Ziggo Reports Preliminary Fiscal 2016 Results

Best RGU Performance Since Q1 2014: 51,000 RGU Additions in Q4

Further Enhancing the Customer Experience with "Home of HBO"

Revenue Stabilized During the Second Half of 2016

Utrecht, the Netherlands — February 16, 2017: VodafoneZiggo[(a)] is a leading Dutch company that provides fixed, mobile and integrated communication and entertainment services to consumers and businesses. At December 31, 2016, we provided 9.7 million service subscriptions to 4.0 million cable customers and serviced over 5 million mobile subscribers through the newly formed VodafoneZiggo JV.

VodafoneZiggo JV[1] closed on December 31, 2016

- Successful launch of the VodafoneZiggo JV corporate brand and introduction of management; operating as one company as of January 9th with positive feedback from customers and employees
- VodafoneZiggo JV will continue offering fixed-line and mobile products and services under its existing brands and expects to begin cross-selling in the spring of 2017
- As we kicked off the integration and are in our early start-up phase, we expect to provide 2017 financial guidance with our Q1 results that we will report in May

Ziggo operating highlights[1,(a)]:

- 2016 RGU additions materially improved as compared to 2015, supported by investments in products and customer service
- Q4 RGUs[2] net additions of 51,000 reflect a strong improvement sequentially (up 62,000 RGUs) and year-over-year (up 103,000 RGUs), driven by higher sales and lower year-over-year churn[3]
    - Delivered best quarter since Q1 2014 with 56,000 broadband RGU additions in Q4 as well as adding 12,000 fixed-line telephony subscribers
    - Successful sales campaigns and strong double- to triple-play upsell results
    - Video attrition continued to improve during 2016; Q4 at lowest level since Q2 2014

(a) On December 31, 2016, the respective operations in the Netherlands of Vodafone Group Plc (Vodafone Libertel B.V., referred to herein as "Vodafone NL") and Liberty Global plc (VodafoneZiggo Holding B.V., formerly known as Ziggo Group Holding B.V., and referred to herein as “Ziggo") were contributed to VodafoneZiggo Group Holding B.V. (VodafoneZiggo), a newly-formed 50:50 joint venture (the VodafoneZiggo JV). The formation of the VodafoneZiggo JV was accounted for at fair value, creating a new basis of accounting for Ziggo and Vodafone NL. Ziggo has been deemed the predecessor entity for financial reporting purposes. As such, Vodafone NL is included in the consolidated financial statements of the VodafoneZiggo JV effective December 31, 2016. Accordingly, balance sheet information presented as of December 31, 2016 includes the information of both Vodafone NL and Ziggo while operating results presented for periods ending on or prior to December 31, 2016 only include the operating results of Ziggo. The period as of December 31, 2016, which includes certain financial and operating statistics of the VodafoneZiggo JV, is referred to as the "Successor Period" and periods ending on or prior to December 31, 2016 are referred to as "Predecessor Periods". Similarly, operating statistics presented as of December 31, 2016 include the statistics of both Vodafone NL and Ziggo while operating statistics for the quarters ended December 31, 2016 and 2015 only include the statistics of Ziggo. With the exception of the mobile subscribers of Vodafone NL, which are presented under Vodafone NL's policies (as further described in note 22 on page 9), all financial and operating information included in this release is presented under Ziggo's policies.

- Improved sales driven by continued investment in our sales channels and marketing campaigns
    - The successful sales campaign, offering a free tablet or a monthly subscription discount, was extended through Q4 after being introduced in September
    - Expanded our shop-in-shop retail presence with 49 locations in the largest electronics retailer
- Focused on enhancing the customer experience by adding more value to our bundles
    - To support product differentiation, we increased broadband speeds, made Replay TV available to all our video customers and improved Horizon GO in H1
    - English Premier League added to the Ziggo Sport channel in August
    - Deployed the Connect Box router, with superior WiFi technology, to over 200K customers since its introduction in 2016
    - Customer service initiative launched in early 2016 resulted in decrease in customer calls of 20% by year end
    - December marked first anniversary of Ziggo Sport, our highest rated product and our most-watched Sports channel
    - Exclusive HBO content offered in our new programming packages from January 2017, making us the "Home of HBO" in the Netherlands and bundled into our top-tier bundle
- Horizon TV additions of 77,000 in Q4, bringing our next-generation video subscribers to 1.1 million at year-end, or 26% of our total video base
    - Horizon Go base up 32% year-over-year to 952,000 active users in Q4
    - Replay TV remains a very popular feature of our video platform with 82,000 new users in Q4 bringing our total base to 784,000 at year-end 2016
    - Horizon platform further enriched with the launch of Netflix and Videoland in December
- Completed implementation of a new Customer Relationship Management platform; expected to further improve customer service and drive operational efficiencies
- Added 59,000 postpaid mobile subscribers in 2016 (15,000 in Q4), driven by our successful online sales campaigns and attractive 4G offerings
- On the B2B front, we delivered 17% more SOHO RGU additions during 2016, driven by successful "best business internet" promotional campaign and higher broadband speeds introduced in April
    - Successfully rebranded and integrated 'Esprit Telecom' and 'Zoranet' into Ziggo Business

Ziggo financial highlights[1,(b)]:

- Revenue flat in Q4 at €618 million and declined 2% in 2016 to €2,447 million on a rebased[4] basis
  - Q4 performance was flat compared to prior year as higher ARPU per RGU for cable subscription revenue was offset by lower subscribers
  - Full-year 2016 decline primarily driven by lower cable subscription revenue due to a decrease in the average number of RGUs and lower ARPU per RGU
  - 2016 B2B[5] (including SOHO) revenue grew 7% as compared to 2015
- ARPU[6] per customer increased 3% year-over-year to €46.18 in Q4
- Operating income decreased 38% in Q4 to €13 million, but increased 52% to €140 million in 2016
  - Full-year 2016 increase primarily resulted from lower depreciation and amortization, partially offset by higher related-party fees and allocations and Segment OCF decline mentioned below
- Rebased Segment OCF[7] decline of 4% to €334 million in Q4 and 2% to €1,326 million in 2016
  - Decrease during Q4 represents the net effect of the above mentioned revenue performance, higher direct costs, including programming costs, higher personnel costs and a €2 million decline in integration costs
  - Decrease during 2016 represents the net effect of the above mentioned revenue performance, higher direct costs, including programming costs, and a €23 million decline in integration costs
  - The increases in our programming costs primarily reflects targeted investments in content related to Ziggo Sport, Discovery and HBO
- Property and equipment additions[8] were 25% and 22% of revenue for Q4 and FY 2016, respectively
  - Full-year spend was in-line with our 20-22% target range, with higher year-over-year expenditures mainly due to higher scalable infrastructure and CPE spend, with the increased CPE spend primarily attributable to the growth of Horizon TV
- At December 31, 2016, our fully-swapped third-party debt borrowing cost[9] was 5.1% and the average tenor of our third-party debt (excluding vendor financing) exceeded 8.2 years
- Based on our results for Q4 2016, as adjusted to include estimated Annualized EBITDA of Vodafone NL and certain expected synergies, and subject to the completion of our corresponding compliance reporting requirements, (i) the ratio of Senior Net Debt to Annualized EBITDA was 3.66x and (ii) the ratio of Total Net Debt to Annualized EBITDA was 4.64x, each as defined in, and calculated in accordance with, our Senior Credit Facilities
- At December 31, 2016, we had maximum undrawn commitments of €800 million. When our Q4 2016 compliance reporting requirements have been completed and assuming no changes from December 31, 2016 borrowing levels, we anticipate the full amount of our unused commitments will be available to be drawn
- In January 2017, we issued $2.5 billion (€2.4 billion) and €2.3 billion of term loans each due 2025. The proceeds were used to refinance Term Loans B, C and D, extending our tenor and reducing interest costs
- Following closing of the VodafoneZiggo JV, certain Vodafone NL entities acceded as guarantors under VodafoneZiggo JV's third-party debt instruments, where applicable

(b) The financial figures contained in this release are prepared in accordance with U.S. GAAP[10].

Operating Statistics Summary

	As of and for the three months ended December 31,	
	2016(c)	2015(c)
Footprint		
Homes Passed[11]	7,089,500	7,023,200
Two-way Homes Passed[12]	7,078,100	7,009,100
Subscribers (RGUs)[2]		
Basic Video[13]	637,400	768,000
Enhanced Video[14]	3,338,000	3,320,500
Total Video	3,975,400	4,088,500
Internet[15]	3,178,200	3,101,400
Telephony[16]	2,536,200	2,538,300
Total RGUs	9,689,800	9,728,200
Q4 Organic RGU Net Additions (Losses)		
Basic Video	(34,300)	(35,400)
Enhanced Video	17,400	(15,900)
Total Video	(16,900)	(51,300)
Internet	55,800	6,500
Telephony	12,200	(7,100)
Total organic RGU net additions (losses)	51,100	(51,900)
Penetration		
Enhanced Video Subscribers as a % of Total Video Subscribers[17]	84.0%	81.2%
Internet as a % of Two-way Homes Passed[18]	44.9%	44.2%
Telephony as a % of Two-way Homes Passed[18]	35.8%	36.2%
Customer Relationships		
Fixed Customer Relationships[19]	3,978,600	4,090,400
RGUs per Fixed Customer Relationship	2.44	2.38
Q4 Monthly ARPU per Fixed Customer Relationship[6]	€ 46.18	€ 44.97
Fixed Customer Bundling		
Single-Play	19.9%	22.8%
Double-Play	16.7%	16.6%
Triple-Play	63.4%	60.6%
Mobile		
Total Ziggo Mobile subscribers[20]	242,100	186,800
Q4 Ziggo Mobile net additions	15,100	5,900
Q4 Monthly ARPU per Ziggo Mobile Subscriber[21]		
Excluding interconnect revenue	€ 12.40	€ 15.94
Including interconnect revenue	€ 13.89	€ 17.38
Total Vodafone NL Mobile subscribers[22]	4,871,000	

(c) All information is that of Ziggo except for the mobile subscribers of Vodafone NL.

Financial Results, Segment OCF Reconciliation & Property and Equipment Additions

The following table reflects preliminary unaudited selected financial results for the three months and year ended December 31, 2016 and 2015.[23]

	Three months ended December 31, 2016	Three months ended December 31, 2015	Rebased Change	Year ended December 31, 2016	Year ended December 31, 2015	Rebased Change
	in millions, except % amounts					
Revenue	€ 617.9	€ 617.2	0.1%	€ 2,446.8	€ 2,486.9	(1.4%)
Segment OCF	€ 334.0	€ 348.6	(4.2%)	€ 1,325.9	€ 1,349.4	(1.9%)
Operating income	12.8	20.5		139.8	91.7	
Share-based compensation expense	2.4	2.3		8.8	6.5	
Related-party fees and allocations	68.5	45.0		233.1	152.9	
Depreciation and amortization	230.6	239.7		917.4	1,038.1	
Impairment, restructuring and other operating items, net	19.7	41.1		26.8	60.2	
Segment OCF	€ 334.0	€ 348.6		€ 1,325.9	€ 1,349.4	
Segment OCF as a percentage of revenue[24]	54.1%	56.5%		54.2%	54.3%	
Operating income as a percentage of revenue	2.1%	3.3%		5.7%	3.7%	

The table below highlights the categories of our property and equipment additions for the indicated periods and reconciles those additions to the capital expenditures that we present in our consolidated statements of cash flows:

	Three months ended December 31, 2016	Three months ended December 31, 2015	Year ended December 31, 2016	Year ended December 31, 2015
	in millions, except % amounts			
Customer premises equipment	€ 44.2	€ 59.8	€ 223.8	€ 207.3
Scalable infrastructure	41.8	23.6	118.7	88.2
Line extensions	23.5	16.8	66.9	58.8
Upgrade/rebuild	12.9	16.6	36.5	55.1
Support capital	34.2	23.5	87.7	74.8
Property and equipment additions	156.6	140.3	533.6	484.2
Assets acquired under capital-related vendor financing arrangements	(38.3)	(40.6)	(179.7)	(86.7)
Assets acquired under capital leases	—	—	—	(2.8)
Changes in liabilities related to capital expenditures	(15.9)	(14.4)	(10.0)	(8.2)
Total capital expenditures[25]	€ 102.4	€ 85.3	€ 343.9	€ 386.5
Property and equipment additions as a percentage of revenue	25.3%	22.7%	21.8%	19.5%

Third-Party Debt, Vendor Financing, Capital Lease Obligations and Cash

The table set forth below provides the borrowing currency and euro equivalent of the nominal amount outstanding of VodafoneZiggo JV's consolidated third-party debt, capital lease obligations and cash (in millions), which includes the recapitalization debt issued by Ziggo during September 2016 in advance of the formation of the VodafoneZiggo JV.

	December 31, 2016				September 30, 2016	
	Successor[1]				Predecessor[1]	
	Borrowing currency		€ equivalent			
Senior Credit Facilities						
Term Loan B (LIBOR + 2.75%) USD due 2022	$	1,050.0	€	995.5	€	935.2
Term Loan C (EURIBOR + 3.75%) EUR due 2024	€	2,689.2		2,689.2		2,589.2
Term Loan D (LIBOR + 3.00%) USD due 2024	$	1,000.0		948.1		890.6
3.75% EUR Senior Secured Proceeds Loan due 2025	€	800.0		800.0		800.0
4.625% EUR Senior Proceeds Loan due 2025	€	400.0		400.0		400.0
5.875% USD Senior Proceeds Loan due 2025	$	400.0		379.3		356.3
€800.0 million Ziggo Revolving Facilities EUR due 2020				—		3.7
Elimination of the Proceeds Loans in consolidation				(1,579.3)		(1,556.3)
Total Senior Credit Facilities				4,632.8		4,418.7
Senior Secured Notes						
3.625% EUR Senior Secured Notes due 2020	€	71.7		71.7		71.7
3.75% EUR Senior Secured Notes due 2025	€	800.0		800.0		800.0
4.25% EUR Senior Secured Notes due 2027	€	775.0		775.0		775.0
5.50% USD Senior Secured Notes due 2027	$	2,000.0		1,896.3		1,781.3
Total Senior Secured Notes				3,543.0		3,428.0
Senior Notes						
7.125% EUR Senior Notes due 2024	€	743.1		743.1		743.1
4.625% EUR Senior Notes due 2025	€	400.0		400.0		400.0
5.875% USD Senior Notes due 2025	$	400.0		379.3		356.3
6.00% USD Senior Notes due 2027	$	625.0		592.6		556.6
Total Senior Notes				2,115.0		2,056.0
Vendor financing				275.3		247.1
Total third-party debt				10,566.1		10,149.8
Unamortized premiums, discounts and deferred financing costs, net				100.9		(15.0)
Total carrying amount of third-party debt				10,667.0		10,134.8
Less: cash				5.8		0.1
Net carrying amount of third-party debt[26]			€	10,661.2	€	10,134.7
Exchange rate ($ to €)				1.0547		1.1228

Contact Information

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About VodafoneZiggo

VodafoneZiggo is a leading Dutch company that provides fixed, mobile and integrated communication and entertainment services to consumers and businesses. As of December 31, 2016, we have more than 5 million mobile, nearly 4 million video, over 3 million fixed broadband internet and 2.5 million fixed telephony connections.

Approximately 8,000 people are employed by VodafoneZiggo. Our offices are located in Amsterdam, Utrecht, Maastricht, Heerhugowaard, Leeuwarden, Groningen, Zwolle, Zutphen, Nijmegen, Helmond, Eindhoven, Rotterdam, Rijswijk and The Hague.

VodafoneZiggo is a joint venture between Liberty Global, the largest international TV and broadband internet company, and Vodafone Group, one of the world's largest telecommunication companies. Liberty Global serves 25 million customers through next-generation networks, who subscribe to over 50 million television, broadband internet and telephony services in over 30 countries. Vodafone Group has mobile operations in 26 countries, partners with mobile networks in 49 more, and fixed broadband operations in 17 markets. As of 31 December 2016, Vodafone Group had 470 million mobile customers and 14.3 million fixed broadband customers.

Footnotes

1. On December 31, 2016, the respective operations in the Netherlands of Vodafone Group plc (Vodafone Libertel B.V., referred to herein as "Vodafone NL") and Liberty Global (VodafoneZiggo Holding B.V., formerly known as Ziggo Group Holding B.V., referred to herein as "Ziggo") were contributed to VodafoneZiggo Group Holding B.V. (VodafoneZiggo), a newly-formed 50:50 joint venture (the VodafoneZiggo JV). The formation of the VodafoneZiggo JV was accounted for at fair value, creating a new basis of accounting for Ziggo and Vodafone NL. Ziggo has been deemed the predecessor entity for financial reporting purposes. As such, Vodafone NL is included in the consolidated financial statements of the VodafoneZiggo JV effective December 31, 2016. Accordingly, balance sheet information presented as of December 31, 2016 includes the information of both Vodafone NL and Ziggo while operating results presented for periods ending on or prior to December 31, 2016 only include the operating results of Ziggo. The period as of December 31, 2016, which includes certain financial and operating statistics of the VodafoneZiggo JV, is referred to as the "Successor Period" and periods ending on or prior to December 31, 2016 are referred to as "Predecessor Periods". Similarly, operating statistics presented as of December 31, 2016 include the statistics of the VodafoneZiggo JV, while operating statistics for the quarters ended December 31, 2016 and 2015 only include the statistics of Ziggo. With the exception of the mobile subscribers of Vodafone NL, which are presented under Vodafone NL's policies as further described below in note 22, all financial and operating information included in this release is presented under Ziggo's policies.

2. RGU is separately a Basic Video Subscriber, Enhanced Video 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 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, 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 December 31, 2016 RGU counts exclude our separately reported mobile subscribers.

3. Customer Churn represents 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 fixed 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.

4. For purposes of calculating rebased growth rates on a comparable basis, we have adjusted the historical revenue and Segment OCF (as defined below) for the twelve months ended December 31, 2015 to (i) exclude the revenue and Segment OCF related to a partner network agreement that was terminated shortly after the acquisition of Ziggo Holding B.V. from our rebased amounts for the twelve months ended December 31, 2015 to the same extent that the revenue and Segment OCF from this partner network is excluded from our results for the twelve months ended December 31, 2016 and (ii) exclude the pre-disposition revenue, Segment OCF and associated intercompany eliminations of Film1, which was disposed in the third quarter of 2015, from our rebased amounts for the year ended December 31, 2015 to the same extent that the revenue, Segment OCF and associated intercompany eliminations are excluded from our results for the year ended December 31, 2016. The following table provides adjustments made to the 2015 amounts to derive our rebased growth rates:

	Year ended December 31, 2015	
	Revenue	OCF
	in millions	
Ziggo		
Disposition	€ (4.7)	€ 1.6

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

6. Average Revenue Per Unit ("ARPU") refers to the average monthly subscription revenue per average fixed customer relationship or mobile subscriber, as applicable, and is calculated by dividing the average monthly cable subscription revenue (excluding mobile services, B2B services, interconnect, channel carriage fees, mobile handset sales and installation fees) or mobile subscription revenue, as applicable, for the indicated period, by the average of the opening and closing balances for fixed customer relationships or mobile subscribers, as applicable, for the period. Fixed customer relationships of entities acquired during the period are normalized. Unless otherwise indicated, ARPU per fixed customer relationship or mobile subscriber, as applicable, is not adjusted for currency impacts. ARPU per RGU refers to average monthly subscription revenue per average RGU, which is calculated by dividing the average monthly cable subscription revenue for the indicated period, by the average of the opening and closing balances of RGUs for the period. Unless otherwise noted, ARPU in this release is considered to be ARPU per average fixed customer relationship or mobile subscriber, as applicable.

7. Segment OCF is the primary measure used by our chief operating decision maker and management to evaluate the operating performance of our businesses. Segment OCF is also a key factor that is used by our internal decision makers to evaluate the effectiveness of our management for purposes of annual and other incentive compensation plans. As we use the term, Segment OCF is defined as operating income before depreciation and amortization, share-based compensation, related-party fees and allocations, provision and provision releases related to significant litigation and impairment, restructuring and other operating items. Other operating items include (i) gains and losses on the disposition of long-lived assets, (ii) third-party costs directly associated with successful and unsuccessful acquisitions and dispositions, including legal, advisory and due diligence fees, as applicable, and (iii) other acquisition-related items, such as gains and losses on the settlement of contingent

consideration. Our internal decision maker believes Segment 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 (a) readily view operating trends, (b) perform analytical comparisons and benchmarking between entities and (c) identify strategies to improve operating performance. We believe our Segment 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. Segment 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 Segment OCF to operating income is presented in the applicable sections of this release.

8. Property and equipment additions include capital expenditures on an accrual basis, amounts financed under vendor financing or capital lease arrangements and other non-cash additions.

9. Our fully-swapped third-party debt borrowing cost represents the weighted average interest rate on our aggregate variable- and fixed-rate indebtedness (excluding capital lease 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.

10. Accounting principles generally accepted in the United States are referred to as U.S. GAAP.

11. Homes Passed are homes, residential multiple dwelling units or commercial units that can be connected to our networks without materially extending the distribution plant. Our Homes Passed counts are based on census data that can change based on either revisions to the data or from new census results. Due to the fact that we do not own the partner networks (as defined below), we do not report homes passed for partner networks.

12. Two-way Homes Passed are Homes Passed by those sections of our networks that are technologically capable of providing two-way services, including video, internet and telephony services.

13. 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.

14. 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 over partner networks receive basic video services from the partner networks as opposed to our operations.

15. 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.

16. 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.

17. Enhanced video penetration is calculated by dividing the number of enhanced video RGUs by the total number of basic and enhanced video RGUs.

18. Telephony and broadband penetration is calculated by dividing the number of telephony RGUs and broadband RGUs, respectively, by the total Two-way Homes Passed.

19. Fixed Customer Relationships are the number of customers who receive at least one of our video, internet or telephony services that we count as Revenue Generating Units (“RGUs”), without regard to which or to how many services they subscribe. To the extent that RGU counts include equivalent billing unit (“EBU”) adjustments, we reflect corresponding adjustments to our Fixed Customer Relationship counts. For further information regarding our EBU calculation, see Additional General notes. Fixed 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 Customer Relationships. We exclude mobile-only customers from Fixed Customer Relationships.

20. Ziggo's mobile subscriber count 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.

21. Ziggo's ARPU per mobile subscriber calculation that excludes interconnect revenue refers to the average monthly mobile subscription revenue per average mobile subscribers in service and is calculated by dividing the average monthly mobile subscription revenue (excluding activation fees, 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.

22. Vodafone's mobile subscriber is defined as a subscriber identity module, or in territories where subscriber identity modules do not exist, a unique mobile telephone number, which has access to the network for any purpose (including data only usage) except telemetric applications. Telemetric applications include, but are not limited to, asset and equipment tracking, mobile payment and billing functionality (for

example, vending machines and meter readings) and include voice enabled customers whose usage is limited to a central service operation (for example, emergency response applications in vehicles).

23. The financial information included herein for the three and twelve months ended December 31, 2015, gives effect to the October 2016 transfer (the Ziggo Sport Transfer) of Liberty Global Content Netherlands B.V. (Ziggo Sport), a then wholly-owned subsidiary of Liberty Global, to Ziggo. As the Ziggo Sport Transfer constitutes a transaction between entities under common control, we have reflected this transfer at carryover basis, and the financial information for the three months and year ended ended December 31, 2015 have been retrospectively revised to give effect to the Ziggo Sport Transfer for all periods during which Ziggo Sport and Ziggo were under the common control of Liberty Global.
24. Segment OCF margin is calculated by dividing Segment OCF by total revenue for the applicable period.
25. The capital expenditures that we report in our 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.
26. Net third-party debt including capital or finance lease obligations (as applicable) is not a defined term under U.S. GAAP and may not therefore be comparable with other similarly titled measures reported by other companies.

Additional General Notes:

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 operation, with only those services provided at premium prices considered to be “SOHO RGUs” or “SOHO customers.” 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.

Certain of our residential and commercial RGUs are counted on an EBU basis, including residential multiple dwelling units and commercial and residential multiple dwelling units. Our EBUs are generally calculated by dividing the bulk price charged to accounts in an area by the most prevalent price charged to non-bulk residential customers in that market for the comparable tier of service. As such, we may experience variances in our EBU counts solely as a result of changes in rates.

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 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.