Represents investments held under SMAs which are maintained by investment managers acting as agents on our behalf.

(iii) Our aggregate unused borrowing capacity of \$2.4 billion for the Full Company represents the maximum undrawn commitments under the applicable facilities without regard to covenant compliance calculations or other conditions precedent to borrowing.

(iv) Cash and cash equivalents of Virgin Media includes (i) certain subsidiaries of Virgin Media, but excludes the parent entity, Virgin Media Inc., and (ii) the cash and cash equivalents of the U.K. JV Entities, as such cash and cash equivalents will be retained by Liberty Global upon the formation of the U.K. JV and are therefore not classified as held for sale at June 30, 2020. Unused borrowing capacity of Virgin Media represents unused capacity under a multi-currency revolving credit facility of the U.K. JV Entities. The outstanding third-party debt of the U.K. JV Entities is classified as held for sale in at June 30, 2020.

Summary of Debt & Finance Lease Obligations

The following table⁽ⁱ⁾ details the U.S. dollar equivalent balances of the outstanding principal amount of our debt and finance lease obligations at June 30, 2020:

	Debt ⁽ⁱⁱ⁾	Finance Lease Obligations	Debt & Finance Lease Obligations
in millions			
Virgin Media ⁽ⁱⁱⁱ⁾	\$ 15,392.9	\$ 62.3	\$ 15,455.2
UPC Holding	4,243.4	21.5	4,264.9
Telenet	5,709.7	450.1	6,159.8
Other	1,824.4	42.8	1,867.2
Total	\$ 27,170.4	\$ 576.7	\$ 27,747.1

(i) Except as otherwise indicated, the amounts reported in the table include the named entity and its subsidiaries.

(ii) Debt amounts for UPC Holding include notes issued by special purpose entities that are consolidated by UPC Holding.

(iii) Virgin Media represents the debt and finance lease obligations of the U.K. JV entities, which are classified as held for sale on our June 30, 2020 condensed consolidated balance sheet.



Property and Equipment Additions and Capital Expenditures

The table below highlights the categories of the property and equipment additions of our continuing operations for the indicated periods and reconciles those additions to the capital expenditures of our continuing operations that are presented in the condensed consolidated statements of cash flows in our 10-Q.

	Three months ended		Six months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	in millions, except % amounts			
Customer premises equipment	\$ 109.4	\$ 157.7	\$ 256.9	\$ 386.3
New build & upgrade	134.3	162.2	293.8	304.6
Capacity	53.5	77.2	123.2	149.8
Baseline	127.4	154.8	265.0	283.2
Product & enablers	163.4	130.8	303.5	257.4
Total P&E additions	588.0	682.7	1,242.4	1,381.3
Reconciliation of P&E additions to capital expenditures:				
Assets acquired under capital-related vendor financing arrangements ⁽ⁱ⁾ ...	(332.0)	(417.4)	(702.9)	(926.3)
Assets acquired under capital leases	(6.1)	(20.4)	(17.2)	(32.6)
Changes in current liabilities related to capital expenditures	51.9	56.7	127.3	210.5
Total capital expenditures, net ⁽ⁱⁱ⁾	\$ 301.8	\$ 301.6	\$ 649.6	\$ 632.9
Capital expenditures, net:				
Third-party payments	\$ 302.6	\$ 319.6	\$ 650.9	\$ 691.2
Proceeds received for transfers to related parties ⁽ⁱⁱⁱ⁾	(0.8)	(18.0)	(1.3)	(58.3)
Total capital expenditures, net	\$ 301.8	\$ 301.6	\$ 649.6	\$ 632.9
P&E additions as % of revenue	21.6%	24.0%	22.2%	24.2%

⁽ⁱ⁾ Amounts exclude related VAT of \$55.1 million and \$63.9 million for the three months ended June 30, 2020 and 2019, respectively, and \$118.7 million and \$148.7 million for the six months ended June 30, 2020 and 2019, respectively, that were also financed under these arrangements.

⁽ⁱⁱ⁾ 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 finance lease arrangements. Instead, these expenditures 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.

⁽ⁱⁱⁱ⁾ Primarily relates to transfers of centrally-procured property and equipment to the VodafoneZiggo JV and, for the 2019 periods, our Discontinued Operations.



ARPU per Cable Customer Relationship

The following table provides ARPU per cable customer relationship and percentage change from period to period on both a reported and rebased basis for the indicated periods:

	ARPU per Cable Customer Relationship			
	Three months ended June 30,		Increase/(decrease)	
	2020	2019	Reported %	Rebased %
Liberty Global	\$ 57.35	\$ 59.50	(3.6%)	(1.3%)
U.K. & Ireland (Virgin Media)	£ 50.46	£ 51.35	(1.7%)	(1.8%)
Belgium (Telenet)	€ 58.49	€ 57.18	2.3%	2.4%
UPC	€ 36.57	€ 37.13	(1.5%)	(4.0%)

Mobile ARPU

The following tables provide ARPU per mobile subscriber and percentage change from period to period on both a reported and rebased basis for the indicated periods:

	ARPU per Mobile Subscriber			
	Three months ended June 30,		Decrease	
	2020	2019	Reported %	Rebased %
Liberty Global:				
Including interconnect revenue	\$ 15.65	\$ 16.49	(5.1%)	(8.4%)
Excluding interconnect revenue	\$ 13.16	\$ 14.15	(7.0%)	(4.8%)



Consolidated Operating Data — June 30, 2020

	Homes Passed	Fixed-Line Customer Relationships	Internet Subscribers ⁽ⁱ⁾	Video		Total Video	Telephony Subscribers ⁽ⁱⁱⁱ⁾	Total RGUs	Total Mobile Subscribers ^(iv)
				Basic Video Subscribers ⁽ⁱⁱ⁾	Enhanced Video Subscribers				
U.K.	15,072,600	5,546,000	5,318,400	—	3,589,300	3,589,300	4,553,800	13,461,500	3,268,100
Belgium	3,355,200	2,052,200	1,676,500	139,900	1,695,700	1,835,600	1,195,400	4,707,500	2,795,800
Switzerland ^(v)	2,390,300	995,500	646,300	382,000	588,700	970,700	500,000	2,117,000	223,200
Ireland	941,100	436,900	382,300	—	296,200	296,200	319,800	998,300	103,800
Poland	3,583,400	1,494,300	1,250,200	217,200	1,070,100	1,287,300	660,700	3,198,200	22,200
Slovakia	621,400	191,700	142,300	30,000	141,000	171,000	88,000	401,300	—
Total	25,964,000	10,716,600	9,416,000	769,100	7,381,000	8,150,100	7,317,700	24,883,800	6,413,100

Subscriber Variance Table — June 30, 2020 vs. March 31, 2020

	Homes Passed	Fixed-Line Customer Relationships	Internet Subscribers ⁽ⁱ⁾	Video		Total Video	Telephony Subscribers ⁽ⁱⁱⁱ⁾	Total RGUs	Total Mobile Subscribers ^(iv)
				Basic Video Subscribers ⁽ⁱⁱ⁾	Enhanced Video Subscribers				
Organic Change Summary:									
U.K.	91,100	22,900	33,200	—	(32,500)	(32,500)	(27,000)	(26,300)	47,700
Belgium	8,700	(2,900)	9,500	(7,500)	300	(7,200)	(7,100)	(4,800)	(19,000)
Switzerland ^(v)	8,100	(16,400)	(5,600)	(17,300)	2,000	(15,300)	(2,300)	(23,200)	10,000
Ireland	2,500	1,000	1,800	—	6,900	6,900	(5,700)	3,000	5,800
Poland	20,900	4,300	8,900	9,900	1,300	11,200	(6,500)	13,600	6,000
Slovakia	1,300	(1,200)	500	500	(1,100)	(600)	100	—	—
Total organic change	132,600	7,700	48,300	(14,400)	(23,100)	(37,500)	(48,500)	(37,700)	50,500
Q2 2020 Adjustments:									
Belgium	(47,700)	(9,500)	(5,500)	—	(9,200)	(9,200)	(3,800)	(18,500)	—
U.K.	—	6,600	6,000	—	—	—	1,700	7,700	—
Total adjustments	(47,700)	(2,900)	500	—	(9,200)	(9,200)	(2,100)	(10,800)	—



Footnotes for Consolidated Operating Data and Subscriber Variance Tables

- (i) 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 67,600 subscribers who have requested and received this service
- (ii) We have approximately 29,200 "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.
- (iii) 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 193,100 subscribers who have requested and received this service.
- (iv) In a number of countries, our mobile subscribers receive mobile services pursuant to prepaid contracts. As of June 30, 2020, our mobile subscriber count included 400,900 and 202,200 prepaid mobile subscribers in Belgium and the U.K., respectively.
- (v) Pursuant to service agreements, Switzerland offers broadband internet, video 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. At June 30, 2020, Switzerland's partner networks accounted for 116,900 Fixed-Line Customer Relationships, 296,200 RGUs, which include 108,700 Internet Subscribers, 102,700 Video Subscribers and 84,800 Telephony Subscribers. Subscribers to our enhanced video services provided over partner networks largely receive basic video services from the partner networks as opposed to our operations. Due to the fact that we do not own these partner networks, we do not include the 653,000 homes passed by Switzerland's partner networks at June 30, 2020.

Additional General Notes to Tables:

Most of our broadband communications subsidiaries provide telephony, broadband internet, data, video or other B2B services. Certain of our B2B revenue is derived from SOHO subscribers that pay a premium price to receive enhanced service levels along with video, internet or telephony services that are the same or similar to the mass marketed products offered to our residential subscribers. All mass marketed products provided to SOHOs, whether or not accompanied by enhanced service levels and/or premium prices, are included in the respective RGU and customer counts of our broadband communications operations, with only those services provided at premium prices considered to be "SOHO RGUs" or "SOHO customers." To the extent our existing customers upgrade from a residential product offering to a SOHO product offering, the number of SOHO RGUs or SOHO customers will increase, but there is no impact to our total RGU or customer counts. With the exception of our B2B SOHO subscribers, we generally do not count customers of B2B services as customers or RGUs for external reporting purposes.

In Belgium, Telenet leases a portion of its network under a long-term finance lease arrangement. These tables include operating statistics for Telenet's owned and leased networks.

While we take appropriate steps to ensure that subscriber statistics are presented on a consistent and accurate basis at any given balance sheet date, the variability from country to country in (i) the nature and pricing of products and services, (ii) the distribution platform, (iii) billing systems, (iv) bad debt collection experience and (v) other factors add complexity to the subscriber counting process. We periodically review our subscriber counting policies and underlying systems to improve the accuracy and consistency of the data reported on a prospective basis. Accordingly, we may from time to time make appropriate adjustments to our subscriber statistics based on those reviews.

Subscriber information for acquired entities is preliminary and subject to adjustment until we have completed our review of such information and determined that it is presented in accordance with our policies.



Footnotes

- 1 On May 7, 2020, we entered into an agreement with, among others, Telefonica SA (Telefonica). Pursuant to which, Liberty Global and Telefonica agreed to form a 50:50 joint venture (the U.K. JV), which will combine Virgin Media's operations in the U.K. (the U.K. JV Entities) with Telefonica's mobile business in the U.K. to create a nationwide integrated communications provider.
- 2 The indicated growth rates are rebased for acquisitions, dispositions, FX and other items that impact the comparability of our year-over-year results. Please see Rebase Information for information on rebased growth.
- 3 For purposes of calculating our average tenor, total third-party debt excludes vendor financing.
- 4 The term "Full Company" includes certain amounts related to the U.K. JV Entities, which are presented as held for sale in our June 30, 2020 condensed consolidated balance sheet. For purposes of presenting certain debt and liquidity metrics consistent with how we calculate our leverage ratios under our debt agreements, we have included the debt and finance lease obligations of the U.K. JV Entities in our Full Company metrics.
- 5 Liquidity refers to cash and cash equivalents and investments held under separately managed accounts plus the maximum undrawn commitments under subsidiary borrowing facilities for the Full Company, without regard to covenant compliance calculations or other conditions precedent to borrowing.
- 6 Includes investments held in Separately Managed Accounts ("SMAs")
- 7 During the fourth quarter of 2019, we changed the presentation of our consolidated reportable segments with respect to certain operating costs related to our centrally-managed technology and innovation function. For additional information and detail of the impact to our consolidated reportable segments, see the Appendix.
- 8 Our aggregate unused borrowing capacity of \$2.4 billion for the Full Company represents the maximum undrawn commitments under the applicable facilities without regard to covenant compliance calculations or other conditions precedent to borrowing. Upon completion of the relevant June 30, 2020 compliance reporting requirements for our credit facilities, and assuming no further changes from quarter-end borrowing levels, we anticipate that the full unused borrowing capacity will continue to be available, with the exception of the VM Credit Facilities, which will have borrowing capacity limited to £276.7 million (\$311.1 million), with no additional restriction to loan or distribute. Our above expectations do not consider any actual or potential changes to our borrowing levels or any amounts loaned or distributed subsequent to June 30, 2020.



9 Our debt and net debt ratios, which are non-GAAP metrics, are defined as total debt and net debt, respectively, divided by Adjusted EBITDA for the last twelve months (LTM Adjusted EBITDA). Net debt is defined as total debt less cash and cash equivalents and investments under separately managed accounts. Consistent with how we calculate our leverage ratios under our debt agreements, these ratios are presented on a Full Company basis that includes the debt and Adjusted EBITDA of the U.K. JV entities that are classified as held for sale on our June 30, 2020 condensed consolidated balance sheet. 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 excludes the loans backed or secured by the shares we hold in ITV plc and Lions Gate Entertainment Corp. For additional information on our investments, see note 7 to the condensed consolidated financial statements included in our 10-Q. The following table details the calculation of our debt and net debt to LTM Adjusted EBITDA ratios as of and for the twelve months ended June 30, 2020 (in millions, except ratios):

Reconciliation of LTM loss from continuing operations to LTM Adjusted EBITDA:		
LTM loss from continuing operations	\$	(248.6)
Income tax expense		120.5
Other income, net		(137.3)
Share of results of affiliates, net		130.3
Losses on debt extinguishment, net		388.0
Realized and unrealized losses due to changes in fair values of certain investments and debt, net		158.6
Foreign currency transaction losses, net		292.7
Realized and unrealized gains on derivative instruments, net		(655.5)
Interest expense		1,250.0
Operating income		1,298.7
Impairment, restructuring and other operating items, net		115.1
Depreciation and amortization		3,120.0
Share-based compensation expense		290.5
LTM Adjusted EBITDA	\$	4,824.3
Debt to LTM Adjusted EBITDA:		
Debt and finance lease obligations before deferred financing costs, discounts and premiums	\$	27,747.1
Principal related projected derivative cash payments		(766.4)
ITV Collar Loan		(1,339.9)
Lionsgate Collar Loan		(55.3)
Adjusted debt and finance lease obligations before deferred financing costs, discounts and premiums	\$	25,585.5
LTM Adjusted EBITDA	\$	4,824.3
Debt to LTM Adjusted EBITDA ratio		5.3
Net Debt to LTM Adjusted EBITDA:		
Adjusted debt and finance lease obligations before deferred financing costs, discounts and premiums	\$	25,585.5
Cash and cash equivalents and investments held under separately managed accounts		(7,347.1)
Adjusted net debt and finance lease obligations before deferred financing costs, discounts and premiums	\$	18,238.4
LTM Adjusted EBITDA	\$	4,824.3
Net debt to LTM Adjusted EBITDA ratio		3.8



Glossary

10-Q or 10-K: As used herein, the terms 10-Q and 10-K refer to our most recent quarterly or annual report as filed with the Securities and Exchange Commission on Form 10-Q or Form 10-K, as applicable.

Adjusted EBITDA: Adjusted EBITDA is the primary measure used by our chief operating decision maker to evaluate segment operating performance and 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, Adjusted EBITDA is defined as earnings (loss) from continuing operations before net income tax benefit (expense), other non-operating income or expenses, net share of results of affiliates, net gains (losses) on debt extinguishment, net realized and unrealized gains (losses) due to changes in fair value of certain investments and debt, net foreign currency gains (losses), net gains (losses) on derivative instruments, net interest expense, 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 Adjusted EBITDA 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 consolidated Adjusted EBITDA measure, which is a non-GAAP 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. Consolidated Adjusted EBITDA should be viewed as a measure of operating performance that is a supplement to, and not a substitute for U.S. GAAP measures of income included in our condensed consolidated statements of operations.

A reconciliation of earnings (loss) from continuing operations to Adjusted EBITDA is presented in the following table:

	Three months ended		Six months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	in millions			
Earnings (loss) from continuing operations	\$ (503.8)	\$ (339.6)	\$ 513.9	\$ (646.5)
Income tax expense (benefit)	(158.0)	26.8	(77.9)	54.6
Other income, net	(9.5)	(32.5)	(61.9)	(39.0)
Share of results of affiliates, net	105.4	69.3	72.0	140.2
Losses on debt extinguishment, net	165.6	48.3	220.1	48.8
Realized and unrealized losses (gains) due to changes in fair values of certain investments and debt, net	(152.3)	138.7	377.5	146.9
Foreign currency transactions losses (gains), net	478.0	27.0	86.3	(111.6)
Realized and unrealized losses (gains) on derivative instruments, net	319.7	(152.9)	(917.6)	(70.1)
Interest expense	281.7	363.6	595.0	730.9
Operating income	526.8	148.7	807.4	254.2
Impairment, restructuring and other operating items, net	32.2	33.2	63.2	104.1
Depreciation and amortization	545.7	921.8	1,329.2	1,861.4
Share-based compensation expense	83.8	87.0	139.0	154.3
Adjusted EBITDA	\$ 1,188.5	\$ 1,190.7	\$ 2,338.8	\$ 2,374.0

Adjusted Free Cash Flow (FCF): 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 condensed consolidated statements of cash flows, (b) principal payments on amounts financed by vendors and intermediaries and (c) principal payments on finance leases (exclusive of the portions of the network lease in Belgium that we assumed in connection with certain acquisitions), with each item excluding any cash provided or used by our Discontinued Operations, as applicable. We believe that our presentation of Adjusted Free Cash Flow, which is a non-GAAP measure, 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 condensed consolidated statements of cash flows.

The following table provides a reconciliation of our net cash provided by operating activities from continuing operations to Adjusted Free Cash Flow for the indicated periods. In addition, in order to provide information regarding our Adjusted Free Cash Flow that excludes the Discontinued Operations, we also present Adjusted Free Cash Flow on a pro forma basis for the three and six months ended June 30, 2019 as if the sale of the Discontinued Operations had been completed on January 1, 2019.



	Three months ended		Six months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
in millions				
Continuing operations:				
Net cash provided by operating activities	\$ 1,142.1	\$ 1,322.2	\$ 1,591.9	\$ 1,628.5
Cash payments for direct acquisition and disposition costs	9.9	5.6	10.4	18.0
Expenses financed by an intermediary ⁽ⁱ⁾	551.7	522.1	1,274.5	1,086.1
Capital expenditures, net	(301.8)	(301.6)	(649.6)	(632.9)
Principal payments on amounts financed by vendors and intermediaries	(933.0)	(977.6)	(2,054.0)	(2,140.4)
Principal payments on certain finance leases	(13.2)	(18.7)	(34.5)	(31.8)
Adjusted FCF	<u>\$ 455.7</u>	<u>552.0</u>	<u>\$ 138.7</u>	<u>(72.5)</u>
Pro forma adjustments related to the sale of the Discontinued Operations:				
Interest and derivative payments ⁽ⁱⁱ⁾		1.7		28.6
Transitional services agreements ⁽ⁱⁱⁱ⁾		38.1		77.0
Pro forma Adjusted FCF ^(iv)		<u>\$ 591.8</u>		<u>\$ 33.1</u>

- (i) For purposes of our condensed 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 condensed consolidated statements of cash flows. 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.
- (ii) Represents the estimated interest and related derivative payments made by UPC Holding associated with our discontinued UPC Holding operations in Hungary, Romania and the Czech Republic during the applicable periods. These estimated payments are calculated based on Hungary, Romania and the Czech Republic's pro rata share of UPC Holding's Adjusted EBITDA and UPC Holding's aggregate interest and derivative payments during the applicable period. Although we believe this adjustment to interest and related derivative payments results in a reasonable estimate of the annual ongoing interest and related derivative payments that will occur in relation to the continuing UPC Holding operations, no assurance can be given that the actual interest and derivative payments will be equivalent to the amounts presented. No pro forma adjustments were required with respect to Unitymedia's interest and derivative payments as substantially all of Unitymedia's debt and related derivative instruments were direct obligations of the entities being disposed. As a result, the interest and related derivative payments associated with such debt and derivative instruments of Unitymedia are included in discontinued operations.
- (iii) Represents our preliminary estimate of the net cash flows that we would have received from transitional services agreements if the sale of the Discontinued Operations had occurred on January 1, 2019. The estimated net cash flows are based on the estimated revenue that we expect to recognize from our transitional services agreements during the first 12 months following the completion of the sale of the Discontinued Operations, less the estimated incremental costs that we expect to incur to provide such transitional services. As a result, the pro forma adjustments during the three and six months ended June 30, 2019 include \$37.8 million and \$76.0 million related to our discontinued operations in Germany, Hungary, Romania and the Czech Republic, respectively, and \$0.3 million and \$1.0 million related to our discontinued DTH business, respectively.
- (iv) Represents the Adjusted FCF that we estimate would have resulted if the sale of the Discontinued Operations had been completed on January 1, 2019. Actual amounts may differ from the amounts assumed for purposes of this pro forma calculation. For example, our Pro forma Adjusted FCF does not include any future benefits related to reductions in our corporate costs as a result of our operating model rationalization or any other potential future operating or capital cost reductions attributable to our continuing or discontinued operations.

ARPU: Average Revenue Per Unit is the average monthly subscription revenue per average cable customer relationship or mobile subscriber, as applicable. ARPU per average fixed-line customer relationship is calculated by dividing the average monthly subscription revenue from residential cable and SOHO services by the average number of fixed-line customer relationships for the period. ARPU per average mobile subscriber is calculated by dividing residential mobile and SOHO revenue for the indicated period by the average number of mobile subscribers for the period. Unless otherwise indicated, ARPU per cable customer relationship or mobile subscriber is not adjusted for currency impacts. ARPU per RGU refers to average monthly revenue per average RGU, which is calculated by dividing the average monthly subscription revenue from residential and SOHO services for the indicated period, by the average number of the applicable RGUs for the period. Unless otherwise noted, ARPU in this release is considered to be ARPU per average cable customer relationship or mobile subscriber, as applicable. Fixed-line customer relationships, mobile subscribers and RGUs of entities acquired during the period are normalized. In addition, for purposes of calculating the percentage change in ARPU on a rebased basis, which is a non-GAAP measure, we adjust the prior-year subscription revenue, fixed-line customer relationships, mobile subscribers and RGUs, as applicable, to reflect acquisitions, dispositions and FX on a comparable basis with the current year, consistent with how we calculate our rebased growth for revenue and Adjusted EBITDA, as further described in the body of this release.

ARPU per Mobile Subscriber: Our ARPU per mobile subscriber calculation that excludes interconnect revenue refers to the average monthly mobile subscription revenue per average mobile subscriber and is calculated by dividing the average monthly mobile subscription revenue (excluding handset sales and late fees) for the indicated period, by the average of the opening and closing balances of mobile subscribers in service for the period. Our



ARPU per mobile subscriber calculation that includes interconnect revenue increases the numerator in the above-described calculation by the amount of mobile interconnect revenue during the period.

Basic Video Subscriber: a home, residential multiple dwelling unit or commercial unit that receives our video service over our broadband network or through a partner 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. 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.

Blended fully-swapped debt borrowing cost: the weighted average interest rate on our aggregate variable- and fixed-rate indebtedness (excluding finance leases and including vendor financing obligations), including the effects of derivative instruments, original issue premiums or discounts and commitment fees, but excluding the impact of financing costs.

B2B: Business-to-Business.

Customer Churn: the rate at which customers relinquish their subscriptions. The annual rolling average basis is calculated by dividing the number of disconnects during the preceding 12 months by the average number of customer relationships. For the purpose of computing churn, a disconnect is deemed to have occurred if the customer no longer receives any level of service from us and is required to return our equipment. A partial product downgrade, typically used to encourage customers to pay an outstanding bill and avoid complete service disconnection, is not considered to be disconnected for purposes of our churn calculations. Customers who move within our cable footprint and upgrades and downgrades between services are also excluded from the disconnect figures used in the churn calculation.

Enhanced Video Subscriber: 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 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.

Fixed-Line Customer Relationships: the number of customers who receive at least one of our internet, video or telephony services that we count as RGUs, without regard to which or to how many services they subscribe. Fixed-Line Customer Relationships generally are counted on a unique premises basis. Accordingly, if an individual receives our services in two premises (e.g., a primary home and a vacation home), that individual generally will count as two Fixed-Line Customer Relationships. We exclude mobile-only customers from Fixed-Line Customer Relationships.

Fixed-Mobile Convergence (FMC): Fixed-mobile convergence penetration represents the number of customers who subscribe to both a fixed broadband internet service and postpaid mobile telephony service, divided by the total number of customers who subscribe to our fixed broadband internet service.

Homes Passed: homes, residential multiple dwelling units or commercial units that can be connected to our networks without materially extending the distribution plant. 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.

Internet Subscriber: a home, residential multiple dwelling unit or commercial unit that receives internet services over our networks, or that we service through a partner network.

Lightning premises: includes homes, residential multiple dwelling units and commercial premises that potentially could subscribe to our residential or SOHO services, which have been connected to our networks as a part of our Project Lightning network extension program in the U.K. and Ireland. Project Lightning infill build relates to construction in areas adjacent to our existing network.

Mobile Subscriber Count: the number of active 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 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. In a number of countries, our mobile subscribers receive mobile services pursuant to prepaid contracts.

MVNO: Mobile Virtual Network Operator.

NPS: Net Promoter Score.

OFCF: As used herein, Operating Free Cash Flow or "OFCF", which is a non-GAAP measure, represents Adjusted EBITDA less property and equipment additions. OFCF is an additional metric that we use to measure the performance of our operations after considering the level of property and equipment additions incurred during the period.



A reconciliation of Adjusted EBITDA to OFCF for our continuing operations is presented in the following table:

	Three months ended		Six months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	in millions			
Adjusted EBITDA	\$ 1,188.5	\$ 1,190.7	\$ 2,338.8	\$ 2,374.0
Property and equipment additions	(588.0)	(682.7)	(1,242.4)	(1,381.3)
OCF	\$ 600.5	\$ 508.0	\$ 1,096.4	\$ 992.7

Property and equipment additions (P&E additions): includes capital expenditures on an accrual basis, amounts financed under vendor financing or finance lease arrangements and other non-cash additions.

RGU: A Revenue Generating Unit is separately a Basic Video Subscriber, Enhanced Video Subscriber, Internet Subscriber or Telephony Subscriber. A home, residential multiple dwelling unit, or commercial unit may contain one or more RGUs. For example, if a residential customer in our U.K. 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, 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 or 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 RGU counts exclude our separately reported postpaid and prepaid mobile subscribers.

SIM: Subscriber Identification Module.

SOHO: Small or Home Office Subscribers.

Telephony Subscriber: 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.

U.S. GAAP: Accounting principles generally accepted in the United States.

YoY: Year-over-year.



Appendix - Supplemental Adjusted EBITDA, P&E and OFCF information

The following table presents (i) Adjusted EBITDA, (ii) property and equipment additions, (iii) OFCF and (iv) percentage change from period to period for Adjusted EBITDA and OFCF on both a reported and rebased basis for each of our consolidated reportable segments:

	Three months ended June 30,		Increase/(decrease)	
	2020	2019	Reported %	Rebased %
in millions, except % amounts				
Adjusted EBITDA ⁽ⁱ⁾ :				
U.K./Ireland	\$ 654.9	\$ 687.5	(4.7)	(1.5)
Belgium	354.1	349.4	1.3	3.7
Switzerland	150.9	159.8	(5.6)	(9.9)
CEE	52.7	54.1	(2.6)	4.2
Central and Corporate	(24.1)	(60.1)	59.9	2.7
Total Adjusted EBITDA	<u>\$ 1,188.5</u>	<u>\$ 1,190.7</u>	<u>(0.2)</u>	<u>(0.4)</u>
Property and equipment additions ⁽ⁱⁱ⁾ :				
U.K./Ireland	\$ 322.8	\$ 371.4		
Belgium	110.3	133.4		
Switzerland	54.6	77.3		
CEE	20.9	19.7		
Central and Corporate	79.4	80.9		
Total property and equipment additions	<u>\$ 588.0</u>	<u>\$ 682.7</u>		
OCF ^{(i) (iii)} :				
U.K./Ireland	\$ 332.1	\$ 316.1	5.1	8.7
Belgium	243.8	216.0	12.9	15.4
Switzerland	96.3	82.5	16.7	10.4
CEE	31.8	34.4	(7.6)	(1.4)
Central and Corporate	(103.5)	(141.0)	26.6	0.6
Total OCF	<u>\$ 600.5</u>	<u>\$ 508.0</u>	<u>18.2</u>	<u>14.2</u>



	Six months ended June 30,		Increase/(decrease)	
	2020	2019	Reported %	Rebased %
in millions, except % amounts				
Adjusted EBITDA ⁽ⁱ⁾ :				
U.K./Ireland	\$ 1,310.3	\$ 1,379.7	(5.0)	(2.5)
Belgium	685.7	688.4	(0.4)	2.2
Switzerland	285.0	316.1	(9.8)	(12.9)
CEE	107.0	107.8	(0.7)	4.5
Central and Corporate	(49.2)	(119.4)	58.8	3.9
Intersegment eliminations	—	1.4	N.M.	N.M.
Adjusted EBITDA	<u>\$ 2,338.8</u>	<u>\$ 2,374.0</u>	<u>(1.5)</u>	<u>(2.0)</u>
Property and equipment additions ⁽ⁱⁱ⁾ :				
U.K./Ireland	\$ 669.4	\$ 766.7		
Belgium	251.9	275.1		
Switzerland	123.8	135.9		
CEE	39.8	41.4		
Central and Corporate	157.5	162.2		
Total property and equipment additions	<u>\$ 1,242.4</u>	<u>\$ 1,381.3</u>		
OFCF ^{(i) (ii)} :				
U.K./Ireland	\$ 640.9	\$ 613.0	4.6	7.3
Belgium	433.8	413.3	5.0	7.4
Switzerland	161.2	180.2	(10.5)	(13.6)
CEE	67.2	66.4	1.2	6.7
Central and Corporate	(206.7)	(281.6)	26.6	1.3
Intersegment eliminations	—	1.4	N.M.	N.M.
Total OFCF	<u>\$ 1,096.4</u>	<u>\$ 992.7</u>	<u>10.4</u>	<u>6.0</u>

(i) Includes the Centrally-held Operating Cost Allocations, as defined and described below.

(ii) Excludes the Centrally-held P&E Attributions, as defined and described below.

Centrally-held Operating Cost Allocations

During the fourth quarter of 2019, we changed the presentation of certain operating costs related to our centrally-managed technology and innovation function. These costs, which were previously included in Central and Corporate, are now allocated to our consolidated reportable segments. This change, which we refer to as the “Centrally-held Operating Cost Allocations”, was made as a result of internal changes with respect to the way in which our chief operating decision maker evaluates the Adjusted EBITDA of our operating segments. Segment information for the three and six months ended June 30, 2019 has been revised in our reported U.S. GAAP disclosures to reflect this change. The following table provides a summary of the impact on the Adjusted EBITDA of our consolidated reportable segments and Central and Corporate that resulted from the Centrally-held Operating Cost Allocations.

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
in millions				
Increase (decrease) to Adjusted EBITDA:				
U.K./Ireland	\$ (12.3)	\$ (15.7)	\$ (24.4)	\$ (31.8)
Switzerland	(4.8)	(9.9)	(9.6)	(16.7)
CEE	(2.7)	(3.8)	(5.2)	(7.3)
Central and Corporate	19.8	29.4	39.2	55.8
Total Liberty Global	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>



Centrally-held Property & Equipment Attributions

Property and equipment additions presented for Central and Corporate include certain capital costs incurred for the benefit of our operating segments. Generally, for purposes of the consolidated financial statements of our borrowing groups, the expense associated with these capital costs is allocated and/or charged to our operating segments as related-party fees and allocations in their respective statements of operations over the period in which the operating segment benefits from the use of the Central and Corporate asset. Related-party fees and allocations are excluded from the reported Adjusted EBITDA metric of these borrowing groups. These amounts are based on (i) our estimate of its share of underlying costs, (ii) our estimate of its share of the underlying costs plus a mark-up or (iii) commercially-negotiated rates. These charges and allocations differ from the attributed OFCF approach, as further described below.

For internal management reporting and capital allocation purposes, we evaluate the OFCF of our operating segments on an "attributed" basis, whereby we estimate and attribute certain capital costs incurred by Central and Corporate to our operating segments as if that operating segment directly incurred its estimated share of the capital costs in the same period the costs were incurred by Central and Corporate. These capital costs represent assets that are jointly used by our operating segments. In the context of evaluating our operating segments, we believe this non-GAAP approach, which we refer to as the "Centrally-held Property and Equipment Attributions", is a meaningful measure as it represents a transparent view of what the estimated capital spend for our operating segments might be if they were to operate as a stand-alone business (excluding, among other considerations, any impact from lost economies of scale) and allows us to more accurately (i) review capital trends by operating segment, (ii) perform benchmarking between operating segments and (iii) drive alignment and accountability between Central and Corporate and our operating segments with respect to our consolidated capital spend. The amounts attributed to each operating segment are estimated based on (a) actual costs incurred by Central and Corporate, without any mark-up, and (b) each respective operating segment's estimated use of the associated assets.

The below table summarizes the Centrally-held Property and Equipment Attributions, consistent with our internal management reporting approach. This presentation is for illustrative purposes only and is intended as a supplement to, and not a substitute for, our U.S. GAAP presentation of the property and equipment additions of our reportable segments.

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
in millions				
Increase (decrease) to property and equipment additions:				
U.K./Ireland	\$ 31.9	\$ 30.0	\$ 66.8	\$ 56.5
Belgium	3.1	4.2	6.2	4.2
Switzerland	11.1	12.0	21.2	20.8
CEE	4.9	5.9	11.8	11.2
Central and Corporate	(51.0)	(52.1)	(106.0)	(92.7)
Total Liberty Global	\$ —	\$ —	\$ —	\$ —