UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2012

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 000-51360

LIBERTY GLOBAL

Liberty Global, Inc.

(Exact name of Registrant as specified in its charter)

State of Delaware	**20-2197030**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
12300 Liberty Boulevard, Englewood, Colorado	**80112**
(Address of principal executive offices)	*(Zip Code)*

Registrant's telephone number, including area code: (303) 220-6600

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Series A Common Stock, par value $0.01 per share	NASDAQ Global Select Market
Series B Common Stock, par value $0.01 per share	NASDAQ Global Select Market
Series C Common Stock, par value $0.01 per share	NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act: none

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months. Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer, accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. Check one:

Large Accelerated Filer ☑ Accelerated Filer ☐ Non-Accelerated Filer ☐ Smaller Reporting Company ☐

Indicate by check mark whether the registrant is a shell company as defined in Rule 12b-2 of the Exchange Act. Yes ☐ No ☑

State the aggregate market value of the voting and non-voting common equity held by non-affiliates, computed by reference to the price at which the common equity was last sold, or the average bid and ask price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: $12.3 billion.

The number of outstanding shares of Liberty Global, Inc.'s common stock as of February 8, 2013 was: 141,342,038 shares of Series A common stock; 10,191,436 shares of Series B common stock; and 105,261,420 shares of Series C common stock.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement for the Registrant's 2013 Annual Meeting of Stockholders are incorporated by reference in Part III of this Form 10-K.

LIBERTY GLOBAL, INC.

2012 ANNUAL REPORT ON FORM 10-K

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PART I

Item 1. BUSINESS

General Development of Business

Liberty Global, Inc. (LGI) is an international provider of video, broadband internet and telephony services, with consolidated operations at December 31, 2012, serving 19.8 million customers across 13 countries, primarily in Europe and Chile. Our European and Chilean operations are conducted through our wholly-owned subsidiary, Liberty Global Europe Holding BV (Liberty Global Europe). Through Liberty Global Europe's wholly-owned subsidiary, UPC Holding BV (UPC Holding), we provide video, broadband internet and telephony services in nine European countries and in Chile. The European broadband communications and direct-to-home satellite (DTH) operations of UPC Holding and the broadband communications operations in Germany of Unitymedia KabelBW GmbH (formerly known as Unitymedia GmbH) (Unitymedia KabelBW), another wholly-owned subsidiary of Liberty Global Europe, are collectively referred to as the "UPC/Unity Division." UPC Holding's broadband communications operations in Chile are provided through its 80%-owned subsidiary, VTR Global Com SA (VTR). In May 2012, through our 80%-owned subsidiary, VTR Wireless SA (VTR Wireless), we began offering mobile services in Chile through a combination of our own wireless network and certain third-party wireless access arrangements. Through Liberty Global Europe's majority-owned subsidiary, Telenet Group Holding NV (Telenet), a publicly-listed Belgian company, we provide video, broadband internet and telephony services in Belgium. Our operations also include (1) consolidated broadband communications operations in Puerto Rico that we conduct through a 60%-owned subsidiary and (2) consolidated interests in certain programming businesses and other services in Europe and Latin America. Our consolidated programming interests in Europe and Latin America are primarily held through Chellomedia BV (Chellomedia), another wholly-owned subsidiary of Liberty Global Europe, which also owns or manages investments in various other businesses, primarily in Europe. Certain of Chellomedia's subsidiaries and affiliates provide programming services to certain of our broadband communications operations, primarily in Europe.

In the following text, the terms "we," "our," "our company," and "us" may refer, as the context requires, to LGI or collectively to LGI and its subsidiaries.

Unless otherwise indicated, convenience translations into United States (U.S.) dollars are calculated as of December 31, 2012, and operational data, including subscriber statistics and ownership percentages, are as of December 31, 2012.

Recent Developments

Pending Acquisition of Virgin Media

On February 5, 2013, we entered into an Agreement and Plan of Merger (the Virgin Media Merger Agreement) with Virgin Media Inc. (Virgin Media) and certain of our subsidiaries, pursuant to which we will acquire Virgin Media in a stock and cash merger (the Virgin Media Acquisition). Virgin Media is one of the United Kingdom's largest providers of residential broadband internet, video and fixed-line telephony services in terms of number of customers.

Subject to the terms and conditions of the Virgin Media Merger Agreement, which has been approved unanimously by both our and Virgin Media's board of directors:

- each share of common stock, par value $0.01 per share, of Virgin Media will be converted into the right to receive (a) 0.2582 Class A ordinary shares of a new public limited company organized under the laws of the United Kingdom (UK Holdco), (b) 0.1928 Class C ordinary shares of UK Holdco and (c) $17.50 in cash; and

- each share of Series A common stock, par value $0.01 per share, of LGI will be converted into the right to receive one Class A ordinary share of UK Holdco, each share of Series B common stock, par value $0.01 per share, of LGI will be converted into the right to receive one Class B ordinary share of UK Holdco, and each share of Series C common stock, par value $0.01 per share, of LGI will be converted into the right to receive one Class C ordinary share of UK Holdco.

Each Class A ordinary share of UK Holdco will be entitled to one vote per share, each Class B ordinary share of UK Holdco will be entitled to ten votes per share and each Class C ordinary share of UK Holdco will be issued without voting rights. As of January 31, 2013, there were approximately 269.3 million shares of Virgin Media common stock outstanding, 16.0 million shares of Virgin Media common stock underlying outstanding Virgin Media share awards and 52.0 million shares of Virgin Media common stock issuable upon conversion of outstanding Virgin Media convertible debt (excluding any shares issuable as a result of the make-whole premium provision of such convertible debt).

Consummation of the Virgin Media Acquisition is subject to customary conditions, including (1) regulatory and antitrust approvals, including the European Commission and competition authorities, (2) the adoption of the merger agreement by the stockholders of LGI and Virgin Media and (3) the approval of the shares of UK Holdco being listed for quotation on the NASDAQ Global Select Market. Under the Virgin Media Merger Agreement, we have agreed, among other things, to certain covenants that may place certain restrictions on us and our subsidiaries, none of which restrictions are expected to have a material adverse impact on our business or operations.

For additional information on the Virgin Media Merger Agreement and the financing for such transaction, see note 19 to our consolidated financial statements included in Part II of this Annual Report.

Unless otherwise noted, the following description of our business, including the summary of competition and regulatory matters, and the discussion of our most significant risk factors and the other statements made in Item 1. *Business*, Item 1A. *Risk Factors*, Item 2. *Properties* and Item 3. *Legal Proceedings*, focuses on our existing operations and business exclusive of the impact of the Virgin Media Acquisition and any forward looking statements contained herein do not take into account the impact of the Virgin Media Acquisition.

Recent Acquisitions

- *Telenet*. On February 1, 2013, Binan Investments B.V. (Binan), our wholly-owned subsidiary, completed a cash tender offer (the LGI Telenet Tender) for all of Telenet's issued and outstanding shares (the Telenet Bid Shares) and other securities giving access to voting rights that Binan did not already own or that were not held by Telenet. Pursuant to the LGI Telenet Tender, Binan acquired approximately 9.5 million Telenet Bid Shares, increasing our total ownership interest in Telenet to 58.4% (based on the total number of issued and outstanding Telenet shares at February 1, 2013). In connection with the launch of the LGI Telenet Tender, we were required to place €1,142.5 million ($1,464.1 million at the transaction date) of cash into a restricted account to secure a portion of the aggregate offer consideration. On February 1, 2013, we used €332.5 million ($454.6 million at the transaction date) of this restricted cash account to fund the LGI Telenet Tender and the remaining amount was released from restrictions.

- *Puerto Rico.* On November 9, 2012, one of our subsidiaries, LGI Broadband Operations, Inc. (LGI Broadband Operations), completed a series of transactions (collectively, the Puerto Rico Transaction) with certain investment funds affiliated with Searchlight Capital Partners L.P. (Searchlight) that resulted in their joint ownership of (1) Liberty Cablevision of Puerto Rico LLC (Old Liberty Puerto Rico), a subsidiary of LGI Broadband Operations, and (2) San Juan Cable LLC, doing business as OneLink Communications (OneLink), a broadband communications operator in Puerto Rico. Pursuant to the Puerto Rico Transaction, Old Liberty Puerto Rico and OneLink merged with OneLink as the surviving entity, which immediately changed its name to Liberty Cablevision of Puerto Rico LLC (Liberty Puerto Rico). Following the Puerto Rico Transaction, LGI Broadband Operations owns indirectly 60.0% of Liberty Puerto Rico, with the remaining 40.0% owned indirectly by Searchlight. We completed the Puerto Rico Transaction in order to achieve certain financial, operational and strategic benefits through the integration of OneLink with our existing operations in Puerto Rico.

For additional information on the above acquisitions, including related financings, see notes 3 and 9 to our consolidated financial statements included in Part II of this Annual Report. In addition, during 2012, we completed various other smaller acquisitions in the normal course of business.

Disposition

- *Austar*. On July 11, 2011, our company and Austar United Communications Limited (Austar) entered into agreements with certain third parties (collectively, FOXTEL) pursuant to which FOXTEL agreed to acquire 100% of Austar's ordinary shares through a series of transactions, one of which involved our temporary acquisition of the 45.85% of Austar's ordinary shares held by the noncontrolling shareholders (the Austar NCI Acquisition). On April 26, 2012, pursuant to the terms of the Austar NCI Acquisition, all of the shares of Austar that we did not already own were acquired by a new wholly-owned subsidiary of LGI (LGI Austar Holdco), with funding provided by a loan from FOXTEL. On May 23, 2012, FOXTEL acquired 100% of Austar from LGI Austar Holdco for AUD 1.52 ($1.50 at the transaction date) per share in cash, which represented a total equity sales price of AUD 1,932.7 million ($1,906.6 million at the transaction date) for the 100% interest in Austar (based on Austar ordinary shares outstanding at the transaction date) or AUD 1,046.5 million ($1,056.1 million after taking into account applicable foreign currency forward contracts) for our 54.15% interest in Austar.

For additional information on the above transaction, see note 4 to our consolidated financial statements included in Part II of this Annual Report.

Financings

- *Unitymedia KabelBW Notes*. Prior to the transactions described below, the Kabel BW GmbH (KBW) notes consisted of (1) UPC Germany HoldCo 1 GmbH's €680.0 million ($897.5 million) principal amount of 9.5% Senior Notes (the KBW Senior Notes) and (2) KBW's (a) €800.0 million ($1,055.8 million) principal amount of 7.5% Senior Secured Notes (the KBW Euro Senior Secured Notes), (b) $500.0 million principal amount of 7.5% Senior Secured Notes (the KBW Dollar Senior Secured Notes and together with the KBW Euro Senior Secured Notes, the KBW Senior Secured Fixed Rate Notes) and (c) €420.0 million ($554.3 million) principal amount of Senior Secured Floating Rate Notes (the KBW Senior Secured Floating Rate Notes and together with the KBW Senior Secured Fixed Rate Notes, the KBW Senior Secured Notes).

  In May 2012, Unitymedia KabelBW and certain of its subsidiaries completed (1) the exchange (the Unitymedia KabelBW Exchange) of (a) 90.9% of the outstanding principal amount of the KBW Senior Notes for an equal amount of 9.5% senior notes issued by Unitymedia KabelBW due March 15, 2021 and (b) 92.5% of the outstanding principal amount of the KBW Senior Secured Notes for an equal amount of 7.5% senior secured notes due March 15, 2019 issued by two subsidiaries of Unitymedia KabelBW (the UM Senior Secured Exchange Notes), (2) the redemption (the Special Optional Redemptions) of the remaining KBW Notes that were not exchanged pursuant to the Unitymedia KabelBW Exchange and (3) a series of mergers and consolidations, pursuant to which an indirect parent company of KBW became an indirect subsidiary of Unitymedia KabelBW. The redemption price with respect to the Special Optional Redemptions was 101% of the applicable principal amount thereof, and such redemptions were initially funded with borrowings under the Unitymedia KabelBW €80.0 million ($105.6 million) revolving credit facility agreement and the New Unitymedia KabelBW Revolving Credit Facility, as defined below. Additionally, in connection with the transactions described above, the KBW revolving credit facility agreement was canceled.

- *Unitymedia KabelBW Revolving Credit Facilities*. A subsidiary of Unitymedia KabelBW is the borrower under a €312.5 million ($412.4 million) secured revolving credit facility agreement, entered into on May 1, 2012, with certain lenders (the New Unitymedia KabelBW Revolving Credit Facility). On August 28, 2012, the New Unitymedia KabelBW Revolving Credit Facility was increased to €337.5 million ($445.4 million). Borrowings under the New Unitymedia KabelBW Revolving Credit Facility, which mature on June 30, 2017, may be used for general corporate and working capital purposes.

- *Unitymedia KabelBW Secured Notes.* On September 19, 2012, the issuers of the UM Senior Secured Exchange Notes issued €650.0 million ($857.8 million) principal amount of 5.5% senior secured notes due September 15, 2022 (the September 2012 UM Senior Secured Notes). The net proceeds from the issuance of the September 2012 UM Senior Secured Notes were used to redeem in full the senior secured floating rate notes issued by two subsidiaries of Unitymedia KabelBW due March 15, 2018, at a redemption price of 101%, with the remaining €241.8 million ($319.1 million) available for general corporate purposes.

  On December 14, 2012, the issuers of the UM Senior Secured Exchange Notes issued $1.0 billion principal amount of 5.5% senior secured notes due January 15, 2023 (the December 2012 UM Dollar Senior Secured Notes) and €500.0 million ($659.9 million) principal amount of 5.75% senior secured notes due January 15, 2023 (the December 2012 UM Euro Senior Secured Notes, and together with the December 2012 UM Dollar Senior Secured Notes, the December 2012 UM Senior Secured Notes), each at par. The net proceeds from the issuance of the December 2012 UM Senior Secured Notes were used to redeem or repurchase (1) all of the 8.125% dollar senior secured notes and (2) €524.0 million ($691.6 million) of the 8.125% euro senior secured notes (the 2009 UM Euro Senior Secured Notes).

  On January 21, 2013, the issuers of the UM Senior Secured Exchange Notes issued €500.0 million ($659.9 million) principal amount of 5.125% senior secured notes due January 21, 2023 (the January 2013 UM Senior Secured Notes) at par. The net proceeds from the issuance of the January 2013 UM Senior Secured Notes will be used to redeem a portion of the 2009 UM Euro Senior Secured Notes.

- *UPC Broadband Holding Bank Facility Refinancing Transactions.* The UPC Broadband Holding Bank Facility is the senior secured credit facility of UPC Broadband Holding BV (UPC Broadband Holding), a wholly-owned subsidiary of UPC Holding. On February 23, 2012, UPC Broadband Holding entered into a new additional facility accession agreement (the Additional Facility AE Accession Agreement) under the UPC Broadband Holding Bank Facility. Pursuant to the Additional Facility AE Accession Agreement, certain of the lenders under Facility S (the Rolling S Lenders) rolled all or part of their existing commitments under Facility S into the new Facility AE in an aggregate principal amount of €535.5 million ($706.8 million). Liberty Global Services B.V. (Liberty Global Services), a wholly-owned subsidiary of UPC Broadband Holding, was the initial lender under the Additional Facility AE Accession Agreement and novated its Facility AE commitments to the Rolling S Lenders. The final maturity date of Facility AE is December 31, 2019.

On November 21, 2012, UPC Broadband Holding entered into a new additional facility accession agreement (the Additional Facility AF Accession Agreement) under the UPC Broadband Holding Bank Facility. Pursuant to the Additional Facility AF Accession Agreement, certain of the lenders under Facility AB (the Rolling AB Lenders) rolled their existing commitments under Facility AB into the new Facility AF in an aggregate amount of $500.0 million. Liberty Global Services was the initial lender under the Additional Facility AF Accession Agreement and novated its Facility AF commitments to the Rolling AB Lenders. The final maturity date of the Facility AF is January 31, 2021.

- *UPC Holding Senior Notes.* On September 21, 2012, UPC Holding issued €600.0 million ($791.9 million) principal amount of 6.375% senior notes due September 15, 2022 at an issue price of 99.094%, resulting in cash proceeds before commissions and fees of €594.6 million ($773.1 million at the transaction date).

- *UPCB SPE Notes.* UPCB Finance VI Limited (UPCB Finance VI) is a special purpose financing company that is owned 100% by a charitable trust. In February 2012, the UPCB Finance VI issued $750.0 million principal amount of 6.875% senior secured notes due January 15, 2022 (UPCB Finance VI Notes). UPCB Finance VI used the proceeds from the UPCB Finance VI Notes to fund a new additional facility (Facility AD) under the UPC Broadband Holding Bank Facility, with UPC Financing Partnership, a wholly-owned subsidiary of UPC Holding, as the borrower. The proceeds from Facility AD were used to repay in full the amounts outstanding under Facilities M, N and O of the UPC Broadband Holding Bank Facility.

- *Telenet Credit Facility*. The Telenet Credit Facility is the senior secured credit facility of Telenet NV and Telenet International Finance S.á r.l. (Telenet International), each a wholly-owned subsidiary of Telenet. On February 17, 2012, Telenet International entered into an additional facility accession agreement (the Additional Facility T Accession Agreement) under the Telenet Credit Facility. Pursuant to the Additional Facility T Accession Agreement, certain lenders agreed to provide a new term loan facility in an aggregate principal amount of €175.0 million ($230.9 million) (the Telenet Facility T).

  On February 29, 2012, Telenet International entered into two additional facility accession agreements, the Additional Facility Q2 Accession Agreement (the Q2 Accession Agreement) and the Additional Facility R2 Accession Agreement (the R2 Accession Agreement) under the Telenet Credit Facility. Pursuant to the Q2 Accession Agreement and the R2 Accession Agreement, certain lenders agreed to provide new term loan facilities in an aggregate principal amount of €74.0 million ($97.7 million) (Telenet Facility Q2) and €50.0 million ($66.0 million) (Telenet Facility R2), respectively. In connection with these transactions, certain lenders under the existing Telenet Facility Q and Telenet Facility R under the Telenet Credit Facility agreed to novate their existing Telenet Facility Q commitments (in an aggregate amount of €74.0 million ($97.7 million)) and their existing Telenet Facility R commitments (in an amount of €50.0 million ($66.0 million)) to Telenet Luxembourg Finance Centre S.á r.l., a subsidiary of Telenet NV, and to enter into the new Telenet Facility Q2 and Telenet Facility R2. Telenet Facilities Q and R were reduced by the amounts of Telenet Facilities Q2 and R2 during the first quarter of 2012 using the proceeds from Telenet Facility T. Telenet Facilities Q2 and R2 were each drawn in full on August 31, 2012 and subsequently merged into Telenet Facilities Q and R, respectively.

- *Telenet SPE Notes.* Telenet Finance V Luxembourg S.C.A. (Telenet Finance V) is a special purpose financing company that is owned 99.9% by a foundation established under the laws of the Netherlands and 0.1% by a Luxembourg private limited liability company as general partner. On August 13, 2012, Telenet Finance V issued (1) €450.0 million ($593.9 million) principal amount of 6.25% senior secured notes (the 6.25% Telenet Finance V Notes) due 2022 and (2) €250.0 million ($329.9 million) principal amount of 6.75% senior secured notes (the 6.75% Telenet Finance V Notes, together with the 6.25% Telenet Finance V Notes, the Telenet Finance V Notes) due 2024 and used the proceeds to fund new Telenet Facilities U and V (Telenet Facilities U and V), respectively, each under the Telenet Credit Facility, with Telenet International as the borrower for each facility.

- *New Liberty Puerto Rico Bank Facility.* On August 13, 2012, Liberty Puerto Rico entered into a new bank credit facility (the August 2012 Liberty Puerto Rico Bank Facility), the proceeds of which were used to repay the Old Liberty Puerto Rico bank facility and for general corporate purposes. The August 2012 Liberty Puerto Rico Bank Facility consists of (1) a $175.0 million senior secured term loan (the August 2012 LPR Term Loan) at an issue price of 99.0% and (2) a $10.0 million senior secured revolving credit facility (the August 2012 LPR Revolving Loan). The August 2012 LPR Term Loan has a final maturity of June 9, 2017. In connection with the completion of the Puerto Rico Transaction, (1) borrowings under the August 2012 LPR Term Loan became a new pari passu tranche of OneLink's existing bank credit facility, consisting of (a) a $145.0 million second lien term loan (the LPR Term Loan A), (b) a $345.0 million term loan (the LPR Term Loan B) and (c) a $25.0 million revolving credit facility (the LPR Revolving Loan), with OneLink as the borrower and (2) the August 2012 LPR Revolving Loan was canceled. The LPR Term Loan A, the LPR Term Loan B and the LPR Revolving Loan have final maturities of June 9, 2018, June 9, 2017 and June 9, 2016, respectively.

For a further description of the terms of the above financings, including call provisions, and certain other transactions affecting our consolidated debt in 2012, see note 9 to our consolidated financial statements included in Part II of this Annual Report.

Equity Transactions

- *Stock Repurchases.* Pursuant to our various stock repurchase programs, during 2012 we repurchased a total of 5,611,380 shares of LGI Series A common stock at a weighted average price of $53.46 per share and 13,585,729 shares of LGI Series C common stock at a weighted average price of $50.11 per share, for an aggregate cash purchase price of $980.7 million, including direct acquisition costs and the effects of derivative instruments. On December 14, 2012, our board of directors authorized a new program of up to $1.0 billion (before direct acquisition costs) for the repurchase of LGI Series A common stock, LGI Series C common stock, or any combination of the foregoing, through open market or privately negotiated transactions, which may include derivative transactions. The timing of the repurchase of shares pursuant to this program is dependent on a variety of factors, including market conditions. This program may be suspended or discontinued at any time. At December 31, 2012, the remaining amount authorized for stock repurchases was $1,030.7 million. In conjunction with our share repurchase program, we entered into a number of call option contracts during 2012.

For a further description of our stock repurchases and the call option contracts, see note 11 to our consolidated financial statements included in Part II of this Annual Report.

* * * *

Certain statements in this Annual Report on Form 10-K constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. To the extent that statements in this Annual Report are not recitations of historical fact, such statements constitute forward-looking statements, which, by definition, involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. In particular, statements under Item 1. *Business*, Item 1A. *Risk Factors*, Item 2. *Properties*, Item 3. *Legal Proceedings*, Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* and Item 7A. *Quantitative and Qualitative Disclosures About Market Risk* contain forward-looking statements, including statements regarding our expectations with respect to our growth prospects and our strategic initiatives over the next few years, our expectations regarding our operating cash flow margins and percentage of revenue represented by our property and equipment additions in 2013, the amount of our anticipated non-functional currency transactions in 2013, the future projected cash flows of our continuing operations associated with our commitments and derivative instruments, our business, product, foreign currency and finance strategies, our capital expenditures, subscriber growth and retention rates, competitive, regulatory and economic factors, the maturity of our markets, anticipated cost increases, liquidity, credit risks, foreign currency risks and target leverage levels. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. In evaluating these statements, you should consider the risks and uncertainties discussed under Item 1A. *Risk Factors* and Item 7A. *Quantitative and Qualitative Disclosures About Market Risk*, as well as the following list of some but not all of the factors that could cause actual results or events to differ materially from anticipated results or events:

- economic and business conditions and industry trends in the countries in which we operate;
- the competitive environment in the broadband communications and programming industries in the countries in which we operate, including competitor responses to our products and services;
- fluctuations in currency exchange rates and interest rates;
- instability in global financial markets, including sovereign debt issues in the European Union (EU) and related fiscal reforms;
- consumer disposable income and spending levels, including the availability and amount of individual consumer debt;
- changes in consumer television viewing preferences and habits;
- consumer acceptance of our existing service offerings, including our digital video, broadband internet, telephony and mobile service offerings, and of new technology, programming alternatives and other products and services that we may offer in the future;
- our ability to manage rapid technological changes;

- our ability to maintain or increase the number of subscriptions to our digital video, broadband internet, telephony and mobile service offerings and our average revenue per household;
- our ability to provide satisfactory customer service, including support for new and evolving products and services;
- our ability to maintain or increase rates to our subscribers or to pass through increased costs to our subscribers;
- the impact of our future financial performance, or market conditions generally, on the availability, terms and deployment of capital;
- changes in, or failure or inability to comply with, government regulations in the countries in which we operate and adverse outcomes from regulatory proceedings;
- government intervention that opens our broadband distribution networks to competitors, such as the obligations imposed in Belgium and in the Netherlands;
- our ability to obtain regulatory approval and satisfy other conditions necessary to close acquisitions and dispositions and the impact of conditions imposed by competition and other regulatory authorities in connection with acquisitions, including the impact of the conditions imposed in connection with the acquisitions of Aster Sp. z.o.o. and KBW on our operations in Poland and Germany, respectively;
- our ability to successfully acquire new businesses and, if acquired, to integrate, realize anticipated efficiencies from, and implement our business plan with respect to, the businesses we acquire, such as, in each case, the recently announced Virgin Media Merger Agreement pursuant to which we plan to acquire Virgin Media;
- changes in laws or treaties relating to taxation, or the interpretation thereof, in the U.S. or in countries in which we operate;
- changes in laws and government regulations that may impact the availability and cost of credit and the derivative instruments that hedge certain of our financial risks;
- the ability of suppliers and vendors to timely deliver quality products, equipment, software and services;
- the availability of attractive programming for our digital video services at reasonable costs;
- uncertainties inherent in the development and integration of new business lines and business strategies;
- our ability to adequately forecast and plan future network requirements;
- the availability of capital for the acquisition and/or development of telecommunications networks and services;
- problems we may discover post-closing with the operations, including the internal controls and financial reporting process, of businesses we acquire;
- the outcome of any pending or threatened litigation;
- the loss of key employees and the availability of qualified personnel;
- changes in the nature of key strategic relationships with partners and joint venturers; and
- events that are outside of our control, such as political unrest in international markets, terrorist attacks, malicious human acts, natural disasters, pandemics and other similar events.

The broadband distribution services industries are changing rapidly and, therefore, the forward-looking statements of expectations, plans and intent in this Annual Report are subject to a significant degree of risk. These forward-looking statements and the above-described risks, uncertainties and other factors speak only as of the date of this Annual Report, and 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 other change in events, conditions or circumstances on which any such statement is based. Readers are cautioned not to place undue reliance on any forward-looking statement.

Financial Information About Operating Segments

Financial information about our reportable segments appears in note 17 to our consolidated financial statements included in Part II of this Annual Report.

Narrative Description of Business

Broadband Distribution

Overview

We offer a variety of broadband services over our cable distribution systems, including video, broadband internet and telephony services. Available service offerings depend on the bandwidth capacity of a particular system and whether it has been upgraded for two-way communications. We operate our broadband communications businesses in Europe through Liberty Global Europe's UPC/Unity Division and through its subsidiary, Telenet, and in Latin America through VTR and Liberty Puerto Rico. In addition, in select markets, we offer video services through DTH or through multichannel multipoint (microwave) distribution systems (MMDS). In terms of video subscribers, we operate the largest cable network in each of Austria, Belgium, Chile, the Czech Republic, Hungary, Ireland, Poland, Puerto Rico, Slovakia and Switzerland and the second largest cable network in Germany, the Netherlands and Romania.

The following table presents certain operating data as of December 31, 2012, with respect to the cable, DTH and MMDS systems of our subsidiaries in Europe, Chile and Puerto Rico. This table reflects 100% of the operational data applicable to each subsidiary regardless of our ownership percentage.

Consolidated Operating Data
at December 31, 2012

					Video					Internet		Telephony	
	Homes Passed (1)	**Two-way Homes Passed (2)**	**Customer Relationships (3)**	**Total RGUs (4)**	**Analog Cable Subscribers (5)**	**Digital Cable Subscribers (6)**	**DTH Subscribers (7)**	**MMDS Subscribers (8)**	**Total Video**	**Homes Serviceable (9)**	**Subscribers (10)**	**Homes Serviceable (11)**	**Subscribers (12)**
UPC/Unity Division:													
Germany	12,567,900	12,162,400	7,049,100	11,140,700	4,503,600	2,185,900	—	—	6,689,500	12,162,400	2,219,200	12,162,400	2,232,000
The Netherlands (13)	2,825,200	2,810,800	1,731,800	3,685,500	651,600	1,078,000	—	—	1,729,600	2,823,500	1,025,400	2,820,700	930,500
Switzerland (13)	2,074,700	1,825,400	1,485,600	2,464,400	842,500	606,000	—	—	1,448,500	2,292,000	594,500	2,323,900	421,400
Austria	1,313,400	1,297,400	733,000	1,408,000	199,400	335,900	—	—	535,300	1,297,300	490,700	1,265,400	382,000
Ireland	862,900	737,200	538,800	988,800	63,000	337,800	—	45,600	446,400	737,200	304,300	715,000	238,100
Total Western Europe	19,644,100	18,833,200	11,538,300	19,687,400	6,260,100	4,543,600	—	45,600	10,849,300	19,312,400	4,634,100	19,287,400	4,204,000
Poland	2,667,900	2,537,600	1,472,000	2,616,000	546,000	756,300	—	—	1,302,300	2,537,600	854,700	2,527,600	459,000
Hungary	1,525,700	1,508,300	1,029,600	1,760,300	306,900	327,100	242,900	—	876,900	1,508,300	486,600	1,510,700	396,800
Romania	2,082,800	1,708,000	1,177,600	1,733,900	428,700	423,600	319,700	—	1,172,000	1,708,000	333,000	1,646,200	228,900
Czech Republic	1,345,200	1,236,900	745,300	1,217,300	76,100	406,000	102,200	—	584,300	1,236,900	439,900	1,234,200	193,100
Slovakia	495,500	464,800	287,500	425,600	84,100	123,100	54,300	1,100	262,600	433,600	103,800	431,800	59,200
Total Central and Eastern Europe	8,117,100	7,455,600	4,712,000	7,753,100	1,441,800	2,036,100	719,100	1,100	4,198,100	7,424,400	2,218,000	7,350,500	1,337,000
Total UPC/Unity Division	27,761,200	26,288,800	16,250,300	27,440,500	7,701,900	6,579,700	719,100	46,700	15,047,400	26,736,800	6,852,100	26,637,900	5,541,000
Telenet (Belgium)	2,868,800	2,868,800	2,122,700	4,479,100	549,200	1,573,500	—	—	2,122,700	2,868,800	1,387,700	2,868,800	968,700
VTR (Chile)	2,861,100	2,330,400	1,144,400	2,435,700	163,200	769,300	—	—	932,500	2,330,400	825,500	2,322,100	677,700
Puerto Rico	702,400	702,400	270,800	479,200	—	205,900	—	—	205,900	702,400	179,000	702,400	94,300
Grand Total	**34,193,500**	**32,190,400**	**19,788,200**	**34,834,500**	**8,414,300**	**9,128,400**	**719,100**	**46,700**	**18,308,500**	**32,638,400**	**9,244,300**	**32,531,200**	**7,281,700**

(1) Homes Passed are homes, residential multiple dwelling units or commercial units that can be connected to our networks without materially extending the distribution plant, except for DTH and MMDS homes. Our Homes Passed counts are based on census data that can change based on either revisions to the data or from new census results. We do not count homes passed for DTH. With respect to MMDS, one MMDS customer is equal to one Home Passed. Due to the fact that we do not own the partner networks (defined below) used in Switzerland and the Netherlands (see note 13 below) or the unbundled loop and shared access network used by one of our Austrian subsidiaries, UPC Austria GmbH (Austria GmbH), we do not report homes passed for Switzerland's and the Netherlands' partner networks or the unbundled loop and shared access network used by Austria GmbH.

(2) 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. Due to the fact that we do not own the partner networks used in Switzerland and the Netherlands or the unbundled loop and shared access network used by Austria GmbH, we do not report two-way homes passed for Switzerland's or the Netherlands' partner networks or the unbundled loop and shared access network used by Austria GmbH.

(3) 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 Customer Relationship counts. For further information regarding our EBU calculation, see Additional General Notes to Tables below. 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 Customer Relationships. We exclude mobile customers from Customer Relationships. For Belgium, Customer Relationships only include customers who subscribe to an analog or digital cable service due to billing system limitations.

(4) Revenue Generating Unit is separately an Analog Cable Subscriber, Digital Cable Subscriber, DTH Subscriber, MMDS 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 Austrian system subscribed to our digital cable service, telephony service and broadband internet service, the customer would constitute three RGUs. Total RGUs is the sum of Analog Cable, Digital Cable, DTH, MMDS, 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, 2012 RGU counts exclude 521,600, 132,400, 48,300, 34,500, 3,500 and 2,800 postpaid subscriber identification module (SIM) cards in service in Belgium, Germany, Chile, Poland, the Netherlands and Hungary, respectively, and 89,900 prepaid SIM cards in service in Chile.

(5) Analog Cable Subscriber is a home, residential multiple dwelling unit or commercial unit that receives our analog cable service over our broadband network. The Analog Cable Subscriber counts reported for Germany and Switzerland also include subscribers who may use a purchased set-top box or other non-verifiable means to receive our basic digital cable channels without subscribing to any services that would require the payment of recurring monthly fees in addition to the basic analog service fee (Basic Digital Cable Subscriber). In Germany and Switzerland, our Basic Digital Cable Subscribers are attributable to the fact that our basic digital cable channels are not encrypted in certain portions of our footprint. In Europe, we have approximately 400,500 "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.

(6) Digital Cable Subscriber is a home, residential multiple dwelling unit or commercial unit that receives our digital cable service over our broadband network or through a partner network. We count a subscriber with one or more digital converter boxes that receives our digital cable service in one premises as just one subscriber. A Digital Cable Subscriber is not counted as an Analog Cable Subscriber. As we migrate customers from analog to digital cable services, we report a decrease in our Analog Cable Subscribers equal to the increase in our Digital Cable Subscribers. As discussed in further detail in note 5 above, Basic Digital Cable Subscribers are not included in the respective Digital Cable Subscriber counts reported for Germany and Switzerland. Subscribers in Belgium who receive digital cable service through a purchased digital set-top box, but do not subscribe to any services that would require the payment of a recurring monthly service fee in addition to the basic analog service fee, are counted as Digital Cable Subscribers to the extent that we are able to verify that such individuals are subscribing to our analog cable service. At December 31, 2012, we included 173,300 of these subscribers in the Digital Cable Subscribers reported for Belgium. Subscribers to digital cable services provided by our operations in Switzerland and the Netherlands over partner networks receive analog cable services from the partner networks as opposed to our operations.

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

(8) MMDS Subscriber is a home, residential multiple dwelling unit or commercial unit that receives our video programming via MMDS.

(9) Internet Homes Serviceable are Two-way Homes Passed that can be connected to our network, or a partner network with which we have a service agreement, for the provision of broadband internet services if requested by the customer, building owner or housing

association, as applicable. With respect to Austria GmbH, we do not report as Internet Homes Serviceable those homes served either over an unbundled loop or over a shared access network.

(10) Internet Subscriber is a home, residential multiple dwelling unit or commercial unit that receives internet services over our networks, or that we service through a partner network. Our Internet Subscribers in Austria include 73,000 digital subscriber line (DSL) subscribers of Austria GmbH that are not serviced over our networks. Our Internet Subscribers do not include customers that receive services from dial-up connections. In certain portions of our Germany market, we offer a 128 Kbps wholesale internet service to housing associations on a bulk basis. Our Internet Subscribers in Germany include 6,500 subscribers within such housing associations who have requested and received a modem that enables the receipt of this 128 Kbps wholesale internet service.

(11) Telephony Homes Serviceable are Two-way Homes Passed that can be connected to our network, or a partner network with which we have a service agreement, for the provision of telephony services if requested by the customer, building owner or housing association, as applicable. With respect to Austria GmbH, we do not report as Telephony Homes Serviceable those homes served over an unbundled loop rather than our network.

(12) Telephony Subscriber is a home, residential multiple dwelling unit or commercial unit that receives voice services over our networks, or that we service through a partner network. Telephony Subscribers exclude mobile telephony subscribers. Our Telephony Subscribers in Austria include 59,000 subscribers of Austria GmbH that are not serviced over our networks.

(13) Pursuant to service agreements, Switzerland and, to a much lesser extent, the Netherlands offer digital cable, broadband internet and telephony services over networks owned by third-party cable operators (partner networks). A partner network RGU is only recognized if there is a direct billing relationship with the customer. Homes Serviceable for partner networks represent the estimated number of homes that are technologically capable of receiving the applicable service within the geographic regions covered by the applicable service agreements. Internet and Telephony Homes Serviceable with respect to partner networks have been estimated by our Switzerland operations. These estimates may change in future periods as more accurate information becomes available. At December 31, 2012, Switzerland’s partner networks account for 125,500 Customer Relationships, 236,500 RGUs, 91,900 Digital Cable Subscribers, 466,600 Internet and Telephony Homes Serviceable, 83,500 Internet Subscribers, and 61,100 Telephony Subscribers. In addition, partner networks account for 454,100 of Switzerland’s digital cable homes serviceable that are not included in Homes Passed or Two-way Homes Passed in our December 31, 2012 subscriber table.

Additional General Notes to Tables:

All of our broadband operations provide telephony, broadband internet, data, video or other business-to-business (B2B) services. Certain of our B2B revenue is derived from small or home office (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. Effective January 1, 2012, we began including the SOHO subscribers of our UPC/Unity Division in our RGU and customer counts. As a result, all mass marketed products provided to SOHOs, whether or not accompanied by enhanced service levels and/or premium prices, are now 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.” 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 establishments, such as bars, hotels and hospitals, in Chile and Puerto Rico and certain commercial establishments in Europe (with the exception of Germany and Belgium, where we do not count any RGUs on an EBU basis). Our EBUs are generally calculated by dividing the bulk price charged to accounts in a market 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. In Germany, homes passed reflect the footprint, and two-way homes passed and internet and telephony homes serviceable reflect the technological capability, of our network up to the street cabinet, with drops from the street cabinet to the building generally added, and in-home wiring generally upgraded, on an as needed or success-based basis. In Belgium, Telenet leases a portion of its network under a long-term capital 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 (1) the nature and pricing of products and services, (2) the distribution platform, (3) billing systems, (4) bad debt collection experience and (5) 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.

Residential Services

- *Video.* Our cable operations offer a full range of video services, including basic and premium programming and incremental product and service offerings, such as high definition (HD) channels, digital video recorder (DVR), HD DVR, an electronic programming guide and, in certain markets, video-on-demand (VoD). In several of our markets, we also have enhanced pay-per-view programming and/or programming in 3D format on channels we distribute and through VoD. To receive our digital services, a subscriber must either purchase or rent a set-top box, and obtain a conditional access security card, or a "smart card," from our operators. Neither a set-top box nor a smart card is required to receive basic digital television channels in our unencrypted footprints. Accordingly, where our basic digital television channels are unencrypted, subscribers who pay the monthly subscription fee for our analog package are able to also watch our basic digital television channels. The basic digital television channels in our entire footprints in Germany, Switzerland, Austria, Romania and the Czech Republic are unencrypted as of February 1, 2013. It is possible that we will decide to unencrypt the digital versions of our basic analog tier in additional markets in 2013 and future periods. Regardless of whether basic digital channels are offered on an unencrypted basis, expanded channel packages and premium channels and services continue to be available for an incremental monthly fee in all of our markets.

  In some of our markets, in lieu of a set-top box, a subscriber may use a common interface plus (CI+) module in combination with a smart card to access our encrypted digital services. A CI+ module is a small device that allows customers with a CI+ enabled television set, who subscribe to, or otherwise have access to, our digital video service, to view such services without a set-top box. No set-top box, CI+ module or smart card is required to receive our analog or unencrypted basic digital services.

  Our cable operations generally offer two or three tiers of digital video programming and audio services. Subscribers to our basic digital video service pay a fixed monthly fee and generally receive at least 55 video channels and several audio services. In most of our markets, our basic digital service is at an incremental cost over the monthly fee for our basic analog service. For an additional monthly charge, a subscriber may upgrade to one of our extended digital tier services and receive an increased number of video channels, including the channels in the basic tier service. A limited number of HD channels are generally included in our basic tiers of service. Digital subscribers may also subscribe to one or more packages of premium channels, including additional HD channels. In all digital tiers of service, a subscriber also has the option for an incremental monthly charge to upgrade the standard digital device to one with DVR or HD DVR capabilities, which may be rented or purchased. In certain of our operations, VoD services are available on a subscription basis or a transaction basis, depending on location and the tier of digital service selected by the subscriber.

  In addition to our digital video services, we offer limited analog services in all of our broadband markets. Subscribers to our analog video service typically receive 18 to 67 channels of video service, depending on their location. Subscribers to our digital services also receive the channels available through our analog service. We offer in certain of our markets a lifeline tier with limited video channels. In Ireland and Slovakia, we offer a limited number of video channels through MMDS.

  Discounts to our monthly service fees are available to any subscriber who selects a bundle of one or more of our services (bundled services): video, internet, telephony and, in certain markets, mobile services. Bundled services are referred to as "double-play" for two services, "triple-play" for three services and "quadruple-play" for four services.

  We tailor our tiers of video services in each country of operation based on programming preferences, culture, demographics and local regulatory requirements. Our channel offerings include general entertainment, sports, movies, documentaries, lifestyles, news, adult, children and ethnic and foreign channels. In each of our markets, we also offer a variety of premium channel packages to meet the special interests of our subscribers. In all of our broadband operations we continue to upgrade our systems to expand our digital services and encourage our analog subscribers to convert to a digital or premium digital service.

  We offer digital video services through DTH satellite in the Czech Republic, Hungary, Romania and Slovakia. We offer these services through UPC DTH S.a.r.l (UPC DTH), a subsidiary of Liberty Global Europe organized in Luxembourg, which also has a management arrangement with another subsidiary, FocusSat Romania Srl (FocusSat), to provide these services in Romania. Similar to our video cable services, we offer a lifeline tier of service (excluding Romania), a basic video tier of service and, for an additional monthly charge, subscribers may upgrade to an extended tier of service and may subscribe to various premium channel packages.

- *Broadband Internet.* We offer multiple tiers of broadband internet service in all of our broadband communications markets. Such service includes download speeds ranging from 100 Mbps to 150 Mbps for our ultra high-speed internet service, except in Puerto Rico. Our operations in Germany, Ireland, Poland and Romania offer a download speed of up to 150 Mbps. Our ultra high-speed internet service is based primarily on Euro DOCSIS 3.0 technology. In Switzerland, it is based on US DOCSIS 3.0 technology. We also offer value-added broadband services through certain of our operations for an incremental charge. These services include security and online storage solutions. As described under —*Telephony* below, we offer mobile broadband services in certain of our markets.

Our residential subscribers generally access the internet via cable modems connected to their personal computers at various speeds depending on the tier of service selected. This standard means of access is changing as we expand our services to offer wireless networks for the home. See —*Technology* below. In the Netherlands, Romania and Switzerland, a subscriber must subscribe to our video service in order to subscribe to our internet service. In our other markets, our broadband internet service is available on a stand-alone basis or in combination with one or more of our other services. Subscribers to our internet service pay a monthly fee based on the tier of service selected. We determine pricing for each different tier of internet service through an analysis of speed, data limits, market conditions and other factors.

- *Telephony.* Multi-feature telephony services are available through voice-over-internet-protocol (VoIP) in all of our broadband communication markets. In Austria, Chile and Hungary, we also provide circuit-switched telephony services. We are also offering mobile services, both internet and voice, as a mobile virtual network operator (MVNO) over third-party networks in Belgium, Germany and Poland. In Chile, we began providing mobile services in May 2012 through VTR Wireless, through a combination of our own wireless network and certain third-party wireless access arrangements. In addition, we plan to add MVNO arrangements in certain of our other broadband communication markets as a complement to our fixed-line telephony services.

  Our telephony service may be selected on a stand-alone basis or in combination with one or more of our other services. Our telephony service includes a basic telephony product for line rental and various calling plans, which may consist of any of the following: unlimited network, national or international calling, unlimited off-peak calling and minute packages, including calls to fixed and mobile phones. In some of our markets, we also include legacy price plans. We also offer value-added services, such as a second phone line, a personal call manager, unified messaging and caller ID, at an incremental cost.

  Telenet provides its mobile telephony service as a full MVNO through a partnership with a third-party mobile network operator. Telenet owns the core network, including switching, backbone, interconnections, etc., and leases the third party's radio access network. This arrangement permits Telenet to offer its customers all mobile services using its core network without having to build and operate a cellular radio tower network. We also offer mobile services using third-party networks in Germany, Poland and certain other markets. In Germany and Poland, we provide mobile telephony as light MVNOs. In these countries, we lease the core network as well as the radio access network from a mobile network operator. These arrangements permit our customers in these countries to have access to the third party mobile communications services while we maintain the customer relationship. We offer our mobile services throughout Poland. In Germany, we offer our mobile service to our customers located within our German footprint either on a stand-alone basis or in bundles. Where mobile services are available within our operations, subscribers pay varying monthly fees depending on whether the mobile service is included with our fixed-line telephony service or includes mobile data services via mobile phones, tablets or laptops. Calls, both within and out of network, incur a charge or are covered under a postpaid monthly service plan. In Chile, we also offer prepaid calling cards.

Business Services

In addition to our residential services, we offer a range of voice, broadband internet and data services to business customers in most of our service areas where our network is two-way capable. Our B2B services are designed with a wide variety of options to meet the specific demands of the business customer, including increased data transmission speeds and virtual private networks. Our business customers range from SOHO (generally fewer than 20 employees) to medium and large enterprises. All of our broadband operations offer B2B services and several of our operations also offer hosting services. In addition, certain of our operations offer their B2B services on a wholesale basis.

Our business services are provided to business subscribers at contractually established fees based on the size of the business customer and type of services received. SOHO subscribers receive services on the same terms and conditions offered to our residential subscribers. For medium to large enterprises, we enter into individual agreements that address their needs. These agreements are for a period of one or more years. In addition to providing B2B services over our networks, we also have agreements to provide these services to our B2B customers over dedicated fiber lines and third party fiber networks.

Technology

In almost all of our markets, our video, broadband internet and telephony services are transmitted over a hybrid fiber coaxial cable network. When upgraded, this network allows for two-way communications and is flexible enough to support our current services, as well as new services. In addition, the capacity available on our network increases as our analog subscribers switch to a digital service. This is because multiple digital channels can be compressed into the same space as one analog channel in the broadcast spectrum. The available space can then be used for other purposes, such as VoD services and high broadband speeds.

We continue to explore new technologies that will enhance our customer's television experience, such as:

- recapturing bandwidth and optimizing our networks by increasing the number of nodes in our markets and using digital compression technologies;
- expanding our network to accommodate additional B2B services;
- using wireless technologies to extend our services outside the home;
- offering remote access to our video services through personal computers, tablets and smartphones; and
- offering a multimedia home gateway based on an internet protocol-based digital television-platform, which we refer to as "Horizon TV," that is capable of distributing video, voice and data content throughout the home and to multiple devices.

In September 2012 and January 2013, we launched Horizon TV in the Netherlands and Switzerland, respectively. Horizon TV is a family of media products that allows customers to view and share content across the television, computer, tablet and smartphone. Horizon TV is powered by a user interface that provides customers a seamless intuitive way to access linear, time-shifted, on-demand and web-based content on the television. It also features an advanced set-top box that delivers not only video, but also internet and voice connections along with a wireless network for the home. For our Horizon TV customers, we also offer applications for various services. We intend to expand the availability of Horizon TV to other markets within our footprint, with launches planned in Ireland and Germany during 2013 and in certain additional markets during 2014 and 2015.

Supply Sources

For our video services, we license most of our programming and on-demand offerings from broadcast and cable programming networks, as well as DTH content providers. For such licenses, we generally pay a monthly fee on a per channel or per subscriber basis. We generally enter into long-term programming licenses with volume discounts and marketing support. For on-demand programming, we generally enter into shorter-term agreements. We purchase each type of customer premise equipment from a number of different suppliers. Customer premise equipment includes set-top boxes, modems, DVRs, tuners and similar devices. For each type of equipment, we retain specialists to provide customer support.

We license software products, including email and security software, and content, such as news feeds, from several suppliers for our internet services. The agreements for these products require us to pay a per subscriber fee for software licenses and a share of advertising revenue for content licenses. For our telephony services, we license software products, such as voice mail and caller ID, from a variety of suppliers. For these licenses we attempt to enter into long-term contracts, which generally require us to pay based on usage of the services.

The following table presents certain penetration and network data as of December 31, 2012, with respect to the cable systems of our consolidated subsidiaries in Europe, Chile and Puerto Rico. The table reflects 100% of the data applicable to each of our subsidiaries regardless of our ownership percentage. Percentages are rounded to the nearest whole number.

Network & Product Penetration Data (%)
at December 31, 2012

	Germany	The Netherlands	Switzerland	Austria	Ireland	Poland	Hungary	Romania	Czech Republic	Slovakia	Belgium	Chile	Puerto Rico
LGI Network Data:													
Two-way homes passed (HP) percentage (1)	97	99	88	99	85	95	99	82	92	94	100	81	100
Digital video availability percentage (2)	100(9)	99	87(9)	96	97	96	96	88	92	91	100	81	100
Broadband internet availability percentage (2)	97(9)	100	88(9)	99	85	95	99	82	92	88	100	81	100
Fixed-line telephony availability percentage (2)	97(9)	100	90(9)	96	83	95	99	79	92	87	100	81	100
Bandwidth percentage (3):													
at least 860 MHz	97	100	96	89	54	99	16	84	93	96	13	35	50
750 MHz to 859 MHz	—	—	—(10)	—	28	—(10)	55	2	—	—	—	50	—
less than 750 MHz	3	—	4	11	18	—(10)	29	14	7	4	87	15	50
LGI Product Penetration:													
Cable television penetration (4)	53	61	70	41	46	49	42	41	36	42	74	33	29
Digital cable penetration (5)	33	62	42	63	84	58	52	50	84	59	74	82	100
HD, DVR & HD DVR penetration (6)	36	68	89	60	76	87	45	99	35	18	94	32	20
Broadband internet penetration (7)	18	36	26	38	41	34	32	19	36	24	48	35	25
Fixed telephony penetration (7)	18	33	18	30	33	18	26	14	16	14	34	29	13
Double-play penetration (8)	6	9	16	19	24	24	25	22	39	11	30	21	30
Triple-play penetration (8)	26	52	25	36	30	27	34	21	17	24	41	46	24

(1) Percentage of total HP that are two-way HP.

(2) Percentage of total HP to which digital video (including digital MMDS), broadband internet or fixed telephony services, as applicable, are made available.

(3) Percentage of total HP served by a network with the indicated bandwidth. HP for Ireland excludes MMDS HP.

(4) Percentage of total HP that subscribe to cable television services (Analog Cable or Digital Cable).

(5) Percentage of cable television subscribers (Analog Cable and Digital Cable Subscribers) that are Digital Cable Subscribers.

(6) Percentage of Digital Cable Subscribers with HD, DVR or HD DVR. This Percentage would not include subscribers who may use a purchased set-top box or other non-verifiable means to receive our basic digital cable channels without subscribing to any services that would require the payment of recurring monthly fees in addition to the basic analog service fee due to the fact that our basic digital cable channels are not encrypted in certain portions of our footprint.

(7) Percentage of Internet Homes Serviceable and Telephony Homes Serviceable that subscribe to broadband internet or fixed-telephony services, as applicable.

(8) Percentage of total customers that subscribe to two services (double-play customers) or three services (triple-play customers) offered by our operations (video, broadband internet and fixed-line telephony).

(9) Assuming the contractual right to serve the building exists in the case of multiple dwelling units.

(10) Less than 1%.

The following table provides information on the products and services available to our cable customers as of December 31, 2012. Percentages are rounded to the nearest whole number.

Video, Broadband Internet & Telephony and Mobile Services at December 31, 2012

	Germany	The Netherlands	Switzerland	Austria	Ireland	Poland	Hungary	Romania	Czech Republic	Slovakia	Belgium	Chile	Puerto Rico
Video services (excluding DTH):													
VoD	X	X	X	X	X	X	X				X	X	X
DVR	X	X	X	X	X	X	X	X	X	X	X	X	X
HD	X	X	X	X	X	X	X	X	X	X	X	X	X
Electronic programming guide	X	X	X	X	X	X	X	X	X	X	X	X	X
Number of channels in basic digital tier	up to 75 or 149[3]	69	55	83	57	151	71	128	92	87	80	83	94
Number of channels in basic analog tier (1)	34 or 41[3]	32	36	38	18	45	30	59	41	48	25	67	n/a
Number of unique channels in basic digital tier (2)	40 or 119[3]	37	18	45	39	106	43	59	72	36	55	16	44
Number of HD channels	46	29	35	35	35	35	15	18	18	14	12	25	76
Broadband internet service:													
Maximum download speed offered (Mbps)	150	120	100	100	150	150	120	150	120	120	120	120	30
Percentage of Internet Homes Serviceable with 3.0 speeds of at least 100 Mbps	100	99	98	92	91	100	92	100	97	97	100	100	—
Telephony and mobile service:													
VoIP	X	X	X	X	X	X	X	X	X	X	X	X	X
Mobile (4)	X	X				X	X				X	X	

(1) Excludes the lifeline tier.

(2) Excludes the channels that are also included in basic analog tier.

(3) Depending on whether the subscriber is located in Baden-Württemberg, North Rhine-Westphalia or Hesse.

(4) With the exception of VTR Wireless, where we offer mobile services over our own network and third-party access arrangements, we offer our mobile services as MVNOs.

Operations

Provided below is country-specific information with respect to the broadband communications and DTH services of our subsidiaries.

- *Germany.* The UPC/Unity Division's operations in Germany are operated by Unitymedia KabelBW. Unitymedia KabelBW's operations are located in the German federal states of Baden-Württemberg, North Rhine-Westphalia and Hesse and include the major cities of Cologne, Dortmund, Düsseldorf, Essen, Frankfurt, Karlsruhe, Mannheim, Stuttgart and Wiesbaden. Unitymedia KabelBW offers video, internet and fixed telephony services in nearly all of its footprint. Unitymedia KabelBW offers mobile service as an MVNO through arrangements with a mobile communications provider. This mobile service is comprised of voice and data. Unitymedia KabelBW offers a CI+ module to its video cable customers for an incremental monthly charge. The CI+ module with a smart card allows the customer to view their encrypted digital video service without the need for a set-top box. No set-top box, CI+ module or smart card is, however, required to receive basic digital services in Baden-Württemberg and, beginning in January 2013, in North Rhine-Westphalia and Hesse because our basic digital service is unencrypted in these regions.

  Through an agreement with Sky Deutschland AG (Sky Deutschland), Unitymedia KabelBW offers its subscribers premium video channels from Sky Deutschland and, in addition, in the Baden-Württemberg region, a bundle of its internet and telephony services with premium channels from Sky Deutschland. Unitymedia KabelBW subscribers may receive Sky Deutschland channels using their Unitymedia KabelBW smart cards. VoD is available to subscribers to its digital video service and includes various programming, such as catch-up television and pay-per-view services, including HD programming.

  Nearly two-thirds of Unitymedia KabelBW's video customers are in multiple dwelling units where Unitymedia KabelBW has the billing relationship with the landlord or housing association or with a third party (Professional Operator) that operates and administers the in-building network on behalf of housing associations. Many of these agreements allow Unitymedia KabelBW to offer its digital video, broadband internet and telephony services directly to the tenant. Professional Operators may procure the basic video signals from Unitymedia KabelBW at volume-based discounts and generally resells them to housing associations with whom the operator maintains the customer relationship. Unitymedia KabelBW has entered into agreements with Professional Operators, such as Tele Columbus Multimedia GmbH, that allow Unitymedia KabelBW to market its digital video, broadband internet and telephony services directly to the Professional Operator's subscriber base. In order to provide these advanced services to tenants who request them, Unitymedia KabelBW typically adds a drop to connect its distribution network to the building, and upgrades the in-home wiring, on an as needed or success-based basis.

  Although the majority of Unitymedia KabelBW's service agreements with housing associations have multi-year terms, in connection with the KBW Acquisition, we agreed that certain of the agreements with the largest housing associations that have a remaining term of more than three years will be granted early termination rights. See *Regulatory Matters—Europe—Germany* below for additional information concerning the commitments we have made to regulators in connection with the KBW Acquisition and an on-going review by the German antitrust authorities of customary practices regarding such multi-year agreements.

  Unitymedia KabelBW has entered into various long-term agreements with the incumbent telecommunications operator, Deutsche Telekom AG (Deutsche Telekom), for the lease of cable duct space and hubs, as well as use of fiber optic transmission systems, towers and facility space. In addition, Unitymedia KabelBW purchases a portion of the electricity required for the operation of its networks through Deutsche Telekom under such agreements. Unitymedia KabelBW's ability to offer its broadband communications services to customers is dependent on the agreements with Deutsche Telekom. These agreements are long-term and may only be terminated under certain limited exceptions. Any termination, however, would have a material adverse effect on the operations of Unitymedia KabelBW. For information on a legal action that Unitymedia KabelBW commenced against Deutsche Telekom in December 2012 regarding these agreements, see note 16 to our consolidated financial statements included in Part II of this Annual Report.

- *The Netherlands.* The UPC/Unity Division's operations in the Netherlands (UPC Netherlands) are located in six broad regional clusters, including the major cities of Amsterdam and Rotterdam. UPC Netherlands offers video, internet and fixed telephony throughout its footprint. For information regarding UPC Netherlands' obligation to resell its television services pursuant to laws that became effective January 1, 2013, see *Regulatory—Europe—The Netherlands* below.

  UPC Netherlands' VoD service, including catch-up television, is available to subscribers to its digital tiers on a transaction basis. A subscription-based VoD service is included in the extended digital tier for no additional charge. The subscription-based VoD service includes various programming, such as catch-up television, music, kids, documentaries, adult, sports or series and a limited amount of 3D programming. Digital cable customers may also subscribe to premium channels, such as *Film 1, Sport 1 NL* and the premium football league channel, *Eredivisie Live*, alone or in combination, for additional monthly charges. In September 2012, UPC Netherlands launched Horizon TV and at December 31, 2012, it had over 80,000 connected subscribers. In addition to Horizon TV, UPC Netherlands offers an application that allows its subscribers to record a program remotely through an iPhone or iPad mobile digital device or an internet browser. UPC Netherlands also offers a CI+ module for an incremental monthly charge. A CI+ module in combination with a smart card allows the customer to view their full digital video service on a second television that has a CI+ slot, without the need for a set-top box.

  In April 2010, Ziggo 4 BV, a joint venture between UPC Netherlands and Ziggo BV (the largest cable operator in the Netherlands), acquired licenses in the 2.6 GHz spectrum band. This band is suited for long-term evolution wireless service, the next generation of ultra high-speed mobile data (LTE).

- *Switzerland.* The UPC/Unity Division's operations in Switzerland (UPC Cablecom) are located in 24 of the 26 member states (Cantons) of Switzerland, including major cities such as Bern, Zürich, Lausanne and Geneva. UPC Cablecom's basic video service (digital or analog) is available in any one of three languages (French, German or Italian). In addition to its video, broadband internet and telephony services, UPC Cablecom has entered into a partnership with a mobile communications provider, which will allow it to offer mobile service as a full MVNO and market quadruple-play packages. UPC Cablecom plans to offer such service in 2013.

  In each of its digital cable packages, UPC Cablecom includes the functionality for transaction-based VoD service (depending on location), including catch-up television and pay-per-view services, and HD channels. UPC Cablecom offers a CI+ module to its customers. Until November 2012, a customer purchasing the CI+ module together with a smart card could, for a one-time fee, view UPC Cablecom's digital entry tier service without an additional monthly charge. Commencing November 1, 2012, no set-top box, CI+ module or smart card is, however, required to receive UPC Cablecom's basic digital service because its basic digital service is no longer encrypted. The unencrypting of the basic digital service was part of an agreement with the Swiss Price Regulator that also provided for other changes in services and rate increases. For information on this agreement, see the discussion in *Regulatory Matters—Europe—Switzerland.* A CI+ module or set-top box in combination with a smart card may be used to view any of UPC Cablecom's other digital packages with the customer paying the incremental charge over the digital entry tier's applicable rate.

  For 65% of its video subscribers, UPC Cablecom maintains billing relationships with landlords or housing associations, which typically provide basic video service for an entire building and do not terminate service each time there is a change of tenant in the landlord's or housing association's premises.

  UPC Cablecom offers digital video, broadband internet and fixed-line telephony service directly to the analog cable subscribers of those partner networks that enter into service operating contracts with UPC Cablecom. UPC Cablecom has the direct customer billing relationship with these subscribers. By permitting UPC Cablecom to offer some or all of its digital video, broadband internet and fixed-line telephony products directly to those partner network subscribers, UPC Cablecom's service operating contracts have expanded the addressable markets for UPC Cablecom's digital products. In exchange for the right to provide digital products directly to the partner network subscribers, UPC Cablecom pays to the partner network a share of the revenue generated from those subscribers. UPC Cablecom also provides full or partial analog television signal delivery services, network maintenance services and engineering and construction services to its partner networks.

- *Other Western Europe.* The UPC/Unity Division also operates cable and DSL networks in Austria (UPC Austria) and cable and MMDS networks in Ireland (UPC Ireland). The DSL services are provided over an unbundled loop or, in certain cases, over a shared access network. UPC Austria's DSL operations are available in the majority of Austria, wherever the incumbent telecommunications operator has implemented DSL technology.

Austria. UPC Austria's cable operations are located in regional clusters encompassing the capital city of Vienna, the regional capitals of Graz, Innsbruck, Klagenfurt and Vorarlberg, and two smaller cities. Three of these cities (Vienna, Wr. Neustadt and Baden), directly or indirectly, own 5% of the local operating subsidiary of UPC Austria serving the applicable city. UPC Austria's video service (digital and analog) is available primarily in the German language. Its premium packages include ethnic channels (such as Serb, Bosnian and Turkish channels), music, adult and international channels. In addition, through an agreement with Sky Deutschland, UPC Austria offers its digital subscribers a number of premium channels, including HD channels, from Sky Deutschland. UPC Austria offers its broadband internet service over cable and over DSL.

Ireland. UPC Ireland's operations are located in five regional clusters, including the capital city of Dublin and other cities, including Cork, Galway and Limerick. In its extended tiers of service for digital video, UPC Ireland includes two premium channels (both *ESPN* sports channels) for no additional charge. To complement its digital offering, UPC Ireland also offers its digital subscribers several premium channels (sports, movies, adult, ethnic and kids) and a pay-per-view service and in 2012 introduced VoD service. UPC Ireland also offers an application that allows a subscriber to record a program remotely through a web-connected device such as a personal computer or mobile phone.

- *Central and Eastern Europe.* The UPC/Unity Division also operates cable networks in the Czech Republic (UPC Czech), Hungary (UPC Hungary), Poland (UPC Poland), Romania (UPC Romania), and Slovakia (UPC Slovakia). VoD service, including catch-up television, is available to our subscribers in Hungary and in major metropolitan areas in Poland. The UPC/Unity Division also has DTH operations in most of these countries, which it provides through UPC DTH.

The Czech Republic. UPC Czech's operations are located in cities and towns throughout the Czech Republic, including Prague, Brno, Ostrava, Plzen and Liberec. Subscribers to UPC Czech's digital video service may also receive such service through a CI+ module in combination with a smart card without the need for a set-top box. UPC Czech offers a lifeline tier and basic tier of digital programming, as well as extended tiers and premium packages. Approximately 54% of UPC Czech's digital cable subscribers receive the lifeline service. UPC Czech's analog service is offered only in areas where its digital service is not available.

Hungary. UPC Hungary's operations are located in 23 major Hungarian towns and cities, including the capital city of Budapest and the cities of Debrecen, Miskolc, Pécs and Székesfehérvár. For its digital video subscribers, UPC Hungary offers a CI+ module, which in combination with a smart card, allows the subscriber to view the digital service without the need for a set-top box. In each of its digital cable packages, UPC Hungary includes the functionality for transaction-based VoD services, which include various programming such as recent movies, music and 3D programming. UPC Hungary offers its telephony services through circuit-switched telephony to subscribers on its twisted copper pair network and through VoIP over its two-way capable cable network.

Poland. UPC Poland's operations are located in regional clusters encompassing eight of the 10 largest cities in Poland, including the capital city Warsaw, Cracow and Katowice. In addition to its digital and analog services, UPC Poland offers a lifeline tier of analog service. Approximately 56% of UPC Poland's analog cable subscribers receive the lifeline service. UPC Poland also offers an application that allows users to record a program remotely through a web-connected device, such as a personal computer or mobile phone.

Romania. UPC Romania's operations are located primarily in two regional clusters, which include nine of the 12 largest cities (each with more than 150,000 inhabitants) in Romania, including the capital city of Bucharest and the cities of Cluj-Napoca, Timisoara, Iasi and Constanta. UPC Romania's video service includes Romanian terrestrial broadcast channels, selected European satellite programming and other programming. In addition to its standard broadband internet service offerings, UPC Romania also offers a 256 Kbps service at no incremental charge as an inducement for customers to subscribe to certain services.

Slovakia. UPC Slovakia's operations are located in seven regions in Slovakia, including the five largest cities of Bratislava, Kosice, Presov, Banská Bystrica and Zilina. Besides its video cable services, UPC Slovakia offers video services in certain areas over its MMDS network. UPC Slovakia offers all Slovakian terrestrial, cable and local channels, selected European satellite and other programming, and audio channels. Subscribers to UPC Slovakia's digital video services may receive such service through a CI+ module in combination with a smart card without the need for a set-top box. UPC Slovakia's analog service, which is not available to its MMDS subscribers, includes a lifeline tier of service. Of UPC Slovakia's analog cable subscribers, approximately 50% subscribe to the lifeline analog service.

UPC DTH. UPC DTH provides DTH services in the countries of the Czech Republic, Hungary and Slovakia and manages the Romania DTH provider FocusSat. UPC DTH and FocusSat together provide DTH services to over 700,000 customers. UPC DTH offers a lifeline tier and either directly or through FocusSat a basic tier, an extended tier and premium channel options, as well as over 40 free-to-air (FTA) television and audio channels. A subscriber to its basic tier may receive 50 to 73 digital video channels depending on their location. Its premium channel offerings cover a range of interests (such as movies, adventure, sports, adult and comedy). DVRs are also available and a subscriber to the extended tier will receive six to 13 HD channels depending on their location. Subscribers to the DTH services may pay either an annual fee and receive an activation card for the lifeline tier of video service or pay a monthly fee for a basic or extended tier of service. UPC DTH provides DTH services to 17% of our total video subscribers in the Czech Republic, 28% of our total video subscribers in Hungary, 21% of our total video subscribers in Slovakia and, through FocusSat, 27% of our total video subscribers in Romania.

UPC DTH and FocusSat have agreements with Telenor Satellite Broadcasting for the lease of transponder space, including expansion capacity, on the Thor satellites. These agreements will expire on December 31, 2017, unless extended as provided in such agreements. All of UPC DTH services are on the Thor satellite system. UPC DTH offers both standard definition (SD) and HD services to all its customers in Hungary, the Czech Republic, Slovakia and, through FocusSat, in Romania.

- *Telenet (Belgium).* Liberty Global Europe's operations in Belgium are conducted by Telenet. Upon completion of the LGI Telenet Tender on February 1, 2013, we owned 58.4% of Telenet's outstanding ordinary shares. Telenet offers video, broadband internet and fixed and mobile telephony services (quadruple play) in Belgium, primarily to residential customers in the Flanders region and approximately one-third of the city of Brussels. In addition, pursuant to an agreement executed on June 28, 2008 (the PICs Agreement), with four associations of municipalities in Belgium (the pure intercommunales or PICs), Telenet leases the PICs broadband communications network and, accordingly, makes its services available to all of the homes passed by the cable network owned by the PICs.

  Telenet's premium video channels include general entertainment, documentary, foreign language, kids, music, sports, adult and movies. Telenet has the exclusive broadcasting rights for the Belgian football championship for three seasons, through 2014. As a result, Telenet rebranded its existing pay television sports channels into "Sporting Telenet." Together with the exclusive broadcasting rights for international football (soccer) championships, Telenet now owns a rich and attractive portfolio of sports content ranging from football (soccer) and basketball to golf. Telenet offers a multimedia platform branded "Yelo" to its digital video customers. Yelo allows Telenet's digital video customers to view programs remotely and access VoD with an iPad or iPhone mobile digital device or a laptop. In addition, Telenet offers, individually and as a bundle, fixed-line telephony services over its network and mobile telephony services as a full MVNO under the "Telenet Mobile" brand name.

  Telenet has the direct customer relationship with the analog and digital video subscribers on the PICs network. Pursuant to the PICs Agreement, Telenet has full rights to use substantially all of the PICs network under a long-term capital lease. Unless extended, the PICs Agreement will expire on September 23, 2046, and cannot be terminated earlier (except in the case of non-payment or bankruptcy of the lessee).

  In July 2011, Telenet Tecteo Bidco, a partnership between Telenet and the Tecteo SCRL (the second largest cable provider in Belgium operating in the Walloon region), acquired mobile spectrum licenses in the 2.1 GHz spectrum band. Telenet continues to review all options to operate its frequencies in the 2.1 GHz spectrum band, which also is suited for LTE wireless services. Telenet Tecteo Bidco is in discussions with the Belgisch Instituut voor Post en Telecommunicatie (BIPT) regarding the initial commercial launch date, which was originally set for January 2013. Under the terms of the licenses, it must meet coverage obligations of 30% in July 2014, 40% in July 2015 and 50% in July 2016.

- *Chile.* Our broadband distribution business in Chile is conducted primarily through UPC Holding's 80%-owned subsidiary VTR. In May 2012, through VTR Wireless, we began offering mobile services in Chile through a combination of our own wireless network and certain third-party wireless access arrangements. VTR Wireless offers both postpaid and prepaid mobile services.

  VTR provides video, broadband internet and fixed telephony services in 64 cities, including Santiago, Chile's largest city, the large regional cities of Iquique, Antofagasta, Concepción, Viña del Mar, Valparaiso and Rancagua, and smaller cities across Chile. VTR obtains programming from the United States, Europe, Argentina and Mexico. There is also domestic cable programming in Chile, based on local events such as football (soccer) matches and regional content. Digital cable customers may subscribe to one or more premium video channels, including HD channels for an additional monthly charge. The premium channels include movies, sports, kids, international and adult channels. VTR's analog service is offered only in areas where its digital service is not available.

  VTR offers its broadband internet services in 32 communities within Santiago and 41 communities outside Santiago. VTR also offers multi-feature telephony service over its cable network to customers in 32 communities within Santiago and 41 communities outside Santiago via either circuit-switched telephony or VoIP, depending on location.

We have two separate shareholders' agreements with Comm Corp S.A., our partner in VTR and VTR Wireless.

- *Puerto Rico.* Our broadband telecommunications service in Puerto Rico is conducted through our indirect 60%-owned subsidiary Liberty Puerto Rico. Liberty Puerto Rico offers only digital broadband services and provides these services in the San Juan metropolitan area and numerous surrounding municipalities. Liberty Puerto Rico's video service includes a basic tier of digital programming, an extended tier and premium packages, as well as a VoD service. The Liberty Puerto Rico network includes a 360 mile fiber ring around its network providing enhanced interconnectivity points to the island's other local and international telecommunications companies.

Programming Services

We own programming networks that provide programming channels to multi-channel distribution systems owned by us and by third parties. We also represent programming networks owned by third parties. Our programming networks distribute their services through a number of distribution technologies, principally cable television, internet protocol television (IPTV) and DTH. Programming services may be delivered to subscribers as part of a video distributor's basic package of programming services for a fixed monthly fee, or may be delivered as a "premium" programming service for an additional monthly charge, or on a VoD or pay-per-view basis. Whether a programming service is on a basic or premium tier, the programmer generally enters into separate affiliation agreements, providing for terms of one or more years, with those distributors that agree to carry the service. Basic programming services generally derive their revenue from per-subscriber license fees received from distributors and the sale of advertising time on their networks. Premium services generally do not sell advertising and primarily generate their revenue from per-subscriber monthly subscription fees. Programming providers generally have two sources of content: (1) rights to productions that are purchased from various independent producers and distributors and (2) original productions filmed for the programming provider by internal personnel or third-party contractors.

We operate our programming businesses in Europe, Africa, Asia, the Middle East and Latin America principally through Liberty Global Europe's Chellomedia Division. Through the Chellomedia Division, we also own joint venture interests in certain programming businesses. The Chellomedia Division produces and markets a number of widely distributed multi-territory thematic channels in over 124 countries and in over 27 languages. It owns 48 of these channels with other channels held by joint ventures with unrelated third parties, including CBS Studios International, Cyfrowy Polsat SA, Zon Multimédia and A&E Television Networks. The Chellomedia Division reaches over 391 million television households in Europe, Latin America and parts of Asia and Africa. Its channels are distributed to cable, satellite and IPTV networks (including the UPC/Unitymedia Division). The Chellomedia Division also provides a full range of television services through its B2B businesses for its channel partners and clients.

In addition, Chellomedia owns and manages a Digital Media Center (DMC) in Amsterdam. The DMC is a technologically advanced production facility that services the Chellomedia Division, the UPC/Unity Division and third-party clients with channel origination, post-production and satellite and fiber transmission. The DMC delivers high-quality, customized programming by integrating different video elements, languages (either in dubbed or sub-titled form) and special effects and then transmits the final product to various customers in numerous countries through affiliated and unaffiliated cable systems, IPTV systems and DTH platforms. It manages over 65 channels and feeds that are broadcast into Europe, the Middle East and Asia for both Chellomedia and third-party international channel providers.

Chellomedia, through its Liberty Global Ventures division, is an investor in various ventures for the development of country-specific Pan European programming. It also owns noncontrolling interests in Canal+ Cyfrowy S.A., a DTH platform in Poland, and in O3B Networks Limited, a development stage company that plans to operate a satellite-based data backhaul business across the developing world (predominately Africa), and in various entities developing technology relevant to our operations.

Competition

The markets for video, broadband internet, telephony and mobile services, and for programming, are highly competitive and rapidly evolving. Consequently, our businesses have faced and are expected to continue to face significant competition in these markets in the countries in which they operate and specifically, as a result of deregulation, in the EU. The percentage information in this section is as of the date of the relevant sources listed in the following sentences. The percentage information provided below for the various countries in Europe is based on information from the subscription based website DataXis for the third quarter of 2012. For Latin America, the percentage information is based on information from DataXis for the third quarter of 2012 and information on Chilean telephony provided by the Chilean Subsecretary of Telecommunications (SubTel) as of September 30, 2012. The competition in certain countries in which we operate is described more specifically after the respective competition overview on video, broadband internet, and telephony services.

Video Distribution

Our businesses compete directly with a wide range of providers of communication and entertainment services to consumers. Depending upon the country and market, these may include: (1) traditional FTA broadcast television services; (2) DTH satellite service providers; (3) digital terrestrial television (DTT) broadcasters, which transmit digital signals over the air providing a greater number of channels and better quality than traditional analog broadcasting; (4) other cable operators in the same communities that we serve; (5) other fixed-line telecommunications carriers and broadband providers, including the incumbent telephony operators, offering (a) DTH satellite services, (b) IPTV through broadband internet connections using DSL, asymmetric digital subscriber line (ADSL) or very high-speed DSL technology (which we refer to as "DSL-TV"), or (c) IPTV over fiber optic lines of fiber-to-the-building and fiber-to-the-node networks (fiber-to-the-home/-building/-node is referred to herein as "FTTx"); (6) over-the-top video content aggregators utilizing our or our competitors' high-speed internet connections; (7) satellite master antenna television systems, commonly known as "SMATVs," which generally serve condominiums, apartment and office complexes and residential developments; (8) MMDS operators; and (9) movie theaters, video stores, video websites and home video products. Our businesses also compete to varying degrees with other sources of information and entertainment, such as online entertainment, newspapers, magazines, books, live entertainment/concerts and sporting events.

Europe

In the European countries in which we operate, over 92% of the households own at least one television set. Our principal competition in the provision of video services in our European markets has historically been from traditional FTA broadcasters; DTH satellite providers in many markets, such as Austria, the Czech Republic, Germany, Ireland and Slovakia, where we compete with long-established satellite platforms; and cable operators in various markets where portions of our systems have been overbuilt. Mobile broadband has gained a noticeable share of subscribers, and competition from SMATV or MMDS could also be a factor. In addition, as accessibility to video content on the internet increases, over-the-top viewing is becoming a competitive factor. Our operations in Hungary, Romania and Slovakia are significantly overbuilt by other cable operators. Based on research of various telecommunication publications, including the Organization for Economic Cooperation and Development, and internal estimates, approximately 51%, 31% and 46% of our operations in Hungary, Romania and Slovakia, respectively, are overbuilt by other cable providers. In Poland, approximately 41% of our operations are overbuilt by other cable providers. Competition is particularly intense in all of these markets.

Over the last several years, competition has increased significantly from both new entrants and established competitors using advanced technologies, aggressively priced services and exclusive channel offerings. DTT is a significant part of the competitive market in Europe as a result of a number of different business models that range from full blown encrypted pay television to FTA television. Similarly DSL-TV, which is either provided directly by the owner of the network or by a third party, is a significant part of the competitive environment in many of our markets and FTTx networks are also becoming more prevalent. In addition, the providers of DTH satellite services, particularly in the Central and Eastern European markets, are significant competitors. Our ability to continue to attract and retain customers will depend on our continued ability to acquire appealing program content and third party programming services on acceptable financial or other terms. Some competitors, such as British Sky Broadcasting Group plc in Ireland and Swisscom AG (Swisscom) in Switzerland, have obtained long-term exclusive contracts for certain popular programs, which limits the opportunities for other providers, including our operations, to offer such programs. If exclusive content offerings increase through other providers, programming options could be a deciding factor for subscribers on selecting a video service.

Portions of our systems have been overbuilt by FTTx networks, primarily in the Czech Republic, Romania and Slovakia and to a lesser extent, in Hungary, the Netherlands and Switzerland. Based on research of various telecommunication publications, including by the Organization for Economic Cooperation and Development, and internal estimates, approximately 55%, 56% and 68% of our cable networks in the Czech Republic, Romania and Slovakia, respectively, have been overbuilt by FTTx networks. Also, 12% of our footprint in Hungary, 26% of our footprint in the Netherlands and 25% of our footprint in Switzerland are overbuilt by FTTx networks. In addition, there continues to be a willingness by government and quasi-government entities in Europe to invest in such networks, creating another source of competition.

In most of our Central and Eastern European markets, we are also experiencing significant competition from Digi TV, the DTH platform of RCS & RDS S.A. (Digi TV), a Romanian cable, telephony and internet service provider that is targeting our analog cable, MMDS and DTH customers with aggressively priced DTH packages, in addition to overbuilding portions of our cable network in Hungary, Romania and Slovakia. In the Czech Republic and Slovakia, SkyLink and CSLink, the brand names of M7 Group SA, a European provider of DTH services, are also DTH competitors, providing aggressively priced packages of video content. The incumbent telecommunications operator in Romania also operates a competing DTH platform. UPC DTH offers advanced services and functionality, including DVR and premium content, to most of our Central and Eastern European markets. UPC DTH's share of the subscription-based television market is 7% for Hungary, 3% for the Czech Republic, 3% for Slovakia, and through FocusSat, 6% for Romania.

In all of our European markets, competitive video services are now being offered by the incumbent telecommunications operator, whose video strategies include DSL-TV, DTH, DTT and IPTV over FTTx networks. The ability of incumbent operators to offer the triple-play of video, broadband internet and telephony services and, in some countries, a quadruple-play with mobile services, is exerting growing competitive pressure on our operations, including the pricing and bundling of our video products. In order to gain video market share, the incumbent operators and alternative service providers in a number of our larger markets have been pricing their DTT, DSL-TV or DTH video packages at a discount to the retail price of the comparable digital cable service and, in some cases, including DVRs as a standard feature.

To meet the challenges in this competitive environment, we tailor our packages in each country in line with one or more of three general strategies: attractive channel offerings, recurring discounts for bundled services and loyalty contracts. Discounts for bundled services are available in all our Europe operations. In addition, we seek to compete by accelerating the migration of our customers from analog to digital services, using advanced digital features such as HD, DVRs, VoD, catch-up television and offering attractive content packages and bundles of services at reasonable prices. HD and DVRs are an integral part of our digital services in all of our markets and VoD and catch-up television are an integral part of our digital services in most of our markets. In addition, from time to time, digital channel offerings are modified by our operations to improve the quality of our programming. Also, in Europe, the triple-play bundle is used as a means of driving video, as well as other products where convenience and price can be leveraged across the portfolio of services. Recently, we have expanded our services in certain markets to include mobile voice and data. We also continue to explore new technologies that will enhance our customer's television experience. In this regard, to further enhance our digital video services, Horizon TV was launched in September 2012 in the Netherlands and in January 2013 in Switzerland.

- *Germany.* We are the second largest cable television provider in Germany and the largest cable television provider in the federal states of Baden-Württemberg, North Rhine-Westphalia and Hesse based on the number of video cable subscribers. Unitymedia KabelBW's video cable services are available to approximately 33% of the television households in Germany and it serves 18% of the total television market. Unitymedia KabelBW's primary competition is from FTA television received via satellite. Unitymedia KabelBW also competes with the IPTV services over DSL-TV and FTTx and DTH of the incumbent telecommunications operator, Deutsche Telekom. Deutsche Telekom has approximately 1.9 million video subscribers in Germany, or 5% of the total television market, for primarily its IPTV services and has announced plans to target a total of 5 million customers with its IPTV services by 2015. Deutsche Telekom also bundles its DSL offerings with DTH services, including a HD DVR, in areas where the broadband speeds are not sufficient to deliver television signals over DSL. In addition, Vodafone Group Plc (Vodafone) bundles its IPTV service with its broadband offerings. Deutsche Telekom, Net Cologne GmbH and Professional Operators compete with Unitymedia KabelBW for housing association contracts. Professional Operators typically procure the broadcast signals they distribute from Unitymedia KabelBW or from DTH providers. Certain Professional Operators may also use such opportunities to build their own distribution networks or to install their own head-ends for receiving satellite signals.

  Other alternative distributors of television services are an increasing threat as well. To a lesser extent, Unitymedia KabelBW competes with the services of Sky Deutschland, which offers a digital premium subscription service to households that receive their basic television service via FTA satellite, cable or other technologies. In addition, there is a risk of competition for video services from commercial broadcasters and other content providers that currently pay Unitymedia KabelBW fees for transmitting their signals, but may seek to diversify their distribution on alternative platforms such as over-the-top video through high-speed internet connections.

  To enhance its competitive position, Unitymedia KabelBW has enhanced its digital service with DVR functionality and HD services and offers CI+ modules as an alternative to set-top boxes when used with a smart card. In 2012, it increased the number of HD channels available to up to 46 channels and realigned pricing for its bundled options. In addition, it expanded its VoD services (including catch-up television). Mobile voice and data service is also available. The bundle options allow subscribers to select various combinations of services to meet their needs. Promotional discounts are typically available to new subscribers. Also, Unitymedia KabelBW plans to launch Horizon TV in 2013.

- *The Netherlands.* We are the second largest cable television provider in the Netherlands based on the number of video cable subscribers. UPC Netherlands's video cable services are available to approximately 38% of the television households in the Netherlands and it serves 24% of the total television market. Competition from the DTT and DSL-TV services offered by the incumbent telecommunications provider, Royal KPN NV (KPN), is strong with KPN providing subscription video services to 21% of the total television households. KPN is the majority owner of the Netherlands DTT service, Digitenne. It also offers a DSL-TV service that includes VoD and DVR functionality. In addition, the FTTx networks of Reggefiber TTH Company Ltd. (a subsidiary of KPN) are a competitive factor in a number of cities. Future expansion of these networks is expected within our service area as Reggefiber TTH Company Ltd. has announced plans to reach three million of the households in the Netherlands by year-end 2016. With its ability to offer bundled triple-play and quadruple-play services, KPN is a significant competitor. KPN targets our price sensitive customers with attractive offers for its IPTV services and its triple-play and quadruple-play bundles.

To enhance its competitive position, UPC Netherlands launched Horizon TV, giving subscribers more options and an enhanced television experience. This service, together with its VoD service and DVR functionality, allow UPC Netherlands subscribers to personalize their programming. UPC Netherlands also gives its subscribers the ability to watch linear and VoD programming through a second screen application and to record programs remotely. UPC Netherlands continues to improve the quality of its programming through the type of programs available. In 2012, UPC Netherlands realigned its channel packages and expanded its VoD portfolio, as well as realigned its bundle options from which subscribers can select various combinations of services, including high-speed internet and telephony options, to meet their needs. Such realignment included increasing the broadband internet speed to 60 Mbps for its mass market bundle. Promotional discounts are also available.

- *Switzerland.* We are the largest cable television provider in Switzerland based on the number of video cable subscribers and the sole provider in substantially all of our network area. UPC Cablecom's video cable services are available to approximately 65% of the television households in Switzerland and it serves 46% of the total television market. Due to a small program offering, competition from terrestrial television in Switzerland is limited, with DTT available primarily along the borders with France and Italy. DTH satellite services are also limited due to various legal restrictions such as construction and zoning regulations or rental agreements that prohibit or impede installation of satellite dishes. Our main competitor is Swisscom, the incumbent telecommunications operator, which provides IPTV services over DSL or FTTx networks to approximately 22% of all television households in Switzerland. Swisscom offers VoD services, DVR functionality, and HD channels, as well as the functionality to allow remote access to its video services, and has exclusive rights to distribute certain sports programming. Swisscom is aggressively expanding its FTTx network with plans to reach about 80% of the Switzerland households by 2020. With respect to subscribers on partner networks, UPC Cablecom competes with other service providers for the contracts to serve these subscribers. To effectively compete, UPC Cablecom's basic digital service includes 2 Mbps internet service and it recently launched Horizon TV, which combines television, internet and telephony on one device. UPC Cablecom also has a broad range of program options and realigned its bundles to include Horizon TV.

- *Other Western Europe.* In Austria, we are the largest cable television provider based on the number of video cable subscribers. UPC Austria's video cable service is available to approximately 35% of the television households in Austria and it serves 14% of the total television market. UPC Austria's primary competition is from FTA television received via satellite. It is estimated that 46% of the Austrian television households receive only FTA television. Competition from the DSL-TV services provided by the incumbent telecommunications operator, Telekom Austria AG (A1) (Telekom Austria), and from DTH satellite services offered by Sky Deutschland also continue to increase. Telekom Austria offers its DSL-TV service, which includes advanced features, such as VoD, at a heavy discount to the video cable subscription price within the market. It also offers competitively priced bundles. In addition, Telekom Austria has launched a FTTx network in parts of our footprint. To stay competitive, UPC Austria will begin offering its basic digital service unencrypted in February 2013 and continues to improve the quality of its program offerings, including programs from Sky Deutschland. UPC Austria includes these services in its bundles, which it realigned in 2012 to include increased internet speeds. Many bundles are offered at a discount when subscribers select the services for twelve or more months.

  UPC Ireland is the sole provider of video cable services in Ireland. UPC Ireland's video cable service is available to approximately 53% of the television households in Ireland and it serves 25% of the total television market. UPC Ireland's primary competition for video customers is from British Sky Broadcasting Group plc, which provides DTH satellite services to 39% of the television households in Ireland and is expected to launch triple-play services in 2013. UPC Ireland also faces potential competition from smaller video providers, including providers using FTTx networks. Although DTT is now available in most of Ireland, primarily through Ireland's national public broadcaster, Raidió Teilifís Éireann, competition is limited due to its small programming offering. To enhance its competitive position, UPC Ireland continues to expand its channel offerings, including its launch of 21 new HD channels, the addition of VoD service (including catch-up television), and certain popular premium channels at no additional charge. It also offers an application for its subscribers to record programs remotely via the internet. It uses its broadband internet download speeds to market it various bundled services. In addition, UPC Ireland plans to launch Horizon TV in 2013.

- *Central and Eastern Europe.* We are the largest cable television provider in Poland based on the number of video cable subscribers. UPC Poland's video cable services are available to approximately 18% of the television households in Poland and it serves 9% of the total television market. In providing video services, UPC Poland competes primarily with DTH service providers, including the largest DTH provider, Cyfrowy Polsat SA. Cyfrowy Polsat SA serves 24% of the television households in Poland. It also offers a mobile broadband service and in 2012 launched a mobile television service. With their December 2012 merger, another significant DTH service provider is the combined companies of Canal+ Cyfrowy

SA and TVN Group (to be branded nc+), which serves 17% of the television households in Poland. The DTH service provider Orange Poland, an indirect subsidiary of France Telecom S.A., is another significant competitor. Orange Poland also offers IPTV and a mobile broadband service. In addition, UPC Poland competes with other cable operators with triple-play services, who have overbuilt portions of UPC Poland's operations and are aggressively promoting triple-play bundles. To enhance its competitive position, UPC Poland enhanced its video offers with additional HD channels. It also uses its broadband internet download speeds to market its bundled services and provides customers the ability to record programs remotely via the internet. In addition, it offers mobile service for a quadruple-play. Promotional discounts are available, including discounts to bundled prices for subscribers who select bundled services for a period of at least 24 months.

UPC Hungary's video cable service is available to approximately 38% of the television households in Hungary and it serves 16% of the total television market in Hungary. Our subsidiary, UPC DTH, also provides satellite services in Hungary, in competition with other DTH providers. One of these, Digi TV, is an aggressive competitor. Digi TV's DTH services can reach up to 100% of our DTH and cable service areas and it has overbuilt approximately half of UPC Hungary's cable service areas with its own cable network. Digi TV is targeting UPC Hungary's video cable subscribers and UPC DTH's subscribers with low-priced triple-play packages. To meet the competition, UPC Hungary has an aggressive price plan and targeted bundle offers for the areas in which Digi TV is operating its cable service. UPC Hungary also faces competition from the incumbent telecommunications company Magyar Telekom, a subsidiary of Deutsche Telekom. Magyar Telekom offers a DSL-TV service, including a VoD service, to its internet subscribers and triple-play and, with mobile, quadruple-play packages, as well as a DTH service with bundled options. Both Magyar Telekom and Digi TV also provide IPTV services over FTTx networks. To meet such competition, UPC Hungary emphasizes its competitively priced bundles, including discounts for subscribers who select services for either one or two years. It also offers DVR functionality and HD and VoD services. Of the television households in Hungary, 9% subscribe to Digi TV's DTH service, 10% subscribe to Digi TV's cable service and 15% subscribe to Magyar Telekom's DTH or DSL-TV service. UPC DTH serves 6% of the television households in Hungary with its DTH service.

With the discontinuation of FTA analog services in the Czech Republic and Slovakia, DTH services have increased significantly in popularity with M7 Group SA (SkyLink and CSLink) being the main provider. This company provides DTH services to approximately 49% and 34% of the television households in the Czech Republic and Slovakia, respectively. As in Hungary, Digi TV is also an aggressive competitor in Romania, the Czech Republic and Slovakia. Digi TV provides DTH services to 7%, 4% and 10% of the television households in Romania, the Czech Republic and Slovakia, respectively. UPC DTH provides DTH services to 4%, 2% and 2% of the television households in Romania, the Czech Republic and Slovakia, respectively. Pre-paid DTH services are also increasing in popularity in the Czech Republic and Slovakia. UPC DTH offers a prepaid product through FocusSat in Romania. In Romania, competition also comes from DTH services offered by Rom Telecom SA, the incumbent telecommunications company, as well as alternative distributors of television signals.

Of the television households in Romania, the Czech Republic and Slovakia, 11%, 11% and 9%, respectively, subscribe to our video cable service. Our cable services are available to the television households in each of these countries as follows: 27% in Romania, 31% in the Czech Republic and 22% in Slovakia. In addition to its DTH services in Romania, Digi TV continues to overbuild portions of our cable network with its own cable network and expanded its channel offerings in 2012. Of the television households in Romania, 22% subscribe to Digi TV's cable service. UPC Czech Republic competes with the incumbent telephone company's DSL-TV service and several other operators that provide DTH services and a number of local internet service providers (ISP) that provide IPTV services over FTTx networks. Providers of IPTV services over FTTx networks can reach approximately 55% of the households passed by our cable network in the Czech Republic. In Slovakia, a number of ISPs make video services available to a majority of the homes passed by our cable networks. In particular, Slovak Telekom a.s., a subsidiary of Deutsche Telekom, and Orange Slovensko a.s., a subsidiary of France Telecom S.A., have overbuilt homes passed by our cable network with their FTTx networks and offer triple-play packages through these networks. FTA broadcasters are also significant competitors in the Czech Republic and in Slovakia.

In Central and Eastern Europe, competition from DTT providers has also increased significantly. Subscribers in these countries tend to be more price sensitive than in other European markets. In particular, almost 100% of the Czech Republic can receive DTT for free or a comprehensive satellite service for a minimal reoccurring monthly fee. This makes the market for television subscribers in the Czech Republic extremely competitive with price often the deciding factor. To address such sensitivity and meet competition, our operations in Central and Eastern Europe offer a variety of bundled service packages and enhanced digital services, such as expanded VoD services, HD channel offerings and certain premium channels at no additional charge. Promotional discounts are available, particularly on bundled options. Also, CI+ cards for DTH only products are available in the Czech Republic and in Slovakia.

- *Belgium.* Telenet is the sole provider of video cable services in its network area. Its video cable service is available to approximately 62% of the television households in Belgium and it serves approximately 46% of the total television market. It is the largest subscription television provider in Belgium based on the number of pay video subscribers. Telenet's principal competitor is Belgacom NV/SA (Belgacom), the incumbent telecommunications operator, which has interactive digital television, VoD and HD service as part of its video offer, as well as a remote access service. Belgacom also offers double-play, triple-play and quadruple-play packages. It also includes certain sports programming (primarily football (soccer) related) at no additional charge. Approximately 24% of total television households in Belgium subscribe to Belgacom's IPTV services over its DSL and DSL-TV networks. Telenet also faces competition from M7 Group SA, branded TV Vlaanderen Digitaal, which is the largest DTH service provider in Telenet's network area. Also, Mobistar SA offers a quadruple-play bundle of video, broadband internet and fixed and mobile telephony. We believe that Telenet's multimedia platform Yelo, together with its extensive cable network, the broad acceptance of its basic cable television services and its extensive additional features, such as HD and DVR functionality and VoD offerings, allow Telenet to compete effectively. In addition, Telenet offers competitively priced quadruple-play bundles, which include its mobile service. Telenet also continues to enhance its programming and markets a variety of bundle options to meet the needs of its customers.

Latin America

In Latin America, our principal competition is the provision of video services from DTH satellite providers, where we compete with established satellite platforms, as well as other pay television providers. Over the top viewing is also a competitive factor.

- *Chile.* In Chile, we are the largest cable television provider based on number of video cable subscribers. VTR's video cable services are available to approximately 60% of the Chilean television households and it serves 20% of the total television market in Chile. VTR competes primarily with DTH service providers in Chile, including the incumbent Chilean telecommunications operator Compañia de Telecomunicaciones de Chile SA using the brand name Movistar (Telefónica), Claro Chile S.A., a subsidiary of América Móvil, S.A.B. de C.V. (Claro), and DirecTV Chile. Telefónica offers double-play and triple-play packages using DTH for video and ADSL for internet and telephony and, with mobile telephony, quadruple-play packages. Telefónica launched IPTV services over FTTx networks in 2012 in Chile. Claro is offering triple-play packages using DTH and, in certain areas of Santiago, through a hybrid fiber coaxial cable network. It also offers mobile telephony for quadruple-play packages. Claro is also expanding its hybrid fiber coaxial cable network in certain regional cities of Chile. Claro is an aggressive competitor targeting video subscribers, including VTR subscribers, with low priced video packages. Other competition comes from video services offered by or over the networks of fixed-line telecommunications operators using DSL or ADSL technology. Of the Chilean television households, 9%, 6% and 6% subscribe to the DTH services of Telefónica, Claro and DirecTV Chile, respectively. To enhance its competitive position, VTR includes VoD, catch-up television, DVR and HD services as key components of its video packages. These services, plus expanded program options and the marketing of a variety of bundle options, including internet and telephony, enhance VTR's competitive position.

- *Puerto Rico.* Upon the completion of the Puerto Rico Transaction, Liberty Puerto Rico became the largest provider of video cable services in its markets and the third largest provider of video services in Puerto Rico. Its video cable service is available to approximately 58% of the television households in Puerto Rico and it serves 19% of the total television market in Puerto Rico. Liberty Puerto Rico's primary competition for video customers is from DTH satellite providers DirecTV and Dish Network Corporation. These competitors provide DTH satellite services to an aggregate of 43% of the television households in Puerto Rico. Dish Network Corporation is an aggressive competitor, offering low introductory offers, free HD channels and in its top tier packages a multi-room DVR service for free. DirecTV is also a significant competitor with plans to offer by 2014 the same programming in Puerto Rico as it offers in the United States. In order to compete, Liberty Puerto Rico has increased the number of its HD channels, improved the functionality of its electronic program guide, and expanded its VoD offerings. In addition, it plans to offer its customers the ability to view programming remotely, to offer the latest technology and to increase the internet speeds in its bundle offers.

Internet

With respect to broadband internet services and online content, our businesses face competition in a rapidly evolving marketplace from incumbent and non-incumbent telecommunications companies, mobile operators and cable-based ISPs, many of which have substantial resources. The internet services offered by these competitors include both fixed-line broadband internet services using DSL or FTTx, and wireless broadband internet services, in a range of product offerings with varying speeds and pricing, as well as interactive computer-based services, data and other non-video services offered to homes and businesses. As the technology develops, competition from wireless services using various advanced technologies is becoming significant. Recently competitors have started offering high-speed mobile data via LTE wireless services in certain of our markets. We are also seeing intense competition in Europe from mobile carriers that offer mobile data cards allowing a laptop user to access the carrier's broadband wireless data network with varying speeds and pricing.

Our strategy is speed leadership and we seek to outperform on speed, including increasing the maximum speed of our connections and offering varying tiers of service and varying prices, as well as a variety of bundled product offerings and a range of value added services. In most of our operations we have launched new bundling strategies, including speeds of 25 Mbps or more at mass market price points and ultra high-speed internet with speeds of up to 120 Mbps, and in Germany, Ireland, Poland and Romania up to 150 Mbps, to compete with DSL-TV and FTTx initiatives. The focus continues to be on high-end internet products to safeguard our high-end customer base and allow us to become more aggressive at the low- and medium-end of the internet market. By fully utilizing the technical capabilities of DOCSIS 3.0 technology, we can compete with local FTTx initiatives and create a competitive advantage compared to DSL infrastructures on a national level and LTE initiatives as they expand to a national level.

Europe

Across Europe, our key competition in this product market is from the offering of broadband internet products using various DSL-based technologies both by the incumbent phone companies and third parties. The introduction of cheaper and ever faster fixed-line broadband offerings is further increasing the competitive pressure in this market. Wireless broadband services, such as LTE, are also taking a foothold in a number of countries using high-speed mobile networks and high-speed downlink packet access systems.

In Germany, the largest broadband internet service providers, Deutsche Telekom, Vodafone Germany (a subsidiary of Vodafone), Telefónica Germany Holding AG (Telefónica Germany) and United Internet AG are significant competitors. Deutsche Telekom is upgrading its network to a transmission speed of up to 100 Mbps and provides services to approximately half of the broadband internet subscribers through its network. Vodafone Germany provides services to 14% of broadband internet subscribers in Germany. We also face increased competition from mobile broadband operators, including Deutsche Telekom, Vodafone Germany and Telefónica Germany, each of which offer mobile services through LTE wireless systems. Unitymedia KabelBW serves 8% of the total broadband internet market in Germany. To effectively compete, Unitymedia KabelBW is expanding its ultra high-speed internet services and increased its download speeds to up to 150 Mbps, depending on the region. Unitymedia KabelBW offers its internet service on a stand alone basis or together with fixed-line telephony at attractive rates and through bundled offerings that include digital video and fixed-line telephony. Unitymedia KabelBW also offers mobile voice and data services.

In the Netherlands, we face competition from KPN, the largest broadband internet provider, and to a lesser extent, the telecommunications company, Tele2 Netherlands Holding NV, as well as operators using the unbundled local loop. KPN offers ultra high-speed internet services with download speeds of up to 80 Mbps over its DSL network, with its download speeds of up to 40 Mpbs available to almost all the households in the Netherlands. In addition, KPN is the leading mobile broadband provider with its competitively priced mobile internet products and plans to launch LTE services in 2013 that will provide nationwide coverage by the end of 2014. KPN serves 43% and UPC Netherlands serves 15%, respectively, of the total broadband internet market in the Netherlands. To keep competitive, UPC Netherlands is promoting faster speeds than its DSL competitors at competitive prices. It also launched mobile data in February 2012.

In Switzerland, Swisscom is the largest provider of broadband internet services, with an estimated market share of 61% of all broadband internet customers, and is our primary competitor. It is also expanding its FTTx network, through which it can offer download speeds of up to 100 Mbps. The next significant competitor is Sunrise Communications AG with 9% of broadband internet customers. UPC Cablecom serves 19% of broadband internet subscribers in Switzerland. In connection with the launch of Horizon TV, UPC Cablecom increased its download speeds to 150 Mbps in January 2013 and seeks to distinguish itself through competitively priced bundled offerings, including digital video, telephony services and its ultra high-speed internet services.

UPC Austria's largest competitor with respect to broadband internet services is the incumbent telecommunications company, Telekom Austria, with approximately 60% of the broadband internet subscribers in Austria. UPC Austria's share of such market is 22%. The mobile broadband services of Telekom Austria are also a competitive factor. Telekom Austria is the largest mobile broadband provider serving 40% of the mobile broadband subscribers that use a 3G network. In addition, UPC Austria faces competition from unbundled local loop access and other mobile broadband operators. As a result, the competition in the broadband internet market is intense. Competitors in the Austrian broadband internet market are focusing on speed and pricing to attract customers. To compete, UPC Austria has launched bundled offers specifically aimed at these market segments. UPC Austria uses its ultra high-speed internet services and competitively priced bundles to encourage customers from other providers to switch to UPC Austria's services. It also offers promotional discounts for its mid-tier service.

Mobile data card providers have gained market share throughout Europe. For example, in Ireland, Telefónica O2 Ireland Limited, a leading mobile telephony provider, offers a range of mobile internet products at competitive prices. The trend towards mobile internet is visible throughout Europe. Outside of mobile internet, UPC Ireland's most significant competitor is the fixed-line incumbent, Eircom Limited, with 66% of the broadband internet market in Ireland. UPC Ireland's share of total broadband internet subscribers in Ireland is 29%. To effectively compete, UPC Ireland promotes its high-speed internet services and bundles these services with its other services at attractive prices.

In Central and Eastern Europe, our principal competitors are DSL operators and cable companies that are overbuilding our cable network. In Poland, our principal competitors are Orange Poland and Vectra SA. In Hungary, the primary competitors are the incumbent telecommunications company, Magyar Telekom and Digi TV. In addition, in these countries, as well as in our other Central and Eastern European operations, we face increased competition from mobile broadband operators. Intense competition coupled with challenging economic conditions has caused existing low-end options to be more prominent in these markets. In all of our Central and Eastern European markets, we are using our ultra high-speed internet service to attract and retain customers.

In Belgium, internet access penetration is higher than in most European markets causing intense competition between the two primary broadband internet technologies, cable and DSL. Telenet's primary competitor is the DSL service provider Belgacom and other DSL service providers. Approximately 47% of Belgium's broadband internet subscribers use Belgacom's DSL service with download speeds up to 30 Mbps. Also, mobile internet use is increasing. To compete, Telenet promotes its high-speed internet with attractively priced multiple-play bundles, offering download speeds from 30 Mbps to 120 Mbps. It is the fastest internet service provider in its footprint and approximately 32% of its broadband internet customers subscribe to the high-speed internet service, which includes access through in-home WiFi and Telenet provided public WiFi. Telenet provides broadband internet service to 38% of the broadband internet market in Belgium.

Latin America

In Chile, VTR faces competition primarily from non-cable-based internet service providers such as Telefónica (under the brand name Movistar) and Claro. VTR is experiencing increased pricing and download speed pressure from Telefónica and Claro and more effective competition from these companies with the bundle of their internet service with other services. Mobile broadband competition is significant as well. In 2013, Claro will launch its LTE network for high-speed mobile data. In response to the availability of mobile data in Chile, VTR has more than doubled its internet speeds with a high-speed internet offering of up to 120 Mbps. VTR's share of the broadband internet market in Chile is 34%, compared to 39% for Telefónica. To effectively compete, VTR is expanding its two-way coverage and offering attractive bundling with telephony and digital video service.

Telephony and Mobile Services

With respect to telephony services, our businesses continue to compete against the incumbent telecommunications operator in each country. These operators have substantially more experience in providing telephony and mobile services, greater resources to devote to the provision of telephony services and long-standing customer relationships. In addition, mobile telephony providers are making significant advances in all our areas of operations. In many countries, our businesses also face competition from other cable telephony providers, FTTx-based providers or other indirect access providers. Competition in both the residential and business telephony markets will increase with certain market trends and regulatory changes, such as general price competition, the offering of carrier pre-select services, number portability, continued deregulation of telephony markets, the replacement of fixed-line with mobile telephony, and the growth of VoIP services. Carrier pre-select allows the end user to choose the voice services of operators other than the incumbent while using the incumbent's network. We seek to compete on pricing as well as product innovation, such as personal call manager and unified messaging. We also offer varying plans to meet customer needs and various bundle options with our digital video and internet services. In addition, we offer mobile services in Belgium, Chile, Germany and Poland.

Europe

Across Europe, our fixed and mobile telephony businesses are generally small compared to the existing business of the incumbent phone company. The incumbent telephone companies remain our key competitors but mobile operators and other VoIP operators offering service across broadband lines are also significant competitors in these markets. Generally, we expect telephony markets to remain extremely competitive.

Our fixed-line telephony strategy in Europe is focused around value leadership, and we position our services as "anytime" or "any destination." Our portfolio of calling plans include a variety of options designed to meet the needs of our subscribers. Such options include unlimited network, national or international calling, unlimited off-peak calling and minute packages, including calls to fixed and mobile phones. We also use our bundled offerings to help promote our telephony services.

Deutsche Telekom is the dominant fixed-line telephony provider in Germany; however, telephony services provided through alternative technologies and mobile telephony services have caused competition in the telephony market to be intense. As a result, the market for residential telephony service is price sensitive. To address this competitive market, we use innovative bundling options to encourage customers to switch to Unitymedia KabelBW services. In the Netherlands, KPN is the dominant telephony provider and is expanding significantly its mobile services as well. It is expected to launch 4G services in 2013. All of the large multiple system operators, including UPC Netherlands, as well as ISPs, offer VoIP services and continue to gain market share from KPN's fixed-line services. In Switzerland, we are the largest VoIP service provider, but Swisscom is the dominant fixed-line telephony service provider. Sunrise Communications AG, which offers carrier pre-select services, is also a strong competitor. Each of these competitors also operate their own mobile telephony service and are increasingly offering mobile products in bundles with fixed-line services, a trend that we expect will continue to increase in the coming year. To meet the competition for fixed-line services, UPC Cablecom enhanced its portfolio with attractive bundle options. The market share of the fixed-line telephony market for Unitymedia KabelBW is 6%, UPC Netherlands is 12% and UPC Cablecom is 10%.

In Austria, Ireland and in our Central and Eastern European markets, the incumbent telephone companies dominate the telephony market. Most of the fixed-line competition to the incumbent telephone operators in these countries is from entities that provide carrier pre-select or wholesale line rental services. We also compete with ISPs that offer VoIP services and mobile operators. In Austria, we serve our subscribers with VoIP over our cable network, circuit-switched telephony services and DSL technology service over an unbundled loop. In Hungary, we provide VoIP telephony services over our cable network and circuit-switched telephony services over our copper wire telephony network. To gain market share, we promote our VoIP telephony service offerings in almost all of our European markets and in some markets we have enhanced our telephony services through unlimited calling options.

In Belgium, Belgacom is the dominant telephony provider with 67% of the telephony market. It is also a significant competitor in the mobile telephony market, having recently launched 4G services. To gain market share, we emphasize customer service and provide innovative plans to meet the needs of our customers, such as a flat fee plan offered in our bundle options (free off-peak calls to fixed-lines in Belgium and 35 other European countries). Subscribers to our fixed telephony service may also make free off-peak calls to mobile lines in Belgium. We also offer competitively priced mobile telephony where we launched new mobile rate plans that include a wealth of voice minutes, text messages and mobile data. Also, discounts are available to customers who combine one of our mobile rate plans with any of our fixed-line offers. We compete with other fixed-line operators and with mobile operators, including Belgacom, in the provision of telephony and mobile services in Belgium. Telenet's share of the fixed-line telephony market in Belgium is 24%.

Latin America

In Chile, VTR faces competition from the incumbent telecommunications operator, Telefónica, and other telecommunications operators. Telefónica has substantial experience in providing telephony services, resources to devote to the provision of telephony services and long-standing customer relationships. Competition in both the residential and business telephony markets is increasing as a result of market trends and regulatory changes affecting general price competition, number portability, and the growth of VoIP services. Also, use of mobile telephony is increasing. Claro, Telefónica Moviles Chile SA and Entel PCS Telecomunicaciones SA are the primary companies that offer mobile telephony in Chile. VTR offers circuit-switched and VoIP telephony services over its cable network. To enhance its competitive position, VTR entered into an agreement with VTR Wireless, which allows VTR to offer VTR Wireless mobile telephony services as part of its bundled offerings. VTR Wireless also offers its mobile telephony services on a stand alone basis and for a flat fee customers of either company have unlimited telephone calls to customers of the other company. VTR's share of the residential and commercial fixed-line telephony market in Chile is 21% (35% for residential).

Programming Services

The business of providing programming for cable and satellite television distribution is highly competitive. Our programming businesses directly compete with other programmers for distribution on a limited number of channels. Once distribution is obtained, these programming services compete, to varying degrees, for viewers and advertisers with other cable and over-the-air broadcast television programming services as well as with other entertainment media, including home video (generally video rentals), online activities, movies and other forms of news, information and entertainment.

Regulatory Matters

Overview

Video distribution, internet, telephony and content businesses are regulated in each of the countries in which we operate. The scope of regulation varies from country to country. In some significant respects, however, regulation in European markets, with the exception of Switzerland, is harmonized under the regulatory structure of the EU.

Adverse regulatory developments could subject our businesses to a number of risks. Regulation could limit growth, revenue and the number and types of services offered and could lead to increased operating costs and capital expenditures. In addition, regulation may restrict our operations and subject them to further competitive pressure, including pricing restrictions, interconnect and other access obligations, and restrictions or controls on content. Failure to comply with current or future regulation could expose our businesses to penalties.

Europe

Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom are the Member States of the EU. As such, these countries are required to harmonize certain of their laws with certain EU rules. In addition, other EU rules are directly enforceable in those countries. Certain EU rules are also applicable across the European Economic Area, whose Member States are the EU Member States as well as Iceland, Liechtenstein and Norway.

In the broadcasting and communications sectors, there has been extensive EU-level legislative action. As a result, most of the markets in Europe in which our businesses operate have been significantly affected by the regulatory framework that has been developed by the EU. The exception to this is Switzerland, which is not a Member State of the EU or the European Economic Area and is currently not seeking any such membership. Regulation in Switzerland is discussed separately below, as well as regulation in certain Member States in which we face regulatory issues that may have a material impact on our business.

EU Communications Regulation

The body of EU law that deals with communications regulation consists of a variety of legal instruments and policies (collectively referred to as the "Regulatory Framework"). The key elements of the Regulatory Framework are various legal measures, which we refer to as the "Directives," that require Member States to harmonize their laws, as well as certain regulations that have effect without any transposition into national law.

The Regulatory Framework primarily seeks to open European markets for communications services. It harmonizes the rules for the establishment and operation of electronic communications networks, including cable television and traditional telephony networks, and the offer of electronic communications services, such as telephony, internet and, to some degree, television services. The Regulatory Framework does not generally address issues of content.

On December 18, 2009, the Official Journal of the EU published revisions to the Regulatory Framework. Such revisions should have been transposed into the laws of the Member States before May 25, 2011, although in practice this is an ongoing process. Despite their limited nature, the changes to the Regulatory Framework will affect us. Some changes are administrative. For example, a new body of European regulators has been created. Some new powers, however, have been given to national regulators, such as the right to mandate access to ducts without finding operators or service providers to have "Significant Market Power" (defined below). This power, in particular, could require us to open our ducts to competitors and not allow us to make use of all capacity in our ducts for our own needs, or could mean we get access to ducts of third parties instead of building our own ducts. Also, there will be enhanced powers for Member States to impose transparency obligations and quality of service requirements on ISPs, which may restrict our flexibility in respect of our broadband services.

Certain key provisions included in the current Regulatory Framework are set forth below. This description is not intended to be a comprehensive description of all regulation in this area.

- *Licensing and Exclusivity.* The Regulatory Framework requires Member States to abolish exclusivities on communication networks and services in their territory and allow operators into their markets based on a simple registration. The Regulatory Framework sets forth an exhaustive list of conditions that may be imposed on communication networks and services. Possible obligations include, among other things, financial charges for universal service or for the costs of regulation, environmental requirements, data privacy and other consumer protection rules, "must carry" obligations, provision of customer information to law enforcement agencies and access obligations.

- *Significant Market Power*. Certain of the obligations allowed by the Regulatory Framework apply only to operators or service providers with "Significant Market Power" in a relevant market. For example, the provisions of the Access Directive allow EU Member States to mandate certain access obligations only for those operators and service providers that are deemed to have Significant Market Power. For purposes of the Regulatory Framework, an operator or service provider will be deemed to have Significant Market Power where, either individually or jointly with others, it enjoys a position of significant economic strength affording it the power to behave to an appreciable extent independently of competitors, customers and consumers.

  As part of the implementation of certain provisions of the Regulatory Framework, each Member State's National Regulatory Authority (NRA) is required to analyze certain markets predefined by the EU Commission to determine if any operator or service provider has Significant Market Power. Until November 2007, there were 18 such markets but then the EU Commission adopted a new recommendation reducing the list of predefined markets to seven, subject to periodic review. This recommendation led to a reduction in regulation. Some countries, however, continue to maintain their analysis of some of the markets from the original list and this will likely continue for some time. In October 2012, the EU published a questionnaire for public consultation on whether the recommendation should be revised. It is not known whether any changes will be made as a result of this process.

  We have been found to have Significant Market Power in certain markets in which we operate and further findings are possible. In particular, in those markets where we offer telephony services, we have been found to have Significant Market Power in the termination of calls on our own network.

  NRAs might seek to define us as having Significant Market Power in any of the seven predefined markets or they may define and analyze additional markets. In the event that we are found to have Significant Market Power in any particular market, an NRA could impose certain conditions on us. Under the Regulatory Framework, the EU Commission has the power to veto a finding by an NRA of Significant Market Power (or the absence thereof), which power also applies with respect to market definition, in any market whether or not it is included in the seven predefined markets.

- *Video Services.* The regulation of distribution, but not the content, of television services to the public is harmonized by the Regulatory Framework. Member States are allowed to impose reasonable "must carry" obligations for the transmission of specified radio and television broadcast channels on certain operators under their jurisdiction. Such obligations should be based on clearly defined general interest objectives, be proportionate and transparent and be subject to periodic review. We are subject to "must carry" regulations in all European markets in which we operate. In some cases, these obligations go beyond what we believe is allowable under the Regulatory Framework. To date, however, the EU Commission has taken very limited steps to enforce EU law in this area, leaving intact "must carry" obligations that are in excess of what we believe to be allowed. Moreover, on December 22, 2008, the European Court of Justice took a very narrow view of the restriction on "must carry" under the Regulatory Framework, treating it as a procedural formality. Therefore, it is unlikely that there will be any reduction in the "must carry" regulations in the foreseeable future.

- *Net Neutrality/Traffic Management.* Other current regulatory debates at the EU and national level include net neutrality/traffic management, as well as responsibilities for ISPs on illegal content or activities on the internet. With respect to net neutrality/traffic management, the EU Commission confirmed in April 2011 that no additional EU regulation is needed to preserve net neutrality. The EU Commission made this decision after concluding that the existing provisions of the Regulatory Framework on consumer transparency and the ability of regulators to impose a minimum quality of service on an operator should be given time to be tested by Member States. In December 2011, the Body of European Regulators for Electronic Communications (BEREC), the joint body of European telecommunications regulators, published non-binding guidelines on net neutrality and transparency. BEREC believes that transparency and the ability for end-users to easily switch providers is vital and recommends that operators should provide clear end-user information about service limitations and actual speeds. This decision, however, is still subject to ongoing political debate, and European or national regulation in this area may occur. If such regulations are adopted, our ability to offer our own internet services may be restricted.

EU Broadcasting Law

Although the distribution of video channels by a cable operator is within the scope of the Regulatory Framework, the activities of a broadcaster are harmonized by other elements of EU law, in particular the Audiovisual Media Services Directive (AVMS). AVMS, which was published in its final form on March 10, 2010, replaced the pre-existing EU regime in this area. Generally, broadcasts originating in and intended for reception within an EU Member State must respect the laws of that Member State. Pursuant to AVMS, however, EU Member States are required to allow broadcast signals of broadcasters established in another EU Member State to be freely transmitted within their territory so long as the broadcaster complies with the law of their home state. This is referred to as the country of origin principle. Under AVMS (a change from pre-existing rules), the country of origin principle applies also to non-linear services, such as VoD. Accordingly, we should be able, if we so elect, to offer our own VoD services across the European Economic Area based on the regulation of the country of origin. As a result, we could structure our business to have a single regulatory regime for all of our VoD service offered in Europe. In addition, when we offer third party VoD services on our network, it should be the business of the third party, in its capacity as provider of the services, and not us as the local distributor, that is regulated in respect of these services.

Although Member States should have transposed the requirements of AVMS into national law, and this has generally been completed, the practical effect is still not clear. Uncertainty still remains about the proper treatment of VoD from a practical perspective. Thus, there can be no assurance that the requirements on VoD will, in fact, operate in the manner described above in any individual Member State. As a result, we may face inconsistent and uncertain regulation of our VoD service in Europe.

AVMS also establishes quotas for the transmission of European-produced programming and programs made by European producers who are independent of broadcasters.

Other European Level Regulation

In addition to the industry-specific regimes discussed above, our European operating companies must comply with both specific and general legislation concerning, among other matters, data protection, data retention and electronic commerce. Many of these regimes are, or will be, reviewed at the EU level.

Our European operating companies are also subject to both national and European level regulations on competition and on consumer protection, which are broadly harmonized at the EU level. For example, while our operating companies may offer their services in bundled packages in European markets, they are sometimes not permitted to make a subscription to one service, such as cable television, conditional upon a subscription to another service, such as telephony. They may also face restrictions on the degree to which they may discount certain products included in the bundled packages.

The EU Commission is imposing more mandatory requirements and encouraging voluntary solutions regarding energy consumption of the telecommunications equipment we provide our customers. We have been participating in discussions and studies regarding energy consumption with various parts of the EU Commission and with experts working on their behalf. In addition, we are working with suppliers of our digital set-top boxes to lower power consumption, as well as looking at possibilities through software to lower the power consumption of the existing fleet of digital set-top boxes. We also worked with a large group of companies to create a voluntary agreement on set-top box power consumption as an alternative to regulation. The European Commission formally recognized this voluntary agreement as a valid alternative to regulation on November 22, 2012. Nevertheless, legislation in this area may be adopted in the near future and could adversely affect the cost and/or the functionality of equipment we deploy in customer homes.

Pursuant to an EU regulation on standby power effective January 7, 2010, many devices are required to have either a low power standby mode or off mode unless it is inappropriate to have either such mode on the device. For this purpose, our set-top boxes and certain other equipment are equipped with an off switch. Beginning in January 2013, this regulation imposed further requirements on power management on certain devices we purchase, which devices will need to comply with such requirements, unless it can be argued such further requirements are inappropriate. These additional requirements may increase costs or reduce functionality of the equipment we buy.

As part of the EU's Radio Spectrum Policy Program, spectrum made available through the switch off of analog television has been approved for mobile broadband use beginning January 1, 2013. This spectrum, known as the "digital dividend," is in the 700 - 862 MHz band. The terms under which this spectrum will become available will vary among the European countries in which we operate. Certain uses of this spectrum may interfere with services carried on our cable networks. If this occurs, we may need to: (1) avoid using certain frequencies on our cable networks for certain or all of our services, (2) make some changes to our networks, or (3) change the equipment which we deploy. In approving mobile broadband, however, the Radio Spectrum Policy Program states that the new mobile services must co-exist with existing services, such as cable and DTT, to avoid harmful interference. As a result, we have taken steps to be part of the Member States' LTE mobile trials in order to develop mitigation techniques and to engage NRAs to launch regulatory dialogs with equipment manufacturers and mobile operators to develop co-existing networks. We have also requested Member States to prepare comprehensive national impact assessments when spectrum conditions are changed to ensure that the costs to prevent interference between the various services are balanced.

Germany

Germany has transposed the EU laws into national laws although under the German legal system competency is split between the Federal State (telecommunication law) and the German federal states (Bundesländer) (media law). The German Telecommunications Act broadly implemented the Regulatory Framework and covers the distribution of any signal by telecommunications networks encompassing television signals, internet data and telephony. The 2009 revisions to the Regulatory Framework by the EU were implemented by Germany in May 2012. The German Federal Network Agency (Bundesnetzagentur) is responsible *inter alia* for the regulation of the German telecommunications market. The Federal Cartel Office (FCO), the national competition authority (Bundeskartellamt), plays an important role with respect to infrastructure and media regulation. The FCO has powers to address competition issues in all markets, although in some cases, competition issues will be addressed by the German Federal Network Agency.

Regulation of the media falls within the legislative competence of the German federal states. The media laws of all 16 federal states have been partially harmonized by the State Broadcasting Treaty (Rundfunkstaatsvertrag). The State Broadcasting Treaty establishes the main framework of the German regulation of broadcast. Nearly every German state has established its own independent regulatory body, the state media authority (Landesmedienanstalt). The state media authorities are primarily responsible for licensing and supervision of commercial broadcasters and the allocation of transmission capacities for radio and television channels. They are also in charge of the regulation of carriage fees, conditional access systems, interfaces and the bundling of programs.

The allocation and use of analog cable transmission capacities for both radio and television channels are governed by the “must carry” rules of the respective states. The allocation of digital transmission capacities for digital television and radio channels are, however, primarily governed by the “must carry” rules of the State Broadcasting Treaty. The media law in the states of Baden-Württemberg, North Rhine-Westphalia and Hesse require Unitymedia KabelBW to carry at least 14, 25 and 30 analog channels, respectively, and also limits the possibility to convert these analog cable channels into digital channels.

The operation of conditional access systems for television services is governed by both the State Broadcasting Treaty and the German Telecommunications Act. Generally, operators must not unfairly obstruct or discriminate against broadcasters and other content providers through conditional access systems.

On December 15, 2011, the FCO approved the KBW Acquisition, subject to our agreement with the following conditions:

- Unitymedia KabelBW committed to the distribution of basic digital television channels (as opposed to channels marketed in premium subscription packages) on its entire network in unencrypted form commencing January 1, 2013. This commitment generally covers free-to-air television channels in SD and HD and is consistent with the practice that had been adopted by KBW prior to the KBW Acquisition. If, however, FTA television broadcasters request their HD content to be distributed in an encrypted HD package, the encryption of FTA HD channels is still possible. In addition, we made a commitment that, through December 31, 2016, the annual carriage fees Unitymedia KabelBW receives for each such FTA television channel distributed in digital or simulcast in digital and analog would not exceed a specified annual amount, determined by applying the applicable rate card systems of Unitymedia KabelBW as of January 1, 2012.

- Effective January 1, 2012, Unitymedia KabelBW waived its exclusivity rights in access agreements with housing associations with respect to the usage of infrastructures other than its in-building distribution networks to provide television, broadband internet or telephony services within the building.

- Effective January 1, 2012, upon expiration of the minimum term of an access agreement with a housing association, Unitymedia KabelBW will transfer the ownership rights to the in-building distribution network to the building owner or other party granting access. In addition, Unitymedia KabelBW waived its right to remove its in-building distribution networks.

- A special early termination right was granted with respect to certain of Unitymedia KabelBW’s existing access agreements (the Remedy HA Agreements) with the largest housing associations that cover more than 800 dwelling units and which had a remaining term of more than three years as of December 15, 2011. The total number of dwelling units covered by the Remedy HA Agreements was approximately 340,000 as of December 15, 2011. The special termination right may be exercised on or before September 30 of each calendar year up to the expiration of the current contract term, with termination effective as of January 1 or July 1 of the following year. If the special termination right is exercised, compensation will be paid to partially reimburse Unitymedia KabelBW for its unamortized investments in modernizing the in-building network based on an agreed formula. To the extent Unitymedia KabelBW is successful in obtaining renewals of the Remedy HA Agreements, we expect that these renewed contracts will contain pricing and other provisions that are somewhat less favorable to Unitymedia KabelBW than those in previous agreements. At December 31, 2012, approximately 40% of the dwelling units covered by the Remedy HA Agreements remain subject to the special termination right.

In January 2012, two competitors of our German cable business, including the incumbent telecommunications operator, each filed an appeal against the FCO regarding its decision to approve the KBW Acquisition. We believe that the FCO's decision will ultimately be upheld and we currently intend to support the FCO in defending the decision. In addition, we do not expect that the filing of these appeals will have any impact on the ongoing integration and development of our operations in Germany. The ultimate resolution of this matter is expected to take up to four years, including the appeals process.

The FCO has communicated to us that it is reviewing customary practices regarding the duration of contracts with multiple dwelling units for analog television services, including with respect to one such contract that the FCO had previously identified between Unitymedia KabelBW and a landlord as potentially being subject to amendment by order. The FCO indicated that the contract term of 10 years may be an infringement of European and German antitrust laws and that it is inclined to open a test case that could set a precedent for all (or almost all) market participants. We cannot predict the outcome of these FCO proceedings, however, any FCO decision that would limit the duration of our contracts with multiple dwelling units could have a material adverse impact on the financial condition and results of operations of Unitymedia KabelBW.

Unitymedia KabelBW has entered into numerous feed-in agreements with public and commercial broadcasters for the analog and/or digital non-pay and pay carriage of their signals. The most important feed-in agreements are with the public broadcasters (ARD and ZDF), Mediengruppe RTL Deutschland and ProSiebenSat.1 Media AG. During 2012, ARD and ZDF sent us notices terminating the feed-in agreements at the end of 2012. ARD and ZDF also announced that they do not intend to pay any feed-in fees after January 1, 2013 and that they expect that their signals will continue to be distributed over our networks based on existing must carry regulations, which is applied to the majority of their television and radio channels. We have rejected the termination notices and are seeking to negotiate with ARD and ZDF to find an amicable solution. In December 2012, we filed a claim against ARD and ZDF and intend to vigorously defend our existing business model regarding the feed-in of content and related use of capacity in our network. In addition, some private broadcasters are seeking to change the distribution model to eliminate the payment of carriage fees and instead require that cable operators pay license fees to broadcasters.

The Netherlands

The Netherlands has an electronic communications law that broadly transposes the Regulatory Framework. According to this electronic communications law, Onafhankelijke Post en Telecommunicatie Autoriteit (OPTA), the Netherlands NRA, should perform a market analysis to determine which, if any, operator or service provider has Significant Market Power. OPTA has completed its first, second and third round of market analysis. As part of the latter, on December 20, 2011, OPTA published its final assessment of its regulatory view on fixed telephony, television, internet access and business network services in the period from 2012 up to and including 2014. OPTA's final assessment of the television market concluded that there are no grounds for regulation. This is because competition in the television market has increased, providing consumers more providers from which to choose. This final assessment is not open for appeal. As a result, no new regulations relating to the television market may be proposed without a new analysis. In particular, OPTA rejected previously filed requests from a number of providers to perform a new market analysis of the television market and this decision was upheld by the Dutch Supreme Administrative Court, College van Beroep voor het bedrijfsleven (CBb), in November 2012.

In May 2012, the Dutch Senate adopted laws that (1) provide the power to OPTA to impose an obligation for the mandatory resale of television services and to the Commissariaat voor de Media to supervise a newly introduced resale by law obligation and (2) provide for "net neutrality" on the internet, including limitations on the ability of broadband service providers to delay, choke or block traffic except under specific circumstances. These laws became effective on January 1, 2013, notwithstanding the above-described November 5, 2012 decision of the CBb. On October 24, 2012, the European Commission opened formal infringement proceedings against the Dutch government on the basis that the new laws pertaining to resale breach EU law. We agree with the EU that the new laws pertaining to resale are contrary to EU law and we, along with other market participants, will contest their application. We have received requests under the new Commissariaat voor de Media resale regulation and are in early negotiations. We cannot predict the outcome of these negotiations nor whether or when we will begin selling our television services in the Netherlands pursuant to the new resale regulation. In this regard, any implementation of a resale regime would likely take several months or more and, if implemented, its application may strengthen our competitors by granting them resale access to our network to offer competing products and services notwithstanding our substantial historical financial outlays in developing the infrastructure. In addition, any resale access granted to our competitors could (1) limit the bandwidth available to us to provide new or expanded products and services to the customers served by our network and (2) adversely impact our ability to maintain or increase our revenue and cash flows. The new regulation concerning “net neutrality” needs to work within a broader EU framework, requires some implementation by relevant authorities and is subject to challenge by market participants. It is unclear, therefore, what its impact on our business and the industry in general will be at this stage, if any.

OPTA’s market analysis decision on call termination, which combines both the fixed termination market and the mobile termination market, became effective July 7, 2010. All providers of call termination on fixed and mobile networks in the Netherlands have been found to have Significant Market Power and a schedule or glidepath for the reduction of fixed and mobile termination rates, with a last step for mobile termination rates, through September 1, 2012 was imposed. Following an appeal, the CBb rendered a decision on August 31, 2011, confirming OPTA’s market definition and finding of Significant Market Power but rejecting the costing methodology used by OPTA in setting the tariff schedule. Application of the costing methodology approved by the CBb would, among other things, result in a higher mobile termination rate in the final step of the glidepath. CBb obliged OPTA to make an adjusted decision by January 1, 2012. Following a national consultation, OPTA submitted the adjusted draft decision to the European Commission on January 12, 2012. On February 13, 2012, the European Commission expressed serious doubts on OPTA’s adjusted draft decision, noting concern about the change in the costing methodology used by OPTA. Despite the position of the European Commission and BEREC in July 2012, OPTA published its final decision on costing methodology, which caused higher termination rates. UPC Netherlands appealed OPTA’s decision and the hearing is scheduled for March 25, 2013. OPTA started a fourth round of market analysis on call termination and intends to publish a draft decision in the first quarter of 2013. This draft decision will be open for national consultation and European notification.

Switzerland

Switzerland has a regulatory system which partially reflects the principles of the EU, but otherwise is distinct from the European regulatory system of telecommunications. The Telecommunications Act (Fernmeldegesetz) regulates, in general, the transmission of information, including the transmission of radio and television signals. Most aspects of the distribution of radio and television, however, are regulated under the Radio and Television Act (Radio und Fernsehgesetz). In addition, the Competition Act and the Act on Price Surveillance are potentially relevant to our business. With respect to energy consumption of electronic home devices, the Energy Act and the revised Energy Ordinance have been applicable since January 2010 to television set-top boxes as described below.

Under the Telecommunications Act, any provider of telecommunications services needs to register with the Federal Office of Communications. Dominant providers have to grant access to third parties, including unbundled access to the local loop. But this access regulation is restricted to the copper wire network of the incumbent, Swisscom. Therefore, such unbundling obligations do not apply to UPC Cablecom and other cable operators. Also, any dominant provider has to grant access to its ducts, subject to sufficient capacity being available in the relevant duct. At this time, only Swisscom has been determined to be dominant in this regard. All operators are obliged to provide interconnection and have to ensure interoperability of services.

In 2008, after various municipalities announced plans to rollout a fiber-to-the-home network, Swisscom announced its intention to roll out a national fiber-to-the-home network following the completion of its fiber-to-the-node networks in Switzerland. As a result, Swisscom has built its fiber-to-the-home network in several cities in cooperation with municipality-owned utility companies. Where no cooperation agreement has been reached, Swisscom is building its own fiber-to-the-home network. These cities include Zurich, Berne, Basle, Geneva, St. Gallen, Lucerne, Winterthur, Bellinzona, Freiburg and some very small municipalities. Outside of urban areas, Swisscom has announced that it will extend its fiber-to-the-node network by introducing vectoring, which allows Swisscom to offer speeds comparable to those offered by UPC Cablecom. Following a review of the telecommunications landscape, the Federal Government has determined that it is necessary to revise current regulations and announced plans to publish a draft of a revised telecommunications act by the end of 2015. Any such fiber roll out could lead to increased competition for UPC Cablecom.

Under the Radio and Television Act and the corresponding ordinance, cable network operators are obliged to distribute certain programs that contribute in a particular manner to media diversity (”must carry” programs). The Federal Government and the Federal Office of Communications can select up to 25 programs that have to be distributed in analog without the cable operator being entitled to compensation. Currently, 17 programs have “must carry” status, however, a new Radio and Television ordinance became effective August 1, 2012, which allows cable operators to decrease the number of must carry channels to be broadcasted in analog. This could free up network capacity. Also, there is no legal obligation to broadcast digital and analog in parallel as long as the digital offer is comparable to analog and does not force customers to incur additional costs.

UPC Cablecom’s retail customer prices are subject to review by the Swiss Price Regulator. In October 2012, UPC Cablecom announced an agreement with the Swiss Price Regulator pursuant to which UPC Cablecom will make certain changes to its service offerings in exchange for progressive increases in the price of its basic cable connection over the next two years. In this regard, (1) effective November 1, 2012, UPC Cablecom began offering a basic tier of digital television channels on an unencrypted basis in its footprint and (2) effective January 3, 2013, for video subscribers who pay the required upfront activation fee, UPC Cablecom has made available, at no additional monthly charge, a 2.0 Mbps internet connection, which was an increase from the previously-offered 300 Kbps internet connection. In addition, the price for a cable connection increased by CHF 0.90 ($0.98) effective January 1, 2013 and a further increase of CHF 0.60 ($0.66) will take effect on January 1, 2014.

Effective October 1, 2011, the Federal Council has introduced as an initiative a new regulation imposing power thresholds for set-top boxes. There are some exemptions and transition periods which apply in the short term to the set-top boxes we import into Switzerland. Notwithstanding, it appears that the Swiss ordinance is not in line with European regulation. Therefore, the ordinance may be reconsidered as Switzerland tries to align itself with EU norms. If, however, such regulation remains in force, it may have an adverse effect on the business of UPC Cablecom as UPC Cablecom may face restrictions regarding the import of set-top boxes.

Belgium (Telenet)

Belgium has broadly transposed the Regulatory Framework into law. According to the electronic communications law of June 13, 2005, the BIPT, the Belgian NRA, should perform the market analysis to determine which, if any, operator or service provider has Significant Market Power. In addition, the Federal Parliament prepared legislation to transpose the 2009 revisions to the Regulatory Framework, which became effective as of August 4, 2012.

Telenet has been declared an operator with Significant Market Power on the market for call termination on an individual fixed public telephone network. As of April 1, 2012, reciprocal termination rates have been imposed, which results in Telenet charging the interconnection rate of the incumbent telecommunications operator, Belgacom.

Although no determination has been made on whether Telenet has Significant Market Power on the market for call termination on individual mobile networks, its rates will be affected by rate limitations implemented by BIPT. In June 2010, BIPT imposed a steep rate reduction over the next two years resulting in (1) an initial 45% decline effective August 1, 2010, over the then average rate and (2) further declines to a rate in January 2013 that will be approximately 79% less than the average rate implemented on August 1, 2010. Also, BIPT indicated the rates of mobile operators, such as Telenet, using a host network to provide service may be capped by the termination rates of their host network.

In Belgium, both the BIPT and the regional media regulators (the Vlaamse Media Regulator for Flanders, Conseil Supérieur de l'Audiovisuel (Wallonia), and Medienrat (in the German speaking community)) have worked together in order to approve the wholesale broadband and broadcasting analysis.

In December 2010, the BIPT and the regional regulators for the media sectors (together, the Belgium Regulatory Authorities) published their respective draft decisions reflecting the results of their joint analysis of the broadcasting market in Belgium. In addition, the BIPT published an analysis of the wholesale broadband market in Belgium. These draft decisions aimed to impose regulatory obligations on cable operators and Belgacom, the incumbent telecommunications operator.

The Belgium Regulatory Authorities held a public consultation on the proposed measures and published the comments made by various market players. Based on these comments, the Belgium Regulatory Authorities made some changes to the draft decisions. The draft decisions were then notified to the European Commission by the Belgian Conference of Regulators for Electronic Communications (the CRC), a body which brings together the BIPT and the Belgium Regulatory Authorities. On June 20, 2011, the European Commission sent a letter to the CRC criticizing the analysis of the broadcasting markets. The Commission more specifically criticized the fact that the Belgium Regulatory Authorities failed to analyze upstream wholesale markets. It also expressed doubts as to the necessity and proportionality of the various remedies.

The Belgium Regulatory Authorities nevertheless adopted a final decision on July 1, 2011 (the July 2011 Decision) after making some minor changes to the text of their draft decisions. The July 2011 Decision was notified to Telenet on July 18, 2011. The regulatory obligations imposed by the July 2011 Decision include (1) an obligation to make a resale offer at ''retail minus'' of the cable analog package available to third party operators (including Belgacom), (2) an obligation to grant third-party operators (except Belgacom) access to digital television platforms (including the basic digital video package) at "retail minus," and (3) an obligation to make a resale offer at ''retail minus'' of broadband internet access available to beneficiaries of the digital television access obligation that wish to offer bundles of digital video and broadband internet services to their customers (except Belgacom). A "retail-minus" method would imply a wholesale tariff calculated as the retail price for the offered service, excluding value-added taxes and copyrights, and further deducting the retail costs avoided by offering the wholesale service (such as, for example, costs for billing, franchise, consumer service, marketing, and sales). On February 1, 2012, Telenet submitted draft reference offers regarding the obligations described above. The reference offers are subject to an approval process that includes a national consultation and a notification to the European Commission before final approval by the Belgium Regulatory Authorities can occur. The final approval of the Belgium Regulatory Authorities is expected to occur during the first half of 2013. The July 2011 Decision provides that the regulated wholesale services must be available six months after the approval of the reference offers.

Telenet filed an appeal against the July 2011 Decision with the Brussels Court of Appeal. On September 4, 2012, the Brussels Court of Appeal rejected Telenet’s request to suspend the July 2011 Decision pending the proceedings on the merits. Due to this rejection, Telenet will be required to begin the process of implementing its reference offers as soon as such reference offers are approved by the Belgium Regulatory Authorities. A final ruling on the merits can be expected in the first quarter of 2014.

The July 2011 Decision aims to, and in its application may, strengthen Telenet’s competitors by granting them resale access to Telenet’s network to offer competing products and services, notwithstanding Telenet’s substantial historical financial outlays in developing the infrastructure. In addition, any resale access granted to competitors could (1) limit the bandwidth available to Telenet to provide new or expanded products and services to the customers served by its network and (2) adversely impact Telenet’s ability to maintain or increase its revenue and cash flows. The extent of any such adverse impacts ultimately will be dependent on whether the July 2011 Decision is implemented in its current form and, if implemented, the wholesale rates established by the Belgium Regulatory Authorities, the extent that competitors take advantage of the resale access ultimately afforded to Telenet’s network and other competitive factors or market developments.

Chile

In addition to the regulations described below, VTR is subject to certain regulatory conditions which were imposed by the Chilean Antitrust Court in connection with VTR’s combination with Metrópolis Intercom SA in April 2005. These conditions include, among others, (1) prohibiting VTR and its control group from participating, directly or indirectly through a related person, in Chilean satellite or microwave television businesses, (2) prohibiting VTR from obtaining exclusive broadcast rights, except for specific events, and (3) requiring VTR to offer its broadband capacity for resale of internet services on a wholesale basis.

Video

Cable television services are regulated in Chile by the Ministry of Transportation and Telecommunications (the Ministry). VTR has permits to provide wireline cable television services in the major cities, including Santiago, and in most of the medium-sized markets in Chile. Wireline cable television permits are granted for an indefinite term and are non-exclusive. As a result, more than one operator may be in the same geographic area. As these permits do not use the radio-electric spectrum, they are granted without ongoing duties or royalties. Wireless cable television services are also regulated by the Ministry and similar permits are granted for these services. Wireless cable permits have a 10-year term and are renewable for additional 10-year terms at the request of the permit holder.

Cable television service providers in Chile are not required to carry any specific programming, but some restrictions may apply with respect to allowable programming. The National Television Council has authority over programming content, and it may impose sanctions on providers who are found to have run programming containing excessive violence, pornography or other objectionable content.

Cable television providers have historically retransmitted programming from broadcast television, without paying any compensation to the broadcasters. Certain broadcasters, however, have filed lawsuits against VTR claiming that by retransmitting their signals VTR has breached either their intellectual property rights or the Chilean antitrust laws. The lawsuits concerning antitrust laws have been settled. In one action, the Court of Appeals of Santiago determined that no compensation or authorization is required as long as VTR retransmits the signal simultaneously, without modifying it, and in the same geographic area where the over-the-air signal is transmitted. This decision was appealed to the Supreme Court with a decision expected in the first quarter of 2013. In another action, a lower court determined that the broadcaster has the right to consent and require payment for the retransmission of its signal by VTR. VTR has appealed this decision to the Court of Appeals. A decision is expected on this appeal in the first quarter of 2013.

In November 2008, the Chilean Government introduced a bill related to DTT regarding stricter content standards and new rules for granting and operating DTT concessions (among other matters), which are still pending. “Must carry” and retransmission consent obligations have been added to this bill. Broadcasters are claiming that this bill should authorize them to offer pay television services and some programmers argue that this authorization will allow them to provide their premium content directly to customers, but the final version of the bill does not include these provisions and it is not likely that they will be included. Other provisions of the bill require pay television operators to use a percentage of their capacity to carry cultural programming and prohibit advertising on cable television services. This bill is expected to become law in the first quarter of 2013.

Internet

Internet services are considered complementary telecommunication services and, therefore, do not require concessions, permits, or licenses. Pursuant to a condition imposed on VTR as a result of its 2005 combination with Metrópolis Intercom SA, VTR offers its broadband capacity for resale of internet services on a wholesale basis. After a three-year long discussion, the law on Intellectual Property was amended in May 2010. The amendment included a new chapter limiting the liability of ISPs for copyright infringements over their networks, provided the ISPs fulfill certain conditions, which vary depending on the service provided. In general, the limitation of liability of ISPs will require the ISPs to fulfill the following conditions: (1) establish public and general terms upon which the ISP may exercise its right to terminate its agreements with content providers that are judicially qualified as repeat offenders against intellectual property rights protected by law; (2) not interfere with the technological measures of protection and rights management of protected works; and (3) not generate nor select the content or its addressees. Since its enactment in May 2010, these rules apply without prejudice to the application of the general civil rules of liability.

In order to protect the constitutional rights of privacy and safety of communications, ISPs are prohibited from undertaking surveillance measures over data content on their networks. Also, special summary proceedings have been created in order to safeguard intellectual property rights against violations committed through networks or digital systems. These proceedings include measures designed to withdraw, disqualify or block infringing content in the ISP's network or systems. The law also provides for the right of intellectual property owners to judicially request from ISPs the delivery of necessary information to identify the provider of infringing content.

On June 13, 2010, the Chilean Senate approved a Bill on Net Neutrality, which became effective in August 2010. This Bill prohibits "arbitrary blockings" and the provision of differentiated service conditions according to the origin or ownership of the content or service provided through the internet. The Bill authorizes ISPs to take measures to ensure the privacy of their users, virus protection and safety of the net, as long as these measures do not entail traffic shaping with anticompetitive means. Certain consumer information obligations related to the characteristics of each internet access plan and the traffic management policies applied by each ISP were imposed on March 18, 2011. A ruling requiring internet quality of service measurements was issued on July 25, 2011. On November 17, 2011, the Ministry issued a new ruling establishing new obligations, such as the obligation to inform the effective maximum and minimum traffic speed offered in each internet access plan.

Telephony and Mobile Services

The Ministry also regulates telephony services. The provision of fixed and mobile telephony services requires a public telecommunications service concession. VTR has telecommunications concessions to provide wireline fixed telephony in most major and medium-sized markets in Chile. Telephony concessions are non-exclusive and have renewable 30-year terms. The original term of VTR's wireline fixed telephony concessions expires in November 2025. Long distance telephony services are considered intermediate telecommunications services and, as such, are also regulated by the Ministry. VTR has concessions to provide this service, which is non-exclusive, for a 30-year renewable term expiring in September 2025. In October 2011, the SubTel implemented the first phase of a ruling for the elimination of domestic long distance (for calls within the country) and reducing the local exchange zones from 24 to 13. The second stage, which will eliminate all local zones, is expected in 2014, subject to approval by the Chilean Antitrust Court.

Local service concessionaires are obligated to provide telephony service to all customers that are within their service area or are willing to pay for an extension to receive service. All local service providers, including VTR, must give long distance telephony service providers equal access to their network connections at regulated prices and must interconnect with all other public services concessionaires whose systems are technically compatible.

In January 2008, the Ministry requested the Chilean Antitrust Court to review the telephony market. In January 2009, the Antitrust Court concluded that, although the local service telephony market cannot be characterized as competitive, it has enhanced its level of competition since it was reviewed in 2003. As a result, the Antitrust Court determined that incumbent local telephone operators will no longer be subject to price regulation for most services at a retail level. The Chilean Antitrust Court recommended that the Ministry, for the incumbent operators only, take measures avoiding fixed/mobile bundles and differential prices for on net and off net traffic. The Chilean Antitrust Court also recommended that the Ministry set forth rules, for all operators, forbidding tied sales of telecommunication services included in a bundle, and imposing effective network unbundling and number portability. The Chilean Antitrust Court also declared some ancillary services and network unbundling services to be subject to price regulation for all companies, including VTR.

Interconnect charges (including access charges and charges for network unbundling services) are determined by the regulatory authorities, which establish the maximum rates that may be charged by each operator for each type of service. This rate regulation is applicable to incumbent operators and all local and mobile telephony companies, including VTR. The maximum rates that may be charged by each operator for the corresponding service are made on a case-by-case basis and are effective for five years. VTR's interconnection and unbundling rates were effective until June 2012. In July 2011, the SubTel started a new ordinary tariff process, that did not include a tariff regulation for bitstream services. This tariff process was suspended while the National General Comptroller Office considers the legality of the exclusion of bitstream services. The interconnection tariffs included in this tariff process should have started in June 2012 for a five year period.

During 2009, the SubTel awarded VTR a license for 30 MHz of spectrum in the 1700/2100 MHz frequency band. The license has a 30-year renewable term. VTR transferred this license to VTR Wireless in 2012.

In April 2007, a Bill regarding Telecommunications Antennas Towers was introduced in the Chilean House of Representatives. It includes stricter restrictions on the construction of new telecommunications towers, including (1) the requirement to obtain prior authorization from local authorities to build antennas in new sites; (2) the prohibition of the placement of towers in sites smaller than 400 square meters; (3) the camouflage of towers exceeding certain heights or clustered together; (4) payments towards community improvements based on a percentage of the value of a new tower; and (5) height and distance restrictions for towers located near certain buildings (schools, hospitals, etc.). The bill also includes provisions about co-localization of telecommunications antennas. A strong opposition to this Bill has been raised by the incumbent mobile operators on constitutional grounds. This Bill was approved by the Chilean Congress and became law in June 2012.

Other Chilean Regulation

- *Rate Adjustments.* With respect to VTR's ability to increase the price of their different telecommunication services to its subscribers, the General Consumer Protection Laws contain provisions that may be interpreted by the National Consumer's Service (Sernac) to require that any increase in rates - over the inflation rate - to existing subscribers must be previously accepted and agreed to by those subscribers, impairing VTR's capacity to rationalize their pricing policies over current customers. VTR disagrees with this interpretation and is evaluating its options for adjusting or increasing their subscriber rates in compliance with applicable laws.

- *Channel Lineup.* With respect to VTR's ability to modify its channel lineup without the previous consent of the subscribers, Sernac expressed that such action may be against certain provisions of the applicable Consumer Protection Law, including those provisions prohibiting misleading advertisements, unilateral modification of the clients' contracts and abusive clauses. Sernac filed several lawsuits against VTR. In June 2008, the Court of Appeals of Santiago ruled against VTR in one of these lawsuits. The Supreme Court rejected an appeal of this decision. Based on nine favorable rulings recently obtained by VTR, granting the company the right to modify its channel lineup, VTR disagrees with Sernac's interpretation. To prevent future conflicts with Sernac, VTR negotiated with Sernac to establish common acceptable criteria to enable modifications of VTR's channel lineup, resulting in an agreement in July 2012 that VTR establish a set of channels for customers that can only be modified once a year.

- *On-Off Net Traffic/Bundling.* The Chilean Antitrust Court launched a consultation to determine whether or not to impose restrictions on calling price differentiation (On Net/Off Net) and bundling (including resale and regulatory accounting). On December 18, 2012, the Chilean Antitrust Court issued its regulation governing the on-net/off-net pricing practice in the mobile telephone industry and the offering of bundled telecommunication services. Pursuant to the terms of this regulation:

  - Commencing in January 2014, companies providing mobile services cannot differentiate pricing between on-net and off-net calls. For the period from the date of publication of the regulation until January 2014, such differentiation is permitted, subject to a maximum threshold on the difference between the on-net/off-net prices.

  - Mobile services may be sold jointly with fixed-line services; however, promotional discounts are not permitted for these double-play offers until 4G data transmission services start operating.

  - Services over the same platform or network, fixed-line or mobile, or those over a fixed-line network and paid television services, may be sold jointly, subject to certain price limitations: the price for the bundled services must be greater than the stand-alone price for the most expensive service included in the bundle and when three or more services are bundled, the price for the bundle shall be greater than the sum of the stand-alone prices for each service in the bundle, excluding the lowest priced service.

- *Telecommunication Services Proposal.* In November 2011, the SubTel published a proposal for a General Telecommunication Services Ruling. The purpose of this proposal is to regulate the offer of telecommunication services (voice, internet access, and pay television, either alone or in bundles) from a consumer protection point of view. If enacted, the new regulation could involve significant changes in contracts with customers; new requirements regarding compensation in case of service failure; and new rules regarding treatment of customers' personal information.

Employees

As of December 31, 2012, we, including our consolidated subsidiaries, had an aggregate of approximately 22,000 full-time equivalent employees, certain of whom belong to organized unions and works councils. Certain of our subsidiaries also use contract and temporary employees, which are not included in this number, for various projects. We believe that our employee relations are good.

Financial Information About Geographic Areas

Financial information related to the geographic areas in which we do business appears in note 17 to our consolidated financial statements included in Part II of this Annual Report.

Available Information

All our filings with the Securities and Exchange Commission (SEC) as well as amendments to such filings are available on our internet website free of charge generally within 24 hours after we file such material with the SEC. Our website address is *www.lgi.com*. The information on our website is not part of this Annual Report on Form 10-K and is not incorporated by reference herein.

Item 1A. RISK FACTORS

In addition to the other information contained in this Annual Report on Form 10-K, you should consider the following risk factors in evaluating our results of operations, financial condition, business and operations or an investment in our stock.

The risk factors described in this section have been separated into four groups:

- risks that relate to the competition we face and the technology used in our businesses;
- risks that relate to our operating in overseas markets and being subject to foreign regulation;
- risks that relate to certain financial matters; and
- other risks, including risks that relate to our capitalization and the obstacles faced by anyone who may seek to acquire us.

Although we describe below and elsewhere in this Annual Report on Form 10-K the risks we consider to be the most material, there may be other unknown or unpredictable economic, business, competitive, regulatory or other factors that also could have material adverse effects on our results of operations, financial condition, business or operations in the future. In addition, past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods.

If any of the events described below, individually or in combination, were to occur, our businesses, prospects, financial condition, results of operations and/or cash flows could be materially adversely affected.

Factors Relating to Competition and Technology

We operate in increasingly competitive markets, and there is a risk that we will not be able to effectively compete with other service providers. The markets for cable television, broadband internet and telephony in many of the regions in which we operate are highly competitive. In the provision of video services we face competition from DTT broadcasters, video provided over satellite platforms, networks using DSL technology, FTTx networks and, in some countries where parts of our systems are overbuilt, cable networks, among others. Our operating businesses are facing increasing competition from video services provided by or over the networks of incumbent telecommunications operators and other service providers. As the availability and speed of broadband internet increases, we also face competition from over-the-top video content providers utilizing our or our competitors' high-speed internet connections. In the provision of telephony and broadband internet services, we are experiencing increasing competition from the incumbent telecommunications operators and other service providers in each country in which we operate, as well as mobile providers of voice and data. The incumbent telecommunications operators typically dominate the market for these services and have the advantage of nationwide networks and greater resources than we have to devote to the provision of these services. Many of the incumbent operators are now offering double-play, triple-play and quadruple-play bundles of services. In many countries, we also compete with other operators using the unbundled local loop of the incumbent telecommunications operator to provide these services, other facilities-based operators and wireless providers. Developments in the DSL technology used by the incumbent telecommunications operators and alternative providers have improved the attractiveness of our competitors' products and services and strengthened their competitive position. Developments in wireless technology, such as LTE (the next generation of ultra high-speed mobile data), are creating additional competitive challenges.

In some European markets, national and local government agencies may seek to become involved, either directly or indirectly, in the establishment of FTTx networks, DTT systems or other communications systems. We intend to pursue available options to restrict such involvement or to ensure that such involvement is on commercially reasonable terms. There can be no assurance, however, that we will be successful in these pursuits. As a result, we may face competition from entities not requiring a normal commercial return on their investments. In addition, we may face more vigorous competition than would have been the case if there were no government involvement.

The market for programming services is also highly competitive. Programming businesses compete with other programmers for distribution on a limited number of channels. Once distribution is obtained, program offerings must then compete for viewers and advertisers with other programming services as well as with other entertainment media, such as home video, online activities, movies, live events, radio broadcasts and print media. Technology advances, such as download speeds, VoD, interactive and mobile broadband services, have increased audience fragmentation through the number of entertainment and information delivery choices. Such increased choices could adversely affect consumer demand for services and viewing preferences. At the same time, these advances have beneficial effects for our programming businesses by increasing the available platforms for distribution of our services.

We expect the level and intensity of competition to continue to increase from both existing competitors and new market entrants as a result of changes in the regulatory framework of the industries in which we operate, advances in technology, the influx of new market entrants and strategic alliances and cooperative relationships among industry participants. Increased competition could result in increased customer churn, reductions of customer acquisition rates for some services and significant price competition in most of our markets. In combination with difficult economic environments, these competitive pressures could adversely impact our ability to increase or, in certain cases, maintain the revenue, average monthly subscription revenue per average RGU (ARPU), RGUs, operating cash flows, operating cash flow margins and liquidity of our operating segments.

Changes in technology may limit the competitiveness of and demand for our services. Technology in the video, telecommunications and data services industries is changing rapidly, including advances in current technologies and the emergence of new technologies. This significantly influences the demand for the products and services that are offered by our businesses. The ability to anticipate changes in technology and consumer tastes and to develop and introduce new and enhanced products on a timely basis will affect our ability to continue to grow, increase our revenue and number of subscribers and remain competitive. New products, once marketed, may not meet consumer expectations or demand, can be subject to delays in development and may fail to operate as intended. A lack of market acceptance of new products and services which we may offer, or the development of significant competitive products or services by others, could have a material adverse impact on our revenue and operating cash flow.

Our capital expenditures may not generate a positive return. The video, broadband internet and telephony businesses in which we operate are capital intensive. Significant additions to our property and equipment are required to add customers to our networks and to upgrade our broadband communications networks and customer premises equipment to enhance our service offerings and improve the customer experience, including expenditures for equipment and labor costs. Significant competition, the introduction of new technologies, the expansion of existing technologies, such as FTTx, or adverse regulatory developments could cause us to decide to undertake previously unplanned upgrades of our networks and customer premises equipment in the impacted markets. In addition, no assurance can be given that any future upgrades will generate a positive return or that we will have adequate capital available to finance such future upgrades. If we are unable to, or elect not to, pay for costs associated with adding new customers, expanding or upgrading our networks or making our other planned or unplanned additions to our property and equipment, our growth could be limited and our competitive position could be harmed.

If we are unable to obtain attractive programming on satisfactory terms for our digital cable services, the demand for our services could be reduced, thereby lowering revenue and profitability. We rely on digital programming suppliers for the bulk of our programming content. We may not be able to obtain sufficient high-quality programming for our digital cable services on satisfactory terms or at all in order to offer compelling digital cable services. This may also limit our ability to migrate customers from lower tier programming to higher tier programming, thereby inhibiting our ability to execute our business plans. Furthermore, we may not be able to obtain attractive country-specific programming for video services. We also may be placed at a competitive disadvantage when our competitors offer exclusive programming. In addition, “must carry” requirements may consume channel capacity otherwise available for other services. Any or all of these factors could result in reduced demand for, and lower revenue and profitability from, our digital video services.

We depend on third-party suppliers and licensors to supply necessary equipment, software and certain services required for our businesses. We rely on third-party vendors for the equipment, software and services that we require in order to provide services to our customers. Our suppliers often conduct business worldwide and their ability to meet our needs are subject to various risks, including political and economic instability, natural calamities, interruptions in transportation systems, terrorism and labor issues. As a result, we may not be able to obtain the equipment, software and services required for our businesses on a timely basis or on satisfactory terms. Any shortfall in customer premises equipment could lead to delays in connecting customers to our services, and accordingly, could adversely impact our ability to maintain or increase our RGUs, revenue and cash flows. Also, if demand exceeds the suppliers' and licensors' capacity or if they experience financial difficulties, the ability of our businesses to provide some services may be materially adversely affected, which in turn could affect our businesses' ability to attract and retain customers. Although we actively monitor the creditworthiness of our key third party suppliers and licensors, the financial failure of a key third party supplier or licensor could disrupt our operations and have an adverse impact on our revenue and cash flows.

Failure in our technology or telecommunications systems could significantly disrupt our operations, which could reduce our customer base and result in lost revenue. Our success depends, in part, on the continued and uninterrupted performance of our information technology and network systems as well as our customer service centers. The hardware supporting a large number of critical systems for our cable network in a particular country or geographic region is housed in a relatively small number of locations. Our systems are vulnerable to damage from a variety of sources, including telecommunications failures, power loss, malicious human acts and natural disasters. Moreover, despite security measures, our servers and systems are potentially vulnerable to physical or electronic break-ins, computer viruses, worms, phishing attacks and similar disruptive problems. Despite the precautions we have taken, unanticipated problems affecting our systems could cause failures in our information technology systems or disruption in the transmission of signals over our networks or similar problems. Any disruptive problem that causes loss, misappropriation, misuse or leakage of data could damage our reputation and the credibility of our operations. Further, sustained or repeated system failures that interrupt our ability to provide service to our customers or otherwise meet our business obligations in a timely manner would adversely affect our reputation and result in a loss of customers and net revenue.

Factors Relating to Overseas Operations and Foreign Regulation

Our businesses are conducted almost exclusively outside of the United States, which gives rise to numerous operational risks. Our businesses operate almost exclusively in countries outside the United States and are thereby subject to the following inherent risks:

- fluctuations in foreign currency exchange rates;
- difficulties in staffing and managing international operations;
- potentially adverse tax consequences;
- export and import restrictions, custom duties, tariffs and other trade barriers;
- increases in taxes and governmental fees;
- economic and political instability; and
- changes in foreign and domestic laws and policies that govern operations of foreign-based companies.

Operational risks that we may experience in certain countries include disruptions of services or loss of property or equipment that are critical to overseas businesses due to expropriation, nationalization, war, insurrection, terrorism or general social or political unrest.

We are exposed to various foreign currency exchange rate risks. We are exposed to foreign currency exchange rate risk with respect to our consolidated debt in situations where our debt is denominated in a currency other than the functional currency of the operations whose cash flows support our ability to repay or refinance such debt. Although we generally seek to match the denomination of our and our subsidiaries' borrowings with the functional currency of the operations that are supporting the respective borrowings, market conditions or other factors may cause us to enter into borrowing arrangements that are not denominated in the functional currency of the underlying operations (unmatched debt). In these cases, our policy is to provide for an economic hedge against foreign currency exchange rate movements by using derivative instruments to synthetically convert unmatched debt into the applicable functional currencies of the underlying operation. At December 31, 2012, substantially all of our debt was either directly or synthetically matched to the applicable functional currencies of the underlying operations.

In addition to the exposure that results from the mismatch of our borrowings and underlying functional currencies, we are exposed to foreign currency risk to the extent that we enter into transactions denominated in currencies other than our or our subsidiaries' respective functional currencies (non-functional currency risk), such as equipment purchases, programming contracts, n otes payable and notes receivable (including intercompany amounts) that are denominated in a currency other than the applicable functional currency. Changes in exchange rates with respect to amounts recorded in our consolidated balance sheets related to these items will result in unrealized (based upon period-end exchange rates) or realized foreign currency transaction gains and losses upon settlement of the transactions. Moreover, to the extent that our revenue, costs and expenses are denominated in currencies other than our respective functional currencies, we will experience fluctuations in our revenue, costs and expenses solely as a result of changes in foreign currency exchange rates. In this regard, we currently expect that during 2013, (1) approximately 1% to 3% of our revenue, (2) approximately 4% to 6% of our aggregate operating and SG&A expenses (exclusive of stock-based compensation expense) and (3) approximately 9% to 11% of our capital expenditures (excluding capital lease and vendor financing arrangements) will be denominated in non-functional currencies, including amounts denominated in (a) U.S. dollars in Chile, Europe and Argentina and (b) euros in Poland, the Czech Republic, Romania, Switzerland, Hungary and the United Kingdom. Our expectations with respect to our non-functional currency transactions in 2013 may differ from actual results. Generally, we will consider hedging non-functional currency risks when the risks arise from agreements with third parties that involve the future payment or receipt of cash or other monetary items to the extent that we can reasonably predict the timing and amount of such payments or receipts and the payments or receipts are not otherwise hedged. In this regard, we have entered into foreign currency forward contracts covering the forward purchase of the U.S. dollar, euro, Swiss franc, Czech koruna, Polish zloty, Hungarian forint, Romanian lei and British pound sterling and the forward sale of the euro, Swiss Franc, Chilean peso, Czech koruna, Polish zloty and Hungarian forint to hedge certain of these risks. Certain non-functional currency risks related to our revenue and operating and SG&A expenses and our capital expenditures were not hedged as of December 31, 2012. For additional information concerning our foreign currency forward contracts, see note 6 to our consolidated financial statements included in Part II of this Annual Report.

We also are exposed to unfavorable and potentially volatile fluctuations of the U.S. dollar (our reporting currency) against the currencies of our operating subsidiaries when their respective financial statements are translated into U.S. dollars for inclusion in our consolidated financial statements. Cumulative translation adjustments are recorded in accumulated other comprehensive earnings (loss) as a separate component of equity. Any increase (decrease) in the value of the U.S. dollar against any foreign currency that is the functional currency of one of our operating subsidiaries will cause us to experience unrealized foreign currency translation losses (gains) with respect to amounts already invested in such foreign currencies. Accordingly, we may experience a negative impact on our comprehensive earnings (loss) and equity with respect to our holdings solely as a result of foreign currency translation. Our primary exposure to foreign currency risk from a foreign currency translation perspective is to the euro and, to a lesser extent, the Swiss franc, the Chilean peso and other local currencies in Europe. We generally do not hedge against the risk that we may incur non-cash losses upon the translation of the financial statements of our subsidiaries and affiliates into U.S. dollars.

Our businesses are subject to risks of adverse regulation by foreign governments. Our businesses are subject to the unique regulatory regimes of the countries in which they operate. Cable and telecommunications businesses are subject to licensing or registration eligibility rules and regulations, which vary by country. The provision of electronic communications networks and services requires our licensing from, or registration with, the appropriate regulatory authorities and, for telephony services, entrance into interconnection arrangements with other phone companies, including the incumbent phone company. It is possible that countries in which we operate may adopt laws and regulations regarding electronic commerce, which could dampen the growth of the internet services being offered and developed by these businesses. In a number of countries, our ability to increase the prices we charge for our cable television service or make changes to the programming packages we offer is limited by regulation or conditions imposed by competition authorities or is subject to review by regulatory authorities or is subject to termination rights of customers. In addition, regulatory authorities may grant new licenses to third parties and, in any event, in most of our markets new entry is possible without a license, although there may be registration eligibility rules and regulations, resulting in greater competition in territories where our businesses may already be active. More significantly, regulatory authorities may require us to grant third parties access to our bandwidth, frequency capacity, facilities or services to distribute their own services or resell our services to end customers. Programming businesses are subject to regulation on a country-by-country basis, including programming content requirements, requirements to make programming available on non-discriminatory terms, and service quality standards. Consequently, our businesses must adapt their ownership and organizational structure as well as their pricing and service offerings to satisfy the rules and regulations to which they are subject. A failure to comply with applicable rules and regulations could result in penalties, restrictions on our business or loss of required licenses or other adverse conditions.

Adverse changes in rules and regulations could:

- impair our ability to use our bandwidth in ways that would generate maximum revenue and operating cash flow;
- create a shortage of capacity on our networks, which could limit the types and variety of services we seek to provide our customers;
- strengthen our competitors by granting them access and lowering their costs to enter into our markets; and

- have a significant adverse impact on our profitability.

Businesses, including ours, that offer multiple services, such as video distribution as well as internet and telephony, or that are vertically integrated and offer both video distribution and programming content, often face close regulatory scrutiny from competition authorities in several countries in which we operate. This is particularly the case with respect to any proposed business combinations, which will often require clearance from national competition authorities. The regulatory authorities in several countries in which we do business have considered from time to time what access rights, if any, should be afforded to third parties for use of existing cable television networks and have imposed access obligations in certain countries. This has resulted, for example, in obligations with respect to call termination for our telephony business in Europe, video "must carry" obligations in many markets in which we operate and video and broadband internet access obligations in Belgium and in the Netherlands.

When we acquire additional communications companies, these acquisitions may require the approval of governmental authorities (either at country or, in the case of the EU, European level), which can block, impose conditions on, or delay an acquisition, thus hampering our opportunities for growth. In the event conditions are imposed and we fail to meet them in a timely manner, the governmental authority may impose fines and, if in connection with a merger transaction, may require restorative measures, such as mandatory disposition of assets or divestiture of operations, as was the case with respect to the regulatory approval granted for our acquisition of Aster Sp. z.o.o. in September 2011. For additional information, see note 3 to our consolidated financial statements included in Part II of this Annual Report.

New legislation may significantly alter the regulatory regime applicable to us, which could adversely affect our competitive position and profitability, and we may become subject to more extensive regulation if we are deemed to possess significant market power in any of the markets in which we operate. Significant changes to the existing regulatory regime applicable to the provision of cable television, telephony and internet services have been and are still being introduced. For example, in the EU a large element of regulation affecting our business derives from a number of Directives that are the basis of the regulatory regime concerning many of the services we offer across the EU. The various Directives require Member States to harmonize their laws on communications and cover such issues as access, user rights, privacy and competition. These Directives are reviewed by the EU from time to time and any changes to them could lead to substantial changes in the way in which our businesses are regulated and to which we would have to adapt. In addition, we are subject to review by competition or national regulatory authorities in certain countries concerning whether we exhibit significant market power. A finding of significant market power can result in our company becoming subject to pricing, open access, unbundling and other requirements that could provide a more favorable operating environment for existing and potential competitors.

We cannot be certain that we will be successful in acquiring new businesses or integrating acquired businesses with our existing operations, or that we will achieve the expected returns on our acquisitions. Historically, our businesses have grown, in part, through selective acquisitions that enabled them to take advantage of existing networks, local service offerings and region-specific management expertise. We expect to seek to continue growing our businesses through acquisitions in selected markets, such as the recently announced Virgin Media Merger Agreement pursuant to which we plan to acquire Virgin Media. Our ability to acquire new businesses may be limited by many factors, including availability of financing, debt covenants, the prevalence of complex ownership structures among potential targets, government regulation and competition from other potential acquirers, primarily private equity funds. Even if we are successful in acquiring new businesses, the integration of these businesses, such as Virgin Media, may present significant costs and challenges associated with: realizing economies of scale in interconnection, programming and network operations; eliminating duplicative overheads; integrating personnel, networks, financial systems and operational systems; greater than anticipated expenditures required for compliance with regulatory standards or for investments to improve operating results and failure achieve the business plan with respect to any such acquisition. We cannot assure you that we will be successful in acquiring new businesses or realizing the anticipated benefits of any completed acquisition, including, for example, the Puerto Rico Transaction and the pending Virgin Media Acquisition.

In addition, we anticipate that most, if not all, companies acquired by us will be located outside the United States. Foreign companies may not have disclosure controls and procedures or internal controls over financial reporting that are as thorough or effective as those required by U.S. securities laws. While we intend to conduct appropriate due diligence and to implement appropriate controls and procedures as we integrate acquired companies, we may not be able to certify as to the effectiveness of these companies' disclosure controls and procedures or internal controls over financial reporting until we have fully integrated them.

We may have exposure to additional tax liabilities. We are subject to income taxes as well as non-income based taxes, such as payroll, sales, use, value-added, net worth, property and goods and services taxes, in both the United States and various foreign jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes and other tax liabilities. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. We are regularly under audit by tax authorities in both the United States and various foreign jurisdictions. Although we believe that our tax estimates are reasonable, (1) there is no assurance that the final determination of tax audits or tax disputes will not be different from what is reflected in our historical income tax provisions, expense amounts for non-income based taxes and accruals and (2) any material differences could have an adverse effect on our financial position and results of operations in the period or periods for which determination is made.

Although substantially all of our revenue and operating income is generated outside the United States, we are subject to potential current U.S. income tax on this income due to our being a U.S. corporation. Our worldwide effective tax rate is reduced under a provision in U.S. tax law that defers the imposition of U.S. tax on certain foreign active income until that income is repatriated to the United States. Any repatriation of assets currently held in foreign jurisdictions or recognition of foreign income that fails to meet the U.S. tax requirements related to deferral of U.S. income tax may result in a higher effective tax rate for our company. This includes what is typically referred to as “Subpart F Income,” which generally includes, but is not limited to, such items as interest, dividends, royalties, gains from the disposition of certain property, certain currency exchange gains in excess of currency exchange losses, and certain related party sales and services income. While the company may mitigate this increase in its effective tax rate through claiming a foreign tax credit against its U.S. federal income taxes or potentially have foreign or U.S. taxes reduced under applicable income tax treaties, we are subject to various limitations on claiming foreign tax credits or we may lack treaty protections in certain jurisdictions that will potentially limit any reduction of the increased effective tax rate.

We are subject to changing tax laws, treaties and regulations in and between countries in which we operate, including treaties between the United States and other nations. A change in these tax laws, treaties or regulations, including those in and involving the United States, or in the interpretation thereof, could result in a materially higher income or non-income tax expense. Also, various income tax proposals in the countries in which we operate, such as those relating to fundamental U.S. international tax reform and measures in response to the economic uncertainty in certain European jurisdictions in which we operate, could result in changes to the existing tax laws on which our deferred taxes are calculated. We are unable to predict whether any of these or other proposals in the United States or foreign jurisdictions will ultimately be enacted. Any such material changes could negatively impact our business.

Factors Relating to Certain Financial Matters

Our substantial leverage could limit our ability to obtain additional financing and have other adverse effects. We seek to maintain our debt at levels that provide for attractive equity returns without assuming undue risk. In this regard, we generally seek to cause our operating subsidiaries to maintain their debt at levels that result in a consolidated debt balance that is between four and five times our consolidated operating cash flow (as defined in note 17 to our consolidated financial statements included in Part II of this Annual Report). As a result, we are highly leveraged. At December 31, 2012, our outstanding consolidated debt and capital lease obligations were $27.5 billion, of which $363.5 million is due over the next 12 months and $27.2 billion is due in 2014 or thereafter. We believe that we have sufficient resources to repay or refinance the current portion of our debt and capital lease obligations and to fund our foreseeable liquidity requirements during the next 12 months. As our debt maturities grow in later years, however, we anticipate that we will seek to refinance or otherwise extend our debt maturities. In this regard, we completed refinancing transactions in 2012 that, among other matters, resulted in the extension of certain of our subsidiaries’ debt maturities. No assurance can be given that we will be able to complete additional refinancing transactions or otherwise extend our debt maturities. In this regard, it is difficult to predict how political and economic conditions, sovereign debt concerns or any adverse regulatory developments will impact the credit and equity markets we access and our future financial position.

Our ability to service or refinance our debt and to maintain compliance with the leverage covenants in the credit agreements and indentures of certain of our subsidiaries is dependent primarily on our ability to maintain or increase the operating cash flow of our subsidiaries and to achieve adequate returns on our capital expenditures and acquisitions. For example, if the operating cash flow of our subsidiary, UPC Broadband Holding, were to decline, we could be required to partially repay or limit our borrowings under the UPC Broadband Holding Bank Facility in order to maintain compliance with applicable covenants. Accordingly, if our cash provided by operations declines or we encounter other material liquidity requirements, we may be required to seek additional debt or equity financing in order to meet our debt obligations and other liquidity requirements as they come due. In addition, our current debt levels may limit our ability to incur additional debt financing to fund working capital needs, acquisitions, capital expenditures, or other general corporate requirements. We can give no assurance that any additional debt or equity financing will be available on terms that are as favorable as the terms of our existing debt or at all. During 2012, we purchased $980.7 million (including direct acquisition costs) of LGI Series A and Series C common stock. Any cash used by our company in connection with any future purchases of our common stock would not be available for other purposes, including the repayment of debt.

Certain of our subsidiaries are subject to various debt instruments that contain restrictions on how we finance our operations and operate our businesses, which could impede our ability to engage in beneficial transactions. Certain of our subsidiaries are subject to significant financial and operating restrictions contained in outstanding credit agreements, indentures and similar instruments of indebtedness. These restrictions will affect, and in some cases significantly limit or prohibit, among other things, the ability of those subsidiaries to:

- incur or guarantee additional indebtedness;
- pay dividends or make other upstream distributions;
- make investments;
- transfer, sell or dispose of certain assets, including subsidiary stock;
- merge or consolidate with other entities;
- engage in transactions with us or other affiliates; or
- create liens on their assets.

As a result of restrictions contained in these credit facilities, the companies party thereto, and their subsidiaries, could be unable to obtain additional capital in the future to:

- fund capital expenditures or acquisitions that could improve their value;
- meet their loan and capital commitments to their business affiliates;
- invest in companies in which they would otherwise invest;
- fund any operating losses or future development of their business affiliates;
- obtain lower borrowing costs that are available from secured lenders or engage in advantageous transactions that monetize their assets; or
- conduct other necessary or prudent corporate activities.

In addition, most of the credit agreements to which these subsidiaries are parties include financial covenants that require them to maintain certain financial ratios, including ratios of total debt to operating cash flow and operating cash flow to interest expense. Their ability to meet these financial covenants may be affected by adverse economic, competitive, or regulatory developments and other events beyond their control, and we cannot assure you that these financial covenants will be met. In the event of a default under such subsidiaries' credit agreements or indentures, the lenders may accelerate the maturity of the indebtedness under those agreements or indentures, which could result in a default under other outstanding credit facilities or indentures. We cannot assure you that any of these subsidiaries will have sufficient assets to pay indebtedness outstanding under their credit agreements and indentures. Any refinancing of this indebtedness is likely to contain similar restrictive covenants.

We are exposed to interest rate risks. Shifts in such rates may adversely affect the debt service obligation of our subsidiaries. We are exposed to the risk of fluctuations in interest rates, primarily through the credit facilities of certain of our subsidiaries, which are indexed to EURIBOR, LIBOR or other base rates. Although we enter into various derivative transactions to manage exposure to movements in interest rates, there can be no assurance that we will be able to continue to do so at a reasonable cost or at all. If we are unable to effectively manage our interest rate exposure through derivative transactions, any increase in market interest rates would increase our interest rate exposure and debt service obligations, which would exacerbate the risks associated with our leveraged capital structure.

We are subject to increasing operating costs and inflation risks which may adversely affect our earnings. While our operations attempt to increase our subscription rates to offset increases in programming and operating costs, there is no assurance that they will be able to do so. In certain countries in which we operate, our ability to increase subscription rates is subject to regulatory controls. Also, our ability to increase subscription rates may be constrained by competitive pressures. Therefore, operating costs may rise faster than associated revenue, resulting in a material negative impact on our cash flow and net earnings (loss). We are also impacted by inflationary increases in salaries, wages, benefits and other administrative costs in certain of our markets.

Continuing uncertainties and challenging conditions in the global economy and in the countries in which we operate may adversely impact our business, financial condition and results of operations. The current macroeconomic environment is highly volatile, and continuing instability in global markets, including the ongoing turmoil in Europe related to sovereign debt issues and the stability of the euro, has contributed to a global economic downturn. Future developments are dependent upon a number of political and economic factors, including the effectiveness of measures by the European Commission to address debt burdens of certain countries in Europe and the overall stability of the eurozone. As a result, we cannot predict how long these challenging conditions will exist or the extent to which the markets in which we operate may further deteriorate. Additional risks arising from the ongoing turmoil in Europe are described below under *We are exposed to sovereign debt and currency instability risks in Europe that could have an adverse impact on our liquidity, financial condition and cash flows* below.

These unfavorable economic conditions may impact a significant number of our subscribers and, as a result, it may be (1) more difficult for us to attract new subscribers, (2) more likely that subscribers will downgrade or disconnect their services and (3) more difficult for us to maintain ARPUs at existing levels. Countries may also seek new or increased revenue sources due to fiscal deficits. Such actions may further adversely affect our company. Accordingly, our ability to increase, or, in certain cases, maintain, the revenue, ARPUs, RGUs, operating cash flow, operating cash flow margins and liquidity of our operating segments could be adversely affected if the macroeconomic environment remains uncertain or declines further. We are currently unable to predict the extent of any of these potential adverse effects.

We are exposed to sovereign debt and currency instability risks in Europe that could have an adverse impact on our liquidity, financial condition and cash flows. Our operations are subject to macroeconomic and political risks that are outside of our control. For example, high levels of sovereign debt in the U.S. and certain European countries (including Ireland and Hungary), combined with weak growth and high unemployment, could lead to fiscal reforms (including austerity measures), sovereign debt restructurings, currency instability, increased counterparty credit risk, high levels of volatility and, potentially, disruptions in the credit and equity markets, as well as other outcomes that might adversely impact our company. With regard to currency instability issues, concerns exist in the eurozone with respect to individual macro-fundamentals on a country-by-country basis, as well as with respect to the overall stability of the European monetary union and the suitability of a single currency to appropriately deal with specific fiscal management and sovereign debt issues in individual eurozone countries. The realization of these concerns could lead to the exit of one or more countries from the European monetary union and the re-introduction of individual currencies in these countries, or, in more extreme circumstances, the possible dissolution of the European monetary union entirely, which could result in the redenomination of a portion or, in the extreme case, all of our euro-denominated assets, liabilities and cash flows to the new currency of the country in which they originated. This could result in a mismatch in the currencies of our assets, liabilities and cash flows. Any such mismatch, together with the capital market disruption that would likely accompany any such redenomination event, could have a material adverse impact on our liquidity and financial condition. Furthermore, any redenomination event would likely be accompanied by significant economic dislocation, particularly within the eurozone countries, which in turn could have an adverse impact on demand for our products, and accordingly, on our revenue and cash flows. Moreover, any changes from euro to non-euro currencies within the countries in which we operate would require us to modify our billing and other financial systems. No assurance can be given that any required modifications could be made within a timeframe that would allow us to timely bill our customers or prepare and file required financial reports. In light of the significant exposure that we have to the euro through our euro-denominated borrowings, derivative instruments, cash balances and cash flows, a redenomination event could have a material adverse impact on our company.

We may not freely access the cash of our operating companies. Our operations are conducted through our subsidiaries. Our current sources of corporate liquidity include (1) our cash and cash equivalents and (2) interest and dividend income received on our cash and cash equivalents and investments. From time to time, we also receive (1) proceeds in the form of distributions or loan repayments from our subsidiaries or affiliates, (2) proceeds upon the disposition of investments and other assets, (3) proceeds received in connection with the incurrence of debt or the issuance of equity securities and (4) proceeds received upon the exercise of stock options. The ability of our operating subsidiaries to pay dividends or to make other payments or advances to us depends on their individual operating results and any statutory, regulatory or contractual restrictions to which they may be or may become subject and in some cases our receipt of such payments or advances may be limited due to tax considerations or the presence of noncontrolling interests. Most of our operating subsidiaries are subject to credit agreements or indentures that restrict sales of assets and prohibit or limit the payment of dividends or the making of distributions, loans or advances to stockholders and partners, including us. In addition, because these subsidiaries are separate and distinct legal entities they have no obligation to provide us funds for payment obligations, whether by dividends, distributions, loans or other payments.

We are exposed to the risk of default by the counterparties to our derivative and other financial instruments, undrawn debt facilities and cash investments. Although we seek to manage the credit risks associated with our derivative and other financial instruments, cash investments and undrawn debt facilities, we are exposed to the risk that our counterparties could default on their obligations to us. Also, even though we regularly review our credit exposures, defaults may arise from events or circumstances that are difficult to detect or foresee. At December 31, 2012, our exposure to counterparty credit risk included (1) derivative assets with a fair value of $663.8 million, (2) cash and cash equivalent and restricted cash balances of $3,572.8 million and (3) aggregate undrawn debt facilities of $2,237.5 million. While we currently have no specific concerns about the creditworthiness of any counterparty for which we have material credit risk exposures, the current economic conditions and uncertainties in global financial markets have increased the credit risk of our counterparties and we cannot rule out the possibility that one or more of our counterparties could fail or otherwise be unable to meet its obligations to us. Any such instance could have an adverse effect on our cash flows, results of operations and financial condition. In this regard, (1) additional financial institution failures could reduce amounts available under committed credit facilities, adversely impact our ability to access cash deposited with any failed financial institution and cause a default under one or more derivative contracts, and (2) further deterioration in the credit markets could adversely impact our ability to access debt financing on favorable terms, or at all.

Under our derivative contracts, it is generally only the non-defaulting party that has a contractual option to exercise early termination rights upon the default of the other counterparty and to set off other liabilities against sums due upon such termination. In an insolvency of a derivative counterparty under the laws of certain jurisdictions, however, the defaulting counterparty or its insolvency representatives may be able to compel the termination of one or more derivative contracts and trigger early termination payment liabilities payable by us, reflecting any mark-to-market value of the contracts for the counterparty. Alternatively, or in addition, the insolvency laws of certain jurisdictions may require the mandatory set-off of amounts due under such derivative contracts against present and future liabilities owed to us under other contracts between us and the relevant counterparty. Accordingly, it is possible that we may be subject to obligations to make payments, or may have present or future liabilities owed to us partially or fully discharged by set-off as a result of such obligations, in the event of the insolvency of a derivative counterparty, even though it is the counterparty that is in default and not us. To the extent that we are required to make such payments, our ability to do so will depend on our liquidity and capital resources at the time. In an insolvency of a defaulting counterparty, we will be an unsecured creditor in respect of any amount owed to us by the defaulting counterparty, except to the extent of the value of any collateral we have obtained from that counterparty.

The risks we would face in the event of a default by a counterparty to one of our derivative instruments might be eliminated or substantially mitigated if we were able to novate the relevant derivative contracts to a new counterparty following the default of our counterparty. While we anticipate that, in the event of the insolvency of one of our derivative counterparties, we would seek to effect such novations, no assurance can be given that we would obtain the necessary consents to do so or that we would be able to do so on terms or pricing that would be acceptable to us or that any such novation would not result in substantial costs to us. Furthermore, the underlying risks that are the subject of the relevant derivative contracts would no longer be effectively hedged due to the insolvency of our counterparty, unless and until we novate or replace the derivative contract.

The liquidity and value of our interests in our subsidiaries may be adversely affected by stockholder agreements and similar agreements to which we are a party. We own equity interests in a variety of international broadband communications and programming businesses. Certain of these equity interests are held pursuant to stockholder agreements, partnership agreements and other instruments and agreements that contain provisions that affect the liquidity, and therefore the realizable value, of those interests. Most of these agreements subject the transfer of such equity interests to consent rights or rights of first refusal of the other stockholders or partners. In certain cases, a change in control of the company or the subsidiary holding the equity interest will give rise to rights or remedies exercisable by other stockholders or partners. Some of our subsidiaries are parties to loan agreements that restrict changes in ownership of the borrower without the consent of the lenders. All of these provisions will restrict the ability to sell those equity interests and may adversely affect the prices at which those interests may be sold.

We may not report net earnings. We reported losses from continuing operations of $572.3 million, $807.5 million and $953.7 million during 2012, 2011 and 2010, respectively. In light of our historical financial performance, we cannot assure you that we will report net earnings in the near future or ever.

Other Factors

The loss of certain key personnel could harm our business. We have experienced employees at both the corporate and operational levels who possess substantial knowledge of our business and operations. We cannot assure you that we will be successful in retaining their services or that we would be successful in hiring and training suitable replacements without undue costs or delays. As a result, the loss of any of these key employees could cause significant disruptions in our business operations, which could materially adversely affect our results of operations.

John C. Malone has significant voting power with respect to corporate matters considered by our stockholders. John C. Malone beneficially owns outstanding shares of our common stock representing 37% of our aggregate voting power as of February 8, 2013. By virtue of Mr. Malone’s voting power in our company, as well as his position as Chairman of our board of directors, Mr. Malone may have significant influence over the outcome of any corporate transaction or other matters submitted to our stockholders for approval. Other than as described below, Mr. Malone’s rights to vote or dispose of his equity interests in our company are not subject to any restrictions in favor of us other than as may be required by applicable law and except for customary transfer restrictions pursuant to equity award agreements. In connection with the Virgin Media Acquisition, Mr. Malone has signed a support agreement with Virgin Media pursuant to which he has agreed, subject to certain conditions, to vote the shares of our common stock he beneficially owns in favor of the Virgin Media Acquisition.

It may be difficult for a third-party to acquire us, even if doing so may be beneficial to our stockholders. Certain provisions of our restated certificate of incorporation and bylaws may discourage, delay, or prevent a change in control of our company that a stockholder may consider favorable. These provisions include the following:

- authorizing a capital structure with multiple series of common stock: a Series B that entitles the holders to 10 votes per share; a Series A that entitles the holders to one vote per share; and a Series C that, except as otherwise required by applicable law, entitles the holder to no voting rights;
- authorizing the issuance of “blank check” preferred stock, which could be issued by our board of directors to increase the number of outstanding shares and thwart a takeover attempt;
- classifying our board of directors with staggered three-year terms, which may lengthen the time required to gain control of our board of directors;
- limiting who may call special meetings of stockholders;
- prohibiting stockholder action by written consent, thereby requiring all stockholder actions to be taken at a meeting of the stockholders;
- establishing advance notice requirements for nominations of candidates for election to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings;
- requiring stockholder approval by holders of at least 80% of the voting power of our outstanding common stock or the approval by at least 75% of our board of directors with respect to certain extraordinary matters, such as a merger or consolidation of our company, a sale of all or substantially all of our assets, or an amendment to our restated certificate of incorporation or bylaws; and
- the existence of authorized and unissued stock, which would allow our board of directors to issue shares to persons friendly to current management, thereby protecting the continuity of our management, or which could be used to dilute the stock ownership of persons seeking to obtain control of our company.

Change in control provisions in our incentive plan and related award agreements may also discourage, delay, or prevent a change in control of our company, even if such change of control would be in the best interests of our stockholders.

Our ability to take certain corporate actions may be, in some cases, dependent upon the consent and cooperation of other equity participants who are not under our control. At December 31, 2012, we had operations in 13 countries through our subsidiaries. Our ownership participation in each of these subsidiaries varies from market to market, and in certain countries we have agreements with minority shareholders, which provide these minority shareholders with different rights and the ability to block certain transactions or decisions that we would otherwise undertake. Although the terms of our investments vary, our operations may be affected if disagreements develop with other equity participants in our subsidiaries. Failure to resolve such disputes could have an adverse effect on our business.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. PROPERTIES

During 2012, we leased our executive offices in Englewood, Colorado. All of our other real or personal property is owned or leased by our subsidiaries and affiliates.

Our subsidiaries and affiliates own or lease the fixed assets necessary for the operation of their respective businesses, including office space, transponder space, headend facilities, rights of way, cable television and telecommunications distribution equipment, telecommunications switches and customer premises equipment and other property necessary for their operations. The physical components of their broadband networks require maintenance and periodic upgrades to support the new services and products they introduce. Subject to these maintenance and upgrade activities, our management believes that our current facilities are suitable and adequate for our business operations for the foreseeable future.

Item 3. LEGAL PROCEEDINGS

From time to time, our subsidiaries and affiliates have become involved in litigation relating to claims arising out of their operations in the normal course of business. The following is a description of legal proceedings to which certain of our subsidiaries are parties outside the normal course of business that were material at the time originally reported.

Cignal. On April 26, 2002, Liberty Global Europe received a notice that certain former shareholders of Cignal Global Communications (Cignal) filed a lawsuit (the 2002 Cignal Action) against Liberty Global Europe in the District Court in Amsterdam, the Netherlands, claiming damages for Liberty Global Europe's alleged failure to honor certain option rights that were granted to those shareholders pursuant to a shareholders agreement entered into in connection with the acquisition of Cignal by Liberty Global Europe's subsidiary, Priority Telecom NV (Priority Telecom). The shareholders agreement provided that in the absence of an initial public offering (IPO), as defined in the shareholders agreement, of shares of Priority Telecom by October 1, 2001, the Cignal shareholders would be entitled until October 31, 2001, to exchange their Priority Telecom shares into shares of Liberty Global Europe, with a cash equivalent value of $200 million in the aggregate, or cash at Liberty Global Europe's discretion. Liberty Global Europe believes that it complied in full with its obligations to the Cignal shareholders through the successful completion of the IPO of Priority Telecom on September 27, 2001, and accordingly, the option rights were not exercisable.

On May 4, 2005, the District Court rendered its decision in the 2002 Cignal Action dismissing all claims of the former Cignal shareholders. On August 2, 2005, an appeal against the District Court decision was filed with the Court of Appeals in Amsterdam. Subsequently, when the grounds of appeal were filed in November 2005, nine individual plaintiffs, rather than all former Cignal shareholders, continued to pursue their claims. Based on the share ownership information provided by the nine plaintiffs, the damage claims remaining subject to the 2002 Cignal Action are approximately $28 million in the aggregate before statutory interest. On September 13, 2007, the Court of Appeals in Amsterdam rendered its decision that no IPO within the meaning of the shareholders agreement had been realized and accordingly the plaintiffs should have been allowed to exercise their option rights. The Court of Appeals in Amsterdam gave the parties leave to appeal to the Dutch Supreme Court and deferred all further decisions and actions, including the calculation and substantiation of the damages claimed by the plaintiffs, pending such appeal. Liberty Global Europe filed the appeal with the Dutch Supreme Court on December 13, 2007. On February 15, 2008, the plaintiffs filed a conditional appeal against the decision with the Dutch Supreme Court, challenging certain aspects of the decision of the Court of Appeals in Amsterdam in the event that Liberty Global Europe's appeal was not dismissed by the Dutch Supreme Court. On April 9, 2010, the Dutch Supreme Court issued its decision in which it honored the appeal of Liberty Global Europe, dismissed the plaintiffs' conditional appeal and referred the case to the Court of Appeals in The Hague. It is unclear whether the Cignal shareholders will request the Court of Appeals in The Hague to render a new decision.

On June 13, 2006, Liberty Global Europe, Priority Telecom, Euronext NV and Euronext Amsterdam NV were each served with a summons for a new action (the 2006 Cignal Action) purportedly on behalf of all other former Cignal shareholders and provisionally for the nine plaintiffs in the 2002 Cignal Action. The 2006 Cignal Action claims, among other things, that the listing of Priority Telecom on Euronext Amsterdam NV in September 2001 did not meet the requirements of the applicable listing rules and, accordingly, that the IPO was not valid and did not satisfy Liberty Global Europe's obligations to the Cignal shareholders. Aggregate claims of $200 million, plus statutory interest, are asserted in this action, which amount includes the $28 million provisionally claimed by the nine plaintiffs in the 2002 Cignal Action. On December 19, 2007, the District Court rendered its decision dismissing the plaintiffs' claims against Liberty Global Europe and the other defendants. The plaintiffs appealed the decision of the District Court to the Court of Appeals in Amsterdam. On December 10, 2009, the Court of Appeals in Amsterdam issued a partial decision holding that Priority Telecom was not liable to the Cignal shareholders, but postponed its decision with respect to the other defendants pending receipt of the decision of the Dutch Supreme Court. The Dutch Supreme Court's April 9, 2010 decision was delivered to the Court of Appeals in Amsterdam and, on September 6, 2011, the Court of Appeals in Amsterdam confirmed the decision of the District Court and dismissed all claims of the former Cignal shareholders. On December 6, 2011, the Cignal shareholders appealed the September 6, 2011 decision to the Dutch Supreme Court. The parties have filed their written submissions with the Dutch Supreme Court and a judgment is expected sometime in 2013.

For additional information, see note 16 to our consolidated financial statements in Part II of this Annual Report.

Item 4. MINE SAFTEY DISCLOSURES

Not applicable.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

General

The capitalized terms used in Part II of this Annual Report on Form 10-K are defined in the notes to our consolidated financial statements. In the following text, the terms “we,” “our,” “our company” and “us” may refer, as the context requires, to LGI or collectively to LGI and its subsidiaries.

Market Information

We have three series of common stock, LGI Series A, Series B and Series C, that trade on the NASDAQ Global Select Market under the symbols “LBTYA,” “LBTYB” and “LBTYK,” respectively. The following table sets forth the range of high and low sales prices of shares of LGI Series A, Series B and Series C common stock for the periods indicated:

	Series A		Series B		Series C	
	High	Low	High	Low	High	Low
Year ended December 31, 2012						
First quarter	$52.00	$41.11	$51.46	$41.10	$49.80	$39.98
Second quarter	$51.25	$44.87	$51.02	$45.96	$49.20	$43.24
Third quarter	$61.00	$48.49	$59.45	$48.28	$56.87	$46.16
Fourth quarter	$63.94	$54.05	$63.05	$55.56	$59.69	$50.63
Year ended December 31, 2011						
First quarter	$44.32	$35.41	$43.87	$35.80	$43.10	$34.00
Second quarter	$47.30	$39.17	$47.07	$38.11	$45.43	$37.52
Third quarter	$47.31	$33.27	$46.64	$34.38	$44.73	$31.82
Fourth quarter	$43.23	$32.06	$43.28	$39.37	$41.25	$36.60

Holders

As of February 8, 2013, there were 1,884, 117 and 1,921 record holders of LGI Series A, Series B and Series C common stock, respectively (which amounts do not include the number of shareholders whose shares are nominally held by banks, brokerage houses or other institutions, but include each such institution as one record holder).

Dividends

We have not paid any cash dividends on LGI Series A, Series B and Series C common stock, and we have no present intention of so doing. Payment of cash dividends, if any, in the future will be determined by our Board of Directors in light of our earnings, financial condition and other relevant considerations including applicable Delaware law. Except as noted below, there are currently no contractual restrictions on our ability to pay dividends in cash or stock. The Virgin Media Merger Agreement contains certain restrictions that limit our ability to pay dividends or otherwise make distributions through the closing date of the pending Virgin Media Acquisition or the date that the Virgin Media Merger Agreement is terminated, and the credit facilities to which certain of our subsidiaries are parties restrict our ability to access their cash for, among other things, our payment of cash dividends.

Recent Sales of Unregistered Securities; Use of Proceeds from Registered Securities

None.

Issuer Purchase of Equity Securities

The following table sets forth information concerning our company's purchase of its own equity securities during the three months ended December 31, 2012:

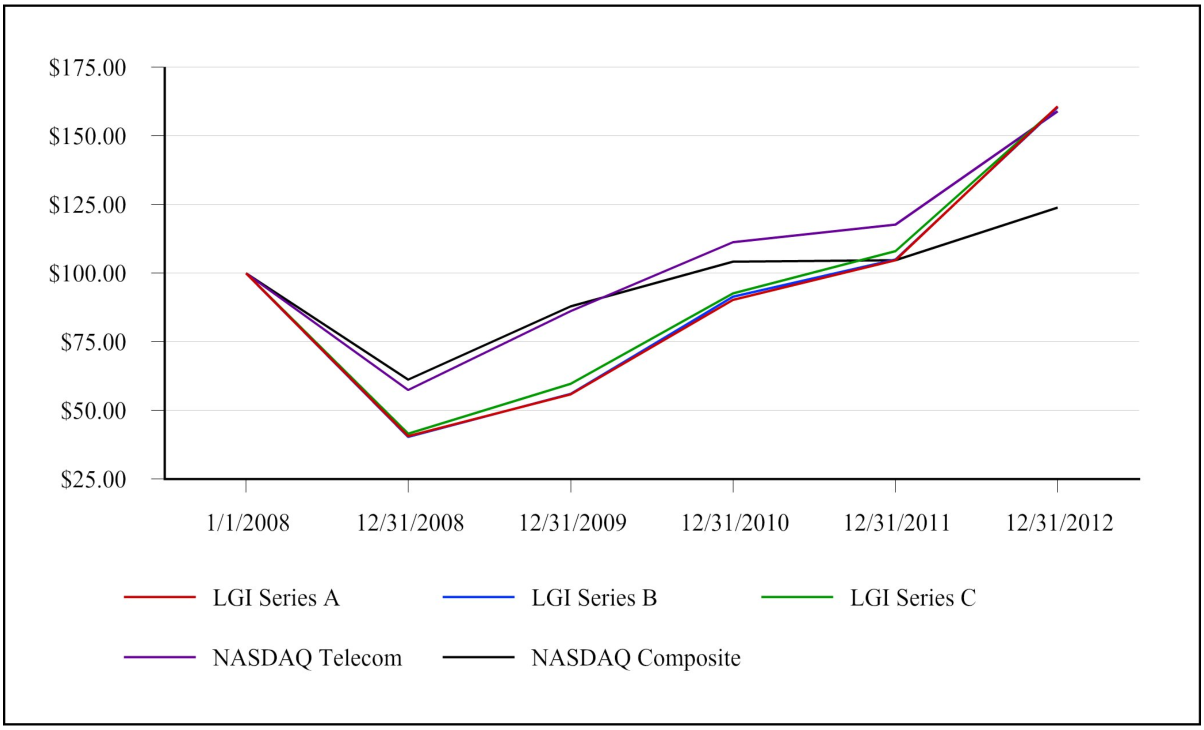
Period	Total number of shares purchased		Average price paid per share (a)		Total number of shares purchased as part of publicly announced plans or programs		Approximate dollar value of shares that may yet be purchased under the plans or programs
October 1, 2012 through October 31, 2012	Series A:	760,000	Series A:	$ 61.11	Series A:	760,000	
	Series C:	1,098,700	Series C:	$ 57.13	Series C:	1,098,700	(b)
November 1, 2012 through November 30, 2012	Series A:	1,455,400	Series A:	$ 58.45	Series A:	1,455,400	
	Series C:	1,190,000	Series C:	$ 54.08	Series C:	1,190,000	(b)
December 1, 2012 through December 31, 2012	Series A:	680,000	Series A:	$ 61.52	Series A:	680,000	
	Series C:	1,048,315	Series C:	$ 57.10	Series C:	1,048,315	(b)
Total — October 1, 2012 through December 31, 2012	Series A:	2,895,400	Series A:	$ 59.87	Series A:	2,895,400	
	Series C:	3,337,015	Series C:	$ 56.03	Series C:	3,337,015	(b)

(a) Average price paid per share includes direct acquisition costs and the effects of derivative instruments, where applicable.

(b) As of December 31, 2012, the remaining amount authorized for stock repurchases was $1,030.7 million. This amount reflects the authorization on December 14, 2012 of a new $1.0 billion equity repurchase program. For additional information, see note 11 to our consolidated financial statements.

Stock Performance Graph

The following graph compares the change from January 1, 2008 to December 31, 2012 in the cumulative total stockholder return on LGI Series A common stock, LGI Series B common stock, LGI Series C common stock, the NASDAQ Telecommunications Index and the NASDAQ Composite Index (assuming reinvestment of dividends, as applicable). The graph assumes that $100 was invested on January 1, 2008.



	As of December 31,				
	2008	2009	2010	2011	2012
LGI Series A	$ 40.62	$ 55.86	$ 90.28	$ 104.70	$ 160.65
LGI Series B	$ 40.38	$ 56.02	$ 91.37	$ 104.90	$ 160.29
LGI Series C	$ 41.49	$ 59.74	$ 92.62	$ 108.01	$ 160.56
NASDAQ Telecommunications Index	$ 57.46	$ 86.16	$ 111.25	$ 117.64	$ 158.93
NASDAQ Composite Index	$ 61.17	$ 87.93	$ 104.13	$ 104.69	$ 123.85

Item 6. SELECTED FINANCIAL DATA

The following tables present selected historical financial information of LGI and its consolidated subsidiaries. The following selected financial data was derived from our consolidated financial statements as of and for the years ended December 31, 2012, 2011, 2010, 2009 and 2008. This information is only a summary, and should be read together with our *Management's Discussion and Analysis of Financial Condition and Results of Operations* and consolidated financial statements included elsewhere herein.

	December 31,				
	2012	**2011**	**2010**	**2009**	**2008**
	in millions				
Summary Balance Sheet Data: (a)					
Property and equipment, net	$ 13,437.6	$ 12,868.4	$ 11,112.3	$ 12,010.7	$ 12,035.4
Goodwill	$ 13,877.6	$ 13,289.3	$ 11,734.7	$ 13,353.8	$ 13,144.7
Total assets	$ 38,307.7	$ 36,409.2	$ 33,328.8	$ 39,899.9	$ 33,986.1
Debt and capital lease obligations, including current portion	$ 27,524.5	$ 24,757.9	$ 22,462.6	$ 25,852.6	$ 20,502.9
Total equity	$ 2,085.1	$ 2,931.4	$ 3,457.7	$ 6,497.1	$ 6,494.7

	Year ended December 31,				
	2012	**2011**	**2010**	**2009**	**2008**
	in millions, except per share amounts				
Summary Statement of Operations Data: (a)					
Revenue	$ 10,310.8	$ 9,510.8	$ 8,364.2	$ 6,963.5	$ 7,100.9
Operating income	$ 1,983.1	$ 1,818.4	$ 1,393.6	$ 904.1	$ 752.8
Loss from continuing operations (b)	$ (572.3)	$ (807.5)	$ (953.7)	$ (99.8)	$ (694.0)
Loss from continuing operations attributable to LGI stockholders	$ (616.9)	$ (846.1)	$ (1,040.1)	$ (274.7)	$ (712.1)
Basic and diluted loss from continuing operations attributable to LGI stockholders per share — Series A, Series B and Series C common stock	$ (2.31)	$ (3.21)	$ (4.11)	$ (1.02)	$ (2.26)

(a) We acquired KBW on December 15, 2011, Aster on September 16, 2011 and Unitymedia KabelBW on January 28, 2010. We sold Austar on May 23, 2012 and the J:COM Disposal Group on February 18, 2010. Accordingly, our summary statement of operations data presents the J:COM Disposal Group, Austar and a less significant entity as discontinued operations during the applicable periods. We also completed a number of less significant acquisitions during the years presented. For information regarding our acquisitions and dispositions during the past three years, see notes 3 and 4 to our consolidated financial statements.

(b) Includes earnings from continuing operations attributable to noncontrolling interests of $44.6 million, $38.6 million, $86.4 million, $174.9 million and $18.1 million, respectively.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is intended to assist in providing an understanding of our financial condition, changes in financial condition and results of operations and should be read in conjunction with our consolidated financial statements. This discussion is organized as follows:

- *Overview.* This section provides a general description of our business and recent events.
- *Results of Operations.* This section provides an analysis of our results of operations for the years ended December 31, 2012, 2011 and 2010.
- *Liquidity and Capital Resources.* This section provides an analysis of our corporate and subsidiary liquidity, consolidated cash flow statements and contractual commitments.
- *Critical Accounting Policies, Judgments and Estimates.* This section discusses those material accounting policies that contain uncertainties and require significant judgment in their application.
- *Quantitative and Qualitative Disclosures about Market Risk.* This section provides discussion and analysis of the foreign currency, interest rate and other market risk that our company faces.

Unless otherwise indicated, convenience translations into U.S. dollars are calculated, and operational data (including subscriber statistics) are presented, as of December 31, 2012.

Overview

We are an international provider of video, broadband internet and telephony services with consolidated operations at December 31, 2012 in 13 countries, primarily in Europe and Chile. Our European and Chilean operations are conducted through Liberty Global Europe. Through UPC Holding, we provide video, broadband internet and telephony services in nine European countries and in Chile. The European broadband communications and DTH operations of UPC Holding and the broadband communications operations of Unitymedia KabelBW in Germany are collectively referred to herein as the "UPC/Unity Division." UPC Holding's broadband communications operations in Chile are provided through VTR. In May 2012, through VTR Wireless, we began offering mobile services in Chile through a combination of our own wireless network and certain third-party wireless access arrangements. The operations of VTR and VTR Wireless are collectively referred to as the "VTR Group." Through Telenet, we provide video, broadband internet and telephony services in Belgium. Our operations also include (i) consolidated broadband communications operations in Puerto Rico and (ii) consolidated interests in certain programming businesses in Europe and Latin America. Our consolidated programming interests in Europe and Latin America are primarily held through Chellomedia, which also owns or manages investments in various other businesses, primarily in Europe. Certain of Chellomedia's subsidiaries and affiliates provide programming services to certain of our broadband communications operations, primarily in Europe.

On February 5, 2013 we entered into the Virgin Media Merger Agreement, pursuant to which we agreed, subject to various conditions, including the approval of the stockholders of LGI and Virgin Media, to complete the Virgin Media Acquisition. If completed, the Virgin Media Acquisition will have a significant impact on our liquidity, financial position and results of operations, as further described in note 19 to our consolidated financial statements. Unless otherwise noted, the following discussion and analysis of our results of operations and liquidity and capital resources focuses on our existing operations exclusive of the impact of the Virgin Media Acquisition and any forward looking statements contained herein do not take into account the impact of the Virgin Media Acquisition.

Our analog cable service offerings include basic programming and, in some markets, expanded basic programming. We tailor both our basic channel line-up and our additional channel offerings to each system according to culture, demographics, programming preferences and local regulation. Our digital cable service offerings include basic and premium programming and incremental product and service offerings such as enhanced pay-per-view programming (including video-on-demand), digital video recorders and high definition programming.

In September 2012 and January 2013, we launched Horizon TV in the Netherlands and Switzerland, respectively. Horizon TV is a family of media products that allows customers to view and share content across the television, computer, tablet and smartphone. Horizon TV is powered by a user interface that provides customers a seamless intuitive way to access linear, time-shifted, on-demand and web-based content on the television. It also features an advanced set-top box that delivers not only video, but also internet and voice connections along with a wireless network for the home. For our Horizon TV customers, we also offer applications for various services. We intend to expand the availability of Horizon TV to other markets within our footprint, with launches planned in Ireland and Germany during 2013 and in certain additional markets during 2014 and 2015.

Although our digital television signals are encrypted in many of the countries in which we operate, the basic digital television channels in our entire footprints in Germany, Switzerland, Austria, Romania and the Czech Republic are unencrypted as of February 1, 2013. It is possible that we will decide to unencrypt the digital versions of our basic analog tier in additional markets in 2013 and future periods. Where our basic digital television channels are unencrypted, subscribers who have the necessary equipment and who pay the monthly subscription fee for our analog package are able to watch our basic digital television channels. Regardless of whether basic digital television channels are offered on an unencrypted basis, expanded channel packages and premium channels and services continue to be available for an incremental monthly fee in all of our markets.

We offer broadband internet services in all of our broadband communications markets. Our residential subscribers generally access the internet via cable modems connected to their personal computers at various download speeds ranging up to 150 Mbps, depending on the market and the tier of service selected. We determine pricing for each different tier of broadband internet service through analysis of speed, data limits, market conditions and other factors.

We offer telephony services in all of our broadband communications markets, primarily using voice-over-internet-protocol or “VoIP” technology. In addition to VTR Wireless’ mobile services, we also offer mobile services using third-party networks in Belgium and, to a lesser extent, Germany, Poland, the Netherlands and Hungary.

We have completed a number of transactions that impact the comparability of our 2012, 2011 and 2010 results of operations. The most significant of these transactions were the KBW Acquisition on December 15, 2011, the Aster Acquisition on September 16, 2011 and the Unitymedia Acquisition on January 28, 2010. We also completed a number of less significant acquisitions during 2012, 2011 and 2010.

In May 2012, we completed the sale of Austar. Effective September 30, 2010, we closed down the DTH operations of Unitymedia KabelBW’s arena segment. On February 18, 2010, we sold the J:COM Disposal Group. Our consolidated balance sheet as of December 31, 2011 has been reclassified to present Austar as a discontinued operation and our consolidated statements of operations and cash flows have been reclassified to present Austar, Unitymedia KabelBW’s arena segment and the J:COM Disposal Group as discontinued operations for all applicable periods presented. In the following discussion and analysis, the operating statistics, results of operations, cash flows and financial condition that we present and discuss are those of our continuing operations unless otherwise indicated.

For further information regarding our completed acquisitions and dispositions, see notes 3 and 4 to our consolidated financial statements.

From a strategic perspective, we are seeking to build broadband communications, DTH and programming businesses that have strong prospects for future growth in revenue, operating cash flow (as defined in note 17 to our consolidated financial statements) and free cash flow (as defined below under *Liquidity and Capital Resources — Consolidated Cash Flow Statements*). As discussed further under *Liquidity and Capital Resources — Capitalization* below, we also seek to maintain our debt at levels that provide for attractive equity returns without assuming undue risk.

We focus on achieving organic revenue and customer growth in our broadband communications operations by developing and marketing bundled entertainment and information and communications services, and extending and upgrading the quality of our networks where appropriate. As we use the term, organic growth excludes foreign currency translation effects (FX) and the estimated impact of acquisitions. While we seek to obtain new customers, we also seek to maximize the average revenue we receive from each household by increasing the penetration of our digital cable, broadband internet and telephony services with existing customers through product bundling and upselling, or by migrating analog cable customers to digital cable services. We plan to continue to employ this strategy to achieve organic revenue and customer growth.

Through our subsidiaries and affiliates, we are the largest international broadband communications operator in terms of subscribers. At December 31, 2012, we owned and operated networks that passed 34,193,500 homes and served 34,834,500 revenue generating units (RGUs), consisting of 18,308,500 video subscribers, 9,244,300 broadband internet subscribers and 7,281,700 telephony subscribers. Effective January 1, 2012, we began including certain SOHO RGUs in our externally-reported subscriber statistics. As a result of this change, we recorded a non-organic adjustment to increase the number of our RGUs at January 1, 2012 by 136,300.

Including the effects of acquisitions, our continuing operations added a total of 1,934,400 RGUs during 2012. Excluding the effects of acquisitions (RGUs added on the acquisition date), but including post-acquisition date RGU additions, our continuing operations added 1,594,000 RGUs (including 89,200 SOHO RGUs) on an organic basis during 2012. The organic RGU growth during 2012 is attributable to the growth of our (i) telephony services, which added 971,400 RGUs, (ii) digital cable services, which added 920,000 RGUs, (iii) broadband internet services, which added 909,100 RGUs, and (iv) DTH video services, which added 87,900 RGUs. The growth of our digital cable, broadband internet, telephony and DTH video services was partially offset by a decline in our analog cable RGUs of 1,284,900 and a less significant decline in our multi-channel multi-point (microwave) distribution system (MMDS) video RGUs.

We are experiencing significant competition from incumbent telecommunications operators, DTH operators and/or other providers in all of our broadband communications markets. This significant competition, together with the maturation of certain of our markets, has contributed to organic declines in certain of our markets in revenue, RGUs and/or average monthly subscription revenue per average RGU (ARPU), the more notable of which include:

(i) organic declines in (a) subscription revenue in the Czech Republic and (b) overall revenue in Poland during the fourth quarter of 2012, as compared to the fourth quarter of 2011;

(ii) organic declines in subscription revenue from (a) video services in Poland, Ireland, the Czech Republic and Hungary and (b) telephony services in Chile during the fourth quarter of 2012, as compared to the fourth quarter of 2011;

(iii) organic declines in subscription revenue from video services in Poland during the fourth quarter of 2012, as compared to the third quarter of 2012;

(iv) organic declines in (a) video RGUs in many of our markets during the fourth quarter of 2012, as net declines in our analog cable RGUs exceeded net additions to our digital cable RGUs (including migrations from analog cable) in these markets and (b) telephony RGUs in the Czech Republic and Chile during the fourth quarter of 2012;

(v) organic declines in ARPU from broadband internet and telephony services in most of our broadband communications markets during the fourth quarter of 2012, as compared to the fourth quarter of 2011; and

(vi) organic declines in overall ARPU in Ireland, Hungary, Slovakia, Austria, Poland, the Czech Republic and Romania during the fourth quarter of 2012, as compared to the fourth quarter of 2011.

In addition to competition, our operations are subject to macroeconomic and political risks that are outside of our control. For example, high levels of sovereign debt in the U.S. and certain European countries (including Ireland and Hungary), combined with weak growth and high unemployment, could lead to fiscal reforms (including austerity measures), sovereign debt restructurings, currency instability, increased counterparty credit risk, high levels of volatility and, potentially, disruptions in the credit and equity markets, as well as other outcomes that might adversely impact our company. With regard to currency instability issues, concerns exist in the eurozone with respect to individual macro-fundamentals on a country-by-country basis, as well as with respect to the overall stability of the European monetary union and the suitability of a single currency to appropriately deal with specific fiscal management and sovereign debt issues in individual eurozone countries. The realization of these concerns could lead to the exit of one or more countries from the European monetary union and the re-introduction of individual currencies in these countries, or, in more extreme circumstances, the possible dissolution of the European monetary union entirely, which could result in the redenomination of a portion, or in the extreme case, all of our euro-denominated assets, liabilities and cash flows to the new currency of the country in which they originated. This could result in a mismatch in the currencies of our assets, liabilities and cash flows. Any such mismatch, together with the capital market disruption that would likely accompany any such redenomination event, could have a material adverse impact on our liquidity and financial condition. Furthermore, any redenomination event would likely be accompanied by significant economic dislocation, particularly within the eurozone countries, which in turn could have an adverse impact on demand for our products, and accordingly, on our revenue and cash flows. Moreover, any changes from euro to non-euro currencies within the countries in which we operate would require us to modify our billing and other financial systems. No assurance can be given that any required modifications could be made within a timeframe that would allow us to timely bill our customers or prepare and file required financial reports. In light of the significant exposure that we have to the euro through our euro-denominated borrowings, derivative instruments, cash balances and cash flows, a redenomination event could have a material adverse impact on our company.

Over the next few years, we expect to continue to generate organic growth in our consolidated revenue and operating cash flow. We expect this growth to come primarily from organic increases in our digital cable, broadband internet and telephony RGUs, as we expect that our analog cable RGUs will decline and that our overall ARPU will remain relatively unchanged during this timeframe, primarily driven by growth in our operations in Germany, Switzerland, Belgium and the Netherlands. In addition, we currently expect that the continued expansion of our mobile service offerings will (i) positively impact our revenue and, towards the end of this timeframe, our OCF growth and (ii) positively impact our subscriber retention rates. Additionally, we plan to continue improving our competitive position, with (i) further planned launches of our Horizon TV platform, as discussed above, and (ii) upgrades to our network capacity in Germany and other markets. While we expect that these and other initiatives will require significant additions to our property and equipment, we currently expect that our total additions to property and equipment as a percentage of our revenue will continue to decline over the next few years. For additional information concerning our property and equipment additions, including our 2013 expectations for the UPC/Unity Division, Telenet and the VTR Group, see *Liquidity* *and Capital Resources - Consolidated Cash Flow Statements* below. Our expectations with respect to the items discussed in this paragraph are subject to competitive, economic, technological, political and regulatory developments and other factors outside of our control. Accordingly, no assurance can be given that actual results in future periods will not differ materially from our expectations.

The video, broadband internet and telephony businesses in which we operate are capital intensive. Significant additions to our property and equipment are required to add customers to our networks and to upgrade our broadband communications networks and customer premises equipment to enhance our service offerings and improve the customer experience, including expenditures for equipment and labor costs. Significant competition, the introduction of new technologies, the expansion of existing technologies such as fiber-to-the-home, or adverse regulatory developments could cause us to decide to undertake previously unplanned upgrades of our networks and customer premises equipment in the impacted markets. In addition, no assurance can be given that any future upgrades will generate a positive return or that we will have adequate capital available to finance such future upgrades. If we are unable to, or elect not to, pay for costs associated with adding new customers, expanding or upgrading our networks or making our other planned or unplanned additions to our property and equipment, our growth could be limited and our competitive position could be harmed. For information regarding our property and equipment additions, see *Liquidity and Capital Resources - Consolidated Cash Flow Statements* below.

Results of Operations

As noted under *Overview* above, the comparability of our operating results during 2012, 2011 and 2010 is affected by acquisitions. In the following discussion, we quantify the estimated impact of acquisitions on our operating results. The acquisition impact represents our estimate of the difference between the operating results of the periods under comparison that is attributable to an acquisition. In general, we base our estimate of the acquisition impact on an acquired entity's operating results during the first three months following the acquisition date such that changes from those operating results in subsequent periods are considered
to be organic changes. Accordingly, in the following discussion, variances attributed to an acquired entity during the first twelve months following the acquisition date represent differences between the estimated acquisition impact and the actual results.

Changes in foreign currency exchange rates have a significant impact on our reported operating results as all of our operating segments, except for Puerto Rico, have functional currencies other than the U.S. dollar. Our primary exposure to FX risk during the year ended December 31, 2012 was to the euro as 64.0% of our U.S. dollar revenue during that period was derived from subsidiaries whose functional currency is the euro. In addition, our reported operating results are impacted by changes in the exchange rates for the Swiss franc, the Chilean peso and other local currencies in Europe. The portions of the changes in the various components of our results of operations that are attributable to changes in FX are highlighted under *Discussion and Analysis of our Reportable Segments* and *Discussion and Analysis of our Consolidated Operating Results* below. For information concerning our foreign currency risks and the applicable foreign currency exchange rates in effect for the periods covered by this Annual Report, see *Quantitative and Qualitative Disclosures about Market Risk — Foreign Currency Risk* below.

The amounts presented and discussed below represent 100% of each operating segment's revenue and operating cash flow. As we have the ability to control Telenet, the VTR Group and Liberty Puerto Rico, we consolidate 100% of the revenue and expenses of these entities in our consolidated statements of operations despite the fact that third parties own significant interests in these entities. The noncontrolling owners' interests in the operating results of Telenet, the VTR Group, Liberty Puerto Rico and other less significant majority-owned subsidiaries are reflected in net earnings or loss attributable to noncontrolling interests in our consolidated statements of operations.

Discussion and Analysis of our Reportable Segments

General

All of the reportable segments set forth below derive their revenue primarily from broadband communications services, including video, broadband internet and telephony services. Most reportable segments also provide B2B services. At December 31, 2012, our operating segments in the UPC/Unity Division provided broadband communications services in 10 European countries and DTH services to customers in the Czech Republic, Hungary, Romania and Slovakia through UPC DTH. Our Other Western Europe segment includes our broadband communications operating segments in Austria and Ireland. Our Central and Eastern Europe segment includes our broadband communications operating segments in the Czech Republic, Hungary, Poland, Romania and Slovakia. The UPC/Unity Division's central and other category includes (i) the UPC DTH operating segment, (ii) costs associated with certain centralized functions, including billing systems, network operations, technology, marketing, facilities, finance and other administrative functions and (iii) intersegment eliminations within the UPC/Unity Division. Telenet provides video, broadband internet and telephony services in Belgium. In Chile, the VTR Group includes VTR, which provides video, broadband internet and telephony services, and VTR Wireless, which provides mobile services through a combination of its own wireless network and certain third-party wireless access arrangements. Our corporate and other category includes (i) less significant operating segments that provide (a) broadband communications services in Puerto Rico and (b) programming and other services primarily in Europe and Latin America and (ii) our corporate category. Intersegment eliminations primarily represent the elimination of intercompany transactions between our broadband communications and programming operations, primarily in Europe.

The tables presented below in this section provide a separate analysis of each of the line items that comprise operating cash flow (revenue, operating expenses and SG&A expenses, excluding allocable stock-based compensation expense, as further discussed in note 17 to our consolidated financial statements) as well as an analysis of operating cash flow by reportable segment for (i) 2012, as compared to 2011, and (ii) 2011, as compared to 2010. These tables present (i) the amounts reported by each of our reportable segments for the comparative periods, (ii) the U.S. dollar change and percentage change from period to period and (iii) the organic percentage change from period to period (percentage change after removing FX and the estimated impacts of acquisitions). The comparisons that exclude FX assume that exchange rates remained constant at the prior year rate during the comparative periods that are included in each table. As discussed under *Quantitative and Qualitative Disclosures about Market Risk — Foreign Currency Risk* below, we have significant exposure to movements in foreign currency exchange rates. We also provide a table showing the operating cash flow margins of our reportable segments for 2012, 2011 and 2010 at the end of this section.

The revenue of our reportable segments includes revenue earned from subscribers for ongoing services, revenue earned from B2B services, interconnect fees, channel carriage fees, installation fees, mobile services revenue, late fees and advertising revenue. Consistent with the presentation of our revenue categories in note 17 to our consolidated financial statements, we use the term “subscription revenue” in the following discussion to refer to amounts received from subscribers for ongoing services, excluding installation fees, late fees and mobile services revenue.

The rates charged for certain video services offered by our broadband communications operations in some European countries and in Chile are subject to oversight and control, either before or after the fact, based on competition law or general pricing regulations. Additionally, in Chile, our ability to bundle or discount our services is subject to certain limitations, and in Europe, our ability to bundle or discount our services may be constrained if we are held to be dominant with respect to any product we offer. The amounts we charge and incur with respect to telephony interconnection fees are also subject to regulatory oversight in many of our markets. Adverse outcomes from rate regulation or other regulatory initiatives could have a significant negative impact on our ability to maintain or increase our revenue. For information concerning the potential impact of adverse regulatory developments in Belgium and the Netherlands, see note 16 to our consolidated financial statements.

Most of our revenue is derived from jurisdictions that administer value-added or similar revenue-based taxes. Any increases in these taxes could have an adverse impact on our ability to maintain or increase our revenue to the extent that we are unable to pass such tax increases on to our customers. In the case of revenue-based taxes for which we are the ultimate taxpayer, we will also experience increases in our operating expenses and corresponding declines in our operating cash flow and operating cash flow margins to the extent of any such tax increases. In this regard, value-added tax rates increased (i) effective January 1, 2012 in Ireland, Hungary and, with respect to certain digital cable services, Belgium, (ii) effective October 1, 2012 in the Netherlands and (iii) effective January 1, 2013, in the Czech Republic. In addition, during the fourth quarter of 2010, the Hungarian government imposed a revenue-based tax on telecommunications operators (the 2010 Hungarian Telecom Tax) that, prior to its expiration at the end of 2012, was applicable to our broadband communications operations in Hungary, with retroactive effect to the beginning of 2010. In September 2011, the European Commission requested that Hungary abolish the 2010 Hungarian Telecom Tax on the grounds that it was illegal under EU rules. In March 2012, the European Commission announced its decision to refer the matter to the European Court of Justice, as Hungary continued to impose the 2010 Hungarian Telecom Tax in violation of EU rules. The ultimate resolution of this matter may take several years, and no assurance can be given as to the outcome. Through December 31, 2012, we have incurred total inception-to-date operating expenses of HUF 9.5 billion ($43.0 million) as a result of the 2010 Hungarian Telecom Tax. This amount includes a HUF 650.0 million ($2.9 million) reduction recorded during the second quarter of 2012 that reflects the cumulative effect of credits taken during the quarter with respect to prior period payments. The credits taken resulted from a change in our approach to determining the 2010 Hungarian Telecom Tax that was implemented on a retroactive basis during the second quarter of 2012.

During the second quarter of 2012, Hungary imposed an act that provides for a new usage-based telecommunication tax (the 2012 Hungarian Telecom Tax) on telecommunications service providers for fixed and mobile voice and mobile texting services, effective from July 1, 2012 for an indefinite period of time. As a result of the 2012 Hungarian Telecom Tax, we incurred additional operating expenses of HUF 349.0 million ($1.6 million) during the last half of 2012. On June 21, 2012, the European Commission sent a letter of formal notice to Hungary with respect to the 2012 Hungarian Telecom Tax, setting out concerns regarding the compatibility of the tax with EU rules. Hungary has responded to the European Commission and indicated that it believes the 2012 Hungarian Telecom Tax is in compliance with EU rules. On January 24, 2013, the European Commission commenced formal infringement proceedings against Hungary and, depending on Hungary's response, this matter could ultimately be referred to the European Court of Justice. The ultimate resolution of this matter may take several years.

On November 20, 2012, the Parliament of Hungary adopted an act imposing tax on utility networks, effective from January 1, 2013 for an indefinite period of time. The act provides that a tax will be levied on the owners of ducts providing for electricity, telecommunication, natural gas, heating, water and wastewater services. For telecommunication networks, the level of tax levied will depend on the length of ducts. Based on the current text of the new law, we currently estimate that our Hungarian operations will incur additional operating expenses in 2013 as a result of the new utility tax of approximately HUF 1.6 billion ($7.2 million).

We rely on third-party vendors for the equipment, software and services that we require in order to provide services to our customers. Our suppliers often conduct business worldwide and their ability to meet our needs are subject to various risks, including political and economic instability, natural calamities, interruptions in transportation systems, terrorism and labor issues. As a result, we may not be able to obtain the equipment, software and services required for our businesses on a timely basis or on satisfactory terms. Any shortfall in customer premises equipment could lead to delays in connecting customers to our services, and accordingly, could adversely impact our ability to maintain or increase our RGUs, revenue and cash flows.

Revenue of our Reportable Segments

Revenue — 2012 compared to 2011

	Year ended December 31,		Increase (decrease)		Organic increase (decrease)
	2012	2011	$	%	%
	in millions				
UPC/Unity Division:					
Germany	$ 2,311.0	$ 1,450.0	$ 861.0	59.4	13.4
The Netherlands	1,229.1	1,273.4	(44.3)	(3.5)	4.4
Switzerland	1,259.8	1,282.6	(22.8)	(1.8)	3.7
Other Western Europe	848.4	893.3	(44.9)	(5.0)	2.8
Total Western Europe	5,648.3	4,899.3	749.0	15.3	6.6
Central and Eastern Europe	1,115.7	1,122.5	(6.8)	(0.6)	(0.3)
Central and other	115.7	122.7	(7.0)	(5.7)	2.9
Total UPC/Unity Division	6,879.7	6,144.5	735.2	12.0	5.3
Telenet (Belgium)	1,918.0	1,918.5	(0.5)	—	8.1
VTR (Chile)	940.6	889.0	51.6	5.8	6.4
Corporate and other	655.8	645.2	10.6	1.6	1.5
Intersegment eliminations	(83.3)	(86.4)	3.1	3.6	(4.5)
Total	$ 10,310.8	$ 9,510.8	$ 800.0	8.4	5.7

General. While not specifically discussed in the below explanations of the changes in the revenue of our reportable segments, we are experiencing significant competition in all of our broadband communications markets. This competition has an adverse impact on our ability to increase or maintain our RGUs and/or ARPU. For a description of the more notable recent impacts of this competition on our broadband communications markets, see *Overview* above.

Germany. The increase in Germany's revenue during 2012, as compared to 2011, includes (i) an organic increase of $194.4 million or 13.4%, (ii) the impact of the KBW Acquisition and (iii) the impact of FX, as set forth below:

	Subscription revenue (a)	Non-subscription revenue (b)	Total
		in millions	
Increase in subscription revenue due to change in:			
Average number of RGUs (c)	$ 118.9	$ —	$ 118.9
ARPU (d)	38.9	—	38.9
Increase in non-subscription revenue (e)	—	36.6	36.6
Organic increase	157.8	36.6	194.4
Impact of the KBW Acquisition	756.3	96.2	852.5
Impact of FX	(162.4)	(23.5)	(185.9)
Total	$ 751.7	$ 109.3	$ 861.0

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(a) Germany's subscription revenue includes revenue from multi-year bulk agreements with landlords, housing associations or with third parties that operate and administer the in-building networks on behalf of housing associations. These bulk agreements, which generally allow for the procurement of the basic video signals at volume-based discounts, provide access to nearly two-thirds of Germany's video cable subscribers. During the three months ended December 31, 2012, Germany's 20 largest bulk agreement accounts generated approximately 6% of its revenue (including estimated amounts billed directly to the building occupants for premium cable, broadband internet and telephony services). No assurance can be given that Germany's bulk agreements will be renewed or extended on financially equivalent terms or at all, particularly in light of the commitments we made to regulators in connection with the KBW Acquisition. In this regard, we have, among other items, agreed to grant a special termination right with respect to Germany's Remedy HA Agreements. The Remedy HA Agreements that remain subject to the special termination right (which include agreements that are not among the 20 largest bulk agreements) as of December 31, 2012 accounted for approximately 1% of Germany's total revenue during the three months ended December 31, 2012. For additional information, see note 3 to our consolidated financial statements.

(b) Germany's non-subscription revenue includes fees received for the carriage of certain channels included in Germany's analog and digital cable offerings. This carriage fee revenue is subject to contracts that expire or are otherwise terminable by either party at various dates ranging from 2013 through 2017. The aggregate amount of revenue related to these carriage contracts represents approximately 6% of Germany's total revenue during the three months ended December 31, 2012. Public broadcasters representing approximately 20% of Germany's carriage fee revenue for the three months ended December 31, 2012 have sent us notices purporting to terminate these carriage fee arrangements effective December 31, 2012. While we are still seeking to negotiate with the public broadcasters to reach acceptable agreements, we have rejected the termination notices and filed law suits for payment of carriage fees against the public broadcasters. Until such time as we resolve these disputes or obtain favorable outcomes in our law suits, we don't believe we will meet the criteria to recognize revenue from the public broadcasters in 2013 and future periods. In addition, some private broadcasters are seeking to change the distribution model to eliminate the payment of carriage fees and instead require that cable operators pay license fees to the broadcasters. In light of the foregoing, no assurance can be given that any of our carriage fee contracts will be renewed or extended on financially equivalent terms, or at all. Also, our ability to increase the aggregate carriage fees that Germany receives for each channel is limited by certain commitments we made to regulators in connection with the KBW Acquisition. For additional information, see note 3 to our consolidated financial statements.

(c) The increase in Germany's subscription revenue related to a change in the average number of RGUs is attributable to increases in the average numbers of broadband internet, telephony and digital cable RGUs that were only partially offset by a decline in the average number of analog cable RGUs. The decline in Germany's average number of analog cable RGUs led to a decline in the average number of total video RGUs during 2012, as compared to 2011.

(d) The increase in Germany's subscription revenue related to a change in ARPU is due to (i) an improvement in RGU mix, attributable to higher proportions of telephony, broadband internet and digital cable RGUs, and (ii) a net increase resulting primarily from the following factors: (a) lower ARPU due to a decrease in telephony call volume for customers on usage-based calling plans, (b) higher ARPU from digital cable services, (c) higher ARPU from broadband internet services, (d) higher ARPU due to a lower negative impact from free bundled services provided to new subscribers during promotional periods and (e) lower ARPU due to higher proportions of customers receiving discounted analog cable services through bulk agreements. For information concerning our commitment to distribute basic digital television channels in unencrypted form in Germany commencing January 1, 2013, see note 3 to our consolidated financial statements.

(e) The increase in Germany's non-subscription revenue is primarily attributable to (i) an increase in installation revenue, due to a higher number of installations and an increase in the average installation fee, (ii) an increase in mobile services revenue, (iii) an increase in interconnect revenue and (iv) an increase in network usage revenue, most of which relates to the settlement of prior year amounts.

The Netherlands. The decrease in the Netherlands' revenue during 2012, as compared to 2011, includes (i) an organic increase of $55.8 million or 4.4%, (ii) the impact of an acquisition and (iii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Increase in subscription revenue due to change in:			
Average number of RGUs (a)	$ 40.7	$ —	$ 40.7
ARPU (b)	7.7	—	7.7
Increase in non-subscription revenue (c)	—	7.4	7.4
Organic increase	48.4	7.4	55.8
Impact of an acquisition	0.9	—	0.9
Impact of FX	(91.3)	(9.7)	(101.0)
Total	$ (42.0)	$ (2.3)	$ (44.3)

(a) The increase in the Netherlands' subscription revenue related to a change in the average number of RGUs is attributable to increases in the average numbers of telephony, digital cable and broadband internet RGUs that were only partially offset by a decline in the average number of analog cable RGUs. The decline in the average number of analog cable RGUs in the Netherlands led to a decline in the average number of total video RGUs during 2012, as compared to 2011.

(b) The increase in the Netherlands' subscription revenue related to a change in ARPU is due to the net effect of (i) an improvement in RGU mix, attributable to higher proportions of digital cable, broadband internet and telephony RGUs, and (ii) a net decrease resulting primarily from the following factors: (a) lower ARPU due to a decrease in telephony call volume, including the impact of higher proportions of customers selecting usage-based calling plans, (b) lower ARPU due to the impact of bundling and promotional discounts and (c) higher ARPU due to January 2012 price increases for certain video services and, to a lesser extent, July 2012 price increases for bundled services.

(c) The increase in the Netherlands' non-subscription revenue is primarily attributable to the net effect of (i) an increase in B2B revenue, (ii) an increase in revenue from late charges, (iii) an increase in installation revenue and (iv) a decrease in interconnect revenue, due primarily to the impact of an August 1, 2012 reduction in fixed termination rates.

For information concerning certain regulatory developments that could have an adverse impact on our revenue in the Netherlands, see note 16 to our consolidated financial statements.

Switzerland. The decrease in Switzerland's revenue during 2012, as compared to 2011, includes (i) an organic increase of $47.7 million or 3.7%, (ii) the impact of acquisitions and (iii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Increase in subscription revenue due to change in:			
Average number of RGUs (a)	$ 41.0	$ —	$ 41.0
ARPU (b)	3.9	—	3.9
Increase in non-subscription revenue (c)	—	2.8	2.8
Organic increase	44.9	2.8	47.7
Impact of acquisitions	4.4	—	4.4
Impact of FX	(63.4)	(11.5)	(74.9)
Total	$ (14.1)	$ (8.7)	$ (22.8)

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(a) The increase in Switzerland's subscription revenue related to a change in the average number of RGUs is attributable to increases in the average numbers of digital cable, broadband internet and telephony RGUs that were only partially offset by a decline in the average number of analog cable RGUs. The decline in the average number of Switzerland's analog cable RGUs led to a decline in the average number of total video RGUs during 2012, as compared to 2011.

(b) The increase in Switzerland's subscription revenue related to a change in ARPU is due to the net effect of (i) an improvement in RGU mix, attributable to higher proportions of digital cable, broadband internet and telephony RGUs, and (ii) a net decrease resulting primarily from the following factors: (a) higher ARPU due to higher proportions of customers selecting higher-priced tiers of broadband internet services and, to a lesser extent, digital cable services, (b) lower ARPU due to the impact of bundling discounts and (c) lower ARPU due to a decrease in telephony call volume for customers on usage-based calling plans.

(c) The increase in Switzerland's non-subscription revenue is attributable to the net effect of (i) an increase in installation revenue, (ii) a decline in revenue from usage-based wholesale residential telephony services and (iii) a net increase resulting from various individually insignificant changes. In addition, B2B revenue remained relatively unchanged during 2012, as lower revenue from construction and equipment sales was offset by growth in B2B broadband internet and telephony services.

In October 2012, we announced an agreement with the Swiss Price Regulator pursuant to which we will make certain changes to our service offerings in exchange for progressive increases in the price of our basic cable connection over the next two years. In this regard, (i) effective November 1, 2012, we began offering a basic tier of digital television channels on an unencrypted basis in our Switzerland footprint and (ii) effective January 3, 2013, for video subscribers who pay the required upfront activation fee, we have made available, at no additional monthly charge, a 2.0 Mbps internet connection, which was an increase from the previously-offered 300 Kbps internet connection. In addition, the price for a cable connection increased by CHF 0.90 ($0.98) effective January 1, 2013 and a further increase of CHF 0.60 ($0.66) will take effect on January 1, 2014. Although the above changes in our service offerings may negatively impact certain revenue streams, we believe that the positive impact of the price increases in 2013 and 2014 will offset such negative impacts and place us in a position where we can continue to increase our revenue and RGUs in Switzerland. No assurance can be given that our assessment of the net impact of these changes in our service offerings and prices will prove to be accurate or that we will be able to continue to grow our revenue and RGUs in Switzerland.

Other Western Europe. The decrease in Other Western Europe's revenue during 2012, as compared to 2011, includes (i) an organic increase of $24.6 million or 2.8% and (ii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
	in millions		
Increase (decrease) in subscription revenue due to change in:			
Average number of RGUs (a)	$ 56.9	$ —	$ 56.9
ARPU (b)	(35.0)	—	(35.0)
Increase in non-subscription revenue (c)	—	2.7	2.7
Organic increase	21.9	2.7	24.6
Impact of FX	(61.3)	(8.2)	(69.5)
Total	$ (39.4)	$ (5.5)	$ (44.9)

(a) The increase in Other Western Europe's subscription revenue related to a change in the average number of RGUs is attributable to increases in the average numbers of telephony, broadband internet and digital cable RGUs in each of Ireland and Austria that were only partially offset by a decline in the average number of analog cable RGUs in each of Austria and Ireland and, to a lesser extent, MMDS video RGUs in Ireland. The declines in the average numbers of analog cable and MMDS video RGUs led to a decline in the average number of total video RGUs in each of Ireland and Austria during 2012, as compared to 2011.

(b) The decrease in Other Western Europe's subscription revenue related to a change in ARPU is attributable to a decrease in ARPU in each of Ireland and Austria. The decrease in Ireland's ARPU is mostly due to (i) lower ARPU due to the impact of bundling discounts, (ii) lower ARPU from digital cable services and (iii) lower ARPU due to a decrease in telephony call volume for customers on usage-based calling plans, including the impact of higher proportions of customers selecting usage-based calling plans. The decrease in Austria's ARPU is primarily due to (a) lower ARPU due to the impact of bundling discounts, (b) lower ARPU due to a higher proportion of customers selecting lower-priced tiers of broadband internet services, (c) higher ARPU due to the third quarter 2011 implementation of an additional charge for broadband internet services and (d) lower ARPU due to a decrease in telephony call volume for customers on usage-based calling plans. In addition, Other Western Europe's overall ARPU was impacted by adverse changes in RGU mix, primarily attributable to a lower proportion of digital cable RGUs in Ireland.

(c) The increase in Other Western Europe's non-subscription revenue is due primarily to the net effect of (i) an increase in installation revenue in each of Austria and Ireland and (ii) a decline in B2B revenue, as a decrease in revenue from B2B broadband internet and telephony services in Austria was only partially offset by an increase in revenue from B2B telephony services in Ireland.

Central and Eastern Europe. The decrease in Central and Eastern Europe's revenue during 2012, as compared to 2011, includes (i) an organic decrease of $3.2 million or 0.3%, (ii) the impact of acquisitions and (iii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
	in millions		
Increase (decrease) in subscription revenue due to change in:			
Average number of RGUs (a)	$ 29.1	$ —	$ 29.1
ARPU (b)	(34.7)	—	(34.7)
Increase in non-subscription revenue (c)	—	2.4	2.4
Organic increase (decrease)	(5.6)	2.4	(3.2)
Impact of acquisitions	99.9	15.0	114.9
Impact of FX	(108.2)	(10.3)	(118.5)
Total	$ (13.9)	$ 7.1	$ (6.8)

(a) The increase in Central and Eastern Europe's subscription revenue related to a change in the average number of RGUs is primarily attributable to increases in the average numbers of digital cable, telephony and broadband internet RGUs that were only partially offset by declines in the average numbers of analog cable and, to a much lesser extent, MMDS video RGUs in Slovakia. In each country within our Central and Eastern Europe segment, a decline in the average number of analog cable RGUs led to a decline in the average number of total video RGUs during 2012, as compared to 2011.

(b) The decrease in Central and Eastern Europe's subscription revenue related to a change in ARPU is primarily due to (i) lower ARPU due to increases in the proportions of video, broadband internet and telephony subscribers selecting lower-priced tiers of services, (ii) lower ARPU due to the impact of higher bundling discounts and (iii) lower ARPU due to a decrease in telephony call volume for customers on usage-based calling plans. In addition, Central and Eastern Europe's overall ARPU was positively impacted by an improvement in RGU mix, primarily attributable to a higher proportion of digital cable and, to a lesser extent, broadband internet RGUs.

(c) The increase in Central and Eastern Europe's non-subscription revenue is due primarily to the net effect of (i) an increase in sales of customer premises equipment, primarily in the Czech Republic, (ii) a decrease in installation revenue, primarily in Poland, and (iii) a net increase resulting from individually insignificant changes in other non-subscription revenue categories.

Telenet (Belgium). The decrease in Telenet's revenue during 2012, as compared to 2011, includes (i) an organic increase of $155.8 million or 8.1% and (ii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Increase in subscription revenue due to change in:			
Average number of RGUs (a)	$ 29.7	$ —	$ 29.7
ARPU (b)	56.2	—	56.2
Increase in non-subscription revenue (c)	—	69.9	69.9
Organic increase	85.9	69.9	155.8
Impact of FX	(127.2)	(29.1)	(156.3)
Total	$ (41.3)	$ 40.8	$ (0.5)

(a) The increase in Telenet's subscription revenue related to a change in the average number of RGUs is attributable to increases in the average numbers of digital cable, broadband internet and telephony RGUs that were only partially offset by a decline in the average number of analog cable RGUs. The decline in the average number of Telenet's analog cable RGUs led to a decline in the average number of total video RGUs during 2012, as compared to 2011.

(b) The increase in Telenet's subscription revenue related to a change in ARPU is due to the net effect of (i) an improvement in RGU mix, attributable to higher proportions of digital cable, broadband internet and telephony RGUs, and (ii) a net decrease resulting primarily from the following factors: (a) lower ARPU due to an increase in the proportion of customers selecting lower-priced tiers of broadband internet services, (b) higher ARPU due to October 2011 price increases for certain analog and digital cable services and an August 2011 price increase for certain broadband internet services, (c) lower ARPU due to a decrease in telephony call volume for customers on usage-based plans and the negative impact of higher proportions of customers migrating to fixed-rate calling plans and (d) higher ARPU from digital cable services, due in part to an increase in the number of subscribers to Telenet's premium sporting channel following the third quarter 2011 acquisition of certain Belgian football (soccer) rights. In addition, Telenet's subscription revenue and ARPU were positively impacted by a nonrecurring adjustment during the fourth quarter of 2012 to recognize $6.3 million of revenue following the implementation of billing system improvements. Most of this nonrecurring adjustment relates to revenue earned in prior years.

(c) The increase in Telenet's non-subscription revenue is due primarily to (i) an increase in mobile services revenue of $38.5 million, (ii) an increase in interconnect revenue of $21.2 million, primarily associated with growth in mobile services, and (iii) an increase in mobile handset sales of $10.3 million. The increase in Telenet's mobile handset sales, which sales typically generate relatively low margins, is primarily due to an increase in sales to third-party retailers.

For information concerning certain regulatory developments that could have an adverse impact on our revenue in Belgium, see note 16 to our consolidated financial statements.

VTR (Chile). The increase in the VTR Group's revenue during 2012, as compared to 2011, includes (i) an organic increase of $57.0 million or 6.4% and (ii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Increase in subscription revenue due to change in:			
Average number of RGUs (a)	$ 38.9	$ —	$ 38.9
ARPU (b)	2.6	—	2.6
Increase in non-subscription revenue (c)	—	15.5	15.5
Organic increase	41.5	15.5	57.0
Impact of FX	(5.0)	(0.4)	(5.4)
Total	$ 36.5	$ 15.1	$ 51.6

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(a) The increase in the VTR Group's subscription revenue related to a change in the average number of RGUs is primarily due to increases in the average numbers of digital cable, broadband internet and telephony RGUs that were only partially offset by a decline in the average numbers of analog cable RGUs.

(b) The increase in the VTR Group's subscription revenue related to a change in ARPU is primarily due to the positive impact of an improvement in RGU mix, attributable to a higher proportion of digital cable RGUs. Excluding the positive impact related to RGU mix, ARPU remained relatively unchanged due to the net effect of the following factors: (i) higher ARPU from digital cable services, (ii) higher ARPU due to semi-annual inflation and other price adjustments for video, broadband internet and telephony services, (iii) lower ARPU due to the impact of promotional and bundling discounts and (iv) lower ARPU from telephony services, due in part to the net effect of (a) the negative impact of a lower volume of calls subject to usage-based charges and (b) the positive impact of a higher proportion of customers on fixed-rate calling plans.

(c) The increase in the VTR Group's non-subscription revenue is attributable to the net effect of (i) the May 2012 launch of mobile services by VTR Wireless and (ii) decreases in installation and interconnect revenue at VTR.

Revenue — 2011 compared to 2010

	Year ended December 31,		Increase (decrease)		Organic increase (decrease)
	2011	2010	$	%	%
	in millions				
UPC/Unity Division:					
Germany	$ 1,450.0	$ 1,146.6	$ 303.4	26.5	9.0
The Netherlands	1,273.4	1,156.8	116.6	10.1	5.0
Switzerland	1,282.6	1,067.6	215.0	20.1	2.2
Other Western Europe	893.3	829.5	63.8	7.7	2.7
Total Western Europe	4,899.3	4,200.5	698.8	16.6	4.9
Central and Eastern Europe	1,122.5	1,001.5	121.0	12.1	1.5
Central and other	122.7	108.6	14.1	13.0	7.7
Total UPC/Unity Division	6,144.5	5,310.6	833.9	15.7	4.3
Telenet (Belgium)	1,918.5	1,727.2	191.3	11.1	5.7
VTR Group (Chile)	889.0	798.2	90.8	11.4	5.7
Corporate and other	645.2	608.6	36.6	6.0	1.8
Intersegment eliminations	(86.4)	(80.4)	(6.0)	(7.5)	(2.3)
Total	$ 9,510.8	$ 8,364.2	$ 1,146.6	13.7	4.6

Germany. The increase in Germany’s revenue during 2011, as compared to 2010, includes (i) an organic increase of $103.1 million or 9.0% , (ii) the impact of acquisitions and (iii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Increase in subscription revenue due to change in:			
Average number of RGUs (a)	$ 73.7	$ —	$ 73.7
ARPU (b)	11.2	—	11.2
Increase in non-subscription revenue (c)	—	18.2	18.2
Organic increase	84.9	18.2	103.1
Impact of acquisitions	111.9	14.8	126.7
Impact of FX	64.8	8.8	73.6
Total	$ 261.6	$ 41.8	$ 303.4

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(a) The increase in Germany’s subscription revenue related to a change in the average number of RGUs is attributable to increases in the average numbers of broadband internet, telephony and digital cable RGUs that were only partially offset by a decline in the average number of analog cable RGUs. The decline in Germany’s average number of analog cable RGUs led to a decline in the average number of total video RGUs in Germany during 2011, as compared to 2010.

(b) The increase in Germany’s subscription revenue related to a change in ARPU is due to an improvement in RGU mix, attributable to higher proportions of telephony, digital cable and broadband internet RGUs, that was only partially offset by a net decrease resulting primarily from the following factors: (i) lower ARPU due to the impact of free bundled services provided to new subscribers during promotional periods, (ii) lower ARPU due to a higher proportion of customers receiving discounted analog cable services through bulk agreements and (iii) lower ARPU due to a decrease in telephony call volume for customers on usage-based calling plans.

(c) The increase in Germany's non-subscription revenue is primarily attributable to increases in (i) installation revenue, primarily due to a higher number of RGU additions, (ii) interconnect revenue, primarily due to growth in Germany's telephony services and (iii) channel carriage fees.

The Netherlands. The increase in the Netherlands' revenue during 2011, as compared to 2010, includes (i) an organic increase of $57.5 million or 5.0% and (ii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Increase in subscription revenue due to change in:			
Average number of RGUs (a)	$ 41.1	$ —	$ 41.1
ARPU (b)	17.8	—	17.8
Decrease in non-subscription revenue (c)	—	(1.4)	(1.4)
Organic increase (decrease)	58.9	(1.4)	57.5
Impact of FX	53.7	5.4	59.1
Total	$ 112.6	$ 4.0	$ 116.6

(a) The increase in the Netherlands' subscription revenue related to a change in the average number of RGUs is attributable to increases in the average numbers of digital cable, telephony and broadband internet RGUs that were only partially offset by a decline in the average number of analog cable RGUs. The decline in the Netherlands' average number of analog cable RGUs led to a decline in the average number of total video RGUs in the Netherlands during 2011, as compared to 2010.

(b) The increase in the Netherlands' subscription revenue related to a change in ARPU is due to an improvement in RGU mix, attributable to higher proportions of digital cable, broadband internet and telephony RGUs, that was only partially offset by a net decrease resulting primarily from the following factors: (i) lower ARPU due to a decrease in telephony call volume, including the impact of customers moving from usage-based to fixed-rate calling plans, (ii) lower ARPU due to an increase in the proportion of customers selecting lower-priced tiers of broadband internet services and (iii) higher ARPU due to January 2011 price increases for certain video, broadband internet and telephony services.

(c) The decrease in the Netherlands' non-subscription revenue is attributable to the net impact of (i) an increase in B2B revenue, due primarily to growth in B2B telephony and broadband internet services, and (ii) a net decrease resulting from individually insignificant changes in other non-subscription revenue categories.

Switzerland. The increase in Switzerland's revenue during 2011, as compared to 2010, includes (i) an organic increase of $23.2 million or 2.2% and (ii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Increase in subscription revenue due to change in:			
Average number of RGUs (a)	$ 11.3	$ —	$ 11.3
ARPU (b)	11.4	—	11.4
Increase in non-subscription revenue (c)	—	0.5	0.5
Organic increase	22.7	0.5	23.2
Impact of FX	162.0	29.8	191.8
Total	$ 184.7	$ 30.3	$ 215.0

(a) The increase in Switzerland's subscription revenue related to a change in Switzerland's average number of RGUs is attributable to increases in the average numbers of digital cable, broadband internet and telephony RGUs that were only partially offset by a decrease in the average number of analog cable RGUs. The decline in the average numbers of Switzerland's analog cable RGUs led to a decline in the average number of total video RGUs in Switzerland during 2011, as compared to 2010.

(b) The increase in Switzerland's subscription revenue related to a change in ARPU is due to an improvement in RGU mix, attributable to higher proportions of digital cable, broadband internet and telephony RGUs, that was only partially offset by a net decrease resulting primarily from the following factors: (i) lower ARPU due to a decrease in telephony call volume for customers on usage-based calling plans, (ii) lower ARPU from broadband internet services, (iii) higher ARPU due to price increases implemented in January 2011 and the second half of 2010 for certain analog and digital cable services and (iv) higher ARPU from digital cable services.

(c) The increase in Switzerland's non-subscription revenue is primarily attributable to the net impact of (i) an increase in installation revenue, (ii) a decline in B2B revenue and (iii) higher revenue from the sale of customer premises equipment. The higher revenue from customer premises equipment sales is due largely to the second quarter 2010 introduction of common interface plus (CI+) modules, which enable authorized customers with CI+ enabled televisions to view our digital cable service without a set-top box. The decline in B2B revenue is due primarily to lower revenue of $8.0 million or 34.9% from construction and equipment sales that was only partially offset by modest growth in B2B telephony and broadband internet services.

Other Western Europe. The increase in Other Western Europe's revenue during 2011, as compared to 2010, includes (i) an organic increase of $22.5 million or 2.7% and (ii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Increase (decrease) in subscription revenue due to change in:			
Average number of RGUs (a)	$ 46.6	$ —	$ 46.6
ARPU (b)	(20.5)	—	(20.5)
Decrease in non-subscription revenue (c)	—	(3.6)	(3.6)
Organic increase (decrease)	26.1	(3.6)	22.5
Impact of FX	35.8	5.5	41.3
Total	$ 61.9	$ 1.9	$ 63.8

(a) The increase in Other Western Europe's subscription revenue related to a change in the average number of RGUs is attributable to increases in the average numbers of telephony, broadband internet and digital cable RGUs in each of Ireland and Austria that were only partially offset by decreases in the average numbers of analog cable RGUs in each of Ireland and Austria and, to a lesser extent, MMDS video RGUs in Ireland. The declines in the average numbers of analog cable and MMDS video RGUs led to declines in the average numbers of total video RGUs in both Ireland and Austria during 2011, as compared to 2010.

(b) The decrease in Other Western Europe's subscription revenue related to a change in ARPU is primarily attributable to a decrease in ARPU in Austria, as ARPU in Ireland declined only slightly during 2011, as compared to 2010. The decrease in Austria's overall ARPU is primarily due to the net effect of (i) lower ARPU due to a higher proportion of customers selecting lower-priced tiers of broadband internet services, (ii) lower ARPU due to a decrease in telephony call volume for customers on usage-based calling plans and a higher proportion of customers selecting such usage-based calling plans and (iii) higher ARPU due to the third quarter 2011 implementation of an additional charge for broadband internet services. Ireland's overall ARPU declined slightly during 2011, as compared to 2010, primarily due to the net impact of the following factors: (a) higher ARPU due to January 2011 price increases for certain digital and broadband internet services and (b) lower ARPU due to a decrease in telephony call volume for customers on usage-based calling plans and a higher proportion of customers selecting such usage-based calling plans. In addition, Other Western Europe's overall ARPU was slightly impacted by adverse changes in RGU mix in both Austria and Ireland.

(c) The decrease in Other Western Europe's non-subscription revenue is due primarily to (i) a decrease in B2B revenue and (ii) a net decrease resulting from individually insignificant changes in other non-subscription revenue categories. The decrease in B2B revenue is primarily attributable to the net effect of (a) growth in Ireland's B2B broadband internet services, (b) a decrease in Austria's B2B broadband internet and telephony services and (iii) a decrease resulting from the impact of a first quarter 2010 favorable settlement with the incumbent telecommunications operator in Austria.

Central and Eastern Europe. The increase in Central and Eastern Europe's revenue during 2011, as compared to 2010, includes (i) an organic increase of $15.2 million or 1.5%, (ii) the impact of acquisitions and (iii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Increase (decrease) in subscription revenue due to change in:			
Average number of RGUs (a)	$ 23.7	$ —	$ 23.7
ARPU (b)	(13.9)	—	(13.9)
Increase in non-subscription revenue (c)	—	5.4	5.4
Organic increase	9.8	5.4	15.2
Impact of acquisitions	47.6	17.9	65.5
Impact of FX	36.8	3.5	40.3
Total	$ 94.2	$ 26.8	$ 121.0

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(a) The increase in Central and Eastern Europe's subscription revenue related to a change in the average number of RGUs is primarily attributable to increases in the average numbers of digital cable (mostly in Poland, Hungary and Romania), broadband internet (mostly in Poland, Hungary and the Czech Republic) and telephony RGUs (mainly in Poland and Hungary) that were only partially offset by declines in the average numbers of analog cable and, to a much lesser extent, MMDS video RGUs. The declines in the average numbers of analog cable RGUs led to declines in the average numbers of total video RGUs in each country within our Central and Eastern Europe segment during 2011, as compared to 2010.

(b) The decrease in Central and Eastern Europe's subscription revenue related to a change in ARPU is primarily due to the following factors: (i) lower ARPU due to increases in the proportions of video, broadband internet and telephony subscribers selecting lower-priced tiers of services and (ii) lower ARPU due to a decrease in telephony call volume for customers on usage-based calling plans. The impacts of these negative factors were partially offset by an improvement in Central and Eastern Europe's RGU mix, primarily attributable to higher proportions of digital cable and broadband internet RGUs.

(c) The increase in Central and Eastern Europe's non-subscription revenue is primarily attributable to an increase in B2B revenue, largely driven by growth in B2B broadband internet and telephony services in the Czech Republic and Poland.

Telenet (Belgium). The increase in Telenet's revenue during 2011, as compared to 2010, includes (i) an organic increase of $98.5 million or 5.7%, (ii) the impact of an acquisition and (iii) the impact of FX, as set forth below:

	Subscription revenue (a)	Non-subscription revenue (a)	Total
		in millions	
Increase in subscription revenue due to change in:			
Average number of RGUs (b)	$ 31.8	$ —	$ 31.8
ARPU (c)	34.9	—	34.9
Increase in non-subscription revenue (d)	—	31.8	31.8
Organic increase	66.7	31.8	98.5
Impact of an acquisition	—	4.1	4.1
Impact of FX	74.1	14.6	88.7
Total	$ 140.8	$ 50.5	$ 191.3

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(a) The organic increase in Telenet's subscription and non-subscription revenue is net of decreases of $7.6 million and $3.7 million, respectively, that resulted from a change from gross to net presentation of revenue and expenses related to certain premium text messaging and calling services due to a legislative action that became effective in January 2011. As a result of this legislative action, Telenet now acts as an agent, as opposed to a principal, in these transactions.

(b) The increase in Telenet's subscription revenue related to a change in the average number of RGUs is attributable to increases in the average numbers of digital cable, broadband internet and telephony RGUs that were only partially offset by a decline in the average number of analog cable RGUs. The decline in the average number of analog cable RGUs led to a decline in the average number of total video RGUs during 2011, as compared to 2010.

(c) The increase in Telenet's subscription revenue related to a change in ARPU is due to an improvement in RGU mix, attributable to higher proportions of digital cable, broadband internet and telephony RGUs, that was only partially offset by a net decrease resulting primarily from the following factors: (i) higher ARPU due to February 2010 price increases for certain analog and digital cable services and an August 2011 price increase for certain broadband internet services, (ii) lower ARPU due to an increase in the proportions of customers selecting lower-priced tiers of broadband internet services, (iii) lower ARPU due to a decrease in telephony call volume for customers on usage-based plans and (iv) higher ARPU from digital cable services.

(d) The increase in Telenet's non-subscription revenue is due primarily to (i) an increase in mobile services revenue of $22.5 million, (ii) an increase in interconnect revenue, as higher interconnect revenue associated with growth in mobile and fixed telephony services more than offset lower revenue associated with a decline in mobile termination rates, and (iii) an increase in revenue from B2B services. These increases were partially offset by a decrease in installation revenue, primarily attributable to a lower number of RGU additions and increased promotional discounts.

VTR Group (Chile). The increase in the VTR Group's revenue during 2011, as compared to 2010, includes (i) an organic increase of $45.5 million or 5.7% and (ii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
		in millions	
Increase in subscription revenue due to change in:			
Average number of RGUs (a)	$ 30.2	$ —	$ 30.2
ARPU (b)	14.5	—	14.5
Increase in non-subscription revenue (c)	—	0.8	0.8
Organic increase	44.7	0.8	45.5
Impact of FX	41.3	4.0	45.3
Total	$ 86.0	$ 4.8	$ 90.8

(a) The increase in the VTR Group's subscription revenue related to a change in the average number of RGUs is primarily due to increases in the average numbers of digital cable, broadband internet and telephony RGUs that were only partially offset by a decline in the average number of analog cable RGUs.

(b) The increase in the VTR Group's subscription revenue related to a change in ARPU is due to (i) an improvement in RGU mix, primarily attributable to a higher proportion of digital cable RGUs, and (ii) a net increase resulting primarily from the following factors: (a) higher ARPU due to inflation and other price adjustments, (b) lower ARPU from broadband internet services, (c) higher ARPU resulting from the estimated $4.3 million of revenue that was lost during the first quarter of 2010 as a result of an earthquake and tsunami in Chile and (d) higher ARPU from digital cable services.

(c) The increase in the VTR Group's non-subscription revenue is primarily attributable to higher advertising revenue that was only partially offset by lower interconnect and installation revenue.

Operating Expenses of our Reportable Segments

Operating expenses — 2012 compared to 2011

	Year ended December 31,		Increase (decrease)		Organic increase (decrease)
	2012	2011	$	%	%
	in millions				
UPC/Unity Division:					
Germany	$ 548.3	$ 320.5	$ 227.8	71.1	12.4
The Netherlands	354.5	375.4	(20.9)	(5.6)	2.1
Switzerland	359.8	372.0	(12.2)	(3.3)	2.2
Other Western Europe	323.6	348.7	(25.1)	(7.2)	0.4
Total Western Europe	1,586.2	1,416.6	169.6	12.0	4.0
Central and Eastern Europe	418.4	435.2	(16.8)	(3.9)	(3.0)
Central and other	108.4	103.7	4.7	4.5	14.1
Total UPC/Unity Division	2,113.0	1,955.5	157.5	8.1	3.0
Telenet (Belgium)	734.5	704.9	29.6	4.2	12.5
VTR Group (Chile)	442.4	381.2	61.2	16.1	16.7
Corporate and other	398.6	407.0	(8.4)	(2.1)	(0.1)
Intersegment eliminations	(79.6)	(84.5)	4.9	5.8	(2.1)
Total operating expenses excluding stock-based compensation expense	3,608.9	3,364.1	244.8	7.3	6.2
Stock-based compensation expense	8.6	15.3	(6.7)	(43.8)	
Total	$ 3,617.5	$ 3,379.4	$ 238.1	7.0	

General. Operating expenses include programming, network operations, interconnect, customer operations, customer care, stock-based compensation expense and other direct costs. We do not include stock-based compensation in the following discussion and analysis of the operating expenses of our reportable segments as stock-based compensation expense is not included in the performance measures of our reportable segments. Stock-based compensation expense is discussed under *Discussion and Analysis of Our Consolidated Operating Results* below. Programming costs, which represent a significant portion of our operating costs, are expected to rise in future periods as a result of (i) growth in digital cable services, in combination with the introduction of Horizon TV, and (ii) price increases. In addition, we are subject to inflationary pressures with respect to our labor and other costs and foreign currency exchange risk with respect to costs and expenses that are denominated in currencies other than the respective functional currencies of our operating segments (non-functional currency expenses). Any cost increases that we are not able to pass on to our subscribers through service rate increases would result in increased pressure on our operating margins. For additional information concerning our foreign currency exchange risks see *Quantitative and Qualitative Disclosures about Market Risk — Foreign Currency Risk* below.

UPC/Unity Division. The UPC/Unity Division's operating expenses (exclusive of stock-based compensation expense) increased $157.5 million or 8.1% during 2012, as compared to 2011. This increase includes $274.8 million attributable to the impact of acquisitions. Excluding the effects of acquisitions and FX, the UPC/Unity Division's operating expenses increased $58.9 million or 3.0%. This increase includes the following factors:

- An increase in programming and related costs of $51.1 million or 8.7%, primarily due to growth in digital video services, predominantly in Germany, Switzerland, Austria and the Netherlands. The increase in programming and related costs also reflects a decrease of $7.3 million due to the net impact of accrual releases in Germany and the Netherlands during 2012 and 2011, and Poland in the fourth quarter of 2012. These accrual releases primarily relate to the settlement or reassessment of operational contingencies;

- An increase in network-related expenses of $24.5 million or 9.3%, primarily due to (i) increased network maintenance costs, primarily in Germany and Poland, (ii) higher costs associated with the refurbishment of customer premises equipment, primarily in Germany, (iii) higher duct and pole rental costs, primarily in Germany and Romania, with the higher costs in Germany primarily attributable to the negative impact of a fourth quarter 2011 settlement of an operational contingency, (iv) higher energy costs in Germany due in part to the release of accruals in connection with the settlement of operational contingencies during the second and fourth quarters of 2011, (v) increased encryption costs, due largely to increased numbers of installed digital set-top boxes, primarily in Switzerland and Germany, and (vi) higher costs of $1.4 million due to the net impact of settlements in 2012 and 2011 of claims for costs incurred in connection with faulty customer premises equipment, primarily in the Netherlands, Switzerland and Poland. In addition, in the UPC/Unity Division's central operations, the impact of a fourth quarter 2011 settlement of a dispute with a third party contributed $2.8 million to the overall increase in network-related expenses;

- An increase in outsourced labor and professional fees of $11.7 million or 6.3%, primarily due to the net effect of (i) higher call center costs in Germany, primarily attributable to an increase in call volumes, (ii) higher outsourced labor costs associated with customer-facing activities in Germany, Ireland and Switzerland and (iii) lower call center costs in Switzerland;

- A decrease in bad debt and collection expenses of $8.1 million or 11.5%, primarily in Poland, the Czech Republic, Ireland and Austria. The decrease in bad debt and collection expenses is largely attributable to (i) improved collection experience and (ii) the $2.6 million impact of a nonrecurring increase to bad debt expense that was recorded in the Netherlands during the first quarter of 2011;

- An increase in personnel costs of $5.8 million or 1.5%, primarily due to (i) annual wage increases, with the largest impacts occurring in the Netherlands, Germany, Switzerland and Austria, and (ii) increased staffing levels in the UPC/Unity Division's central operations and the Netherlands. The increased staffing levels in the UPC/Unity Division's central operations are due in part to increased numbers of strategic initiatives;

- A decrease in information technology-related expenses of $3.4 million or 39%, due in part to costs incurred in 2011 associated with a billing system implementation in the Czech Republic;

- A decrease of $1.9 million associated with lower taxes in Hungary. This decrease represents the net effect of (i) a decrease attributable to a change in our approach to determining the 2010 Hungarian Telecom Tax that was implemented on a retroactive basis during the second quarter of 2012 and (ii) an increase attributable to the initiation of the 2012 Hungarian Telecom Tax in July 2012. For additional information regarding the 2012 Hungarian Telecom Tax and the 2010 Hungarian Telecom Tax, see *Discussion and Analysis of our Reportable Segments - General*; and

- A net decrease resulting from individually insignificant changes in other operating expense categories.

Telenet (Belgium). Telenet's operating expenses (exclusive of stock-based compensation expense) increased $29.6 million or 4.2% during 2012, as compared to 2011. Excluding the effects of FX, Telenet's operating expenses increased $88.1 million or 12.5%. This increase includes the following factors:

- An increase in mobile costs of $36.6 million, due primarily to (i) higher costs associated with subscriber promotions involving free or heavily-discounted handsets and (ii) increased mobile handset sales to third-party retailers;

- An increase in programming and related costs of $32.3 million or 15.1%, due primarily to (i) a $25.3 million increase resulting from Telenet's acquisition of the rights to broadcast certain Belgian football (soccer) matches for the three years that began in the third quarter of 2011 and (ii) an increase due to growth in other digital video services. The increase in programming and related costs also reflects a $2.3 million decrease due to the impact of an accrual release during the fourth quarter of 2012 related to the settlement of an operational contingency;

- An increase in interconnect costs of $18.3 million or 22.2%, due primarily to the net effect of (i) subscriber growth, (ii) increased mobile voice and data volumes and (iii) lower mobile termination rates;

- An increase in costs of $10.0 million associated with a campaign to retain customers following the move of certain channels from the analog to the basic digital channel package. This campaign involved the sale and rental of used digital set-top boxes at relatively low prices. In connection with this campaign, Telenet experienced (i) increases in the costs of set-top boxes that were sold and (ii) higher outsourced labor and professional fees due primarily to increased customer-facing activities;

- An increase in outsourced labor and professional fees of $8.0 million or 11.7%, due primarily to increased call center costs, mainly associated with (i) a higher number of calls and (ii) efforts to improve service levels;

- A decrease in network-related expenses of $7.0 million or 6.1%, due primarily to lower costs associated with the refurbishment of customer premises equipment due primarily to the benefit of claims taken related to faulty set-top boxes;

- A decrease in personnel costs of $5.6 million or 4.9%, due primarily to the net effect of (i) increased staffing levels and annual wage increases, (ii) lower costs of $4.1 million due to the impact of reimbursements received from the Belgian government during the third and fourth quarters of 2012 with respect to the employment of certain individuals with advanced degrees and (iii) lower costs of $3.4 million due to reassessments of certain post-employment benefit obligations during the third and fourth quarters of 2012;

- Lower costs of $5.0 million associated with the impact of nonrecurring adjustments recorded during the third and fourth quarters of 2012 resulting from the reassessment of a social tariff obligation; and

- A decrease in bad debt expense of $1.7 million that includes a $3.3 million decrease associated with a nonrecurring adjustment recorded during the second quarter of 2012 related to the settlement of an operational contingency.

VTR Group (Chile). The VTR Group's operating expenses (exclusive of stock-based compensation expense) increased $61.2 million or 16.1% during 2012, as compared to 2011. Excluding the effects of FX, the VTR Group's operating expenses increased $63.6 million or 16.7%. This increase includes the following factors:

- An increase in VTR Wireless' mobile handset costs of $21.1 million;

- An increase in programming and related costs of $14.5 million or 10.9%, primarily associated with growth in digital cable services. Although a significant portion of the VTR Group's programming contracts are denominated in U.S. dollars, the impact of foreign currency exchange rate fluctuations did not materially impact the increase in the VTR Group's programming costs during 2012;

- An increase in interconnect and access costs of $12.7 million or 21.1%, due primarily to (i) higher costs associated with VTR Wireless, primarily attributable to (a) the impact of the May 2012 launch of mobile services and (b) the initiation of minimum payments under a roaming agreement during the first quarter of 2012, and (ii) higher costs associated with VTR's broadband internet services, as the impact of higher traffic was only partially offset by lower average rates;

- An increase in facilities expenses of $10.5 million, due primarily to higher site and tower rental costs incurred by VTR Wireless, including $1.9 million of fees incurred in connection with the termination of certain leases;

- A decrease in personnel costs of $5.7 million or 10.4%, primarily related to lower bonus costs at VTR; and

- An increase in outsourced labor and professional fees of $5.5 million or 19.1%, resulting from the net effect of (i) increased costs associated with VTR Wireless' network operating center and (ii) a decrease in VTR's customer-facing activities.

Operating expenses — 2011 compared to 2010

	Year ended December 31,		Increase (decrease)		Organic increase (decrease)
	2011	2010	$	%	%
	in millions				
UPC/Unity Division:					
Germany	$ 320.5	$ 272.9	$ 47.6	17.4	(0.3)
The Netherlands	375.4	351.1	24.3	6.9	2.0
Switzerland	372.0	322.7	49.3	15.3	(2.0)
Other Western Europe	348.7	325.1	23.6	7.3	2.3
Total Western Europe	1,416.6	1,271.8	144.8	11.4	0.6
Central and Eastern Europe	435.2	381.4	53.8	14.1	3.3
Central and other	103.7	99.5	4.2	4.2	(0.8)
Total UPC/Unity Division	1,955.5	1,752.7	202.8	11.6	1.1
Telenet (Belgium)	704.9	614.3	90.6	14.7	9.1
VTR Group (Chile)	381.2	333.6	47.6	14.3	8.4
Corporate and other	407.0	380.0	27.0	7.1	3.1
Intersegment eliminations	(84.5)	(79.5)	(5.0)	(6.3)	(0.8)
Total operating expenses excluding stock-based compensation expense	3,364.1	3,001.1	363.0	12.1	3.8
Stock-based compensation expense	15.3	9.4	5.9	62.8	
Total	$ 3,379.4	$ 3,010.5	$ 368.9	12.3	

UPC/Unity Division. The UPC/Unity Division's operating expenses (exclusive of stock-based compensation expense) increased $202.8 million or 11.6% during 2011, as compared to 2010. This increase includes $60.0 million attributable to the impact of acquisitions. Excluding the effects of acquisitions and FX, the UPC/Unity Division's operating expenses increased $18.8 million or 1.1%. This increase includes the following factors:

- An increase in programming and related costs of $28.8 million or 5.6%, due primarily to growth in digital video services, predominantly in the Netherlands, Germany, Poland and Ireland. The net impact of favorable copyright and programming fee settlements, primarily in Germany and the Netherlands, also contributed to the increase, as the $3.5 million favorable impact in 2011 was less than the $6.4 million favorable impact in 2010. These increases were partially offset by the impact of lower rates for certain copyright fees in Germany;

- An increase in outsourced labor and professional fees of $15.0 million or 9.9%, primarily attributable to increased call center costs due to higher call volumes in Germany, Switzerland, the Netherlands and the Czech Republic;

- A decrease in interconnect costs of $12.6 million or 6.8%, primarily attributable to the net effect of (i) decreased costs due to lower rates, primarily in Switzerland, Germany, the Netherlands and the Czech Republic, (ii) increased costs related to subscriber growth, primarily in Germany, (iii) decreased costs due to lower call volumes, primarily in Switzerland and Austria and (iv) a $3.0 million increase related to the impact of a favorable interconnect settlement during the third quarter of 2010 in Switzerland;

- An increase in personnel costs of $7.2 million or 2.1%, due primarily to the net effect of (i) a decrease associated with higher levels of labor costs allocated to certain capital projects, including the development of our Horizon TV platform, (ii) annual wage increases, (iii) higher employee benefit related costs primarily in the Netherlands and Germany, (iv) lower costs related to temporary personnel, primarily in Switzerland and Germany, (v) increased bonus costs and (vi) increased staffing levels;

- A decrease of $6.9 million or 43.6%, due primarily to lower B2B construction and equipment sales in Switzerland;

- A decrease in network related expenses of $5.6 million or 2.3%, due primarily to the net effect of (i) lower energy costs in Germany and, to a lesser extent, the Czech Republic and the Netherlands, with the lower costs in Germany due in part to the release of accruals in connection with the settlement of operational contingencies during the second and fourth quarters of 2011, (ii) increased encryption costs, due largely to an increased number of installed digital set-top boxes, (iii) a $6.7 million decrease due to the 2011 settlement of a claim for costs incurred in connection with faulty customer premises equipment, primarily in the Netherlands and Switzerland, (iv) higher costs associated with the refurbishment of customer premises equipment and (v) higher duct and pole rental costs due primarily to increased rates in the Czech Republic and Romania. In Germany, duct and pole rental costs remained relatively constant as the impact of higher rates was offset by the favorable impact of the fourth quarter 2011 settlement of an operational contingency. In addition, in UPC/Unity Division's central operations, the favorable impact of a fourth quarter 2011 settlement of a dispute with a third party regarding services rendered in 2010 contributed $2.9 million to the overall decrease in network related expenses; and

- A decrease of $4.5 million at UPC DTH due to lower satellite costs resulting from (i) lower transponder rates and (ii) the impact of certain expenses incurred during 2010 related to UPC DTH's migration to a new satellite.

Telenet (Belgium). Telenet's operating expenses (exclusive of stock-based compensation expense) increased $90.6 million or 14.7% during 2011, as compared to 2010. This increase includes $3.1 million attributable to the impact of an acquisition. Excluding the effects of an acquisition and FX, Telenet's operating expenses increased $55.9 million or 9.1%. This increase includes the following factors:

- An increase in programming and related costs of $36.3 million or 21.7%, due primarily to (i) an increase resulting from Telenet's second quarter 2011 acquisition of the rights to broadcast certain Belgian football (soccer) matches over the next three years and (ii) growth in digital cable services;

- An increase in network-related expenses of $18.2 million or 20.2%, due primarily to (i) DTT network costs that Telenet began incurring during the fourth quarter of 2010 pursuant to an agreement that provides Telenet with the right to use a specified DTT network through June 2024, (ii) higher costs associated with the refurbishment of customer premises equipment and (iii) higher maintenance costs;

- A decrease of $13.8 million in outsourced labor and customer premises equipment costs incurred in connection with the installation of certain wireless routers that were sold to customers during 2010. In January 2011, Telenet ceased the practice of selling wireless routers to its customers and began installing modems with built-in wireless routers, the ownership of which is retained by Telenet;

- An increase of $8.8 million or 23.9% in mobile costs, primarily due to increased mobile handset costs from (i) increased handset sales, primarily to third-party retailers, and (ii) promotions involving free or heavily-discounted handsets;

- An increase in personnel costs of $8.8 million or 8.9%, due largely to increased staffing levels and annual wage increases. The increase in staffing levels is largely due to (i) the insourcing of certain customer care functions and (ii) increased network operations activities; and

- A decrease in interconnect costs of $7.0 million or 8.2%, due primarily to decreases associated with (i) the previously-discussed change from gross to net presentation of revenue and expenses related to certain premium text messaging and calling services due to a legislative action that became effective in January 2011 and (ii) the previously-discussed reduction in mobile termination rates. These decreases were partially offset by increases associated with (i) subscriber growth and (ii) increased mobile calling volumes.

VTR Group (Chile). The VTR Group's operating expenses (exclusive of stock-based compensation expense) increased $47.6 million or 14.3% during 2011, as compared to 2010. Excluding the effects of FX, the VTR Group's operating expenses increased $28.0 million or 8.4%. This increase includes the following factors:

- An increase in programming and related costs of $14.6 million or 13.2%, as an increase associated with growth in digital cable services was only partially offset by a decrease arising from foreign currency exchange rate fluctuations with respect to the VTR Group's U.S. dollar denominated programming contracts;

- An increase in facilities expenses of $6.5 million, due mostly to higher site and tower rental costs in connection with VTR Wireless;

- An increase in outsourced labor and professional fees of $6.2 million or 29.1%, due largely to (i) increased call center costs due to efforts to improve service levels, (ii) a higher number of service calls and (iii) higher site and tower location costs incurred in connection with VTR Wireless;

- A decrease in bad debt and collection expenses of $5.4 million, as improved economic conditions and customer retention efforts have resulted in better collection experience; and

- An increase in personnel costs of $2.9 million or 5.8%, due primarily to higher staffing levels related to VTR Wireless.

SG&A Expenses of our Reportable Segments

SG&A expenses — 2012 compared to 2011

	Year ended December 31,		Increase (decrease)		Organic increase
	2012	2011	$	%	%
	in millions				
UPC/Unity Division:					
Germany	$ 398.4	$ 265.8	$ 132.6	49.9	21.2
The Netherlands	137.5	142.7	(5.2)	(3.6)	3.9
Switzerland	182.1	188.7	(6.6)	(3.5)	1.5
Other Western Europe	117.1	125.9	(8.8)	(7.0)	0.4
Total Western Europe	835.1	723.1	112.0	15.5	9.0
Central and Eastern Europe	142.2	139.3	2.9	2.1	4.5
Central and other	170.4	159.5	10.9	6.8	15.7
Total UPC/Unity Division	1,147.7	1,021.9	125.8	12.3	9.4
Telenet (Belgium)	242.8	246.6	(3.8)	(1.5)	6.3
VTR Group (Chile)	184.0	166.6	17.4	10.4	11.1
Corporate and other	261.5	231.2	30.3	13.1	12.7
Intersegment eliminations	(3.7)	(1.9)	(1.8)	N.M.	N.M.
Total SG&A expenses excluding stock-based compensation expense	1,832.3	1,664.4	167.9	10.1	9.5
Stock-based compensation expense	103.8	116.0	(12.2)	(10.5)	
Total	$ 1,936.1	$ 1,780.4	$ 155.7	8.7	

N.M. - Not Meaningful.

General. SG&A expenses include human resources, information technology, general services, management, finance, legal and sales and marketing costs, stock-based compensation and other general expenses. We do not include stock-based compensation in the following discussion and analysis of the SG&A expenses of our reportable segments as stock-based compensation expense is not included in the performance measures of our reportable segments. Stock-based compensation expense is discussed under *Discussion and Analysis of Our Consolidated Operating Results* below. As noted under *Operating Expenses* above, we are subject to inflationary pressures with respect to our labor and other costs and foreign currency exchange risk with respect to non-functional currency expenses. For additional information concerning our foreign currency exchange risks see *Quantitative and Qualitative Disclosures about Market Risk — Foreign Currency Risk* below.

UPC/Unity Division. The UPC/Unity Division's SG&A expenses (exclusive of stock-based compensation expense) increased $125.8 million or 12.3% during 2012, as compared to 2011. This increase includes $121.2 million attributable to the impact of acquisitions. Excluding the effects of acquisitions and FX, the UPC/Unity Division's SG&A expenses increased $96.5 million or 9.4%. This increase includes the following factors:

- An increase in personnel costs of $35.1 million or 8.8%, due largely to (i) increased staffing levels in the UPC/Unity Division's central operations due largely to increased numbers of strategic initiatives and (ii) annual wage increases, predominantly in the Netherlands, the UPC/Unity Division's central operations, Germany and Switzerland. The increases in personnel costs also include the impact of a new employee wage tax in the Netherlands, which tax is payable in 2013 and is not applicable to future years. This new employee wage tax, which was authorized in September 2012, is based on wages for the year ended December 31, 2012;

- An increase in sales and marketing costs of $30.6 million or 8.2%, largely due to higher costs in Germany, including higher third-party sales commissions and, to a lesser extent, increased costs associated with rebranding and other advertising campaigns. Lower sales and marketing costs in Austria, the Czech Republic and Switzerland partially offset the increased costs in Germany;

- An increase in facilities expenses of $8.3 million or 9.7%, due primarily to increases in costs related to the rental of office space in Germany, the UPC/Unity Division's central operations and the Netherlands;

- An increase in outsourced labor and professional fees of $4.1 million or 6.0%, due primarily to (i) an increase in consulting costs incurred in Germany, primarily associated with integration activities related to the KBW Acquisition, and (ii) an increase in consulting costs incurred by the UPC/Unity Division's central operations in connection with the UPC/Unity Division's mobile and other strategic initiatives; and

- An increase of $4.1 million in delivery and postage costs, including higher costs associated with (i) the delivery of customer premises equipment to retail locations in Germany and (ii) postage for customer communications in Switzerland.

Telenet (Belgium). Telenet's SG&A expenses (exclusive of stock-based compensation expense) decreased $3.8 million or 1.5% during 2012, as compared to 2011. Excluding the effects of FX, Telenet's SG&A expenses increased $15.4 million or 6.3%. This increase includes the following factors:

- An increase in sales and marketing costs of $18.0 million or 22.5%, due primarily to (i) increased third-party sales commissions and sales call center costs mostly related to (a) increased sales of mobile services and (b) the aforementioned campaign to retain customers following the move of channels from the analog to the basic digital channel package and (ii) higher marketing costs in connection with promotional and operational initiatives;

- A decrease in outsourced labor and professional fees of $10.5 million or 31.9%, due primarily to a decrease in consulting costs associated with strategic and regulatory initiatives;

- An increase of $3.5 million in the costs associated with the delivery of mobile handsets to retail locations; and

- An increase in personnel costs of $2.1 million or 2.1%, due primarily to the net effect of (i) annual wage increases, (ii) lower costs of $1.6 million due to the reassessment of certain post-employment benefit obligations during the third quarter of 2012 and (iii) lower bonus costs.

VTR Group (Chile). The VTR Group's SG&A expenses (exclusive of stock-based compensation expense) increased $17.4 million or 10.4%, during 2012, as compared to 2011. Excluding the effects of FX, the VTR Group's SG&A expenses increased $18.4 million or 11.1%. This increase includes the following factors:

- An increase in sales and marketing costs of $9.0 million or 17.4%, due primarily to the net effect of (i) higher third-party sales commissions, (ii) increased advertising campaigns at VTR Wireless, primarily associated with the launch of mobile services in May 2012, and (iii) decreased advertising campaigns at VTR. The higher sales commissions are primarily attributable to (a) an increase at VTR, due primarily to a higher proportion of sales generated by third-party dealers, and (b) an increase at VTR Wireless, due primarily to higher sales volumes resulting from the May 2012 launch of mobile services;

- An increase in facilities expenses of $6.4 million, due primarily to higher rental and related costs associated with (i) an increase in retail space used by VTR Wireless and (ii) an increase in office and other space used by VTR; and

- An increase in personnel costs of $0.7 million or 1.2%, resulting from the net effect of (i) higher staffing levels and other personnel costs at VTR Wireless and (ii) lower bonus costs and, to a lesser degree, lower staffing levels at VTR.

SG&A expenses — 2011 compared to 2010

	Year ended December 31,		Increase (decrease)		Organic increase (decrease)
	2011	2010	$	%	%
	in millions				
UPC/Unity Division:					
Germany	$ 265.8	$ 213.9	$ 51.9	24.3	7.0
The Netherlands	142.7	131.8	10.9	8.3	3.2
Switzerland	188.7	156.7	32.0	20.4	2.6
Other Western Europe	125.9	121.2	4.7	3.9	(1.0)
Total Western Europe	723.1	623.6	99.5	16.0	3.5
Central and Eastern Europe	139.3	123.3	16.0	13.0	3.8
Central and other	159.5	129.4	30.1	23.3	17.2
Total UPC/Unity Division	1,021.9	876.3	145.6	16.6	5.6
Telenet (Belgium)	246.6	240.1	6.5	2.7	(2.3)
VTR Group (Chile)	166.6	136.9	29.7	21.7	15.7
Corporate and other	231.2	229.0	2.2	1.0	(2.5)
Intersegment eliminations	(1.9)	(0.9)	(1.0)	N.M.	N.M.
Total SG&A expenses excluding stock-based compensation expense	1,664.4	1,481.4	183.0	12.4	3.9
Stock-based compensation expense	116.0	101.6	14.4	14.2	
Total	$ 1,780.4	$ 1,583.0	$ 197.4	12.5	

N.M. - Not Meaningful.

UPC/Unity Division. The UPC/Unity Division's SG&A expenses (exclusive of stock-based compensation expense) increased $145.6 million or 16.6% during 2011, as compared to 2010. This increase includes $30.5 million attributable to the impact of acquisitions. Excluding the effects of acquisitions and FX, the UPC/Unity Division's SG&A expenses increased $48.9 million or 5.6%. This increase includes the following factors:

- An increase in personnel costs of $22.1 million or 6.6%, due primarily to (i) annual wage increases, (ii) higher marketing staffing levels, mostly in Switzerland and the Netherlands, (iii) higher bonus costs and (iv) higher severance costs;

- An increase in outsourced labor and professional fees of $14.0 million or 29.4%, due primarily to higher consulting costs for (i) procurement, billing system and other initiatives within UPC/Unity Division's central operations and (ii) strategic marketing projects in Germany;

- An increase in sales and marketing costs of $7.3 million or 2.3% , due primarily to the net effect of (i) increased marketing activities, primarily in the Netherlands, Ireland and UPC DTH, (ii) higher third-party sales commissions in Germany and (iii) lower third-party sales commissions in the Czech Republic. The increase in sales commissions in Germany was partially offset by the release of an accrual in connection with the second quarter 2011 settlement of an operational contingency; and

- An increase in information technology related expense of $4.5 million or 14.0%, due primarily to additional support and maintenance requirements.

Telenet (Belgium). Telenet's SG&A expenses (exclusive of stock-based compensation expense) increased $6.5 million or 2.7% during 2011, as compared to 2010. This increase includes $0.9 million attributable to the impact of an acquisition. Excluding the effects of an acquisition and FX, Telenet's SG&A expenses decreased $5.6 million or 2.3%. This decrease includes the following factors:

- A decrease in sales and marketing costs of $12.4 million or 13.9%, due primarily to (i) lower marketing expenses, as increased promotional costs associated with Telenet's launch of Belgian football (soccer) coverage and advertising expenses during 2011 were more than offset by higher marketing campaign costs in 2010, (ii) lower sponsorship costs, (iii) lower costs related to sales call centers and (iv) decreased third-party sales commissions, primarily related to lower sales;

- An increase in outsourced labor and professional fees of $3.8 million or 13.9%, primarily due to an increase in consulting and legal costs associated with regulatory, strategic and financial initiatives; and

- An increase in personnel costs of $2.1 million or 2.3%, primarily due to annual wage increases and increased staffing levels, partially offset by lower severance costs.

VTR Group (Chile). The VTR Group's SG&A expenses (exclusive of stock-based compensation expense) increased $29.7 million or 21.7% during 2011, as compared to 2010. Excluding the effects of FX, the VTR Group's SG&A expenses increased $21.4 million or 15.7%. This increase includes the following factors:

- An increase in sales and marketing costs of $10.6 million or 27.7%, due primarily to (i) increased costs associated with rebranding and other advertising campaigns that are largely attributable to VTR Wireless and (ii) higher third-party sales commissions;

- An increase in facilities expenses of $4.3 million, due largely to office rental and other facilities costs associated with VTR Wireless;

- An increase in personnel costs of $2.1 million or 3.8%, primarily due to higher staffing levels related to VTR Wireless; and

- An increase in outsourced labor and professional fees of $2.1 million, due primarily to increased consulting costs related to (i) VTR Wireless and (ii) a subscriber retention project.

Operating Cash Flow of our Reportable Segments

Operating cash flow is the primary measure used by our chief operating decision maker to evaluate segment operating performance. As we use the term, operating cash flow is defined as revenue less operating and SG&A expenses (excluding stock-based compensation, depreciation and amortization, provisions for litigation, and impairment, restructuring and other operating items). For additional information concerning this performance measure and for a reconciliation of total segment operating cash flow to our loss from continuing operations before income taxes, see note 17 to our consolidated financial statements.

Operating Cash Flow — 2012 compared to 2011

	Year ended December 31,		Increase (decrease)		Organic increase (decrease)
	2012	2011	$	%	%
	in millions				
UPC/Unity Division:					
Germany	$ 1,364.3	$ 863.7	$ 500.6	58.0	11.4
The Netherlands	737.1	755.3	(18.2)	(2.4)	5.6
Switzerland	717.9	721.9	(4.0)	(0.6)	5.1
Other Western Europe	407.7	418.7	(11.0)	(2.6)	5.4
Total Western Europe	3,227.0	2,759.6	467.4	16.9	7.3
Central and Eastern Europe	555.1	548.0	7.1	1.3	0.6
Central and other	(163.1)	(140.5)	(22.6)	(16.1)	(25.7)
Total UPC/Unity Division	3,619.0	3,167.1	451.9	14.3	5.3
Telenet (Belgium)	940.7	967.0	(26.3)	(2.7)	5.4
VTR Group (Chile)	314.2	341.2	(27.0)	(7.9)	(7.3)
Corporate and other	(4.3)	7.0	(11.3)	N.M.	N.M.
Total	$ 4,869.6	$ 4,482.3	$ 387.3	8.6	3.9

Operating Cash Flow — 2011 compared to 2010

	Year ended December 31,		Increase (decrease)		Organic increase (decrease)
	2011	2010	$	%	%
	in millions				
UPC/Unity Division:					
Germany	$ 863.7	$ 659.8	$ 203.9	30.9	13.5
The Netherlands	755.3	673.9	81.4	12.1	6.8
Switzerland	721.9	588.2	133.7	22.7	4.4
Other Western Europe	418.7	383.2	35.5	9.3	4.2
Total Western Europe	2,759.6	2,305.1	454.5	19.7	7.7
Central and Eastern Europe	548.0	496.8	51.2	10.3	(0.4)
Central and other	(140.5)	(120.3)	(20.2)	(16.8)	(10.2)
Total UPC/Unity Division	3,167.1	2,681.6	485.5	18.1	6.1
Telenet (Belgium)	967.0	872.8	94.2	10.8	5.5
VTR Group (Chile)	341.2	327.7	13.5	4.1	(1.2)
Corporate and other	7.0	(0.4)	7.4	N.M.	N.M
Total	$ 4,482.3	$ 3,881.7	$ 600.6	15.5	5.4

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N.M. - Not Meaningful.

Operating Cash Flow Margin — 2012, 2011 and 2010

The following table sets forth the operating cash flow margins (operating cash flow divided by revenue) of each of our reportable segments:

	Year ended December 31,		
	2012	2011	2010
		%	
UPC/Unity Division:			
Germany	59.0	59.6	57.5
The Netherlands	60.0	59.3	58.3
Switzerland	57.0	56.3	55.1
Other Western Europe	48.1	46.9	46.2
Total Western Europe	57.1	56.3	54.9
Central and Eastern Europe	49.8	48.8	49.6
Total UPC/Unity Division, including central and other	52.6	51.5	50.5
Telenet (Belgium)	49.0	50.4	50.5
VTR Group (Chile)	33.4	38.4	41.1

The operating cash flow margin of the UPC/Unity Division improved during 2012, as compared to 2011, as most of the cash flow margins of the UPC/Unity Division's operating segments improved or remained relatively unchanged. The operating cash flow margin of the UPC/Unity Division was negatively impacted by an increase in the operating cash flow deficit of the UPC/Unity Division's central and other category, which increase is primarily attributable to higher personnel and consulting costs, due in part to increased levels of strategic initiatives. The decrease in Germany's operating cash flow margin is attributable to the net effect of (i) the positive impact of the inclusion of KBW during 2012, (ii) higher customer care, sales and marketing and programming costs and (iii) integration costs associated with the KBW Acquisition. The increases in the operating cash flow margins for the remaining segments of the UPC/Unity Division generally represent the net impact of improved operational leverage, resulting from revenue growth that more than offset the accompanying increases in operating and SG&A expenses, and competitive and economic factors. In Belgium, the decline in Telenet's operating cash flow margin is primarily due to the net effect of (i) the expansion of lower margin mobile services, (ii) the net positive impact of certain nonrecurring items, as described under the Telenet sections of our *Discussion and Analysis of our Reportable Segments* above, and (iii) higher programming costs. The increase in programming costs is largely attributable to Telenet's third quarter 2011 acquisition of the rights to broadcast certain Belgian football (soccer) matches, as further described under *Operating Expenses of our Reportable Segments* above. In the case of Chile, the decrease in the operating cash flow margin is attributable to an increase in the incremental operating cash flow deficit of VTR Wireless during 2012 that was only partially offset by an improvement in the operating cash flow margin of VTR. During 2012 and 2011, the incremental operating cash flow deficit of VTR Wireless was $83.0 million and $31.0 million, respectively.

The operating cash flow margin of the UPC/Unity Division increased during 2011, as compared to 2010, as increases in the margins of its reportable segments in western Europe were only partially offset by a decrease in the margin of its reportable segment in Central and Eastern Europe. The improvements in the operating cash flow margins of the UPC/Unity Division's western European segments are primarily attributable to improved operational leverage. In the UPC/Unity Division's Central and Eastern Europe segment, competitive, economic and other factors contributed to the decline in operating cash flow margin. In Belgium, Telenet's operating cash flow margin remained relatively unchanged during 2011, as compared to 2010, as an increase due to improved operational leverage was offset by decreases attributable to increased programming costs and other less significant factors. The increase in programming costs is largely attributable to Telenet's third quarter 2011 acquisition of the rights to broadcast certain Belgian football (soccer) matches. In the case of Chile, the incremental operating cash flow deficit of VTR Wireless during 2011 adversely impacted the VTR Group's 2011 operating cash flow margin and more than offset the margin improvement during 2011 that resulted in part from the adverse impacts of the February 2010 earthquake on the VTR Group's margin during 2010.

For additional discussion of the factors contributing to the changes in the operating cash flow margins of our reportable segments, see the above analyses of the revenue, operating expenses and SG&A expenses of our reportable segments.

We expect that the 2013 operating cash flow margin of (i) the UPC/Unity Division will remain relatively unchanged, (ii) Telenet will decline slightly and (iii) the VTR Group will increase somewhat, each as compared to 2012. With regard to Telenet, the expected slight margin decline is due largely to the expected impact of the increasing mobile business. As discussed under *Overview* and *Discussion and Analysis of our Reportable Segments - General* above, most of our broadband communications operations are experiencing significant competition. Sustained or increased competition, particularly in combination with unfavorable regulatory, economic or political developments, could adversely impact the operating cash flow margins of our reportable segments.

Discussion and Analysis of our Consolidated Operating Results

General

For more detailed explanations of the changes in our revenue, operating expenses and SG&A expenses, see the *Discussion and Analysis of our Reportable Segments* above. For information concerning our foreign currency exchange risks, see *Quantitative and Qualitative Disclosures about Market Risk — Foreign Currency Risk* below.

2012 compared to 2011

Revenue

Our revenue by major category is set forth below:

	Year ended December 31,		Increase		Organic increase
	2012	2011 (a)	$	%	%
	in millions				
Subscription revenue (b):					
Video	$ 4,647.6	$ 4,407.0	$ 240.6	5.5	2.1
Broadband internet	2,438.3	2,243.2	195.1	8.7	8.7
Telephony	1,523.1	1,303.6	219.5	16.8	8.3
Total subscription revenue	8,609.0	7,953.8	655.2	8.2	5.0
Other revenue (c)	1,701.8	1,557.0	144.8	9.3	9.2
Total	$ 10,310.8	$ 9,510.8	$ 800.0	8.4	5.7

(a) Effective January 1, 2012, we began classifying the monthly revenue derived from certain SOHO subscribers as subscription revenue. SOHO subscribers pay a premium price to receive enhanced service levels along with video programming, internet or telephony services that are the same or similar to the mass marketed products offered to our residential subscribers. Amounts have been conformed to the current period presentation by reclassifying the corresponding SOHO revenue from other revenue to subscription revenue.

(b) Subscription revenue includes amounts received from subscribers for ongoing services, excluding installation fees, late fees and mobile services revenue. Subscription revenue from subscribers who purchase bundled services at a discounted rate is generally allocated proportionally to each service based on the standalone price for each individual service.

(c) Other revenue includes non-subscription revenue (including B2B, interconnect, carriage fee, mobile services and installation revenue) and programming revenue.

Total revenue. Our consolidated revenue increased $800.0 million during 2012, as compared to 2011. This increase includes $1,013.4 million attributable to the impact of acquisitions. Excluding the effects of acquisitions and FX, total consolidated revenue increased $541.7 million or 5.7%.

Subscription revenue. The details of the increase in our consolidated subscription revenue for 2012, as compared to 2011, are as follows (in millions):

Increase due to change in:	
Average number of RGUs	$ 375.3
ARPU	23.8
Organic increase	399.1
Impact of acquisitions	884.0
Impact of FX	(627.9)
Total increase in subscription revenue	$ 655.2

Excluding the effects of acquisitions and FX, our consolidated subscription revenue increased $399.1 million or 5.0% during 2012, as compared to 2011. This increase is attributable to (i) an increase in subscription revenue from broadband internet services of $196.2 million or 8.7%, as the impact of an increase in the average number of broadband internet RGUs was only partially offset by lower ARPU from broadband internet services, (ii) an increase in subscription revenue from telephony services of $108.4 million or 8.3%, as the impact of an increase in the average number of telephony RGUs was only partially offset by lower ARPU from telephony services, and (iii) an increase in subscription revenue from video services of $94.5 million or 2.1%, as the impact of higher ARPU from video services was only partially offset by a decline in the average number of video RGUs.

Other revenue. Excluding the effects of acquisitions and FX, our consolidated other revenue increased $142.6 million or 9.2% during 2012, as compared to 2011. This increase is primarily attributable to (i) higher revenue from mobile services and mobile handset sales in Belgium and Chile and mobile services in Germany, (ii) an increase in interconnect revenue, (iii) an increase in installation revenue and (iv) an increase in programming revenue.

For additional information concerning the changes in our subscription and other revenue, see *Discussion and Analysis of our Reportable Segments — Revenue — 2012 compared to 2011* above. For information regarding the competitive environment in certain of our markets, see *Overview* above.

Operating expenses

Our operating expenses increased $238.1 million during 2012, as compared to 2011. This increase includes $293.3 million attributable to the impact of acquisitions. Our operating expenses include stock-based compensation expense, which decreased $6.7 million during 2012. For additional information, see the discussion following *SG&A expenses* below. Excluding the effects of acquisitions, FX and stock-based compensation expense, our operating expenses increased $208.2 million or 6.2% during 2012, as compared to 2011. This increase primarily is attributable to increases in (i) programming and other direct costs, (ii) mobile costs, primarily in Belgium and Chile, (iii) interconnect and access costs and (iv) outsourced labor and professional fees. For additional information regarding the changes in our operating expenses, see *Discussion and Analysis of our Reportable Segments — Operating Expenses — 2012 compared to 2011* above.

SG&A expenses

Our SG&A expenses increased $155.7 million during 2012, as compared to 2011. This increase includes $132.9 million attributable to the impact of acquisitions. Our SG&A expenses include stock-based compensation expense, which decreased $12.2 million during 2012. For additional information, see the discussion in the following paragraph. Excluding the effects of acquisitions, FX and stock-based compensation expense, our SG&A expenses increased $157.6 million or 9.5% during 2012, as compared to 2011. This increase primarily reflects net increases in (i) sales and marketing costs, (ii) personnel costs, (iii) facilities expenses in the UPC/Unity Division and the VTR Group and (iv) outsourced labor and professional fees. For additional information regarding the changes in our SG&A expenses, see *Discussion and Analysis of our Reportable Segments — SG&A Expenses — 2012 compared to 2011* above.

Stock-based compensation expense (included in operating and SG&A expenses)

We record stock-based compensation that is associated with LGI shares and the shares of certain of our subsidiaries. A summary of the aggregate stock-based compensation expense that is included in our operating and SG&A expenses is set forth below:

	Year ended December 31,	
	2012	2011
	in millions	
LGI common stock:		
LGI performance-based incentive awards (a)	$ 33.0	$ 46.8
Other LGI stock-based incentive awards	46.0	43.4
Total LGI common stock	79.0	90.2
Telenet stock-based incentive awards (b)	31.2	40.0
Austar Performance Plan	—	3.6
Other (c)	2.2	1.1
Total	$ 112.4	$ 134.9
Included in:		
Continuing operations:		
Operating expense	$ 8.6	$ 15.3
SG&A expense	103.8	116.0
Total - continuing operations	112.4	131.3
Discontinued operation	—	3.6
Total	$ 112.4	$ 134.9

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(a) Includes stock-based compensation expense related to the LGI PSUs and, during 2011, the LGI Performance Plans.

(b) During the second quarters of 2012 and 2011, Telenet modified the terms of certain of its stock option plans to provide for anti-dilution adjustments in connection with certain capital distributions, as further described in note 11 to our consolidated financial statements. These anti-dilution adjustments provided for increases in the number of options outstanding and proportionate reductions to the option exercise prices such that the fair value of the options outstanding before and after the capital distribution remained the same for all option holders. In connection with these anti-dilution adjustments, Telenet recognized stock-based compensation expense of $12.6 million and $15.8 million, respectively, and continues to recognize additional stock-based compensation expense as the underlying options vest.

(c) The 2012 amount includes stock-based compensation expense related to performance-based awards granted pursuant to a liability-based plan of the VTR Group. These awards were granted during the first quarter of 2012 and, based on the level of the specified performance criteria achieved during 2012, these awards will vest on December 31, 2013.

For additional information concerning our stock-based compensation, see note 12 to our consolidated financial statements.

Depreciation and amortization expense

Our depreciation and amortization expense increased $234.1 million during 2012 as compared to 2011. Excluding the effects of FX, depreciation and amortization expense increased $432.5 million or 17.6%. This increase is due primarily to the net effect of (i) an increase associated with acquisitions, primarily in Germany, (ii) an increase associated with property and equipment additions related to the installation of customer premises equipment, the expansion and upgrade of our networks and other capital initiatives and (iii) a decrease associated with certain assets becoming fully depreciated, largely in Belgium, Switzerland, Chile and the Netherlands.

Impairment, restructuring and other operating items, net

We recognized impairment, restructuring and other operating items, net, of $83.0 million during 2012, as compared to $75.6 million during 2011. The 2012 amount includes (i) aggregate restructuring charges of $52.0 million associated with employee severance and termination costs related to certain reorganization activities, primarily in Germany, (ii) $22.7 million of direct acquisition costs, largely related to the Puerto Rico Transaction, and (iii) a loss of $8.6 million related to the settlement of a pre-existing relationship in connection with the MGM Acquisition. The 2011 amount includes (i) $32.1 million of direct acquisition costs, including $22.3 million and $6.3 million attributable to the KBW Acquisition and the Aster Acquisition, respectively, (ii) restructuring charges of $18.5 million, primarily related to reorganization and integration activities in Europe and Chile, and (iii) an impairment charge of $15.9 million to reduce the carrying amount of the goodwill associated with Chellomedia's programming operations in central and eastern Europe.

For additional information regarding our restructuring charges, see note 14 to our consolidated financial statements.

If, among other factors, (i) our equity values were to decline significantly or (ii) the adverse impacts of economic, competitive, regulatory or other factors were to cause our results of operations or cash flows to be worse than anticipated, we could conclude in future periods that impairment charges are required in order to reduce the carrying values of our goodwill, and to a lesser extent, other long-lived assets. Any such impairment charges could be significant. For additional information, see *Critical Accounting Policies, Judgments and Estimates - Impairment of Property and Equipment and Intangible Assets*, below.

Telenet's intangible assets that are subject to amortization include spectrum rights with a carrying value of $80.1 million at December 31, 2012. Telenet is continuing its efforts to use this asset as initially intended by management. Depending on the outcome of these efforts and Telenet's evaluation of alternative means to use or monetize this asset, a triggering event might occur that could lead to the impairment of all or part of the carrying value of this asset during 2013.

Interest expense

Our interest expense increased $222.2 million during 2012, as compared to 2011. Excluding the effects of FX, interest expense increased $350.1 million or 24.1%. This increase is primarily attributable to higher average outstanding debt balances. In addition, interest expense was impacted by a slightly lower weighted average interest rate. The slight decrease in our weighted average interest rate is primarily related to the net effect of (i) decreases in certain of the base rates for our variable rate indebtedness and (ii) the completion of certain financing transactions that resulted in extended maturities, certain of which resulted in an increase to our weighted average interest rates. For additional information regarding our outstanding indebtedness, see note 9 to our consolidated financial statements.

It is possible that (i) the interest rates on any new borrowings could be higher than the current interest rates on our existing indebtedness and (ii) the interest rates incurred on our variable-rate indebtedness could increase in future periods. As further discussed under *Qualitative and Quantitative Disclosures about Market Risk* below, we use derivative instruments to manage our interest rate risks.

Interest and dividend income

Our interest and dividend income decreased $30.9 million during 2012, as compared to 2011. This decrease is primarily attributable to the net effect of (i) a decrease in interest income due to (a) a lower weighted average interest rate earned on our cash and cash equivalent and restricted cash balances and (b) lower average cash and cash equivalent and restricted cash balances and (ii) an increase in dividend income attributable to our investment in Sumitomo common stock.

The terms of the Sumitomo Collar effectively fix the dividends that we will receive on the Sumitomo common stock during the term of the Sumitomo Collar. We report the full amount of dividends received from Sumitomo as dividend income and the dividend adjustment that is payable to, or receivable from, the counterparty to the Sumitomo Collar is reported as a component of realized and unrealized losses on derivative instruments, net, in our consolidated statements of operations.

Realized and unrealized losses on derivative instruments, net

Our realized and unrealized gains or losses on derivative instruments include (i) unrealized changes in the fair values of our derivative instruments that are non-cash in nature until such time as the derivative contracts are fully or partially settled and (ii) realized gains or losses upon the full or partial settlement of the derivative contracts. The details of our realized and unrealized losses on derivative instruments, net, are as follows:

	Year ended December 31,	
	2012	2011
	in millions	
Cross-currency and interest rate derivative contracts (a)	$ (958.3)	$ (110.6)
Equity-related derivative contracts (b)	(109.0)	87.2
Foreign currency forward contracts	(6.0)	(36.1)
Other	3.4	(0.9)
Total	$ (1,069.9)	$ (60.4)

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(a) The loss during 2012 is primarily attributable to the net effect of (i) losses associated with decreases in market interest rates in the euro, Hungarian forint, Polish zloty, Swiss franc, and Czech koruna markets, (ii) losses associated with increases in the values of the Polish zloty, Hungarian forint, Chilean peso, Swiss franc, and Czech koruna relative to the euro, (iii) gains associated with decreases in market interest rates in the U.S. dollar market, (iv) losses associated with increases in the values of the Chilean peso and Swiss franc relative to the U.S. dollar and (v) losses associated with a decrease in the value of the U.S. dollar relative to the euro. In addition, the loss during 2012 includes a net loss of $57.3 million resulting from changes in our credit risk valuation adjustments. The loss during 2011 is primarily attributable to the net effect of (i) losses associated with decreases in market interest rates in the euro, Swiss franc, Chilean peso, Polish zloty and Czech koruna markets, (ii) gains associated with decreases in the values of the Polish zloty, Hungarian forint and Chilean peso relative to the euro, (iii) gains associated with an increase in the value of the U.S. dollar relative to the euro and (iv) gains associated with a decrease in the value of the Chilean peso relative to the U.S. dollar. In addition, the loss during 2011 includes a net gain of $42.9 million resulting from changes in our credit risk valuation adjustments.

(b) Includes gains (losses) related to the Sumitomo Collar with respect to the Sumitomo shares held by our company. The 2012 losses are primarily attributable to (i) a decrease in the value of the Japanese yen relative to the U.S. dollar and (ii) an increase in the market price of Sumitomo common stock. The 2011 gains are primarily attributable to (i) a decrease in the market price of Sumitomo common stock and (ii) an increase in the value of the Japanese yen relative to the U.S. dollar.

For additional information concerning our derivative instruments, see note 6 and 7 to our consolidated financial statements and *Quantitative and Qualitative Disclosures about Market Risk* below.

Foreign currency transaction gains (losses), net

Our foreign currency transaction gains or losses primarily result from the remeasurement of monetary assets and liabilities that are denominated in currencies other than the underlying functional currency of the applicable entity. Unrealized foreign currency transaction gains or losses are computed based on period-end exchange rates and are non-cash in nature until such time as the amounts are settled. The details of our foreign currency transaction gains (losses), net, are as follows:

	Year ended December 31,	
	2012	2011
	in millions	
Intercompany payables and receivables denominated in a currency other than the entity's functional currency (a)	$ 230.6	$ (358.7)
Yen denominated debt issued by a U.S. subsidiary	135.7	(63.0)
U.S. dollar denominated debt issued by European subsidiaries	74.2	(102.0)
Cash and restricted cash denominated in a currency other than the entity's functional currency	0.2	(40.5)
Other	(4.4)	(8.4)
Total	$ 436.3	$ (572.6)

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(a) Amounts primarily relate to (i) loans between our non-operating and operating subsidiaries in Europe, which generally are denominated in the currency of the applicable operating subsidiary, (ii) U.S. dollar denominated loans between certain of our non-operating subsidiaries in the U.S. and Europe and (iii) a U.S. dollar denominated loan between a Chilean subsidiary and a non-operating subsidiary in Europe. Accordingly, these amounts are a function of movements of (i) the euro against (a) the U.S. dollar and (b) other local currencies in Europe and (ii) the U.S. dollar against the Chilean peso.

For information regarding how we manage our exposure to foreign currency risk, see *Quantitative and Qualitative Disclosures about Market Risk — Foreign Currency Risk* below.

Realized and unrealized losses due to changes in fair values of certain investments and debt, net

Our realized and unrealized losses due to changes in fair values of certain investments and debt include unrealized losses associated with changes in fair values that are non-cash in nature until such time as these losses are realized through cash transactions. The details of our realized and unrealized losses due to changes in fair values of certain investments and debt, net, are as follows:

	Year ended December 31,	
	2012	2011
	in millions	
Investments (a):		
Sumitomo	$ (38.2)	$ (28.2)
Other, net (b)	8.3	(19.9)
Debt — UGC Convertible Notes (c)	—	(107.0)
Total	$ (29.9)	$ (155.1)

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(a) For additional information regarding our investments and fair value measurements, see notes 5 and 7 to our consolidated financial statements.

(b) The 2012 amount includes an increase in the fair value of Chellomedia's investment in Cyfra+ that was largely offset by a decrease in the fair values of certain other investments. The 2011 amount includes decreases in the fair values of (i) our investment in a broadband communications operator in Switzerland and (ii) Cyfra+.

(c) Represents the change in the fair value of the UGC Convertible Notes prior to their conversion into LGI common stock in April 2011. The change in fair value includes amounts attributable to the remeasurement of the UGC Convertible Notes into U.S. dollars.

Losses on debt modification, extinguishment and conversion, net

We recognized losses on debt modification, extinguishment and conversion, net, of $215.8 million and $218.4 million during 2012 and 2011, respectively. The loss during 2012 includes (i) a loss of $175.8 million during the fourth quarter associated with the redemption and repurchase of all of the 2009 UM Dollar Senior Secured Notes and a portion of the 2009 UM Euro Senior Secured Notes, including a loss of (a) $125.9 million representing the difference between the carrying value and redemption price of the debt redeemed and (b) $49.4 million associated with the write-off of deferred financing costs and an unamortized discount, (ii) a loss of $12.4 million associated with the write-off of deferred financing costs and an unamortized discount during the fourth quarter in connection with the prepayment of Facility AB under the UPC Broadband Holding Bank Facility, (iii) a loss of $10.2 million during the third quarter representing the difference between the carrying value and redemption price of the UM Senior Secured Floating Rate Exchange Notes and (iv) a loss of $7.0 million associated with the Unitymedia KabelBW Exchange and the Special Optional Redemptions, including $5.6 million of third-party costs and a loss of $1.4 million representing the difference between the carrying value and redemption price of the debt redeemed pursuant to the Special Optional Redemptions.

The loss during 2011 includes (i) a debt conversion loss of $187.2 million recognized primarily during the second quarter of 2011 related to the exchange of substantially all of the LGI Convertible Notes for LGI common stock and cash, (ii) the write-off of $15.7 million of deferred financing costs and an unamortized discount during the first quarter in connection with the prepayment of amounts outstanding under Facilities M, P, T and U of the UPC Broadband Holding Bank Facility and (iii) the write-off of $9.5 million of deferred financing costs and the incurrence of $5.3 million of third-party costs in connection with the prepayment of amounts outstanding under Telenet Facilities K, L1, G and J of the Telenet Credit Facility.

For additional information concerning our losses on debt modification, extinguishment and conversion, net, see note 9 to our consolidated financial statements.

Income tax expense

We recognized income tax expense of $89.0 million and $231.7 million during 2012 and 2011, respectively.

The income tax expense during 2012 differs from the expected income tax benefit of $169.2 million (based on the U.S. federal 35% income tax rate) due primarily to the negative impacts of (i) a net increase in valuation allowances, (ii) certain permanent differences between the financial and tax accounting treatment of interest and other items, (iii) certain permanent differences between the financial and tax accounting treatment of items associated with investments in subsidiaries, (iv) statutory tax rates in certain jurisdictions in which we operate that are lower than the U.S. federal income tax rate, (v) a change in the effective tax rate due to the change in filing status of our Puerto Rican subsidiaries and (vi) certain permanent differences in the realization of foreign currency gains and losses between financial and tax accounting. The negative impacts of these items were partially offset by the positive impact of an increase in certain net deferred tax assets due to an enacted increase in Chilean tax law.

The income tax expense during 2011 differs from the expected income tax benefit of $201.5 million (based on the U.S. federal 35% income tax rate) due primarily to the negative impacts of (i) a net increase in valuation allowances, including $222.7 million of valuation allowances that were recorded in France during the fourth quarter of 2011 due to a modification of our intercompany financing structure in that jurisdiction that resulted largely from a change in local tax law, (ii) certain permanent differences between the financial and tax accounting treatment of interest and other items, (iii) statutory tax rates in certain jurisdictions in which we operate that are lower than the U.S. federal income tax rate and (iv) certain permanent differences in the realization of foreign currency gains and losses between financial and tax accounting.

For additional information concerning our income taxes, see note 10 to our consolidated financial statements.

Loss from continuing operations

During 2012 and 2011, we reported losses from continuing operations of $572.3 million and $807.5 million, respectively, including (i) operating income of $1,983.1 million and $1,818.4 million, respectively, (ii) net non-operating expenses of $2,466.4 million and $2,394.2 million, respectively, and (iii) income tax expense of $89.0 million and $231.7 million, respectively.

Gains or losses associated with (i) changes in the fair values of derivative instruments, (ii) movements in foreign currency exchange rates and (iii) the disposition of assets and changes in ownership are subject to a high degree of volatility, and as such, any gains from these sources do not represent a reliable source of income. In the absence of significant gains in the future from these sources or from other non-operating items, our ability to achieve earnings from continuing operations is largely dependent on our ability to increase our aggregate operating cash flow to a level that more than offsets the aggregate amount of our (a) stock-based compensation expense, (b) depreciation and amortization, (c) impairment, restructuring and other operating items, net, (d) interest expense, (e) other net non-operating expenses and (f) income tax expenses.

Due largely to the fact that we seek to maintain our debt at levels that provide for attractive equity returns, as discussed under *Liquidity and Capital Resources - Capitalization* below, we expect that we will continue to report significant levels of interest expense for the foreseeable future. For information concerning our expectations with respect to trends that may affect certain aspects of our operating results in future periods, see the discussion under *Overview* above. For information concerning the reasons for changes in specific line items in our consolidated statements of operations, see the discussion under *Discussion and Analysis of our Reportable Segments* and *Discussion and Analysis of our Consolidated Operating Results* above.

Discontinued operations

Our results from our discontinued operations include (i) earnings from Austar of $35.5 million and $136.5 million during 2012 and 2011, respectively, and (ii) a $924.1 million after-tax gain recognized upon the May 23, 2012 completion of the Austar Transaction. The decline in Austar's earnings during 2012 is due largely to (a) the $80.7 million after-tax impact of the gain on the sale of Austar's spectrum licenses that was included in Austar's results of operations during the first quarter of 2011 and (b) the sale of Austar during the second quarter of 2012. The above factors were partially offset by the impact of not recording depreciation and amortization on Austar's long-lived assets during 2012 as a result of our determination that Austar was held-for-sale effective December 31, 2011. For additional information, see note 4 to our consolidated financial statements.

Net earnings attributable to noncontrolling interests

Net earnings or loss attributable to noncontrolling interests include the noncontrolling interests' share of the results of our continuing and discontinued operations. Net earnings attributable to noncontrolling interests decreased $37.2 million during 2012, as compared to 2011, due primarily to the net impact of (i) a decrease associated with a decline in the results of operations of Austar, as discussed in the preceding paragraph, (ii) a decrease associated with a decline in the results of operations of Telenet and (iii) an increase associated with an improvement in the results of operations of the VTR Group.

2011 compared to 2010

Revenue

Our revenue by major category is set forth below:

	Year ended December 31,		Increase		Organic increase
	2011 (a)	2010 (a)	$	%	%
	in millions				
Subscription revenue (b):					
Video	$ 4,407.0	$ 3,916.0	$ 491.0	12.5	3.9
Broadband internet	2,243.2	1,942.9	300.3	15.5	7.3
Telephony	1,303.6	1,137.1	166.5	14.6	5.8
Total subscription revenue	7,953.8	6,996.0	957.8	13.7	5.2
Other revenue (c)	1,557.0	1,368.2	188.8	13.8	1.5
Total	$ 9,510.8	$ 8,364.2	$ 1,146.6	13.7	4.6

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(a) Effective January 1, 2012, we began classifying the monthly revenue derived from certain SOHO subscribers as subscription revenue. SOHO subscribers pay a premium price to receive enhanced service levels along with video programming, internet or telephony services that are the same or similar to the mass marketed products offered to our residential subscribers. Amounts have been conformed to the 2012 presentation by reclassifying the corresponding SOHO revenue from other revenue to subscription revenue.

(b) Subscription revenue includes amounts received from subscribers for ongoing services, excluding installation fees, late fees and mobile services revenue. Subscription revenue from subscribers who purchase bundled services at a discounted rate is generally allocated proportionally to each service based on the standalone price for each individual service.

(c) Other revenue includes non-subscription revenue (including B2B, interconnect, installation, carriage fee and mobile services revenue) and programming revenue.

Total revenue. Our consolidated revenue increased $1,146.6 million during 2011, as compared to 2010. This increase includes $203.0 million attributable to the impact of acquisitions. Excluding the effects of acquisitions and FX, total consolidated revenue increased $382.2 million or 4.6%.

Subscription revenue. The details of the increase in our consolidated subscription revenue for 2011, as compared to 2010, are as follows (in millions):

Increase due to change in:	
Average number of RGUs	$ 277.2
ARPU	84.7
Organic increase	361.9
Impact of acquisitions	159.5
Impact of FX	436.4
Total increase in subscription revenue	$ 957.8

Excluding the effects of acquisitions and FX, our consolidated subscription revenue increased $361.9 million or 5.2% during 2011, as compared to 2010. This increase is attributable to (i) an increase in subscription revenue from video services of $154.7 million or 3.9%, as the impact of higher ARPU from video services was only partially offset by a decline in the average number of video RGUs, (ii) an increase in subscription revenue from broadband internet services of $141.5 million or 7.3%, as the impact of an increase in the average number of broadband internet RGUs was only partially offset by lower ARPU from broadband internet services and (iii) an increase in subscription revenue from telephony services of $65.7 million or 5.8%, as the impact of an increase in the average number of telephony RGUs was only partially offset by lower ARPU from telephony services.

Other revenue. Excluding the effects of acquisitions and FX, our consolidated other revenue increased $20.3 million or 1.5% during 2011, as compared to 2010. This increase is primarily attributable to (i) an increase in Telenet's mobile services revenue, (ii) an increase in B2B revenue, (iii) an increase in interconnect revenue and (iv) an increase in programming revenue.

For additional information concerning the changes in our subscription and other revenue, see *Discussion and Analysis of our Reportable Segments — Revenue — 2011 compared to 2010* above.

Operating expenses

Our operating expenses increased $368.9 million during 2011, as compared to 2010. This increase includes $66.7 million attributable to the impact of acquisitions. Our operating expenses include stock-based compensation expense, which increased $5.9 million during 2011. For additional information, see the discussion following *SG&A expenses* below. Excluding the effects of acquisitions, FX and stock-based compensation expense, our operating expenses increased $113.6 million or 3.8% during 2011, as compared to 2010. This increase primarily is attributable to a net increase in programming and other direct costs, which includes a $7.5 million increase resulting from the impact of a favorable settlement of a Chellomedia programming contract during the third quarter of 2010. In addition, the net impact of (i) a net decrease in interconnect charges, (ii) a net increase in outsourced labor and professional fees, (iii) a net increase in personnel costs and (iv) a net increase in network-related expenses contributed to the overall increase in our operating expenses. For additional information regarding the changes in our operating expenses, see *Discussion and Analysis of our Reportable Segments — Operating Expenses — 2011 compared to 2010* above.

SG&A expenses

Our SG&A expenses increased $197.4 million during 2011, as compared to 2010. This increase includes $33.3 million attributable to the impact of acquisitions. Our SG&A expenses include stock-based compensation expense, which increased $14.4 million during 2011. For additional information, see the discussion in the following paragraph. Excluding the effects of acquisitions, FX and stock-based compensation expense, our SG&A expenses increased $57.4 million or 3.9% during 2011, as compared to 2010. This increase generally reflects (i) a net increase in outsourced labor and professional fees and (ii) a net increase in personnel costs. For additional information regarding the changes in our SG&A expenses, see *Discussion and Analysis of our Reportable Segments — SG&A Expenses — 2011 compared to 2010* above.

Stock-based compensation expense (included in operating and SG&A expenses)

We record stock-based compensation that is associated with LGI shares and the shares of certain of our subsidiaries. A summary of the aggregate stock-based compensation expense that is included in our operating and SG&A expenses is set forth below:

	Year ended December 31,	
	2011	2010
	in millions	
LGI Series A, Series B and Series C common stock:		
LGI performance-based incentive awards (a)	$ 46.8	$ 51.3
Other LGI stock-based incentive plans	43.4	42.8
Total LGI common stock	90.2	94.1
Telenet stock-based incentive awards (b)	40.0	13.1
Austar Performance Plan	3.6	11.8
Other	1.1	3.8
Total	$ 134.9	$ 122.8
Included in:		
Continuing operations:		
Operating expense	$ 15.3	$ 9.4
SG&A expense	116.0	101.6
Total - continuing operations	131.3	111.0
Discontinued operation	3.6	11.8
Total	$ 134.9	$ 122.8

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(a) Includes stock-based compensation expense related to the LGI Performance Plans and the LGI PSUs.

(b) During the second quarter of 2011, Telenet modified the terms of certain of its stock option plans to provide for anti-dilution adjustments in connection with a capital distribution, as further described in note 11 to our consolidated financial statements. These anti-dilution adjustments provided for increases in the number of options outstanding and proportionate reductions to the option exercise prices such that the fair value of the options outstanding before and after the capital distribution remained the same for all option holders. In connection with these anti-dilution adjustments, Telenet recognized stock-based compensation expense of $15.8 million during the second quarter of 2011, and continues to recognize additional stock-based compensation as the underlying options vest.

For additional information concerning our stock-based compensation, see note 12 to our consolidated financial statements.

Depreciation and amortization expense

Our depreciation and amortization expense increased $205.5 million during 2011, as compared to 2010. Excluding the effects of FX, depreciation and amortization expense increased $59.4 million or 2.6%. This increase is due primarily to the net effect of (i) increases associated with property and equipment additions related to the installation of customer premises equipment, the expansion and upgrade of our networks and other capital initiatives, (ii) decreases associated with certain assets becoming fully depreciated, primarily in Belgium, the Netherlands, Switzerland, Chile and Austria, (iii) decreases associated with changes in the useful lives of certain assets, primarily in Germany, the Netherlands and Romania, and (iv) increases associated with acquisitions.

Impairment, restructuring and other operating items, net

We recognized impairment, restructuring and other operating items, net, of $75.6 million during 2011, as compared to $125.6 million during 2010. The 2011 amount includes (i) $32.1 million of direct acquisition costs, including $22.3 million and $6.3 million attributable to the KBW Acquisition and the Aster Acquisition, respectively, (ii) restructuring charges of $18.5 million, primarily related to reorganization and integration activities in Europe and Chile, and (iii) an impairment charge of $15.9 million to reduce the carrying amount of the goodwill associated with Chellomedia's programming operations in central and eastern Europe. The 2010 amount includes (i) aggregate restructuring charges of $48.4 million associated with (a) the estimated additional amounts to be paid in connection with Chellomedia's contractual obligations with respect to satellite capacity that is no longer used by Chellomedia, (b) dish-turning and duplicate satellite costs incurred in connection with the migration of UPC DTH's operations in the Czech Republic, Hungary and Slovakia to a new satellite and (c) employee severance and termination costs related to reorganization and integration activities, primarily in Europe, (ii) direct acquisition costs of $45.3 million related to the Unitymedia Acquisition and (iii) a goodwill impairment charge of $26.3 million related to Chellomedia's programming operations in central and eastern Europe.

For additional information regarding our restructuring charges, see note 14 to our consolidated financial statements.

Interest expense

Our interest expense increased $171.6 million during 2011, as compared to 2010. Excluding the effects of FX, interest expense increased $102.6 million or 8.0%. This increase is primarily attributable to (i) higher average outstanding debt balances and (ii) higher weighted average interest rates. The increase in our weighted average interest rate is primarily related to (i) the completion of refinancing transactions that generally resulted in extended maturities and higher interest rates and (ii) increases in the base borrowing rates for certain of our variable-rate indebtedness. The increase is net of a decrease related to interest expense incurred from January 28, 2010 through March 2, 2010 on Old Unitymedia's then-existing indebtedness. For additional information regarding our outstanding indebtedness, see note 9 to our consolidated financial statements.

Interest and dividend income

Our interest and dividend income increased $37.0 million during 2011, as compared to 2010. This increase primarily is attributable to (i) higher average cash and cash equivalent and restricted cash balances, (ii) an increase in dividend income attributable to our investment in Sumitomo common stock and (iii) higher weighted average interest rates earned on our cash and cash equivalent and restricted cash balances. The higher average cash and cash equivalent and restricted cash balances are due in part to the KBW Escrow Account that was funded in connection with the KBW Purchase Agreement. For additional information, see note 3 to our consolidated financial statements.

Realized and unrealized losses on derivative instruments, net

Our realized and unrealized gains or losses on derivative instruments include (i) unrealized changes in the fair values of our derivative instruments that are non-cash in nature until such time as the derivative contracts are fully or partially settled and (ii) realized gains or losses upon the full or partial settlement of the derivative contracts. The details of our realized and unrealized losses on derivative instruments, net, are as follows:

	Year ended December 31,	
	2011	**2010**
	in millions	
Cross-currency and interest rate derivative contracts (a)	$ (110.6)	$ (1,120.2)
Equity-related derivative contracts (b)	87.2	(0.1)
Foreign currency forward contracts	(36.1)	(34.6)
Other	(0.9)	2.6
Total	$ (60.4)	$ (1,152.3)

(a) The 2011 loss is primarily attributable to the net effect of (i) losses associated with decreases in market interest rates in the euro, Swiss franc, Chilean peso, Polish zloty and Czech koruna markets, (ii) gains associated with decreases in the values of the Polish zloty, Hungarian forint and Chilean peso relative to the euro, (iii) gains associated with an increase in the value of the U.S. dollar relative to the euro and (iv) gains associated with a decrease in the value of the Chilean peso relative to the U.S. dollar. In addition, the 2011 loss includes a net gain of $42.9 million resulting from changes in our credit risk valuation adjustments. The 2010 loss is primarily attributable to the net effect of (i) losses associated with increases in the values of the Swiss franc, Chilean peso, Czech koruna and Polish zloty relative to the euro, (ii) losses associated with decreases in market interest rates in the euro, Romanian lei, Swiss franc, Hungarian forint, Czech koruna and Polish zloty markets, (iii) losses associated with increases in the values of the Swiss franc and Chilean peso relative to the U.S. dollar and (iv) gains associated with an increase in the value of the U.S. dollar relative to the euro. In addition, the 2010 loss includes a net gain of $88.4 million resulting from changes in our credit risk valuation adjustments.

(b) Includes gains (losses) related to the Sumitomo Collar with respect to the Sumitomo shares held by our company. These gains (losses) are primarily attributable to (i) decreases (increases) in the market price of Sumitomo common stock and (ii) increases in the value of the Japanese yen relative to the U.S. dollar.

For additional information concerning our derivative instruments, see note 6 and 7 to our consolidated financial statements and *Quantitative and Qualitative Disclosures about Market Risk* below.

Foreign currency transaction losses, net

Our foreign currency transaction gains or losses primarily result from the remeasurement of monetary assets and liabilities that are denominated in currencies other than the underlying functional currency of the applicable entity. Unrealized foreign currency transaction gains or losses are computed based on period-end exchange rates and are non-cash in nature until such time as the amounts are settled. The details of our foreign currency transaction losses, net, are as follows:

	Year ended December 31,	
	2011	**2010**
	in millions	
Intercompany payables and receivables denominated in a currency other than the entity's functional currency (a)	$ (358.7)	$ 140.8
U.S. dollar denominated debt issued by European subsidiaries	(102.0)	(279.0)
Yen denominated debt issued by a U.S. subsidiary	(63.0)	(148.1)
Cash and restricted cash denominated in a currency other than the entity's functional currency	(40.5)	66.9
U.S. dollar denominated debt issued by a Chilean subsidiary	—	(18.1)
Other	(8.4)	0.4
Total	$ (572.6)	$ (237.1)

(a) Amounts primarily relate to (i) loans between our non-operating and operating subsidiaries in Europe, which generally are denominated in the currency of the applicable operating subsidiary, (ii) U.S. dollar denominated loans between certain of our non-operating subsidiaries in the U.S. and Europe and (iii) a U.S. dollar denominated loan between a Chilean subsidiary and a non-operating subsidiary in Europe. Accordingly, these amounts are a function of movements of (i) the euro against (a) the U.S. dollar and (b) other local currencies in Europe and (ii) the U.S. dollar against the Chilean peso.

For information regarding how we manage our exposure to foreign currency risk, see *Quantitative and Qualitative Disclosures about Market Risk — Foreign Currency Risk* below.

Realized and unrealized gains (losses) due to changes in fair values of certain investments and debt, net

Our realized and unrealized gains (losses) due to changes in fair values of certain investments and debt include unrealized gains (losses) associated with changes in fair values that are non-cash in nature until such time as these gains (losses) are realized through cash transactions. The details of our realized and unrealized gains (losses) due to changes in fair values of certain investments and debt, net, are as follows:

	Year ended December 31,	
	2011	**2010**
	in millions	
Investments (a):		
Sumitomo	$ (28.2)	$ 183.9
Other, net (b)	(19.9)	(16.1)
Debt — UGC Convertible Notes (c)	(107.0)	(40.0)
Total	$ (155.1)	$ 127.8

(a) For additional information concerning our investments and fair value measurements, see notes 5 and 7 to our consolidated financial statements.

(b) The 2011 amount includes decreases in the fair value of (i) our investment in a broadband communications operator in Switzerland and (ii) Cyfra+. The 2010 amount includes a decrease in the fair value of Cyfra+ that was only partially offset by an increase in the fair values of certain other investments.

(c) Represents the change in the fair value of the UGC Convertible Notes prior to their conversion into LGI common stock in April 2011. The change in fair value includes amounts attributable to the remeasurement of the UGC Convertible Notes into U.S. dollars.

Losses on debt modification, extinguishment and conversion, net

We recognized losses on debt modification, extinguishment and conversion, net, of $218.4 million and $29.8 million during 2011 and 2010, respectively. The losses during 2011 include (i) a debt conversion loss of $187.2 million recognized primarily during the second quarter of 2011 related to the exchange of substantially all of the LGI Convertible Notes for LGI common stock and cash, (ii) the write-off of $15.7 million of deferred financing costs and an unamortized discount during the first quarter of 2011 in connection with the prepayment of amounts outstanding under Facilities M, P, T and U of the UPC Broadband Holding Bank Facility and (iii) the write-off of $9.5 million of deferred financing costs and the incurrence of $5.3 million of third-party costs in connection with the prepayment of amounts outstanding under Telenet Facilities K, L1, G and J of the Telenet Credit Facility during 2011. The losses during 2010 include the payment of $16.1 million of debt redemption premiums and the write-off of $8.8 million of deferred financing costs in connection with the third quarter 2010 repurchase and redemption of certain of UPC Holding's senior notes. For additional information, see note 9 to our consolidated financial statements.

Income tax benefit (expense)

We recognized income tax expense of $231.7 million and income tax benefit of $196.9 million during 2011 and 2010, respectively.

The income tax expense during 2011 differs from the expected income tax benefit of $201.5 million (based on the U.S. federal 35% income tax rate) due primarily to the negative impacts of (i) a net increase in valuation allowances, including $222.7 million of valuation allowances that were recorded in France during the fourth quarter of 2011 due to a modification of our intercompany financing structure in that jurisdiction that resulted largely from a change in local tax law, (ii) certain permanent differences between the financial and tax accounting treatment of interest and other items, (iii) statutory tax rates in certain jurisdictions in which we operate that are lower than the U.S. federal income tax rate and (iv) certain permanent differences in the realization of foreign currency gains and losses between financial and tax accounting.

The income tax benefit during 2010 differs from the expected income tax benefit of $402.7 million (based on the U.S. federal 35% income tax rate) due primarily to the negative impacts of (i) statutory tax rates in certain jurisdictions in which we operate that are lower than the U.S. federal income tax rate, (ii) certain permanent differences between the financial and tax accounting treatment of interest and other items, (iii) certain permanent differences between the financial and tax accounting treatment of items associated with investments in subsidiaries and (iv) a net increase in valuation allowances, which included tax benefits of $223.6 million recognized in France upon the release of valuation allowances during the fourth quarter of 2010 in connection with an internal financial restructuring. The negative impacts of these items were partially offset by the positive impact of the recognition of previously unrecognized tax benefits that met the GAAP recognition criteria during the period.

On February 18, 2010, we completed the sale of the J:COM Disposal Group in a taxable transaction. For information concerning certain of the 2010 income tax impacts of this transaction, see note 4 to our consolidated financial statements.

For additional information concerning our income taxes, see note 10 to our consolidated financial statements.

Loss from continuing operations

During 2011 and 2010, we reported losses from continuing operations of $807.5 million and $953.7 million, respectively, including (i) operating income of $1,818.4 million and $1,393.6 million, respectively, (ii) net non-operating expenses of $2,394.2 million and $2,544.2 million, respectively, and (iii) income tax benefit (expense) of ($231.7 million) and $196.9 million, respectively.

Discontinued operations

Our earnings from discontinued operations, net of taxes, of $136.5 million during 2011 relates to the operations of Austar. Our earnings from discontinued operations, net of taxes, of $126.9 million during 2010 relates to the operations of Austar, Unitymedia KabelBW's arena segment and the J:COM Disposal Group. We recognized a gain on disposal of discontinued operations, net of taxes, of $1,390.8 million during 2010 related to the February 18, 2010 sale of the J:COM Disposal Group. For additional information, see note 4 to our consolidated financial statements.

Net earnings attributable to noncontrolling interests

Net earnings or loss attributable to noncontrolling interests include the noncontrolling interests' share of the results of our continuing and discontinued operations. Net earnings attributable to noncontrolling interests decreased $74.1 million during 2011, as compared to 2010, due primarily to the net impact of (i) a decrease resulting from the February 18, 2010 sale of the J:COM Disposal Group, (ii) a decline in the results of operations of Telenet and (iii) improvements in the results of operations of Austar and VTR.

Liquidity and Capital Resources

Sources and Uses of Cash

Although our consolidated operating subsidiaries have generated cash from operating activities, the terms of the instruments governing the indebtedness of certain of these subsidiaries, including Telenet, UPC Holding, UPC Broadband Holding, Unitymedia KabelBW, Liberty Puerto Rico and VTR Wireless, may restrict our ability to access the assets of these subsidiaries. As set forth in the table below, these subsidiaries accounted for a significant portion of our consolidated cash and cash equivalents at December 31, 2012. In addition, our ability to access the liquidity of these and other subsidiaries may be limited by tax considerations, the presence of noncontrolling interests and other factors.

Cash and cash equivalents

The details of the U.S. dollar equivalent balances of our consolidated cash and cash equivalents at December 31, 2012 are set forth in the following table. With the exception of LGI, which is reported on a standalone basis, the amounts presented below include the cash and cash equivalents of the named entity and its subsidiaries unless otherwise noted (in millions):

Cash and cash equivalents held by:	
LGI and non-operating subsidiaries:	
LGI	$ 69.4
Non-operating subsidiaries	631.9
Total LGI and non-operating subsidiaries	701.3
Operating subsidiaries:	
Telenet	1,196.0
VTR Group (a)	44.3
UPC Holding (excluding VTR Group)	41.6
Unitymedia KabelBW	26.7
Chellomedia	26.6
Liberty Puerto Rico	2.4
Total operating subsidiaries	1,337.6
Total cash and cash equivalents (b)	$ 2,038.9

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(a) Includes $9.0 million of cash and cash equivalents held by VTR Wireless.

(b) As of December 31, 2012, our total cash and cash equivalents balance excludes €1,142.5 million ($1,507.9 million) that we were required to place into a restricted account to secure a portion of the aggregate offer consideration for the LGI Telenet Tender, as further described in note 11 to our consolidated financial statements. On February 1, 2013, we used €332.5 million ($454.6 million at the transaction date) of this restricted cash account to fund the LGI Telenet Tender and the remaining €810.0 million ($1,107.4 million at the transaction date) was released from restrictions.

Liquidity of LGI and its Non-operating Subsidiaries

The $69.4 million of cash and cash equivalents held by LGI and, subject to certain tax considerations, the $631.9 million of cash and cash equivalents held by LGI's non-operating subsidiaries, represented available liquidity at the corporate level at December 31, 2012. Our remaining cash and cash equivalents of $1,337.6 million at December 31, 2012 were held by our operating subsidiaries as set forth in the table above. As noted above, various factors may limit our ability to access the cash of our operating subsidiaries.

As described in greater detail below, our current sources of corporate liquidity include (i) cash and cash equivalents held by LGI and, subject to certain tax considerations, LGI's non-operating subsidiaries, and (ii) interest and dividend income received on our and, subject to certain tax considerations, our non-operating subsidiaries' cash and cash equivalents and investments.

From time to time, LGI and its non-operating subsidiaries may also receive (i) proceeds in the form of distributions or loan repayments from LGI's operating subsidiaries or affiliates upon (a) the completion of recapitalizations, refinancings, asset sales or similar transactions by these entities or (b) the accumulation of excess cash from operations or other means, (ii) proceeds received upon the disposition of investments and other assets of LGI and its non-operating subsidiaries, (iii) proceeds received in connection with the incurrence of debt by LGI or its non-operating subsidiaries or the issuance of equity securities by LGI, (iv) proceeds received upon the exercise of stock options or (v) income tax refunds. No assurance can be given that any external funding would be available to LGI or its non-operating subsidiaries on favorable terms, or at all. See note 4 to our consolidated financial statements for information concerning the disposition of Austar and notes 11 and 19 to our consolidated financial statements for information concerning recent and pending capital distributions of Telenet and VTR.

At December 31, 2012, our consolidated cash and cash equivalents balance includes $1,971.6 million that is held outside of the U.S. Based on our assessment of our ability to access the liquidity of our subsidiaries on a tax efficient basis and our expectations with respect to our corporate liquidity requirements, we do not anticipate that tax considerations will adversely impact our corporate liquidity over the next 12 months. Our ability to access the liquidity of our subsidiaries on a tax efficient basis is a consideration in assessing the extent of our stock repurchase programs.

The ongoing cash needs of LGI and its non-operating subsidiaries include (i) corporate general and administrative expenses and (ii) interest payments on the Sumitomo Collar Loan. In addition, LGI and its non-operating subsidiaries may require cash in connection with (i) the repayment of outstanding debt, (ii) the satisfaction of contingent liabilities, (iii) acquisitions, (iv) the repurchase of equity and debt securities, (v) other investment opportunities or (vi) income tax payments. For information regarding the LGI Telenet Tender, see note 11 to our consolidated financial statements. For information concerning the pending Virgin Media Acquisition, see note 19 to our consolidated financial statements.

During 2012, we repurchased a total of 5,611,380 shares of our LGI Series A common stock at a weighted average price of $53.46 per share and 13,585,729 shares of our LGI Series C common stock at a weighted average price of $50.11 per share, for an aggregate purchase price of $980.7 million, including direct acquisition costs and the effects of derivative instruments. At December 31, 2012, the remaining amount authorized for stock repurchases was $1,030.7 million.

Liquidity of Operating Subsidiaries

The cash and cash equivalents of our operating subsidiaries are detailed in the table above. In addition to cash and cash equivalents, the primary sources of liquidity of our operating subsidiaries are cash provided by operations and, in the case of Liberty Puerto Rico, Telenet, Unitymedia KabelBW, UPC Broadband Holding and VTR Wireless, borrowing availability under their respective debt instruments. For the details of the borrowing availability of such entities at December 31, 2012, see note 9 to our consolidated financial statements. The aforementioned sources of liquidity may be supplemented in certain cases by contributions and/or loans from LGI and its non-operating subsidiaries. Our operating subsidiaries' liquidity generally is used to fund capital expenditures and debt service requirements. From time to time, our operating subsidiaries may also require funding in connection with (i) acquisitions and other investment opportunities, (ii) loans to LGI or (iii) capital distributions to LGI and other equity owners. No assurance can be given that any external funding would be available to our operating subsidiaries on favorable terms, or at all. For information concerning the acquisitions of our subsidiaries, see note 3 to our consolidated financial statements.

For additional information concerning our consolidated capital expenditures and cash provided by operating activities, see the discussion under *Consolidated Cash Flow Statements* below.

Capitalization

We seek to maintain our debt at levels that provide for attractive equity returns without assuming undue risk. In this regard, we generally seek to cause our operating subsidiaries to maintain their debt at levels that result in a consolidated debt balance that is between four and five times our consolidated operating cash flow. However, the timing of our acquisitions and financing transactions may temporarily cause this ratio to exceed our targeted range. The ratio of our December 31, 2012 consolidated debt to our annualized consolidated operating cash flow for the quarter ended December 31, 2012 was 5.5x. In addition, the ratio of our December 31, 2012 consolidated net debt (debt less cash and cash equivalents) to our annualized consolidated operating cash flow for the quarter ended December 31, 2012 was 5.1x.

When it is cost effective, we generally seek to match the denomination of the borrowings of our subsidiaries with the functional currency of the operations that are supporting the respective borrowings. As further discussed under *Quantitative and Qualitative Disclosures about Market Risk* below and in note 6 to our consolidated financial statements, we also use derivative instruments to mitigate foreign currency and interest rate risk associated with our debt instruments.

Our ability to service or refinance our debt and to maintain compliance with the leverage covenants in the credit agreements and indentures of certain of our subsidiaries is dependent primarily on our ability to maintain or increase the operating cash flow of our operating subsidiaries and to achieve adequate returns on our capital expenditures and acquisitions. In addition, our ability to obtain additional debt financing is limited by the leverage covenants contained in the various debt instruments of our subsidiaries. For example, if the operating cash flow of UPC Broadband Holding were to decline, we could be required to partially repay or limit our borrowings under the UPC Broadband Holding Bank Facility in order to maintain compliance with applicable covenants. No assurance can be given that we would have sufficient sources of liquidity, or that any external funding would be available on favorable terms, or at all, to fund any such required repayment. The ability to access available borrowings under the UPC Broadband Holding Bank Facility and/or UPC Holding's ability to complete additional financing transactions can also be impacted by the interplay of average and spot foreign currency rates with respect to leverage calculations under the indentures for UPC Holding's senior notes. At December 31, 2012, each of our borrowing subsidiaries was in compliance with its debt covenants. In addition, we do not anticipate any instances of non-compliance with respect to our subsidiaries' debt covenants that would have a material adverse impact on our liquidity during the next 12 months.

At December 31, 2012, our outstanding consolidated debt and capital lease obligations aggregated $27.5 billion, including $363.5 million that is classified as current in our consolidated balance sheet and $23.6 billion that is due in 2017 or thereafter.

We believe that we have sufficient resources to repay or refinance the current portion of our debt and capital lease obligations and to fund our foreseeable liquidity requirements during the next 12 months. However, as our maturing debt grows in later years, we anticipate that we will seek to refinance or otherwise extend our debt maturities. No assurance can be given that we will be able to complete these refinancing transactions or otherwise extend our debt maturities. In this regard, it is difficult to predict how political and economic conditions, sovereign debt concerns or any adverse regulatory developments will impact the credit and equity markets we access and our future financial position. However, (i) the financial failure of any of our counterparties could (a) reduce amounts available under committed credit facilities and (b) adversely impact our ability to access cash deposited with any failed financial institution and (ii) tightening of the credit markets could adversely impact our ability to access debt financing on favorable terms, or at all. In addition, any weakness in the equity markets could make it less attractive to use our shares to satisfy contingent or other obligations, and sustained or increased competition, particularly in combination with adverse economic or regulatory developments, could have an unfavorable impact on our cash flows and liquidity.

All of our consolidated debt and capital lease obligations had been borrowed or incurred by our subsidiaries at December 31, 2012.

For additional information concerning our debt and capital lease obligations, see note 9 to our consolidated financial statements.

Consolidated Cash Flow Statements

General. Our cash flows are subject to significant variations due to FX. See related discussion under *Quantitative and Qualitative Disclosures about Market Risk — Foreign Currency Risk* below. All of the cash flows discussed below are those of our continuing operations.

Consolidated Cash Flow Statement - 2012 compared to 2011

Summary. The 2012 and 2011 consolidated cash flow statements of our continuing operations are summarized as follows:

	Year ended December 31,		
	2012	2011	Change
		in millions	
Net cash provided by operating activities	$ 2,858.5	$ 2,562.7	$ 295.8
Net cash used by investing activities	(1,029.2)	(4,028.7)	2,999.5
Net cash used by financing activities	(1,469.8)	(645.2)	(824.6)
Effect of exchange rate changes on cash	28.2	30.0	(1.8)
Net increase (decrease) in cash and cash equivalents	$ 387.7	$ (2,081.2)	$ 2,468.9

Operating Activities. The increase in net cash provided by our operating activities is primarily attributable to the net effect of (i) an increase in the cash provided by our operating cash flow and related working capital items, including the impact of the KBW Acquisition, (ii) a decrease in cash provided due to higher cash payments for interest, largely attributable to the KBW

Acquisition, (iii) a decrease in the reported net cash provided by operating activities due to FX, (iv) an increase in cash provided due to lower net cash payments for taxes and (v) an increase in cash provided due to lower cash payments related to derivative instruments.

Investing Activities. The decrease in net cash used by our investing activities is primarily attributable to (i) a decrease in cash used of $1,764.8 million due to lower cash paid in connection with acquisitions, net of cash acquired, (ii) a decrease in cash used of $1,055.4 million associated with cash proceeds received in connection with the Austar Transaction, (iii) a decrease in cash used of $127.5 million related to an escrow account that was established in connection with the March 2011 execution of the KBW Purchase Agreement and (iv) a decrease in cash used of $43.4 million associated with lower capital expenditures. Capital expenditures decreased from $1,927.0 million during 2011 to $1,883.6 million during 2012, as an increase in the local currency capital expenditures of our subsidiaries, including an increase due to acquisitions, was more than offset by a decrease due to FX.

The capital expenditures that we report in our consolidated cash flow statements 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 principal is repaid. In the following discussion, we present (i) our capital expenditures as reported in our consolidated cash flow statements, which exclude amounts financed under vendor financing or capital lease arrangements, and (ii) our total property and equipment additions, which include changes in current liabilities associated with capital expenditures and amounts that are financed under vendor financing or capital lease arrangements.

The UPC/Unity Division accounted for (i) $1,262.9 million and $1,287.0 million (including $503.6 million and $360.0 million attributable to Germany) of our consolidated capital expenditures during 2012 and 2011, respectively, and (ii) $1,541.6 million and $1,410.7 million (including $559.5 million and $371.0 million attributable to Germany) of our consolidated property and equipment additions during 2012 and 2011, respectively. The increase in the UPC/Unity Division’s property and equipment additions is due primarily to the net effect of (i) an increase in expenditures for the purchase and installation of customer premises equipment, (ii) a decrease due to FX, (iii) an increase in expenditures for support capital, such as information technology upgrades and general support systems, and (iv) an increase in expenditures for new build and upgrade projects to expand services. During 2012 and 2011, the UPC/Unity Division’s (a) capital expenditures represented 18.4% and 20.9% (including 21.8% and 24.8% for Germany) of its revenue, respectively, and (b) property and equipment additions represented 22.4% and 23.0% (including 24.2% and 25.6% for Germany) of its revenue, respectively.

Telenet accounted for (i) $360.4 million and $363.8 million of our consolidated capital expenditures during 2012 and 2011, respectively, and (ii) $440.0 million and $413.3 million of our consolidated property and equipment additions during 2012 and 2011, respectively. The increase in Telenet’s property and equipment additions is due primarily to the net effect of (i) an increase in expenditures for the purchase and installation of customer premises equipment, (ii) a decrease due to FX, (iii) an increase in expenditures for new build and upgrade projects to expand services and (iv) a decrease in expenditures for support capital, such as information technology upgrades and general support systems. During 2012 and 2011, Telenet’s (a) capital expenditures represented 18.8% and 19.0% of its revenue, respectively, and (b) property and equipment additions represented 22.9% and 21.5% of its revenue, respectively.

The VTR Group accounted for (i) $222.6 million and $234.1 million (including $27.0 million and $68.7 million attributable to VTR Wireless) of our consolidated capital expenditures during 2012 and 2011, respectively, and (ii) $243.4 million and $270.8 million (including $36.7 million and $86.9 million attributable to VTR Wireless) of our consolidated property and equipment additions during 2012 and 2011, respectively. The decrease in the VTR Group’s property and equipment additions is due primarily to the net effect of (i) a decrease in expenditures related to the construction of the VTR Wireless mobile network, (ii) an increase in expenditures for the purchase and installation of customer premises equipment, (iii) an increase in expenditures for new build and upgrade projects, (iv) a decrease in expenditures for support capital, such as information technology upgrades and general support systems, and (v) a decrease due to FX. During 2012 and 2011, the VTR Group’s (a) capital expenditures represented 23.7% and 26.3% (21.3% and 18.6% excluding VTR Wireless) of its revenue, respectively, and (b) property and equipment additions represented 25.9% and 30.5% (22.5% and 20.7% excluding VTR Wireless) of its revenue, respectively.

We expect the percentage of revenue represented by our aggregate 2013 consolidated property and equipment additions to decline slightly as compared to 2012, with the 2013 percentage expected to range from (i) 21% to 23% for the UPC/Unity Division (including 21% to 23% for Germany), (ii) 21% to 23% for Telenet and (iii) 20% to 22% for the VTR Group. The 2013 property and equipment additions range for the VTR Group includes estimated property and equipment additions ranging from CLP 8.5 billion ($17.8 million) to CLP 12.5 billion ($26.1 million) associated with VTR Wireless. Excluding VTR Wireless’ estimated property and equipment additions and revenue, the percentage of the VTR Group’s 2013 revenue represented by property and equipment additions is expected to range from 18% to 20%. The actual amount of our 2013 consolidated property and equipment additions and the 2013 property and equipment additions of the UPC/Unity Division (including Germany), Telenet and the VTR

Group may vary from expected amounts for a variety of reasons, including (i) changes in (a) the competitive or regulatory environment, (b) business plans or (c) our current or expected future operating results and (ii) the availability of sufficient capital. Accordingly, no assurance can be given that our actual property and equipment additions will not vary materially from our expectations.

Financing Activities. The increase in net cash used by our financing activities is primarily attributable to the net effect of (i) an increase in cash used of $1,464.1 million to fund restricted cash related to the LGI Telenet Tender, (ii) a decrease in cash used of $503.5 million related to higher net borrowings of debt, (iii) a decrease in cash used of $124.2 million related to the release of cash collateral, (iv) a decrease in cash used of $88.4 million due to higher cash contributions from noncontrolling interest owners to LGI subsidiaries, (v) a decrease in cash used of $81.2 million due to lower cash distributions from LGI subsidiaries to noncontrolling interest owners, (vi) a decrease in cash used of $60.7 million resulting from lower cash payments of net settled employee withholding taxes on stock incentive awards and (vii) an increase in cash used of $57.7 million due to higher repurchases of our LGI Series A and Series C common stock. The increase in our net borrowings of debt was partially offset by a decrease due to FX.

Consolidated Cash Flow Statement - 2011 compared to 2010

Summary. The 2011 and 2010 consolidated cash flow statements of our continuing operations are summarized as follows:

	Year ended December 31,		
	2011	2010	Change
		in millions	
Net cash provided by operating activities	$ 2,562.7	$ 2,007.7	$ 555.0
Net cash used by investing activities	(4,028.7)	(389.2)	(3,639.5)
Net cash used by financing activities	(645.2)	(187.8)	(457.4)
Effect of exchange rate changes on cash	30.0	(135.4)	165.4
Net increase (decrease) in cash and cash equivalents	$ (2,081.2)	$ 1,295.3	$ (3,376.5)

Operating Activities. The increase in net cash provided by our operating activities is primarily attributable to the net effect of (i) an increase in the cash provided by our operating cash flow and related working capital items, (ii) an increase in cash provided due to lower net cash payments for taxes, (iii) a decrease in cash provided due to higher cash payments for interest, (iv) an increase in the reported net cash provided by operating activities due to FX and (v) an increase in cash provided due to lower cash payments related to derivative instruments.

Investing Activities. The increase in net cash used by our investing activities is due primarily to the net effect of (i) an increase in cash used of $3,969.9 million associated with cash proceeds received during 2011 in connection with the disposition of discontinued operations, (ii) a decrease in cash used of $655.8 million associated with lower cash paid in connection with acquisitions and (iii) an increase in cash used of $236.5 million associated with higher capital expenditures. Capital expenditures increased from $1,690.5 million during 2010 to $1,927.0 million during 2011, due primarily to a net increase in the local currency capital expenditures of our subsidiaries, including increases due to acquisitions, and an increase due to FX. In addition, the difference between the amount funded and the amount released from the KBW Escrow Account, as further described in note 3 to our consolidated financial statements, is entirely attributable to FX.

The UPC/Unity Division accounted for (i) $1,287.0 million and $1,151.0 million (including $360.0 million and $276.5 million attributable to Germany) of our consolidated capital expenditures during 2011 and 2010, respectively, and (ii) $1,410.7 million and $1,173.6 million (including $371.0 million and $286.5 million attributable to Germany) of our consolidated property and equipment additions during 2011 and 2010, respectively. The increase in the UPC/Unity Division’s property and equipment additions is due primarily to (i) an increase due to FX, (ii) an increase in expenditures for new build and upgrade projects to expand services, (iii) an increase in expenditures for support capital, such as information technology upgrades and general support systems, (iv) an increase due to acquisitions and (v) an increase in expenditures for the purchase and installation of customer premises equipment. During 2011 and 2010, the UPC/Unity Division’s (a) capital expenditures represented 20.9% and 21.7% (24.8% and 21.0% excluding Germany) of its revenue, respectively, and (b) property and equipment additions represented 23.0% and 22.1% (25.6% and 21.3% excluding Germany) of its revenue, respectively.

Telenet accounted for (i) $363.8 million and $313.6 million of our consolidated capital expenditures during 2011 and 2010, respectively, and (ii) $413.3 million and $372.4 million of our consolidated property and equipment additions during 2011 and

2010, respectively. The increase in Telenet's property and equipment additions is due primarily to (i) an increase due to FX, (ii) an increase in expenditures for new build and upgrade projects to expand services, (iii) an increase in expenditures for the purchase and installation of customer premises equipment and (iv) an increase in expenditures for support capital such as information technology upgrades and general support systems. During 2011 and 2010, Telenet's (a) capital expenditures represented 19.0% and 18.2% of its revenue, respectively, and (b) property and equipment additions represented 21.5% and 21.6% of its revenue, respectively.

The VTR Group accounted for (i) $234.1 million and $187.5 million (including $68.7 million and $7.2 million attributable to VTR Wireless) of our consolidated capital expenditures during 2011 and 2010, respectively, and (ii) $270.8 million and $177.2 million (including $86.9 million and $3.5 million attributable to VTR Wireless) of our consolidated property and equipment additions during 2011 and 2010, respectively. The increase in the VTR Group's property and equipment additions is due primarily to the net effect of (i) an increase in expenditures related to the construction of VTR Wireless' mobile network, (ii) an increase due to FX, (iii) an increase in expenditures for new build and upgrade projects, (iv) a decrease in expenditures for the purchase and installation of customer premises equipment and (v) an increase in expenditures for support capital, such as information technology upgrades and general support systems. During 2011 and 2010, the VTR Group's (a) capital expenditures represented 26.3% and 23.5% (18.6% and 22.6% excluding VTR Wireless) of its revenue, respectively, and (b) property and equipment additions represented 30.5% and 22.2% (20.7% and 21.8% excluding VTR Wireless) of its revenue, respectively.

Financing Activities. The increase in net cash used by our financing activities is due primarily to the net effect of (i) a decrease in cash used of $3,639.1 million related to higher net borrowings of debt, (ii) an increase in cash used of $3,622.4 million related to changes in cash collateral, (iii) an increase in cash used of $220.2 million related to higher distributions by subsidiaries to noncontrolling interest owners, (iv) an increase in cash used of $160.2 million due to an increase in payments of financing costs, mainly due to $186.7 million of exchange offer consideration paid during 2011 in connection with the LGI Notes Exchange, and (v) an increase in cash used of $68.5 million due to higher cash payments for net settled employee withholding taxes on stock incentive awards. The increase in our net borrowings of debt is due in part to FX.

Free cash flow

We define free cash flow as net cash provided by our operating activities, plus (i) excess tax benefits related to the exercise of stock incentive awards and (ii) cash payments for direct acquisition costs, less (a) capital expenditures, as reported in our consolidated cash flow statements, (b) principal payments on vendor financing obligations and (c) principal payments on capital leases (exclusive of the portions of the network lease in Belgium and the duct leases in Germany that we assumed in connection with certain acquisitions), with each item excluding any cash provided or used by our discontinued operations. We believe that our presentation of free cash flow provides useful information to our investors because this measure can be used to gauge our ability to service debt and fund new investment opportunities. 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 free cash flow as a supplement to, and not a substitute for, GAAP measures of liquidity included in our consolidated cash flow statements. The following table provides the details of our free cash flow:

	Year ended December 31,		
	2012	**2011**	**2010**
		in millions	
Net cash provided by operating activities of our continuing operations	$ 2,858.5	$ 2,562.7	$ 2,007.7
Excess tax benefits from stock-based compensation	7.2	37.7	44.7
Cash payments for direct acquisition costs	33.8	19.6	54.3
Capital expenditures	(1,883.6)	(1,927.0)	(1,690.5)
Principal payments on vendor financing obligations	(104.7)	(10.0)	—
Principal payments on certain capital leases	(17.5)	(11.4)	(8.9)
Free cash flow	$ 893.7	$ 671.6	$ 407.3

Off Balance Sheet Arrangements

In the ordinary course of business, we have provided indemnifications to purchasers of certain of our assets, our lenders, our vendors and certain other parties. We have also provided performance and/or financial guarantees to local municipalities, our customers and vendors. Historically, these arrangements have not resulted in our company making any material payments and we do not believe that they will result in material payments in the future.

We are a party to various stockholder and similar agreements pursuant to which we could be required to make capital contributions to the entity in which we have invested or purchase another investor's interest. We do not expect any payments made under these provisions to be material in relation to our financial position or results of operations.

Contractual Commitments

As of December 31, 2012, the U.S. dollar equivalents (based on December 31, 2012 exchange rates) of the consolidated contractual commitments are as follows:

	Payments due during:						
	2013	2014	2015	2016	2017	Thereafter	Total
	in millions						
Debt (excluding interest)	$ 293.6	$ 16.2	$ 400.0	$ 2,922.7	$ 4,736.0	$ 17,849.3	$ 26,217.8
Capital leases (excluding interest)	69.9	75.4	74.1	75.2	77.0	1,018.0	1,389.6
Operating leases	183.7	138.4	126.2	104.8	91.5	365.9	1,010.5
Programming obligations	310.0	161.3	81.9	50.0	42.3	0.5	646.0
Other commitments	764.1	248.8	201.5	160.6	118.2	1,317.4	2,810.6
Total (a)	$ 1,621.3	$ 640.1	$ 883.7	$ 3,313.3	$ 5,065.0	$ 20,551.1	$ 32,074.5
Projected cash interest payments on debt and capital lease obligations (b)	$ 1,549.4	$ 1,665.6	$ 1,664.4	$ 1,663.1	$ 1,510.3	$ 4,193.9	$ 12,246.7

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(a) The commitments reflected in this table do not reflect any liabilities that are included in our December 31, 2012 balance sheet other than debt and capital lease obligations. Our liability for uncertain tax positions in the various jurisdictions in which we operate ($327.5 million at December 31, 2012) has been excluded from the table as the amount and timing of any related payments are not subject to reasonable estimation.

(b) Amounts are based on interest rates, interest rate payment dates and contractual maturities in effect as of December 31, 2012. These amounts are presented for illustrative purposes only and will likely differ from the actual cash payments required in future periods. In addition, the amounts presented do not include the impact of our interest rate derivative agreements, deferred financing costs, discounts or commitment fees, all of which affect our overall cost of borrowing.

Programming commitments consist of obligations associated with certain of our programming, studio output and sports rights contracts that are enforceable and legally binding on us in that we have agreed to pay minimum fees without regard to (i) the actual number of subscribers to the programming services, (ii) whether we terminate service to a portion of our subscribers or dispose of a portion of our distribution systems or (iii) whether we discontinue our premium film or sports services. The amounts reflected in the table with respect to these contracts are significantly less than the amounts we expect to pay in these periods under these contracts. Payments to programming vendors have in the past represented, and are expected to continue to represent in the future, a significant portion of our operating costs. In this regard, during 2012, 2011 and 2010, (a) the programming and copyright costs incurred by our broadband communications and DTH operations aggregated $1,055.7 million, $965.3 million and $824.3 million, respectively (including intercompany charges that eliminate in consolidation of $77.2 million, $78.9 million and $73.3 million, respectively), and (b) the third-party programming costs incurred by our programming distribution operations aggregated $111.5 million, $115.9 million and $102.0 million, respectively. The ultimate amount payable in excess of the contractual minimums of our studio output contracts, which expire at various dates through 2017, is dependent upon the number of subscribers to our premium movie service and the theatrical success of the films that we exhibit.

Other commitments relate primarily to Telenet's commitments for certain operating costs associated with its leased network. Subsequent to October 1, 2015, these commitments are subject to adjustment based on changes in the network operating costs incurred by Telenet with respect to its own networks. These potential adjustments are not subject to reasonable estimation, and therefore, are not included in the above table. Other commitments also include (i) unconditional purchase obligations associated with commitments to purchase customer premises and other equipment and services that are enforceable and legally binding on us, (ii) certain commitments of Telenet to purchase (a) broadcasting capacity on a DTT network and (b) certain spectrum licenses, (iii) certain repair and maintenance, fiber capacity and energy commitments of Unitymedia KabelBW, (iv) satellite commitments associated with satellite carriage services provided to our company and (v) commitments associated with our MVNO agreements. The amounts reflected in the table with respect to our MVNO commitments represent fixed minimum amounts payable under these agreements and therefore may be significantly less than the actual amounts we ultimately pay in these periods. Commitments arising from acquisition agreements (including with respect to the Virgin Media Merger Agreement, as described in note 19 to our consolidated financial statements) or tender offers (including with respect to the LGI Telenet Tender, as described in note 11 to our consolidated financial statements) are not reflected in the above table.

In addition to the commitments set forth in the table above, we have significant commitments under derivative instruments pursuant to which we expect to make payments in future periods. For information concerning projected cash flows associated with these derivative instruments, see *Quantitative and Qualitative Disclosures about Market Risk - Projected Cash Flows Associated with Derivatives* below. For information concerning our derivative instruments, including the net cash paid or received in connection with these instruments during 2012, 2011 and 2010, see note 6 to our consolidated financial statements.

We also have commitments pursuant to agreements with, and obligations imposed by, franchise authorities and municipalities, which may include obligations in certain markets to move aerial cable to underground ducts or to upgrade, rebuild or extend portions of our broadband communication systems. Such amounts are not included in the above table because they are not fixed or determinable.

Critical Accounting Policies, Judgments and Estimates

In connection with the preparation of our consolidated financial statements, we make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses and related disclosure of contingent assets and liabilities. Critical accounting policies are defined as those policies that are reflective of significant judgments, estimates and uncertainties, which would potentially result in materially different results under different assumptions and conditions. We believe the following accounting policies are critical in the preparation of our consolidated financial statements because of the judgment necessary to account for these matters and the significant estimates involved, which are susceptible to change:

- Impairment of property and equipment and intangible assets (including goodwill);
- Costs associated with construction and installation activities;
- Useful lives of long-lived assets;
- Fair value measurements; and
- Income tax accounting.

We have discussed the selection of the aforementioned critical accounting policies with the Audit Committee of our Board of Directors. For additional information concerning our significant accounting policies, see note 2 to our consolidated financial statements.

Impairment of Property and Equipment and Intangible Assets

Carrying Value. The aggregate carrying value of our property and equipment and intangible assets (including goodwill) that were held for use comprised 80% of our total assets at December 31, 2012.

We review, when circumstances warrant, the carrying amounts of our property and equipment and our intangible assets (other than goodwill and indefinite-lived intangible assets) to determine whether such carrying amounts continue to be recoverable. Such changes in circumstance may include, among other items, (i) an expectation of a sale or disposal of a long-lived asset or asset group, (ii) adverse changes in market or competitive conditions, (iii) an adverse change in legal factors or business climate in the markets in which we operate and (iv) operating or cash flow losses. For purposes of impairment testing, long-lived assets are grouped at the lowest level for which cash flows are largely independent of other assets and liabilities, generally at or below the reporting unit level (see below). If the carrying amount of the asset or asset group is greater than the expected undiscounted cash flows to be generated by such asset or asset group, an impairment adjustment is recognized. Such adjustment is measured by the amount that the carrying value of such asset or asset group exceeds its fair value. We generally measure fair value by considering (a) sale prices for similar assets, (b) discounted estimated future cash flows using an appropriate discount rate and/or (c) estimated replacement cost. Assets to be disposed of are carried at the lower of their financial statement carrying amount or fair value less costs to sell.

We evaluate the goodwill, franchise rights and other indefinite-lived intangible assets for impairment at least annually on October 1 and whenever other facts and circumstances indicate that the carrying amounts of goodwill and indefinite-lived intangible assets may not be recoverable. For purposes of the goodwill evaluation, we make a qualitative assessment to determine if goodwill may be impaired. If it is more likely than not that a reporting unit's fair value is less than its carrying value, we then compare the fair value of the reporting unit to its respective carrying amount. A reporting unit is an operating segment or one level below an operating segment (referred to as a "component"). In most cases, our operating segments are deemed to be a reporting unit either because the operating segment is comprised of only a single component, or the components below the operating segment are aggregated as they have similar economic characteristics. If the carrying value of a reporting unit were to exceed its fair value, we would then compare the implied fair value of the reporting unit's goodwill to its carrying amount, and any excess of the carrying amount over the fair value would be charged to operations as an impairment loss. Any excess of the carrying value over the fair value of franchise rights or other indefinite-lived intangible assets is also charged to operations as an impairment loss.

When required, considerable management judgment is necessary to estimate the fair value of reporting units and underlying long-lived and indefinite-lived assets. The equity of one of our reporting units, Telenet, is publicly traded in an active market. For this reporting unit, our fair value determination is based on quoted market prices. For other reporting units, we typically determine fair value using an income-based approach (discounted cash flows) based on assumptions in our long-range business plans and, in some cases, a combination of an income-based approach and a market-based approach. With respect to our discounted cash flow analysis used in the income-based approach, the timing and amount of future cash flows under these business plans require estimates, among other items, of subscriber growth and retention rates, rates charged per product, expected gross margin and operating cash flow margins and expected capital expenditures. The development of these cash flows, and the discount rate applied to the cash flows, is subject to inherent uncertainties, and actual results could vary significantly from such estimates. Our determination of the discount rate is based on a weighted average cost of capital approach, which uses a market participant's cost of equity and after-tax cost of debt and reflects the risks inherent in the cash flows. Based on the results of our 2012 qualitative assessment of our reporting unit carrying values, we determined that it was more likely than not that fair value exceeded carrying value for all but one small reporting unit. Upon our determination of the implied fair value of the goodwill and other long-lived assets of this reporting unit, we concluded that the goodwill and long-lived assets of this reporting unit were not impaired.

During 2012, 2011 and 2010, we recorded impairments of our property and equipment and intangible assets (including goodwill) aggregating nil, $27.6 million and $27.7 million, respectively. The 2011 and 2010 amounts are largely due to goodwill impairments related to Chellomedia's programming operations in central and eastern Europe. For additional information, see note 8 to our consolidated financial statements.

In the case of two of our smaller reporting units (our broadband communications operations in Puerto Rico and Chellomedia's programming operations in central and eastern Europe), a hypothetical decline of 20% or more in the fair value of either of these reporting units could result in the need to record a goodwill impairment charge based on the results of our October 1, 2012 goodwill impairment test. At December 31, 2012, the goodwill associated with these reporting units aggregated $301.0 million. If, among other factors, (i) our equity values were to decline significantly, or (ii) the adverse impacts of economic, competitive, regulatory or other factors were to cause our results of operations or cash flows to be worse than anticipated, we could conclude in future periods that impairment charges are required in order to reduce the carrying values of our goodwill, and to a lesser extent, other long-lived assets. Any such impairment charges could be significant. In addition, Telenet's intangible assets that are subject to amortization include spectrum rights with a carrying value of $80.1 million at December 31, 2012. Telenet is continuing its efforts to use this asset as initially intended by management. Depending on the outcome of these efforts and Telenet's evaluation of alternative means to use or monetize this asset, a triggering event might occur that could lead to the impairment of all or part of the carrying value of this asset during 2013.

Costs Associated with Construction and Installation Activities

We capitalize costs associated with the construction of new cable transmission and distribution facilities and the installation of new cable services. Installation activities that are capitalized include (i) the initial connection (or drop) from our cable system to a customer location, (ii) the replacement of a drop and (iii) the installation of equipment for additional services, such as digital cable, telephone or broadband internet service. The costs of other customer-facing activities such as reconnecting customer locations where a drop already exists, disconnecting customer locations and repairing or maintaining drops, are expensed as incurred.

The nature and amount of labor and other costs to be capitalized with respect to construction and installation activities involves significant judgment. In addition to direct external and internal labor and materials, we also capitalize other costs directly attributable to our construction and installation activities, including dispatch costs, quality-control costs, vehicle-related costs and certain warehouse-related costs. The capitalization of these costs is based on time sheets, time studies, standard costs, call tracking systems and other verifiable means that directly link the costs incurred with the applicable capitalizable activity. We continuously monitor the appropriateness of our capitalization policies and update the policies when necessary to respond to changes in facts and circumstances, such as the development of new products and services, and changes in the manner that installations or construction activities are performed.

Useful Lives of Long-Lived Assets

We depreciate our property and equipment on a straight-line basis over the estimated economic useful life of the assets. The determination of the economic useful lives of property and equipment requires significant management judgment, based on factors such as the estimated physical lives of the assets, technological changes, changes in anticipated use, legal and economic factors, rebuild and equipment swap-out plans, and other factors. Our intangible assets with finite lives primarily consist of customer relationships. Customer relationship intangible assets are amortized on a straight-line basis over the estimated weighted average life of the customer relationships. The determination of the estimated useful life of customer relationship intangible assets requires significant management judgment and is primarily based on historical and forecasted churn rates, adjusted when necessary for risk associated with demand, competition, technological changes and other economic factors. We regularly review whether changes to estimated useful lives are required in order to accurately reflect the economic use of our property and equipment and intangible assets with finite lives. Any changes to estimated useful lives are reflected prospectively. Depreciation and amortization expense of our continuing operations during 2012, 2011 and 2010 was $2,691.1 million, $2,457.0 million and $2,251.5 million, respectively. A 10% increase in the aggregate amount of the depreciation and amortization expense of our continuing operations during 2012 would have resulted in a $269.1 million or 13.6% decrease in our 2012 operating income.

Fair Value Measurements

GAAP provides guidance with respect to the recurring and nonrecurring fair value measurements and for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

Recurring Valuations. We perform recurring fair value measurements with respect to our derivative instruments and fair value method investments, each of which are carried at fair value. We use (i) cash flow valuation models to determine the fair values of our interest rate and foreign currency derivative instruments and (ii) a binomial option pricing model to determine the fair values of our equity-related derivative instruments. We use quoted market prices when available and, when not available, we use a combination of an income approach (discounted cash flows) and a market approach (market multiples of similar businesses) to determine the fair value of our fair value method investments. For a detailed discussion of the inputs we use to determine the fair value of our derivative instruments and fair value method investments, see note 7 to our consolidated financial statements. See also notes 5 and 6 to our consolidated financial statements for information concerning our fair value method investments and derivative instruments, respectively.

Changes in the fair values of our derivative instruments and fair value method investments have had, and we believe will continue to have, a significant and volatile impact on our results of operations. During 2012, 2011 and 2010, our continuing operations included net losses of $1,099.8 million, $108.5 million and $984.5 million, respectively, attributable to changes in the fair values of these items.

As further described in note 7 to our consolidated financial statements, actual amounts received or paid upon the settlement of our derivative instruments or disposal of our fair value method investments may differ materially from the recorded fair values at December 31, 2012.

For information concerning the sensitivity of the fair value of certain of our more significant derivative instruments to changes in market conditions, see *Quantitative and Qualitative Disclosures About Market Risk — Derivative Instruments* below.

Nonrecurring Valuations. Our nonrecurring valuations are primarily associated with (i) the application of acquisition accounting and (ii) impairment assessments, both of which require that we make fair value determinations as of the applicable valuation date. In making these determinations, we are required to make estimates and assumptions that affect the recorded amounts, including, but not limited to, expected future cash flows, market comparables and discount rates, remaining useful lives of long-lived assets, replacement or reproduction costs of property and equipment and the amounts to be recovered in future periods from acquired net operating losses and other deferred tax assets. To assist us in making these fair value determinations, we may engage third-party valuation specialists. Our estimates in this area impact, among other items, the amount of depreciation and amortization, impairment charges and income tax expense or benefit that we report. Our estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain. A significant portion of our long-lived assets were initially recorded through the application of acquisition accounting and all of our long-lived assets are subject to impairment assessments. For additional information, see notes 3, 7 and 8 to our consolidated financial statements.

Income Tax Accounting

We are required to estimate the amount of tax payable or refundable for the current year and the deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts and income tax basis of assets and liabilities and the expected benefits of utilizing net operating loss and tax credit carryforwards, using enacted tax rates in effect for each taxing jurisdiction in which we operate for the year in which those temporary differences are expected to be recovered or settled. This process requires our management to make assessments regarding the timing and probability of the ultimate tax impact of such items.

Net deferred tax assets are reduced by a valuation allowance if we believe it more-likely-than-not such net deferred tax assets will not be realized. Establishing or reducing a tax valuation allowance requires us to make assessments about the timing of future events, including the probability of expected future taxable income and available tax planning strategies. At December 31, 2012, the aggregate valuation allowance provided against deferred tax assets was $2,184.4 million. The actual amount of deferred income tax benefits realized in future periods will likely differ from the net deferred tax assets reflected in our December 31, 2012 balance sheet due to, among other factors, possible future changes in income tax law or interpretations thereof in the jurisdictions in which we operate and differences between estimated and actual future taxable income. Any of such factors could have a material effect on our current and deferred tax position as reported in our consolidated financial statements. A high degree of judgment is required to assess the impact of possible future outcomes on our current and deferred tax positions.

Tax laws in jurisdictions in which we operate are subject to varied interpretation, and many tax positions we take are subject to significant uncertainty regarding whether the position will be ultimately sustained after review by the relevant tax authority. We recognize the financial statement effects of a tax position when it is more-likely-than-not, based on technical merits, that the position will be sustained upon examination. The determination of whether the tax position meets the more-likely-than-not threshold requires a facts-based judgment using all information available. In a number of cases, we have concluded that the more-likely-than-not threshold is not met, and accordingly, the amount of tax benefit recognized in the financial statements is different than the amount taken or expected to be taken in our tax returns. As of December 31, 2012, the amount of unrecognized tax benefits for financial reporting purposes, but taken or expected to be taken on tax returns, was $359.7 million, of which $227.3 million would have a favorable impact on our effective income tax rate if ultimately recognized, after considering amounts that we would expect to be offset by valuation allowances.

We are required to continually assess our tax positions, and the results of tax examinations or changes in judgment can result in substantial changes to our unrecognized tax benefits.

We have taxable outside basis differences on certain investments in foreign subsidiaries. We do not recognize the deferred tax liabilities associated with these outside basis differences when the difference is considered essentially permanent in duration. In order to be considered essentially permanent in duration, sufficient evidence must indicate that the foreign subsidiary has invested or will invest its undistributed earnings indefinitely, or that earnings will be remitted in a tax-free liquidation. If circumstances change and it becomes apparent that some or all of the undistributed earnings will be remitted on a taxable basis in the foreseeable future, a net deferred tax liability must be recorded for some or all of the outside basis difference. The assessment of whether these outside basis differences are considered permanent in nature requires significant judgment and is based on management intentions to reinvest the earnings of a foreign subsidiary indefinitely in light of anticipated liquidity requirements and other relevant factors. As of December 31, 2012, we had approximately $667.0 million of net differences in our taxable outside bases related to our investments in foreign subsidiaries for which a net deferred tax liability might otherwise be required. If our plans or intentions change in the future due to liquidity or other relevant considerations, we could decide that it would be prudent to repatriate significant funds or other assets from one or more of our subsidiaries, even though we would incur a tax liability in connection with any such repatriation. If our plans or intentions were to change in this manner, the recognition of all or a part of these outside basis differences could have an adverse impact on our consolidated net earnings (loss).

For additional information concerning our income taxes, see note 10 to our consolidated financial statements.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk in the normal course of our business operations due to our investments in various foreign countries and ongoing investing and financing activities. Market risk refers to the risk of loss arising from adverse changes in foreign currency exchange rates, interest rates and stock prices. The risk of loss can be assessed from the perspective of adverse changes in fair values, cash flows and future earnings. As further described below, we have established policies, procedures and processes governing our management of market risks and the use of derivative instruments to manage our exposure to such risks.

Cash and Investments

We invest our cash in highly liquid instruments that meet high credit quality standards. From a U.S. dollar perspective, we are exposed to exchange rate risk with respect to certain of our cash balances that are denominated in currencies other than the U.S. dollar. At December 31, 2012, $1,727.6 million or 84.7% and $233.8 million or 11.5% of our consolidated cash balances were denominated in euros and U.S. dollars, respectively. Subject to applicable debt covenants, certain tax considerations and other factors, these euro and U.S. dollar cash balances are available to be used for future liquidity requirements that may be denominated in such currencies.

We are also exposed to market price fluctuations related to our investment in Sumitomo shares. At December 31, 2012, the aggregate fair value of this investment was $579.7 million. We use the Sumitomo Collar to manage our exposure to market price fluctuations with respect to our investment in Sumitomo shares.

Foreign Currency Risk

We are exposed to foreign currency exchange rate risk with respect to our consolidated debt in situations where our debt is denominated in a currency other than the functional currency of the operations whose cash flows support our ability to repay or refinance such debt. Although we generally seek to match the denomination of our and our subsidiaries' borrowings with the functional currency of the operations that are supporting the respective borrowings, market conditions or other factors may cause us to enter into borrowing arrangements that are not denominated in the functional currency of the underlying operations (unmatched debt). In these cases, our policy is to provide for an economic hedge against foreign currency exchange rate movements by using derivative instruments to synthetically convert unmatched debt into the applicable underlying currency. At December 31, 2012, substantially all of our debt was either directly or synthetically matched to the applicable functional currencies of the underlying operations. For additional information concerning the terms of our derivative instruments, see note 6 to our consolidated financial statements.

In addition to the exposure that results from the mismatch of our borrowings and underlying functional currencies, we are exposed to foreign currency risk to the extent that we enter into transactions denominated in currencies other than our or our subsidiaries' respective functional currencies (non-functional currency risk), such as equipment purchases, programming contracts, notes payable and notes receivable (including intercompany amounts) that are denominated in a currency other than the applicable functional currency. Changes in exchange rates with respect to amounts recorded in our consolidated balance sheets related to these items will result in unrealized (based upon period-end exchange rates) or realized foreign currency transaction gains and losses upon settlement of the transactions. Moreover, to the extent that our revenue, costs and expenses are denominated in currencies other than our respective functional currencies, we will experience fluctuations in our revenue, costs and expenses solely as a result of changes in foreign currency exchange rates. In this regard, we currently expect that during 2013, (i) approximately 1% to 3% of our revenue, (ii) approximately 4% to 6% of our aggregate operating and SG&A expenses (exclusive of stock-based compensation expense) and (iii) approximately 9% to 11% of our capital expenditures (excluding capital lease and vendor financing arrangements) will be denominated in non-functional currencies, including amounts denominated in (a) U.S. dollars in Chile, Europe and Argentina and (b) euros in Poland, the Czech Republic, Romania, Switzerland, Hungary and the United Kingdom. Our expectations with respect to our non-functional currency transactions in 2013 may differ from actual results. Generally, we will consider hedging non-functional currency risks when the risks arise from agreements with third parties that involve the future payment or receipt of cash or other monetary items to the extent that we can reasonably predict the timing and amount of such payments or receipts and the payments or receipts are not otherwise hedged. In this regard, we have entered into foreign currency forward contracts covering the forward purchase of the U.S. dollar, euro, Swiss franc, Czech koruna, Polish zloty, Hungarian forint, Romanian lei and British pound sterling and the forward sale of the euro, Swiss franc, Chilean peso, Czech koruna, Polish zloty and Hungarian forint to hedge certain of these risks. Certain non-functional currency risks related to our revenue, operating and SG&A expenses and capital expenditures were not hedged as of December 31, 2012. For additional information concerning our foreign currency forward contracts, see note 6 to our consolidated financial statements.

We also are exposed to unfavorable and potentially volatile fluctuations of the U.S. dollar (our reporting currency) against the currencies of our operating subsidiaries when their respective financial statements are translated into U.S. dollars for inclusion in our consolidated financial statements. Cumulative translation adjustments are recorded in accumulated other comprehensive earnings (loss) as a separate component of equity. Any increase (decrease) in the value of the U.S. dollar against any foreign currency that is the functional currency of one of our operating subsidiaries will cause us to experience unrealized foreign currency translation losses (gains) with respect to amounts already invested in such foreign currencies. Accordingly, we may experience a negative impact on our comprehensive earnings (loss) and equity with respect to our holdings solely as a result of FX. Our primary exposure to FX risk during the year ended December 31, 2012 was to the euro as 64.0% of our U.S. dollar revenue during that period was derived from subsidiaries whose functional currency is the euro. In addition, our reported operating results are impacted by changes in the exchange rates for the Swiss franc, the Chilean peso and other local currencies in Europe. We generally do not hedge against the risk that we may incur non-cash losses upon the translation of the financial statements of our subsidiaries and affiliates into U.S. dollars. For information regarding certain currency instability risks with respect to the euro, see *Management's Discussion and Analysis of Financial Condition and Results of Operations - Overview* above.

The relationship between (i) the euro, the Swiss franc, the Hungarian forint, the Polish zloty, the Czech koruna, the Romanian lei, the Chilean peso and the Australian dollar and (ii) the U.S. dollar, which is our reporting currency, is shown below, per one U.S. dollar:

	As of December 31,	
	2012	**2011**
Spot rates:		
Euro	0.7577	0.7716
Swiss franc	0.9146	0.9388
Hungarian forint	220.83	242.76
Polish zloty	3.0939	3.4431
Czech koruna	19.009	19.653
Romanian lei	3.3675	3.3367
Chilean peso	478.79	519.50
Australian dollar	0.9631	0.9751

	Year ended December 31,		
	2012	**2011**	**2010**
Average rates:			
Euro	0.7779	0.7190	0.7549
Swiss franc	0.9376	0.8875	1.0427
Hungarian forint	225.02	201.13	208.02
Polish zloty	3.2539	2.9646	3.0166
Czech koruna	19.555	17.690	19.096
Romanian lei	3.4682	3.0497	3.1802
Chilean peso	486.26	483.68	510.12
Australian dollar	0.9658	0.9692	1.0900

Inflation and Foreign Investment Risk

We are subject to inflationary pressures with respect to labor, programming and other costs. While we attempt to increase our revenue to offset increases in costs, there is no assurance that we will be able to do so. Therefore, costs could rise faster than associated revenue, thereby resulting in a negative impact on our operating results, cash flows and liquidity. The economic environment in the respective countries in which we operate is a function of government, economic, fiscal and monetary policies and various other factors beyond our control that could lead to inflation. We currently are unable to predict the extent that price levels might be impacted in future periods by the current state of the economies in the countries in which we operate.

Interest Rate Risks

We are exposed to changes in interest rates primarily as a result of our borrowing and investment activities, which include fixed-rate and variable-rate investments and borrowings by our operating subsidiaries. Our primary exposure to variable-rate debt is through the EURIBOR-indexed and LIBOR-indexed debt of UPC Broadband Holding, the EURIBOR-indexed debt of Unitymedia KabelBW and Telenet and the variable-rate debt of certain of our other subsidiaries.

In general, we seek to enter into derivative instruments to protect against increases in the interest rates on our variable-rate debt. Accordingly, we have entered into various derivative transactions to reduce exposure to increases in interest rates. We use interest rate derivative agreements to exchange, at specified intervals, the difference between fixed and variable interest rates calculated by reference to an agreed-upon notional principal amount. We also use interest rate cap and collar agreements that lock in a maximum interest rate if variable rates rise, but also allow our company to benefit, to a limited extent in the case of collars, from declines in market rates. At December 31, 2012, we effectively paid a fixed interest rate on 91% of our variable-rate debt through the use of interest rate derivative instruments that convert variable rates to fixed rates, including interest rate caps and collars for which the specified maximum rate is in excess of the applicable December 31, 2012 base rate (out-of-the-money caps and collars). If out-of-the-money caps and collars are excluded from this analysis, the percentage of variable-rate debt effectively converted to fixed-rate debt at December 31, 2012 declines to 77%. The final maturity dates of our various portfolios of interest rate derivative instruments generally fall short of the respective maturities of the underlying variable-rate debt. In this regard, we use judgment to determine the appropriate maturity dates of our portfolios of interest rate derivative instruments, taking into account the relative costs and benefits of different maturity profiles in light of current and expected future market conditions, liquidity issues and other factors. For additional information concerning the terms of these interest rate derivative instruments, see note 6 to our consolidated financial statements.

Weighted Average Variable Interest Rate. At December 31, 2012, our variable-rate indebtedness aggregated $8.9 billion, and the weighted average interest rate (including margin) on such variable-rate indebtedness was approximately 4.1%, excluding the effects of interest rate derivative agreements, financing costs, discounts or commitment fees, all of which affect our overall cost of borrowing. Assuming no change in the amount outstanding, and without giving effect to any interest rate derivative agreements, financing costs, discounts or commitment fees, a hypothetical 50 basis point (0.50%) increase (decrease) in our weighted average variable interest rate would increase (decrease) our annual consolidated interest expense and cash outflows by $44.5 million. As discussed above and in note 6 to our consolidated financial statements, we use interest rate derivative contracts to manage our exposure to increases in variable interest rates. In this regard, increases in the fair value of these contracts generally would be expected to offset most of the economic impact of increases in the variable interest rates applicable to our indebtedness to the extent and during the period that principal amounts are matched with interest rate derivative contracts.

Counterparty Credit Risk

We are exposed to the risk that the counterparties to our derivative and other financial instruments, undrawn debt facilities and cash investments will default on their obligations to us. We manage these credit risks through the evaluation and monitoring of the creditworthiness of, and concentration of risk with, the respective counterparties. In this regard, credit risk associated with our financial instruments and undrawn debt facilities is spread across a relatively broad counterparty base of banks and financial institutions. Although most of our cash currently is invested in either (i) AAA credit rated money market funds, including funds that invest in government obligations, or (ii) overnight deposits with banks having a minimum credit rating of A by Standard & Poor’s or an equivalent rating by Moody’s Investor Service, we are considering other alternatives for our cash investments that could provide higher returns. To date, neither the access to nor the value of our cash and cash equivalent balances have been adversely impacted by liquidity problems of financial institutions. We and our counterparties do not post collateral or other security, nor have we entered into master netting arrangements with any of our counterparties.

At December 31, 2012, our exposure to counterparty credit risk included (i) derivative assets with a fair value of $663.8 million, (ii) cash and cash equivalent and restricted cash balances of $3,572.8 million and (iii) aggregate undrawn debt facilities of $2,237.5 million.

Under our derivative contracts, it is generally only the non-defaulting party that has a contractual option to exercise early termination rights upon the default of the other counterparty and to set off other liabilities against sums due upon such termination. However, in an insolvency of a derivative counterparty, under the laws of certain jurisdictions, the defaulting counterparty or its insolvency representatives may be able to compel the termination of one or more derivative contracts and trigger early termination payment liabilities payable by us, reflecting any mark-to-market value of the contracts for the counterparty. Alternatively, or in addition, the insolvency laws of certain jurisdictions may require the mandatory set-off of amounts due under such derivative contracts against present and future liabilities owed to us under other contracts between us and the relevant counterparty. Accordingly, it is possible that we may be subject to obligations to make payments, or may have present or future liabilities owed to us partially or fully discharged by set-off as a result of such obligations, in the event of the insolvency of a derivative counterparty, even though it is the counterparty that is in default and not us. To the extent that we are required to make such payments, our ability to do so will depend on our liquidity and capital resources at the time. In an insolvency of a defaulting counterparty, we will be an unsecured creditor in respect of any amount owed to us by the defaulting counterparty, except to the extent of the value of any collateral we have obtained from that counterparty.

The risks we would face in the event of a default by a counterparty to one of our derivative instruments might be eliminated or substantially mitigated if we were able to novate the relevant derivative contracts to a new counterparty following the default of our counterparty. While we anticipate that, in the event of the insolvency of one of our derivative counterparties, we would seek to effect such novations, no assurance can be given that we would obtain the necessary consents to do so or that we would be able to do so on terms or pricing that would be acceptable to us or that any such novation would not result in substantial costs to us. Furthermore, the underlying risks that are the subject of the relevant derivative contracts would no longer be effectively hedged due to the insolvency of our counterparty, unless and until we novate or replace the derivative contract.

While we currently have no specific concerns about the creditworthiness of any counterparty for which we have material credit risk exposures, we cannot rule out the possibility that one or more of our counterparties could fail or otherwise be unable to meet its obligations to us. Any such instance could have an adverse effect on our cash flows, results of operations, financial condition and/or liquidity.

Although we actively monitor the creditworthiness of our key vendors, the financial failure of a key vendor could disrupt our operations and have an adverse impact on our revenue and cash flows.

Sensitivity Information

Information concerning the sensitivity of the fair value of certain of our more significant derivative instruments to changes in market conditions is set forth below. The potential changes in fair value set forth below do not include any amounts associated with the remeasurement of the derivative asset or liability into the applicable functional currency. For additional information, see notes 6 and 7 to our consolidated financial statements.

UPC Broadband Holding Cross-currency and Interest Rate Derivative Contracts

Holding all other factors constant, at December 31, 2012:

(i) an instantaneous increase (decrease) of 10% in the value of the Swiss franc, Polish zloty, Hungarian forint, Czech koruna and Chilean peso relative to the euro would have decreased (increased) the aggregate fair value of the UPC Broadband Holding cross-currency and interest rate derivative contracts by approximately €434.5 million ($573.4 million);

(ii) an instantaneous increase (decrease) of 10% in the value of the Swiss franc, Chilean peso and Romanian lei relative to the U.S. dollar would have decreased (increased) the aggregate fair value of the UPC Broadband Holding cross-currency and interest rate derivative contracts by approximately €152.6 million ($201.4 million);

(iii) an instantaneous increase (decrease) of 10% in the value of the euro relative to the U.S. dollar would have decreased (increased) the aggregate fair value of the UPC Broadband Holding cross-currency and interest rate derivative contracts by approximately €242.5 million ($320.0 million);

(iv) an instantaneous increase in the relevant base rate of 50 basis points (0.50%) would have increased the aggregate fair value of the UPC Broadband Holding cross-currency and interest rate derivative contracts by approximately €130.2 million ($171.8 million) and conversely, a decrease of 50 basis points would have decreased the aggregate fair value by approximately €131.6 million **(**$173.7 million**)**; and

(v) an instantaneous increase in UPC Broadband Holding’s credit spread of 50 basis points (0.50%) would have increased the aggregate fair value of the UPC Broadband Holding cross-currency and interest rate derivative contracts by approximately €18.3 million ($24.2 million) and conversely, a decrease of 50 basis points would have decreased the aggregate fair value by approximately €18.9 million ($24.9 million).

Unitymedia KabelBW Cross-currency and Interest Rate Derivative Contracts

Holding all other factors constant, at December 31, 2012, an instantaneous increase (decrease) of 10% in the value of the euro relative to the U.S. dollar would have decreased (increased) the aggregate value of the Unitymedia KabelBW cross-currency and interest rate derivative contracts by approximately €142.9 million ($188.6 million).

Telenet Interest Rate Caps, Collars and Swaps

Holding all other factors constant, at December 31, 2012, an instantaneous increase in the relevant base rate of 50 basis points (0.50%) would have increased the aggregate fair value of the Telenet interest rate cap, collar and swap contracts by approximately €57.5 million ($75.9 million) and conversely, a decrease of 50 basis points would have decreased the aggregate fair value by approximately €59.8 million ($78.9 million).

UPC Holding Cross-currency Options

Holding all other factors constant, at December 31, 2012, an instantaneous increase of 10% in the value of the Swiss franc relative to the U.S. dollar would have decreased the aggregate fair value of the UPC Holding cross-currency options by approximately €38.9 million ($51.3 million) and conversely, a decrease of 10% would have increased the aggregate fair value by approximately €43.7 million ($57.7 million).

VTR Cross-currency and Interest Rate Derivative Contracts

Holding all other factors constant, at December 31, 2012, an instantaneous increase (decrease) of 10% in the value of the Chilean peso relative to the U.S. dollar would have decreased (increased) the fair value of the VTR cross-currency and interest rate derivative contracts by approximately CLP 28.1 billion ($58.7 million).

Sumitomo Collar

Holding all other factors constant, at December 31, 2012:

(i) an instantaneous increase in the Japanese yen risk-free rate of 50 basis points (0.50%) would have decreased the fair value of the Sumitomo Collar by ¥2.0 billion ($23.1 million) and conversely, a decrease of 50 basis points would have increased the value by ¥2.1 billion ($24.2 million); and

(ii) an instantaneous increase (decrease) of 10% in the per share market price of Sumitomo's common stock would have decreased (increased) the fair value of the Sumitomo Collar by approximately ¥4.5 billion ($52.0 million).

Projected Cash Flows Associated with Derivatives

The following table provides information regarding the projected cash flows of our continuing operations associated with our derivative instruments. The U.S. dollar equivalents presented below are based on interest rates and exchange rates that were in effect as of December 31, 2012. These amounts are presented for illustrative purposes only and will likely differ from the actual cash payments required in future periods. For additional information regarding our derivative instruments, see note 6 to our consolidated financial statements. For information concerning the counterparty credit risk associated with our derivative instruments, see the discussion under *Counterparty Credit Risk* above.

	Payments (receipts) due during:						
	2013	**2014**	**2015**	**2016**	**2017**	**Thereafter**	**Total**
	in millions						
Projected derivative cash payments (receipts), net:							
Interest-related (a)	$ 356.1	$ 591.7	$ 147.9	$ 272.5	$ 105.3	$ 198.9	$ 1,672.4
Principal-related (b)	—	487.2	36.7	203.8	9.4	(92.1)	645.0
Other (c)	26.0	22.9	22.9	(202.7)	(203.8)	(122.8)	(457.5)
Total	$ 382.1	$ 1,101.8	$ 207.5	$ 273.6	$ (89.1)	$ (16.0)	$ 1,859.9

(a) Includes (i) the cash flows of our interest rate cap, collar and swap contracts and (ii) the interest-related cash flows of our cross-currency and cross-currency interest rate swap contracts.

(b) Includes the principal-related cash flows of our cross-currency and cross-currency interest rate swap contracts.

(c) Includes amounts related to the Sumitomo Collar, and to a lesser extent, our foreign currency forward contracts. We expect to use the collective value of the Sumitomo Collar and the underlying Sumitomo shares held by our company to settle the Sumitomo Collar Loan maturities in 2016 through 2018.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements of LGI are filed under this Item, beginning on page II-67. Financial statement schedules are filed under Item 15 of this Annual Report on Form 10-K.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

In accordance with Exchange Act Rule 13a-15, we carried out an evaluation, under the supervision and with the participation of management, including our chief executive officer, principal accounting officer, and principal financial officer (the Executives), of the effectiveness of our disclosure controls and procedures as of December 31, 2012. In designing and evaluating the disclosure controls and procedures, the Executives recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is necessarily required to apply judgment in evaluating the cost-benefit relationship of possible controls and objectives. Based on that evaluation, the Executives concluded that our disclosure controls and procedures are effective as of December 31, 2012, in timely making known to them material information relating to us and our consolidated subsidiaries required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934.

Internal control over financial reporting

(a) Management's Annual Report on Internal Control over Financial Reporting

Management's annual report on internal control over financial reporting is included herein on page II-65.

(b) Attestation Report of the Independent Registered Public Accounting Firm

The attestation report of KPMG LLP is included herein on page II-66.

(c) Changes in Internal Control over Financial Reporting

There have been no changes in our internal controls over financial reporting identified in connection with the evaluation described above that occurred during the fourth fiscal quarter covered by this Annual Report on Form 10-K that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. OTHER INFORMATION

Not applicable.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Securities Exchange Act of 1934. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of internal control over financial reporting as of December 31, 2012, using the criteria in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management believes that our internal control over financial reporting was effective as of December 31, 2012. The effectiveness of our internal control over financial reporting has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report included herein. Our evaluation of internal control over financial reporting did not include the internal control of San Juan Cable LLC, doing business as OneLink Communications (OneLink), which we acquired in 2012. The aggregate amount of total assets and revenue of OneLink included in our consolidated financial statements as of and for the year ended December 31, 2012 was $795.7 million and $24.8 million, respectively.

Report of Independent Registered Public Accounting Firm

The Board of Directors
Liberty Global, Inc.:

We have audited Liberty Global, Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management's evaluation of the effectiveness of the Company's internal control over financial reporting as of December 31, 2012 excluded San Juan Cable LLC, doing business as Onelink Communications (OneLink), which was acquired in 2012. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of this entity. The aggregate amount of total assets and revenue of OneLink included in the consolidated financial statements of the Company as of and for the year ended December 31, 2012 was $795.7 million and $24.8 million, respectively.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of the Company as of December 31, 2012 and 2011, and the related consolidated statements of operations, comprehensive earnings (loss), equity and cash flows for each of the years in the three-year period ended December 31, 2012, and our report dated February 13, 2013 expressed an unqualified opinion on those consolidated financial statements.

KPMG LLP

Denver, Colorado
February 13, 2013

Report of Independent Registered Public Accounting Firm

The Board of Directors
Liberty Global, Inc.:

We have audited the accompanying consolidated balance sheets of Liberty Global, Inc. and subsidiaries (the Company) as of December 31, 2012 and 2011, and the related consolidated statements of operations, comprehensive earnings (loss), equity and cash flows for each of the years in the three-year period ended December 31, 2012. In connection with our audits of the consolidated financial statements, we also have audited financial statement schedules I and II. These consolidated financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2012 and 2011, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2012, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 13, 2013 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

KPMG LLP

Denver, Colorado
February 13, 2013

LIBERTY GLOBAL, INC.

CONSOLIDATED BALANCE SHEETS

	December 31, 2012	December 31, 2011
	in millions	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,038.9	$ 1,651.2
Trade receivables, net	1,031.0	910.5
Deferred income taxes (note 10)	98.4	345.2
Current assets of discontinued operation (note 4)	—	275.6
Other current assets (notes 6 and 10)	557.5	592.6
Total current assets	3,725.8	3,775.1
Restricted cash (note 11)	1,516.7	23.3
Investments (including $947.9 million and $970.1 million, respectively, measured at fair value) (note 5)	950.1	975.2
Property and equipment, net (note 8)	13,437.6	12,868.4
Goodwill (note 8)	13,877.6	13,289.3
Intangible assets subject to amortization, net (note 8)	2,581.3	2,812.5
Long-term assets of discontinued operation (note 4)	—	770.1
Other assets, net (notes 6, 8 and 10)	2,218.6	1,895.3
Total assets	$ 38,307.7	$ 36,409.2

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL, INC.

CONSOLIDATED BALANCE SHEETS — (Continued)

	December 31, 2012	December 31, 2011
	in millions	
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 774.0	$ 645.7
Deferred revenue and advance payments from subscribers and others	849.7	847.6
Current portion of debt and capital lease obligations (note 9)	363.5	184.1
Derivative instruments (note 6)	569.9	601.2
Accrued interest	351.8	295.4
Accrued programming	251.0	213.1
Current liabilities of discontinued operation (note 4)	—	114.1
Other accrued and current liabilities (note 10)	1,460.4	1,268.6
Total current liabilities	4,620.3	4,169.8
Long-term debt and capital lease obligations (note 9)	27,161.0	24,573.8
Long-term liabilities of discontinued operation (note 4)	—	746.5
Other long-term liabilities (notes 6 and 10)	4,441.3	3,987.7
Total liabilities	36,222.6	33,477.8
Commitments and contingencies (notes 3, 6, 9, 10 and 16)		
Equity (note 11):		
LGI stockholders:		
Series A common stock, $.01 par value. Authorized 500,000,000 shares; issued and outstanding 142,284,430 and 146,266,629 shares, respectively	1.4	1.5
Series B common stock, $.01 par value. Authorized 50,000,000 shares; issued and outstanding 10,206,145 and 10,239,144 shares, respectively	0.1	0.1
Series C common stock, $.01 par value. Authorized 500,000,000 shares; issued and outstanding 106,402,667 and 118,470,699 shares, respectively	1.1	1.2
Additional paid-in capital	2,955.6	3,964.6
Accumulated deficit	(2,348.7)	(2,671.5)
Accumulated other comprehensive earnings, net of taxes	1,600.5	1,509.5
Total LGI stockholders	2,210.0	2,805.4
Noncontrolling interests	(124.9)	126.0
Total equity	2,085.1	2,931.4
Total liabilities and equity	$ 38,307.7	$ 36,409.2

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year ended December 31,		
	2012	2011	2010
	in millions, except share and per share amounts		
Revenue (note 13)	$ 10,310.8	$ 9,510.8	$ 8,364.2
Operating costs and expenses:			
Operating (other than depreciation and amortization) (including stock-based compensation) (notes 12 and 13)	3,617.5	3,379.4	3,010.5
Selling, general and administrative (SG&A) (including stock-based compensation) (note 12)	1,936.1	1,780.4	1,583.0
Depreciation and amortization	2,691.1	2,457.0	2,251.5
Impairment, restructuring and other operating items, net (notes 3, 8 and 14)	83.0	75.6	125.6
	8,327.7	7,692.4	6,970.6
Operating income	1,983.1	1,818.4	1,393.6
Non-operating income (expense):			
Interest expense	(1,677.4)	(1,455.2)	(1,283.6)
Interest and dividend income	42.3	73.2	36.2
Realized and unrealized losses on derivative instruments, net (note 6)	(1,069.9)	(60.4)	(1,152.3)
Foreign currency transaction gains (losses), net	436.3	(572.6)	(237.1)
Realized and unrealized gains (losses) due to changes in fair values of certain investments and debt, net (notes 5, 7 and 9)	(29.9)	(155.1)	127.8
Losses on debt modification, extinguishment and conversion, net (note 9)	(215.8)	(218.4)	(29.8)
Gains due to changes in ownership (note 3)	52.5	—	—
Other expense, net	(4.5)	(5.7)	(5.4)
	(2,466.4)	(2,394.2)	(2,544.2)
Loss from continuing operations before income taxes	(483.3)	(575.8)	(1,150.6)
Income tax benefit (expense) (note 10)	(89.0)	(231.7)	196.9
Loss from continuing operations	(572.3)	(807.5)	(953.7)
Discontinued operations (note 4):			
Earnings from discontinued operations, net of taxes	35.5	136.5	126.9
Gain on disposal of discontinued operations, net of taxes	924.1	—	1,390.8
	959.6	136.5	1,517.7
Net earnings (loss)	387.3	(671.0)	564.0
Net earnings attributable to noncontrolling interests	(64.5)	(101.7)	(175.8)
Net earnings (loss) attributable to LGI stockholders	$ 322.8	$ (772.7)	$ 388.2
Basic and diluted earnings (loss) attributable to LGI stockholders per share — Series A, Series B and Series C common stock (note 2):			
Continuing operations	$ (2.31)	$ (3.21)	$ (4.11)
Discontinued operations	3.52	0.28	5.65
	$ 1.21	$ (2.93)	$ 1.54
Weighted average common shares outstanding - basic and diluted	267,320,720	263,742,301	252,691,000

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)

	Year ended December 31,		
	2012	2011	2010
	in millions		
Net earnings (loss)	$ 387.3	$ (671.0)	$ 564.0
Other comprehensive earnings, net of taxes:			
Foreign currency translation adjustments	98.0	83.2	601.5
Reclassification adjustments included in net earnings (note 4)	(12.1)	—	(390.9)
Other	5.4	(35.0)	(1.8)
Other comprehensive earnings	91.3	48.2	208.8
Comprehensive earnings (loss)	478.6	(622.8)	772.8
Comprehensive earnings attributable to noncontrolling interests	(64.8)	(80.7)	(243.3)
Comprehensive earnings (loss) attributable to LGI stockholders	$ 413.8	$ (703.5)	$ 529.5

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL, INC.
CONSOLIDATED STATEMENTS OF EQUITY

	LGI stockholders								
	Common stock			Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive earnings, net of taxes	Total LGI stockholders	Non-controlling interests	Total equity
	Series A	Series B	Series C						
	in millions								
Balance at January 1, 2010	$ 1.3	$ 0.1	$ 1.2	$ 4,105.5	$ (2,287.0)	$ 1,299.0	$ 3,120.1	$ 3,377.0	$ 6,497.1
Net earnings	—	—	—	—	388.2	—	388.2	175.8	564.0
Other comprehensive earnings, net of taxes (note 15)	—	—	—	—	—	141.3	141.3	67.5	208.8
Repurchase and cancellation of LGI common stock (note 11)	(0.1)	—	(0.1)	(890.7)	—	—	(890.9)	—	(890.9)
Stock-based compensation (note 12)	—	—	—	77.4	—	—	77.4	—	77.4
Issuance of LGI stock incentive awards to satisfy obligations under the LGI Performance Plans (note 12)	—	—	—	117.8	—	—	117.8	—	117.8
Net excess tax benefits from stock-based compensation	—	—	—	42.9	—	—	42.9	—	42.9
Sale of J:COM Disposal Group (note 4)	—	—	—	—	—	—	—	(3,024.2)	(3,024.2)
Distributions by subsidiaries to noncontrolling interest owners (note 11)	—	—	—	—	—	—	—	(198.1)	(198.1)
LGI common stock issued in connection with equity incentive plans and related employee tax withholding, net	—	—	—	15.9	—	—	15.9	—	15.9
Adjustments due to changes in subsidiaries' equity and other, net	—	—	—	31.9	—	—	31.9	15.1	47.0
Balance at December 31, 2010	$ 1.2	$ 0.1	$ 1.1	$ 3,500.7	$ (1,898.8)	$ 1,440.3	$ 3,044.6	$ 413.1	$ 3,457.7

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL, INC.

CONSOLIDATED STATEMENTS OF EQUITY - (Continued)

	LGI stockholders								
	Common stock								
	Series A	Series B	Series C	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive earnings, net of taxes	Total LGI stockholders	Non-controlling interests	Total equity
	in millions								
Balance at January 1, 2011	$ 1.2	$ 0.1	$ 1.1	$ 3,500.7	$ (1,898.8)	$ 1,440.3	$ 3,044.6	$ 413.1	$ 3,457.7
Net loss	—	—	—	—	(772.7)	—	(772.7)	101.7	(671.0)
Other comprehensive earnings, net of taxes (note 15)	—	—	—	—	—	69.2	69.2	(21.0)	48.2
Repurchase and cancellation of LGI common stock (note 11)	(0.1)	—	(0.1)	(912.1)	—	—	(912.3)	—	(912.3)
LGI Notes Exchange and conversion of UGC Convertible Notes (note 9)	0.4	—	0.2	1,324.5	—	—	1,325.1	—	1,325.1
Stock-based compensation (note 12)	—	—	—	81.0	—	—	81.0	—	81.0
Net excess tax benefits from stock-based compensation	—	—	—	37.6	—	—	37.6	—	37.6
Distributions by subsidiaries to noncontrolling interest owners (note 11)	—	—	—	—	—	—	—	(418.2)	(418.2)
LGI common stock issued in connection with equity incentive plans and related employee tax withholding, net	—	—	—	(79.7)	—	—	(79.7)	—	(79.7)
Adjustments due to changes in subsidiaries' equity and other, net	—	—	—	12.6	—	—	12.6	50.4	63.0
Balance at December 31, 2011	$ 1.5	$ 0.1	$ 1.2	$ 3,964.6	$ (2,671.5)	$ 1,509.5	$ 2,805.4	$ 126.0	$ 2,931.4

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL, INC.

CONSOLIDATED STATEMENTS OF EQUITY - (Continued)

	LGI stockholders								
	Common stock								
	Series A	Series B	Series C	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive earnings, net of taxes	Total LGI stockholders	Non-controlling interests	Total equity
	in millions								
Balance at January 1, 2012	$ 1.5	$ 0.1	$ 1.2	$ 3,964.6	$ (2,671.5)	$ 1,509.5	$ 2,805.4	$ 126.0	$ 2,931.4
Net earnings	—	—	—	—	322.8	—	322.8	64.5	387.3
Other comprehensive earnings, net of taxes (note 15)	—	—	—	—	—	91.0	91.0	0.3	91.3
Repurchase and cancellation of LGI common stock (note 11)	(0.1)	—	(0.1)	(980.5)	—	—	(980.7)	—	(980.7)
LGI call option contracts (note 11)	—	—	—	(53.2)	—	—	(53.2)	—	(53.2)
Stock-based compensation (note 12)	—	—	—	70.4	—	—	70.4	—	70.4
Telenet Share Repurchase Agreement (note 11)	—	—	—	(62.8)	—	—	(62.8)	2.2	(60.6)
Sale of Austar (note 4)	—	—	—	—	—	—	—	(84.4)	(84.4)
Puerto Rico Transaction (note 3)	—	—	—	48.3	—	—	48.3	48.2	96.5
Distributions by subsidiaries to noncontrolling interest owners (note 11)	—	—	—	—	—	—	—	(351.3)	(351.3)
Adjustments due to changes in subsidiaries' equity and other, net	—	—	—	(31.2)	—	—	(31.2)	69.6	38.4
Balance at December 31, 2012	$ 1.4	$ 0.1	$ 1.1	$ 2,955.6	$ (2,348.7)	$ 1,600.5	$ 2,210.0	$ (124.9)	$ 2,085.1

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2012	2011	2010
		in millions	
Cash flows from operating activities:			
Net earnings (loss)	$ 387.3	$ (671.0)	$ 564.0
Earnings from discontinued operations	(959.6)	(136.5)	(1,517.7)
Loss from continuing operations	(572.3)	(807.5)	(953.7)
Adjustments to reconcile loss from continuing operations to net cash provided by operating activities:			
Stock-based compensation expense	112.4	131.3	111.0
Depreciation and amortization	2,691.1	2,457.0	2,251.5
Impairment, restructuring and other operating items, net	83.0	75.6	125.6
Amortization of deferred financing costs and non-cash interest accretion	66.3	80.1	95.3
Realized and unrealized losses on derivative instruments, net	1,069.9	60.4	1,152.3
Foreign currency transaction losses (gains), net	(436.3)	572.6	237.1
Realized and unrealized losses (gains) due to changes in fair values of certain investments and debt, including impact of dividends	42.2	165.8	(118.0)
Losses on debt modification, extinguishment and conversion, net	215.8	218.4	29.8
Gains due to changes in ownership	(52.5)	—	—
Deferred income tax expense	35.2	129.6	510.0
Excess tax benefits from stock-based compensation	(7.2)	(37.7)	(44.7)
Changes in operating assets and liabilities, net of the effects of acquisitions and dispositions:			
Receivables and other operating assets	1,290.7	646.7	613.3
Payables and accruals	(1,679.8)	(1,129.6)	(2,001.8)
Net cash provided by operating activities of discontinued operations	61.2	173.6	321.5
Net cash provided by operating activities	2,919.7	2,736.3	2,329.2
Cash flows from investing activities:			
Capital expenditures	(1,883.6)	(1,927.0)	(1,690.5)
Proceeds received upon disposition of discontinued operations, net of disposal costs	1,055.4	—	3,969.9
Cash paid in connection with acquisitions, net of cash acquired	(215.7)	(1,980.5)	(2,636.3)
Increase in KBW Escrow Account	—	(1,650.0)	—
Decrease in KBW Escrow Account	—	1,522.5	—
Other investing activities, net	14.7	6.3	(32.3)
Net cash provided (used) by investing activities of discontinued operations, including deconsolidated cash	(51.7)	18.4	(984.7)
Net cash used by investing activities	$ (1,080.9)	$ (4,010.3)	$ (1,373.9)

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS — (Continued)

	Year ended December 31,		
	2012	2011	2010
	in millions		
Cash flows from financing activities:			
Borrowings of debt	$ 5,981.9	$ 5,622.8	$ 3,208.1
Repayments and repurchases of debt and capital lease obligations	(4,376.1)	(4,520.5)	(5,744.9)
Increase in restricted cash related to the LGI Telenet Tender	(1,464.1)	—	—
Repurchase of LGI common stock	(970.3)	(912.6)	(884.9)
Distributions by subsidiaries to noncontrolling interest owners	(335.9)	(417.1)	(196.9)
Payment of financing costs, debt premiums and exchange offer consideration	(229.8)	(254.3)	(94.1)
Contributions by noncontrolling interest owners to subsidiaries	115.1	26.7	3.1
Net cash paid related to derivative instruments	(108.4)	(80.4)	(113.5)
Change in cash collateral	59.6	(64.6)	3,557.8
Payment of net settled employee withholding taxes on stock incentive awards	(56.8)	(117.5)	(49.0)
Excess tax benefits from stock-based compensation	7.2	37.7	44.7
Other financing activities, net	(92.2)	34.6	81.8
Net cash used by financing activities of discontinued operations	—	(102.5)	(81.0)
Net cash used by financing activities	(1,469.8)	(747.7)	(268.8)
Effect of exchange rate changes on cash:			
Continuing operations	28.2	30.0	(135.4)
Discontinued operations	(9.5)	4.3	26.8
Total	18.7	34.3	(108.6)
Net increase (decrease) in cash and cash equivalents:			
Continuing operations	387.7	(2,081.2)	1,295.3
Discontinued operations	—	93.8	(717.4)
Net increase (decrease) in cash and cash equivalents	387.7	(1,987.4)	577.9
Cash and cash equivalents:			
Beginning of year	1,651.2	3,847.5	3,269.6
End of year	2,038.9	1,860.1	3,847.5
Less cash and cash equivalents of discontinued operations at end of year	—	(208.9)	—
Cash and cash equivalents of continuing operations at end of year	$ 2,038.9	$ 1,651.2	$ 3,847.5
Cash paid for interest:			
Continuing operations	$ 1,562.6	$ 1,329.2	$ 1,122.6
Discontinued operations	29.0	54.2	42.0
Total	$ 1,591.6	$ 1,383.4	$ 1,164.6
Net cash paid for taxes:			
Continuing operations	$ 11.8	$ 54.9	$ 267.1
Discontinued operations	—	—	6.4
Total	$ 11.8	$ 54.9	$ 273.5

The accompanying notes are an integral part of these consolidated financial statements.

(1) Basis of Presentation

Liberty Global, Inc. (LGI) is an international provider of video, broadband internet and telephony services, with consolidated operations at December 31, 2012 in 13 countries, primarily in Europe and Chile. In these notes, the terms "we," "our," "our company," and "us" may refer, as the context requires, to LGI or collectively to LGI and its subsidiaries.

Our European and Chilean operations are conducted through our wholly-owned subsidiary, Liberty Global Europe Holding BV (Liberty Global Europe). Through Liberty Global Europe's wholly-owned subsidiary, UPC Holding BV (UPC Holding), we provide video, broadband internet and telephony services in nine European countries and in Chile. The European broadband communications and direct-to-home satellite (DTH) operations of UPC Holding and the broadband communications operations in Germany of Unitymedia KabelBW GmbH (formerly known as Unitymedia GmbH) (Unitymedia KabelBW), another wholly-owned subsidiary of Liberty Global Europe, are collectively referred to herein as the "UPC/Unity Division." UPC Holding's broadband communications operations in Chile are provided through its 80%-owned subsidiary, VTR Global Com SA (VTR). In May 2012, through our 80%-owned subsidiary, VTR Wireless SA (VTR Wireless), we began offering mobile services in Chile through a combination of our own wireless network and certain third-party wireless access arrangements. The operations of VTR and VTR Wireless are collectively referred to as the "VTR Group." Through Liberty Global Europe's majority-owned subsidiary, Telenet Group Holding NV (Telenet), we provide video, broadband internet and telephony services in Belgium. As of December 31, 2012, we owned 50.2% of Telenet's issued and outstanding shares. On February 1, 2013, we completed the LGI Telenet Tender (as defined and described in note 11), pursuant to which we increased our ownership interest in Telenet's issued and outstanding shares to 58.4%. Our operations also include (i) consolidated broadband communications operations in Puerto Rico that we conduct through a 60%-owned subsidiary and (ii) consolidated interests in certain programming businesses in Europe and Latin America. Our consolidated programming interests in Europe and Latin America are primarily held through Chellomedia BV (Chellomedia), another wholly-owned subsidiary of Liberty Global Europe that also owns or manages investments in various other businesses, primarily in Europe. Certain of Chellomedia's subsidiaries and affiliates provide programming services to certain of our broadband communications operations, primarily in Europe**.**

On May 23, 2012, we completed the sale of our then 54.15%-owned subsidiary, Austar United Communications Limited (Austar), a provider of DTH services in Australia. Effective September 30, 2010, we closed down the DTH operations of Unitymedia KabelBW's arena segment. On February 18, 2010, we sold our ownership interests in three of our subsidiaries (the J:COM Disposal Group) that directly or indirectly, including through certain trust arrangements, held our ownership interests in Jupiter Telecommunications Co., Ltd (J:COM), a broadband communications provider in Japan. Accordingly, (i) Austar is reflected as a discontinued operation in our consolidated balance sheet as of December 31, 2011, (ii) our consolidated statements of operations and cash flows have been reclassified to present Austar, Unitymedia KabelBW's arena segment and the J:COM Disposal Group as discontinued operations for all periods presented and (iii) the amounts presented in these notes relate only to our continuing operations, unless otherwise noted. For additional information regarding our discontinued operations, see note 4.

Unless otherwise indicated, ownership percentages and convenience translations into United States (U.S.) dollars are calculated as of December 31, 2012.

(2) Summary of Significant Accounting Policies

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are used in accounting for, among other things, the valuation of acquisition-related assets and liabilities, allowances for uncollectible accounts, deferred income taxes and related valuation allowances, loss contingencies, fair value measurements, impairment assessments, capitalization of internal costs associated with construction and installation activities, useful lives of long-lived assets, stock-based compensation and actuarial liabilities associated with certain benefit plans. Actual results could differ from those estimates.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Principles of Consolidation

The accompanying consolidated financial statements include our accounts and the accounts of all voting interest entities where we exercise a controlling financial interest through the ownership of a direct or indirect controlling voting interest and variable interest entities for which our company is the primary beneficiary. All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents and Restricted Cash

Cash equivalents consist of money market funds and other investments that are readily convertible into cash and have maturities of three months or less at the time of acquisition. We record money market funds at the net asset value reported by the investment manager as there are no restrictions on our ability, contractual or otherwise, to redeem our investments at the stated net asset value reported by the investment manager.

Restricted cash includes cash held in restricted accounts, including cash held as collateral for debt and other compensating balances. Restricted cash amounts that are required to be used to purchase long-term assets or repay long-term debt are classified as long-term assets. All other cash that is restricted to a specific use is classified as current or long-term based on the expected timing of the disbursement. At December 31, 2012 and 2011, our aggregate current and long-term restricted cash balances aggregated $1,533.9 million and $109.3 million, respectively. Our long-term restricted cash balance at December 31, 2012 includes €1,142.5 million ($1,507.9 million) related to the LGI Telenet Tender, all of which was either released or used to fund the LGI Telenet Tender subsequent to December 31, 2012. For additional information concerning the LGI Telenet Tender, see note 11.

Our significant non-cash investing and financing activities are disclosed in our consolidated statements of equity and in notes 3, 4, 8, and 9.

Trade Receivables

Our trade receivables are reported net of an allowance for doubtful accounts. Such allowance aggregated $103.0 million and $144.0 million at December 31, 2012 and 2011, respectively. The allowance for doubtful accounts is based upon our assessment of probable loss related to uncollectible accounts receivable. We use a number of factors in determining the allowance, including, among other things, collection trends, prevailing and anticipated economic conditions and specific customer credit risk. The allowance is maintained until either receipt of payment or the likelihood of collection is considered to be remote.

Concentration of credit risk with respect to trade receivables is limited due to the large number of customers and their dispersion across many different countries worldwide. We also manage this risk by disconnecting services to customers whose accounts are delinquent.

Investments

We make elections, on an investment-by-investment basis, as to whether we measure our investments at fair value. Such elections are generally irrevocable. We have elected the fair value method for most of our investments as we believe this method generally provides the most meaningful information to our investors. However, for investments over which we have significant influence, we have considered the significance of transactions between our company and our equity affiliates and other factors in determining whether the fair value method should be applied. In general, we do not elect the fair value option for those equity method investments with which LGI or its consolidated subsidiaries have significant related-party transactions.

Under the fair value method, investments are recorded at fair value and any changes in fair value are reported in realized and unrealized gains or losses due to changes in fair values of certain investments and debt, net, in our consolidated statements of operations. All costs directly associated with the acquisition of an investment to be accounted for using the fair value method are expensed as incurred. For additional information regarding our fair value method investments, see notes 5 and 7.

Dividends from publicly-traded investees are recognized when declared as dividend income in our consolidated statements of operations. Dividends from privately-held investees generally are reflected as reductions of the carrying values of the applicable investments.

Realized gains and losses are determined on an average cost basis. Securities transactions are recorded on the trade date.

Financial Instruments

Due to the short maturities of cash and cash equivalents, restricted cash, short-term liquid investments, trade and other receivables, other current assets, accounts payable, accrued liabilities, subscriber advance payments and deposits and other current liabilities, their respective carrying values approximate their respective fair values. For information concerning the fair values of our investments, derivatives and debt, see notes 5, 6 and 9, respectively. For information concerning how we arrive at certain of our fair value measurements, see note 7.

Derivative Instruments

All derivative instruments, whether designated as hedging relationships or not, are recorded on the balance sheet at fair value. If the derivative instrument is designated as a fair value hedge, the changes in the fair value of the derivative instrument and of the hedged item attributable to the hedged risk are recognized in earnings. If the derivative instrument is designated as a cash flow hedge, the effective portions of changes in the fair value of the derivative instrument are recorded in other comprehensive earnings or loss and subsequently reclassified into our consolidated statements of operations when the hedged forecasted transaction affects earnings. Ineffective portions of changes in the fair value of cash flow hedges are recognized in earnings. If the derivative instrument is not designated as a hedge, changes in the fair value of the derivative instrument are recognized in earnings. We generally do not apply hedge accounting to our derivative instruments. For information regarding our derivative instruments, including our policy for classifying cash flows related to derivative instruments in our consolidated statements of cash flows, see note 6.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. We capitalize costs associated with the construction of new cable transmission and distribution facilities and the installation of new cable services. Capitalized construction and installation costs include materials, labor and other directly attributable costs. Installation activities that are capitalized include (i) the initial connection (or drop) from our cable system to a customer location, (ii) the replacement of a drop and (iii) the installation of equipment for additional services, such as digital cable, telephone or broadband internet service. The costs of other customer-facing activities such as reconnecting customer locations where a drop already exists, disconnecting customer locations and repairing or maintaining drops, are expensed as incurred. Interest capitalized with respect to construction activities was not material during any of the periods presented.

Capitalized internal-use software is included as a component of property and equipment. We capitalize internal and external costs directly associated with the development of internal-use software. We also capitalize costs associated with the purchase of software licenses. Maintenance and training costs, as well as costs incurred during the preliminary stage of an internal-use software development project, are expensed as incurred.

Depreciation is computed using the straight-line method over the estimated useful life of the underlying asset. Equipment under capital leases is amortized on a straight-line basis over the shorter of the lease term or estimated useful life of the asset. Useful lives used to depreciate our property and equipment are assessed periodically and are adjusted when warranted. The useful lives of cable distribution systems that are undergoing a rebuild are adjusted such that property and equipment to be retired will be fully depreciated by the time the rebuild is completed. For additional information regarding the useful lives of our property and equipment, see note 8.

Additions, replacements and improvements that extend the asset life are capitalized. Repairs and maintenance are charged to operations.

We recognize a liability for asset retirement obligations in the period in which it is incurred if sufficient information is available to make a reasonable estimate of fair values. Asset retirement obligations may arise from the loss of rights of way that we obtain from local municipalities or other relevant authorities. Under certain circumstances, the authorities could require us to remove our network equipment from an area if, for example, we were to discontinue using the equipment for an extended period of time or the authorities were to decide not to renew our access rights. However, because the rights of way are integral to our ability to deliver broadband communications services to our customers, we expect to conduct our business in a manner that will allow us to maintain these rights for the foreseeable future. In addition, we have no reason to believe that the authorities will not renew our rights of way and, historically, renewals have always been granted. We also have obligations in lease agreements to restore the property to its original condition or remove our property at the end of the lease term. Sufficient information is not available to estimate the fair value of our asset retirement obligations in certain of our lease arrangements. This is the case in long-term lease arrangements in which the underlying leased property is integral to our operations, there is not an acceptable alternative to the leased property and we have the ability to indefinitely renew the lease. Accordingly, for most of our rights of way and certain lease agreements, the possibility is remote that we will incur significant removal costs in the foreseeable future and, as such, we do not have sufficient information to make a reasonable estimate of fair value for these asset retirement obligations.

As of December 31, 2012 and 2011, the recorded value of our asset retirement obligations was $30.3 million and $26.7 million, respectively.

Intangible Assets

Our primary intangible assets are goodwill, customer relationships and cable television franchise rights. Goodwill represents the excess purchase price over the fair value of the identifiable net assets acquired in a business combination. Customer relationships and cable television franchise rights were originally recorded at their fair values in connection with business combinations.

Goodwill and intangible assets with indefinite useful lives are not amortized, but instead are tested for impairment at least annually. Intangible assets with finite lives are amortized on a straight-line basis over their respective estimated useful lives to their estimated residual values, and reviewed for impairment.

We do not amortize our franchise rights and certain other intangible assets as these assets have indefinite-lives. For additional information regarding the useful lives of our intangible assets, see note 8.

Impairment of Property and Equipment and Intangible Assets

We review, when circumstances warrant, the carrying amounts of our property and equipment and our intangible assets (other than goodwill and indefinite-lived intangible assets) to determine whether such carrying amounts continue to be recoverable. Such changes in circumstance may include, among other items, (i) an expectation of a sale or disposal of a long-lived asset or asset group, (ii) adverse changes in market or competitive conditions, (iii) an adverse change in legal factors or business climate in the markets in which we operate and (iv) operating or cash flow losses. For purposes of impairment testing, long-lived assets are grouped at the lowest level for which cash flows are largely independent of other assets and liabilities, generally at or below the reporting unit level (see below). If the carrying amount of the asset or asset group is greater than the expected undiscounted cash flows to be generated by such asset or asset group, an impairment adjustment is recognized. Such adjustment is measured by the amount that the carrying value of such asset or asset group exceeds its fair value. We generally measure fair value by considering (i) sale prices for similar assets, (ii) discounted estimated future cash flows using an appropriate discount rate and/or (iii) estimated replacement costs. Assets to be disposed of are carried at the lower of their financial statement carrying amount or fair value less costs to sell.

We evaluate the goodwill, franchise rights and other indefinite-lived intangible assets for impairment at least annually on October 1 and whenever other facts and circumstances indicate that the carrying amounts of goodwill and indefinite-lived intangible assets may not be recoverable. For purposes of the goodwill evaluation, we make a qualitative assessment to determine if goodwill may be impaired. If it is more likely than not that a reporting unit's fair value is less than its carrying value, we then compare the fair value of the reporting unit to its respective carrying amount. A reporting unit is an operating segment or one level below an operating segment (referred to as a "component"). In most cases, our operating segments are deemed to be a reporting unit either because the operating segment is comprised of only a single component, or the components below the operating segment are aggregated as they have similar economic characteristics. If the carrying value of a reporting unit were to exceed its fair value, we would then compare the implied fair value of the reporting unit's goodwill to its carrying amount, and any excess of the carrying amount over the fair value would be charged to operations as an impairment loss. Any excess of the carrying value over the fair value of franchise rights or other indefinite-lived intangible assets is also charged to operations as an impairment loss.

Income Taxes

Income taxes are accounted for under the asset and liability method. We recognize deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts and income tax basis of assets and liabilities and the expected benefits of utilizing net operating loss and tax credit carryforwards, using enacted tax rates in effect for each taxing jurisdiction in which we operate for the year in which those temporary differences are expected to be recovered or settled. We recognize the financial statement effects of a tax position when it is more-likely-than-not, based on technical merits, that the position will be sustained upon examination. Net deferred tax assets are then reduced by a valuation allowance if we believe it more-likely-than-not such net deferred tax assets will not be realized. Certain of our valuation allowances and tax uncertainties are associated with entities that we acquired in business combinations. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred tax liabilities related to investments in foreign subsidiaries and foreign corporate joint ventures that are essentially permanent in duration are not recognized until it becomes apparent that such amounts will reverse in the foreseeable future. Interest and penalties related to income tax liabilities are included in income tax expense.

Foreign Currency Translation and Transactions

The reporting currency of our company is the U.S. dollar. The functional currency of our foreign operations generally is the applicable local currency for each foreign subsidiary and equity method investee. Assets and liabilities of foreign subsidiaries (including intercompany balances for which settlement is not anticipated in the foreseeable future) are translated at the spot rate in effect at the applicable reporting date. With the exception of certain material transactions, the amounts reported in our consolidated statements of operations are translated at the average exchange rates in effect during the applicable period. The resulting unrealized cumulative translation adjustment, net of applicable income taxes, is recorded as a component of accumulated other comprehensive earnings (loss) in our consolidated statements of equity. With the exception of certain material transactions, the cash flows from our operations in foreign countries are translated at the average rate for the applicable period in our consolidated statements of cash flows. The impacts of material transactions generally are recorded at the applicable spot rates in our consolidated statements of operations and cash flows. The effect of exchange rates on cash balances held in foreign currencies are separately reported in our consolidated statements of cash flows.

Transactions denominated in currencies other than our or our subsidiaries' functional currencies are recorded based on exchange rates at the time such transactions arise. Changes in exchange rates with respect to amounts recorded in our consolidated balance sheet related to these non-functional currency transactions result in transaction gains and losses that are reflected in our consolidated statements of operations as unrealized (based on the applicable period end exchange rates) or realized upon settlement of the transactions.

Revenue Recognition

Service Revenue — Cable Networks. We recognize revenue from the provision of video, broadband internet and telephony services over our cable network to customers in the period the related services are provided. Installation revenue (including reconnect fees) related to services provided over our cable network is recognized as revenue in the period during which the installation occurs to the extent these fees are equal to or less than direct selling costs, which costs are expensed as incurred. To the extent installation revenue exceeds direct selling costs, the excess revenue is deferred and amortized over the average expected subscriber life.

Service Revenue — Other. We recognize revenue from DTH, telephony and data services that are not provided over our cable network in the period the related services are provided. Installation revenue (including reconnect fees) related to services that are not provided over our cable network is deferred and amortized over the average expected subscriber life.

Sale of Multiple Products and Services. We sell video, broadband internet and telephony services to our customers in bundled packages at a rate lower than if the customer purchased each product on a standalone basis. Revenue from bundled packages generally is allocated proportionally to the individual services based on the relative standalone price for each respective service.

Mobile Revenue. We recognize revenue from mobile services in the period the related services are provided. Revenue from pre-pay customers is recorded as deferred revenue prior to the commencement of services and is recognized as the services are rendered or usage rights expire. Mobile handset revenue is recognized to the extent of cash collected when the goods have been delivered and title has passed.

Programming Revenue. We recognize revenue arising from our programming businesses' distribution agreements in the period the related programming is provided.

Promotional Discounts. For subscriber promotions, such as discounted or free services during an introductory period, revenue is recognized only to the extent of the discounted monthly fees charged to the subscriber, if any.

Subscriber Advance Payments and Deposits. Payments received in advance for the services we provide are deferred and recognized as revenue when the associated services are provided.

Sales, Use and Other Value-Added Taxes. Revenue is recorded net of applicable sales, use and other value-added taxes.

Stock-Based Compensation

We recognize all share-based payments to employees, including grants of employee stock incentive awards based on their grant-date fair values and our estimates of forfeitures. We recognize the fair value of outstanding options as a charge to operations over the vesting period. The cash benefits of tax deductions in excess of deferred taxes on recognized compensation expense are reported as a financing cash flow.

We use the straight-line method to recognize stock-based compensation expense for our outstanding stock awards that do not contain a performance condition and the accelerated expense attribution method for our outstanding stock awards that contain a performance condition and vest on a graded basis. We also recognize the equity component of deferred compensation as additional paid-in capital.

We have calculated the expected life of options and stock appreciation rights (SARs) granted by LGI to employees based on historical exercise trends. The expected volatility for LGI options and SARs is generally based on a combination of (i) historical volatilities of LGI common stock for a period equal to the expected average life of the LGI awards and (ii) volatilities implied from publicly traded LGI options.

Although we generally expect to issue new shares of LGI common stock when LGI options or SARs are exercised, we may also elect to issue shares from treasury to the extent available. Although we repurchase shares of LGI common stock from time to time, the parameters of our share purchase and redemption activities are not established solely with reference to the dilutive impact of shares issued upon the exercise of stock options and SARs.

For additional information regarding our stock-based compensation, see note 12.

Litigation Costs

Legal fees and related litigation costs are expensed as incurred.

Earnings or Loss per Common Share

Basic earnings (loss) per share attributable to LGI stockholders is computed by dividing net earnings (loss) attributable to LGI stockholders by the weighted average number of common shares (excluding restricted shares) outstanding for the period. Diluted earnings (loss) per share attributable to LGI stockholders presents the dilutive effect, if any, on a per share basis of potential common shares (e.g., options, restricted shares, restricted share units and convertible securities) as if they had been exercised, vested or converted at the beginning of the periods presented.

We reported losses from continuing operations attributable to LGI stockholders during 2012, 2011 and 2010. Therefore, the potentially dilutive effect at December 31, 2012, 2011 and 2010 of (i) the aggregate number of shares issuable pursuant to outstanding options, SARs and restricted shares and share units of approximately 9.9 million, 11.3 million and 19.8 million, respectively, (ii) the aggregate number of shares issuable pursuant to obligations that may be settled in cash or shares of approximately 3.7 million, 3.7 million and 53.5 million, respectively, and (iii) the number of shares issuable pursuant to PSUs (as defined in note 12) of approximately 1.5 million, 2.1 million and 1.3 million, respectively, were not included in the computation of diluted loss per share attributable to LGI stockholders because their inclusion would have been anti-dilutive to the computation or, in the case of certain PSUs, because such awards had not yet met the applicable performance criteria.

The details of our net earnings (loss) attributable to LGI stockholders are set forth below:

	Year ended December 31,		
	2012	2011	2010
	in millions		
Amounts attributable to LGI stockholders:			
Loss from continuing operations	$ (616.9)	$ (846.1)	$ (1,040.1)
Earnings from discontinued operations	939.7	73.4	1,428.3
Net earnings (loss) attributable to LGI stockholders	$ 322.8	$ (772.7)	$ 388.2

(3) Acquisitions

Pending Acquisition

For information regarding a merger agreement that we entered into with Virgin Media Inc. subsequent to December 31, 2012, see note 19.

2012 Acquisitions

Puerto Rico. On November 9, 2012, one of our subsidiaries, LGI Broadband Operations, Inc. (LGI Broadband Operations), completed a series of transactions (collectively, the Puerto Rico Transaction) with certain investment funds affiliated with Searchlight Capital Partners L.P. (Searchlight) that resulted in their joint ownership of (i) Liberty Cablevision of Puerto Rico LLC (Old Liberty Puerto Rico), a subsidiary of LGI Broadband Operations, and (ii) San Juan Cable LLC, doing business as OneLink Communications (OneLink), a broadband communications operator in Puerto Rico. In connection with the Puerto Rico Transaction, (i) Old Liberty Puerto Rico and OneLink were merged, with OneLink as the surviving entity, and (ii) OneLink was renamed as Liberty Cablevision of Puerto Rico LLC (Liberty Puerto Rico).

Immediately prior to the acquisition of OneLink, LGI Broadband Operations contributed its 100% interest in Old Liberty Puerto Rico, and Searchlight contributed cash, to Leo Cable LP (Leo Cable), a newly formed entity. Leo Cable in turn used the cash contributed by Searchlight to fund the acquisition of 100% of the equity of OneLink from a third party (the Seller) for a purchase price of $96.5 million, including closing adjustments. Such purchase price, together with OneLink’s consolidated net debt (aggregate fair value of debt and capital lease obligations outstanding less cash and cash equivalents) at November 8, 2012 of $496.0 million, resulted in total consideration of $592.5 million, excluding direct acquisition costs of $14.4 million. The direct acquisition costs are included in impairment, restructuring and other operating items in our consolidated statement of operations.

The Seller agreed to retain $10.0 million of the purchase price to satisfy claims through the earlier of (i) April 30, 2013 or (ii) 30 days after the completion of OneLink’s 2012 audit. We are currently in the process of evaluating any potential claims we may have with respect to the funds retained by the Seller.

As a result of the Puerto Rico Transaction, LGI Broadband Operations acquired a 60.0% interest, and Searchlight acquired a 40.0% interest, in Leo Cable. As LGI Broadband Operations’ 60.0% interest represents a controlling financial interest, LGI Broadband Operations consolidates Leo Cable. We completed the Puerto Rico Transaction in order to achieve certain financial, operational and strategic benefits through the integration of OneLink with our existing operations in Puerto Rico.

We have accounted for the Puerto Rico Transaction using the acquisition method of accounting, whereby the total purchase price was allocated to the acquired identifiable net assets of OneLink based on assessments of their respective fair values, and the excess of the purchase price over the fair values of these identifiable net assets was allocated to goodwill. The effective sale of the 40.0% interest in Old Liberty Puerto Rico was accounted for as an equity transaction.

A summary of the purchase price and opening balance sheet for the Puerto Rico Transaction at the November 9, 2012 acquisition date is presented in the following table (in millions). The purchase price allocation for OneLink, as reflected in these consolidated financial statements, is preliminary and subject to adjustment based on our final assessment of the fair values of the acquired identifiable assets and liabilities. Although most items in the valuation process remain open, the items with the highest likelihood of changing upon finalization of the valuation process include property and equipment, goodwill, cable television franchise rights, customer relationships and income taxes.

Cash and cash equivalents	$ 4.4
Other current assets	12.1
Property and equipment, net	150.5
Intangible assets subject to amortization (a)	130.0
Intangible assets not subject to amortization - cable television franchise rights	355.0
Goodwill (b)	148.9
Other assets, net	2.7
Current portion of debt and capital lease obligations	(3.5)
Other current liabilities	(33.9)
Long-term debt and capital lease obligations	(496.9)
Deferred tax liabilities	(172.8)
Total purchase price	$ 96.5

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(a) Amount primarily includes intangible assets related to customer relationships. At November 9, 2012, the weighted average useful life of OneLink's intangible assets was approximately 10 years.

(b) The goodwill recognized in connection with the Puerto Rico Transaction is primarily attributable to (i) the ability to take advantage of the existing advanced broadband communications networks of OneLink to gain immediate access to potential customers and (ii) substantial synergies that are expected to be achieved through the integration of OneLink with our existing broadband communications operations in Puerto Rico.

MGM TV. On July 30, 2012, a wholly-owned subsidiary of Chellomedia paid cash consideration of $72.2 million (including working capital adjustments, but before considering cash acquired of $8.0 million) to (i) acquire MGM Networks, Inc. (MGM TV) from Metro-Goldwyn-Mayer, Inc. (MGM) (the MGM Acquisition) and (ii) settle a pre-existing relationship between MGM and a subsidiary of Chellomedia. MGM TV owns and operates certain television channels distributed in Latin America and certain other countries outside of the U.S. and its assets include an investment in MGM Networks Latin America LLC (MGM Latin America), an equity method joint venture that was previously 50%-owned by one of our subsidiaries. In connection with the above transactions, we recognized (i) a gain of $36.8 million, which represents the excess of the fair value over the carrying value of our investment in MGM Latin America and which is included in gains on changes in ownership in our consolidated statement of operations, and (ii) a loss of $8.6 million to settle the pre-existing relationship with MGM, which loss is included in impairment, restructuring and other operating items, net, in our consolidated statement of operations.

2011 Acquisitions

KBW. On December 15, 2011, UPC Germany HoldCo 2 GmbH (UPC Germany HC2), our then indirect subsidiary, acquired all of the outstanding shares of Kabel BW Musketeer GmbH (KBW Musketeer) pursuant to a sale and purchase agreement dated March 21, 2011 (the KBW Purchase Agreement) with Oskar Rakso S.àr.l. (Oskar Rakso) as the seller (the KBW Acquisition). KBW Musketeer was the indirect parent company of Kabel BW GmbH (KBW), Germany's third largest cable television operator in terms of number of subscribers. At closing, Oskar Rakso transferred its KBW Musketeer shares and assigned the balance of a loan receivable from KBW Musketeer to UPC Germany HC2 in consideration of UPC Germany HC2's payment of €1,062.4 million ($1,381.9 million at the transaction date) in cash (the KBW Purchase Price). The KBW Purchase Price, together with KBW's consolidated net debt at December 15, 2011 (aggregate fair value of debt and capital lease obligations outstanding less cash and cash equivalents) of €2,352.5 million ($3,060.1 million at the transaction date) resulted in total consideration of €3,414.9 million ($4,442.0 million at the transaction date) before direct acquisition costs of $23.0 million. The direct acquisition costs, most of which were recorded during 2011, are included in impairment, restructuring and other operating items in our consolidated statements of operations. The KBW Purchase Price included €50.0 million ($65.0 million at the transaction date) that was deposited into a restricted account to secure any claims timely made under the KBW Purchase Agreement. The full amount of such restricted account was released to Oskar Rakso during 2012.

As part of an internal reorganization that was effected through a series of mergers and consolidations, KBW Musketeer and its immediate subsidiary, Kabel BW Erste Beteiligungs GmbH, were merged into UPC Germany HC2 and UPC Germany HC2 was subsequently merged into KBW. As a result of these transactions, which were effective upon registration in March 2012, UPC Germany HoldCo 1 GmbH (UPC Germany HC1) became the immediate parent company of KBW and the issuer of the KBW Senior Notes (as defined and described in note 9). As further described in note 9, we completed certain reorganization, debt exchange and debt redemption transactions in May 2012 that resulted in the immediate parent company of UPC Germany HC1 becoming part of the Unitymedia KabelBW consolidated borrowing group. Additionally, UPC Germany HC1 was merged into KBW in August 2012.

The KBW Acquisition was subject to the approval of the Federal Cartel Office (FCO) in Germany, which approval was received in December 2011 upon final agreement of certain commitments we made to address the competition concerns of the FCO, as outlined below:

(a) Unitymedia KabelBW committed to the distribution of basic digital television channels (as opposed to channels marketed in premium subscription packages) on its entire network in unencrypted form commencing January 1, 2013. This commitment generally covers free-to-air television channels in standard definition and high definition (HD) and is consistent with the practice that had been adopted by KBW prior to the KBW Acquisition. If, however, free-to-air television broadcasters request their HD content to be distributed in an encrypted HD package, the encryption of free-to-air HD channels is still possible. In addition, we made a commitment that, through December 31, 2016, the annual carriage fees Unitymedia KabelBW receives for each such free-to-air television channel distributed in digital or simulcast in digital and analog would not exceed a specified annual amount, determined by applying the applicable rate card systems of Unitymedia KabelBW as of January 1, 2012;

(b) Effective January 1, 2012, Unitymedia KabelBW waived its exclusivity rights in access agreements with housing associations with respect to the usage of infrastructures other than its in-building distribution networks to provide television, broadband internet or telephony services within the building;

(c) Effective January 1, 2012, upon expiration of the minimum term of an access agreement with a housing association, Unitymedia KabelBW will transfer the ownership rights to the in-building distribution network to the building owner or other party granting access. In addition, Unitymedia KabelBW waived its right to remove its in-building distribution networks; and

(d) A special early termination right was granted with respect to certain of Unitymedia KabelBW's existing access agreements (the Remedy HA Agreements) with the largest housing associations that cover more than 800 dwelling units and which had a remaining term of more than three years as of December 15, 2011. The total number of dwelling units covered by the Remedy HA Agreements was approximately 340,000 as of December 15, 2011. The special termination right may be exercised on or before September 30 of each calendar year up to the expiration of the current contract term, with termination effective as of January 1 or July 1 of the following year. If the special termination right is exercised, compensation will be paid to partially reimburse Unitymedia KabelBW for its unamortized investments in modernizing the in-building network based on an agreed formula. To the extent Unitymedia KabelBW is successful in obtaining renewals of the Remedy HA Agreements, we expect that these renewed contracts will contain pricing and other provisions that are somewhat less favorable to Unitymedia KabelBW than those in previous agreements. At December 31, 2012, approximately 40% of the dwelling units covered by the Remedy HA Agreements remain subject to the special termination right.

In January 2012, two competitors of our German cable business, including the incumbent telecommunications operator, each filed an appeal against the FCO regarding its decision to approve the KBW Acquisition. We believe that the FCO's decision will ultimately be upheld and we currently intend to support the FCO in defending the decision. In addition, we do not expect that the filing of these appeals will have any impact on the ongoing integration and development of our operations in Germany. The ultimate resolution of this matter is expected to take up to four years, including the appeals process.

The FCO has communicated to us that it is reviewing customary practices regarding the duration of contracts with multiple dwelling units for analog television services, including with respect to one such contract that the FCO had previously identified between Unitymedia KabelBW and a landlord as potentially being subject to amendment by order. The FCO indicated that the contract term of 10 years may be an infringement of European and German antitrust laws and that it is inclined to open a test case that could set a precedent for all (or almost all) market participants. We cannot predict the outcome of these FCO proceedings, however, any FCO decision that would limit the duration of our contracts with multiple dwelling units could have a material adverse impact on the financial condition and results of operations of Unitymedia KabelBW.

On March 21, 2011, Liberty Global Europe, as guarantor of the KBW Purchase Agreement, and Aldermanbury Investments Limited (Aldermanbury), a subsidiary of J.P. Morgan Chase & Co., entered into a separate commitment letter agreement (the KBW Commitment Letter) and a cash settled share swap transaction and related agreements (the KBW Total Return Swap). Pursuant to the KBW Commitment Letter, if UPC Germany HC2 had been unable to obtain regulatory approval of the KBW Acquisition, Aldermanbury would have been required to assume UPC Germany HC2's rights and obligations under the KBW Purchase Agreement and to undertake to sell the acquired KBW Musketeer shares to a third-party purchaser within 12 months. Liberty Global Europe secured its obligations under the KBW Total Return Swap by placing €1,160.0 million ($1,650.0 million at the transaction date) into an escrow account (the KBW Escrow Account), and granting a security interest in this escrow account to Aldermanbury. In April 2011, a portion of the KBW Escrow Account was released and returned to Liberty Global Europe. At closing, the KBW Total Return Swap was terminated and the balance of the KBW Escrow Account was used to fund the KBW Purchase Price.

Aster. On September 16, 2011, a subsidiary of UPC Holding paid total cash consideration equal to PLN 2,445.7 million ($784.7 million at the transaction date) in connection with its acquisition of a 100% equity interest in Aster Sp. z.o.o. (Aster), a broadband communications provider in Poland (the Aster Acquisition). The total cash consideration, which UPC Holding initially funded with available cash and cash equivalents, included the equivalent of PLN 1,602.3 million ($513.5 million at the transaction date) that was used to repay Aster's debt immediately prior to our acquisition of Aster's equity and excludes direct acquisition costs of $6.3 million. The direct acquisition costs, all of which were incurred in 2011, are included in impairment, restructuring and other operating items in our consolidated statement of operations. We completed the Aster Acquisition in order to achieve certain financial, operational and strategic benefits through the integration of Aster with our existing operations in Poland.

The approval of the Aster Acquisition by the regulatory authorities in Poland was conditioned upon our agreement to dispose of certain sections of Aster's network on or before March 5, 2013. We expect to be in a position to finalize the disposition of the assets covered by the regulatory condition by this date. If, however, we do not meet the deadline to satisfy this condition, we may be subject to fines or penalties or, in the most extreme and we believe unlikely case, the Polish regulatory authorities could require us to dispose of the entire Aster network. Although unlikely, a forced disposition of the entire Aster network would be highly disruptive to our operations in Poland and would likely have an adverse impact on our results of operations and financial condition, the extent of which would depend on the relationship between the value we would receive in exchange for the Aster network and our then investment in the Aster network.

We have accounted for the KBW and Aster Acquisitions using the acquisition method of accounting, whereby the total purchase price was allocated to the acquired identifiable net assets based on assessments of their respective fair values, and the excess of the purchase price over the fair values of these identifiable net assets was allocated to goodwill.

A summary of the purchase prices and opening balance sheets for the KBW and Aster Acquisitions is presented in the following table. The opening balance sheets presented below reflect our final purchase price allocations.

	KBW	Aster
Effective acquisition date for financial reporting purposes:	**December 15, 2011**	**September 16, 2011**
	in millions	
Cash and cash equivalents	$ 233.8	$ 22.0
Other current assets	64.9	19.3
Property and equipment, net	2,197.1	125.2
Goodwill (a)	1,839.8	476.8
Intangible assets subject to amortization (b)	865.6	225.0
Other assets, net	58.8	0.4
Current portion of debt and capital lease obligations	(7.3)	—
Other current liabilities	(221.7)	(24.5)
Long-term debt and capital lease obligations	(3,286.6)	—
Other long-term liabilities	(362.5)	(59.5)
Total purchase price	$ 1,381.9	$ 784.7

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(a) The goodwill recognized in connection with the KBW and Aster Acquisitions is primarily attributable to (i) the ability to take advantage of the existing advanced broadband communications networks of KBW and Aster to gain immediate access to potential customers and (ii) substantial synergies that are expected to be achieved through the integration of KBW and Aster with our other broadband communications operations in Germany and Poland, respectively. We expect that $382.7 million of the goodwill associated with the KBW Acquisition will be deductible for tax purposes.

(b) Amounts primarily include intangible assets related to customer relationships. At December 15, 2011, the weighted average useful life of KBW's intangible assets was approximately ten years. At September 16, 2011, the weighted average useful life of Aster's intangible assets was approximately seven years.

2010 Acquisition

Unitymedia KabelBW. On January 28, 2010, Unitymedia KabelBW paid cash of €2,006.0 million ($2,803.0 million at the transaction date) (the Unitymedia Purchase Price), to acquire from Unity Media S.C.A. all of the issued and outstanding capital stock of the entity (Old Unitymedia) that owned the second largest cable television provider in Germany based on the number of video cable subscribers (the Unitymedia Acquisition). The €2,006.0 million Unitymedia Purchase Price, together with Old Unitymedia's net debt at January 28, 2010 (aggregate fair value of debt and capital lease obligations outstanding less cash and cash equivalents) of €2,091.2 million ($2,922.0 million at the transaction date), resulted in total consideration of €4,097.2 million ($5,725.0 million at the transaction date) before direct acquisition costs of $51.4 million. On September 16, 2010, we merged Old Unitymedia with Unitymedia KabelBW and Unitymedia KabelBW became the surviving corporation. The direct acquisition costs, which were recorded during the fourth quarter of 2009 and the first quarter of 2010, are included in impairment, restructuring and other operating items in our consolidated statements of operations. We acquired Old Unitymedia in order to achieve certain financial, operational and strategic benefits through the integration of Old Unitymedia with our existing European operations.

The Unitymedia Purchase Price was funded with (i) €849.2 million ($1,186.6 million at the transaction date) of cash from the escrow accounts associated with the 2009 UM Notes (as defined in note 9) and (ii) our existing cash and cash equivalent balances. We obtained financing for the Unitymedia Acquisition in November 2009 through (i) Unitymedia KabelBW's issuance of the 2009 UM Notes, (ii) LGI's issuance of 4.50% convertible senior notes due November 16, 2016 (the LGI Convertible Notes) and (iii) LGI's sale of its Series A and Series C common stock in a private placement transaction.

We have accounted for the Unitymedia Acquisition using the acquisition method of accounting, whereby the total purchase price was allocated to the acquired identifiable net assets based on assessments of their respective fair values, and the excess of the purchase price over the fair values of these identifiable net assets was allocated to goodwill.

A summary of the purchase price and opening balance sheet for the Unitymedia Acquisition at the January 28, 2010 acquisition date is presented in the following table (in millions). The opening balance sheet presented below reflects our final purchase price allocation.

Cash and cash equivalents	$ 175.9
Other current assets	298.7
Property and equipment, net	3,571.6
Goodwill (a)	2,015.7
Intangible assets subject to amortization (b)	991.2
Other assets, net	32.8
Current portion of debt and capital lease obligations	(13.5)
Other current liabilities	(611.4)
Long-term debt and capital lease obligations	(3,084.4)
Other long-term liabilities	(573.6)
Total purchase price	$ 2,803.0

(a) The goodwill recognized in connection with the Unitymedia Acquisition is primarily attributable to (i) the ability to take advantage of Old Unitymedia's existing advanced broadband communications network to gain immediate access to potential customers and (ii) substantial synergies that are expected to be achieved through the integration of Old Unitymedia with our other broadband communications operations in Europe.

(b) Amount primarily includes intangible assets related to customer relationships. At January 28, 2010, the weighted average useful life of Old Unitymedia's intangible assets was approximately seven years.

Pro Forma Information

The following unaudited pro forma consolidated operating results give effect to (i) the Puerto Rico Transaction, (ii) the KBW Acquisition and (iii) the Aster Acquisition, as if they had been completed as of January 1, 2011. No effect has been given to the MGM Acquisition since it would not have had a significant impact on our results of operations during 2012 or 2011. These pro forma amounts are not necessarily indicative of the operating results that would have occurred if these transactions had occurred on such date. The pro forma adjustments are based on certain assumptions that we believe are reasonable.

	Year ended December 31,	
	2012	**2011**
	in millions, except per share amounts	
Revenue:		
Continuing operations	$ 10,458.4	$ 10,588.3
Discontinued operations	293.7	735.7
Total	$ 10,752.1	$ 11,324.0
Net earnings (loss) attributable to LGI stockholders	$ 316.2	$ (816.8)
Basic and diluted earnings (loss) attributable to LGI stockholders per share — Series A, Series B and Series C common stock	$ 1.18	$ (3.10)

Our consolidated statement of operations for 2012 includes revenue and net loss of $24.8 million and $2.1 million, respectively, attributable to OneLink.

The following unaudited pro forma consolidated operating results for 2011 and 2010 give effect to (i) the KBW Acquisition, (ii) the Aster Acquisition and (iii) the Unitymedia Acquisition as if they had been completed as of January 1, 2010. These pro forma amounts are not necessarily indicative of the operating results that would have occurred if these transactions had occurred on such date. The pro forma adjustments are based on certain assumptions that we believe are reasonable.

	Year ended December 31,	
	2011	2010
	in millions, except per share amounts	
Revenue:		
Continuing operations	$ 10,419.9	$ 9,326.3
Discontinued operations	735.7	1,303.5
Total	$ 11,155.6	$ 10,629.8
Net earnings (loss) attributable to LGI stockholders	$ (832.8)	$ 306.9
Basic and diluted earnings (loss) attributable to LGI stockholders per share – Series A, Series B and Series C common stock	$ (3.16)	$ 1.21

Our consolidated statement of operations for 2011 includes aggregate revenue and net loss of $74.4 million and $12.9 million, respectively, attributable to KBW and Aster.

(4) Discontinued Operations and Disposition

Discontinued Operations

Austar. On July 11, 2011, our company and Austar entered into agreements with certain third parties (collectively, FOXTEL) pursuant to which FOXTEL agreed to acquire 100% of Austar's ordinary shares through a series of transactions (the Austar Transaction), one of which involved our temporary acquisition of the 45.85% of Austar's ordinary shares held by the noncontrolling shareholders (the Austar NCI Acquisition). On April 26, 2012, pursuant to the terms of the Austar NCI Acquisition, all of the shares of Austar that we did not already own were acquired by a new wholly-owned subsidiary of LGI (LGI Austar Holdco), with funding provided by a loan from FOXTEL. On May 23, 2012, FOXTEL acquired 100% of Austar from LGI Austar Holdco for AUD 1.52 ($1.50 at the transaction date) per share in cash, which represented a total equity sales price of AUD 1,932.7 million ($1,906.6 million at the transaction date) for the 100% interest in Austar (based on Austar ordinary shares outstanding at the transaction date) or AUD 1,046.5 million for our 54.15% interest in Austar. Upon completion of these transactions and excluding proceeds related to the shares acquired in the Austar NCI Acquisition, our company realized cash proceeds equivalent to $1,056.1 million after taking into account applicable foreign currency forward contracts and before considering cash paid for disposal costs.

In connection with the sale of Austar, we recognized a pre-tax gain of $928.2 million that includes (i) cumulative foreign currency translation gains of $22.6 million and (ii) cumulative cash flow hedge losses of $15.1 million, each of which have been reclassified to net earnings from accumulated other comprehensive earnings. The associated deferred income tax expense of $4.1 million differs from the amount computed by applying the U.S. federal income tax rate of 35% due primarily to the fact that (i) the Austar Transaction was not subject to taxation in Australia and (ii) most elements of the Austar Transaction were not subject to taxation in the U.S. This gain, net of income taxes, is included in gain on disposal of discontinued operations, net of taxes, in our consolidated statement of operations.

Effective December 31, 2011, we concluded that it was probable that all substantive conditions precedent to the closing of the Austar Transaction would be satisfied, and accordingly, we began reporting Austar as a discontinued operation in our consolidated financial statements as of that date.

The summarized financial position of Austar as of December 31, 2011 is as follows (in millions):

Assets:	
Cash and cash equivalents	$ 208.9
Other current assets	66.7
Investments	61.9
Property and equipment, net	216.7
Goodwill	332.7
Other assets	158.8
Total assets	$ 1,045.7
Liabilities:	
Current liabilities	$ 114.1
Long-term debt and capital lease obligations	693.8
Other long-term liabilities	52.7
Total liabilities	860.6
Total equity	185.1
Total liabilities and equity	$ 1,045.7

Unitymedia KabelBW's arena segment. Effective September 30, 2010, we closed down the DTH operations of Unitymedia KabelBW's arena segment. Accordingly, we have presented Unitymedia KabelBW's arena segment as a discontinued operation.

J:COM Disposal Group. On February 18, 2010, we sold the J:COM Disposal Group to KDDI Corporation, a wireless operator in Japan. As a result of this disposition, we have presented the J:COM Disposal Group as a discontinued operation. As part of the sale agreement, we retained the right to receive the final 2009 dividend of ¥490 ($5.43 at the applicable rate) per share attributable to our interest in J:COM, which we received in March 2010. Including both the proceeds received upon the sale and the dividend, we realized gross proceeds of approximately ¥362.9 billion ($4,013.7 million at the applicable rate). In connection with the sale of the J:COM Disposal Group, we (i) repaid in full the ¥75 billion ($831.8 million at the applicable rate) senior secured credit facility (the LGJ Holdings Credit Facility) of our wholly-owned subsidiary, LGJ Holdings LLC, (ii) paid $35.0 million to settle the related interest rate swaps and (iii) incurred transaction costs of $11.5 million. In addition, (i) prior to the closing date, the interest in LGI/Sumisho Super Media LP held by Sumitomo Corporation (Sumitomo) was redeemed for the J:COM shares attributable to such interest and (ii) prior to closing, we acquired the noncontrolling interests in Liberty Jupiter LLC for $32.0 million. Upon the deconsolidation of the J:COM Disposal Group, our cash and cash equivalents were reduced by the ¥73.6 billion ($806.4 million at the applicable rate) of cash and cash equivalents of the J:COM Disposal Group. The deconsolidation of the J:COM Disposal Group's cash and cash equivalents is included in net cash used by investing activities of discontinued operations in our consolidated statement of cash flows for 2010.

In connection with the sale of the J:COM Disposal Group, we recognized a pre-tax gain of $2,179.4 million that includes cumulative foreign currency translation gains of $376.0 million. The related income tax expense of $788.6 million differs from the actual federal and state income taxes of $228.0 million that our U.S. tax group paid during 2010, as the actual income taxes paid by our U.S. tax group during 2010 was a function of (i) the U.S. tax attributes that were available at December 31, 2010 to offset the liability resulting from the taxable gain and (ii) our other 2010 taxable activities in the U.S. The net gain of $1,390.8 million is included in discontinued operations in our consolidated statement of operations.

We were contractually required to use a portion of the proceeds from the sale of the J:COM Disposal Group to (i) repay the LGJ Holdings Credit Facility and (ii) settle the related interest rate swaps. Accordingly, during 2010 (i) interest expense related to the LGJ Holdings Credit Facility of $5.1 million, (ii) realized and unrealized losses on derivative instruments related to the settled interest rate swaps of $2.2 million and (iii) foreign currency transaction gains (losses) related to the Japanese yen denominated LGJ Holdings Credit Facility of ($36.6 million), are included in discontinued operations in our consolidated statements of operations.

The combined operating results of Austar (2012, 2011 and 2010), Unitymedia KabelBW's arena segment (2010) and the J:COM Disposal Group (2010) are classified as discontinued operations in our consolidated statements of operations and are summarized in the following table:

	Year ended December 31,		
	2012 (a)	2011	2010
	in millions		
Revenue	$ 293.7	$ 735.7	$ 1,303.5
Operating income	$ 78.7	$ 260.7	$ 237.2
Earnings before income taxes and noncontrolling interests	$ 49.6	$ 193.6	$ 133.4
Income tax expense	$ 14.1	$ 57.1	$ 6.5
Earnings from discontinued operations attributable to LGI stockholders, net of taxes	$ 15.6	$ 73.4	$ 37.5

(a) Represents the operating results of Austar through May 23, 2012, the date the Austar Transaction was completed.

Disposition

Austar Spectrum License Sale. On February 16, 2011, Austar sold a wholly-owned subsidiary that owned certain spectrum licenses. Total sales consideration was AUD 119.4 million ($120.9 million at the transaction date), consisting of cash consideration of AUD 57.4 million ($58.1 million at the transaction date) for the share capital and a cash payment to Austar of AUD 62.0 million ($62.8 million at the transaction date) representing the repayment of the sold subsidiary's intercompany debt. In connection with the Austar spectrum license sale, Austar recognized a pre-tax gain of $115.3 million during the first quarter of 2011, which is included in earnings from discontinued operations, net of taxes, in our consolidated statement of operations.

(5) Investments

The details of our investments are set forth below:

	December 31,	
Accounting Method	2012	2011
	in millions	
Fair value:		
Sumitomo (a)	$ 579.7	$ 617.9
Other (b)	368.2	352.2
Total — fair value	947.9	970.1
Equity	1.7	4.5
Cost	0.5	0.6
Total	$ 950.1	$ 975.2

(a) At December 31, 2012 and 2011, we owned 45,652,043 shares of Sumitomo common stock. Our Sumitomo shares represented less than 5% of Sumitomo's outstanding common stock at December 31, 2012. These shares secure the Sumitomo Collar Loan, as defined and described in note 6.

(b) Includes various fair value investments, the most significant of which is our 17.0% interest in Canal+ Cyfrowy S.A. (Cyfra+), a privately-held DTH operator in Poland.

(6) Derivative Instruments

Through our subsidiaries, we have entered into various derivative instruments to manage interest rate exposure and foreign currency exposure with respect to the U.S. dollar ($), the euro (€), the Swiss franc (CHF), the Chilean peso (CLP), the Czech koruna (CZK), the British pound sterling (£), the Hungarian forint (HUF), the Polish zloty (PLN) and the Romanian lei (RON). We generally do not apply hedge accounting to our derivative instruments. Accordingly, changes in the fair values of most of our derivative instruments are recorded in realized and unrealized gains or losses on derivative instruments, net, in our consolidated statements of operations.

The following table provides details of the fair values of our derivative instrument assets and liabilities:

	December 31, 2012			December 31, 2011		
	Current (a)	Long-term (a)	Total	Current (a)	Long-term (a)	Total
	in millions					
Assets:						
Cross-currency and interest rate derivative contracts (b)	$ 191.3	$ 467.1	$ 658.4	$ 155.8	$ 544.4	$ 700.2
Equity-related derivative contracts (c)	—	594.6	594.6	—	684.6	684.6
Foreign currency forward contracts	0.7	0.4	1.1	4.5	0.3	4.8
Other	1.3	3.0	4.3	1.7	2.1	3.8
Total	$ 193.3	$ 1,065.1	$ 1,258.4	$ 162.0	$ 1,231.4	$ 1,393.4
Liabilities:						
Cross-currency and interest rate derivative contracts (b)	$ 543.2	$ 2,156.3	$ 2,699.5	$ 576.6	$ 1,705.0	$ 2,281.6
Equity-related derivative contracts (c)	21.6	—	21.6	23.3	—	23.3
Foreign currency forward contracts	4.5	3.6	8.1	0.1	2.7	2.8
Other	0.6	0.7	1.3	1.2	1.8	3.0
Total	$ 569.9	$ 2,160.6	$ 2,730.5	$ 601.2	$ 1,709.5	$ 2,310.7

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(a) Our current derivative assets are included in other current assets and our long-term derivative assets and liabilities are included in other assets, net, and other long-term liabilities, respectively, in our consolidated balance sheets.

(b) We consider credit risk in our fair value assessments. As of December 31, 2012 and 2011, (i) the fair values of our cross-currency and interest rate derivative contracts that represented assets have been reduced by credit risk valuation adjustments aggregating $17.2 million and $59.3 million, respectively, and (ii) the fair values of our cross-currency and interest rate derivative contracts that represented liabilities have been reduced by credit risk valuation adjustments aggregating $156.5 million and $255.1 million, respectively. The adjustments to our derivative assets relate to the credit risk associated with counterparty nonperformance and the adjustments to our derivative liabilities relate to credit risk associated with our own nonperformance. In all cases, the adjustments take into account offsetting liability or asset positions within a given contract. Our determination of credit risk valuation adjustments generally is based on our and our counterparties' credit risks, as observed in the credit default swap market and market quotations for certain of our subsidiaries' debt instruments, as applicable. The changes in the credit risk valuation adjustments associated with our cross-currency and interest rate derivative contracts resulted in net gains (losses) of ($57.3 million), $42.9 million and $88.4 million during 2012, 2011 and 2010, respectively. These amounts are included in realized and unrealized losses on derivative instruments, net, in our consolidated statements of operations. For further information concerning our fair value measurements, see note 7.

(c) The fair value of our equity-related derivatives relates to the share collar (the Sumitomo Collar) with respect to the Sumitomo shares held by our company. The fair value of the Sumitomo Collar does not include a credit risk valuation adjustment as we have assumed that any losses incurred by our company in the event of nonperformance by the counterparty would be, subject to relevant insolvency laws, fully offset against amounts we owe to the counterparty pursuant to the secured borrowing arrangements of the Sumitomo Collar.

The details of our realized and unrealized losses on derivative instruments, net, are as follows:

	Year ended December 31,		
	2012	2011	2010
		in millions	
Continuing operations:			
Cross-currency and interest rate derivative contracts	$ (958.3)	$ (110.6)	$ (1,120.2)
Equity-related derivative contracts (a)	(109.0)	87.2	(0.1)
Foreign currency forward contracts	(6.0)	(36.1)	(34.6)
Other	3.4	(0.9)	2.6
Total — continuing operations	$ (1,069.9)	$ (60.4)	$ (1,152.3)
Discontinued operations	$ 4.6	$ (8.3)	$ 5.2

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(a) Includes activity related to the Sumitomo Collar.

The net cash received or paid related to our derivative instruments is classified as an operating, investing or financing activity in our consolidated statements of cash flows based on the objective of the derivative instrument and the classification of the applicable underlying cash flows. For cross-currency or interest rate derivative contracts that are terminated prior to maturity, the cash paid or received upon termination that relates to future periods is classified as a financing activity. The classification of these cash inflows (outflows) are as follows:

	Year ended December 31,		
	2012	2011	2010
		in millions	
Continuing operations:			
Operating activities	$ (435.5)	$ (459.1)	$ (493.2)
Investing activities	23.7	—	34.7
Financing activities	(108.4)	(80.4)	(113.5)
Total — continuing operations	$ (520.2)	$ (539.5)	$ (572.0)
Discontinued operations	$ (6.6)	$ (13.3)	$ (50.7)

Counterparty Credit Risk

We are exposed to the risk that the counterparties to our derivative instruments will default on their obligations to us. We manage these credit risks through the evaluation and monitoring of the creditworthiness of, and concentration of risk with, the respective counterparties. In this regard, credit risk associated with our derivative instruments is spread across a relatively broad counterparty base of banks and financial institutions. We and our counterparties do not post collateral or other security, nor have we entered into master netting arrangements with any of our counterparties. At December 31, 2012, our exposure to counterparty credit risk included derivative assets with a fair value of $663.8 million.

Under our derivative contracts, it is generally only the non-defaulting party that has a contractual option to exercise early termination rights upon the default of the other counterparty and to set off other liabilities against sums due upon such termination. However, in an insolvency of a derivative counterparty, under the laws of certain jurisdictions, the defaulting counterparty or its insolvency representatives may be able to compel the termination of one or more derivative contracts and trigger early termination payment liabilities payable by us, reflecting any mark-to-market value of the contracts for the counterparty. Alternatively, or in addition, the insolvency laws of certain jurisdictions may require the mandatory set-off of amounts due under such derivative contracts against present and future liabilities owed to us under other contracts between us and the relevant counterparty. Accordingly, it is possible that we may be subject to obligations to make payments, or may have present or future liabilities owed to us partially or fully discharged by set-off as a result of such obligations, in the event of the insolvency of a derivative counterparty, even though it is the counterparty that is in default and not us. To the extent that we are required to make such payments, our ability to do so will depend on our liquidity and capital resources at the time. In an insolvency of a defaulting counterparty, we will be an unsecured creditor in respect of any amount owed to us by the defaulting counterparty, except to the extent of the value of any collateral we have obtained from that counterparty.

The risks we would face in the event of a default by a counterparty to one of our derivative instruments might be eliminated or substantially mitigated if we were able to novate the relevant derivative contracts to a new counterparty following the default of our counterparty. While we anticipate that, in the event of the insolvency of one of our derivative counterparties, we would seek to effect such novations, no assurance can be given that we would obtain the necessary consents to do so or that we would be able to do so on terms or pricing that would be acceptable to us or that any such novation would not result in substantial costs to us. Furthermore, the underlying risks that are the subject of the relevant derivative contracts would no longer be effectively hedged due to the insolvency of our counterparty, unless and until we novate or replace the derivative contract.

While we currently have no specific concerns about the creditworthiness of any counterparty for which we have material credit risk exposures, we cannot rule out the possibility that one or more of our counterparties could fail or otherwise be unable to meet its obligations to us. Any such instance could have an adverse effect on our cash flows, results of operations, financial condition and/or liquidity.

Cross-currency and Interest Rate Derivative Contracts

Cross-currency Swaps:

The terms of our outstanding cross-currency swap contracts at December 31, 2012 are as follows:

Subsidiary / Final maturity date (a)	Notional amount due from counterparty		Notional amount due to counterparty		Interest rate due from counterparty	Interest rate due to counterparty
	in millions					
UPC Holding:						
April 2016 (b)	$	400.0	CHF	441.8	9.88%	9.87%
UPC Broadband Holding BV (UPC Broadband Holding), a subsidiary of UPC Holding:						
November 2019	$	500.0	€	362.9	7.25%	7.74%
October 2020	$	300.0	€	219.1	6 mo. LIBOR + 3.00%	6 mo. EURIBOR + 3.04%
October 2017	$	200.0	€	145.7	6 mo. LIBOR + 3.50%	6 mo. EURIBOR + 3.33%
January 2020	$	197.5	€	150.5	6 mo. LIBOR + 4.92%	6 mo. EURIBOR + 4.91%
December 2016	$	340.0	CHF	370.9	6 mo. LIBOR + 3.50%	6 mo. CHF LIBOR + 4.01%
December 2014	$	171.5	CHF	187.1	6 mo. LIBOR + 2.75%	6 mo. CHF LIBOR + 2.95%
December 2014	€	898.4	CHF	1,466.0	6 mo. EURIBOR + 1.68%	6 mo. CHF LIBOR + 1.94%
December 2014 — December 2016	€	360.4	CHF	589.0	6 mo. EURIBOR + 3.75%	6 mo. CHF LIBOR + 3.94%
January 2020	€	175.0	CHF	258.6	7.63%	6.76%
July 2020	€	107.4	CHF	129.0	6 mo. EURIBOR + 3.00%	6 mo. CHF LIBOR + 3.28%
January 2017	€	75.0	CHF	110.9	7.63%	6.98%
July 2015	€	123.8	CLP	86,500.0	2.50%	5.84%
December 2015	€	69.1	CLP	53,000.0	3.50%	5.75%
December 2014	€	365.8	CZK	10,521.8	5.48%	5.56%
December 2014 — December 2016	€	60.0	CZK	1,703.1	5.50%	6.99%
July 2017	€	39.6	CZK	1,000.0	3.00%	3.75%
December 2014	€	260.0	HUF	75,570.0	5.50%	9.40%
December 2014 — December 2016	€	260.0	HUF	75,570.0	5.50%	10.56%
December 2016	€	150.0	HUF	43,367.5	5.50%	9.20%
July 2018	€	78.0	HUF	19,500.0	5.50%	9.15%
December 2014	€	400.5	PLN	1,605.6	5.50%	7.50%
December 2014 — December 2016	€	245.0	PLN	1,000.6	5.50%	9.03%
September 2016	€	200.0	PLN	892.7	6.00%	8.19%
July 2017	€	82.0	PLN	318.0	3.00%	5.60%
Unitymedia Hessen GmbH & Co. KG (Unitymedia Hessen), a subsidiary of Unitymedia KabelBW:						
January 2021	$	1,000.0	€	688.2	5.50%	5.58%
March 2019	$	459.3	€	326.5	7.50%	7.98%

(a) For each subsidiary, the notional amount of multiple derivative instruments that mature within the same calendar month are shown in the aggregate and interest rates are presented on a weighted average basis. For derivative instruments that were in effect as of December 31, 2012, we present a single date that represents the applicable final maturity date. For derivative instruments that become effective subsequent to December 31, 2012, we present a range of dates that represents the period covered by the applicable derivative instrument.

(b) Unlike the other cross-currency swaps presented in this table, the UPC Holding cross-currency swap does not involve the exchange of notional amounts at the inception and maturity of the instrument. Accordingly, the only cash flows associated with this instrument are interest payments and receipts.

Cross-currency Interest Rate Swaps:

The terms of our outstanding cross-currency interest rate swap contracts at December 31, 2012 are as follows:

Subsidiary / Final maturity date (a)	Notional amount due from counterparty		Notional amount due to counterparty		Interest rate due from counterparty	Interest rate due to counterparty
	in millions					
UPC Broadband Holding:						
July 2018	$	425.0	€	320.9	6 mo. LIBOR + 1.75%	6.08%
September 2014 - January 2020	$	327.5	€	249.5	6 mo. LIBOR + 4.92%	7.52%
December 2014	$	300.0	€	226.5	6 mo. LIBOR + 1.75%	5.78%
December 2014 - July 2018	$	300.0	€	226.5	6 mo. LIBOR + 2.58%	6.80%
December 2016	$	296.6	€	219.8	6 mo. LIBOR + 3.50%	6.75%
March 2013	$	100.0	€	75.4	6 mo. LIBOR + 2.00%	5.73%
March 2013 - July 2018	$	100.0	€	75.4	6 mo. LIBOR + 3.00%	6.97%
November 2019	$	250.0	CHF	226.8	7.25%	6 mo. CHF LIBOR + 5.01%
January 2020	$	225.0	CHF	206.3	6 mo. LIBOR + 4.81%	5.44%
December 2014	$	340.0	CLP	181,322.0	6 mo. LIBOR + 1.75%	8.76%
December 2016	$	201.5	RON	489.3	6 mo. LIBOR + 3.50%	14.01%
December 2014	€	134.2	CLP	107,800.0	6 mo. EURIBOR + 2.00%	10.00%
VTR:						
September 2014	$	446.5	CLP	247,137.8	6 mo. LIBOR + 3.00%	11.16%

(a) For each subsidiary, the notional amount of multiple derivative instruments that mature within the same calendar month are shown in the aggregate and interest rates are presented on a weighted average basis. For derivative instruments that were in effect as of December 31, 2012, we present a single date that represents the applicable final maturity date. For derivative instruments that become effective subsequent to December 31, 2012, we present a range of dates that represents the period covered by the applicable derivative instrument.

Interest Rate Swaps:

The terms of our outstanding interest rate swap contracts at December 31, 2012 are as follows:

Subsidiary / Final maturity date (a)		Notional amount	Interest rate due from counterparty	Interest rate due to counterparty
		in millions		
UPC Broadband Holding:				
January 2013 — January 2014	$	1,300.0	1 mo. LIBOR + 3.49%	6 mo. LIBOR + 3.32%
January 2013	$	1,043.0	1 mo. LIBOR + 3.23%	6 mo. LIBOR + 3.03%
July 2020	$	1,000.0	6.63%	6 mo. LIBOR + 3.03%
January 2022	$	750.0	6.88%	6 mo. LIBOR + 4.89%
January 2013 — January 2014	€	2,750.0	1 mo. EURIBOR + 3.76%	6 mo. EURIBOR + 3.52%
January 2013	€	2,720.0	1 mo. EURIBOR + 3.60%	6 mo. EURIBOR + 3.13%
December 2014	€	971.8	6 mo. EURIBOR	2.97%
July 2020	€	750.0	6.38%	6 mo. EURIBOR + 3.16%
January 2015 — January 2021	€	750.0	6 mo. EURIBOR	2.57%
July 2013 — December 2014	€	500.0	6 mo. EURIBOR	4.67%
January 2015 — December 2016	€	500.0	6 mo. EURIBOR	4.32%
July 2014	€	337.0	6 mo. EURIBOR	3.94%
January 2015 — January 2023	€	290.0	6 mo. EURIBOR	2.79%
December 2015	€	263.3	6 mo. EURIBOR	3.97%
January 2023	€	210.0	6 mo. EURIBOR	2.88%
January 2014	€	185.0	6 mo. EURIBOR	4.04%
January 2015 — January 2018	€	175.0	6 mo. EURIBOR	3.74%
July 2020	€	171.3	6 mo. EURIBOR	4.32%
January 2015 — July 2020	€	171.3	6 mo. EURIBOR	3.95%
January 2015 — November 2021	€	107.0	6 mo. EURIBOR	2.89%
December 2013	€	90.5	6 mo. EURIBOR	0.90%
December 2014	CHF	2,380.0	6 mo. CHF LIBOR	2.81%
January 2015 — January 2022	CHF	711.5	6 mo. CHF LIBOR	1.89%
January 2015 — January 2021	CHF	500.0	6 mo. CHF LIBOR	1.65%
January 2015 — January 2018	CHF	400.0	6 mo. CHF LIBOR	2.51%
January 2015 — December 2016	CHF	370.9	6 mo. CHF LIBOR	3.82%
January 2015 — November 2019	CHF	226.8	6 mo. CHF LIBOR + 5.01%	6.88%
July 2013	CLP	61,500.0	6.77%	6 mo. TAB
Telenet International Finance S.a.r.l (Telenet International):				
July 2017 — July 2019	€	600.0	3 mo. EURIBOR	3.29%
August 2015	€	350.0	3 mo. EURIBOR	3.54%
August 2015 — December 2018	€	305.0	3 mo. EURIBOR	2.46%
December 2015 — June 2021	€	250.0	3 mo. EURIBOR	3.49%
July 2019	€	200.0	3 mo. EURIBOR	3.55%
January 2013	€	150.0	1 mo. EURIBOR + 0.30%	3 mo. EURIBOR
July 2017	€	150.0	3 mo. EURIBOR	3.55%
July 2017 — December 2018	€	70.0	3 mo. EURIBOR	3.00%

Subsidiary / Final maturity date (a)		Notional amount	Interest rate due from counterparty	Interest rate due to counterparty
		in millions		
June 2021	€	55.0	3 mo. EURIBOR	2.29%
June 2015	€	50.0	3 mo. EURIBOR	3.55%
December 2017	€	50.0	3 mo. EURIBOR	3.52%
December 2015 — July 2019	€	50.0	3 mo. EURIBOR	3.40%
December 2017 — July 2019	€	50.0	3 mo. EURIBOR	2.99%
July 2017 — June 2021	€	50.0	3 mo. EURIBOR	3.00%
August 2015 — June 2021	€	45.0	3 mo. EURIBOR	3.20%
VTR:				
July 2013	CLP	61,500.0	6 mo. TAB	7.78%

(a) For each subsidiary, the notional amount of multiple derivative instruments that mature within the same calendar month are shown in the aggregate and interest rates are presented on a weighted average basis. For derivative instruments that were in effect as of December 31, 2012, we present a single date that represents the applicable final maturity date. For derivative instruments that become effective subsequent to December 31, 2012, we present a range of dates that represents the period covered by the applicable derivative instrument.

Interest Rate Caps

Our purchased and sold interest rate cap contracts with respect to EURIBOR are detailed below:

Subsidiary / Final maturity date (a)	December 31, 2012		
		Notional amount	EURIBOR cap rate
		in millions	
Interest rate caps purchased (b):			
Liberty Global Europe Financing BV (LGE Financing), the immediate parent of UPC Holding:			
January 2015 — January 2020	€	735.0	7.00%
Telenet International:			
June 2015 — June 2017	€	50.0	4.50%
Telenet NV, a subsidiary of Telenet:			
December 2017	€	2.3	6.50%
December 2017	€	2.3	5.50%
Interest rate cap sold (c):			
UPC Broadband Holding:			
January 2015 — January 2020	€	735.0	7.00%

(a) For each subsidiary, the notional amount of multiple derivative instruments that mature within the same calendar month are shown in the aggregate. For derivative instruments that were in effect as of December 31, 2012, we present a single date that represents the applicable final maturity date. For derivative instruments that become effective subsequent to December 31, 2012, we present a range of dates that represents the period covered by the applicable derivative instrument.

(b) Our purchased interest rate caps entitle us to receive payments from the counterparty when EURIBOR exceeds the EURIBOR cap rate.

(c) Our sold interest rate cap requires that we make payments to the counterparty when EURIBOR exceeds the EURIBOR cap rate.

Interest Rate Collars

Our interest rate collar contracts establish floor and cap rates with respect to EURIBOR on the indicated notional amounts, as detailed below:

Subsidiary / Final maturity date (a)	December 31, 2012 Notional amount	EURIBOR floor rate (b)	EURIBOR cap rate (c)
	in millions		
UPC Broadband Holding:			
January 2015 — January 2020	€ 1,135.0	1.00%	3.54%
Telenet International:			
July 2017	€ 950.0	2.00%	4.00%

(a) For each subsidiary, the notional amount of multiple derivative instruments that mature within the same calendar month are shown in the aggregate. For derivative instruments that were in effect as of December 31, 2012, we present a single date that represents the applicable final maturity date. For derivative instruments that become effective subsequent to December 31, 2012, we present a range of dates that represents the period covered by the applicable derivative instrument.

(b) We make payments to the counterparty when EURIBOR is less than the EURIBOR floor rate.

(c) We receive payments from the counterparty when EURIBOR is greater than the EURIBOR cap rate.

UPC Holding Cross-Currency Options

Pursuant to its cross-currency option contracts, UPC Holding has the option to deliver U.S. dollars to the counterparty in exchange for Swiss francs at a fixed exchange rate of approximately 0.74 Swiss francs per one U.S. dollar, in the notional amounts listed below:

Contract expiration date	Notional amount at December 31, 2012
	in millions
April 2018	$ 419.8
October 2016	$ 19.8
April 2017	$ 19.8
October 2017	$ 19.8

Equity-Related Derivative Contracts

Sumitomo Collar and Secured Borrowing. During 2007, our wholly-owned subsidiary, Liberty Programming Japan LLC (Liberty Programming Japan), executed the Sumitomo Collar, a zero cost share collar transaction with respect to the underlying ordinary shares of Sumitomo stock owned by Liberty Programming Japan. The Sumitomo Collar is comprised of purchased put options exercisable by Liberty Programming Japan and written call options exercisable by the counterparty. The Sumitomo Collar effectively hedges the value of our investment in Sumitomo shares from losses due to market price decreases below a per share value of ¥2,118.50 ($24.46) while retaining gains from market price increases up to a per share value of ¥2,787.50 ($32.18). At December 31, 2012, the market price of Sumitomo common stock was ¥1,100.00 ($12.70) per share. The Sumitomo Collar provides for a projected gross cash ordinary dividend to be paid per Sumitomo share during the term of the Sumitomo Collar. If the actual dividend paid does not exactly match the projected dividend, then an adjustment amount shall be payable between the parties to the Sumitomo Collar depending on the dividend actually paid by Sumitomo. The Sumitomo Collar may, at the option of Liberty

Programming Japan, be settled in Sumitomo shares or in cash. The Sumitomo Collar also includes a purchased fair value put option, which effectively provides Liberty Programming Japan with the ability to sell the Sumitomo shares when the market price is trading between the put and call strike prices. The Sumitomo Collar matures in five equal semi-annual installments beginning on May 22, 2016.

We account for the Sumitomo Collar at fair value with changes in fair value reported in realized and unrealized losses on derivative instruments, net, in our consolidated statements of operations. The fair value of the Sumitomo Collar as of December 31, 2012 was a net asset of $573.0 million.

The Sumitomo Collar and related agreements also provide Liberty Programming Japan with the ability to borrow funds on a secured basis. Borrowings under these agreements, which are secured by a pledge of 100% of the Sumitomo shares owned by Liberty Programming Japan, bear interest at 1.883%, mature in five equal semi-annual installments beginning on May 22, 2016, and are included in long-term debt and capital lease obligations in our consolidated balance sheets. During 2007, Liberty Programming Japan borrowed ¥93.660 billion ($757.6 million at the transaction date) under these agreements (the Sumitomo Collar Loan). The pledge arrangement entered into by Liberty Programming Japan provides that Liberty Programming Japan will be able to exercise all voting and consensual rights and, subject to the terms of the Sumitomo Collar, receive dividends on the Sumitomo shares.

Foreign Currency Forwards

The following table summarizes our outstanding foreign currency forward contracts at December 31, 2012:

Subsidiary	Currency purchased forward		Currency sold forward		Maturity dates
	in millions				
LGE Financing	$	4.9	€	3.8	January 2013 — January 2014
UPC Holding	$	479.0	CHF	415.1	October 2016 — April 2018
UPC Broadband Holding	$	1.3	CZK	23.6	January 2013 — May 2013
UPC Broadband Holding	€	44.8	CHF	53.8	January 2013 — December 2013
UPC Broadband Holding	€	8.3	CZK	209.9	January 2013 — September 2013
UPC Broadband Holding	€	13.0	HUF	3,825.0	January 2013 — September 2013
UPC Broadband Holding	€	36.7	PLN	155.4	January 2013 — September 2013
UPC Broadband Holding	£	2.7	€	3.4	January 2013 — September 2013
UPC Broadband Holding	CHF	75.0	€	62.1	January 2013
UPC Broadband Holding	CZK	260.0	€	10.4	January 2013
UPC Broadband Holding	HUF	7,000.0	€	24.1	January 2013
UPC Broadband Holding	PLN	107.0	€	26.2	January 2013
UPC Broadband Holding	RON	35.0	€	7.9	January 2013
Telenet NV	$	37.0	€	29.4	January 2013 — December 2013
VTR	$	29.9	CLP	15,078.8	January 2013 — November 2013

(7) Fair Value Measurements

We use the fair value method to account for (i) certain of our investments and (ii) our derivative instruments. The reported fair values of these investments and derivative instruments as of December 31, 2012 likely will not represent the value that will be realized upon the ultimate settlement or disposition of these assets and liabilities. In the case of the investments that we account for using the fair value method, the values we realize upon disposition will be dependent upon, among other factors, market conditions and the historical and forecasted financial performance of the investees at the time of any such disposition. With respect to our derivative instruments, we expect that the values realized generally will be based on market conditions at the time of settlement, which may occur at the maturity of the derivative instrument or at the time of the repayment or refinancing of the underlying debt instrument.

GAAP provides for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. We record transfers of assets or liabilities in or out of Levels 1, 2 or 3 at the beginning of the quarter during which the transfer occurred. During 2012, no such transfers were made.

All of our Level 2 inputs (interest rate futures, swap rates, and certain of the inputs for our weighted average cost of capital calculations) and certain of our Level 3 inputs (forecasted volatilities and credit spreads) are obtained from pricing services. These inputs, or interpolations or extrapolations thereof, are used in our internal models to calculate, among other items, yield curves, forward interest and currency rates and weighted average cost of capital rates. In the normal course of business, we receive market value assessments from the counterparties to our derivative contracts. Although we compare these assessments to our internal valuations and investigate unexpected differences, we do not otherwise rely on counterparty quotes to determine the fair values of our derivative instruments. The midpoints of applicable bid and ask ranges generally are used as inputs for our internal valuations.

For our investment in Sumitomo common stock, the recurring fair value measurement is based on the quoted closing price of the shares at each reporting date. Accordingly, the valuation of this investment falls under Level 1 of the fair value hierarchy. Our other investments that we account for at fair value are privately-held companies, and therefore, quoted market prices are unavailable. The valuation technique we use for such investments is a combination of an income approach (discounted cash flow model based on forecasts) and a market approach (market multiples of similar businesses). With the exception of certain inputs for our weighted average cost of capital calculations that are derived from pricing services, the inputs used to value these investments are based on unobservable inputs derived from our assumptions. Therefore, the valuation of our privately-held investments falls under Level 3 of the fair value hierarchy. Any reasonably foreseeable changes in assumed levels of unobservable inputs would not be expected to have a material impact on our financial position or results of operations.

The recurring fair value measurement of the Sumitomo Collar is based on the binomial option pricing model, which requires the input of observable and unobservable variables such as exchange traded equity prices, risk-free interest rates, dividend yields and forecasted volatilities of the underlying equity securities. The valuation of the Sumitomo Collar is based on a combination of Level 1 inputs (exchange traded equity prices), Level 2 inputs (interest rate futures and swap rates) and Level 3 inputs (forecasted volatilities). As changes in volatilities could have a significant impact on the overall valuation, we have determined that this valuation falls under Level 3 of the fair value hierarchy. For the December 31, 2012 valuation of the Sumitomo Collar, we used estimated volatilities of 39.2% with respect to our purchased put options and 40.9% with respect to our written call options. Based on the December 31, 2012 market price for Sumitomo common stock, the purchased put options and written call options are significantly in-the-money and out-of-the-money, respectively. As such, changes in forecasted volatilities did not have a significant impact on the valuation of the Sumitomo Collar at December 31, 2012.

As further described in note 6, we have entered into various derivative instruments to manage our interest rate and foreign currency exchange risk. The recurring fair value measurements of these derivative instruments are determined using discounted cash flow models. Most of the inputs to these discounted cash flow models consist of, or are derived from, observable Level 2 data for substantially the full term of these derivative instruments. This observable data includes applicable interest rate futures and swap rates, which are retrieved or derived from available market data. Although we may extrapolate or interpolate this data, we do not otherwise alter this data in performing our valuations. We incorporate a credit risk valuation adjustment in our fair value measurements to estimate the impact of both our own nonperformance risk and the nonperformance risk of our counterparties. Our and our counterparties' credit spreads are Level 3 inputs that are used to derive the credit risk valuation adjustments with respect to our various interest rate and foreign currency derivative valuations. As we would not expect changes in our or our counterparties' credit spreads to have a significant impact on the valuations of these derivative instruments, we have determined that these valuations fall under Level 2 of the fair value hierarchy. Our credit risk valuation adjustments with respect to our cross-currency and interest rate swaps are quantified and further explained in note 6.

Fair value measurements are also used in connection with nonrecurring valuations performed in connection with impairment assessments and acquisition accounting. These nonrecurring valuations include the valuation of reporting units, customer relationship intangible assets, property and equipment and the implied value of goodwill. The valuation of private reporting units is based at least in part on discounted cash flow analyses. With the exception of certain inputs for our weighted average cost of capital and discount rate calculations that are derived from pricing services, the inputs used in our discounted cash flow analyses, such as forecasts of future cash flows, are based on our assumptions. The valuation of customer relationships is primarily based on an excess earnings methodology, which is a form of a discounted cash flow analysis. The excess earnings methodology requires us to estimate the specific cash flows expected from the customer relationship, considering such factors as estimated customer life, the revenue expected to be generated over the life of the customer, contributory asset charges, and other factors. Tangible assets are typically valued using a replacement or reproduction cost approach, considering factors such as current prices of the same or similar equipment, the age of the equipment and economic obsolescence. The implied value of goodwill is determined by allocating the fair value of a reporting unit to all of the assets and liabilities of that unit as if the reporting unit had been acquired in a business combination, with the residual amount allocated to goodwill. All of our nonrecurring valuations use significant unobservable inputs and therefore fall under Level 3 of the fair value hierarchy. During 2012 and 2011, we performed nonrecurring valuations for the purpose of determining the acquisition accounting for the Puerto Rico Transaction, the KBW Acquisition and the Aster Acquisition. The discount rate used to value the customer relationships acquired as a result of these acquisitions was 9%, 10% and 10%, respectively. For additional information, see note 3.

A summary of the assets and liabilities that are measured at fair value on a recurring basis is as follows:

		Fair value measurements at December 31, 2012 using:		
Description	December 31, 2012	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		in millions		
Assets:				
Derivative instruments:				
Cross-currency and interest rate derivative contracts	$ 658.4	$ —	$ 658.4	$ —
Equity-related derivative instruments	594.6	—	—	594.6
Foreign currency forward contracts	1.1	—	1.1	—
Other	4.3	—	4.3	—
Total derivative instruments	1,258.4	—	663.8	594.6
Investments	947.9	579.7	—	368.2
Total assets	$ 2,206.3	$ 579.7	$ 663.8	$ 962.8
Liabilities - derivative instruments:				
Cross-currency and interest rate derivative contracts	$ 2,699.5	$ —	$ 2,699.5	$ —
Equity-related derivative instruments	21.6	—	—	21.6
Foreign currency forward contracts	8.1	—	8.1	—
Other	1.3	—	1.3	—
Total liabilities	$ 2,730.5	$ —	$ 2,708.9	$ 21.6

Description	December 31, 2011	Fair value measurements at December 31, 2011 using: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	in millions			
Assets:				
Derivative instruments:				
Cross-currency and interest rate derivative contracts	$ 700.2	$ —	$ 700.2	$ —
Equity-related derivative instruments	684.6	—	—	684.6
Foreign currency forward contracts	4.8	—	4.8	—
Other	3.8	—	3.8	—
Total derivative instruments	1,393.4	—	708.8	684.6
Investments	970.1	617.9	—	352.2
Total assets	$ 2,363.5	$ 617.9	$ 708.8	$ 1,036.8
Liabilities - derivative instruments:				
Cross-currency and interest rate derivative contracts	$ 2,281.6	$ —	$ 2,281.6	$ —
Equity-related derivative instruments	23.3	—	—	23.3
Foreign currency forward contracts	2.8	—	2.8	—
Other	3.0	—	3.0	—
Total liabilities	$ 2,310.7	$ —	$ 2,287.4	$ 23.3

A reconciliation of the beginning and ending balances of our assets and liabilities measured at fair value on a recurring basis using significant unobservable, or Level 3, inputs is as follows:

	Investments	Equity-related derivative instruments	Total
		in millions	
Balance of asset (liability) at January 1, 2012	$ 352.2	$ 661.3	$ 1,013.5
Gains (losses) included in net earnings (a):			
Realized and unrealized losses on derivative instruments, net	—	(109.0)	(109.0)
Realized and unrealized gains due to changes in fair values of certain investments, net	8.3	—	8.3
Cash settlements, foreign currency translation adjustments and other	7.7	20.7	28.4
Balance of asset at December 31, 2012	$ 368.2	$ 573.0	$ 941.2

(a) Substantially all of the net gains (losses) recognized during 2012 relate to assets and liabilities that we continue to carry on our consolidated balance sheet as of December 31, 2012.

(8) Long-lived Assets

Property and Equipment, Net

The details of our property and equipment and the related accumulated depreciation are set forth below:

	Estimated useful life at December 31, 2012	December 31, 2012	December 31, 2011
		in millions	
Distribution systems	4 to 30 years	$ 15,372.3	$ 14,671.4
Customer premises equipment	3 to 5 years	4,162.6	4,081.2
Support equipment, buildings and land	3 to 40 years	2,282.1	2,270.9
		21,817.0	21,023.5
Accumulated depreciation		(8,379.4)	(8,155.1)
Total property and equipment, net		$ 13,437.6	$ 12,868.4

Depreciation expense of our continuing operations related to our property and equipment was $2,213.7 million, $2,050.2 million and $1,846.1 million during 2012, 2011 and 2010, respectively. Depreciation expense of our discontinued operations related to our property and equipment was nil, $114.8 million and $250.7 million during 2012, 2011 and 2010, respectively.

At December 31, 2012 and 2011, the amount of property and equipment, net, recorded under capital leases was $1,206.0 million and $1,258.1 million, respectively. Most of these amounts relate to assets included in our distribution systems category. Depreciation of assets under capital leases of our continuing operations is included in depreciation and amortization in our consolidated statements of operations.

During 2012, 2011 and 2010, we recorded non-cash increases to our property and equipment related to (i) assets acquired under capital leases of $63.1 million, $38.2 million and $35.2 million, respectively, and (ii) vendor financing arrangements of $246.5 million, $101.4 million and nil, respectively. The non-cash increases related to vendor financing arrangements exclude related value-added taxes of $28.5 million, $13.7 million and nil, respectively, which were also financed by our vendors under these arrangements.

Goodwill

Changes in the carrying amount of our goodwill during 2012 are set forth below:

	January 1, 2012	Acquisitions and related adjustments	Foreign currency translation adjustments	December 31, 2012
		in millions		
UPC/Unity Division:				
Germany	$ 3,703.3	$ (0.8)	$ 67.8	$ 3,770.3
The Netherlands	1,181.7	2.9	21.6	1,206.2
Switzerland	3,026.8	1.1	80.0	3,107.9
Other Western Europe	1,013.0	—	18.5	1,031.5
Total Western Europe	8,924.8	3.2	187.9	9,115.9
Central and Eastern Europe	1,404.2	0.8	104.5	1,509.5
Total UPC/Unity Division	10,329.0	4.0	292.4	10,625.4
Telenet (Belgium)	2,119.5	—	38.8	2,158.3
VTR Group (Chile)	514.3	—	43.7	558.0
Corporate and other	326.5	204.3	5.1	535.9
Total (a)	$ 13,289.3	$ 208.3	$ 380.0	$ 13,877.6

(a) With the exception of Other Western Europe, Central and Eastern Europe and our Corporate and other category, our reporting units for purposes of goodwill impairment testing correspond to our reportable segments, as set forth in the above table. Our reporting units in our Other Western Europe reportable segment include our operating segments in Austria and Ireland and our reporting units in our Central and Eastern Europe reportable segment include our operating segments in the Czech Republic, Hungary, Poland, Romania and Slovakia.

In the case of two of our smaller reporting units (our broadband communications operations in Puerto Rico and Chellomedia’s programming operations in central and eastern Europe), a hypothetical decline of 20% or more in the fair value of either of these reporting units could result in the need to record a goodwill impairment charge based on the results of our October 1, 2012 goodwill impairment test. At December 31, 2012, the goodwill associated with these reporting units aggregated $301.0 million. If, among other factors, (i) our equity values were to decline significantly, or (ii) the adverse impacts of economic, competitive, regulatory or other factors were to cause our results of operations or cash flows to be worse than anticipated, we could conclude in future periods that impairment charges are required in order to reduce the carrying values of our goodwill, and to a lesser extent, other long-lived assets. Any such impairment charges could be significant.

At December 31, 2012 and 2011 and based on exchange rates as of those dates, the amount of our accumulated goodwill impairments was $274.8 million and $276.2 million, respectively. These amounts include accumulated impairments related to our broadband communications operations in Romania, which are included within the UPC/Unity Division’s Central and Eastern Europe segment, and Chellomedia’s programming operations in central and eastern Europe, which are included in our corporate and other category.

Changes in the carrying amount of our goodwill during 2011 are set forth below:

	January 1, 2011	Acquisitions and related adjustments	Impairment	Reclassification of Austar to discontinued operations	Foreign currency translation adjustments and other	December 31, 2011
			in millions			
UPC/Unity Division:						
Germany	$ 1,928.1	$ 1,840.6	$ —	$ —	$ (65.4)	$ 3,703.3
The Netherlands	1,218.7	—	—	—	(37.0)	1,181.7
Switzerland	3,042.5	(0.2)	—	—	(15.5)	3,026.8
Other Western Europe	1,044.7	—	—	—	(31.7)	1,013.0
Total Western Europe	7,234.0	1,840.4	—	—	(149.6)	8,924.8
Central and Eastern Europe	1,063.7	479.2	—	—	(138.7)	1,404.2
Total UPC/Unity Division	8,297.7	2,319.6	—	—	(288.3)	10,329.0
Telenet (Belgium)	2,185.9	—	—	—	(66.4)	2,119.5
VTR Group (Chile)	570.9	—	—	—	(56.6)	514.3
Austar (Australia)	332.3	—	—	(332.7)	0.4	—
Corporate and other	347.9	1.3	(15.9)	—	(6.8)	326.5
Total	$ 11,734.7	$ 2,320.9	$ (15.9)	$ (332.7)	$ (417.7)	$ 13,289.3

During 2011, we recorded a goodwill impairment charge of $15.9 million related to Chellomedia's programming operations in central and eastern Europe.

Intangible Assets Subject to Amortization, Net

The details of our intangible assets subject to amortization are set forth below:

	Estimated useful life at December 31, 2012	December 31, 2012			December 31, 2011		
		Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
				in millions			
Customer relationships	4 to 15 years	$ 4,117.5	$ (1,780.0)	$ 2,337.5	$ 4,110.0	$ (1,574.0)	$ 2,536.0
Other	2 to 15 years	379.3	(135.5)	243.8	376.9	(100.4)	276.5
Total		$ 4,496.8	$ (1,915.5)	$ 2,581.3	$ 4,486.9	$ (1,674.4)	$ 2,812.5

During the third quarter of 2011, Telenet acquired a spectrum license that expires in March 2021 in exchange for a commitment to make annual payments during the term of the license. In connection with this transaction, Telenet recorded a non-cash increase of $102.0 million to its intangible assets subject to amortization. At December 31, 2012, the carrying value of this intangible asset was $80.1 million. Telenet is continuing its efforts to use this asset as initially intended by management. Depending on the outcome of these efforts and Telenet's evaluation of alternative means to use or monetize this asset, a triggering event might occur that could lead to the impairment of all or part of the carrying value of this asset during 2013.

Amortization of intangible assets with finite useful lives of our continuing operations was $477.4 million, $406.8 million and $405.4 million during 2012, 2011 and 2010, respectively. Amortization of intangible assets with finite useful lives of our discontinued operations was nil, $0.5 million and $20.4 million during 2012, 2011 and 2010, respectively. Based on our amortizable intangible asset balances at December 31, 2012, we expect that amortization expense will be as follows for the next five years and thereafter. Amounts presented below represent U.S. dollar equivalents based on December 31, 2012 exchange rates (in millions):

2013	$ 472.0
2014	456.0
2015	424.3
2016	366.9
2017	230.0
Thereafter	632.1
Total	$ 2,581.3

Indefinite-lived Intangible Assets

At December 31, 2012 and 2011, franchise rights and other indefinite-lived intangible assets aggregating $558.2 million and $194.8 million, respectively, were included in other assets, net, in our consolidated balance sheets.

(9) Debt and Capital Lease Obligations

The U.S. dollar equivalents of the components of our consolidated debt and capital lease obligations are as follows:

	December 31, 2012							
	Weighted average interest rate (a)	Unused borrowing capacity (b)			Estimated fair value (c)		Carrying value (d)	
					December 31,		December 31,	
		Borrowing currency		U.S. $ equivalent	2012	2011	2012	2011
					in millions			
Debt:								
UPC Broadband Holding Bank Facility	3.85%	€	1,078.1	$ 1,422.9	$ 5,494.4	$ 5,870.7	$ 5,466.8	$ 6,139.4
UPC Holding Senior Notes	8.24%		—	—	3,190.0	2,137.0	2,905.9	2,083.9
UPCB SPE Notes	6.88%		—	—	4,502.3	3,292.9	4,145.2	3,365.2
Unitymedia KabelBW Notes	7.41%		—	—	7,416.5	3,704.0	6,815.5	3,496.9
Unitymedia KabelBW Revolving Credit Facilities	3.22%	€	417.5	551.0	—	100.1	—	103.7
KBW Notes (e)	—		—	—	—	3,010.6	—	2,973.5
Telenet Credit Facility	3.60%	€	158.0	208.5	1,860.0	1,569.0	1,853.7	1,593.7
Telenet SPE Notes	5.91%		—	—	2,777.6	1,627.7	2,641.0	1,686.7
Sumitomo Collar Loan (f)	1.88%		—	—	1,175.1	1,305.6	1,083.6	1,216.6
Liberty Puerto Rico Bank Facility (g)	6.88%	$	21.7	21.7	667.0	156.4	663.9	162.5
Vendor Financing (h)	3.80%		—	—	276.8	99.9	276.8	99.9
Chellomedia Bank Facility (i)	—		—	—	—	239.8	—	245.9
Other	8.82%	CLP	16,000.0	33.4	282.5	224.4	282.5	224.4
Total debt	5.99%			$ 2,237.5	$ 27,642.2	$ 23,338.1	26,134.9	23,392.3
Capital lease obligations:								
Unitymedia KabelBW (j)							937.1	944.1
Telenet (k)							405.1	387.4
Other subsidiaries							47.4	34.1
Total capital lease obligations							1,389.6	1,365.6
Total debt and capital lease obligations							27,524.5	24,757.9
Current maturities							(363.5)	(184.1)
Long-term debt and capital lease obligations							$ 27,161.0	$ 24,573.8

(a) Represents the weighted average interest rate in effect at December 31, 2012 for all borrowings outstanding pursuant to each debt instrument including any applicable margin. The interest rates presented represent stated rates and do not include the impact of our interest rate derivative agreements, deferred financing costs, original issue premiums or discounts or commitment fees, all of which affect our overall cost of borrowing. Including the effects of derivative instruments, original issue premiums and discounts and commitment fees, but excluding the impact of financing costs, our weighted average interest rate on our aggregate variable and fixed rate indebtedness was approximately 7.2% at December 31, 2012. For information concerning our derivative instruments, see note 6.

(b) Unused borrowing capacity represents the maximum availability under the applicable facility at December 31, 2012 without regard to covenant compliance calculations or other conditions precedent to borrowing. At December 31, 2012, the full amount of unused borrowing capacity was available to be borrowed under each of the respective facilities except as noted below. At December 31, 2012, our availability under the UPC Broadband Holding Bank Facility (as defined and described below) was limited to €467.7 million ($617.3 million). When the relevant December 31, 2012 compliance reporting requirements have been completed, we anticipate that our availability under the UPC Broadband Holding Bank Facility will be limited to €789.2 million ($1,041.6 million). Our availability under the Liberty Puerto Rico Bank Facility (as defined and described below) was effectively limited to the amounts drawn at December 31, 2012 and we expect this to continue to be the case after the relevant December 31, 2012 compliance reporting requirements have been completed. The amount included in other debt represents the unused borrowing capacity of the VTR Wireless Bank Facility, as defined and described below. Our ability to draw down the VTR Wireless Bank Facility is subject to certain conditions precedent, including the condition precedent that immediately after the drawdown there is an equity contribution to debt ratio of at least 2.33 to 1. Based on the aggregate equity contributed to VTR Wireless through December 31, 2012, we are not able to draw down any amounts in addition to the amount already borrowed under the VTR Wireless Bank Facility at December 31, 2012.

(c) The estimated fair values of our debt instruments were determined using the average of applicable bid and ask prices (mostly Level 1 of the fair value hierarchy) or, when quoted market prices are unavailable or not considered indicative of fair value, discounted cash flow models (mostly Level 2 of the fair value hierarchy). The discount rates used in the cash flow models are based on the market interest rates and estimated credit spreads of the applicable entity, to the extent available, and other relevant factors. For additional information concerning fair value hierarchies, see note 7.

(d) Amounts include the impact of premiums and discounts, where applicable.

(e) As further described below, during the second quarter of 2012, (i) all of the KBW Notes (as defined below) were exchanged or redeemed and (ii) KBW's €100.0 million ($132.0 million**)** secured revolving credit facility agreement was canceled.

(f) For information regarding the Sumitomo Collar Loan, see note 6.

(g) Amounts presented as of December 31, 2012 relate to the Liberty Puerto Rico Bank Facility and amounts presented as of December 31, 2011 relate to the Old Liberty Puerto Rico Bank Facility (each as defined and described below).

(h) Represents amounts owed pursuant to interest-bearing vendor financing arrangements that are generally due within one year. At December 31, 2012 and 2011, the amounts owed pursuant to these arrangements include $29.1 million and $12.3 million, respectively, of value-added taxes that were paid on our behalf by the vendor. Repayments of vendor financing obligations are included in repayments and repurchases of debt and capital lease obligations in our consolidated cash flow statements.

(i) The Chellomedia Bank Facility was the senior secured credit facility of Chellomedia PFH. During the second quarter of 2012, all amounts outstanding under the Chellomedia Bank Facility were repaid in full. In connection with this repayment, we recognized a loss on extinguishment of debt of $2.0 million, representing the write-off of deferred financing fees. As of December 31, 2011, the weighted average interest rate applicable to borrowings under the Chellomedia Bank Facility was 4.30%.

(j) Primarily represents Unitymedia KabelBW's obligations under duct network lease agreements with Deutsche Telekom AG (Deutsche Telekom) as the lessor. The original contracts were concluded in 2000 and 2001 and have indefinite terms, subject to certain mandatory statutory termination rights for either party after a term of 30 years. With certain limited exceptions, the lessor generally is not entitled to terminate these leases. For information regarding litigation involving these duct network lease agreements, see note 16.

(k) At December 31, 2012 and 2011, Telenet's capital lease obligations included €284.4 million ($375.3 million) and €270.5 million ($357.0 million), respectively, associated with Telenet's lease of the broadband communications network of the four associations of municipalities in Belgium, which we refer to as the pure intercommunalues or the "PICs." All capital expenditures associated with the PICs network are initiated by Telenet, but are executed and financed by the PICs through additions to this lease that are repaid over a 15-year term. These amounts do not include Telenet's commitment related to certain operating costs associated with the PICs network. For additional information regarding this commitment, see note 16.

UPC Broadband Holding Bank Facility

The UPC Broadband Holding Bank Facility, as amended, is the senior secured credit facility of UPC Broadband Holding. The security package for the UPC Broadband Holding Bank Facility includes a pledge over the shares of UPC Broadband Holding and the shares of certain of UPC Broadband Holding's majority-owned operating companies. The UPC Broadband Holding Bank Facility is also guaranteed by UPC Holding, the immediate parent of UPC Broadband Holding, and is senior to other long-term debt obligations of UPC Broadband Holding and UPC Holding. The agreement governing the UPC Broadband Holding Bank Facility contains covenants that limit, among other things, UPC Broadband Holding's ability to merge with or into another company, acquire other companies, incur additional debt, dispose of assets, make distributions or pay dividends, provide loans and guarantees and enter into hedging agreements. In addition to customary default provisions, including defaults on other indebtedness of UPC Broadband Holding and its subsidiaries, the UPC Broadband Holding Bank Facility provides that any event of default with respect to indebtedness of €50.0 million ($66.0 million) or more in the aggregate of (i) Liberty Global Europe, Inc. (the indirect parent of Liberty Global Europe), (ii) any other company of which UPC Broadband Holding is a subsidiary and which is a subsidiary of Liberty Global Europe, Inc. and (iii) UPC Holding II BV (a subsidiary of UPC Holding) is an event of default under the UPC Broadband Holding Bank Facility.

The UPC Broadband Holding Bank Facility permits UPC Broadband Holding to transfer funds to its parent company (and indirectly to LGI) through loans, advances or dividends provided that UPC Broadband Holding maintains compliance with applicable covenants. If a Change of Control occurs, as defined in the UPC Broadband Holding Bank Facility, the facility agent may (if required by the majority lenders) cancel each facility and declare all outstanding amounts immediately due and payable. The UPC Broadband Holding Bank Facility requires compliance with various financial covenants such as: (i) Senior Debt to Annualized EBITDA, (ii) EBITDA to Total Cash Interest, (iii) EBITDA to Senior Debt Service, (iv) EBITDA to Senior Interest and (v) Total Debt to Annualized EBITDA, each capitalized term as defined in the UPC Broadband Holding Bank Facility.

The covenant in the UPC Broadband Holding Bank Facility relating to disposals of assets includes a basket for permitted disposals of assets, the Annualized EBITDA of which does not exceed a certain percentage of the Annualized EBITDA of the Borrower Group, each capitalized term as defined in the UPC Broadband Holding Bank Facility. The UPC Broadband Holding Bank Facility includes a recrediting mechanism, in relation to the permitted disposals basket, based on the proportion of net sales proceeds that are (i) used to prepay facilities and (ii) reinvested in the Borrower Group.

The UPC Broadband Holding Bank Facility includes a mandatory prepayment requirement of four times Annualized EBITDA of certain disposed assets. The prepayment amount may be allocated to one or more of the facilities at UPC Broadband Holding's discretion and then applied to the loans under the relevant facility on a pro rata basis. A prepayment may be waived by the majority lenders subject to the requirement to maintain pro forma covenant compliance. If the mandatory prepayment amount is less than €100.0 million ($132.0 million), then no prepayment is required (subject to pro forma covenant compliance). No such prepayment is required to be made where an amount, equal to the amount that would otherwise be required to be prepaid, is deposited in a blocked account on terms that the principal amount deposited may only be released in order to make the relevant prepayment or to reinvest in assets in accordance with the terms of the UPC Broadband Holding Bank Facility, which expressly includes permitted acquisitions and capital expenditures. Any amounts deposited in the blocked account that have not been reinvested (or contracted to be so reinvested), within 12 months of the relevant permitted disposal, are required to be applied in prepayment in accordance with the terms of the UPC Broadband Holding Bank Facility.

The details of our borrowings under the UPC Broadband Holding Bank Facility are summarized in the following table:

		December 31, 2012			
Facility	**Final maturity date**	**Interest rate**	**Facility amount (in borrowing currency) (a)**	**Unused borrowing capacity (b)**	**Carrying value (c)**
				in millions	
Q	July 31, 2014	EURIBOR + 2.75%	€ 30.0	$ 39.6	$ —
R	December 31, 2015	EURIBOR + 3.25%	€ 290.7	—	383.7
S	December 31, 2016	EURIBOR + 3.75%	€ 1,204.5	—	1,589.4
T	December 31, 2016	LIBOR + 3.50%	$ 260.2	—	258.8
U	December 31, 2017	EURIBOR + 4.00%	€ 750.8	—	990.8
V (d)	January 15, 2020	7.625%	€ 500.0	—	659.9
W	March 31, 2015	EURIBOR + 3.00%	€ 144.1	190.2	—
X	December 31, 2017	LIBOR + 3.50%	$ 1,042.8	—	1,042.8
Y (d)	July 1, 2020	6.375%	€ 750.0	—	989.8
Z (d)	July 1, 2020	6.625%	$ 1,000.0	—	1,000.0
AA	July 31, 2016	EURIBOR + 3.25%	€ 904.0	1,193.1	—
AC (d)	November 15, 2021	7.250%	$ 750.0	—	750.0
AD (d)	January 15, 2022	6.875%	$ 750.0	—	750.0
AE	December 31, 2019	EURIBOR + 3.75%	€ 535.5	—	706.8
AF	January 31, 2021	LIBOR + 3.00% (e)	$ 500.0	—	494.5
Elimination of Facilities V, Y, Z, AC and AD in consolidation (d)				—	(4,149.7)
Total				$ 1,422.9	$ 5,466.8

(a) Except as described in (d) below, amounts represent total third-party facility amounts at December 31, 2012 without giving effect to the impact of discounts.

(b) At December 31, 2012, our availability under the UPC Broadband Holding Bank Facility was limited to €467.7 million ($617.3 million). When the relevant December 31, 2012 compliance reporting requirements have been completed, we anticipate that our availability under the UPC Broadband Holding Bank Facility will be limited to €789.2 million ($1,041.6 million). Facility Q, Facility W and Facility AA have commitment fees on unused and uncanceled balances of 0.75%, 1.2% and 1.3% per year, respectively.

(c) The carrying values of Facilities T and AF include the impact of discounts.

(d) As further discussed in the below description of the UPCB SPE Notes, the amounts outstanding under Facilities V, Y, Z, AC and AD are eliminated in LGI's consolidated financial statements.

(e) Facility AF has a LIBOR floor of 1.00%.

Refinancing Transactions. During 2012, 2011 and 2010, we completed a number of refinancing transactions. These refinancing transactions, which generally were undertaken to extend the maturities of our borrowings under the UPC Broadband Holding Bank Facility, are set forth below.

2012 Transactions. On February 23, 2012, UPC Broadband Holding entered into a new additional facility accession agreement (the Additional Facility AE Accession Agreement) under the UPC Broadband Holding Bank Facility. Pursuant to the Additional Facility AE Accession Agreement, certain of the lenders under Facility S (the Rolling S Lenders) rolled all or part of their existing commitments under Facility S into the new Facility AE in an aggregate amount of €535.5 million ($706.8 million). Liberty Global Services B.V. (Liberty Global Services) (formerly known as UPC Broadband Operations B.V.), a wholly-owned subsidiary of UPC Broadband Holding, was the initial lender under the Additional Facility AE Accession Agreement and novated its Facility AE commitments to the Rolling S Lenders. We recognized a loss on debt modification of $2.0 million associated with the third-party costs incurred in connection with the execution of Facility AE.

On November 21, 2012, UPC Broadband Holding entered into a new additional facility accession agreement (the Additional Facility AF Accession Agreement) under the UPC Broadband Holding Bank Facility. Pursuant to the Additional Facility AF Accession Agreement, certain of the lenders under Facility AB (the Rolling AB Lenders) rolled their existing Facility AB commitments into a new term loan facility of $500.0 million (Facility AF). The Rolling AB Lenders novated their existing Facility AB commitments to Liberty Global Services and became lenders under the new Facility AF. Certain other new lenders (the New Lenders) agreed to make available commitments under Facility AF. The underwriters of Facility AF (the Underwriters) entered into cash novation certificates under the Additional Facility AF Accession Agreement on behalf of the New Lenders and the commitments thereunder were used to repay amounts outstanding under Facility AB. Liberty Global Services, the initial lender under Facility AF, novated its Facility AF commitment to the Rolling AB Lenders and to the Underwriters, as applicable. At any time during the twelve-month period that began on November 21, 2012, upon the occurrence of a voluntary prepayment of any or all of Facility AF, UPC Financing Partnership (UPC Financing) would be required to pay a prepayment fee (in addition to the principal amount of the prepayment) in an amount equal to 1.0% of the principal amount of the outstanding Facility AF advance being prepaid, plus accrued and unpaid interest then due on the amount of the outstanding Facility AF advance prepaid to the date of prepayment. In connection with prepayment of Facility AB, we recognized a loss on debt extinguishment of $12.4 million associated with the write-off of deferred financing costs and an unamortized discount.

In addition, during the first quarter of 2012, we refinanced amounts outstanding under the UPC Broadband Holding Bank Facility with proceeds received from the issuance of certain of the UPCB SPE Notes, as defined and described below. In connection with this refinancing transaction, we recognized losses on debt extinguishment aggregating $1.9 million, representing the write-off of deferred financing costs in connection with the prepayment of amounts outstanding under Facilities M, N and O with proceeds from the UPCB Finance VI Notes, as defined and described below.

2011 Transactions. In July and August 2011, UPC Broadband Holding entered into various additional facility accession agreements resulting in a new redrawable term loan facility (Facility AA) with an aggregate principal amount of €904.0 million ($1,193.1 million). In connection with these transactions, certain lenders under existing Facilities L, M, N, Q and W novated their drawn and undrawn commitments to Liberty Global Services, and entered into the new Facility AA. As a result of these transactions, total commitments of (i) €129.7 million ($171.2 million) under Facility L, (ii) €36.8 million ($48.6 million) under Facility M, (iii) $30.0 million under Facility N, (iv) €392.0 million ($517.4 million) under Facility Q and (v) €125.0 million ($165.0 million) under Facility W were effectively rolled into Facility AA.

On October 25, 2011, UPC Broadband Holding entered into a new additional facility accession agreement (the Additional Facility AB Accession Agreement) under the UPC Broadband Holding Bank Facility. Pursuant to the Additional Facility AB Accession Agreement, certain lenders agreed to make available a term loan facility in an aggregate principal amount of $500.0 million (Facility AB). On October 28, 2011, we borrowed the total amount of Facility AB, receiving proceeds of $485.0 million on a net basis after payment of original issue discount of 3.0%. UPC Broadband Holding used a portion of the net proceeds to repay €285.0 million ($403.6 million at the transaction date) of outstanding redrawable term loans under Facility AA.

In addition, during the first and fourth quarters of 2011, we refinanced amounts outstanding under the UPC Broadband Holding Bank Facility with proceeds received from the issuance of certain of the UPCB SPE Notes, as defined and described below. In connection with the refinancing transactions completed during the first quarter of 2011, we recognized losses on debt extinguishments aggregating $15.7 million, representing the write-off of deferred financing costs and an unamortized discount in connection with the prepayment of certain amounts outstanding under the UPC Broadband Holding Bank Facility with proceeds from certain of the UPCB SPE Notes, as defined and described below.

2010 Transactions. During 2010, pursuant to various additional facility accession agreements, (i) new Facilities W and X were executed and (ii) commitments under existing Facilities R, S and T were increased. Facility W is a redrawable term loan facility and Facility X is a non-redrawable term loan facility. In connection with these transactions, certain lenders under existing Facilities M, N and P novated their commitments to Liberty Global Services and entered into one or more of Facilities R, S, T, W or X. As a result, total commitments of (i) €218.1 million ($287.8 million) under Facility M were rolled into Facility W, (ii) $1,042.8 million under Facility N were rolled into Facility X and (iii) $322.9 million under Facility P were rolled into Facilities R, S, T and W. In addition, in July 2010, Facility W was increased by an aggregate principal amount of €25.0 million ($33.0 million).

In addition, during the first quarter of 2010, we refinanced amounts outstanding under the UPC Broadband Holding Bank Facility with proceeds received from the issuance of the UPCB Finance I Notes, as defined and described below.

UPC Holding Senior Notes

2012 Transaction. On September 21, 2012, UPC Holding issued €600.0 million ($791.9 million) principal amount of 6.375% senior notes (the 6.375% Senior Notes) at an issue price of 99.094%, resulting in cash proceeds before commissions and fees of €594.6 million ($773.1 million at the transaction date).

2010 Transactions. On August 13, 2010, UPC Holding issued €640.0 million ($844.6 million) principal amount of 8.375% senior notes (the 8.375% Senior Notes), resulting in net cash proceeds after fees of €627.2 million ($802.3 million at the transaction date). The proceeds of the issuance of the 8.375% Senior Notes were used to purchase and redeem the €384.6 million ($507.6 million) aggregate principal amount of 7.75% Senior Notes due 2014 (the 7.75% Senior Notes) and the €230.9 million ($304.7 million) aggregate principal amount of 8.625% Senior Notes due 2014 (the 8.625% Senior Notes and together with the 7.75% Senior Notes, the 2014 Senior Notes). In connection with the repurchase and redemption of the 2014 Senior Notes, we paid debt redemption premiums of $16.1 million and wrote off deferred financing costs of $8.8 million. These amounts are included in losses on debt modification, extinguishment and conversion, net, in our consolidated statement of operations.

We collectively refer to the 6.375% Senior Notes, the 8.375% Senior Notes, UPC Holding's €400.0 million ($527.9 million)principal amount of 9.75% senior notes due 2018 (the 9.75% Senior Notes), UPC Holding's $400.0 million principal amount of 9.875% senior notes due 2018 (the 9.875% Senior Notes), and UPC Holding's €300.0 million ($395.9 million) principal amount of 8.0% senior notes due 2016 (the 8.0% Senior Notes) as the "UPC Holding Senior Notes."

The details of the UPC Holding Senior Notes are summarized in the following table:

		December 31, 2012			
		Outstanding principal amount			
UPC Holding Senior Notes	**Maturity**	**Borrowing currency**	**U.S. $ equivalent**	**Estimated fair value**	**Carrying value (a)**
		in millions			
8.0% Senior Notes	November 1, 2016	€ 300.0	$ 395.9	$ 410.8	$ 395.9
9.75% Senior Notes	April 15, 2018	€ 400.0	527.9	567.1	502.1
9.875% Senior Notes	April 15, 2018	$ 400.0	400.0	451.3	378.5
8.375% Senior Notes	August 15, 2020	€ 640.0	844.6	950.2	844.6
6.375% Senior Notes	September 15, 2022	€ 600.0	791.9	810.6	784.8
			$ 2,960.3	$ 3,190.0	$ 2,905.9

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(a) Amounts include the impact of discounts, where applicable.

Each issue of the UPC Holding Senior Notes are senior obligations that rank equally with all of the existing and future senior debt and are senior to all existing and future subordinated debt of UPC Holding. The UPC Holding Senior Notes are secured (on a shared basis) by pledges of the shares of UPC Holding. The UPC Holding Senior Notes contain certain customary incurrence-based covenants. For example, the ability to raise certain additional debt and make certain distributions or loans to other subsidiaries of LGI is subject to a Consolidated Leverage Ratio test, as defined in the applicable indenture. In addition, the UPC Holding Senior Notes provide that any failure to pay principal prior to expiration of any applicable grace period, or any acceleration with respect to other indebtedness of €50.0 million ($66.0 million) or more in the aggregate of UPC Holding or its Restricted Subsidiaries (as defined in the applicable indenture), including UPC Broadband Holding, is an event of default under the UPC Holding Senior Notes.

At any time prior to April 15, 2013 in the case of the 9.75% Senior Notes, April 15, 2014 in the case of the 9.875% Senior Notes, August 15, 2015 in the case of the 8.375% Senior Notes and September 15, 2017 in the case of the 6.375% Senior Notes, UPC Holding may redeem some or all of such UPC Holding Senior Notes by paying a "make-whole" premium, which is the present value of all scheduled interest payments until April 15, 2013, April 15, 2014, August 15, 2015 or September 15, 2017, as the case may be, using the discount rate (as specified in the applicable indenture) as of the redemption date, plus 50 basis points. In addition, at any time prior to August 15, 2013 in the case of the 8.375% Senior Notes and September 15, 2017 in the case of the 6.375% Senior Notes, UPC Holding may redeem up to 35% of the 9.75%, 9.875% and 8.375% Senior Notes (at a redemption price of 109.75%, 109.875% and 108.375% of the principal amount, respectively) or 40% of the 6.375% Senior Notes (at a redemption price of 106.375% of the principal amount) with the net proceeds from one or more specified equity offerings.

UPC Holding may redeem some or all of the UPC Holding Senior Notes at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and Additional Amounts (as defined in the applicable indenture), if any, to the applicable redemption date, if redeemed during the twelve-month period commencing on November 1 in the case of the 8.0% Senior Notes, April 15 in the case of the 9.75% and 9.875% Senior Notes, August 15 in the case of the 8.375% Senior Notes and September 15 in the case of the 6.375% Senior Notes, of the years set forth below:

	Redemption price				
Year	**8.0% Senior Notes**	**9.75% Senior Notes**	**9.875% Senior Notes**	**8.375% Senior Notes**	**6.375% Senior Notes**
2012	102.660%	N.A.	N.A.	N.A.	N.A.
2013	101.330%	104.875%	N.A.	N.A.	N.A.
2014	100.000%	102.437%	104.938%	N.A.	N.A.
2015	100.000%	100.000%	102.469%	104.188%	N.A.
2016	100.000%	100.000%	100.000%	102.792%	N.A.
2017	N.A.	100.000%	100.000%	101.396%	103.188%
2018	N.A.	100.000%	100.000%	100.000%	102.125%
2019	N.A.	N.A.	N.A.	100.000%	101.063%
2020 and thereafter	N.A.	N.A.	N.A.	100.000%	100.000%

UPC Holding may redeem all of the UPC Holding Senior Notes at a price equal to their principal amount plus accrued and unpaid interest upon the occurrence of certain changes in tax law. If UPC Holding or certain of its subsidiaries sell certain assets or experience specified changes in control, UPC Holding must offer to repurchase the UPC Holding Senior Notes at a redemption price of 101%.

UPCB SPE Notes

UPCB Finance Limited (UPCB Finance I), UPCB Finance II Limited (UPCB Finance II), UPCB Finance III Limited (UPCB Finance III), UPCB Finance V Limited (UPCB Finance V) and UPCB Finance VI Limited (UPCB Finance VI and, together with UPCB Finance I, UPCB Finance II, UPCB Finance III and UPCB Finance V, the UPCB SPEs) are each special purpose financing entities that are owned 100% by a charitable trust. The UPCB SPEs were created for the primary purposes of facilitating the offerings of €500.0 million ($659.9 million) principal amount of 7.625% senior secured notes (the UPCB Finance I Notes), €750.0 million ($989.8 million) principal amount of 6.375% senior secured notes (the UPCB Finance II Notes), $1.0 billion principal amount of 6.625% senior secured notes (the UPCB Finance III Notes), $750.0 million principal amount of 7.25% senior secured notes (the UPCB Finance V Notes) and $750.0 million principal amount of 6.875% senior secured notes (the UPCB Finance VI Notes and, together with the UPCB Finance I Notes, the UPCB Finance II Notes, the UPCB Finance III Notes and the UPCB Finance V Notes, the UPCB SPE Notes), respectively. The UPCB Finance I Notes, the UPCB Finance II Notes, the UPCB Finance III Notes, the

UPCB Finance V Notes and the UPCB Finance VI Notes were issued on January 20, 2010, January 31, 2011, February 16, 2011, November 16, 2011 and February 7, 2012, respectively.

The UPCB Finance I Notes were issued at an original issue discount of 0.862%, resulting in cash proceeds before commissions and fees of €495.7 million ($699.7 million at the transaction date). The UPCB Finance II Notes, UPCB Finance III Notes, UPCB Finance V Notes and UPCB Finance VI Notes were each issued at par. UPCB Finance I, UPCB Finance II, UPCB Finance III, UPCB Finance V and UPCB Finance VI used the proceeds from the (i) UPCB Finance I Notes and available cash, (ii) UPCB Finance II Notes, (iii) UPCB Finance III Notes, (iv) UPCB Finance V Notes and (v) UPCB Finance VI Notes to fund new additional Facilities V, Y, Z, AC and AD, respectively (each, a Funded Facility) under the UPC Broadband Holding Bank Facility, with UPC Financing as the borrower. The proceeds from Facility V were used to reduce outstanding amounts under Facilities M and Q of the UPC Broadband Holding Bank Facility through (i) the purchase of €152.7 million ($215.6 million at the transaction date) of loans under Facility M by Liberty Global Services and (ii) the repayment of €347.3 million ($490.2 million at the transaction date) of borrowings under Facility Q. The proceeds from Facility Y were used to repay outstanding amounts under Facilities M and U of the UPC Broadband Holding Bank Facility. The proceeds from Facility Z were used to repay in full Facility P of the UPC Broadband Holding Bank Facility and to repay $811.4 million under Facility T of the UPC Broadband Holding Bank Facility. Of the proceeds from Facility AC, €507.1 million ($685.7 million at the transaction date) was used to reduce the amounts outstanding under Facilities AA and W of the UPC Broadband Holding Bank Facility. The proceeds from Facility AD were used to repay in full amounts outstanding under Facilities M, N and O of the UPC Broadband Holding Bank Facility.

Each UPCB SPE is dependent on payments from UPC Financing under the applicable Funded Facility in order to service its payment obligations under its UPCB SPE Notes. Although UPC Financing has no equity or voting interest in any of the UPCB SPEs, each of the Funded Facility loans creates a variable interest in the respective UPCB SPE for which UPC Financing is the primary beneficiary, as contemplated by GAAP. As such, UPC Financing and its parent entities, including UPC Holding and LGI, are required by the provisions of GAAP to consolidate the UPCB SPEs. As a result, the amounts outstanding under Facilities V, Y, Z, AC and AD are eliminated in LGI's consolidated financial statements.

Pursuant to the respective indentures for the UPCB SPE Notes (the UPCB SPE Indentures) and the respective accession agreements for the Funded Facilities, the call provisions, maturity and applicable interest rate for each Funded Facility are the same as those of the related UPCB SPE Notes. The UPCB SPEs, as lenders under the UPC Broadband Holding Bank Facility, are treated the same as the other lenders under the UPC Broadband Holding Bank Facility, with benefits, rights and protections similar to those afforded to the other lenders. Through the covenants in the applicable UPCB SPE Indenture and the applicable security interests over (i) all of the issued shares of the relevant UPCB SPE and (ii) the relevant UPCB SPE's rights under the applicable Funded Facility granted to secure the relevant UPCB SPE's obligations under the relevant UPCB SPE Notes, the holders of the UPCB SPE Notes are provided indirectly with the benefits, rights, protections and covenants granted to the UPCB SPEs as lenders under the UPC Broadband Holding Bank Facility.

The UPCB SPEs are prohibited from incurring any additional indebtedness, subject to certain exceptions under the UPCB SPE Indentures.

The details of the UPCB SPE Notes are summarized in the following table:

			December 31, 2012			
			Outstanding principal amount			
UPCB SPEs	Maturity	Interest rate	Borrowing currency	U.S. $ equivalent	Estimated fair value	Carrying value (a)
			in millions			
UPCB Finance I Notes	January 15, 2020	7.625%	€ 500.0	$ 659.9	$ 727.1	$ 655.4
UPCB Finance II Notes	July 1, 2020	6.375%	€ 750.0	989.8	1,057.2	989.8
UPCB Finance III Notes	July 1, 2020	6.625%	$ 1,000.0	1,000.0	1,076.9	1,000.0
UPCB Finance V Notes	November 15, 2021	7.25%	$ 750.0	750.0	828.8	750.0
UPCB Finance VI Notes	January 15, 2022	6.875%	$ 750.0	750.0	812.3	750.0
				$ 4,149.7	$ 4,502.3	$ 4,145.2

(a) Amounts include the impact of discounts, where applicable.

Subject to the circumstances described below, the UPCB Finance I Notes are non-callable until January 15, 2015, the UPCB Finance II Notes and the UPCB Finance III Notes are non-callable until July 1, 2015, the UPCB Finance V Notes are non-callable until November 15, 2016 and the UPCB Finance VI Notes are non-callable until January 15, 2017 (each a UPCB SPE Notes Call Date). If, however, at any time prior to the applicable UPCB SPE Notes Call Date, all or a portion of the loans under the related Funded Facility are voluntarily prepaid (an Early Redemption Event), then the applicable UPCB SPE will be required to redeem an aggregate principal amount of its UPCB SPE Notes equal to the aggregate principal amount of loans so prepaid under the related Funded Facility. In general, the redemption price payable will equal the sum of (i) 100% of the principal amount of the applicable UPCB SPE Notes to be redeemed, (ii) the excess of (a) the present value at such redemption date of (1) the redemption price of such UPCB SPE Notes on the applicable UPCB SPE Notes Call Date, as determined in accordance with the table below, plus (2) all required remaining scheduled interest payments thereon due through the applicable UPCB SPE Notes Call Date (excluding accrued and unpaid interest to such redemption date), computed using the discount rate specified in the applicable UPCB SPE Indenture, over (b) the principal amount of such UPCB SPE Notes to be redeemed and (iii) accrued but unpaid interest thereon and Additional Amounts (as defined in the applicable UPCB SPE Indenture), if any, to the applicable redemption date (the Make-Whole Redemption Price). However, in the case of an Early Redemption Event with respect to Facility Z, AC or AD occurring prior to the applicable UPCB SPE Notes Call Date, the redemption price payable upon redemption of an aggregate principal amount of the relevant UPCB SPE Notes not exceeding 10% of the original aggregate principal amount of such UPCB SPE Notes during each twelve-month period commencing on February 16, 2011, in the case of Facility Z, November 16, 2011, in the case of Facility AC or February 7, 2012 in the case of Facility AD, will equal 103% of the principal amount of the relevant UPCB SPE Notes redeemed plus accrued and unpaid interest thereon and Additional Amounts, if any, to the applicable redemption date. The redemption price payable for any principal amount of such UPCB SPE Notes redeemed in excess of the 10% limitation will be the Make-Whole Redemption Price.

Upon the occurrence of an Early Redemption Event on or after the applicable UPCB SPE Notes Call Date, the applicable UPCB SPE will redeem an aggregate principal amount of its UPCB SPE Notes equal to the principal amount of the related Funded Facility prepaid at the following redemption prices (expressed as a percentage of the principal amount), plus accrued and unpaid interest and Additional Amounts, if any, to the applicable redemption date, if redeemed during the twelve month period commencing on January 15 in the case of the UPCB Finance I Notes and the UPCB Finance VI Notes, July 1 in the case of the UPCB Finance II Notes and the UPCB Finance III Notes and November 15 in the case of the UPCB Finance V Notes, of the years set forth below:

	Redemption Price				
Year	**UPCB Finance I Notes**	**UPCB Finance II Notes**	**UPCB Finance III Notes**	**UPCB Finance V Notes**	**UPCB Finance VI Notes**
2015	103.813%	103.188%	103.313%	N.A.	N.A.
2016	102.542%	102.125%	102.208%	103.625%	N.A.
2017	101.271%	101.063%	101.104%	102.417%	103.438%
2018	100.000%	100.000%	100.000%	101.208%	102.292%
2019	100.000%	100.000%	100.000%	100.000%	101.146%
2020 and thereafter	100.000%	100.000%	100.000%	100.000%	100.000%

Unitymedia KabelBW Notes and KBW Notes

Unitymedia KabelBW Exchange, Special Optional Redemptions and KBW Fold-in. Prior to the exchange and redemption transactions described below, the KBW Notes consisted of (i) UPC Germany HC1's €680.0 million ($897.5 million) principal amount of 9.5% senior notes due 2021 (the KBW Senior Notes) and (ii) KBW's (a) €800.0 million ($1,055.8 million) principal amount of 7.5% senior secured notes due 2019 (the KBW Euro Senior Secured Notes), (b) $500.0 million principal amount of 7.5% senior secured notes due 2019 (the KBW Dollar Senior Secured Notes and together with the KBW Euro Senior Secured Notes, the KBW Senior Secured Fixed Rate Notes) and (c) €420.0 million ($554.3 million) principal amount of senior secured floating rate notes due 2018 (the KBW Senior Secured Floating Rate Notes and together with the KBW Senior Secured Fixed Rate Notes, the KBW Senior Secured Notes).

In May 2012, Unitymedia KabelBW and certain of its subsidiaries completed (i) the exchange (the Unitymedia KabelBW Exchange) of (a) 90.9% of the outstanding principal amount of the KBW Senior Notes for an equal amount of UM Senior Exchange Notes (as defined and described below) and (b) 92.5% of the outstanding principal amount of the KBW Senior Secured Notes for an equal amount of UM Senior Secured Exchange Notes (as defined and described below), (ii) the redemption (the Special Optional Redemptions) of the remaining KBW Notes that were not exchanged pursuant to the Unitymedia KabelBW Exchange and (iii) a series of mergers and consolidations, pursuant to which an indirect parent company of KBW became a subsidiary of Unitymedia Hessen (the KBW Fold-in). The redemption price with respect to the Special Optional Redemptions was 101% of the applicable principal amount thereof, and such redemptions were initially funded with borrowings under the Unitymedia KabelBW Revolving Credit Facility and the New Unitymedia KabelBW Revolving Credit Facility, each as defined and described below. In connection with these transactions, we recognized aggregate losses on debt modification and extinguishment of $7.0 million during the first nine months of 2012, including (i) $5.6 million of third-party costs and (ii) a loss of $1.4 million representing the difference between the carrying value and redemption price of the debt redeemed pursuant to the Special Optional Redemptions.

The details of (i) the Unitymedia KabelBW Exchange and (ii) the Special Optional Redemptions are as follows:

	Outstanding principal amount prior to the Unitymedia KabelBW Exchange		Principal amount exchanged pursuant to the Unitymedia KabelBW Exchange		Principal amount redeemed pursuant to the Special Optional Redemptions	
KBW Notes	Borrowing currency	U.S. $ equivalent (a)	Borrowing currency	U.S. $ equivalent (a)	Borrowing currency	U.S. $ equivalent (a)
			in millions			
KBW Senior Notes (b)	€ 680.0	$ 890.0	€ 618.0	$ 808.8	€ 62.0	$ 81.2
KBW Euro Senior Secured Notes (c)	€ 800.0	1,047.0	€ 735.1	962.1	€ 64.9	84.9
KBW Dollar Senior Secured Notes (d)	$ 500.0	500.0	$ 459.3	459.3	$ 40.7	40.7
KBW Senior Secured Floating Rate Notes (e)	€ 420.0	549.7	€ 395.9	518.2	€ 24.1	31.5
		$ 2,986.7		$ 2,748.4		$ 238.3

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(a) Translations are calculated as of the May 4, 2012 transaction date.

(b) The KBW Senior Notes tendered for exchange were exchanged for an equal principal amount of 9.5% senior notes issued by Unitymedia KabelBW due March 15, 2021 (the UM Senior Exchange Notes).

(c) The KBW Euro Senior Secured Notes tendered for exchange were exchanged for an equal principal amount of 7.5% senior secured notes issued by Unitymedia Hessen and Unitymedia NRW GmbH (Unitymedia NRW) (each a subsidiary of Unitymedia KabelBW and together, the UM Senior Secured Notes Issuers) due March 15, 2019 (the UM Euro Senior Secured Exchange Notes).

(d) The KBW Dollar Senior Secured Notes tendered for exchange were exchanged for an equal principal amount of 7.5% senior secured notes issued by the UM Senior Secured Notes Issuers due March 15, 2019 (the UM Dollar Senior Secured Exchange Notes and, together with the UM Euro Senior Secured Exchange Notes, the UM Senior Secured Fixed Rate Exchange Notes).

(e) The KBW Senior Secured Floating Rate Notes tendered for exchange were exchanged for an equal principal amount of senior secured floating rate notes issued by the UM Senior Secured Notes Issuers due March 15, 2018 (the UM Senior Secured Floating Rate Exchange Notes and, together with the UM Senior Secured Fixed Rate Exchange Notes, the UM Senior Secured Exchange Notes). The UM Senior Secured Floating Rate Exchange Notes bear interest at a rate of EURIBOR plus 4.25% and interest is payable quarterly on March 15, June 15, September 15 and December 15. We refer to the UM Senior Exchange Notes and the UM Senior Secured Exchange Notes collectively as the “UM Exchange Notes.”

September 2012 UM Senior Secured Notes. On September 19, 2012, the UM Senior Secured Notes Issuers issued €650.0 million ($857.8 million) principal amount of 5.5% senior secured notes due September 15, 2022 (the September 2012 UM Senior Secured Notes). The net proceeds from the issuance of the September 2012 UM Senior Secured Notes were used to redeem in full the UM Senior Secured Floating Rate Exchange Notes at a redemption price of 101%, with the remaining €241.8 million ($319.1 million) available for general corporate purposes. During the third quarter of 2012, we recognized losses on debt extinguishment of $10.2 million representing the difference between the carrying value and redemption price of the debt redeemed.

December 2012 UM Senior Secured Notes. On December 14, 2012, the UM Senior Secured Notes Issuers issued $1.0 billion principal amount of 5.5% senior secured notes due January 15, 2023 (the December 2012 UM Dollar Senior Secured Notes) and €500.0 million ($659.9 million) principal amount of 5.75% senior secured notes due January 15, 2023 (the December 2012 UM Euro Senior Secured Notes, and together with the December 2012 UM Dollar Senior Secured Notes, the December 2012 UM Senior Secured Notes), each at par. The net proceeds from the issuance of the December 2012 UM Senior Secured Notes were used to purchase and redeem (i) all of the 2009 UM Dollar Senior Secured Notes (as defined and described below) and (ii) €524.0 million ($691.6 million) of the 2009 UM Euro Senior Secured Notes (as defined and described below). During the fourth quarter of 2012, we recognized losses on debt extinguishment of $175.8 million including a loss of (i) $125.9 million representing the difference between the carrying value and redemption price of the debt redeemed and (ii) $49.4 million associated with the write-off of deferred financing costs and an unamortized discount.

2009 UM Notes and the Unitymedia Debt Pushdown. In November 2009, Unitymedia KabelBW issued (i) €1,430.0 million ($1,887.3 million) principal amount of 8.125% senior secured notes (the 2009 UM Euro Senior Secured Notes) at an issue price of 97.844%, (ii) $845.0 million principal amount of 8.125% senior secured notes (the 2009 UM Dollar Senior Secured Notes and, together with the 2009 UM Euro Senior Secured Notes, the 2009 UM Senior Secured Notes) at an issue price of 97.844% and (iii) €665.0 million ($877.7 million) principal amount of 9.625% senior notes (the 2009 UM Senior Notes and together with the 2009 UM Senior Secured Notes, the 2009 UM Notes) at an issue price of 97.652%. The net proceeds from the sale of the 2009 UM Notes ($3,773.5 million at the transaction date in 2009) were placed into two escrow accounts. On January 28, 2010, we used €849.2 million ($1,186.6 million at the transaction date) of cash from the escrow accounts to fund a portion of the Unitymedia Purchase Price (see note 3). On March 2, 2010, (i) the remaining balances in the escrow accounts were released in connection with the repayment of Old Unitymedia's then-existing indebtedness, (ii) the obligations under the 2009 UM Euro Senior Secured Notes and the 2009 UM Dollar Senior Secured Notes were assumed by Unitymedia Hessen and Unitymedia NRW and (iii) the obligations under the 2009 UM Senior Notes were assumed by Old Unitymedia (collectively, the Unitymedia Debt Pushdown). Old Unitymedia was merged into Unitymedia KabelBW in September 2010.

We refer to the 2009 UM Notes, the UM Exchange Notes, the September 2012 UM Senior Secured Notes and the December 2012 UM Senior Secured Notes, collectively as the "Unitymedia KabelBW Notes."

The details of the Unitymedia KabelBW Notes are summarized in the following table:

			December 31, 2012			
			Outstanding principal amount			
Unitymedia KabelBW Notes	Maturity	Interest rate	Borrowing currency	U.S. $ equivalent	Estimated fair value	Carrying value (a)
			in millions			
2009 UM Senior Notes	December 1, 2019	9.625%	€ 665.0	$ 877.7	$ 988.4	$ 861.4
2009 UM Euro Senior Secured Notes	December 1, 2017	8.125%	€ 906.0	1,195.6	1,295.1	1,177.8
UM Senior Exchange Notes	March 15, 2021	9.500%	€ 618.0	815.5	948.6	813.4
UM Euro Senior Secured Exchange Notes	March 15, 2019	7.500%	€ 735.1	970.1	1,070.2	978.0
UM Dollar Senior Secured Exchange Notes	March 15, 2019	7.500%	$ 459.3	459.3	506.1	467.2
September 2012 UM Senior Secured Notes	September 15, 2022	5.500%	€ 650.0	857.8	882.5	857.8
December 2012 UM Dollar Senior Secured Notes	January 15, 2023	5.500%	$ 1,000.0	1,000.0	1,036.9	1,000.0
December 2012 UM Euro Senior Secured Notes	January 15, 2023	5.750%	€ 500.0	659.9	688.7	659.9
				$ 6,835.9	$ 7,416.5	$ 6,815.5

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(a) Amounts include the impact of premiums and discounts, where applicable.

The 2009 UM Senior Notes and the UM Senior Exchange Notes are senior obligations of Unitymedia KabelBW that rank equally with all of the existing and future senior debt of Unitymedia KabelBW and are senior to all existing and future subordinated debt of Unitymedia KabelBW. The 2009 UM Senior Notes and the UM Senior Exchange Notes are secured by a first-ranking pledge over the shares of Unitymedia KabelBW and junior-priority share pledges and other asset security of certain subsidiaries of Unitymedia KabelBW.

The 2009 UM Senior Secured Notes, the UM Senior Secured Exchange Notes, the September 2012 UM Senior Secured Notes and the December 2012 UM Senior Secured Notes are (i) senior obligations of the UM Senior Secured Notes Issuers that rank equally with all of the existing and future senior debt of each UM Senior Secured Notes Issuer and are senior to all existing and future subordinated debt of each of the UM Senior Secured Notes Issuers and (ii) are secured by a first-ranking pledge over the shares of Unitymedia KabelBW and the UM Senior Secured Notes Issuers and certain other share and/or asset security of Unitymedia KabelBW and certain of its subsidiaries.

The Unitymedia KabelBW Notes contain certain customary incurrence-based covenants. For example, the ability to raise certain additional debt and make certain distributions or loans to other subsidiaries of LGI is subject to a Consolidated Leverage Ratio test, as defined in the applicable indenture. The Unitymedia KabelBW Notes provide that any failure to pay principal prior to expiration of any applicable grace period, or any acceleration with respect to other indebtedness of €25.0 million ($33.0 million) or more in the aggregate of Unitymedia KabelBW or a UM Senior Secured Notes Issuer or any of the Restricted Subsidiaries (as defined in the applicable indenture) is an event of default under the Unitymedia KabelBW Notes.

Subject to the circumstances described below, the 2009 UM Senior Notes are non-callable until December 1, 2014, the UM Senior Exchange Notes are non-callable until March 15, 2016, the UM Senior Secured Fixed Rate Exchange Notes are non-callable until March 15, 2015, the September 2012 UM Senior Secured Notes are non-callable until September 15, 2017 and the December 2012 UM Senior Secured Notes are non-callable until January 15, 2018.

At any time prior to December 1, 2014, in the case of the 2009 UM Senior Notes, March 15, 2016, in the case of the UM Senior Exchange Notes, March 15, 2015, in the case of the UM Senior Secured Fixed Rate Exchange Notes, September 15, 2017, in the case of the September 2012 UM Senior Secured Notes and January 15, 2018, in the case of the December 2012 UM Senior Secured

Notes, Unitymedia KabelBW and the UM Senior Secured Notes Issuers (as applicable) may redeem some or all of the UM Senior Exchange Notes, the UM Senior Secured Fixed Rate Exchange Notes, the September 2012 UM Senior Secured Notes or the December 2012 UM Senior Secured Notes (as applicable) by paying a "make-whole" premium, which is the present value of all remaining scheduled interest payments to the redemption date using the discount rate (as specified in the applicable indenture) as of the redemption date plus 50 basis points.

Unitymedia KabelBW and the UM Senior Secured Notes Issuers (as applicable) may redeem some or all of the Unitymedia KabelBW Notes at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and Additional Amounts (as defined in the applicable indenture), if any, to the applicable redemption date, if redeemed during the twelve-month period commencing on December 1, in the case of the 2009 UM Senior Notes and the 2009 UM Senior Secured Notes, March 15, in the case of the UM Senior Exchange Notes and the UM Senior Secured Fixed Rate Exchange Notes, September 15, in the case of the September 2012 UM Senior Secured Notes, or January 15, in the case of the December 2012 UM Senior Secured Notes, of the years set forth below:

	Redemption Price						
Year	2009 UM Senior Notes	2009 UM Senior Secured Notes	UM Senior Exchange Notes	UM Senior Secured Fixed Rate Exchange Notes	September 2012 UM Senior Secured Notes	December 2012 UM Dollar Senior Secured Notes	December 2012 UM Euro Senior Secured Notes
2013	N.A.	104.063%	N.A.	N.A.	N.A.	N.A.	N.A.
2014	104.813%	102.031%	N.A.	N.A.	N.A.	N.A.	N.A.
2015	103.208%	100.000%	N.A.	103.750%	N.A.	N.A.	N.A.
2016	101.604%	100.000%	104.750%	101.875%	N.A.	N.A.	N.A.
2017	100.000%	100.000%	103.167%	100.000%	102.750%	N.A.	N.A.
2018	100.000%	N.A.	101.583%	100.000%	101.833%	102.750%	102.875%
2019	100.000%	N.A.	100.000%	100.000%	100.917%	101.833%	101.917%
2020	N.A.	N.A.	100.000%	N.A.	100.000%	100.917%	100.958%
2021 and thereafter	N.A.	N.A.	100.000%	N.A.	100.000%	100.000%	100.000%

In addition, at any time prior to September 15, 2015 in the case of the September 2012 UM Senior Secured Notes or January 15, 2016 in the case of the December 2012 UM Senior Secured Notes, the UM Senior Secured Notes Issuers may redeem up to 40% of the September 2012 UM Senior Secured Notes or the December 2012 UM Senior Secured Notes (at redemption prices of 105.500% in the case of the September 2012 UM Senior Secured Notes and the December 2012 UM Dollar Senior Secured Notes and 105.750% in the case of the December 2012 UM Euro Senior Secured Notes) with the net proceeds from one or more specified equity offerings.

KBW and its immediate parent (collectively, the New UM Guarantors) have granted, in addition to guarantees provided by Unitymedia KabelBW and/or certain of its subsidiaries, as applicable, of the 2009 UM Senior Notes and the 2009 UM Senior Secured Notes, a senior guarantee of the 2009 UM Senior Secured Notes and a senior subordinated guarantee of the 2009 UM Senior Notes. The New UM Guarantors have also granted a senior subordinated guarantee of the UM Senior Exchange Notes and a senior guarantee of the UM Senior Secured Exchange Notes, the September 2012 UM Senior Secured Notes and the December 2012 UM Senior Secured Notes. In addition, the New UM Guarantors have provided certain share and asset security in favor of the 2009 UM Senior Secured Notes, the UM Senior Secured Exchange Notes, the September 2012 UM Senior Secured Notes and the December 2012 UM Senior Secured Notes.

Unitymedia KabelBW and the UM Senior Secured Notes Issuers (as applicable) may redeem all of the Unitymedia KabelBW Notes at prices equal to their respective principal amounts, plus accrued and unpaid interest, upon the occurrence of certain changes in tax law. If Unitymedia KabelBW and the UM Senior Secured Notes Issuers (as applicable) or certain of Unitymedia KabelBW's subsidiaries sell certain assets or experience specific changes in control, Unitymedia KabelBW and the UM Senior Secured Notes Issuers (as applicable) must offer to repurchase the Unitymedia KabelBW Notes at a redemption price of 101%.

Unitymedia KabelBW Revolving Credit Facilities

On May 1, 2012, Unitymedia Hessen entered into a €312.5 million ($412.4 million) secured revolving credit facility agreement with certain lenders (the New Unitymedia KabelBW Revolving Credit Facility). On August 28, 2012, the New Unitymedia KabelBW Revolving Credit Facility was increased to €337.5 million ($445.4 million). The interest rate for the New Unitymedia KabelBW Revolving Credit Facility is EURIBOR plus a margin of 3.25%. Borrowings under the New Unitymedia KabelBW Revolving Credit Facility mature on June 30, 2017. The New Unitymedia KabelBW Revolving Credit Facility provides for an annual commitment fee of 1.25% on the unused portion. Also on May 1, 2012, Unitymedia KabelBW's existing €80.0 million ($105.6 million) secured revolving credit facility agreement with certain lenders (the Unitymedia KabelBW Revolving Credit Facility, and together with the New Unitymedia KabelBW Revolving Credit Facility, the Unitymedia KabelBW Revolving Credit Facilities) was amended whereby the maturity date was extended to June 30, 2017 and the interest rate was reduced to EURIBOR plus a margin of 2.50%. The Unitymedia KabelBW Revolving Credit Facility is senior to (i) the 2009 UM Notes, (ii) the UM Exchange Notes, (iii) the September 2012 UM Senior Secured Notes, (iv) the December 2012 UM Senior Secured Notes and (v) the New Unitymedia KabelBW Revolving Credit Facility. The Unitymedia KabelBW Revolving Credit Facility provides for an annual commitment fee of 1.00% on the unused portion. In connection with the Special Optional Redemptions, (i) the Unitymedia KabelBW Revolving Credit Facility was drawn in full and (ii) borrowings of €105.0 million ($137.8 million at the transaction date) were drawn against the New Unitymedia KabelBW Revolving Credit Facility. Such borrowings were repaid during the second quarter of 2012. The Unitymedia KabelBW Revolving Credit Facilities may be used for general corporate and working capital purposes.

In addition to customary restrictive covenants and events of default, the Unitymedia KabelBW Revolving Credit Facilities require compliance with a Consolidated Leverage Ratio, as defined in the applicable facility. The Unitymedia KabelBW Revolving Credit Facilities are secured by a pledge over the shares of the borrower and certain other asset security of certain subsidiaries of Unitymedia KabelBW.

Telenet Credit Facility

The Telenet Credit Facility, as amended, is the senior secured credit facility of Telenet NV and Telenet International. In addition to customary restrictive covenants, prepayment requirements and events of default, including defaults on other indebtedness of Telenet and its subsidiaries, the Telenet Credit Facility requires compliance with a Net Total Debt to Consolidated Annualized EBITDA covenant and a Consolidated EBITDA to Total Cash Interest covenant, each capitalized term as defined in the Telenet Credit Facility. Under the Telenet Credit Facility, members of the borrower group are permitted to make certain distributions and restricted payments to its shareholders subject to compliance with applicable covenants. The Telenet Credit Facility is secured by (i) pledges over the shares of Telenet NV and certain of its subsidiaries, (ii) pledges over certain intercompany and subordinated shareholder loans and (iii) pledges over certain receivables, real estate and other assets of Telenet NV, Telenet International and certain other Telenet subsidiaries. The agreement governing the Telenet Credit Facility contains covenants that limit, among other things, Telenet's ability to merge with or into another company, acquire other companies, incur additional debt, dispose of assets, make distributions or pay dividends, provide loans and guarantees and enter into hedging agreements. In addition to customary default provisions, including defaults on other indebtedness of Telenet and its subsidiaries, the Telenet Credit Facility provides that any event of default with respect to indebtedness of €50.0 million ($66.0 million) or more in the aggregate of Telenet and certain of its subsidiaries is an event of default under the Telenet Credit Facility.

The details of our borrowings under the Telenet Credit Facility are summarized in the following table:

		December 31, 2012			
Facility	**Final maturity date**	**Interest rate**	**Facility amount (in borrowing currency) (a)**	**Unused borrowing capacity (b)**	**Carrying value**
				in millions	
M (c)	November 15, 2020	6.375%	€ 500.0	$ —	$ 659.9
N (c)	November 15, 2016	5.300%	€ 100.0	—	131.9
O (c)	February 15, 2021	6.625%	€ 300.0	—	395.9
P (c)	June 15, 2021	EURIBOR + 3.875%	€ 400.0	—	527.9
Q	July 31, 2017	EURIBOR + 3.25%	€ 431.0	—	568.8
R	July 31, 2019	EURIBOR + 3.625%	€ 798.6	—	1,054.0
S	December 31, 2016	EURIBOR + 2.75%	€ 158.0	208.5	—
T	December 31, 2018	EURIBOR + 3.50%	€ 175.0	—	230.9
U (c)	August 15, 2022	6.250%	€ 450.0	—	593.9
V (c)	August 15, 2024	6.750%	€ 250.0	—	329.9
Elimination of Telenet Facilities M, N, O, P, U and V in consolidation (c)				—	(2,639.4)
Total				$ 208.5	$ 1,853.7

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(a) Except as described in (c) below, amounts represent total third-party facility amounts at December 31, 2012.

(b) Telenet Facility S has a commitment fee on unused and uncanceled balances of 1.10% per year.

(c) As described below, the amounts outstanding under Telenet Facilities M, N, O, P, U and V are eliminated in LGI’s consolidated financial statements.

Refinancing Transactions. During 2012, 2011 and 2010, Telenet completed a number of refinancing transactions. These refinancing transactions, which generally were undertaken to extend the maturities of Telenet’s borrowings under the Telenet Credit Facility, are set forth below.

2012 Transactions. On February 17, 2012, Telenet International entered into an additional facility accession agreement (the Additional Facility T Accession Agreement) under the Telenet Credit Facility. Pursuant to the Additional Facility T Accession Agreement, certain lenders agreed to provide a new term loan facility in an aggregate principal amount of €175.0 million ($230.9 million) (Telenet Facility T).

On February 29, 2012, Telenet International entered into two additional facility accession agreements, the Additional Facility Q2 Accession Agreement (the Q2 Accession Agreement) and the Additional Facility R2 Accession Agreement (the R2 Accession Agreement) under the Telenet Credit Facility. Pursuant to the Q2 Accession Agreement and the R2 Accession Agreement, certain lenders agreed to provide new term loan facilities in an aggregate principal amount of €74.0 million ($97.7 million) (Telenet Facility Q2) and €50.0 million ($66.0 million) (Telenet Facility R2), respectively. In connection with these transactions, certain lenders under the existing Telenet Facility Q and Telenet Facility R under the Telenet Credit Facility agreed to novate their existing Telenet Facility Q commitments (in an aggregate amount of €74.0 million ($97.7 million)) and their existing Telenet Facility R commitments (in an amount of €50.0 million ($66.0 million)) to Telenet Luxembourg Finance Centre S.à r.l. (Telenet Luxembourg), a subsidiary of Telenet NV, and to enter into the new Telenet Facility Q2 and Telenet Facility R2. Telenet Facilities Q and R were reduced by the amounts of Telenet Facilities Q2 and R2 during the first quarter of 2012 using the proceeds from Telenet Facility T. Telenet Facilities Q2 and R2 were each drawn in full on August 31, 2012 and subsequently merged into Telenet Facilities Q and R, respectively.

2011 Transactions. During the third quarter of 2011, pursuant to various additional facility accession agreements, Telenet International executed (i) two new term loan facilities (Telenet Facilities Q and R) in aggregate principal amounts of €431.0 million ($568.8 million) and €798.6 million ($1,054.0 million), respectively, and (ii) a revolving credit facility (Telenet Facility S) in an aggregate principal amount of €158.0 million ($208.5 million). In connection with these transactions, (i) certain lenders novated their existing Telenet Facility G drawn commitments to Telenet Luxembourg, and entered into the new Telenet Facilities Q and R and (ii) Telenet's then-existing undrawn €175.0 million ($251.7 million at the transaction date) revolving credit facility was canceled. As a result of these transactions, €1,229.6 million ($1,746.3 million at the transaction date) of Telenet Facility G drawn commitments were effectively rolled into the new Telenet Facilities Q and R. Telenet Facilities Q, R and S may be increased in the future by entering into one or more additional facility accession agreements.

In addition, during 2011, we refinanced the remaining amounts outstanding under Telenet Facilities K, L1, G and J with proceeds received from the issuance of certain of the Telenet SPE Notes, as defined and described below. In connection with these repayments, Telenet recognized aggregate debt extinguishment losses of $14.8 million, representing the write-off of deferred financing costs of $9.5 million and the incurrence of third-party costs of $5.3 million.

2010 Transactions. On October 4, 2010, Telenet International entered into seven new additional facility accession agreements (the Additional Facility G, H, I, J, K, L1 and L2 Accession Agreements, together the Additional Facility Accession Agreements) under the Telenet Credit Facility. Pursuant to the Additional Facility Accession Agreements, certain existing Telenet Facility A, B1, B2A, B2B, C, D, E1, E2 and F lenders (the Rolling Lenders) rolled substantially all of their existing commitments under the Telenet Credit Facility into new term loan facilities (Telenet Facilities G, H, I, J, K, L1 and L2). The Rolling Lenders novated their existing Telenet Facility A, B1, B2A, B2B, C, D, E1, E2 and F commitments to Telenet Luxembourg, and entered into the new Telenet Facilities G, H, I, J, K, L1 and L2. Telenet Luxembourg, the initial lender under the Additional Facility Accession Agreements, novated its Telenet Facility G, H, I, J, K, L1 and L2 commitments to the Rolling Lenders. The novation process was completed on October 12, 2010. On October 29, 2010, the remainder of Telenet Facilities B and F were redeemed. In connection with the completion of these transactions, third-party costs of $2.4 million were charged to expense during the fourth quarter of 2010 and are included in losses on debt modification, extinguishment and conversion, net, in our consolidated statement of operations.

In connection with the Additional Facility Accession Agreements, Telenet NV entered into a supplemental agreement, dated October 4, 2010 (the Supplemental Agreement), amending the Telenet Credit Facility. The Supplemental Agreement provides that no new additional facility may be executed under the Telenet Credit Facility unless either (a) the average maturity date of the additional facility (taking into account any scheduled amortization and any voluntary or mandatory cancellation which is anticipated when the additional facility is arranged) is no earlier than July 31, 2017 or (b) after giving effect to the utilization in full of such additional facility the ratio of Net Total Debt to Consolidated Annualized EBITDA (as defined in the Telenet Credit Facility) would not be greater than 4:1.

In addition, during the fourth quarter of 2010, we refinanced the remaining amounts outstanding under Telenet Facilities H, I and L2 with proceeds received from the issuance of certain of the Telenet SPE Notes, as defined and described below.

Telenet SPE Notes

Telenet Finance Luxembourg S.C.A. (Telenet Finance), Telenet Finance Luxembourg II S.A. (Telenet Finance II), Telenet Finance III Luxembourg S.C.A. (Telenet Finance III), Telenet Finance IV Luxembourg S.C.A. (Telenet Finance IV) and Telenet Finance V Luxembourg S.C.A. (Telenet Finance V and together with Telenet Finance, Telenet Finance II, Telenet Finance III and Telenet Finance IV, the Telenet SPEs) are each special purpose financing entities created for the primary purposes of facilitating the offerings of €500.0 million ($659.9 million) principal amount of 6.375% senior secured notes (the Telenet Finance Notes), €100.0 million ($131.9 million) principal amount of 5.3% senior secured notes (the Telenet Finance II Notes), €300.0 million ($395.9 million) principal amount of 6.625% senior secured notes (the Telenet Finance III Notes), €400.0 million ($527.9 million) principal amount of floating rate senior secured notes (the Telenet Finance IV Notes), €450.0 million ($593.9 million) principal amount of 6.25% senior secured notes (the 6.25% Telenet Finance V Notes) and €250.0 million ($329.9 million) principal amount of 6.75% senior secured notes (the 6.75% Telenet Finance V Notes, and together with the 6.25% Telenet Finance V Notes, the Telenet Finance V Notes). We refer to the Telenet Finance Notes, the Telenet Finance II Notes, the Telenet Finance III Notes, the Telenet Finance IV Notes and the Telenet Finance V Notes collectively as the "Telenet SPE Notes."

Telenet Finance is owned 99.9% by a foundation established under the laws of the Netherlands and 0.1% by a Luxembourg private limited liability company as general partner. On November 3, 2010, Telenet Finance issued the Telenet Finance Notes at par and used the proceeds to fund a new additional facility (Telenet Facility M) under the Telenet Credit Facility, with Telenet International as the borrower. Telenet International used €201.7 million ($282.7 million at the transaction date) of the proceeds from Telenet Facility M to repay outstanding amounts under Facilities H, I and L2 of the Telenet Credit Facility, and to service certain payments to Telenet Finance under agreements related to Telenet Facility M and the Telenet Finance Notes. In connection with these repayments, Telenet incurred debt extinguishment losses of $3.1 million, representing the write-off of deferred financing costs.

Telenet Finance II is owned by a foundation established under the laws of the Netherlands. On November 26, 2010, Telenet Finance II issued the Telenet Finance II Notes at an original issue price of 101.75% and used the proceeds to fund an additional facility (Telenet Facility N) under the Telenet Credit Facility, with Telenet International as the borrower.

Telenet Finance III is owned 99.9% by a foundation established under the laws of the Netherlands and 0.1% by a Luxembourg private limited liability company as general partner. On February 15, 2011, Telenet Finance III issued the Telenet Finance III Notes at par and used the proceeds to fund a new additional facility (Telenet Facility O) under the Telenet Credit Facility, with Telenet International as the borrower. Telenet International applied €286.5 million ($387.1 million at the transaction date) of the proceeds from Telenet Facility O to redeem a portion of the outstanding borrowings under Telenet Facilities K and L1. The remaining €80.0 million ($105.6 million) of outstanding borrowings under Telenet Facilities K and L1 were rolled into a new Telenet Facility G2, which had terms similar to the then existing Telenet Facility G.

Telenet Finance IV is owned 99.9% by a foundation established under the laws of the Netherlands and 0.1% by a Luxembourg private limited liability company as general partner. On June 15, 2011, Telenet Finance IV issued the Telenet Finance IV Notes at par and used the proceeds to fund a new additional facility (Telenet Facility P) under the Telenet Credit Facility, with Telenet International as the borrower. In July 2011, Telenet International used the proceeds from Telenet Facility P to repay the remaining €400.1 million ($575.4 million at the transaction date) outstanding under Telenet Facilities G and J of the Telenet Credit Facility, after taking into account the €1,229.6 million ($1,746.3 million at the transaction date) of Telenet Facility G commitments that were rolled into new Telenet Facilities Q and R under the Telenet Credit Facility.

Telenet Finance V is owned 99.9% by a foundation established under the laws of the Netherlands and 0.1% by a Luxembourg private limited liability company as general partner. On August 13, 2012, Telenet Finance V issued the 6.25% Telenet Finance V Notes and the 6.75% Telenet Finance V Notes, each at par, and used the proceeds to fund new Telenet Facilities U and V, respectively, each under the Telenet Credit Facility, with Telenet International as the borrower for each facility.

Each Telenet SPE is dependent on payments from Telenet International under the applicable Telenet Facility M, N, O, P, U or V (each, a Telenet SPE Funded Facility) of the Telenet Credit Facility in order to service its payment obligations under its Telenet SPE Notes. Although Telenet International has no equity or voting interest in any of the Telenet SPEs, each of the Telenet SPE Funded Facility loans creates a variable interest in the respective Telenet SPE for which Telenet International is the primary beneficiary, as contemplated by GAAP. As such, Telenet International and its parent entities, including Telenet and LGI, are required by the provisions of GAAP to consolidate the Telenet SPEs. Accordingly, the amounts outstanding under Telenet Facilities M, N, O, P, U and V have been eliminated in LGI's consolidated financial statements.

Pursuant to the respective indentures for the Telenet SPE Notes (the Telenet SPE Indentures) and the respective accession agreements for the Telenet SPE Funded Facilities, the call provisions, maturity and applicable interest rate for each Telenet SPE Funded Facility are the same as those of the related Telenet SPE Notes. The Telenet SPEs, as lenders under the Telenet Credit Facility, are treated the same as the other lenders under the Telenet Credit Facility, with benefits, rights and protections similar to those afforded to the other lenders. Through the covenants in the applicable Telenet SPE Indenture and the applicable security interests over (i) all of the issued shares of the relevant Telenet SPE and (ii) the relevant Telenet SPE's rights under the applicable Telenet SPE Funded Facility granted to secure the obligations of the relevant Telenet SPE under the relevant Telenet SPE Notes, the holders of the Telenet SPE Notes are provided indirectly with the benefits, rights, protections and covenants, granted to the Telenet SPEs as lenders under the Telenet Credit Facility.

The Telenet SPEs are prohibited from incurring any additional indebtedness, subject to certain exceptions, under the Telenet SPE Indentures.

Subject to the circumstances described below, the Telenet Finance Notes may not be redeemed prior to November 15, 2015, the Telenet Finance III Notes may not be redeemed prior to February 15, 2016, the Telenet Finance IV Notes may not be redeemed prior to June 15, 2014, the 6.25% Telenet Finance V Notes may not be redeemed prior to August 15, 2017 (except as described above) and the 6.75% Telenet Finance V Notes may not be redeemed prior to August 15, 2018 (each a Telenet SPE Notes Call Date). If, however, at any time prior to the applicable Telenet SPE Notes Call Date, a voluntary prepayment of all or a portion of the loans under the related Telenet SPE Funded Facility occurs, then the applicable Telenet SPE will be required to redeem an aggregate principal amount of its Telenet SPE Notes equal to the principal amount of the loans so prepaid under the related Telenet SPE Funded Facility. The redemption price payable will equal the sum of (i) 100% of the principal amount of the applicable Telenet SPE Notes to be redeemed, (ii) the excess of (a) the present value at such redemption date of (1) the redemption price of such Telenet SPE Notes on the applicable Telenet SPE Notes Call Date, as determined in accordance with the table below, plus (2) all required remaining scheduled interest payments thereon due through the applicable Telenet SPE Notes Call Date (excluding accrued and unpaid interest to such redemption date), computed using the discount rate specified in the applicable Telenet SPE Indenture, over (b) the principal amount of such Telenet SPE Notes to be redeemed and (iii) accrued and unpaid interest thereon and Additional Amounts (as defined in the applicable Telenet SPE Indenture), if any, to the applicable redemption date.

The Telenet Finance II Notes may not be redeemed prior to November 15, 2013 and no voluntary prepayment of all or any portion of the related Telenet Facility N may occur prior to such date.

On or after (i) the applicable Telenet SPE Notes Call Date, upon the voluntary prepayment of all or a portion of the loans under the related Telenet SPE Funded Facility, the applicable Telenet SPE will redeem an aggregate principal amount of its Telenet SPE Notes equal to the principal amount of the loans so prepaid and (ii) November 15, 2013, upon the voluntary prepayment of Telenet Facility N, which may only be voluntarily prepaid in whole and not in part, Telenet Finance II will redeem all of the Telenet Finance II Notes at the following redemption prices (expressed as a percentage of the principal amount), plus accrued and unpaid interest and, in the case of the Telenet SPE Notes, other than the Telenet Finance II Notes, Additional Amounts (as defined in the applicable Telenet SPE Indenture), if any, to the applicable redemption date, if redeemed during the twelve-month period commencing on (a) November 15 for the Telenet Finance Notes and the Telenet Finance II Notes, (b) February 15 for the Telenet Finance III Notes, (c) June 15 for the Telenet Finance IV Notes and (d) August 15 for the Telenet Finance V Notes, of the years set forth below:

	Redemption Price					
Year	Telenet Finance Notes	Telenet Finance II Notes	Telenet Finance III Notes	Telenet Finance IV Notes	6.25% Telenet Finance V Notes	6.75% Telenet Finance V Notes
2013	N.A.	102.650%	N.A.	N.A.	N.A.	N.A.
2014	N.A.	101.770%	N.A.	102.000%	N.A.	N.A.
2015	103.188%	100.880%	N.A.	101.000%	N.A.	N.A.
2016	102.125%	100.000%	103.313%	100.000%	N.A.	N.A.
2017	101.063%	N.A.	102.209%	100.000%	103.125%	N.A.
2018	100.000%	N.A.	101.104%	100.000%	102.083%	103.375%
2019	100.000%	N.A.	100.000%	100.000%	101.563%	102.531%
2020	100.000%	N.A.	100.000%	100.000%	100.000%	101.688%
2021	N.A.	N.A.	100.000%	100.000%	100.000%	100.844%
2022 and thereafter	N.A.	N.A.	N.A.	N.A.	100.000%	100.000%

The details of the Telenet SPE Notes are summarized in the following table:

			December 31, 2012			
			Outstanding principal amount			
Telenet SPEs Notes	Maturity	Interest rate	Borrowing currency	U.S. $ equivalent	Estimated fair value	Carrying value (a)
			in millions			
Telenet Finance Notes	November 15, 2020	6.375%	€ 500.0	$ 659.9	$ 704.4	$ 659.9
Telenet Finance II Notes	November 15, 2016	5.300%	€ 100.0	131.9	135.8	133.5
Telenet Finance III Notes	February 15, 2021	6.625%	€ 300.0	395.9	422.4	395.9
Telenet Finance IV Notes	June 15, 2021	EURIBOR + 3.875%	€ 400.0	527.9	527.9	527.9
6.25% Telenet Finance V Notes	August 15, 2022	6.250%	€ 450.0	593.9	634.3	593.9
6.75% Telenet Finance V Notes	August 15, 2024	6.750%	€ 250.0	329.9	352.8	329.9
				$ 2,639.4	$ 2,777.6	$ 2,641.0

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(a) Amounts include the impact of premiums, where applicable.

Liberty Puerto Rico Bank Facility

Prior to August 13, 2012, Old Liberty Puerto Rico's bank facility (the Old Liberty Puerto Rico Bank Facility) consisted of (i) a $150.0 million amortizing term loan, (ii) a $20.0 million amortizing delayed draw Senior Credit Facility and (iii) a $10.0 million revolving loan. All amounts borrowed under the Old Liberty Puerto Rico Bank Facility bore interest at a margin of 2.00% over LIBOR.

On August 13, 2012, Old Liberty Puerto Rico entered into a new bank credit facility (the August 2012 Liberty Puerto Rico Bank Facility), the proceeds of which were used to repay the Old Liberty Puerto Rico Bank Facility and for general corporate purposes. The August 2012 Liberty Puerto Rico Bank Facility provided for (i) a $175.0 million senior secured term loan (the August 2012 LPR Term Loan) at an issue price of 99.0% and (ii) a $10.0 million senior secured revolving credit facility (the August 2012 LPR Revolving Loan). The August 2012 LPR Term Loan began amortizing at 1% per year on September 15, 2012. In connection with these transactions, we recognized aggregate losses on debt extinguishment of $4.4 million during the third quarter of 2012, including (i) $3.8 million of third-party costs incurred in connection with the August 2012 Liberty Puerto Rico Bank Facility and (ii) the write-off of deferred financing fees of $0.6 million relating to repayment of the Old Liberty Puerto Rico Bank Facility. In addition, the requirement under the Old Liberty Puerto Rico Bank Facility that Old Liberty Puerto Rico maintain a $10.0 million cash collateral account to protect against losses in connection with an uninsured casualty event was terminated, and such amount was reclassified from long-term restricted cash to cash and cash equivalents in our consolidated balance sheet.

In connection with the November 9, 2012 completion of the Puerto Rico Transaction (as described in note 3), (i) we began to consolidate the existing bank credit facility of OneLink, (ii) borrowings under the August 2012 LPR Term Loan became a new pari passu tranche of OneLink's existing bank credit facility, with OneLink as the borrower, (iii) the August 2012 LPR Revolving Loan was canceled and (iv) OneLink was renamed as Liberty Puerto Rico (as defined in note 3). Subsequent to the completion of the Puerto Rico Transaction, the bank credit facility of Liberty Puerto Rico is referred to as the "Liberty Puerto Rico Bank Facility."

At December 31, 2012, the Liberty Puerto Rico Bank Facility consists of (i) a $145.0 million second lien term loan (the LPR Term Loan A), (ii) a $345.0 million term loan (the LPR Term Loan B), (iii) the $175.0 million August 2012 LPR Term Loan and (iv) a $25.0 million revolving credit facility (the LPR Revolving Loan). All amounts borrowed under the LPR Term Loan A, the LPR Term Loan B and the LPR Revolving Loan bear interest, at Liberty Puerto Rico's option, at either (i) LIBOR multiplied by the Statutory Reserve Rate (as defined in the Liberty Puerto Rico Bank Facility) with a LIBOR floor of 1.50% or (ii) the Base Rate (as defined in the Liberty Puerto Rico Bank Facility) with a base rate floor of 2.50%. All amounts borrowed under the August 2012 LPR Term Loan bear interest, at Liberty Puerto Rico's option, at either (i) LIBOR plus 4.50% with a LIBOR floor of 1.50% or (ii) Base Rate (as defined in the Liberty Puerto Rico Bank Facility) plus 3.50% with a base rate floor of 2.50%. The LPR Term Loan

A, the LPR Term Loan B, the August 2012 LPR Term Loan and the LPR Revolving Loan have final maturities of June 9, 2018, June 9, 2017, June 9, 2017 and June 9, 2016, respectively. The LPR Revolving Loan has a commitment fee on unused and uncanceled balances of 0.5% or 0.375% as determined by the Total Leverage Ratio (as defined in the Liberty Puerto Rico Bank Facility).

In addition to customary restrictive covenants, prepayment requirements and events of default, including defaults on other indebtedness of Liberty Puerto Rico and its subsidiaries, the Liberty Puerto Rico Bank Facility requires compliance with the following financial covenants: (i) Total Leverage Ratio and (ii) First Lien Leverage Ratio, each capitalized term as defined in the Liberty Puerto Rico Bank Facility. The Liberty Puerto Rico Bank Facility permits Liberty Puerto Rico to transfer funds to its parent company (and indirectly to LGI) through loans, dividends or other distributions provided that Liberty Puerto Rico maintains compliance with applicable covenants.

The Liberty Puerto Rico Bank Facility is secured by pledges over (i) the Liberty Puerto Rico shares indirectly owned by our company and (ii) certain other assets owned by Liberty Puerto Rico.

VTR Wireless Bank Facility

On May 12, 2011, VTR Wireless entered into a CLP 60.0 billion ($125.3 million) term loan bank facility (the VTR Wireless Bank Facility). The outstanding borrowings under the VTR Wireless Bank Facility were CLP 44.0 billion ($91.9 million) as of December 31, 2012. The VTR Wireless Bank Facility has an initial due date of May 12, 2016 (the Initial Due Date). Beginning on the Initial Due Date and provided that no events of default have occurred, VTR Wireless can extend the maturity date by (i) meeting certain conditions precedent, including the achievement of (a) positive EBITDA for the twelve-month period preceding the Initial Due Date and (b) operating results that are substantially in line with the Business Plan (EBITDA and Business Plan each as defined in the VTR Wireless Bank Facility) and (ii) satisfying certain equity contribution requirements, as further discussed below. If the maturity date is so extended, the outstanding principal balance of the VTR Wireless Bank Facility will be due in nine semi-annual installments, as summarized in the following table:

Installment date	Installment amount (a)
May 12, 2016	6.67%
November 12, 2016 and May 12, 2017	9.17%
November 12, 2017 and May 12, 2018	10.83%
November 12, 2018 and May 12, 2019	12.50%
November 12, 2019	14.17%
May 12, 2020	14.16%

(a) Expressed as a percentage of the outstanding principal balance as of the Initial Due Date.

Through the Initial Due Date, the interest rate on outstanding borrowings is Nominal TAB (as defined in the VTR Wireless Bank Facility) plus 3.00%. After the Initial Due Date and through the extension period, the interest rate will be Nominal TAB plus 2.45%. The VTR Wireless Bank Facility has a commitment fee on undrawn balances of 0.45% per year plus applicable value-added tax. The VTR Wireless Bank Facility also has a voluntary prepayment fee of (i) 0.3% of the principal amount prepaid plus value-added tax during the period from May 13, 2012 to May 12, 2013 and (ii) 0.2% of the principal amount prepaid plus value-added tax from May 13, 2013 through October 13, 2014.

In addition to customary restrictive covenants, prepayment requirements and events of default, including defaults on other indebtedness of VTR Wireless and its subsidiaries, the VTR Wireless Bank Facility requires, beginning in December 2014, compliance with the following financial covenants: (i) Interest Coverage Ratio, (ii) Financial Debt Coverage Ratio and (iii) Total Liabilities to Net Worth Ratio, each capitalized term as defined in the VTR Wireless Bank Facility. The VTR Wireless Bank Facility permits VTR Wireless to transfer funds to its parent company (and indirectly to LGI) after the Initial Due Date through loans, dividends or other distributions provided that VTR Wireless maintains compliance with applicable covenants.

The VTR Wireless Bank Facility is secured by pledges over (i) the VTR Wireless shares indirectly owned by our company and (ii) certain other assets owned by VTR Wireless. VTR Wireless is required to ensure, as a condition to any drawdown under the VTR Wireless Bank Facility, that immediately after the drawdown there is an equity contribution to debt ratio of at least 2.33 to 1. In addition, beginning in November 2014, VTR Wireless is required to maintain a minimum of CLP 10.0 billion ($20.9 million) in cash and cash equivalents. If the amounts due under the VTR Wireless Bank Facility are not fully repaid by the Initial Due Date, LGI is required to contribute, or cause VTR Wireless shareholders to contribute, an amount equal to CLP 215.0 billion ($449.0 million) less the aggregate amount of funds that previously have been contributed as equity or loaned on a subordinated basis to VTR Wireless.

LGI Convertible Notes

In November 2009, LGI completed the offering and sale of our 4.50% convertible senior notes due November 15, 2016 (the LGI Convertible Notes). The net proceeds of $910.8 million, after deducting the initial purchaser's discount and related transaction costs aggregating $24.2 million, were subsequently used on January 28, 2010 to fund a portion of the Unitymedia Purchase Price (see note 3). Interest was payable semi-annually, in arrears, on May 15 and November 15 of each year, beginning May 15, 2010. The LGI Convertible Notes were senior unsecured obligations of LGI that were convertible into LGI common stock. During the second and third quarters of 2011, we completed the exchange (the LGI Notes Exchange) of 99.8% and 0.2%, respectively, of the $935.0 million principal amount of the LGI Convertible Notes for aggregate consideration of 26,423,266 shares of our LGI Series A common stock, 8,807,772 shares of our LGI Series C common stock and $186.7 million of cash (excluding cash paid for accrued but unpaid interest). In connection with these transactions, we (i) reclassified (a) the carrying amount of the $676.2 million debt component of the exchanged LGI Convertible Notes, (b) the related deferred financing costs of $13.6 million and (c) the $96.7 million net deferred tax liability associated with the exchanged LGI Convertible Notes to additional paid-in capital and common stock in our consolidated balance sheet and (ii) recognized aggregate debt conversion losses of $187.2 million.

Prior to the LGI Notes Exchange, the $935.0 million principal amount of the LGI Convertible Notes was allocated between debt and equity components. The portion of the principal amount allocated to the debt component of $626.2 million was measured based on the estimated fair value of a debt instrument that had the same terms as the LGI Convertible Notes without the conversion feature. This debt component was accreted to the principal amount through the completion of the LGI Notes Exchange using the effective interest method. The stated interest rate of the LGI Convertible Notes, together with the annual accretion of the debt component to the principal amount due at maturity, resulted in an effective interest rate of 11.5%. The $308.8 million difference between the outstanding principal amount and the amount originally allocated to the debt component was recorded, net of deferred income taxes and a pro rata portion of the initial purchaser's discount and related transaction costs, as an increase to additional paid-in capital in our consolidated statement of equity.

UGC Convertible Notes

On April 6, 2004, UnitedGlobalCom, Inc. (UGC), a wholly-owned subsidiary of LGI, completed the offering and sale of €500.0 million ($659.9 million) principal amount of 1.75% euro-denominated convertible senior notes (the UGC Convertible Notes). The UGC Convertible Notes were senior unsecured obligations of UGC that under certain circumstances were convertible into LGI common stock. Interest was payable semi-annually on April 15 and October 15 of each year.

On March 15, 2011, we called for redemption the remaining €328.2 million ($433.2 million) principal amount outstanding of the UGC Convertible Notes. As a result of the call for redemption, note holders became entitled to convert their UGC Convertible Notes into LGI common stock at the specified ratios during a conversion period ending on April 18, 2011. During this conversion period, all of the outstanding principal amount of the UGC Convertible Notes was converted into an aggregate of 7,328,994 shares of LGI Series A common stock and 7,249,539 shares of LGI Series C common stock. In connection with the conversion of the UGC Convertible Notes into LGI common stock, we reclassified (i) the $619.7 million carrying value of the UGC Convertible Notes and (ii) the $53.9 million net deferred tax asset associated with the exchanged UGC Convertible Notes to additional paid-in capital and common stock in our consolidated balance sheet. Prior to conversion, the UGC Convertible Notes were measured at fair value.

During May 2010, we repurchased €70.8 million ($86.9 million at the transaction dates) principal amount of the UGC Convertible Notes at an aggregate purchase price equal to 102.5% of face value, for a total of €72.6 million ($89.1 million at the transaction dates), including accrued interest thereon. The $10.7 million gain associated with the change in fair value of the repurchased UGC

Convertible Notes from December 31, 2009 through the repurchase dates is included in realized and unrealized losses due to changes in fair values of certain investments and debt, net, in our consolidated statement of operations.

Austar Bank Facility

On May 23, 2012, we completed the Austar Transaction, as described in note 4. As we have presented Austar as a discontinued operation in our December 31, 2011 consolidated balance sheet, borrowings under the Austar Bank Facility, as defined below, are included in long-term liabilities of discontinued operation in our December 31, 2011 consolidated balance sheet.

The Austar senior facility agreement, as amended, is the senior credit facility of Austar Entertainment Pty Ltd. (Austar Entertainment) (the Austar Bank Facility). At December 31, 2011, the Austar Bank Facility provided for (i) a AUD 500.0 million ($519.2 million) term loan (Austar Tranche B), which bore interest at BBSY plus margins ranging from 1.30% to 2.00%, (ii) a AUD 174.5 million ($181.2 million) term loan (Austar Tranche C1), which bore interest at BBSY plus margins ranging from 2.3% to 3.5% and (iii) a AUD 100.0 million ($103.8 million) revolving facility (the Austar Revolving Facility), which bore interest at BBSY plus margins ranging from 0.90% to 1.70%. The Austar Bank Facility also provided for an agreement with a single bank for a AUD 25.0 million ($26.0 million) working capital facility, which bore interest at BBSY plus margins ranging from 0.90% to 1.70%. As of December 31, 2011, Austar Tranche C1 and Austar Tranche B were drawn in full and and the working capital facility and the Austar Revolving Facility had unused borrowing capacity of AUD 121.8 million ($126.5 million).

Maturities of Debt and Capital Lease Obligations

Maturities of our debt and capital lease obligations as of December 31, 2012 are presented below for the named entity and its subsidiaries, unless otherwise noted. Amounts presented below represent U.S. dollar equivalents based on December 31, 2012 exchange rates:

Debt:

	UPC Holding (a)	Unitymedia KabelBW	Telenet (a)	Other	Total
			in millions		
Year ended December 31:					
2013	$ 109.6	$ 26.1	$ 9.8	$ 148.1	$ 293.6
2014	—	—	9.8	6.4	16.2
2015	383.7	—	9.8	6.5	400.0
2016	2,245.6	—	141.7	535.4	2,922.7
2017	2,033.6	1,195.6	578.6	928.2	4,736.0
Thereafter	7,920.7	5,640.3	3,914.9	373.4	17,849.3
Total debt maturities	12,693.2	6,862.0	4,664.6	1,998.0	26,217.8
Unamortized premium (discount)	(65.7)	(20.4)	1.6	1.6	(82.9)
Total debt	$ 12,627.5	$ 6,841.6	$ 4,666.2	$ 1,999.6	$ 26,134.9
Current portion	$ 109.6	$ 26.1	$ 9.8	$ 148.1	$ 293.6
Noncurrent portion	$ 12,517.9	$ 6,815.5	$ 4,656.4	$ 1,851.5	$ 25,841.3

(a) Amounts include the UPCB SPE Notes and the Telenet SPE Notes issued by the UPCB SPEs and the Telenet SPEs, respectively. As described above, the UPCB SPEs are consolidated by UPC Holding and the Telenet SPEs are consolidated by Telenet.

Capital lease obligations:

	Unitymedia KabelBW	Telenet	Other	Total
	in millions			
Year ended December 31:				
2013	$ 97.4	$ 60.9	$ 10.0	$ 168.3
2014	97.0	64.3	9.2	170.5
2015	96.8	58.9	8.6	164.3
2016	96.8	57.4	5.9	160.1
2017	96.8	55.8	3.8	156.4
Thereafter	1,246.8	257.3	30.3	1,534.4
Total principal and interest payments	1,731.6	554.6	67.8	2,354.0
Amounts representing interest	(794.5)	(149.5)	(20.4)	(964.4)
Present value of net minimum lease payments	$ 937.1	$ 405.1	$ 47.4	$ 1,389.6
Current portion	$ 25.9	$ 36.9	$ 7.1	$ 69.9
Noncurrent portion	$ 911.2	$ 368.2	$ 40.3	$ 1,319.7

Non-cash Refinancing Transactions

During 2012, 2011 and 2010, certain of our refinancing transactions included non-cash borrowings and repayments of debt aggregating $3,793.4 million, $2,908.0 million and $4,205.3 million, respectively.

Subsequent Events

For information concerning certain financing transactions completed subsequent to December 31, 2012, see note 19.

(10) Income Taxes

LGI files consolidated tax returns in the U.S. The income taxes of domestic and foreign subsidiaries not included within the consolidated U.S. tax group are presented in our financial statements based on a separate return basis for each tax-paying entity or group.

The domestic and foreign components of our loss from continuing operations before income taxes are as follows:

	Year ended December 31,		
	2012	2011	2010
	in millions		
Domestic	$ (31.1)	$ (280.4)	$ (117.8)
Foreign	(452.2)	(295.4)	(1,032.8)
Total	$ (483.3)	$ (575.8)	$ (1,150.6)

Income tax benefit (expense) consists of:

	Current	Deferred	Total
		in millions	
Year ended December 31, 2012:			
Continuing operations:			
Federal	$ 38.8	$ (66.1)	$ (27.3)
State and local	(2.7)	7.0	4.3
Foreign	(89.9)	23.9	(66.0)
Total — continuing operations	$ (53.8)	$ (35.2)	$ (89.0)
Discontinued operations	$ —	$ (14.1)	$ (14.1)
Year ended December 31, 2011:			
Continuing operations:			
Federal	$ (32.3)	$ 114.0	$ 81.7
State and local	(1.4)	1.0	(0.4)
Foreign	(68.4)	(244.6)	(313.0)
Total — continuing operations	$ (102.1)	$ (129.6)	$ (231.7)
Discontinued operations	$ —	$ (57.1)	$ (57.1)
Year ended December 31, 2010:			
Continuing operations:			
Federal	$ 722.8	$ (652.6)	$ 70.2
State and local	21.2	(20.7)	0.5
Foreign	(37.1)	163.3	126.2
Total — continuing operations	$ 706.9	$ (510.0)	$ 196.9
Discontinued operations	$ (1,208.8)	$ 413.7	$ (795.1)

Income tax benefit (expense) attributable to our loss from continuing operations before income taxes differs from the amounts computed by applying the U.S. federal income tax rate of 35%, as a result of the following:

	Year ended December 31,		
	2012	2011	2010
	in millions		
Computed “expected” tax benefit	$ 169.2	$ 201.5	$ 402.7
Change in valuation allowances	(113.5)	(267.4)	(11.4)
Non-deductible or non-taxable interest and other expenses	(79.9)	(108.6)	(79.0)
Basis and other differences in the treatment of items associated with investments in subsidiaries and affiliates	(30.2)	(7.3)	(22.5)
International rate differences (a)	(22.2)	(29.0)	(97.6)
Enacted tax law and rate changes	12.2	1.8	(6.0)
Change in tax form of consolidated subsidiary	(11.6)	—	—
Non-deductible or non-taxable foreign currency exchange results	(10.4)	(23.6)	(0.8)
Foreign taxes	(4.5)	(7.4)	(5.6)
Recognition of previously unrecognized tax benefits	—	4.7	17.5
Impairment of goodwill	—	(4.1)	(5.5)
Other, net	1.9	7.7	5.1
Total	$ (89.0)	$ (231.7)	$ 196.9

(a) Amounts reflect statutory rates in jurisdictions in which we operate outside of the U.S., all of which are lower than the U.S. federal income tax rate.

The current and non-current components of our deferred tax assets (liabilities) are as follows:

	December 31,	
	2012	2011
	in millions	
Current deferred tax assets	$ 98.4	$ 345.2
Non-current deferred tax assets (a)	166.2	83.0
Current deferred tax liabilities (a)	(1.4)	(1.1)
Non-current deferred tax liabilities (a)	(1,480.2)	(1,415.7)
Net deferred tax liability	$ (1,217.0)	$ (988.6)

(a) Our current deferred tax liabilities are included in other accrued and current liabilities and our non-current deferred tax assets and liabilities are included in other assets, net, and other long-term liabilities, respectively, in our consolidated balance sheets.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below:

	December 31,	
	2012	2011
	in millions	
Deferred tax assets:		
Net operating loss and other carryforwards	$ 1,985.3	$ 1,956.0
Debt	528.6	612.2
Derivative instruments	526.3	415.5
Property and equipment, net	305.1	324.8
Intangible assets	109.0	87.8
Stock-based compensation	38.4	37.1
Other future deductible amounts	135.9	214.4
Deferred tax assets	3,628.6	3,647.8
Valuation allowance	(2,184.4)	(2,047.0)
Deferred tax assets, net of valuation allowance	1,444.2	1,600.8
Deferred tax liabilities:		
Property and equipment, net	(1,161.8)	(1,181.1)
Intangible assets	(618.3)	(767.8)
Investments	(445.2)	(222.2)
Derivative instruments	(218.5)	(284.7)
Other future taxable amounts	(217.4)	(133.6)
Deferred tax liabilities	(2,661.2)	(2,589.4)
Net deferred tax liability	$ (1,217.0)	$ (988.6)

Our deferred income tax valuation allowance increased $137.4 million in 2012. This increase reflects the net effect of (i) the net tax expense related to our continuing operations of $113.5 million, (ii) foreign currency translation adjustments and (iii) acquisitions and other individually insignificant items.

The significant components of our tax loss carryforwards and related tax assets at December 31, 2012 are as follows:

Country	Tax loss carryforward	Related tax asset	Expiration date
	in millions		
Germany	$ 3,592.5	$ 563.8	Indefinite
The Netherlands	2,522.6	630.6	2013-2021
Luxembourg	929.4	271.6	Indefinite
France	644.3	221.8	Indefinite
Ireland	514.4	64.3	Indefinite
Belgium	308.4	104.8	Indefinite
Hungary	266.7	36.9	Indefinite
Chile	186.9	37.4	Indefinite
Romania	68.4	10.9	2013-2019
Switzerland	55.0	11.7	2014-2020
Puerto Rico	30.9	9.4	2016-2022
United Kingdom	29.4	7.1	Indefinite
Spain	26.4	7.9	2023-2028
Other	32.1	7.1	Various
Total	$ 9,207.4	$ 1,985.3	

Net operating losses arising from the deduction of stock-based compensation are not included in the above table. These net operating losses, which aggregated $98.5 million at December 31, 2012, will not be recognized for financial reporting purposes until such time as these tax benefits can be realized as a reduction of income taxes payable.

Our tax loss carryforwards within each jurisdiction combine all companies' tax losses (both capital and ordinary losses) in that jurisdiction, however, certain tax jurisdictions limit the ability to offset taxable income of a separate company or different tax group with the tax losses associated with another separate company or group. Some losses are limited in use due to change in control or same business tests.

We intend to indefinitely reinvest earnings from certain foreign operations except to the extent the earnings are subject to current U.S. income taxes. At December 31, 2012, U.S. and non-U.S. income and withholding taxes for which a net deferred tax liability might otherwise be required have not been provided on an estimated $667.0 million of cumulative temporary differences (including, for this purpose, any difference between the aggregate tax basis in stock of a consolidated subsidiary and the corresponding amount of the subsidiary's net equity determined for financial reporting purposes) related to investments in foreign subsidiaries. The determination of the additional U.S. and non-U.S. withholding tax that would arise upon a reversal of temporary differences is subject to offset by available foreign tax credits, subject to certain limitations, and it is impractical to estimate the amount of withholding tax that might be payable.

A controlled foreign subsidiary of a U.S. corporation is considered to be a controlled foreign corporation or "CFC" under U.S. tax law. In general, our pro rata share of certain income earned by our CFCs during a taxable year when such subsidiaries have positive current or accumulated earnings and profits will be included in our income to the extent of the earnings and profits when the income is earned, regardless of whether the income is distributed to us. The income, often referred to as "Subpart F income," generally includes, but is not limited to, such items as interest, dividends, royalties, gains from the disposition of certain property, certain currency exchange gains in excess of currency exchange losses, and certain related party sales and services income.

In addition, a U.S. corporation that is a shareholder in a CFC may be required to include in its income its pro rata share of the CFC's increase in the average adjusted tax basis of any investment in U.S. property (including intercompany receivables from U.S. entities) held by a wholly- or majority-owned CFC to the extent that the CFC has positive current or accumulated earnings and profits. This is the case even though the U.S. corporation may not have received any actual cash distributions from the CFC.

In general, a U.S. corporation may claim a foreign tax credit against its U.S. federal income tax expense for foreign income taxes paid or accrued. A U.S. corporation may also claim a credit for foreign income taxes paid or accrued on the earnings of a foreign corporation paid to the U.S. corporation as a dividend.

Our ability to claim a foreign tax credit for dividends received from our foreign subsidiaries or foreign taxes paid or accrued is subject to various significant limitations under U.S. tax laws including a limited carry back and carry forward period. Some of our operating companies are located in countries with which the U.S. does not have income tax treaties. Because we lack treaty protection in these countries, we may be subject to high rates of withholding taxes on distributions and other payments from these operating companies and may be subject to double taxation on our income. Limitations on the ability to claim a foreign tax credit, lack of treaty protection in some countries, and the inability to offset losses in one foreign jurisdiction against income earned in another foreign jurisdiction could result in a high effective U.S. federal tax rate on our earnings. Since substantially all of our revenue is generated abroad, including in jurisdictions that do not have tax treaties with the U.S., these risks are greater for us than for companies that generate most of their revenue in the U.S. or in jurisdictions that have these treaties.

Through our subsidiaries, we maintain a presence in many foreign countries. Many of these countries maintain highly complex tax regimes that differ significantly from the system of income taxation used in the U.S. We have accounted for the effect of foreign taxes based on what we believe is reasonably expected to apply to us and our subsidiaries based on tax laws currently in effect and reasonable interpretations of these laws. Because some foreign jurisdictions do not have systems of taxation that are as well established as the system of income taxation used in the U.S. or tax regimes used in other major industrialized countries, it may be difficult to anticipate how foreign jurisdictions will tax our and our subsidiaries' current and future operations.

Although we intend to take reasonable tax planning measures to limit our tax exposures, there can be no assurance we will be able to do so.

We and our subsidiaries file various consolidated and standalone income tax returns in U.S. federal and state jurisdictions and in various foreign jurisdictions. In the normal course of business, our income tax filings are subject to review by various taxing authorities. In connection with such reviews, disputes could arise with the taxing authorities over the interpretation or application of certain income tax rules related to our business in that tax jurisdiction. Such disputes may result in future tax and interest and penalty assessments by these taxing authorities. The ultimate resolution of tax contingencies will take place upon the earlier of (i) the settlement date with the applicable taxing authorities in either cash or agreement of income tax positions or (ii) the date when the tax authorities are statutorily prohibited from adjusting the company's tax computations.

With a few exceptions in certain foreign jurisdictions, tax returns filed by our company or our subsidiaries for years prior to 2004 are no longer subject to examination by tax authorities. Certain of our foreign subsidiaries are also currently involved in income tax examinations in various foreign jurisdictions in which we operate, including Germany (2005 — 2010), Hungary (2005 — 2006 and 2009 — 2011), Romania (2007), United States (2009 — 2011) and the United Kingdom (2004 — 2009). Any adjustments that might arise from the foregoing examinations are not expected to have a material impact on our consolidated financial position or results of operations.

The changes in our unrecognized tax benefits are summarized below:

	2012	2011	2010
		in millions	
Balance at January 1	$ 400.6	$ 475.0	$ 400.6
Reductions for tax positions of prior years	(124.2)	(133.1)	(44.5)
Additions based on tax positions related to the current year	89.9	16.7	173.0
Lapse of statute of limitations	(15.0)	(0.5)	(1.3)
Additions for tax positions of prior years	5.5	42.7	125.9
Foreign currency translation	2.9	(0.2)	(2.0)
Reduction related to the sale of the J:COM Disposal Group	—	—	(176.7)
Balance at December 31	$ 359.7	$ 400.6	$ 475.0

No assurance can be given that any of these tax benefits will be recognized or realized.

As of December 31, 2012, our unrecognized tax benefits included $227.3 million of tax benefits that would have a favorable impact on our effective income tax rate if ultimately recognized, after considering amounts that we would expect to be offset by valuation allowances.

During 2013, it is reasonably possible that the resolution of currently ongoing examinations by tax authorities could result in significant changes to our unrecognized tax benefits related to tax positions taken as of December 31, 2012. In this regard, (i) we expect to record an estimated $20 million to $30 million reduction during the first half of 2013 related to the confirmation of the amount of a deduction taken in a prior year and (ii) further significant reductions are possible prior to the end of 2013, the amount of which cannot be reasonably estimated at this time. Other than these issues, we do not expect that any changes in our unrecognized tax benefits during 2013 will have a material impact on our unrecognized benefits. No assurance can be given as to the nature or impact of any changes in our unrecognized tax positions during 2013.

During 2012, 2011 and 2010, the income tax benefit (expense) of our continuing operations includes net income tax benefit (expense) of ($7.7 million), ($16.0 million) and $8.4 million, respectively, representing the net release (accrual) of interest and penalties during the period. Our other long-term liabilities include accrued interest and penalties of $26.8 million at December 31, 2012.

(11) Equity

Capitalization

Our authorized capital stock consists of (i) 1,050,000,000 shares of common stock, par value $.01 per share, of which 500,000,000 shares are designated LGI Series A common stock, 50,000,000 shares are designated LGI Series B common stock and 500,000,000 shares are designated LGI Series C common stock and (ii) 50,000,000 shares of LGI preferred stock, par value $.01 per share. LGI's restated certificate of incorporation authorizes the board of directors to authorize the issuance of one or more series of preferred stock.

Under LGI's restated certificate of incorporation, holders of LGI Series A common stock are entitled to one vote for each share of such stock held, and holders of LGI Series B common stock are entitled to 10 votes for each share of such stock held, on all matters submitted to a vote of LGI stockholders at any annual or special meeting. Holders of LGI Series C common stock are not entitled to any voting powers, except as required by Delaware law (in which case holders of LGI Series C common stock are entitled to 1/100th of a vote per share).

Each share of LGI Series B common stock is convertible into one share of LGI Series A common stock. One share of LGI Series A common stock is reserved for issuance for each share of LGI Series B common stock that is issued. At December 31, 2012, there were (i) 804,617 and 842,771 shares of LGI Series A and Series C common stock, respectively, reserved for issuance pursuant to outstanding stock options, (ii) 3,761,337 and 3,786,754 shares of LGI Series A and Series C common stock, respectively, reserved for issuance pursuant to outstanding SARs, and (iii) 1,091,593 and 1,091,886 shares of LGI Series A and Series C common stock, respectively, reserved for issuance pursuant to outstanding restricted share units (including PSUs, as defined in note 12). In addition to these amounts, one share of LGI Series A common stock is reserved for issuance for each share of LGI Series B common stock that is issued (10,206,145 shares).

Subject to any preferential rights of any outstanding series of our preferred stock, the holders of LGI Series A, Series B and Series C common stock will be entitled to such dividends as may be declared from time to time by our board of directors from funds available therefor. Except with respect to certain share distributions, whenever a dividend is paid to the holder of one of our series of common stock, we shall also pay to the holders of the other series of our common stock an equal per share dividend. There are currently no contractual restrictions on our ability to pay dividends in cash or stock.

In the event of our liquidation, dissolution and winding up, after payment or provision for payment of our debts and liabilities and subject to the prior payment in full of any preferential amounts to which our preferred stockholders may be entitled, the holders of LGI Series A, Series B and Series C common stock will share equally, on a share for share basis, in our assets remaining for distribution to the holders of LGI common stock.

Stock Repurchases

During 2012, 2011 and 2010, our board of directors authorized various stock repurchase programs, the most recent of which was authorized on December 14, 2012 and provides for the repurchase of up to $1.0 billion (before direct acquisition costs) of LGI Series A and/or Series C common stock. Under these plans, we receive authorization to acquire up to the specified amount of LGI Series A and Series C common stock or other authorized securities from time to time through open market or privately negotiated transactions, which may include derivative transactions. The timing of the repurchase of shares or other securities pursuant to our equity repurchase programs, which may be suspended or discontinued at any time, is dependent on a variety of factors, including market conditions. As of December 31, 2012, the remaining amount authorized for stock repurchases was $1,030.7 million.

The following table provides details of our stock repurchases during 2012, 2011 and 2010:

	LGI Series A common stock		LGI Series C common stock		
Purchase date	**Shares purchased**	**Average price paid per share (a)**	**Shares purchased**	**Average price paid per share (a)**	**Total cost (a)**
					in millions
Stock purchased pursuant to repurchase programs during:					
2012	5,611,380	$ 53.46	13,585,729	$ 50.11	$ 980.7
2011 (b)	9,114,812	$ 38.99	14,203,563	$ 39.22	$ 912.3
2010	18,440,293	$ 27.07	13,887,284	$ 28.21	$ 890.9

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(a) Includes direct acquisition costs and the effects of derivative instruments, where applicable.

(b) Excludes $186.7 million of aggregate cash consideration paid (excluding cash paid for accrued but unpaid interest) in connection with the LGI Notes Exchange, as further described in note 9. These cash payments reduced our availability under the stock repurchase program in place at the time the payments were made.

LGI Call Option Contracts

In conjunction with our share repurchase program, we entered into a number of call option contracts during 2012. Pursuant to these call option contracts, we contemporaneously (i) sold call options on 3,520,000 shares of LGI Series A common stock at exercise prices ranging from $54.73 per share to $63.72 per share and (ii) purchased call options on an equivalent number of shares of LGI Series A common stock with an exercise price of zero. The aggregate call price that we paid to enter into these contracts was $204.9 million, including $12.3 million that was paid in January 2013. These contracts, which can result in the receipt of cash or shares, were settled through the receipt of $91.4 million of cash and 1,000,000 shares of LGI Series A common shares in 2012 and $55.6 million of cash in January and February 2013. Shares acquired through the exercise of the call option are included in our share repurchases and the net gain on cash settled contracts is recorded in additional paid-in capital.

LGI Telenet Tender

On December 17, 2012, following approval of the Belgian Financial Services and Markets Authority, Binan Investments B.V. (Binan), our wholly-owned subsidiary, launched a voluntary and conditional cash public offer (the LGI Telenet Tender) for (i) all of Telenet's issued shares that Binan did not already own or that were not held by Telenet (the Telenet Bid Shares) and (ii) certain outstanding vested and unvested employee warrants (the Telenet Bid Warrants). The offer price for the Telenet Bid Shares was €35.00 ($46.19) per share. The offer prices for the Telenet Bid Warrants, which were calculated using the Black Scholes option pricing model and a price of €35.00 per Telenet Bid Share, ranged from €13.48 ($17.79) per share to €25.47 ($33.61) per share.

On October 12, 2012, in anticipation of the LGI Telenet Tender, we entered into a new $925.0 million **(**$1,220.8 million**)** facility agreement (the Telenet TO Facility). No borrowings were made under the Telenet TO Facility and this facility agreement was canceled on January 22, 2013. In connection with the launch of the LGI Telenet Tender, we were required to place €1,142.5

million ($1,464.1 million at the transaction date) of cash into a restricted account to secure the portion of the aggregate offer consideration that was not secured by the Telenet TO Facility.

Pursuant to the LGI Telenet Tender, which was completed on February 1, 2013, we acquired (i) 9,497,637 of the Telenet Bid Shares, increasing our ownership interest in Telenet's issued and outstanding shares at such date to 58.4%, and (ii) 3,000 of the Telenet Bid Warrants. On February 1, 2013, we used €332.5 million ($454.6 million at the transaction date) from the above-described restricted cash account to fund the LGI Telenet Tender and the remaining amount was released from restrictions.

As we owned a controlling financial interest in Telenet prior to the launch of the LGI Telenet Tender, we will account for the impact of the acquisition of the additional Telenet shares as an equity transaction in the first quarter of 2013.

As a result of the launch and completion of the LGI Telenet Tender, Telenet canceled its self-tender offer (the Telenet Self-Tender) that was initiated in August 2012 to acquire up to 20,673,043 shares, or 18.3%, of its then outstanding share capital, at a price of €31.75 ($41.90) per share (as adjusted for the €3.25 ($4.29) per share capital reduction described below).

Other

Telenet. On February 17, 2012, Telenet entered into a share repurchase agreement (the Telenet Share Repurchase Agreement), pursuant to which an investment bank, on behalf of Telenet, agreed to repurchase Telenet's ordinary shares on a daily basis. The Telenet Share Repurchase Agreement, which provided for the repurchase of up to 3,000,000 Telenet ordinary shares not to exceed an aggregate cost of €50.0 million ($66.0 million), was terminated upon the August 13, 2012 announcement of the Telenet Self-Tender. Under the Telenet Share Repurchase Agreement, a total of 1,449,076 shares were repurchased for total consideration of €45.7 million ($60.6 million at the applicable rate).

For information regarding a shareholder disbursement that Telenet's board of directors proposed subsequent to December 31, 2012, see note 19.

In April 2012, Telenet's shareholders approved cash distributions of (i) €1.00 ($1.32) per share or €113.3 million ($149.6 million at the applicable rate) in the form of a gross dividend and (ii) €3.25 ($4.29) per share or €369.2 million ($488.6 million at the applicable rate) in the form of a net capital reduction. Our share of the gross dividend, which was received in May 2012, was €56.8 million ($73.7 million at the applicable rate) and the noncontrolling interest owners' share was €56.4 million ($73.2 million at the applicable rate). Our share of the capital reduction, which was accrued during the second quarter of 2012 and received in August 2012, was €184.7 million ($229.2 million at the applicable rate) and the noncontrolling interest owners' share was €181.4 million ($228.0 million at the applicable rate).

On April 27, 2011, Telenet's shareholders approved a distribution of €4.50 ($6.51 at the applicable rate) per share or €509.3 million ($736.5 million at the applicable rate). This distribution, the payment of which was initiated on July 29, 2011, was accrued by Telenet during the second quarter of 2011 following shareholder approval. Our share of this capital distribution was €255.8 million ($367.9 million at the applicable rate) and the noncontrolling interest owners' share was €253.5 million ($364.6 million at the applicable rate).

On April 28, 2010, Telenet's shareholders approved a distribution of €2.23 ($2.93 at the approval date) per share or €249.9 million ($328.9 million at the approval date). This distribution, the payment of which was initiated on August 2, 2010, was accrued by Telenet during the second quarter of 2010 following shareholder approval. Our share of this capital distribution was approximately €125.8 million ($165.5 million at the transaction date) and the noncontrolling interest owners' share was €124.1 million ($163.3 million at the transaction date).

The VTR Group. On January 26, 2012, we and the 20% noncontrolling interest owner in VTR (the VTR NCI Owner) approved a distribution of CLP 35.0 billion ($71.6 million at the applicable rate). Our share of this distribution was CLP 28.0 billion ($57.3 million at the applicable rate) and the VTR NCI Owner's share of this distribution was CLP 7.0 billion ($14.3 million at the applicable rate). During September 2012, we and the VTR NCI Owner approved an additional distribution of CLP 20.0 billion ($41.5 million at the applicable rate). Our share of this additional distribution was CLP 16.0 billion ($33.2 million at the applicable rate) and the VTR NCI Owner's share of this distribution was CLP 4.0 billion ($8.3 million at the applicable rate). The aggregate amount of these distributions was paid by VTR during 2012.

In March 2011, we and the VTR NCI Owner approved a distribution of CLP 58.5 billion ($121.5 million at the applicable rate). Of the approved distribution amount, CLP 53.2 billion ($111.8 million at the applicable rate) was paid during the second quarter of 2011 and the remaining amount was paid in July 2011. The VTR NCI Owner's share of the approved distribution was CLP 11.7 billion ($24.9 million at the applicable rate). During October 2011, we and the VTR NCI Owner approved an additional distribution of CLP 38.0 billion ($71.9 million at the applicable rate), all of which was paid in December 2011. The VTR NCI Owner's share of the approved distribution was CLP 7.6 billion ($14.8 million at the applicable rate).

Separately, we and the VTR NCI Owner have agreed to proportionately fund, as required, the capital calls of VTR Wireless. During 2012, we and the VTR NCI Owner made capital contributions to VTR Wireless of CLP 33.6 billion **(**$69.4 million at the applicable rate) and CLP 8.4 billion ($17.3 million at the applicable rate), respectively. During 2011, we and the VTR NCI Owner made capital contributions to VTR Wireless of CLP 42.4 billion ($84.8 million at the applicable rate) and CLP 10.6 billion ($21.9 million at the applicable rate), respectively.

Restricted Net Assets

The ability of certain of our subsidiaries to distribute or loan all or a portion of their net assets to our company is limited by the terms of applicable debt facilities. At December 31, 2012, most of our net assets represented net assets of our subsidiaries that were subject to such limitations.

(12) Stock Incentive Awards

Our stock-based compensation expense is based on the stock incentive awards held by our and our subsidiaries' employees, including stock incentive awards related to LGI common stock and the shares of certain of our subsidiaries. The following table summarizes our stock-based compensation expense:

	Year ended December 31,		
	2012	2011	2010
	in millions		
LGI common stock:			
LGI performance-based incentive awards (a)	$ 33.0	$ 46.8	$ 51.3
Other LGI stock-based incentive awards	46.0	43.4	42.8
Total LGI common stock	79.0	90.2	94.1
Telenet stock-based incentive awards (b)	31.2	40.0	13.1
Austar Performance Plan (c)	—	3.6	11.8
Other (d)	2.2	1.1	3.8
Total	$ 112.4	$ 134.9	$ 122.8
Included in:			
Continuing operations:			
Operating expense	$ 8.6	$ 15.3	$ 9.4
SG&A expense	103.8	116.0	101.6
Total - continuing operations	112.4	131.3	111.0
Discontinued operation (c)	—	3.6	11.8
Total	$ 112.4	$ 134.9	$ 122.8

(a) Includes stock-based compensation expense related to LGI performance-based restricted share units (PSUs) and, during 2011 and 2010, our five-year performance-based incentive plans for our senior executives and certain key employees (the LGI Performance Plans).

(b) During the second quarters of 2012 and 2011, Telenet modified the terms of certain of its stock option plans to provide for anti-dilution adjustments in connection with capital reductions. In connection with these anti-dilution adjustments, Telenet recognized stock-based compensation expense of $12.6 million and $15.8 million, respectively, and continues to recognize additional stock-based compensation expense as the underlying options vest.

(c) Amounts relate to Austar's long-term incentive plan (the Austar Performance Plan). The Austar Performance Plan was a five-year plan, with a two-year performance period, that began on January 1, 2007, and a three-year service period that began on January 1, 2009. At the end of the two-year performance period, each participant became eligible to receive varying percentages of the maximum achievable award specified for such participant based on Austar's achievement of specified CAGRs in Austar's consolidated EBITDA, as defined by the Austar Performance Plan, and the participant's annual performance ratings during the performance period.

(d) The 2012 amount includes stock-based compensation expense related to performance-based awards granted pursuant to a liability-based plan of the VTR Group. These awards were granted during the first quarter of 2012 and, based on the level of the specified performance criteria achieved during 2012, these awards will vest on December 31, 2013.

The following table provides certain information related to stock-based compensation not yet recognized for stock incentive awards related to LGI common stock and Telenet common stock as of December 31, 2012:

	LGI common stock (a)	LGI PSUs (b)	Telenet common stock (c)
Total compensation expense not yet recognized (in millions)	$ 78.9	$ 22.7	$ 18.0
Weighted average period remaining for expense recognition (in years)	2.6	1.2	1.2

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(a) Amounts relate to awards (other than LGI PSUs) granted under (i) the Liberty Global, Inc. 2005 Incentive Plan (as amended and restated October 31, 2006) (the LGI Incentive Plan) and (ii) the Liberty Global, Inc. 2005 Nonemployee Director Incentive Plan (as amended and restated November 1, 2006) (the LGI Director Incentive Plan) described below.

(b) Amounts relate to PSUs granted in 2012 and 2011as described below.

(c) Amounts relate to various equity incentive awards granted to employees of Telenet as described below.

The following table summarizes certain information related to the incentive awards granted and exercised with respect to LGI common stock:

	Year ended December 31,		
	2012	2011	2010
Assumptions used to estimate fair value of options and stock appreciation rights (SARs) granted:			
Risk-free interest rate	0.37 - 1.68%	0.82 - 3.31%	1.26 - 3.47%
Expected life	3.3 - 7.9 years	3.4 - 8.7 years	3.2 - 9.0 years
Expected volatility	28.0 - 40.4%	35.5 - 45.6%	37.1 - 56.8%
Expected dividend yield	none	none	none
Weighted average grant-date fair value per share of awards granted:			
Options	$ 20.00	$ 21.41	$ 16.50
SARs	$ 14.36	$ 15.02	$ 9.70
Restricted shares and restricted share units	$ 49.14	$ 44.79	$ 24.68
PSUs	$ 50.18	$ 39.98	$ 27.95
Total intrinsic value of awards exercised (in millions):			
Options	$ 43.9	$ 93.8	$ 74.7
SARs	$ 52.0	$ 39.2	$ 51.8
Cash received from exercise of options (in millions)	$ 25.6	$ 32.7	$ 70.8
Income tax benefit related to stock-based compensation (in millions)	$ 17.0	$ 20.9	$ 25.8

Stock Incentive Plans — LGI Common Stock

The LGI Incentive Plan

General. The LGI Incentive Plan is administered by the compensation committee of our board of directors. The compensation committee has full power and authority to grant eligible persons the awards described below and to determine the terms and conditions under which any awards are made. The incentive plan is designed to provide additional remuneration to certain employees and independent contractors for exceptional service and to encourage their investment in our company. The compensation committee may grant non-qualified stock options, SARs, restricted shares, restricted share units, cash awards, performance awards or any combination of the foregoing under this incentive plan (collectively, awards).

The maximum number of shares of LGI common stock with respect to which awards may be issued under the incentive plan is 50 million, subject to anti-dilution and other adjustment provisions of the LGI Incentive Plan, of which no more than 25 million shares may consist of LGI Series B common stock. With limited exceptions, no person may be granted in any calendar year awards covering more than four million shares of our common stock, of which no more than two million shares may consist of LGI Series B common stock. In addition, no person may receive payment for cash awards during any calendar year in excess of $10 million. Shares of our common stock issuable pursuant to awards made under the incentive plan are made available from either authorized but unissued shares or shares that have been issued but reacquired by our company. Awards under the LGI Incentive Plan issued prior to June 2005 are fully vested and expire 10 years after the grant date. Awards (other than performance-based awards) under the LGI Incentive Plan issued after June 2005 generally (i) vest 12.5% on the six month anniversary of the grant date and then vest at a rate of 6.25% each quarter thereafter and (ii) expire seven years after the grant date. The LGI Incentive Plan had 8,778,271 shares available for grant as of December 31, 2012.

LGI Performance Plans. The LGI Senior Executive Performance Plan and the LGI Management Performance Plan (collectively the LGI Performance Plans) were five-year performance-based incentive plans for our senior executives and certain key employees, respectively. The LGI Performance Plans had a two-year performance period, which began January 1, 2007, and a three-year service period, which began January 1, 2009. At the end of the two-year performance period, each participant became eligible to receive varying percentages of the maximum achievable award specified for such participant based on our achievement of a specified compound annual growth rate (CAGR) in consolidated operating cash flow (see note 17), adjusted for events such as acquisitions, dispositions and changes in foreign currency exchange rates that affect comparability (OCF CAGR), and the participant's annual performance ratings during the performance period.

Following completion of the performance period, on February 18, 2009, the compensation committee determined that an OCF CAGR of approximately 15.5% had been achieved during the performance period. Based on this determination and after deducting forfeited awards, participants in the LGI Performance Plans that met minimum annual performance rating levels earned $316.5 million or 87.4% of their aggregate maximum achievable awards. Earned awards were to be paid in six equal semi-annual installments on each March 31 and September 30 commencing on March 31, 2009, subject to forfeiture upon certain events of termination of employment or acceleration in certain circumstances. The first two installments of the awards were settled during 2009 with a combination of cash and restricted share units.

On February 16, 2010, the compensation committee determined the method of payment for the four remaining installments of the awards that had been earned. In accordance with the compensation committee's determination, we (i) paid cash aggregating $50.9 million, together with 32,802 restricted plan shares (as defined in the LGI Performance Plans) of LGI Series A common stock and 31,708 restricted plan shares of LGI Series C common stock to settle the March 31, 2010 installment, and (ii) granted an aggregate of 3,248,061 restricted plan shares of LGI Series A common stock and 3,139,707 restricted plan shares of LGI Series C common stock to settle the remaining balance of each participant's earned award, which shares vested in three equal installments. In accordance with the LGI Performance Plans, restricted plan shares may be restricted shares or restricted share units. The restricted plan shares issued in relation to the March 31, 2010 and September 30, 2010 installments vested in full on those dates and the remaining restricted plan shares vested in equal installments on March 31, 2011 and September 30, 2011**.** For purposes of determining the number of restricted plan shares to be granted, the compensation committee valued the restricted plan shares at the respective closing market prices for LGI Series A and Series C common stock on February 16, 2010. The decision by the compensation committee to settle the final three installments of each earned award with restricted plan shares represented a modification that resulted in the reclassification of this portion of the earned awards from a liability to equity during the first quarter of 2010.

Compensation expense under the LGI Performance Plans was (i) recognized using the accelerated attribution method based on our assessment of the awards that were probable to be earned and (ii) reported as stock-based compensation in our consolidated statement of operations, notwithstanding the fact that the compensation committee elected to cash settle a portion of the vested awards under the LGI Performance Plans.

LGI PSUs. In March 2010, the compensation committee determined to modify the equity incentive award component of our executive officers' and other key employees' compensation packages, whereby a target annual equity value would be set for each executive or key employee, of which approximately two-thirds would be delivered in the form of an annual award of PSUs and approximately one-third in the form of an annual award of SARs. Each PSU represents the right to receive one share of Series A common stock or Series C common stock, as applicable, subject to performance and vesting.

During 2010, the compensation committee approved the grant to our executive officers and certain key employees of a total of 692,678 LGI Series A PSUs and 692,678 LGI Series C PSUs pursuant to the LGI Incentive Plan. The performance period for these PSUs (the 2010 PSUs) was January 1, 2010 to December 31, 2011. The final performance target as adjusted by the compensation committee was the achievement of a Target OCF CAGR (as defined in the grant agreement) of approximately 6% for the two-year performance period, determined by comparing 2011 Adjusted OCF to 2009 Adjusted OCF (each as defined in the grant agreement). In February 2012, the compensation committee determined that an OCF CAGR of 5.7% was achieved with respect to the 2010 PSUs, resulting in award recipients earning approximately 87.5% of their 2010 PSUs. One-half of the earned 2010 PSUs vested on March 31, 2012 and the balance vested on September 30, 2012.

During 2011, the compensation committee approved the grant to our executive officers and certain key employees of a total of 513,268 LGI Series A PSUs and 513,268 LGI Series C PSUs pursuant to the LGI Incentive Plan. The performance period for these PSUs (the 2011 PSUs) is January 1, 2011 to December 31, 2012. The performance target selected by the committee is the achievement of a Target OCF CAGR (as defined in the grant agreement) of approximately 4.5% for the two-year performance period, determined by comparing 2012 Adjusted OCF to 2010 Adjusted OCF (each as defined in the grant agreement), and subject to upward or downward adjustment for certain events in accordance with the terms of the grant agreement. A performance range of 75% to 125% of the Target OCF CAGR would generally result in award recipients earning 50% to 150% of their 2011 PSUs, subject to reduction or forfeiture based on individual performance. One-half of the earned 2011 PSUs were originally scheduled to vest on March 31, 2013 and the remaining 2011 PSUs were originally scheduled to vest on September 30, 2013. On December 31, 2012, the compensation committee certified that the base performance objective for the two-year performance period had been achieved and approved (i) the acceleration of the vesting of 173,612 of the then outstanding 2011 PSUs from March 31, 2013 to December 31, 2012 and (ii) the issuance of 173,622 restricted stock awards with a vesting date of September 30, 2013 in exchange for a corresponding number of the 2011 PSUs. The number of the 2011 PSUs that became vested on December 31, 2012, and the number of restricted share awards that were issued on that date, were based on the compensation committee's preliminary assessment that an OCF CAGR of 5.1% will be achieved with respect to the 2011 PSUs, resulting in an expectation that award recipients will earn approximately 91% of their 2011 PSUs. To the extent that the actual OCF CAGR for the 2011 PSUs differs from the preliminary OCF CAGR, the number of restricted share units issued to each award recipient will be adjusted accordingly. The above changes to the 2011 PSUs did not have a material impact on our stock-based compensation expense during the fourth quarter of 2012.

During 2012, our compensation committee granted to our executive officers and certain key employees a total of 427,960 LGI Series A PSUs and 427,960 LGI Series C PSUs pursuant to the LGI Incentive Plan. Each PSU represents the right to receive one share of Series A common stock or Series C common stock, as applicable, subject to performance and vesting. The performance period for these PSUs (the 2012 PSUs) is January 1, 2012 to December 31, 2013. As the performance measure, the compensation committee selected the OCF CAGR from 2011 to 2013, as adjusted for events such as acquisitions, dispositions and changes in foreign currency exchange rates and accounting principles or policies that effect comparability. The target OCF CAGR selected by the committee was based upon a comparison of our 2011 actual results to those reflected in our then existing long-range plan for 2013. The target OCF CAGR is subject to upward or downward adjustment for certain events in accordance with the terms of the grant agreement. A performance range of 75% to 125% of the target OCF CAGR would generally result in award recipients earning 50% to 150% of their 2012 PSUs, subject to reduction or forfeiture based on individual performance. One-half of the earned 2012 PSUs will vest on March 31, 2014 and the balance will vest on September 30, 2014. The compensation committee also established a minimum OCF CAGR base performance objective, subject to certain limited adjustments, which must be satisfied in order for our named executive officers to be eligible to earn any of their 2012 PSUs.

Compensation expense attributable to the 2012, 2011 and 2010 PSUs is recognized over the requisite service period of the awards.

The LGI Directors Incentive Plan

The LGI Directors Incentive Plan is designed to provide a method whereby non-employee directors may be awarded additional remuneration for the services they render on our board of directors and committees of our board of directors, and to encourage their investment in capital stock of our company. The LGI Directors Incentive Plan is administered by our full board of directors. Our board of directors has the full power and authority to grant eligible non-employee directors the awards described below and to determine the terms and conditions under which any awards are made, and may delegate certain administrative duties to our employees. The compensation committee may grant non-qualified stock options, SARs, restricted shares and restricted share units or any combination of the foregoing under this incentive plan.

Only non-employee members of our board of directors are eligible to receive awards under the LGI Directors Incentive Plan. The maximum number of shares of our common stock with respect to which awards may be issued under the LGI Directors Incentive Plan is 10 million, subject to anti-dilution and other adjustment provisions, of which no more than five million shares may consist of LGI Series B common stock. Shares of our common stock issuable pursuant to awards made under the LGI Directors Incentive Plan will be made available from either authorized but unissued shares or shares that have been issued but reacquired by our company. Awards (other than restricted shares and restricted share units) issued prior to June 2005 under the LGI Directors Incentive Plan vested on the first anniversary of the grant date and expire 10 years after the grant date. Awards (other than restricted shares and restricted share units) issued after June 2005 under the LGI Directors Incentive Plan generally vest in three equal annual installments, provided the director continues to serve as director immediately prior to the vesting date, and expire 10 years after the grant date. Restricted shares and restricted share units vest on the date of the first annual meeting of stockholders following the grant date. The LGI Directors Incentive Plan had 8,950,026 shares available for grant as of December 31, 2012. These shares may be awarded at or above fair value in any series of stock, except that no more than five million shares may be awarded in LGI Series B common stock.

The Transitional Plan

In 2004, options to acquire shares of LGI Series A, Series B and Series C common stock were issued to directors and employees of LGI International, Inc. (LGI International) and directors and certain employees of Liberty Media Corporation (Liberty Media) pursuant to the LGI International Transitional Stock Adjustment Plan (the Transitional Plan). LGI International, which was formed in connection with the June 2004 spin-off of certain international cable television and programming subsidiaries and assets of Liberty Media, is the predecessor to LGI. All such options are fully vested and no new grants will be made under the Transitional Plan.

UGC Equity Incentive Plan and UGC Director Plans

Options, restricted shares and SARs were granted to employees and directors of UGC prior to June 2005 pursuant to these plans. All such awards are fully vested and no new grants will be made under these plans.

Stock Award Activity - LGI Common Stock

The following tables summarize the stock award activity during the year ended December 31, 2012 with respect to LGI common stock:

Options — LGI Series A common stock	Number of shares	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value
			in years	in millions
Outstanding at January 1, 2012	1,583,387	$ 23.07		
Granted	41,159	$ 49.37		
Exercised	(819,929)	$ 21.61		
Outstanding at December 31, 2012	804,617	$ 25.90	3.4	$ 29.8
Exercisable at December 31, 2012	727,989	$ 23.89	2.8	$ 28.4

Options — LGI Series C common stock	Number of shares	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value
			in years	in millions
Outstanding at January 1, 2012	1,534,739	$ 21.95		
Granted	42,639	$ 47.66		
Exercised	(734,607)	$ 20.43		
Outstanding at December 31, 2012	842,771	$ 24.59	3.3	$ 28.8
Exercisable at December 31, 2012	763,238	$ 22.64	2.7	$ 27.6

SARs — LGI Series A common stock	Number of shares	Weighted average base price	Weighted average remaining contractual term	Aggregate intrinsic value
			in years	in millions
Outstanding at January 1, 2012	3,694,198	$ 29.31		
Granted	1,175,280	$ 50.09		
Forfeited	(168,549)	$ 34.52		
Exercised	(939,592)	$ 23.84		
Outstanding at December 31, 2012	3,761,337	$ 36.94	4.8	$ 97.2
Exercisable at December 31, 2012	1,449,435	$ 29.25	3.9	$ 48.2

SARs — LGI Series C common stock	Number of shares	Weighted average base price	Weighted average remaining contractual term	Aggregate intrinsic value
			in years	in millions
Outstanding at January 1, 2012	3,671,981	$ 28.43		
Granted	1,175,280	$ 48.27		
Forfeited	(168,313)	$ 33.37		
Exercised	(892,194)	$ 23.30		
Outstanding at December 31, 2012	3,786,754	$ 35.58	4.8	$ 87.2
Exercisable at December 31, 2012	1,474,940	$ 28.22	3.8	$ 44.4

Restricted shares and share units — LGI Series A common stock	Number of shares	Weighted average grant-date fair value per share	Weighted average remaining contractual term
			in years
Outstanding at January 1, 2012	413,486	$ 30.34	
Granted	164,838	$ 50.05	
Forfeited	(24,993)	$ 34.51	
Released from restrictions	(221,323)	$ 29.27	
Outstanding at December 31, 2012	332,008	$ 40.53	2.3

Restricted shares and share units — LGI Series C common stock	Number of shares	Weighted average grant-date fair value per share	Weighted average remaining contractual term
			in years
Outstanding at January 1, 2012	413,665	$ 29.37	
Granted	165,072	$ 48.23	
Forfeited	(24,993)	$ 33.39	
Released from restrictions	(221,443)	$ 28.33	
Outstanding at December 31, 2012	332,301	$ 39.13	2.3

PSUs — LGI Series A common stock	Number of shares	Weighted average grant-date fair value per share	Weighted average remaining contractual term
			in years
Outstanding at January 1, 2012	1,049,793	$ 33.95	
Granted	427,960	$ 51.24	
Performance adjustment	(87,535)	$ 30.59	
Forfeited	(49,512)	$ 42.55	
Released from restrictions	(581,121)	$ 30.00	
Outstanding at December 31, 2012	759,585	$ 46.54	1.3

PSUs — LGI Series C common stock	Number of shares	Weighted average grant-date fair value per share	Weighted average remaining contractual term
			in years
Outstanding at January 1, 2012	1,049,793	$ 33.03	
Granted	427,960	$ 49.12	
Performance adjustment	(87,535)	$ 29.98	
Forfeited	(49,512)	$ 40.91	
Released from restrictions	(581,121)	$ 29.44	
Outstanding at December 31, 2012	759,585	$ 44.68	1.3

At December 31, 2012, total SARs outstanding included 12,208 LGI Series A common stock capped SARs and 12,208 LGI Series C common stock capped SARs, all of which were exercisable. The holder of an LGI Series A common stock capped SAR will receive the difference between $6.84 and the lesser of $10.90 or the market price of LGI Series A common stock on the date of exercise. The holder of an LGI Series C common stock capped SAR will receive the difference between $6.48 and the lesser of $10.31 or the market price of LGI Series C common stock on the date of exercise.

Stock Incentive Plans - Telenet Common Stock

Telenet Employee Share Purchase Plan

In February 2011, Telenet's Board of Directors offered to all of Telenet's employees the opportunity to purchase new shares of Telenet under the terms of an Employee Share Purchase Plan (the ESPP) at a discount of 16.67% to the average share price over the 30 days preceding March 24, 2011. Based on the average share price of €31.65 ($41.77) during this 30-day period, the shares were offered to employees at a subscription price per share of €26.38 ($34.82). As the shares acquired by employees in March 2011 were fully vested, the stock-based compensation related to these shares of $3.3 million was charged to expense during the three months ended March 31, 2011. Cash proceeds from the issuance of these shares in the amount of €9.0 million ($11.9 million) were received in April 2011.

Telenet Stock Option Plans

General. During the second quarters of 2012 and 2011, Telenet modified the terms of certain of its stock option plans to provide for anti-dilution adjustments in connection with the capital distributions that, as further described in note 11, were approved by Telenet shareholders on April 25, 2012 and April 27, 2011, respectively. These anti-dilution adjustments, which were finalized in August 2012 and July 2011, respectively, provided for increases in the number of options outstanding and proportionate reductions to the option exercise prices such that the fair value of the options outstanding before and after the distributions remained the same for all option holders. In connection with these anti-dilution adjustments, Telenet recognized stock-based compensation expense of $12.6 million and $15.8 million during the second quarters of 2012 and 2011, respectively, and continues to recognize additional stock-based compensation as the underlying options vest.

Telenet Specific Stock Option Plan. Telenet has granted certain stock options to its Chief Executive Officer under a specific stock option plan (the Telenet Specific Stock Option Plan). In February 2012, Telenet set the performance criteria for 259,490 options with an exercise price of €19.50 ($25.74) per option that, subject to achievement of relevant performance criteria, will vest on March 1, 2013. Subject to the determination of applicable performance criteria, Telenet has granted an additional 256,490 options with an exercise price of €20.27 ($26.75) that, subject to achievement of relevant performance criteria, will vest on March 1, 2014. Any options that vest pursuant to the Telenet Specific Stock Option Plan become exercisable during defined exercise periods following January 1, 2014. All of the options granted under the Telenet Specific Stock Option Plan have an expiration date of September 4, 2017. The share and per share amounts set forth in this paragraph have been adjusted to reflect the aforementioned anti-dilution adjustments related to Telenet's 2012 capital distributions, as described above.

The following table summarizes the activity during 2012 related to the Telenet Specific Stock Option Plan:

Options — Telenet ordinary shares	Number of shares	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value
			in years	in millions
Outstanding at January 1, 2012	522,581	€ 20.19		
Granted (a)	232,258	€ 21.53		
Net impact of anti-dilution adjustments related to capital distribution	78,755	€ (1.94)		
Outstanding at December 31, 2012	833,594	€ 18.66	4.7	€ 14.2
Exercisable at December 31, 2012	—	€ —	—	€ —

(a) Represents the number of options for which the performance criteria was set during the period and does not include options that have been granted subject to the determination of performance criteria. The fair value of these options was calculated on the date that the performance criteria was set using an expected volatility of 32.2%, an expected life of 4.3 years, and a risk-free return of 2.08%. The grant date fair value during 2012 was €11.85 ($15.64).

Telenet Employee Stock Warrant Plans. Telenet has granted warrants to members of senior management under various stock-based compensation plans (the Telenet Employee Stock Warrant Plans). Each warrant provides the employee with the option to acquire a new ordinary share of Telenet at a specified exercise price. The maximum aggregate number of shares authorized for issuance as of December 31, 2012 under the Telenet Employee Stock Warrant Plans was 1,595,300. Warrants generally vest at a rate of 6.25% per quarter over four years and expire on dates ranging from March 2013 to August 2016.

The following table summarizes the activity during 2012 related to the Telenet Employee Stock Warrant Plans:

Warrants — Telenet ordinary shares	Number of shares	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value
			in years	in millions
Outstanding at January 1, 2012	3,884,259	€ 14.98		
Forfeited	(50,337)	€ 19.86		
Exercised	(994,730)	€ 12.82		
Net impact of anti-dilution adjustments related to capital distribution	346,517	€ (1.45)		
Outstanding at December 31, 2012	3,185,709	€ 13.95	2.0	€ 69.1
Exercisable at December 31, 2012	2,177,883	€ 12.50	1.7	€ 50.4

(13) Related-Party Transactions

Our related-party transactions are as follows:

	Year ended December 31, 2012	2011	2010
	in millions		
Continuing operations:			
Revenue earned from related parties (a)	$ 16.9	$ 22.0	$ 30.0
Operating expenses charged by related parties (b)	$ 39.3	$ 37.6	$ 32.5
Discontinued operations:			
Net expenses charged by related parties:			
Austar (c)	$ 3.1	$ 7.7	$ 5.0
J:COM Disposal Group (d)	$ —	$ —	$ 9.4
Capital lease additions - related parties (e)	$ —	$ —	$ 25.5

(a) Amounts consist of revenue derived from our equity method affiliates, primarily related to management and advisory services, programming license fees and construction and network maintenance services.

(b) Amounts consist primarily of programming costs and interconnect fees charged by certain of our investees.

(c) Amounts represent the net of (i) programming costs charged to Austar by its equity method affiliate and (ii) reimbursements charged by Austar for marketing and director fees incurred on behalf of its equity method affiliate.

(d) Amounts consist primarily of (i) operating expenses for programming, billing system, program guide and other services provided to J:COM by its and Sumitomo's affiliates (ii) SG&A expenses for management, rental and IT support services provided by Sumitomo to J:COM and (iii) interest expense, primarily related to assets leased from certain Sumitomo entities. These amounts are shown net of revenue related to programming services provided to certain J:COM affiliates and distribution fee revenue from a subsidiary of Sumitomo.

(e) Represents capital leases for customer premises equipment, various office equipment and vehicles from certain subsidiaries and affiliates of Sumitomo.

(14) Restructuring Liabilities

A summary of changes in our restructuring liabilities during 2012 is set forth in the table below:

	Employee severance and termination	Office closures	Contract termination	Total
	in millions			
Restructuring liability as of January 1, 2012	$ 7.2	$ 3.6	$ 17.6	$ 28.4
Restructuring charges	52.2	1.6	(1.8)	52.0
Cash paid	(20.9)	(1.3)	(2.8)	(25.0)
Foreign currency translation adjustments	1.2	0.1	0.1	1.4
Restructuring liability as of December 31, 2012	$ 39.7	$ 4.0	$ 13.1	$ 56.8
Short-term portion	$ 39.6	$ 2.1	$ 3.2	$ 44.9
Long-term portion	0.1	1.9	9.9	11.9
Total	$ 39.7	$ 4.0	$ 13.1	$ 56.8

Our 2012 restructuring charges for employee severance and termination costs relate to reorganization and integration activities, primarily in Germany.

A summary of changes in our restructuring liabilities during 2011 is set forth in the table below:

	Employee severance and termination	Office closures	Contract termination	Other	Total
	in millions				
Restructuring liability as of January 1, 2011	$ 8.3	$ 5.2	$ 22.6	$ 0.1	$ 36.2
Restructuring charges	20.4	0.3	(2.2)	—	18.5
Cash paid	(21.6)	(1.8)	(2.1)	(0.1)	(25.6)
Foreign currency translation adjustments	0.1	(0.1)	(0.7)	—	(0.7)
Restructuring liability as of December 31, 2011	$ 7.2	$ 3.6	$ 17.6	$ —	$ 28.4
Short-term portion	$ 7.0	$ 0.7	$ 3.4	$ —	$ 11.1
Long-term portion	0.2	2.9	14.2	—	17.3
Total	$ 7.2	$ 3.6	$ 17.6	$ —	$ 28.4

Our 2011 restructuring charges for employee severance and termination costs relate to reorganization and integration activities, primarily in Europe and Chile.

A summary of changes in our restructuring liabilities during 2010 is set forth in the table below:

	Employee severance and termination	Office closures	Contract termination	Other	Total
			in millions		
Restructuring liability as of January 1, 2010	$ 6.6	$ 9.4	$ 8.5	$ —	$ 24.5
Restructuring charges	16.3	0.2	23.0	8.9	48.4
Cash paid	(14.0)	(4.0)	(9.2)	(9.2)	(36.4)
Other	(0.4)	0.3	0.1	—	—
Foreign currency translation adjustments	(0.2)	(0.7)	0.2	0.4	(0.3)
Restructuring liability as of December 31, 2010	$ 8.3	$ 5.2	$ 22.6	$ 0.1	$ 36.2
Short-term portion	$ 8.0	$ 2.1	$ 2.7	$ 0.1	$ 12.9
Long-term portion	0.3	3.1	19.9	—	23.3
Total	$ 8.3	$ 5.2	$ 22.6	$ 0.1	$ 36.2

Our 2010 restructuring charges include (i) $17.2 million, representing the estimated additional amounts associated with Chellomedia's contractual obligations with respect to satellite capacity that is no longer used by Chellomedia and (ii) $16.4 million, representing dish-turning and duplicate satellite costs incurred in connection with the migration of the UPC/Unity Division's DTH operations in the Czech Republic, Hungary and Slovakia to a new satellite. Our 2010 restructuring charges for employee severance and termination costs relate to reorganization and integration activities, primarily in Europe.

(15) Accumulated Other Comprehensive Earnings

Accumulated other comprehensive earnings included in our consolidated balance sheets and statements of equity reflect the aggregate impact of foreign currency translation adjustments, unrealized gains and losses on cash flow hedges and pension related adjustments. The changes in the components of accumulated other comprehensive earnings, net of taxes, are summarized as follows:

	LGI stockholders					
	Foreign currency translation adjustments	Unrealized gains (losses) on cash flow hedges	Pension related adjustments	Accumulated other comprehensive earnings	Non-controlling interests	Total accumulated other comprehensive earnings
			in millions			
Balance at January 1, 2010	$ 1,292.1	$ (4.2)	$ 11.1	$ 1,299.0	$ 304.1	$ 1,603.1
Sale of J:COM Disposal Group	—	—	—	—	(373.7)	(373.7)
Other comprehensive earnings	142.6	2.9	(4.2)	141.3	67.5	208.8
Balance at December 31, 2010	1,434.7	(1.3)	6.9	1,440.3	(2.1)	1,438.2
Other comprehensive earnings	95.0	(9.2)	(16.6)	69.2	(21.0)	48.2
Balance at December 31, 2011	1,529.7	(10.5)	(9.7)	1,509.5	(23.1)	1,486.4
Sale of Austar	—	—	—	—	60.1	60.1
Other comprehensive earnings	74.4	10.5	6.1	91.0	0.3	91.3
Balance at December 31, 2012	$ 1,604.1	$ —	$ (3.6)	$ 1,600.5	$ 37.3	$ 1,637.8

The components of other comprehensive earnings, net of taxes, are reflected in our consolidated statements of comprehensive earnings (loss). The following table summarizes the tax effects related to each component of other comprehensive earnings, net of amounts reclassified to our consolidated statements of operations:

	Pre-tax amount	Tax benefit (expense)	Net-of-tax amount
		in millions	
Year ended December 31, 2012:			
Foreign currency translation adjustments	$ 76.0	$ (0.6)	$ 75.4
Cash flow hedges	15.1	(4.6)	10.5
Pension related adjustments	6.0	(0.6)	5.4
Other comprehensive earnings	97.1	(5.8)	91.3
Other comprehensive loss attributable to noncontrolling interests (a)	0.1	(0.4)	(0.3)
Other comprehensive earnings attributable to LGI stockholders	$ 97.2	$ (6.2)	$ 91.0
Year ended December 31, 2011:			
Foreign currency translation adjustments	$ 82.3	$ 0.9	$ 83.2
Cash flow hedges	(24.8)	7.6	(17.2)
Pension related adjustments	(22.2)	4.4	(17.8)
Other comprehensive earnings	35.3	12.9	48.2
Other comprehensive earnings attributable to noncontrolling interests (a)	25.0	(4.0)	21.0
Other comprehensive earnings attributable to LGI stockholders	$ 60.3	$ 8.9	$ 69.2
Year ended December 31, 2010:			
Foreign currency translation adjustments	$ 219.4	$ (8.8)	$ 210.6
Cash flow hedges	2.3	0.6	2.9
Pension related adjustments	(5.3)	0.6	(4.7)
Other comprehensive earnings	216.4	(7.6)	208.8
Other comprehensive loss attributable to noncontrolling interests (a)	(67.0)	(0.5)	(67.5)
Other comprehensive earnings attributable to LGI stockholders	$ 149.4	$ (8.1)	$ 141.3

(a) Amounts primarily represent the noncontrolling interest owners' share of our foreign currency translation adjustments.

(16) Commitments and Contingencies

Commitments

In the normal course of business, we have entered into agreements that commit our company to make cash payments in future periods with respect to non-cancelable operating leases, programming contracts, satellite carriage commitments, purchases of customer premises equipment and other items. As of December 31, 2012, the U.S. dollar equivalents (based on December 31, 2012 exchange rates) of such commitments that are not reflected in our consolidated balance sheet are as follows:

	Payments due during:						
	2013	2014	2015	2016	2017	Thereafter	Total
	in millions						
Continuing operations:							
Operating leases	$ 183.7	$ 138.4	$ 126.2	$ 104.8	$ 91.5	$ 365.9	$ 1,010.5
Programming obligations	310.0	161.3	81.9	50.0	42.3	0.5	646.0
Other commitments	764.1	248.8	201.5	160.6	118.2	1,317.4	2,810.6
Total	$ 1,257.8	$ 548.5	$ 409.6	$ 315.4	$ 252.0	$ 1,683.8	$ 4,467.1

Programming commitments consist of obligations associated with certain of our programming, studio output and sports rights contracts that are enforceable and legally binding on us in that we have agreed to pay minimum fees without regard to (i) the actual number of subscribers to the programming services, (ii) whether we terminate service to a portion of our subscribers or dispose of a portion of our distribution systems or (iii) whether we discontinue our premium film or sports services. The amounts reflected in the table with respect to these contracts are significantly less than the amounts we expect to pay in these periods under these contracts. Payments to programming vendors have in the past represented, and are expected to continue to represent in the future, a significant portion of our operating costs. In this regard, during 2012, 2011 and 2010, (a) the programming and copyright costs incurred by our broadband communications and DTH operations aggregated $1,055.7 million, $965.3 million and $824.3 million, respectively (including intercompany charges that eliminate in consolidation of $77.2 million, $78.9 million and $73.3 million, respectively), and (b) the third-party programming costs incurred by our programming distribution operations aggregated $111.5 million, $115.9 million and $102.0 million, respectively. The ultimate amount payable in excess of the contractual minimums of our studio output contracts, which expire at various dates through 2017, is dependent upon the number of subscribers to our premium movie service and the theatrical success of the films that we exhibit.

Other commitments relate primarily to Telenet's commitments for certain operating costs associated with its leased network. Subsequent to October 1, 2015, these commitments are subject to adjustment based on changes in the network operating costs incurred by Telenet with respect to its own networks. These potential adjustments are not subject to reasonable estimation, and therefore, are not included in the above table. Other commitments also include (i) unconditional purchase obligations associated with commitments to purchase customer premises and other equipment and services that are enforceable and legally binding on us, (ii) certain commitments of Telenet to purchase (a) broadcasting capacity on a digital terrestrial television (DTT) network and (b) certain spectrum licenses, (iii) certain repair and maintenance, fiber capacity and energy commitments of Unitymedia KabelBW, (iv) satellite commitments associated with satellite carriage services provided to our company and (v) commitments associated with our mobile virtual network operator (MVNO) agreements. The amounts reflected in the table with respect to our MVNO commitments represent fixed minimum amounts payable under these agreements and therefore may be significantly less than the actual amounts we ultimately pay in these periods. Commitments arising from acquisition agreements (including with respect to the merger agreement we entered into with Virgin Media Inc. subsequent to December 31, 2012, as described in note 19) or tender offers (including with respect to the LGI Telenet Tender, as described in note 11) are not reflected in the above table.

In addition to the commitments set forth in the table above, we have significant commitments under derivative instruments pursuant to which we expect to make payments in future periods. For information concerning our derivative instruments, including the net cash paid or received in connection with these instruments during 2012, 2011 and 2010, see note 6.

We also have commitments pursuant to agreements with, and obligations imposed by, franchise authorities and municipalities, which may include obligations in certain markets to move aerial cable to underground ducts or to upgrade, rebuild or extend portions of our broadband communication systems. Such amounts are not included in the above table because they are not fixed or determinable.

Rental expense of our continuing operations under non-cancelable operating lease arrangements amounted to $204.5 million, $178.4 million and $167.4 million in 2012, 2011 and 2010, respectively. It is expected that in the normal course of business, operating leases that expire generally will be renewed or replaced by similar leases.

We have established various defined contribution benefit plans for our and our subsidiaries' employees. The aggregate expense of our continuing operations for matching contributions under the various defined contribution employee benefit plans was $27.6 million, $25.2 million and $21.4 million in 2012, 2011 and 2010, respectively.

Contingent Obligations

We are a party to various stockholder and similar agreements pursuant to which we could be required to make capital contributions to the entity in which we have invested or purchase another investor's interest. We do not expect any payments made under these provisions to be material in relationship to our financial position or results of operations.

Guarantees and Other Credit Enhancements

In the ordinary course of business, we have provided indemnifications to purchasers of certain of our assets, our lenders, our vendors and certain other parties. In addition, we have provided performance and/or financial guarantees to local municipalities, our customers and vendors. Historically, these arrangements have not resulted in our company making any material payments and we do not believe that they will result in material payments in the future.

Legal and Regulatory Proceedings and Other Contingencies

Cignal. On April 26, 2002, Liberty Global Europe received a notice that certain former shareholders of Cignal Global Communications (Cignal) filed a lawsuit (the 2002 Cignal Action) against Liberty Global Europe in the District Court in Amsterdam, the Netherlands, claiming damages for Liberty Global Europe's alleged failure to honor certain option rights that were granted to those shareholders pursuant to a shareholders agreement entered into in connection with the acquisition of Cignal by Priority Telecom NV (Priority Telecom). The shareholders agreement provided that in the absence of an initial public offering (IPO), as defined in the shareholders agreement, of shares of Priority Telecom by October 1, 2001, the Cignal shareholders would be entitled until October 31, 2001 to exchange their Priority Telecom shares into shares of Liberty Global Europe, with a cash equivalent value of $200 million in the aggregate, or cash at Liberty Global Europe's discretion. Liberty Global Europe believes that it complied in full with its obligations to the Cignal shareholders through the successful completion of the IPO of Priority Telecom on September 27, 2001, and accordingly, the option rights were not exercisable.

On May 4, 2005, the District Court rendered its decision in the 2002 Cignal Action, dismissing all claims of the former Cignal shareholders. On August 2, 2005, an appeal against the District Court decision was filed with the Court of Appeals in Amsterdam. Subsequently, when the grounds of appeal were filed in November 2005, nine individual plaintiffs, rather than all former Cignal shareholders, continued to pursue their claims. Based on the share ownership information provided by the nine plaintiffs, the damage claims remaining subject to the 2002 Cignal Action are approximately $28 million in the aggregate before statutory interest. On September 13, 2007, the Court of Appeals in Amsterdam rendered its decision that no IPO within the meaning of the shareholders agreement had been realized and accordingly the plaintiffs should have been allowed to exercise their option rights. The Court of Appeals in Amsterdam gave the parties leave to appeal to the Dutch Supreme Court and deferred all further decisions and actions, including the calculation and substantiation of the damages claimed by the plaintiffs, pending such appeal. Liberty Global Europe filed the appeal with the Dutch Supreme Court on December 13, 2007. On February 15, 2008, the plaintiffs filed a conditional appeal against the decision with the Dutch Supreme Court, challenging certain aspects of the decision of the Court of Appeals in Amsterdam in the event that Liberty Global Europe's appeal was not dismissed by the Dutch Supreme Court. On April 9, 2010, the Dutch Supreme Court issued its decision in which it honored the appeal of Liberty Global Europe, dismissed the plaintiffs' conditional appeal and referred the case to the Court of Appeals in The Hague. It is unclear whether the Cignal shareholders will request the Court of Appeals in The Hague to render a new decision.

On June 13, 2006, Liberty Global Europe, Priority Telecom, Euronext NV and Euronext Amsterdam NV were each served with a summons for a new action (the 2006 Cignal Action) purportedly on behalf of all other former Cignal shareholders and provisionally for the nine plaintiffs in the 2002 Cignal Action. The 2006 Cignal Action claims, in addition to the claims asserted in the 2002 Cignal Action, that (i) Liberty Global Europe did not meet its duty of care obligations to ensure an exit for the Cignal shareholders through an IPO and (ii) the listing of Priority Telecom on Euronext Amsterdam NV in September 2001 did not meet the requirements of the applicable listing rules and, accordingly, that the IPO was not valid and did not satisfy Liberty Global Europe's obligations to the Cignal shareholders. Aggregate claims of $200 million, plus statutory interest, are asserted in this action, which amount includes the $28 million provisionally claimed by the nine plaintiffs in the 2002 Cignal Action. On December 19, 2007, the District Court rendered its decision dismissing the plaintiffs' claims against Liberty Global Europe and the other defendants. The plaintiffs appealed the decision of the District Court to the Court of Appeals in Amsterdam. On December 10, 2009, the Court of Appeals in Amsterdam issued a partial decision holding that Priority Telecom was not liable to the Cignal shareholders, but postponed its decision with respect to the other defendants pending receipt of the decision of the Dutch Supreme Court. The Dutch Supreme Court's April 9, 2010 decision was delivered to the Court of Appeals in Amsterdam and, on September 6, 2011, the Court of Appeals in Amsterdam confirmed the decision of the District Court and dismissed all claims of the former Cignal shareholders. On December 6, 2011, the Cignal shareholders appealed the September 6, 2011 decision to the Dutch Supreme Court. The parties have filed their written submissions with the Dutch Supreme Court and a judgment is expected sometime in 2013.

In light of the September 13, 2007 decision by the Court of Appeals in Amsterdam and other factors, we recorded a provision of $146.0 million during the third quarter of 2007, representing our estimate of the loss (exclusive of legal costs, which are expensed as incurred) that we would incur upon an unfavorable outcome in the 2002 and 2006 Cignal Actions. The provision for this loss (all of which is uninsured) was recorded notwithstanding our appeal of the Court of Appeals decision in the 2002 Cignal Action to the Dutch Supreme Court and the fact that the Court of Appeals decision was not binding with respect to the 2006 Cignal Action. Notwithstanding (i) the April 9, 2010 Dutch Supreme Court decision in the 2002 Cignal Action and (ii) the September 6, 2011 decision of the Court of Appeals in Amsterdam in the 2006 Cignal Action, we do not anticipate reversing the provision until such time as the final disposition of this matter has been reached.

Interkabel Acquisition. On November 26, 2007, Telenet and the PICs announced a non-binding agreement-in-principle to transfer the analog and digital television activities of the PICs, including all existing subscribers to Telenet. Subsequently, Telenet and the PICs entered into a binding agreement (the 2008 PICs Agreement), which closed effective October 1, 2008. Beginning in December 2007, Belgacom NV/SA (Belgacom), the incumbent telecommunications operator in Belgium, instituted several proceedings seeking to block implementation of these agreements. It lodged summary proceedings with the President of the Court of First Instance of Antwerp to obtain a provisional injunction preventing the PICs from effecting the agreement-in-principle and initiated a civil procedure on the merits claiming the annulment of the agreement-in-principle. In March 2008, the President of the Court of First Instance of Antwerp ruled in favor of Belgacom in the summary proceedings, which ruling was overturned by the Court of Appeal of Antwerp in June 2008. Belgacom brought this appeal judgment before the Cour de Cassation (the Belgian Supreme Court), which confirmed the appeal judgment in September 2010. On April 6, 2009, the Court of First Instance of Antwerp ruled in favor of the PICs and Telenet in the civil procedure on the merits, dismissing Belgacom's request for the rescission of the agreement-in-principle and the 2008 PICs Agreement. On June 12, 2009, Belgacom appealed this judgment with the Court of Appeal of Antwerp. In this appeal, Belgacom is now also seeking compensation for damages should the 2008 PICs Agreement not be rescinded. However, the claim for compensation has not yet been quantified. At the introductory hearing, which was held on September 8, 2009, the proceedings on appeal were postponed indefinitely at the request of Belgacom.

In parallel with the above proceedings, Belgacom filed a complaint with the Government Commissioner seeking suspension of the approval by the PICs' board of directors of the agreement-in-principle and initiated suspension and annulment procedures before the Belgian Council of State against these approvals and subsequently against the board resolutions of the PICs approving the 2008 PICs Agreement. In this complaint, Belgacom's primary argument was that the PICs should have organized a public market consultation before entering into the agreement-in-principal and the 2008 PICs Agreement. Belgacom's efforts to suspend approval of these agreements were unsuccessful. In the annulment cases, the Belgian Council of State decided on May 2, 2012 to refer a number of questions of interpretation of European Union (EU) law for preliminary ruling to the European Court of Justice. A ruling by the European Court of Justice should not be expected before the end of 2013. Following the ruling of the European Court of Justice, the annulment cases will be resumed with the Belgian Council of State. The Belgian Council of State will be required to follow the interpretation given by the European Court of Justice to the points of EU law in its preliminary ruling.

It is possible that Belgacom or another third party or public authority will initiate further legal proceedings in an attempt to block the integration of the PICs' analog and digital television activities or obtain the rescission of the 2008 PICs Agreement. No assurance can be given as to the outcome of these or other proceedings. However, an unfavorable outcome of existing or future proceedings could potentially lead to the rescission of the 2008 PICs Agreement and/or to an obligation for Telenet to pay compensation for damages, subject to the relevant provisions of the 2008 PICs Agreement, which stipulate that Telenet is only responsible for damages in excess of €20.0 million ($26.4 million). In light of the fact that Belgacom has not quantified the amount of damages that it is seeking and we have no basis for assessing the amount of losses we would incur in the unlikely event that the 2008 PICs Agreement were to be rescinded, we cannot provide a reasonable estimate of the range of loss that would be incurred in the event the ultimate resolution of this matter were to be unfavorable to Telenet. However, we do not expect the ultimate resolution of this matter to have a material impact on our results of operations or financial condition.

Netherlands Regulatory Developments. In December 2011, the Dutch National Regulatory Authority (OPTA) completed a market assessment of the television market in the Netherlands, concluding that there were no grounds for regulation of that market. This final assessment is not open for appeal, as confirmed by the Dutch Supreme Administrative Court on June 18, 2012. As a result, no new regulations relating to the television market may be proposed without a new analysis. On December 22, 2011, referring to its final assessment of the television market, OPTA rejected previously filed requests from a number of providers to perform a new market analysis of the television market. This decision by OPTA was appealed by such providers to the Dutch Supreme Administrative Court. On November 5, 2012, the Dutch Supreme Administrative Court rejected the appeals against OPTA’s decision.

In May 2012, the Dutch Senate adopted laws that (i) provide the power to OPTA to impose an obligation for the mandatory resale of television services and to the Commissariaat voor de Media to supervise a new introduced resale by law obligation and (ii) provide for “net neutrality” on the internet, including limitations on the ability of broadband service providers to delay, choke or block traffic except under specific circumstances. These laws became effective on January 1, 2013 notwithstanding the above-described November 5, 2012 decision of the Dutch Supreme Administrative Court. On October 24, 2012, the European Commission opened formal infringement proceedings against the Dutch government on the basis that the new laws pertaining to resale breach EU law. We agree with the EU that the new laws pertaining to resale are contrary to EU law and we, along with other market participants, will contest their application. We have received requests under the new Commissariaat voor de Media resale regulation and are in early negotiations. We cannot predict the outcome of these negotiations nor whether or when we will begin selling our television services in the Netherlands pursuant to the new resale regulation. In this regard, any implementation of a resale regime would likely take several months or more and, if implemented, its application may strengthen our competitors by granting them resale access to our network to offer competing products and services notwithstanding our substantial historical financial outlays in developing the infrastructure. In addition, any resale access granted to our competitors could (i) limit the bandwidth available to us to provide new or expanded products and services to the customers served by our network and (ii) adversely impact our ability to maintain or increase our revenue and cash flows. The new regulation concerning “net neutrality” needs to work within a broader EU framework, requires some implementation by relevant authorities and is subject to challenge by market participants. It is unclear therefore what its impact on our business and the industry in general will be at this stage, if any.

Belgium Regulatory Developments. In December 2010, the Belgisch Instituut voor Post en Telecommunicatie (the BIPT) and the regional regulators for the media sectors (together, the Belgium Regulatory Authorities) published their respective draft decisions reflecting the results of their joint analysis of the broadcasting market in Belgium.

After a public consultation, the draft decisions were submitted to the European Commission. The European Commission issued a notice on the draft decision that criticized the analysis of the broadcasting markets on several grounds, including the fact that the Belgium Regulatory Authorities failed to analyze upstream wholesale markets. It also expressed doubts as to the necessity and proportionality of the various remedies.

The Belgium Regulatory Authorities adopted a final decision on July 1, 2011 (the July 2011 Decision) with some minor revisions. The regulatory obligations imposed by the July 2011 Decision include (i) an obligation to make a resale offer at ‘’retail minus’’ of the cable analog package available to third party operators (including Belgacom), (ii) an obligation to grant third-party operators (except Belgacom) access to digital television platforms (including the basic digital video package) at “retail minus,” and (iii) an obligation to make a resale offer at ‘’retail minus’’ of broadband internet access available to beneficiaries of the digital television access obligation that wish to offer bundles of digital video and broadband internet services to their customers (except Belgacom). A “retail-minus” method of pricing involves a wholesale tariff calculated as the retail price for the offered service by Telenet, excluding value-added taxes and copyrights, and further deducting the retail costs avoided by offering the wholesale service (such as, for example, costs for billing, franchise, consumer service, marketing, and sales). On February 1, 2012, Telenet submitted draft reference offers regarding the obligations described above. The reference offers are subject to an approval process that includes a national consultation and a notification to the European Commission before final approval by the Belgium Regulatory Authorities can occur. The final approval of the reference offers by the Belgium Regulatory Authorities is expected to occur during the first half of 2013. The July 2011 Decision provides that the regulated wholesale services must be available six months after the approval of the reference offers.

Telenet filed an appeal against the July 2011 Decision with the Brussels Court of Appeal. On September 4, 2012, the Brussels Court of Appeal rejected Telenet's request to suspend the July 2011 Decision pending the proceedings on the merits. Due to this rejection, Telenet will be required to begin the process of implementing its reference offers as soon as such reference offers are approved by the Belgium Regulatory Authorities. A final ruling on the merits can be expected during the first quarter of 2014. There can be no certainty that Telenet's appeals will be successful. Accordingly, one or more of these regulatory obligations could be upheld, in present or modified form.

The July 2011 Decision aims to, and in its application may, strengthen Telenet's competitors by granting them resale access to Telenet's network to offer competing products and services notwithstanding Telenet's substantial historical financial outlays in developing the infrastructure. In addition, any resale access granted to competitors could (i) limit the bandwidth available to Telenet to provide new or expanded products and services to the customers served by its network and (ii) adversely impact Telenet's ability to maintain or increase its revenue and cash flows. The extent of any such adverse impacts ultimately will be dependent on whether the July 2011 Decision is implemented in its current form and, if implemented, the wholesale rates established by the Belgium Regulatory Authorities, the extent that competitors take advantage of the resale access ultimately afforded to Telenet's network and other competitive factors or market developments.

Deutsche Telekom Litigation. On December 28, 2012, Unitymedia KabelBW filed a lawsuit against Telekom Deutschland GmbH, an operating subsidiary of Deutsche Telekom, in which Unitymedia KabelBW argues that it pays excessive prices for the co-use of Deutsche Telekom's cable ducts in Unitymedia KabelBW's footprint. The Federal Network Agency approved rates for the co-use of certain ducts of Telekom Deutschland GmbH in March 2011. Based in part on these approved rates, Unitymedia KabelBW is seeking a reduction of the annual lease fee (approximately €76 million ($100 million) for 2012) by approximately two thirds and the return of similarly calculated overpayments from 2009 through the ultimate settlement date, plus accrued interest. The resolution of this matter may take several years and no assurance can be given that Unitymedia KabelBW's claims will be successful. Any recovery by Unitymedia KabelBW will not be reflected in our consolidated financial statements until such time as the final disposition of this matter has been reached.

Vivendi Litigation. A wholly-owned subsidiary of our company is a plaintiff in certain litigation titled Liberty Media Corporation, et. al. v. Vivendi Universal S.A., et. al. (SDNY). The predecessor of LGI was a subsidiary of Liberty Media through June 6, 2004. In connection with Liberty Media's prosecution of the action, our subsidiary assigned its rights to Liberty Media in exchange for a contingent payout in the event Liberty Media recovered any amounts as a result of the action. Our subsidiary's interest in any such recovery will be equal to 10% of the recovery amount, including any interest awarded, less the amount to be retained by Liberty Media for (i) all fees and expenses incurred by Liberty Media in connection with the action (including expenses to be incurred in connection with any appeals and the payment of certain deferred legal fees) and (ii) agreed upon interest on such fees and expenses. On January 9, 2013, following a jury trial, the court entered an order directing the parties to submit a final judgment in favor of the plaintiffs in the amount of €765 million ($1,010 million), plus prejudgment interest from December 16, 2001. Vivendi Universal S.A. has announced its intention to appeal the jury's verdict in this matter. As a result, the amount that our subsidiary may ultimately recover in connection with the final resolution of the action, if any, is uncertain. Any recovery by our company will not be reflected in our consolidated financial statements until such time as the final disposition of this matter has been reached.

Liberty Puerto Rico Matter. Liberty Puerto Rico, as the surviving entity in the Puerto Rico Transaction, is a party to certain lawsuits previously asserted against OneLink, including a claim that OneLink acted in an anticompetitive manner in connection with a series of legal and regulatory proceedings it initiated against the incumbent telephone operator in Puerto Rico beginning in 2009. Given, among other matters, that discovery has not yet been completed, we are not in a position to reasonably estimate the range of loss that might be incurred by Liberty Puerto Rico in the event of an unfavorable outcome in this matter.

Other Regulatory Issues. Video distribution, broadband internet, telephony and content businesses are regulated in each of the countries in which we operate. The scope of regulation varies from country to country, although in some significant respects regulation in European markets is harmonized under the regulatory structure of the EU. Adverse regulatory developments could subject our businesses to a number of risks. Regulation, including conditions imposed on us by competition or other authorities as a requirement to close acquisitions or dispositions, could limit growth, revenue and the number and types of services offered and could lead to increased operating costs and capital expenditures. In addition, regulation may restrict our operations and subject them to further competitive pressure, including pricing restrictions, interconnect and other access obligations, and restrictions or controls on content, including content provided by third parties. Failure to comply with current or future regulation could expose our businesses to various penalties.

Other. In addition to the foregoing items, we have contingent liabilities related to matters arising in the ordinary course of business including (i) legal proceedings, (ii) wage, property, sales and other tax issues and (iii) disputes over interconnection, programming, copyright and carriage fees. While we generally expect that the amounts required to satisfy these contingencies will not materially differ from the estimated amounts we have accrued, no assurance can be given that the resolution of one or more of these contingencies will not result in a material impact on our results of operations or cash flows in any given period. Due, in general, to the complexity of the issues involved and, in certain cases, the lack of a clear basis for predicting outcomes, we cannot provide a meaningful range of potential losses or cash outflows that might result from any unfavorable outcomes.

(17) Segment Reporting

We own a variety of international subsidiaries that provide broadband communications and DTH services, and to a lesser extent, programming services. We generally identify our reportable segments as those consolidated subsidiaries that represent 10% or more of our revenue, operating cash flow (as defined below) or total assets. In certain cases, we may elect to include an operating segment in our segment disclosure that does not meet the above-described criteria for a reportable segment. We evaluate performance and make decisions about allocating resources to our operating segments based on financial measures such as revenue and operating cash flow. In addition, we review non-financial measures such as subscriber growth, as appropriate.

Operating cash flow is the primary measure used by our chief operating decision maker to evaluate segment operating performance. Operating cash flow 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, operating cash flow is defined as revenue less operating and SG&A expenses (excluding stock-based compensation, depreciation and amortization, provisions for litigation and impairment, restructuring and other operating items). Other operating items include (i) gains and losses on the disposition of long-lived assets, (ii) direct acquisition costs, such as third-party due diligence, legal and advisory costs, and (iii) other acquisition-related items, such as gains and losses on the settlement of contingent consideration. Our internal decision makers believe operating cash flow is a meaningful measure and is superior to available GAAP measures because it represents a transparent view of our recurring operating performance that is unaffected by our capital structure and allows management to (i) readily view operating trends, (ii) perform analytical comparisons and benchmarking between segments and (iii) identify strategies to improve operating performance in the different countries in which we operate. We believe our operating cash flow 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. Operating cash flow should be viewed as a measure of operating performance that is a supplement to, and not a substitute for, operating income, net earnings (loss), cash flow from operating activities and other GAAP measures of income or cash flows. A reconciliation of total segment operating cash flow to our loss from continuing operations before income taxes is presented below.

Beginning in the fourth quarter of 2012, the management responsibility for certain of our operations in Switzerland was transferred to our Austrian operations and, accordingly, such operations are now reported within our Other Western Europe segment. Segment information for all periods presented has been retrospectively revised to reflect this change. Unless otherwise noted, we present only the reportable segments of our continuing operations in the tables below. We have identified the following consolidated operating segments as our reportable segments:

- UPC/Unity Division:
  - Germany
  - The Netherlands
  - Switzerland
  - Other Western Europe
  - Central and Eastern Europe
- Telenet (Belgium)
- VTR Group (Chile)

All of the reportable segments set forth above derive their revenue primarily from broadband communications services, including video, broadband internet and telephony services. Most reportable segments also provide business-to-business (B2B) services. At December 31, 2012, our operating segments in the UPC/Unity Division provided broadband communications services in 10 European countries and DTH services to customers in the Czech Republic, Hungary, Romania and Slovakia through a Luxembourg-based organization that we refer to as “UPC DTH”. Our Other Western Europe segment includes our broadband communications operating segments in Austria and Ireland. Our Central and Eastern Europe segment includes our broadband communications operating segments in the Czech Republic, Hungary, Poland, Romania and Slovakia. The UPC/Unity Division’s central and other category includes (i) the UPC DTH operating segment, (ii) costs associated with certain centralized functions, including billing systems, network operations, technology, marketing, facilities, finance and other administrative functions and (iii) intersegment eliminations within the UPC/Unity Division. Telenet provides video, broadband internet and telephony services in Belgium. In Chile, the VTR Group includes VTR, which provides video, broadband internet and telephony services, and VTR Wireless, which provides mobile services through a combination of its own wireless network and certain third-party wireless access arrangements. Our corporate and other category includes (i) less significant consolidated operating segments that provide (a) broadband communications services in Puerto Rico and (b) programming and other services primarily in Europe and Latin America and (ii) our corporate category. Intersegment eliminations primarily represent the elimination of intercompany transactions between our broadband communications and programming operations, primarily in Europe.

Performance Measures of Our Reportable Segments

The amounts presented below represent 100% of each of our reportable segment’s revenue and operating cash flow. As we have the ability to control Telenet, the VTR Group and Liberty Puerto Rico, we consolidate 100% of the revenue and expenses of these entities in our consolidated statements of operations despite the fact that third parties own significant interests in these entities. The noncontrolling owners’ interests in the operating results of Telenet, the VTR Group, Liberty Puerto Rico and other less significant majority-owned subsidiaries are reflected in net earnings or loss attributable to noncontrolling interests in our consolidated statements of operations.

	Year ended December 31,					
	2012		2011		2010	
	Revenue	Operating cash flow	Revenue	Operating cash flow	Revenue	Operating cash flow
	in millions					
UPC/Unity Division:						
Germany	$ 2,311.0	$ 1,364.3	$ 1,450.0	$ 863.7	$ 1,146.6	$ 659.8
The Netherlands	1,229.1	737.1	1,273.4	755.3	1,156.8	673.9
Switzerland	1,259.8	717.9	1,282.6	721.9	1,067.6	588.2
Other Western Europe	848.4	407.7	893.3	418.7	829.5	383.2
Total Western Europe	5,648.3	3,227.0	4,899.3	2,759.6	4,200.5	2,305.1
Central and Eastern Europe	1,115.7	555.1	1,122.5	548.0	1,001.5	496.8
Central and other	115.7	(163.1)	122.7	(140.5)	108.6	(120.3)
Total UPC/Unity Division	6,879.7	3,619.0	6,144.5	3,167.1	5,310.6	2,681.6
Telenet (Belgium)	1,918.0	940.7	1,918.5	967.0	1,727.2	872.8
VTR Group (Chile)	940.6	314.2	889.0	341.2	798.2	327.7
Corporate and other	655.8	(4.3)	645.2	7.0	608.6	(0.4)
Intersegment eliminations	(83.3)	—	(86.4)	—	(80.4)	—
Total	$ 10,310.8	$ 4,869.6	$ 9,510.8	$ 4,482.3	$ 8,364.2	$ 3,881.7

The following table provides a reconciliation of total segment operating cash flow from continuing operations to loss from continuing operations before income taxes:

	Year ended December 31,		
	2012	2011	2010
	in millions		
Total segment operating cash flow from continuing operations	$ 4,869.6	$ 4,482.3	$ 3,881.7
Stock-based compensation expense	(112.4)	(131.3)	(111.0)
Depreciation and amortization	(2,691.1)	(2,457.0)	(2,251.5)
Impairment, restructuring and other operating items, net	(83.0)	(75.6)	(125.6)
Operating income	1,983.1	1,818.4	1,393.6
Interest expense	(1,677.4)	(1,455.2)	(1,283.6)
Interest and dividend income	42.3	73.2	36.2
Realized and unrealized losses on derivative instruments, net	(1,069.9)	(60.4)	(1,152.3)
Foreign currency transaction gains (losses), net	436.3	(572.6)	(237.1)
Realized and unrealized gains (losses) due to changes in fair values of certain investments and debt, net	(29.9)	(155.1)	127.8
Losses on debt modification, extinguishment and conversion, net	(215.8)	(218.4)	(29.8)
Gains due to changes in ownership	52.5	—	—
Other expense, net	(4.5)	(5.7)	(5.4)
Loss from continuing operations before income taxes	$ (483.3)	$ (575.8)	$ (1,150.6)

Balance Sheet Data of our Reportable Segments

Selected balance sheet data of our reportable segments is set forth below:

	Long-lived assets		Total assets	
	December 31,		December 31,	
	2012	2011	2012	2011
	in millions			
UPC/Unity Division:				
Germany	$ 10,626.4	$ 10,681.4	$ 10,960.2	$ 11,105.6
The Netherlands	2,378.3	2,323.4	2,676.6	2,581.9
Switzerland	4,685.6	4,634.4	5,032.9	5,052.0
Other Western Europe	1,886.9	1,893.4	1,952.7	1,962.9
Total Western Europe	19,577.2	19,532.6	20,622.4	20,702.4
Central and Eastern Europe	2,866.1	2,744.2	3,002.5	2,860.0
Central and other	365.3	298.5	1,549.4	1,685.7
Total UPC/Unity Division	22,808.6	22,575.3	25,174.3	25,248.1
Telenet (Belgium)	4,617.8	4,583.6	6,243.1	5,424.1
VTR Group (Chile)	1,363.3	1,220.8	1,680.3	1,451.6
Corporate and other	1,665.0	785.3	5,210.0	3,239.7
Total - continuing operations	30,454.7	29,165.0	38,307.7	35,363.5
Discontinued operation (a)	—	770.1	—	1,045.7
Total	$ 30,454.7	$ 29,935.1	$ 38,307.7	$ 36,409.2

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(a) The December 31, 2011 amount represents the long-lived assets and total assets of Austar.

Property and Equipment Additions of our Reportable Segments

The property and equipment additions of our reportable segments (including capital additions financed under vendor financing or capital lease arrangements) are presented below and reconciled to the capital expenditure amounts included in our consolidated statements of cash flows. For additional information concerning capital additions financed under vendor financing and capital lease arrangements, see note 8.

	Year ended December 31,		
	2012	2011	2010
		in millions	
UPC/Unity Division:			
Germany	$ 559.5	$ 371.0	$ 286.5
The Netherlands	221.8	231.8	164.2
Switzerland	222.2	235.2	211.9
Other Western Europe	145.1	193.7	197.9
Total Western Europe	1,148.6	1,031.7	860.5
Central and Eastern Europe	227.6	201.2	204.3
Central and other	165.4	177.8	108.8
Total UPC/Unity Division	1,541.6	1,410.7	1,173.6
Telenet (Belgium)	440.0	413.3	372.4
VTR Group (Chile)	243.4	270.8	177.2
Corporate and other	49.1	36.8	42.5
Property and equipment additions	2,274.1	2,131.6	1,765.7
Assets acquired under capital-related vendor financing arrangements	(246.5)	(101.4)	—
Assets acquired under capital leases	(63.1)	(38.2)	(35.2)
Changes in current liabilities related to capital expenditures	(80.9)	(65.0)	(40.0)
Total capital expenditures	$ 1,883.6	$ 1,927.0	$ 1,690.5

Revenue by Major Category

Our revenue by major category is set forth below:

	Year ended December 31,		
	2012	2011 (a)	2010 (a)
		in millions	
Subscription revenue (b):			
Video	$ 4,647.6	$ 4,407.0	$ 3,916.0
Broadband internet	2,438.3	2,243.2	1,942.9
Telephony	1,523.1	1,303.6	1,137.1
Total subscription revenue	8,609.0	7,953.8	6,996.0
Other revenue (c)	1,701.8	1,557.0	1,368.2
Total	$ 10,310.8	$ 9,510.8	$ 8,364.2

(a) Effective January 1, 2012, we began classifying the monthly revenue derived from certain small office and home office (SOHO) subscribers as subscription revenue. SOHO subscribers pay a premium price to receive enhanced service levels along with video programming, internet or telephony services that are the same or similar to the mass marketed products offered to our residential subscribers. Prior period amounts have been conformed to the current period presentation by reclassifying the corresponding SOHO revenue from other revenue to subscription revenue.

(b) Subscription revenue includes amounts received from subscribers for ongoing services, excluding installation fees, late fees and mobile services revenue. Subscription revenue from subscribers who purchase bundled services at a discounted rate is generally allocated proportionally to each service based on the standalone price for each individual service.

(c) Other revenue includes non-subscription revenue (including B2B, interconnect, carriage fee, mobile services and installation revenue) and programming revenue.

Geographic Segments

The revenue of our geographic segments is set forth below:

	Year ended December 31,		
	2012	2011	2010
	in millions		
UPC/Unity Division:			
Germany	$ 2,311.0	$ 1,450.0	$ 1,146.6
The Netherlands	1,229.1	1,273.4	1,156.8
Switzerland	1,259.8	1,282.6	1,067.6
Austria	422.0	463.1	458.2
Ireland	426.4	430.2	371.3
Poland	450.0	390.7	316.3
Hungary	248.2	270.9	251.7
The Czech Republic	226.5	251.9	225.3
Romania	130.0	143.5	147.5
Slovakia	61.0	65.5	60.7
Other (a)	115.7	122.7	108.6
Total UPC/Unity Division	6,879.7	6,144.5	5,310.6
Belgium	1,918.0	1,918.5	1,727.2
Chellomedia:			
Poland	111.8	118.6	111.7
The Netherlands	105.8	108.4	111.8
Spain	67.2	73.2	65.8
Hungary	59.8	66.8	49.6
Other (b)	169.4	165.3	156.6
Total Chellomedia	514.0	532.3	495.5
Chile	940.6	889.0	798.2
Other (c)	141.8	112.9	113.1
Intersegment eliminations	(83.3)	(86.4)	(80.4)
Total	$ 10,310.8	$ 9,510.8	$ 8,364.2

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(a) Primarily represents revenue of UPC DTH from customers located in Hungary, the Czech Republic, Romania and Slovakia.

(b) Chellomedia's other geographic segments are located primarily in Latin America, the United Kingdom, Portugal, the Czech Republic, Romania, Slovakia and Italy.

(c) Primarily represents a less significant operating segment that provides broadband communications in Puerto Rico.

The long-lived assets of our geographic segments are set forth below:

	December 31,	
	2012	2011
	in millions	
UPC/Unity Division:		
Germany	$ 10,626.4	$ 10,681.4
The Netherlands	2,378.3	2,323.4
Switzerland	4,685.6	4,634.4
Austria	1,149.7	1,142.5
Ireland	737.2	750.9
Poland	1,172.9	1,086.7
Hungary	623.1	561.6
The Czech Republic	740.7	762.5
Romania	200.3	205.9
Slovakia	129.1	127.5
Other (a)	365.3	298.5
Total UPC/Unity Division	22,808.6	22,575.3
Belgium	4,617.8	4,583.6
Chellomedia:		
Spain	107.2	109.8
Hungary	97.7	98.4
United Kingdom	97.7	80.8
Latin America	83.9	0.7
The Netherlands	31.8	32.3
The Czech Republic	28.3	28.2
Poland	2.2	1.8
Total Chellomedia	448.8	352.0
Chile	1,363.3	1,220.8
U.S. (b)	32.7	56.9
Other (c)	1,183.5	376.4
Total - continuing operations	30,454.7	29,165.0
Discontinued operation (d)	—	770.1
Total	$ 30,454.7	$ 29,935.1

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(a) Primarily represents long-lived assets of the UPC/Unity Division’s central operations, which are located in the Netherlands.

(b) Primarily represents the assets of our corporate category.

(c) Primarily represents a less significant operating segment that provides broadband communications in Puerto Rico.

(d) The December 31, 2011 amount represents the long-lived assets of Austar.

(18) Quarterly Financial Information (Unaudited)

	2012			
	1st quarter	2nd quarter	3rd quarter	4th quarter
	in millions, except per share amounts			
Revenue	$ 2,537.0	$ 2,524.5	$ 2,519.1	$ 2,730.2
Operating income	$ 494.3	$ 479.0	$ 509.1	$ 500.7
Net earnings (loss) attributable to LGI stockholders	$ (25.1)	$ 701.6	$ (22.4)	$ (331.3)
Basic and diluted earnings (loss) attributable to LGI stockholders per share — Series A, Series B and Series C common stock (note 2)	$ (0.09)	$ 2.60	$ (0.08)	$ (1.27)

	2011			
	1st quarter	2nd quarter	3rd quarter	4th quarter
	in millions, except per share amounts			
Revenue	$ 2,257.9	$ 2,429.6	$ 2,418.8	$ 2,404.5
Operating income	$ 432.9	$ 494.2	$ 483.2	$ 408.1
Net earnings (loss) attributable to LGI stockholders	$ 342.4	$ (347.0)	$ (333.1)	$ (435.0)
Earnings (loss) attributable to LGI stockholders per share — Series A, Series B and Series C common stock (note 2):				
Basic	$ 1.42	$ (1.37)	$ (1.18)	$ (1.58)
Diluted	$ 1.22	$ (1.37)	$ (1.18)	$ (1.58)

(19) Subsequent Events

Pending Acquisition of Virgin Media

On February 5, 2013, we entered into an Agreement and Plan of Merger (the Virgin Media Merger Agreement) with Virgin Media Inc. (Virgin Media) and certain of our subsidiaries, pursuant to which we will acquire Virgin Media in a stock and cash merger (the Virgin Media Acquisition). Virgin Media is one of the United Kingdom's largest providers of residential broadband internet, video and fixed-line telephony services in terms of number of customers.

Subject to the terms and conditions of the Virgin Media Merger Agreement, which has been approved unanimously by both our and Virgin Media's board of directors:

- each share of common stock, par value $0.01 per share, of Virgin Media will be converted into the right to receive (i) 0.2582 Class A ordinary shares of a new public limited company organized under the laws of the United Kingdom (UK Holdco), (ii) 0.1928 Class C ordinary shares of UK Holdco and (iii) $17.50 in cash; and

- each share of Series A common stock, par value $0.01 per share, of LGI will be converted into the right to receive one Class A ordinary share of UK Holdco, each share of Series B common stock, par value $0.01 per share, of LGI will be converted into the right to receive one Class B ordinary share of UK Holdco, and each share of Series C common stock, par value $0.01 per share, of LGI will be converted into the right to receive one Class C ordinary share of UK Holdco.

Each Class A ordinary share of UK Holdco will be entitled to one vote per share, each Class B ordinary share of UK Holdco will be entitled to ten votes per share and each Class C ordinary share of UK Holdco will be issued without voting rights. As of January 31, 2013, there were approximately 269.3 million shares of Virgin Media common stock outstanding, 16.0 million shares of Virgin Media common stock underlying outstanding Virgin Media share awards and 52.0 million shares of Virgin Media common stock issuable upon conversion of outstanding Virgin Media convertible debt (excluding any shares issuable as a result of the make-whole premium provision of such convertible debt).

Consummation of the Virgin Media Acquisition is subject to customary conditions, including (i) regulatory and antitrust approvals, including the European Commission and competition authorities, (ii) the adoption of the merger agreement by the stockholders of LGI and Virgin Media and (iii) the approval of the shares of UK Holdco being listed for quotation on the NASDAQ Global Select Market. Under the Virgin Media Merger Agreement, we have agreed, among other things, to certain covenants that may place certain restrictions on us and our subsidiaries, none of which restrictions are expected to have a material adverse impact on our business or operations.

The cash component of the consideration for the Virgin Media Acquisition will be funded through a combination of (i) available liquidity of LGI and Virgin Media and (ii) debt financing. In connection with the execution of the Virgin Media Merger Agreement, we entered into the following financing arrangements:

- The commitment of various financial institutions to provide certain subsidiaries of Virgin Media a senior credit facility (the Virgin Media Credit Facility) that will be entered into on or around the date that the Virgin Media Acquisition is completed. The Virgin Media Credit Facility will be comprised of (i) a £375.0 million ($607.1 million) sterling-denominated Term Loan A, (ii) a £600.0 million ($971.3 million) sterling-denominated Term Loan B and (iii) a $2,755.0 million U.S. dollar-denominated Term Loan B (VM TLB). In addition, the Virgin Media Credit Facility will provide for a £250.0 million ($404.7 million) revolving credit facility;

- The issuance of (i) $1.0 billion 5.375% Senior Secured Notes due 2021 (the VM Dollar Senior Secured Notes) and £1.1 billion ($1.8 billion) 6.0% Senior Secured Notes due 2021 (the VM Sterling Senior Secured Notes and, together with the VM Dollar Senior Secured Notes, the VM Senior Secured Notes) and (ii) $530.0 million 6.375% Senior Notes due 2023 (the VM Dollar Senior Notes) and £250.0 million ($404.7 million) 7.0% Senior Notes due 2023 (the VM Sterling Senior Notes and, together with the VM Dollar Senior Notes, the VM Senior Notes). The VM Senior Secured Notes were issued by Lynx I Corp. (Lynx I or any successor company, the VM Senior Secured Notes Issuer) and the VM Senior Notes were issued by Lynx II Corp. (Lynx II or any successor company, the VM Senior Notes Issuer), both of which are subsidiaries of LGI. It is contemplated that the VM Senior Secured Notes and the VM Senior Notes will be pushed down to a Virgin Media successor company in connection with the closing of the Virgin Media Acquisition (the Debt Pushdown); and

- The expected rollover of Virgin Media's existing $2.4 billion (equivalent) Senior Secured Notes due 2018 (the VM 2018 Notes) and $905.9 million (equivalent) Senior Notes due 2019 (the VM 2019 Notes). In this respect, Virgin Media has commenced consent solicitations (Consent Solicitations) pursuant to which Virgin Media is seeking consents from holders of the VM 2018 Notes and the VM 2019 Notes to (i) waive its obligations under the respective indentures governing the VM 2018 Notes and the VM 2019 Notes to offer to repurchase such notes upon completion of the Virgin Media Acquisition, which transaction represents a "Change of Control" event under such indentures (the Change of Control Repurchase Offers), and (ii) make certain other amendments to the respective indentures. In the case that such Consent Solicitations are not successful, we have a commitment from certain financial institutions that provides for a senior secured bridge facility in an aggregate amount of £1.5 billion ($2.4 billion) and a senior notes bridge facility in an aggregate amount of £567.0 million ($917.9 million) that would be used following the Virgin Media Acquisition to fund the purchase of the VM 2018 Notes and the VM 2019 Notes tendered as a result of the Change of Control Repurchase Offers, as applicable.

In addition, a Consent Solicitation to waive the Change of Control offer obligation and make certain other amendments to the indenture is being sought for Virgin Media's existing $1.8 billion (equivalent) Senior Secured Notes due 2021 (the VM 2021 Notes). In the case that this Consent Solicitation is not successful, we have sufficient availability under VM TLB to fund any VM 2021 Notes tendered during the change of control repurchase offer for these notes. If consent is obtained, the VM 2021 Notes will remain in place and VM TLB will be reduced by a corresponding amount.

Upon the completion of the offering of the VM Senior Secured Notes and the VM Senior Notes, which is expected to occur on February 22, 2013, the net proceeds thereof (after deducting certain transaction expenses) will be placed into segregated escrow accounts with a trustee, and such proceeds will be released upon closing of the Virgin Media Acquisition. If the Virgin Media Acquisition is not completed by February 4, 2014, then the VM Senior Secured Notes and the VM Senior Notes will be subject to mandatory redemption at (i) 100% of the principal amount thereof if such redemption event occurs on or before November 4, 2013, or (ii) 101% of the principal amount thereof if such redemption event occurs after November 4, 2013, in each case, plus accrued and unpaid interest thereon.

Prior to the consummation of the Virgin Media Acquisition and the Debt Pushdown, the VM Senior Secured Notes will be senior obligations of Lynx I and, upon consummation of the Virgin Media Acquisition and the Debt Pushdown, will become the senior secured obligations of Virgin Media Secured Finance PLC (VM Secured Finance) and will be guaranteed on a senior basis by certain parent and subsidiary guarantors. Prior to the consummation of the Virgin Media Acquisition and the Debt Pushdown, the VM Senior Notes will be senior obligations of Lynx II and, upon consummation of the Virgin Media Acquisition and the Debt Pushdown, will become senior unsecured obligations of Virgin Media Finance PLC (VM Finance) and will be guaranteed on a senior basis by certain parent guarantors and on a senior subordinated basis by certain subsidiary guarantors. VM Secured Finance and VM Finance are subsidiaries of Virgin Media. Following the Debt Pushdown, the VM Senior Secured Notes will be secured by substantially all of the property and assets that secure VM Secured Finance's existing senior secured notes.

Subject to the circumstances described below, the VM Senior Secured Notes are non-callable until April 15, 2017 and the VM Senior Notes are non-callable until April 15, 2018. At any time prior to April 15, 2017, the VM Senior Secured Notes Issuer may redeem some or all of the VM Senior Secured Notes by paying a "make-whole" premium, which is the present value of all remaining scheduled interest payments to April 15, 2017 using the discount rate (as specified in the indenture) as of the applicable redemption date plus 50 basis points. At any time prior to April 15, 2018, the VM Senior Notes Issuer may redeem some or all of the VM Senior Notes by paying a "make-whole" premium, which is the present value of all remaining scheduled interest payments to April 15, 2018 using the discount rate (as specified in the indenture) as of the applicable redemption date plus 50 basis points.

The VM Senior Secured Notes Issuer may redeem some or all of the VM Senior Secured Notes at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest to the applicable redemption date, if redeemed during the twelve-month period commencing on April 15 of the years set forth below:

	Redemption price	
Year	VM Dollar Senior Secured Notes	VM Sterling Senior Secured Notes
2017	102.688%	103.000%
2018	101.344%	101.500%
2019 and thereafter	100.000%	100.000%

The VM Senior Notes Issuer may redeem some or all of the VM Senior Notes at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest to the applicable redemption date, if redeemed during the twelve-month period commencing on April 15 of the years set forth below:

	Redemption price	
Year	VM Dollar Senior Notes	VM Sterling Senior Notes
2018	103.188%	103.500%
2019	102.125%	102.333%
2020	101.063%	101.667%
2021 and thereafter	100.000%	100.000%

In addition, at any time prior to April 15, 2016, the VM Senior Secured Notes Issuer and the VM Senior Notes Issuer may redeem up to 40% of the VM Senior Secured Notes and the VM Senior Notes, respectively, at redemption prices of 105.375% in the case of the VM Dollar Senior Secured Notes, 106.000% in the case of the VM Sterling Senior Secured Notes, 106.375% in the case of the VM Dollar Senior Notes and 107.000% in the case of the VM Sterling Senior Notes, with the net proceeds from one or more specified equity offerings. Further, the VM Senior Secured Notes Issuer and the VM Senior Notes Issuer may redeem all, but not less than all, of the VM Senior Secured Notes and the VM Senior Notes, respectively, at a price equal to their principal amount plus accrued and unpaid interest upon the occurrence of certain changes in tax law.

Telenet Shareholder Disbursement

On February 11, 2013, Telenet announced that its board of directors will propose (i) a shareholder disbursement of €900.0 million ($1,187.8 million), representing €7.90 ($10.43) per share based on Telenet's outstanding shares as of that date, and (ii) a share repurchase program of up to €50.0 million ($66.0 million). Our share of the shareholder disbursement, the final form of which has not yet been determined, would be €524.1 million ($691.7 million) based on the number of shares we owned after the February 1, 2013 completion of the LGI Telenet Tender. The shareholder disbursement is expected to occur after Telenet's annual meeting of its shareholders on April 24, 2013.

Binan Facility Agreement

On February 5, 2013, Binan entered into a facility agreement (the Binan Facility Agreement) pursuant to which the lender under the Binan Facility Agreement has agreed to make available a term loan facility (the Binan Facility) in an aggregate amount of $740.0 million. All amounts borrowed under the Binan Facility Agreement may be applied for general corporate and working capital purposes of the borrower.

The initial maturity date for the Binan Facility is November 5, 2013 and may be extended for an additional three-month period. The Binan Facility bears interest at a rate of LIBOR plus 2.25% per annum plus any mandatory cost (which is the cost of compliance with reserve asset, liquidity, cash margin, special deposit or other like requirements).

The Binan Facility will be secured by a pledge over the current shares of Telenet owned by Binan and will only be drawn if Binan does not receive the proposed shareholder disbursement from Telenet, as described above. The Binan Facility Agreement does not contain any financial covenants.

Unitymedia KabelBW Notes

On January 21, 2013, the UM Senior Secured Notes Issuers issued €500.0 million ($659.9 million) principal amount of 5.125% senior secured notes due January 21, 2023 (the January 2013 UM Senior Secured Notes). The net proceeds from the issuance of the January 2013 UM Senior Secured Notes will be used to redeem a portion of the 2009 UM Euro Senior Secured Notes.

The January 2013 UM Senior Secured Notes are (i) senior obligations of the UM Senior Secured Notes Issuers that rank equally with all of the existing and future senior debt of each UM Senior Secured Notes Issuer and are senior to all existing and future subordinated debt of each of the UM Senior Secured Notes Issuers and (ii) are secured by a first-ranking pledge over the shares of Unitymedia KabelBW and the UM Senior Secured Notes Issuers and certain other share and/or asset security of Unitymedia KabelBW and certain of its subsidiaries.

The January 2013 UM Senior Secured Notes contain certain customary incurrence-based covenants. For example, the ability to raise certain additional debt and make certain distributions or loans to other subsidiaries of LGI is subject to a Consolidated Leverage Ratio test, as defined in the indenture.

Subject to the circumstances described below, the January 2013 UM Senior Secured Notes are non-callable until January 21, 2018. At any time prior to January 21, 2018 the UM Senior Secured Notes Issuers may redeem some or all of the January 2013 UM Senior Secured Notes by paying a “make-whole” premium, which is the present value of all remaining scheduled interest payments to the redemption date using the discount rate (as specified in the indenture) as of the redemption date plus 50 basis points.

The UM Senior Secured Notes Issuers may redeem some or all of the January 2013 UM Senior Secured Notes at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and Additional Amounts (as defined in the indenture), if any, to the redemption date, if redeemed during the twelve-month period commencing on January 21 of the years set forth below:

Year	Redemption Price
2018	102.563%
2019	101.708%
2020	100.854%
2021 and thereafter	100.000%

In addition, at any time prior to January 21, 2016, the UM Senior Secured Notes Issuers may redeem up to 40% of the January 2013 UM Senior Secured Notes (at redemption prices of 105.125%) with the net proceeds from one or more specified equity offerings.

The UM Senior Secured Notes Issuers may redeem all of the January 2013 UM Senior Secured Notes at prices equal to their respective principal amounts, plus accrued and unpaid interest, upon the occurrence of certain changes in tax law. If the UM Senior Secured Notes Issuers or certain of Unitymedia KabelBW’s subsidiaries sell certain assets or experience specific changes in control, the UM Senior Secured Notes Issuers must offer to repurchase the January 2013 UM Senior Secured Notes at a redemption price of 101%.

PART III

The capitalized terms used in Part III of this Annual Report on Form 10-K are defined in the notes to our consolidated financial statements. In the following text, the terms, “we,” “our,” “our company” and “us” may refer, as the context requires, to LGI or collectively to LGI and its subsidiaries.

Except as indicated below, the following required information is incorporated by reference to our definitive proxy statement for our 2013 Annual Meeting of Shareholders, which we intend to hold during the second quarter of 2013.

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Item 11. EXECUTIVE COMPENSATION

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by Item 201(d) of Regulation S-K is included below and accordingly will not be incorporated by reference to our definitive proxy statement.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

We intend to file our definitive proxy statement for our 2013 Annual Meeting of shareholders with the Securities and Exchange Commission on or before April 30, 2013.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Securities Authorized for Issuance Under Equity Compensation Plans

The capitalized terms used in Item 12 of this Annual Report on Form 10-K are defined in the notes to our consolidated financial statements. In the following text, the terms, "we," "our," "our company" and "us" may refer, as the context requires, to LGI or collectively to LGI and its predecessors and subsidiaries. The following table sets forth information as of December 31, 2012 with respect to shares of our common stock authorized for issuance under our equity compensation plans.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (1)(2)	Weighted average exercise price of outstanding options, warrants and rights (1)(2)	Number of securities available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by security holders:			
LGI Incentive Plan (3):			
LGI Series A common stock	3,794,514	$ 37.31	8,778,271
LGI Series C common stock	3,844,897	$ 35.84	
LGI Directors Incentive Plan (4) (5):			
LGI Series A common stock	351,246	$ 31.23	8,950,026
LGI Series C common stock	355,606	$ 30.09	
The Transitional Plan (5) (6):			
LGI Series A common stock	10,487	$ 17.51	—
LGI Series C common stock	14,839	$ 16.59	
UGC Plans (7):			
LGI Series A common stock	409,707	$ 17.14	—
LGI Series C common stock	414,183	$ 16.15	
Equity compensation plans not approved by security holders:			
None	—		—
Totals:			
LGI Series A common stock	4,565,954		17,728,297
LGI Series C common stock	4,629,525		

(1) This table includes SARs with respect to 3,761,337 and 3,786,754 shares of LGI Series A and Series C common stock, respectively. Upon exercise, the appreciation of a SAR, which is the difference between the base price of the SAR and the then-market value of the underlying series of LGI common stock or in certain cases, if lower, a specified price, may be paid in shares of the applicable series of LGI common stock. Based upon the respective market prices of LGI Series A and Series C common stock at December 31, 2012 and excluding any related tax effects, 1,544,630 and 1,483,472 shares of LGI Series A and Series C common stock, respectively, would have been issued if all outstanding SARs had been exercised on December 31, 2012. For further information, see note 12 to our consolidated financial statements.

(2) In addition to the option and SAR information included in this table, there are outstanding under the various incentive plans restricted shares and restricted share unit awards (including PSUs) with respect to an aggregate of 1,091,593 shares of LGI Series A common stock and 1,091,886 shares of LGI Series C common stock.

(3) The LGI Incentive Plan permits grants of, or with respect to, LGI Series A, Series B or Series C common stock subject to a single aggregate limit of 50 million shares (of which no more than 25 million shares may consist of Series B shares), subject to anti-dilution adjustments. As of December 31, 2012, an aggregate of 8,778,271 shares of common stock were available for issuance pursuant to the incentive plan.

(4) The non-employee director incentive plan permits grants of, or with respect to, LGI Series A, Series B or Series C common stock subject to a single aggregate limit of 10 million shares (of which no more than five million shares may consist of LGI Series B shares), subject to anti-dilution adjustments. As of December 31, 2012, an aggregate of 8,950,026 shares of common stock were available for issuance pursuant to the non-employee director incentive plan (of which no more than five million shares may consist of LGI Series B shares).

(5) Prior to LGI International’s spin off from Liberty Media, Liberty Media approved the non-employee director incentive plan and the Transitional Plan in its capacity as the then sole shareholder of LGI International.

(6) The Transitional Plan was adopted in connection with LGI International’s spin off from Liberty Media to provide for the supplemental award of options to purchase shares of LGI common stock and restricted shares of LGI common stock, in each case, pursuant to adjustments made to outstanding Liberty Media stock incentive awards in accordance with the anti-dilution provisions of Liberty Media’s stock incentive plans. No additional awards will be made under the Transitional Plan.

(7) The UGC Plans are comprised of the UnitedGlobalCom, Inc. Stock Option Plan for Non-Employee Directors, effective June 1, 1993, amended and restated as of January 22, 2004; the UnitedGlobalCom, Inc. Stock Option Plan for Non-Employee Directors, effective March 20, 1998, amended and restated as of January 22, 2004; and the UnitedGlobalCom, Inc. Equity Incentive Plan, amended and restated effective October 17, 2003. Awards outstanding under each of these plans were converted into awards with respect to LGI common stock in connection with the June 2005 combination of LGI International and UGC. No additional awards will be made under these plans.

PART IV

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LIBERTY GLOBAL, INC.

Dated: February 13, 2013	/s/ BRYAN H. HALL
	Bryan H. Hall *Executive Vice President, General Counsel and Secretary*

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

Signature	Title	Date
/s/ JOHN C. MALONE John C. Malone	Chairman of the Board	February 13, 2013
/s/ MICHAEL T. FRIES Michael T. Fries	President, Chief Executive Officer and Director	February 13, 2013
/s/ JOHN P. COLE John P. Cole	Director	February 13, 2013
/s/ MIRANDA CURTIS Miranda Curtis	Director	February 13, 2013
/s/ JOHN W. DICK John W. Dick	Director	February 13, 2013
/s/ PAUL A. GOULD Paul A. Gould	Director	February 13, 2013
/s/ RICHARD R. GREEN Richard R. Green	Director	February 13, 2013
/s/ DAVID E. RAPLEY David E. Rapley	Director	February 13, 2013
/s/ LARRY E. ROMRELL Larry E. Romrell	Director	February 13, 2013
/s/ J.C. SPARKMAN J.C. Sparkman	Director	February 13, 2013
/s/ J. DAVID WARGO J. David Wargo	Director	February 13, 2013
/s/ CHARLES H.R. BRACKEN Charles H.R. Bracken	Executive Vice President and Co-Chief Financial Officer (Principal Financial Officer)	February 13, 2013
/s/ BERNARD G. DVORAK Bernard G. Dvorak	Executive Vice President and Co-Chief Financial Officer (Principal Accounting Officer)	February 13, 2013

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) (1) FINANCIAL STATEMENT

The financial statements required under this Item begin on page II-68 of this Annual Report.

(a) (2) FINANCIAL STATEMENT SCHEDULES

The financial statement schedules required under this Item are as follows:

Schedule I - Condensed Financial Information of Registrant (Parent Company Information):	
Condensed Balance Sheets as of December 31, 2012 and 2011 (Parent Company Only)	IV-10
Condensed Statements of Operations for the years ended December 31, 2012, 2011 and 2010 (Parent Company Only)	IV-11
Condensed Statements of Cash Flows for the years ended December 31, 2012, 2011 and 2010 (Parent Company Only)	IV-12
Schedule II - Valuation and Qualifying Accounts	IV-13

(a) (3) EXHIBITS

Listed below are the exhibits filed as part of this Annual Report (according to the number assigned to them in Item 601 of Regulation S-K):

2 -- Plan of acquisition, reorganization, arrangement, liquidation or succession:

2.1 Agreement and Plan of Merger, dated as of February 5, 2013, among Virgin Media Inc., Liberty Global, Inc. Lynx Europe Limited, Lynx US MergerCo 1 LLC, Lynx US MergerCo 2 LLC, Viper US MergerCo 1 LLC and Viper US MergerCo 2 LLC (incorporated by reference to Exhibit 2.1 to the Registrant’s Current Report on Form 8-K filed February 7, 2013 (File No. 000-51360)).

3 -- Articles of Incorporation and Bylaws:

3.1 Restated Certificate of Incorporation of the Registrant, dated June 15, 2005 (incorporated by reference to Exhibit 3.1 to the Registrant's Annual Report on Form 10-K filed February 24, 2011 (File No. 000-51360) (the 2010 10-K)).

3.2 Bylaws of the Registrant (incorporated by reference to Exhibit 3.2 to the 2010 10-K).

4 -- Instruments Defining the Rights of Securities Holders, including Indentures:

4.1 Specimen certificate for shares of the Registrant's Series A common stock, par value $.01 per share (incorporated by reference to Exhibit 4.1 to the 2010 10-K).

4.2 Specimen certificate for shares of the Registrant's Series B common stock, par value $.01 per share (incorporated by reference to Exhibit 4.2 to the 2010 10-K).

4.3 Specimen certificate for shares of the Registrant's Series C Common Stock, par value $.01 per share (incorporated by reference to Exhibit 4.3 to the 2010 10-K).

4.4 Deed of Amendment and Restatement, dated May 10, 2006, among UPC Broadband Holding BV (UPC Broadband Holding) and UPC Financing Partnership (UPC Financing) as Borrowers, the guarantors listed therein, and the Senior Hedging Banks listed therein, with Toronto Dominion (Texas) LLC as Facility Agent, and TD Bank Europe Limited as Existing Security Agent, amending and restating the senior secured credit agreement originally dated January 16, 2004, as amended and restated from time to time among the Borrower, the guarantors as defined therein, the Facility Agent and the Security Agent and the bank and financial institutions acceding thereto from time to time (the UPC Broadband Holding Bank Facility) (incorporated by reference to Exhibit 4.4 to the Registrant’s Annual Report on Form 10-K filed February 22, 2012 (File No. 000-51360 (the 2011 10-K)).

4.5 Additional Facility Q Accession Agreement, dated March 25, 2009, among UPC Broadband Holding as Borrower, UPC Financing, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and the banks and financial institutions listed therein as Additional Facility Q Lenders, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed March 26, 2009 (File No. 000-51360) (the March 2009 8-K)).

4.6 Additional Facility R Accession Agreement, dated March 25, 2009, among UPC Financing Partnership as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and the banks and financial institutions listed therein as Additional Facility R Lenders, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.2 to the March 2009 8-K).

4.7	Additional Facility Q Accession Agreement dated April 27, 2009, among UPC Broadband Holding as Borrower, UPC Financing, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and the banks and financial institutions listed therein as Additional Facility Q Lenders, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K/A filed April 28, 2009 (File No. 000-51360) (the April 2009 8-K/A)).
4.8	Additional Facility R Accession Agreement dated April 27, 2009, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and the banks and financial institutions listed therein as Additional Facility R Lenders, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.4 to the April 2009 8-K/A).
4.9	Additional Facility S Accession Agreement, dated May 6, 2009, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and Liberty Global Europe BV (LG Europe) as the initial Additional Facility S Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed May 6, 2009 (File No. 000-51360) (the May 2009 8-K)).
4.10	Additional Facility T Accession Agreement, dated May 6, 2009, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and LG Europe as the initial Additional Facility T Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.2 to the May 2009 8-K).
4.11	Additional Facility S Accession Agreement, dated May 22, 2009, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and LG Europe as the initial Additional Facility S Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K/A filed May 26, 2009 (File No. 000-51360)).
4.12	Additional Facility U Accession Agreement, dated June 3, 2009, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and LG Europe as the initial Additional Facility U Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed June 3, 2009 (File No. 000-51360)).
4.13	Amendment Letter dated June 9, 2009, among UPC Broadband Holding and UPC Financing as Borrowers, Toronto Dominion (Texas) LLC, as Facility Agent, and the guarantors listed therein to the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed June 10, 2009 (File No. 000-51360)).
4.14	Additional Facility T Accession Agreement, dated September 8, 2009, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and LG Europe as an Additional Facility T Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed September 8, 2009 (File No. 000-51360) (the September 2009 8-K)).
4.15	Additional Facility T Accession Agreement, dated September 8, 2009, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and Nomura International plc as an Additional Facility T Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.2 to the September 2009 8-K).
4.16	Additional Facility Q Accession Agreement, dated September 8, 2009, among UPC Broadband Holding as Borrower, UPC Financing, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and Bank of America, N.A. as an Additional Facility Q Lender, under the UPC Broadband Holding Bank Facility(incorporated by reference to Exhibit 4.3 to the September 2009 8-K).
4.17	Additional Facility T Accession Agreement, dated September 17, 2009, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and LG Europe as an Additional Facility T Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed September 18, 2009 (File No. 000-51360)).
4.18	Additional Facility Q Accession Agreement, dated October 30, 2009, among UPC Broadband Holding as Borrower, UPC Financing, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and UBS Limited as an Additional Facility Q Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed November 5, 2009 (File No. 000-51360) (the November 2009 8-K)).
4.19	Additional Facility U Accession Agreement, dated November 3, 2009, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and LG Europe as an Additional Facility U Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.2 to the November 2009 8-K).
4.20	Additional Facility Q Accession Agreement, dated November 18, 2009, among UPC Broadband Holding as Borrower, UPC Financing, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and Goldman Sachs Bank USA as an Additional Facility Q Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed November 24, 2009 (File No. 000-51360)).

4.21	Additional Facility S Accession Agreement, dated January 19, 2010, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and UPC Broadband Operations BV as an Additional Facility S Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed January 21, 2010 (File No. 000-51360) (the January 2010 8-K)).
4.22	Additional Facility T Accession Agreement, dated January 19, 2010, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and UPC Broadband Operations BV as an Additional Facility T Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.2 to the January 2010 8-K).
4.23	Additional Facility V Accession Agreement, dated January 20, 2010, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and UPCB Finance Limited as an Additional Facility V Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.4 to the January 2010 8-K).
4.24	Additional Facility W Accession Agreement, dated March 24, 2010, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and UPC Broadband Operations BV as an Additional Facility W Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed March 25, 2010 (File No. 000-51360)).
4.25	Additional Facility W Accession Agreement, dated April 20, 2010, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and UPC Broadband Operations BV as an Additional Facility W Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed April 21, 2010 (File No. 000-51360) (the April 2010 8-K)).
4.26	Additional Facility R Accession Agreement, dated April 20, 2010, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and UPC Broadband Operations BV as an Additional Facility R Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.2 to the April 2010 8-K).
4.27	Additional Facility T Accession Agreement, dated April 20, 2010, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and UPC Broadband Operations BV as an Additional Facility T Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.3 to the April 2010 8-K).
4.28	Additional Facility X Accession Agreement, dated May 4, 2010, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and UPC Broadband Operations BV as an Additional Facility X Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed May 4, 2010 (File No. 000-51360)).
4.29	Additional Facility T Accession Agreement, dated May 27, 2010, among UPC Financing as Borrower, UPC Broadband Holding, The Bank of Nova Scotia as Facility Agent, TD Bank Europe Limited as Security Agent, and UPC Broadband Operations BV as an Additional Facility T Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed May 28, 2010 (File No. 000-51360)).
4.30	Additional Facility W Accession Agreement, dated July 2, 2010, among UPC Financing as Borrower, UPC Broadband Holding, The Bank of Nova Scotia as Facility Agent, The Bank of Nova Scotia as Security Agent, and Scotiabank Europe plc as an Additional Facility W Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed July 7, 2010 (File No. 000-51360)).
4.31	Indenture dated January 31, 2011, among UPCB Finance II Limited, The Bank of New York Mellon as trustee, registrar, transfer agent, principal paying agent and security agent (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed February 1, 2011 (File No. 000-51360) (the January 2011 8-K)).
4.32	Additional Facility Y Accession Agreement, dated January 31, 2011, among UPC Financing as Borrower, UPC Broadband Holding, The Bank of Nova Scotia as Facility Agent and Security Agent and UPCB Finance II Limited as an Additional Facility Y Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.2 to the January 2011 8-K).
4.33	Indenture dated February 16, 2011, among UPCB Finance III Limited, The Bank of New York Mellon as trustee, registrar, transfer agent, principal paying agent and security agent, and The Bank of New York Mellon, London Branch, as Transparency Directive Agent (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed February 17, 2011 (File No. 000-51360) (the February 2011 8-K)).
4.34	Additional Facility Z Accession Agreement, dated February 16, 2011, among UPC Financing as Borrower, UPC Broadband Holding, The Bank of Nova Scotia as Facility Agent and Security Agent and UPCB Finance III Limited as an Additional Facility Z Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.2 to the February 2011 8-K).

4.35	Additional Facility AA Accession Agreement, dated July 26, 2011, among UPC Financing Partnership as Borrower, UPC Broadband Holding BV, The Bank of Nova Scotia as Facility Agent and Security Agent, and UPC Broadband Operations BV as an Additional Facility AA Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed July 27, 2011 (File No. 000-51360)).
4.36	Additional Facility AA2 Accession Agreement, dated August 2, 2011, among UPC Financing Partnership as Borrower, UPC Broadband Holding BV, The Bank of Nova Scotia as Facility Agent and Security Agent, and UPC Broadband Operations BV as an Additional Facility AA2 Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed August 2, 2011 (File No. 000-51360)).
4.37	Additional Facility AA3 Accession Agreement, dated September 6, 2011, among UPC Financing Partnership as Borrower, UPC Broadband Holding BV, The Bank of Nova Scotia as Facility Agent and Security Agent, and UPC Broadband Operations BV as an Additional Facility AA3 Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed September 6, 2011 (File No. 000-51360)).
4.38	Additional Facility AC Accession Agreement, dated November 16, 2011, among UPC Financing Partnership, as Borrower, UPC Broadband Holding BV, The Bank of Nova Scotia, as Facility Agent and Security Agent, and UPCB Finance V Limited, as an Additional Facility AC Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.47 to the 2011 10-K).
4.39	Additional Facility AD Accession Agreement, dated February 7, 2012, among UPC Financing Partnership, as Borrower, UPC Broadband Holding BV, The Bank of Nova Scotia, as Facility Agent and Security Agent, and UPCB Finance VI Limited, as an Additional Facility AD Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.48 to the 2011 10-K).
4.40	Additional Facility AE Accession Agreement, dated February 23, 2012, among UPC Financing Partnership, as Borrower, The Bank of Nova Scotia, as Facility Agent and Security Agent, and UPC Broadband Operations BV, as Additional Facility AE Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed February 23, 2012 (File No. 000-51360)).
4.41	Additional Facility AF Accession Agreement, dated November 21, 2012, among UPC Financing Partnership, The Bank of Nova Scotia as Facility Agent and Security Agent and Liberty Global Services B.V. as Additional Facility AF Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed November 21, 2012 (File No. 000-51360)).
4.42	€2,300,000,000 Credit Agreement, originally dated August 1, 2007, and as amended and restated by supplemental agreements dated August 22, 2007, September 11, 2007, October 8, 2007 and June 23, 2009, among Telenet Bidco NV (now known as Telenet NV) as Borrower, Toronto Dominion (Texas) LLC as Facility Agent, the parties listed therein as Original Guarantors, ABN AMRO Bank N.V., BNP Paribas S.A. and J.P. Morgan PLC as Mandated Lead Arrangers, KBC Bank NV as Security Agent, and the financial institutions listed therein as Initial Original Lenders (the Telenet Credit Facility) (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed June 26, 2009 (File No. 000-51360) (the June 2009 8-K)).
4.43	Supplemental Agreement dated June 23, 2009, between Telenet Bidco NV (now known as Telenet NV) and Toronto Dominion (Texas) LLC as Facility Agent relating to the Telenet Credit Facility (incorporated by reference to Exhibit 4.2 to the June 2009 8-K).
4.44	Supplemental Agreement to the Telenet Credit Facility, dated October 4, 2010, among, inter alia, Telenet NV as Guarantor, and Security Provider and The Bank of Nova Scotia as Facility Agent (incorporated by reference to Exhibit 4.8 to the Registrant's Current Report on Form 8-K filed October 8, 2010 (File No. 000-51360)).
4.45	Additional Facility M Accession Agreement, dated November 3, 2010, among, inter alia, Telenet International as Borrower, Telenet NV and Telenet International as Guarantors, The Bank of Nova Scotia as Facility Agent, KBC Bank NV as Security Agent and Telenet Finance Luxembourg S.C.A. as an additional Facility M Lender, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.50 to the 2010 10-K).
4.46	Additional Facility N Accession Agreement, dated November 26, 2010, among, inter alia, Telenet International as Borrower, Telenet NV and Telenet International as Guarantors, The Bank of Nova Scotia as Facility Agent, KBC Bank NV as Security Agent and Telenet Finance Luxembourg II S.A. as an additional Facility N Lender, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.51 to the 2010 10-K).
4.47	Additional Facility O Accession Agreement, dated February 15, 2011, among, inter alia, Telenet International as Borrower, Telenet NV and Telenet International as Guarantors, The Bank of Nova Scotia as Facility Agent, KBC Bank NV as Security Agent and Telenet Finance III Luxembourg S.C.A. as an additional Facility O Lender, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.52 to the 2010 10-K).
4.48	Telenet Additional Facility P Accession Agreement, dated June 15, 2011, among, inter alia, Telenet International as Borrower, Telenet NV and Telenet International as Guarantors, The Bank of Nova Scotia as Facility Agent, KBC Bank NV as Security Agent and Telenet Luxembourg Finance Center S.â.r.l. as an additional Facility Q Lender, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Quarterly Report on Form 10-Q filed August 2, 2011 (File No. 000-51360)).

4.49	Telenet Additional Facility Q Accession Agreement, dated July 20, 2011, among, inter alia, Telenet International as Borrower, Telenet NV and Telenet International as Guarantors, The Bank of Nova Scotia as Facility Agent, KBC Bank NV as Security Agent and Telenet Luxembourg Finance Center S.â.r.l. as an additional Facility Q Lender, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed July 22, 2011 (File No. 000-51360) (the July 2011 8-K)).
4.50	Telenet Additional Facility R Accession Agreement, dated July 20, 2011, among, inter alia, Telenet International as Borrower, Telenet NV and Telenet International as Guarantors, The Bank of Nova Scotia as Facility Agent, KBC Bank NV as Security Agent and Telenet Luxembourg Finance Center S.â.r.l. as an additional Facility R Lender, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.2 to the July 2011 8-K).
4.51	Telenet Additional Facility S Accession Agreement, dated July 29, 2011, among, inter alia, Telenet International as Borrower, Telenet NV and Telenet International as Guarantors, The Bank of Nova Scotia as Facility Agent, KBC Bank NV as Security Agent and the financial institutions listed therein as additional Facility S Lenders, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed July 29, 2011) (File No. 000-51360)).
4.52	Telenet Additional Facility T Accession Agreement, dated February 17, 2012, among, inter alia, Telenet International as Borrower, Telenet NV and Telenet International as Guarantors, The Bank of Nova Scotia as Facility Agent, KBC Bank NV as Security Agent and the financial institutions listed therein as additional Facility T Lenders, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed February 17, 2012) (File No. 000-51360)).
4.53	Telenet Additional Facility Q2 Accession Agreement, dated February 29, 2012, among, inter alia, Telenet International as Borrower, Telenet NV and Telenet International as Guarantors, The Bank of Nova Scotia as Facility Agent, KBC Bank NV as Security Agent and the financial institutions listed therein as additional Facility Q2 Lenders, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed March 2, 2012 (File No. 000-51360) (the March 2012 8-K)).
4.54	Telenet Additional Facility R2 Accession Agreement, dated February 29, 2012, among, inter alia, Telenet International as Borrower, Telenet NV and Telenet International as Guarantors, The Bank of Nova Scotia as Facility Agent, KBC Bank NV as Security Agent and the financial institutions listed therein as additional Facility R2 Lenders, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.1 to the March 2012 8-K).
4.55	Telenet Additional Facility U Accession Agreement, dated August 16, 2012, among, inter alia, Telenet International as Borrower, Telenet NV and Telenet International as Guarantors, The Bank of Nova Scotia as Facility Agent, KBC Bank NV as Security Agent and the financial institutions listed therein as additional Facility U Lenders, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.2 to the Registrant’s Quarterly Report on Form 10-Q filed November 5, 2012 (File No. 000-51360) (the November 5, 2012 10-Q)).
4.56	Telenet Additional Facility V Accession Agreement, dated August 16, 2012, among, inter alia, Telenet International as Borrower, Telenet NV and Telenet International as Guarantors, The Bank of Nova Scotia as Facility Agent, KBC Bank NV as Security Agent and the financial institutions listed therein as additional Facility V Lenders, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.2 to the November 5, 2012 10-Q).
4.57	Facility Agreement, dated October 12, 2012, among Binan Investments B.V., as Borrower; BNP Paribas as Facility Agent and Security Agent; BNP Paribas, Fortis Bank SA/NV, ING Belgium NV/SA, J.P. Morgan Securities PLC and The Royal Bank of Scotland PLC as Mandated Lead Arrangers; Fortis Bank SA/NV, ING Belgium NV/SA, J.P. Morgan Chase Bank NA, Brussels Branch and The Royal Bank of Scotland PLC, Belgium Branch as the Issuing Banks; and the financial institutions listed therein as the Original Lenders (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed October 16, 2012 (File No. 000-51360)).
4.58	Registration Rights Agreement dated November 18, 2009, between the Registrant, SPO Partners II, L.P. and San Francisco Partners, L.P. (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K/A filed November 19, 2009 (File No. 000-51360)).
4.59	Indenture dated November 20, 2009, between, among others, UPC Germany GmbH and The Bank of New York Mellon as trustee (relating to the 2009 UM Senior Secured Notes) (incorporated by reference to Exhibit 4.1 to the Registrant’s Current Report on Form 8-K filed November 20, 2009 (File No. 000-51360) (the November 20, 2009 8-K)).
4.60	Accession Agreement dated as of March 2, 2010, by UPC Germany GmbH, Unitymedia Hessen GmbH & Co. KG, Unitymedia NRW GmbH and The Bank of New York Mellon, as trustee (relating to the 2009 UM Senior Secured Notes) (incorporated by reference to Exhibit 4.62 to the 2011 10-K).
4.61	Supplemental Indenture dated as of March 2, 2010, among the guarantors listed therein, UPC Germany GmbH and The Bank of New York, as trustee (relating to the 2009 UM Senior Secured Notes) (incorporated by reference to Exhibit 4.63 to the 2011 10-K).
4.62	Supplemental Indenture dated as of August 31, 2010, by UPC Germany GmbH, Unitymedia Hessen GmbH & Co. KG, Unitymedia NRW GmbH and The Bank of New York Mellon, as trustee (relating to the 2009 UM Senior Secured Notes) (incorporated by reference to Exhibit 4.64 to the 2011 10-K).
4.63	Indenture dated November 20, 2009, between, among others, UPC Germany GmbH and The Bank of New York Mellon as trustee (relating to the 2009 UM Senior Notes) (incorporated by reference to Exhibit 4.2 to the November 20, 2009 8-K).

4.64	Accession Agreement dated as of March 2, 2010, by UPC Germany GmbH, Unitymedia GmbH and The Bank of New York Mellon, as trustee (relating to the 2009 UM Senior Secured Notes) (incorporated by reference to Exhibit 4.66 to the 2011 10-K).
4.65	Supplemental Indenture dated as of March 2, 2010, between, among others, UPC Germany GmbH and The Bank of New York Mellon, as trustee (relating to the 2009 UM Senior Secured Notes) (incorporated by reference to Exhibit 4.67 to the 2011 10-K).
4.66	Supplemental Indenture dated as of August 31, 2010, among UPC Germany GmbH, Unitymedia GmbH and The Bank of New York Mellon, as trustee (relating to the 2009 UM Senior Secured Notes) (incorporated by reference to Exhibit 4.68 to the 2011 10-K).
4.67	Senior Secured Indenture dated May 4, 2012, between Unitymedia Hessen GmbH & Co. KG (Unitymedia Hessen), Unitymedia NRW GmbH (Unitymedia NRW), The Bank of New York Mellon, London Branch and Credit Suisse, London Branch (relating to the UM Senior Secured Exchange Notes) (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed May 8, 2012 (File No. 000-51360) (the May 2012 8-K)).
4.68	Senior Indenture dated May 4, 2012, between Unitymedia GmbH, The Bank of New York Mellon, London Branch and Credit Suisse, London Branch (relating to the UM Senior Exchange Notes) (incorporated by reference to Exhibit 4.2 to the May 2012 8-K).
4.69	Supplemental Indenture dated May 4, 2012, between UPC Germany Holdings GmbH, UPC Germany HoldCo 1 GmbH, Kabel BW GmbH and Kabel Baden-Württemberg Verwaltungs-GmbH, Unitymedia Hessen GmbH & Co. KG, Unitymedia NRW GmbH and The Bank of New York Mellon, London Branch (relating to the 2009 UM Senior Secured Notes) (incorporated by reference to Exhibit 4.3 to the May 2012 8-K).
4.70	Supplemental Indenture dated May 4, 2012, between UPC Germany Holding GmbH, UPC Germany HoldCo 1 GmbH, Kabel BW GmbH and Kabel Baden-Württemberg Verwaltungs-GmbH, Unitymedia GmbH and The Bank of New York Mellon, London Branch (relating to the 2009 UM Senior Notes) (incorporated by reference to Exhibit 4.4 to the May 2012 8-K).
4.71	Indenture dated December 14, 2012 between, among others, Unitymedia Hessen GmbH & Co. KG and Unitymedia NRW GmbH, The Bank of New York Mellon, London Branch, as trustee, transfer agent and principal paying agent, The Bank of New York Mellon (Luxembourg) S.A. as registrar, The Bank of New York Mellon, as paying agent in New York and Credit Suisse AG, London Branch, as security trustee (relating to the December 2012 UM Senior Secured Notes) (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed December 20, 2012 (File No. 000-51360)).
4.72	The Registrant undertakes to furnish to the Securities and Exchange Commission, upon request, a copy of all instruments with respect to long-term debt not filed herewith.
10 -- Material Contracts:	
10.1	Liberty Global, Inc. 2005 Incentive Plan (As Amended and Restated Effective October 31, 2006) (the Incentive Plan) (incorporated by reference to Exhibit 10.1 to the 2011 10-K).
10.2	Form of the Non-Qualified Stock Option Agreement under the Incentive Plan (incorporated by reference to Exhibit 10.2 of the 2010 10-K).
10.3	Form of Stock Appreciation Rights Agreement under the Incentive Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed May 7, 2008 (File No. 000-51360) (the May 7, 2008 10-Q)).
10.4	Form of Restricted Shares Agreement under the Incentive Plan (incorporated by reference to Exhibit 10.4 of the 2010 10-K).
10.5	Form of Restricted Share Units Agreement under the Incentive Plan (incorporated by reference to Exhibit 10.1 to the May 7, 2008 10-Q).
10.6	Notice to Holders of Liberty Global, Inc. Stock Options Awarded by Liberty Media International, Inc. of Additional Method of Payment of Option Price dated March 6, 2008 (incorporated by reference to Exhibit 10.4 to the May 7, 2008 10-Q).
10.7	Liberty Global, Inc. 2005 Nonemployee Director Incentive Plan (as Amended and Restated Effective November 1, 2006) (the Director Plan) (incorporated by reference to Exhibit 10.7 to the 2011 10-K).
10.8	Form of Restricted Shares Agreement under the Director Plan (incorporated by reference to Exhibit 10.8 to the 2011 10-K).
10.9	Form of Non-Qualified Stock Option Agreement under the Director Plan (incorporated by reference to Exhibit 10.9 of the 2010 10-K).
10.10	Form of Restricted Share Units Agreement under the Director Plan (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed August 4, 2009 (File No. 000-51360)).
10.11	Liberty Global, Inc. Compensation Policy for Nonemployee Directors (As Amended and Restated Effective January 1, 2012) (incorporated by reference to Exhibit 10.11 to the 2011 10-K).

10.12	Liberty Global, Inc. 2011 Annual Cash Performance Award Program for executive officers under the Incentive Plan (description of said plan is incorporated by reference to the description thereof included in Item 5.02(e) of the Registrant's Current Report on Form 8-K filed February 24, 2011 (File No. 000-51360)).
10.13	Liberty Global, Inc. 2011 Performance Incentive Plan for executive officers under the Incentive Plan, as amended on December 31, 2012 (a description of said plan is incorporated by reference to the description thereof included in Item 5.02(e) of the Registrant's Current Report on Form 8-K filed March 23, 2011 (File No. 000-51360), and a description of the amendment to said plan is incorporated by reference to the description thereof included in Item 5.02(e) of the Registrant's Current Report on Form 8-K filed January 4, 2013 (File No. 000-51360)).
10.14	Liberty Global, Inc. 2012 Annual Cash Performance Award Program for executive officers under the Incentive Plan, as amended on December 31, 2012 (description of said program is incorporated by reference to the description thereof included in Item 5.02(e) of the Registrant’s Current Report on Form 8-K filed March 2, 2012 (File No. 000-51360), and a description of the amendment to said program is incorporated by reference to the description thereof included in Item 5.02(e) of the Registrant’s Current Report on Form 8-K filed January 4, 2013 (File No. 000-51360)).
10.15	Form of Annual Performance Award Payment Notice under the Liberty Global, Inc. 2012 Annual Cash Performance Award Program for executive officers.*
10.16	Liberty Global, Inc. 2012 Performance Incentive Plan for executive officers under the Incentive Plan (a description of said plan is incorporated by reference to the description thereof included in Item 5.02(e) of the Registrant's Current Report on Form 8-K filed March 16, 2012 (File No. 000-51360)).
10.17	Form of Performance Share Units Agreement under the Incentive Plan (incorporated by reference to Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q filed May 4, 2011 (file No. 000-51360) (the May 4, 2011 10-Q)).
10.18	Form of Share Grant and Restricted Shares Award in Settlement of Performance Share Units Agreement under the Incentive Plan.*
10.19	Deferred Compensation Plan (adopted effective December 15, 2008; Amended and Restated as of January 1, 2013).*
10.20	Form of Deferral Election Form under the Deferred Compensation Plan.*
10.21	Nonemployee Director Deferred Compensation Plan (As Amended and Restated Effective December 14, 2011) (incorporated by reference to Exhibit 10.19 to the 2011 10-K).
10.22	Form of Deferral Election Form under the Nonemployee Director Deferred Compensation Plan (incorporated by reference to Exhibit 10.20 to the 2011 10-K).
10.23	UnitedGlobalCom, Inc. Equity Incentive Plan (amended and restated effective October 17, 2003).*
10.24	Form of Amendment to Stock Appreciation Rights Agreement under the UnitedGlobalCom, Inc. 2003 Equity Incentive Plan (amended and restated effective October 17, 2003) (incorporated by reference to Exhibit 10.29 to the 2010 10-K).
10.25	Stock Option Plan for Non-Employee Directors of UGC, effective March 20, 1998, amended and restated as of January 22, 2004 (incorporated by reference to Exhibit 10.28 to the Registrant’s Annual Report on Form 10-K filed February 24, 2010 (File No. 000-51360) (the 2009 10-K)).
10.26	Form of Indemnification Agreement between the Registrant and its Directors (incorporated by reference to Exhibit 10.27 to the 2011 10-K).
10.27	Form of Indemnification Agreement between the Registrant and its Executive Officers (incorporated by reference to Exhibit 10.28 to the 2011 10-K).
10.28	Personal Usage of Aircraft Policy, amended and restated (incorporated by reference to Exhibit 10.7 to the May 4, 2011 10-Q).
10.29	Form of Aircraft Time Sharing Agreement (900EX).*
10.30	Form of Aircraft Time Sharing Agreement (7X) (incorporated by reference to Exhibit 10.31 to the 2011 10-K).
10.31	Executive Service Agreement, dated December 15, 2004, between UPC Services Limited and Charles Bracken (incorporated by reference to Exhibit 10.36 to the 2009 10-K).
10.32	Executive Services Agreement effective January 1, 2011, between Liberty Global Europe BV and Diederik Karsten (incorporated by reference to Exhibit 10.45 to the 2010 10-K).
10.33	Sale and Purchase Agreement, dated March 21, 2011, among UPC Germany HoldCo 2 GmbH, Liberty Global Europe Holding BV, Liberty Global Holding BV and Oskar Rakso S.a.r.l. (incorporated by reference to Exhibit 10.8 to the May 4, 2011 10-Q).
10.34	Letter Agreement, dated March 21, 2011, between Liberty Global Europe Holding BV and Aldermanbury Investments Limited (incorporated by reference to Exhibit 10.9 to the May 4, 2011 10-Q).
10.35	Confirmation of a Cash Settled Share Swap Transaction, dated March 21, 2011, between Liberty Global Europe Holding BV and Aldermanbury Investments Limited (incorporated by reference to Exhibit 10.10 to the May 4, 2011 10-Q).

21 -- List of Subsidiaries*	
23 -- Consent of Experts and Counsel:	
23.1	Consent of KPMG LLP*
31 -- Rule 13a-14(a)/15d-14(a) Certification:	
31.1	Certification of President and Chief Executive Officer*
31.2	Certification of Senior Vice President and Co-Chief Financial Officer (Principal Financial Officer)*
31.3	Certification of Senior Vice President and Co-Chief Financial Officer (Principal Accounting Officer)*
32 -- Section 1350 Certification **	
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	XBRL Taxonomy Extension Definition Linkbase*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document*

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* Filed herewith
** Furnished herewith

LIBERTY GLOBAL, INC.

SCHEDULE I
(Parent Company Information - See Notes to Consolidated Financial Statements)

CONDENSED BALANCE SHEETS
(Parent Company Only)

	December 31, 2012	December 31, 2011
	in millions	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 69.4	$ 256.1
Deferred income taxes	0.8	111.7
Income taxes receivable	—	40.6
Other current assets	2.1	1.0
Total current assets	72.3	409.4
Investments in consolidated subsidiaries, including intercompany balances	2,202.6	2,427.8
Property and equipment, at cost	4.7	3.9
Accumulated depreciation	(2.8)	(2.3)
Property and equipment, net	1.9	1.6
Deferred income taxes	26.1	26.9
Other assets, net	—	0.1
Total assets	$ 2,302.9	$ 2,865.8
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 19.5	$ 7.5
Accrued liabilities and other	30.9	16.0
Total current liabilities	50.4	23.5
Other long-term liabilities	42.5	36.9
Total liabilities	92.9	60.4
Commitments and contingencies		
Stockholders' Equity:		
Series A common stock, $.01 par value. Authorized 500,000,000 shares; issued and outstanding 142,284,430 and 146,266,629 shares, respectively	1.4	1.5
Series B common stock, $.01 par value. Authorized 50,000,000 shares; issued and outstanding 10,206,145 and 10,239,144 shares, respectively	0.1	0.1
Series C common stock, $.01 par value. Authorized 500,000,000 shares; issued and outstanding 106,402,667 and 118,470,699 shares, respectively	1.1	1.2
Additional paid-in capital	2,955.6	3,964.6
Accumulated deficit	(2,348.7)	(2,671.5)
Accumulated other comprehensive earnings, net of taxes	1,600.5	1,509.5
Total stockholders' equity	2,210.0	2,805.4
Total liabilities and stockholders' equity	$ 2,302.9	$ 2,865.8

LIBERTY GLOBAL, INC.

SCHEDULE I

(Parent Company Information - See Notes to Consolidated Financial Statements)

CONDENSED STATEMENTS OF OPERATIONS

(Parent Company Only)

	Year ended December 31,		
	2012	2011	2010
		in millions	
Operating costs and expenses:			
Selling, general and administrative (including stock-based compensation)	$ 98.1	$ 96.0	$ 102.5
Depreciation and amortization	0.8	0.6	0.6
Operating loss	(98.9)	(96.6)	(103.1)
Non-operating income (expense):			
Interest expense, net	(0.1)	(36.3)	(71.7)
Loss on debt conversion	—	(187.2)	—
Other income (expense), net	(0.5)	—	1.7
	(0.6)	(223.5)	(70.0)
Loss before income taxes and equity in earnings (losses) of consolidated subsidiaries, net	(99.5)	(320.1)	(173.1)
Equity in earnings (losses) of consolidated subsidiaries, net	390.7	(552.6)	500.7
Income tax benefit	31.6	100.0	60.6
Net earnings (loss)	$ 322.8	$ (772.7)	$ 388.2

LIBERTY GLOBAL, INC.

SCHEDULE I

(Parent Company Information - See Notes to Consolidated Financial Statements)

CONDENSED STATEMENTS OF CASH FLOWS

(Parent Company Only)

	Year ended December 31,		
	2012	2011	2010
	in millions		
Cash flows from operating activities:			
Net earnings (loss)	$ 322.8	$ (772.7)	$ 388.2
Adjustments to reconcile net earnings (loss) to net cash used by operating activities:			
Equity in losses (earnings) of consolidated subsidiaries, net	(390.7)	552.6	(500.7)
Stock-based compensation expense	33.0	38.2	44.6
Depreciation and amortization	0.8	0.6	0.6
Amortization of deferred financing costs and non-cash interest accretion	—	16.5	31.4
Loss on debt conversion	—	187.2	—
Deferred income tax expense (benefit)	111.7	(98.3)	112.2
Excess tax benefits from stock-based compensation	(2.6)	(38.4)	(43.3)
Changes in operating assets and liabilities:			
Receivables and other operating assets	(27.1)	(2.3)	2.7
Payables and accruals	(71.4)	(7.0)	(454.9)
Net cash used by operating activities	(23.5)	(123.6)	(419.2)
Cash flows from investing activities:			
Distributions and advances from subsidiaries and affiliates, net	855.1	447.5	2,325.8
Capital expenditures	(2.0)	(2.4)	(0.5)
Net cash provided by investing activities	853.1	445.1	2,325.3
Cash flows from financing activities:			
Repurchase of LGI common stock	(970.3)	(912.6)	(884.9)
Payments on call option contracts for LGI common stock	(52.1)	—	—
Proceeds from issuance of LGI common stock upon exercise of stock options	25.6	32.7	70.8
Payment of net settled employee withholding taxes on stock incentive awards	(22.1)	(68.2)	(20.1)
Excess tax benefits from stock-based compensation	2.6	38.4	43.3
Payment of exchange offer consideration	—	(187.5)	—
Repayments and repurchases of debt	—	—	(89.2)
Net cash used by financing activities	(1,016.3)	(1,097.2)	(880.1)
Net increase (decrease) in cash and cash equivalents	(186.7)	(775.7)	1,026.0
Cash and cash equivalents:			
Beginning of period	256.1	1,031.8	5.8
End of period	$ 69.4	$ 256.1	$ 1,031.8

LIBERTY GLOBAL, INC.

SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS

	Allowance for doubtful accounts — Trade receivables						
	Balance at beginning of period	Additions to costs and expenses	Acquisitions	Deductions or write-offs	Foreign currency translation adjustments	Disposals/ discontinued operations	Balance at end of period
	in millions						
Year ended December 31:							
2010	$ 142.5	78.7	25.4	(92.5)	(2.3)	(5.2)	$ 146.6
2011	$ 146.6	74.4	12.5	(80.6)	(8.0)	(0.9)	$ 144.0
2012	$ 144.0	66.4	4.0	(113.6)	2.2	—	$ 103.0

EXHIBIT INDEX

2 -- Plan of acquisition, reorganization, arrangement, liquidation or succession:

2.1 Agreement and Plan of Merger, dated as of February 5, 2013, among Virgin Media Inc., Liberty Global, Inc. Lynx Europe Limited, Lynx US MergerCo 1 LLC, Lynx US MergerCo 2 LLC, Viper US MergerCo 1 LLC and Viper US MergerCo 2 LLC (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed February 7, 2013 (File No. 000-51360)).

3 -- Articles of Incorporation and Bylaws:

3.1 Restated Certificate of Incorporation of the Registrant, dated June 15, 2005 (incorporated by reference to Exhibit 3.1 to the Registrant's Annual Report on Form 10-K filed February 24, 2011 (File No. 000-51360) (the 2010 10-K)).

3.2 Bylaws of the Registrant (incorporated by reference to Exhibit 3.2 to the 2010 10-K).

4 -- Instruments Defining the Rights of Securities Holders, including Indentures:

4.1 Specimen certificate for shares of the Registrant's Series A common stock, par value $.01 per share (incorporated by reference to Exhibit 4.1 to the 2010 10-K).

4.2 Specimen certificate for shares of the Registrant's Series B common stock, par value $.01 per share (incorporated by reference to Exhibit 4.2 to the 2010 10-K).

4.3 Specimen certificate for shares of the Registrant's Series C Common Stock, par value $.01 per share (incorporated by reference to Exhibit 4.3 to the 2010 10-K).

4.4 Deed of Amendment and Restatement, dated May 10, 2006, among UPC Broadband Holding BV (UPC Broadband Holding) and UPC Financing Partnership (UPC Financing) as Borrowers, the guarantors listed therein, and the Senior Hedging Banks listed therein, with Toronto Dominion (Texas) LLC as Facility Agent, and TD Bank Europe Limited as Existing Security Agent, amending and restating the senior secured credit agreement originally dated January 16, 2004, as amended and restated from time to time among the Borrower, the guarantors as defined therein, the Facility Agent and the Security Agent and the bank and financial institutions acceding thereto from time to time (the UPC Broadband Holding Bank Facility) (incorporated by reference to Exhibit 4.4 to the Registrant's Annual Report on Form 10-K filed February 22, 2012 (File No. 000-51360 (the 2011 10-K)).

4.5 Additional Facility Q Accession Agreement, dated March 25, 2009, among UPC Broadband Holding as Borrower, UPC Financing, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and the banks and financial institutions listed therein as Additional Facility Q Lenders, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed March 26, 2009 (File No. 000-51360) (the March 2009 8-K)).

4.6 Additional Facility R Accession Agreement, dated March 25, 2009, among UPC Financing Partnership as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and the banks and financial institutions listed therein as Additional Facility R Lenders, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.2 to the March 2009 8-K).

4.7 Additional Facility Q Accession Agreement dated April 27, 2009, among UPC Broadband Holding as Borrower, UPC Financing, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and the banks and financial institutions listed therein as Additional Facility Q Lenders, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K/A filed April 28, 2009 (File No. 000-51360) (the April 2009 8-K/A)).

4.8 Additional Facility R Accession Agreement dated April 27, 2009, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and the banks and financial institutions listed therein as Additional Facility R Lenders, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.4 to the April 2009 8-K/A).

4.9 Additional Facility S Accession Agreement, dated May 6, 2009, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and Liberty Global Europe BV (LG Europe) as the initial Additional Facility S Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed May 6, 2009 (File No. 000-51360) (the May 2009 8-K)).

4.10 Additional Facility T Accession Agreement, dated May 6, 2009, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and LG Europe as the initial Additional Facility T Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.2 to the May 2009 8-K).

4.11 Additional Facility S Accession Agreement, dated May 22, 2009, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and LG Europe as the initial Additional Facility S Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K/A filed May 26, 2009 (File No. 000-51360)).

4.12	Additional Facility U Accession Agreement, dated June 3, 2009, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and LG Europe as the initial Additional Facility U Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed June 3, 2009 (File No. 000-51360)).
4.13	Amendment Letter dated June 9, 2009, among UPC Broadband Holding and UPC Financing as Borrowers, Toronto Dominion (Texas) LLC, as Facility Agent, and the guarantors listed therein to the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed June 10, 2009 (File No. 000-51360)).
4.14	Additional Facility T Accession Agreement, dated September 8, 2009, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and LG Europe as an Additional Facility T Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed September 8, 2009 (File No. 000-51360) (the September 2009 8-K)).
4.15	Additional Facility T Accession Agreement, dated September 8, 2009, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and Nomura International plc as an Additional Facility T Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.2 to the September 2009 8-K).
4.16	Additional Facility Q Accession Agreement, dated September 8, 2009, among UPC Broadband Holding as Borrower, UPC Financing, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and Bank of America, N.A. as an Additional Facility Q Lender, under the UPC Broadband Holding Bank Facility(incorporated by reference to Exhibit 4.3 to the September 2009 8-K).
4.17	Additional Facility T Accession Agreement, dated September 17, 2009, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and LG Europe as an Additional Facility T Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed September 18, 2009 (File No. 000-51360)).
4.18	Additional Facility Q Accession Agreement, dated October 30, 2009, among UPC Broadband Holding as Borrower, UPC Financing, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and UBS Limited as an Additional Facility Q Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed November 5, 2009 (File No. 000-51360) (the November 2009 8-K)).
4.19	Additional Facility U Accession Agreement, dated November 3, 2009, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and LG Europe as an Additional Facility U Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.2 to the November 2009 8-K).
4.20	Additional Facility Q Accession Agreement, dated November 18, 2009, among UPC Broadband Holding as Borrower, UPC Financing, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and Goldman Sachs Bank USA as an Additional Facility Q Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed November 24, 2009 (File No. 000-51360)).
4.21	Additional Facility S Accession Agreement, dated January 19, 2010, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and UPC Broadband Operations BV as an Additional Facility S Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed January 21, 2010 (File No. 000-51360) (the January 2010 8-K)).
4.22	Additional Facility T Accession Agreement, dated January 19, 2010, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and UPC Broadband Operations BV as an Additional Facility T Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.2 to the January 2010 8-K).
4.23	Additional Facility V Accession Agreement, dated January 20, 2010, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and UPCB Finance Limited as an Additional Facility V Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.4 to the January 2010 8-K).
4.24	Additional Facility W Accession Agreement, dated March 24, 2010, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and UPC Broadband Operations BV as an Additional Facility W Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed March 25, 2010 (File No. 000-51360)).

4.25	Additional Facility W Accession Agreement, dated April 20, 2010, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and UPC Broadband Operations BV as an Additional Facility W Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed April 21, 2010 (File No. 000-51360) (the April 2010 8-K)).
4.26	Additional Facility R Accession Agreement, dated April 20, 2010, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and UPC Broadband Operations BV as an Additional Facility R Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.2 to the April 2010 8-K).
4.27	Additional Facility T Accession Agreement, dated April 20, 2010, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and UPC Broadband Operations BV as an Additional Facility T Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.3 to the April 2010 8-K).
4.28	Additional Facility X Accession Agreement, dated May 4, 2010, among UPC Financing as Borrower, UPC Broadband Holding, Toronto Dominion (Texas) LLC as Facility Agent, TD Bank Europe Limited as Security Agent, and UPC Broadband Operations BV as an Additional Facility X Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed May 4, 2010 (File No. 000-51360)).
4.29	Additional Facility T Accession Agreement, dated May 27, 2010, among UPC Financing as Borrower, UPC Broadband Holding, The Bank of Nova Scotia as Facility Agent, TD Bank Europe Limited as Security Agent, and UPC Broadband Operations BV as an Additional Facility T Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed May 28, 2010 (File No. 000-51360)).
4.30	Additional Facility W Accession Agreement, dated July 2, 2010, among UPC Financing as Borrower, UPC Broadband Holding, The Bank of Nova Scotia as Facility Agent, The Bank of Nova Scotia as Security Agent, and Scotiabank Europe plc as an Additional Facility W Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed July 7, 2010 (File No. 000-51360)).
4.31	Indenture dated January 31, 2011, among UPCB Finance II Limited, The Bank of New York Mellon as trustee, registrar, transfer agent, principal paying agent and security agent (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed February 1, 2011 (File No. 000-51360) (the January 2011 8-K)).
4.32	Additional Facility Y Accession Agreement, dated January 31, 2011, among UPC Financing as Borrower, UPC Broadband Holding, The Bank of Nova Scotia as Facility Agent and Security Agent and UPCB Finance II Limited as an Additional Facility Y Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.2 to the January 2011 8-K).
4.33	Indenture dated February 16, 2011, among UPCB Finance III Limited, The Bank of New York Mellon as trustee, registrar, transfer agent, principal paying agent and security agent, and The Bank of New York Mellon, London Branch, as Transparency Directive Agent (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed February 17, 2011 (File No. 000-51360) (the February 2011 8-K)).
4.34	Additional Facility Z Accession Agreement, dated February 16, 2011, among UPC Financing as Borrower, UPC Broadband Holding, The Bank of Nova Scotia as Facility Agent and Security Agent and UPCB Finance III Limited as an Additional Facility Z Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.2 to the February 2011 8-K).
4.35	Additional Facility AA Accession Agreement, dated July 26, 2011, among UPC Financing Partnership as Borrower, UPC Broadband Holding BV, The Bank of Nova Scotia as Facility Agent and Security Agent, and UPC Broadband Operations BV as an Additional Facility AA Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed July 27, 2011 (File No. 000-51360)).
4.36	Additional Facility AA2 Accession Agreement, dated August 2, 2011, among UPC Financing Partnership as Borrower, UPC Broadband Holding BV, The Bank of Nova Scotia as Facility Agent and Security Agent, and UPC Broadband Operations BV as an Additional Facility AA2 Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed August 2, 2011 (File No. 000-51360)).
4.37	Additional Facility AA3 Accession Agreement, dated September 6, 2011, among UPC Financing Partnership as Borrower, UPC Broadband Holding BV, The Bank of Nova Scotia as Facility Agent and Security Agent, and UPC Broadband Operations BV as an Additional Facility AA3 Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed September 6, 2011 (File No. 000-51360)).
4.38	Additional Facility AC Accession Agreement, dated November 16, 2011, among UPC Financing Partnership, as Borrower, UPC Broadband Holding BV, The Bank of Nova Scotia, as Facility Agent and Security Agent, and UPCB Finance V Limited, as an Additional Facility AC Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.47 to the 2011 10-K).

4.39	Additional Facility AD Accession Agreement, dated February 7, 2012, among UPC Financing Partnership, as Borrower, UPC Broadband Holding BV, The Bank of Nova Scotia, as Facility Agent and Security Agent, and UPCB Finance VI Limited, as an Additional Facility AD Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.48 to the 2011 10-K).
4.40	Additional Facility AE Accession Agreement, dated February 23, 2012, among UPC Financing Partnership, as Borrower, The Bank of Nova Scotia, as Facility Agent and Security Agent, and UPC Broadband Operations BV, as Additional Facility AE Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed February 23, 2012 (File No. 000-51360)).
4.41	Additional Facility AF Accession Agreement, dated November 21, 2012, among UPC Financing Partnership, The Bank of Nova Scotia as Facility Agent and Security Agent and Liberty Global Services B.V. as Additional Facility AF Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed November 21, 2012 (File No. 000-51360)).
4.42	€2,300,000,000 Credit Agreement, originally dated August 1, 2007, and as amended and restated by supplemental agreements dated August 22, 2007, September 11, 2007, October 8, 2007 and June 23, 2009, among Telenet Bidco NV (now known as Telenet NV) as Borrower, Toronto Dominion (Texas) LLC as Facility Agent, the parties listed therein as Original Guarantors, ABN AMRO Bank N.V., BNP Paribas S.A. and J.P. Morgan PLC as Mandated Lead Arrangers, KBC Bank NV as Security Agent, and the financial institutions listed therein as Initial Original Lenders (the Telenet Credit Facility) (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed June 26, 2009 (File No. 000-51360) (the June 2009 8-K)).
4.43	Supplemental Agreement dated June 23, 2009, between Telenet Bidco NV (now known as Telenet NV) and Toronto Dominion (Texas) LLC as Facility Agent relating to the Telenet Credit Facility (incorporated by reference to Exhibit 4.2 to the June 2009 8-K).
4.44	Supplemental Agreement to the Telenet Credit Facility, dated October 4, 2010, among, inter alia, Telenet NV as Guarantor, and Security Provider and The Bank of Nova Scotia as Facility Agent (incorporated by reference to Exhibit 4.8 to the Registrant’s Current Report on Form 8-K filed October 8, 2010 (File No. 000-51360)).
4.45	Additional Facility M Accession Agreement, dated November 3, 2010, among, inter alia, Telenet International as Borrower, Telenet NV and Telenet International as Guarantors, The Bank of Nova Scotia as Facility Agent, KBC Bank NV as Security Agent and Telenet Finance Luxembourg S.C.A. as an additional Facility M Lender, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.50 to the 2010 10-K).
4.46	Additional Facility N Accession Agreement, dated November 26, 2010, among, inter alia, Telenet International as Borrower, Telenet NV and Telenet International as Guarantors, The Bank of Nova Scotia as Facility Agent, KBC Bank NV as Security Agent and Telenet Finance Luxembourg II S.A. as an additional Facility N Lender, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.51 to the 2010 10-K).
4.47	Additional Facility O Accession Agreement, dated February 15, 2011, among, inter alia, Telenet International as Borrower, Telenet NV and Telenet International as Guarantors, The Bank of Nova Scotia as Facility Agent, KBC Bank NV as Security Agent and Telenet Finance III Luxembourg S.C.A. as an additional Facility O Lender, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.52 to the 2010 10-K).
4.48	Telenet Additional Facility P Accession Agreement, dated June 15, 2011, among, inter alia, Telenet International as Borrower, Telenet NV and Telenet International as Guarantors, The Bank of Nova Scotia as Facility Agent, KBC Bank NV as Security Agent and Telenet Luxembourg Finance Center S.â.r.l. as an additional Facility Q Lender, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Quarterly Report on Form 10-Q filed August 2, 2011 (File No. 000-51360)).
4.49	Telenet Additional Facility Q Accession Agreement, dated July 20, 2011, among, inter alia, Telenet International as Borrower, Telenet NV and Telenet International as Guarantors, The Bank of Nova Scotia as Facility Agent, KBC Bank NV as Security Agent and Telenet Luxembourg Finance Center S.â.r.l. as an additional Facility Q Lender, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed July 22, 2011 (File No. 000-51360) (the July 2011 8-K)).
4.50	Telenet Additional Facility R Accession Agreement, dated July 20, 2011, among, inter alia, Telenet International as Borrower, Telenet NV and Telenet International as Guarantors, The Bank of Nova Scotia as Facility Agent, KBC Bank NV as Security Agent and Telenet Luxembourg Finance Center S.â.r.l. as an additional Facility R Lender, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.2 to the July 2011 8-K).
4.51	Telenet Additional Facility S Accession Agreement, dated July 29, 2011, among, inter alia, Telenet International as Borrower, Telenet NV and Telenet International as Guarantors, The Bank of Nova Scotia as Facility Agent, KBC Bank NV as Security Agent and the financial institutions listed therein as additional Facility S Lenders, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed July 29, 2011) (File No. 000-51360)).

4.52	Telenet Additional Facility T Accession Agreement, dated February 17, 2012, among, inter alia, Telenet International as Borrower, Telenet NV and Telenet International as Guarantors, The Bank of Nova Scotia as Facility Agent, KBC Bank NV as Security Agent and the financial institutions listed therein as additional Facility T Lenders, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed February 17, 2012) (File No. 000-51360)).
4.53	Telenet Additional Facility Q2 Accession Agreement, dated February 29, 2012, among, inter alia, Telenet International as Borrower, Telenet NV and Telenet International as Guarantors, The Bank of Nova Scotia as Facility Agent, KBC Bank NV as Security Agent and the financial institutions listed therein as additional Facility Q2 Lenders, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed March 2, 2012 (File No. 000-51360) (the March 2012 8-K)).
4.54	Telenet Additional Facility R2 Accession Agreement, dated February 29, 2012, among, inter alia, Telenet International as Borrower, Telenet NV and Telenet International as Guarantors, The Bank of Nova Scotia as Facility Agent, KBC Bank NV as Security Agent and the financial institutions listed therein as additional Facility R2 Lenders, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.1 to the March 2012 8-K).
4.55	Telenet Additional Facility U Accession Agreement, dated August 16, 2012, among, inter alia, Telenet International as Borrower, Telenet NV and Telenet International as Guarantors, The Bank of Nova Scotia as Facility Agent, KBC Bank NV as Security Agent and the financial institutions listed therein as additional Facility U Lenders, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.2 to the Registrant’s Quarterly Report on Form 10-Q filed November 5, 2012 (File No. 000-51360) (the November 5, 2012 10-Q)).
4.56	Telenet Additional Facility V Accession Agreement, dated August 16, 2012, among, inter alia, Telenet International as Borrower, Telenet NV and Telenet International as Guarantors, The Bank of Nova Scotia as Facility Agent, KBC Bank NV as Security Agent and the financial institutions listed therein as additional Facility V Lenders, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.2 to the November 5, 2012 10-Q).
4.57	Facility Agreement, dated October 12, 2012, among Binan Investments B.V., as Borrower; BNP Paribas as Facility Agent and Security Agent; BNP Paribas, Fortis Bank SA/NV, ING Belgium NV/SA, J.P. Morgan Securities PLC and The Royal Bank of Scotland PLC as Mandated Lead Arrangers; Fortis Bank SA/NV, ING Belgium NV/SA, J.P. Morgan Chase Bank NA, Brussels Branch and The Royal Bank of Scotland PLC, Belgium Branch as the Issuing Banks; and the financial institutions listed therein as the Original Lenders (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed October 16, 2012 (File No. 000-51360)).
4.58	Registration Rights Agreement dated November 18, 2009, between the Registrant, SPO Partners II, L.P. and San Francisco Partners, L.P. (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K/A filed November 19, 2009 (File No. 000-51360)).
4.59	Indenture dated November 20, 2009, between, among others, UPC Germany GmbH and The Bank of New York Mellon as trustee (relating to the 2009 UM Senior Secured Notes) (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed November 20, 2009 (File No. 000-51360) (the November 20, 2009 8-K)).
4.60	Accession Agreement dated as of March 2, 2010, by UPC Germany GmbH, Unitymedia Hessen GmbH & Co. KG, Unitymedia NRW GmbH and The Bank of New York Mellon, as trustee (relating to the 2009 UM Senior Secured Notes) (incorporated by reference to Exhibit 4.62 to the 2011 10-K).
4.61	Supplemental Indenture dated as of March 2, 2010, among the guarantors listed therein, UPC Germany GmbH and The Bank of New York, as trustee (relating to the 2009 UM Senior Secured Notes) (incorporated by reference to Exhibit 4.63 to the 2011 10-K).
4.62	Supplemental Indenture dated as of August 31, 2010, by UPC Germany GmbH, Unitymedia Hessen GmbH & Co. KG, Unitymedia NRW GmbH and The Bank of New York Mellon, as trustee (relating to the 2009 UM Senior Secured Notes) (incorporated by reference to Exhibit 4.64 to the 2011 10-K).
4.63	Indenture dated November 20, 2009, between, among others, UPC Germany GmbH and The Bank of New York Mellon as trustee (relating to the 2009 UM Senior Notes) (incorporated by reference to Exhibit 4.2 to the November 20, 2009 8-K).
4.64	Accession Agreement dated as of March 2, 2010, by UPC Germany GmbH, Unitymedia GmbH and The Bank of New York Mellon, as trustee (relating to the 2009 UM Senior Secured Notes) (incorporated by reference to Exhibit 4.66 to the 2011 10-K).
4.65	Supplemental Indenture dated as of March 2, 2010, between, among others, UPC Germany GmbH and The Bank of New York Mellon, as trustee (relating to the 2009 UM Senior Secured Notes) (incorporated by reference to Exhibit 4.67 to the 2011 10-K).
4.66	Supplemental Indenture dated as of August 31, 2010, among UPC Germany GmbH, Unitymedia GmbH and The Bank of New York Mellon, as trustee (relating to the 2009 UM Senior Secured Notes) (incorporated by reference to Exhibit 4.68 to the 2011 10-K).

4.67	Senior Secured Indenture dated May 4, 2012, between Unitymedia Hessen GmbH & Co. KG (Unitymedia Hessen), Unitymedia NRW GmbH (Unitymedia NRW), The Bank of New York Mellon, London Branch and Credit Suisse, London Branch (relating to the UM Senior Secured Exchange Notes) (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed May 8, 2012 (File No. 000-51360) (the May 2012 8-K)).
4.68	Senior Indenture dated May 4, 2012, between Unitymedia GmbH, The Bank of New York Mellon, London Branch and Credit Suisse, London Branch (relating to the UM Senior Exchange Notes) (incorporated by reference to Exhibit 4.2 to the May 2012 8-K).
4.69	Supplemental Indenture dated May 4, 2012, between UPC Germany Holdings GmbH, UPC Germany HoldCo 1 GmbH, Kabel BW GmbH and Kabel Baden-Württemberg Verwaltungs-GmbH, Unitymedia Hessen GmbH & Co. KG, Unitymedia NRW GmbH and The Bank of New York Mellon, London Branch (relating to the 2009 UM Senior Secured Notes) (incorporated by reference to Exhibit 4.3 to the May 2012 8-K).
4.70	Supplemental Indenture dated May 4, 2012, between UPC Germany Holding GmbH, UPC Germany HoldCo 1 GmbH, Kabel BW GmbH and Kabel Baden-Württemberg Verwaltungs-GmbH, Unitymedia GmbH and The Bank of New York Mellon, London Branch (relating to the 2009 UM Senior Notes) (incorporated by reference to Exhibit 4.4 to the May 2012 8-K).
4.71	Indenture dated December 14, 2012 between, among others, Unitymedia Hessen GmbH & Co. KG and Unitymedia NRW GmbH, The Bank of New York Mellon, London Branch, as trustee, transfer agent and principal paying agent, The Bank of New York Mellon (Luxembourg) S.A. as registrar, The Bank of New York Mellon, as paying agent in New York and Credit Suisse AG, London Branch, as security trustee (relating to the December 2012 UM Senior Secured Notes) (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed December 20, 2012 (File No. 000-51360)).
4.72	The Registrant undertakes to furnish to the Securities and Exchange Commission, upon request, a copy of all instruments with respect to long-term debt not filed herewith.
10 -- Material Contracts:	
10.1	Liberty Global, Inc. 2005 Incentive Plan (As Amended and Restated Effective October 31, 2006) (the Incentive Plan) (incorporated by reference to Exhibit 10.1 to the 2011 10-K).
10.2	Form of the Non-Qualified Stock Option Agreement under the Incentive Plan (incorporated by reference to Exhibit 10.2 of the 2010 10-K).
10.3	Form of Stock Appreciation Rights Agreement under the Incentive Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed May 7, 2008 (File No. 000-51360) (the May 7, 2008 10-Q)).
10.4	Form of Restricted Shares Agreement under the Incentive Plan (incorporated by reference to Exhibit 10.4 of the 2010 10-K).
10.5	Form of Restricted Share Units Agreement under the Incentive Plan (incorporated by reference to Exhibit 10.1 to the May 7, 2008 10-Q).
10.6	Notice to Holders of Liberty Global, Inc. Stock Options Awarded by Liberty Media International, Inc. of Additional Method of Payment of Option Price dated March 6, 2008 (incorporated by reference to Exhibit 10.4 to the May 7, 2008 10-Q).
10.7	Liberty Global, Inc. 2005 Nonemployee Director Incentive Plan (as Amended and Restated Effective November 1, 2006) (the Director Plan) (incorporated by reference to Exhibit 10.7 to the 2011 10-K).
10.8	Form of Restricted Shares Agreement under the Director Plan (incorporated by reference to Exhibit 10.8 to the 2011 10-K).
10.9	Form of Non-Qualified Stock Option Agreement under the Director Plan (incorporated by reference to Exhibit 10.9 of the 2010 10-K).
10.10	Form of Restricted Share Units Agreement under the Director Plan (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed August 4, 2009 (File No. 000-51360)).
10.11	Liberty Global, Inc. Compensation Policy for Nonemployee Directors (As Amended and Restated Effective January 1, 2012) (incorporated by reference to Exhibit 10.11 to the 2011 10-K).
10.12	Liberty Global, Inc. 2011 Annual Cash Performance Award Program for executive officers under the Incentive Plan (description of said plan is incorporated by reference to the description thereof included in Item 5.02(e) of the Registrant's Current Report on Form 8-K filed February 24, 2011 (File No. 000-51360)).
10.13	Liberty Global, Inc. 2011 Performance Incentive Plan for executive officers under the Incentive Plan, as amended on December 31, 2012 (a description of said plan is incorporated by reference to the description thereof included in Item 5.02(e) of the Registrant's Current Report on Form 8-K filed March 23, 2011 (File No. 000-51360), and a description of the amendment to said plan is incorporated by reference to the description thereof included in Item 5.02(e) of the Registrant's Current Report on Form 8-K filed January 4, 2013 (File No. 000-51360)).

10.14	Liberty Global, Inc. 2012 Annual Cash Performance Award Program for executive officers under the Incentive Plan, as amended on December 31, 2012 (description of said program is incorporated by reference to the description thereof included in Item 5.02(e) of the Registrant's Current Report on Form 8-K filed March 2, 2012 (File No. 000-51360), and a description of the amendment to said program is incorporated by reference to the description thereof included in Item 5.02(e) of the Registrant's Current Report on Form 8-K filed January 4, 2013 (File No. 000-51360)).
10.15	Form of Annual Performance Award Payment Notice under the Liberty Global, Inc. 2012 Annual Cash Performance Award Program for executive officers.*
10.16	Liberty Global, Inc. 2012 Performance Incentive Plan for executive officers under the Incentive Plan (a description of said plan is incorporated by reference to the description thereof included in Item 5.02(e) of the Registrant's Current Report on Form 8-K filed March 16, 2012 (File No. 000-51360)).
10.17	Form of Performance Share Units Agreement under the Incentive Plan (incorporated by reference to Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q filed May 4, 2011 (file No. 000-51360) (the May 4, 2011 10-Q)).
10.18	Form of Share Grant and Restricted Shares Award in Settlement of Performance Share Units Agreement under the Incentive Plan.*
10.19	Deferred Compensation Plan (adopted effective December 15, 2008; Amended and Restated as of January 1, 2013).*
10.20	Form of Deferral Election Form under the Deferred Compensation Plan.*
10.21	Nonemployee Director Deferred Compensation Plan (As Amended and Restated Effective December 14, 2011) (incorporated by reference to Exhibit 10.19 to the 2011 10-K).
10.22	Form of Deferral Election Form under the Nonemployee Director Deferred Compensation Plan (incorporated by reference to Exhibit 10.20 to the 2011 10-K).
10.23	UnitedGlobalCom, Inc. Equity Incentive Plan (amended and restated effective October 17, 2003).*
10.24	Form of Amendment to Stock Appreciation Rights Agreement under the UnitedGlobalCom, Inc. 2003 Equity Incentive Plan (amended and restated effective October 17, 2003) (incorporated by reference to Exhibit 10.29 to the 2010 10-K).
10.25	Stock Option Plan for Non-Employee Directors of UGC, effective March 20, 1998, amended and restated as of January 22, 2004 (incorporated by reference to Exhibit 10.28 to the Registrant’s Annual Report on Form 10-K filed February 24, 2010 (File No. 000-51360) (the 2009 10-K)).
10.26	Form of Indemnification Agreement between the Registrant and its Directors (incorporated by reference to Exhibit 10.27 to the 2011 10-K).
10.27	Form of Indemnification Agreement between the Registrant and its Executive Officers (incorporated by reference to Exhibit 10.28 to the 2011 10-K).
10.28	Personal Usage of Aircraft Policy, amended and restated (incorporated by reference to Exhibit 10.7 to the May 4, 2011 10-Q).
10.29	Form of Aircraft Time Sharing Agreement (900EX).*
10.30	Form of Aircraft Time Sharing Agreement (7X) (incorporated by reference to Exhibit 10.31 to the 2011 10-K).
10.31	Executive Service Agreement, dated December 15, 2004, between UPC Services Limited and Charles Bracken (incorporated by reference to Exhibit 10.36 to the 2009 10-K).
10.32	Executive Services Agreement effective January 1, 2011, between Liberty Global Europe BV and Diederik Karsten (incorporated by reference to Exhibit 10.45 to the 2010 10-K).
10.33	Sale and Purchase Agreement, dated March 21, 2011, among UPC Germany HoldCo 2 GmbH, Liberty Global Europe Holding BV, Liberty Global Holding BV and Oskar Rakso S.a.r.l. (incorporated by reference to Exhibit 10.8 to the May 4, 2011 10-Q).
10.34	Letter Agreement, dated March 21, 2011, between Liberty Global Europe Holding BV and Aldermanbury Investments Limited (incorporated by reference to Exhibit 10.9 to the May 4, 2011 10-Q).
10.35	Confirmation of a Cash Settled Share Swap Transaction, dated March 21, 2011, between Liberty Global Europe Holding BV and Aldermanbury Investments Limited (incorporated by reference to Exhibit 10.10 to the May 4, 2011 10-Q).
21 -- List of Subsidiaries*	
23 -- Consent of Experts and Counsel:	
23.1	Consent of KPMG LLP*
31 -- Rule 13a-14(a)/15d-14(a) Certification:	
31.1	Certification of President and Chief Executive Officer*
31.2	Certification of Senior Vice President and Co-Chief Financial Officer (Principal Financial Officer)*

31.3	Certification of Senior Vice President and Co-Chief Financial Officer (Principal Accounting Officer)*

32 -- Section 1350 Certification **

101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	XBRL Taxonomy Extension Definition Linkbase*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document*

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*	Filed herewith

**	Furnished herewith

Exhibit 10.15

LIBERTY GLOBAL, INC.
2005 INCENTIVE PLAN

ANNUAL PERFORMANCE AWARD
PAYMENT NOTICE

_________________,

Pursuant to the Liberty Global, Inc. 2005 Incentive Plan, the Compensation Committee (the "Committee") of our Board of Directors has previously approved the performance criteria for the 2012 annual cash performance awards (the "2012 Performance Awards"), including the base objective, the financial metrics and targets on which 60% of each 2012 Performance Award will be based and the individual performance goals on which 40% of each 2012 Performance Award will be based.

As an executive officer, you are eligible for a 2012 Performance Award and will receive a cash payment in the amount of $________________ with respect to your 2012 Performance Award (the "Payment") on December 31, 2012. The Company will withhold from the Payment any amounts required by applicable law. The Payment does not include any payment with respect to the portion of your 2012 Performance Award which is based on your achievement of individual performance goals. That portion of your 2012 Performance Award will be considered and determined by the Committee during the annual performance review process in early 2013.

The amount of your Payment is based on the Committee's certification, as contemplated in Section 162(m) of the Internal Revenue Code, that the base objective for your 2012 Performance Award has been met. However, the Payment remains in all respects subject to recoupment by the Company to the extent that the Committee, in its discretion, subsequently determines that the Company's performance against the financial targets on which 60% of your 2012 Performance Award is based does not warrant the payment of cash awards or warrants the payment of cash awards in an amount less than the Payment. You will be required to repay any portion of the Payment that the Committee, in its discretion, determines exceeds the amount approved. Further, the Payment remains in all respects subject to the recoupment provisions applicable in the event of restatement of the Company's financial statements.

Please indicate your acceptance of the terms stated above by email response to Amy Blair at ablair@lgi.com no later than 12:00 pm (Mountain Time) on December 31, 2012.

LIBERTY GLOBAL, INC.

By:

Authorized Signatory
Senior Vice President, Chief Human Resources Officer

Series __

LIBERTY GLOBAL, INC.
2005 INCENTIVE PLAN

SHARE GRANT AND RESTRICTED SHARES AWARD IN SETTLEMENT OF PERFORMANCE SHARE UNITS AGREEMENT

THIS SHARE GRANT AND RESTRICTED SHARES AWARD ("Grant") is made as of December 31, 2012 (the "Grant Date"), by and between LIBERTY GLOBAL, INC., a Delaware corporation (the "Company"), to the individual whose name and employee number appear on Exhibit A hereto (the "Grantee").

The Company has adopted the Liberty Global, Inc. 2005 Incentive Plan, as Amended and Restated Effective October 31, 2006 (the "Plan"), a copy of which is attached to this Grant as Exhibit B and by this reference made a part hereof, for the benefit of eligible employees of, and independent contractors providing services to, the Company and its Subsidiaries. Capitalized terms used and not otherwise defined herein will have the meaning given thereto in the Plan.

Pursuant to the Plan, the Company awarded Performance Share Units with respect to shares of LBTY.__ to the Grantee pursuant to the Performance Share Units Agreement dated March 17, 2011 (the "PSU Agreement"). The Compensation Committee (the "Committee") appointed by the Board pursuant to Section 3.1 of the Plan to administer the Plan has determined to grant unrestricted shares of LBTY.__ and restricted shares of LBTY.__ to Grantee in settlement of the PSU Agreement, subject to the conditions and restrictions set forth herein and in the Plan.

The Company and the Grantee therefore agree as follows:

1. Definitions. The following terms, when used in this Grant, have the following meanings:

"Business Day" means any day other than Saturday, Sunday or a day on which banking institutions in Denver, Colorado, are required or authorized to be closed.

"Cause" has the meaning specified for "cause" in Section 11.2(b) of the Plan.

"Code" means the Internal Revenue Code of 1986, as it may be amended from time to time.

"Committee" has the meaning specified in the recitals to this Grant.

"Company" has the meaning specified in the preamble to this Grant.

"Direct Registration System" means the book-entry registration system maintained by the Company's stock transfer agent, pursuant to which shares of LBTY.__ are held in non-certificated form for the benefit of the registered holder thereof.

"Good Reason" for the Grantee to resign from his or her employment with the Company and its Subsidiaries means that any of the following occurs, is not consented to by the Grantee and is not the result of the Grantee's poor performance:

(i) any material diminution in the Grantee's base compensation;

(ii) the material diminution of the Grantee's official position or authority, but excluding isolated or inadvertent action not taken in bad faith that is remedied promptly after notice; or

(iii) the Company requires the Grantee to relocate his/her principal business office to a different country.

For the Grantee's Termination of Service to constitute resignation for Good Reason, the Grantee must notify the Committee in writing within 30 days of the occurrence of such event that Good Reason exists for resignation, the Company must not have taken corrective action within 60 days after such notice is given so that Good Reason for resignation ceases to exist, and the Grantee must terminate his or her employment with the Company and its Subsidiaries within six months after such notice is given or such longer period (but in any event not to exceed two years following the initial occurrence of such event) as may be required by the provisions of any employment agreement or other contract or arrangement with the Company or its Subsidiaries to which the Grantee is a party.

"Grant Date" has the meaning specified in the preamble to this Grant.

"Grantee" has the meaning specified in the preamble to this Grant.

"LBTY.__" means the Series __ common stock, par value $.01 per share, of the Company.

"Plan" has the meaning specified in the recitals to this Grant.

"Required Withholding Amount" has the meaning specified in Section 14 of this Grant.

"Restricted Shares" has the meaning specified in Section 2 of this Grant.

"Retained Distributions" has the meaning specified in Section 4 of this Grant.

"Termination of Service" means the Grantee's provision of services to the Company and its Subsidiaries, as an officer, employee or independent contractor, terminates for any reason.

"Unrestricted Shares" has the meaning specified in Section 2 of this Grant.

2. **Grant.** In settlement of the PSU Agreement, and in lieu of any other payment or benefit thereunder, the Company will make the grant described below:

(a) *Unrestricted Shares*. Subject to the terms and conditions herein, pursuant to the Plan, the Company grants to the Grantee effective as of the Grant Date, the number of shares of LBTY.__ set forth on Exhibit A hereto (the "Unrestricted Shares").

(b) *Restricted Shares*. Subject to the terms and conditions herein, pursuant to the Plan, the Company grants to the Grantee effective as of the Grant Date the number of shares of LBTY.__ set forth on Exhibit A hereto, subject to the conditions and restrictions set forth below and in the Plan (the "Restricted Shares").

3. **Issuance of Restricted Shares at Beginning of the Restriction Period**. Upon issuance of the Restricted Shares, at the Company's election, either the Restricted Shares will be registered in Grantee's name in a restricted shares account in the Direct Registration System or the Restricted Shares will be evidenced by one or more stock certificates registered in the name of Grantee. During the Restriction Period, any restricted shares account in the Direct Registration System holding, and any certificates representing, the Restricted Shares and any securities constituting Retained Distributions shall bear a restrictive legend to the effect that ownership of the Restricted Shares (and such Retained Distributions), and the enjoyment of all rights appurtenant thereto, are subject to the restrictions, terms and conditions provided in the Plan and this Grant. The Restricted Shares and any restricted shares account holding, or any certificates representing, the same will remain in the custody or otherwise under the control of the Company or its designee.

4. **Restrictions**. Restricted Shares shall constitute issued and outstanding shares of LBTY.__ for all corporate purposes. Grantee hereby contractually agrees not to vote any Restricted Shares or to permit any other person, whether by proxy, voting agreement or otherwise, to vote any Restricted Shares prior to the vesting thereof. Subject to the foregoing, Grantee will have the right to receive and retain such dividends and distributions, if any, as the Committee may in its sole discretion designate that are paid or distributed on such Restricted Shares and to exercise all other rights, powers and privileges of a holder of Common Stock of the same series with respect to such Restricted Shares, except that (a) Grantee will not be entitled to delivery of such Restricted Shares until the Restriction Period shall have expired and unless all other vesting requirements with respect thereto shall have been fulfilled or waived, (b) the Company will retain custody or control of the stock certificate or certificates evidencing, or the restricted shares account holding, the Restricted Shares during the Restriction Period as provided in Section 3, (c) other than such dividends and distributions as the Committee may in its sole discretion designate, the Company or its designee will retain custody of all dividends and distribution ("Retained Distributions") made or declared with respect to the Restricted Shares (and such Retained Distributions will be subject to the same restrictions, terms and vesting and other conditions as are applicable to the Restricted Shares) until such time, if ever, as the Restricted Shares with respect to which such Retained Distributions shall have been made, paid or declared shall have become vested, and such Retained Distributions shall not bear interest or be segregated in a separate account, (d) Grantee may not sell, assign, transfer by gift or otherwise, pledge, exchange, encumber or dispose of the Restricted Shares or any Retained Distributions or Grantee's interest in any of them during the Restriction Period, except as otherwise permitted by this Grant and (e) a breach of any restrictions, terms or conditions provided in or established by the Committee pursuant to the Plan or this Grant with respect to any Restricted Shares or Retained Distributions will cause a forfeiture of such Restricted Shares and any Retained Distributions with respect thereto.

5. Vesting. Unless the Committee otherwise determines in its sole discretion, subject to earlier vesting in accordance with Section 6 of this Grant and Section 11.1(b) of the Plan and subject to the forfeiture provisions of Section 6, the Restricted Shares shall become vested, and the restrictions with respect thereto shall lapse on September 30, 2013 (the "Vesting Date"). On the Vesting Date, and the satisfaction of any other applicable restrictions, terms and conditions, any Retained Distributions with respect to the Restricted Shares will become vested to the extent that the Restricted Shares related thereto shall have become vested in accordance with this Grant.

6. Early Vesting or Forfeiture.

(a) Subject to the remaining provisions of this Section 6, in the event of Termination of Service at any time during the Restricted Period, the Grantee shall, effective upon such Termination of Service, forfeit any Restricted Shares and any related Retained Distributions, the Vesting Date for which has not yet occurred, except as indicated below:

(i) If the Termination of Service occurs on or prior to February 28, 2013, and is due to death or Disability, the Grantee's unvested Restricted Shares and any related Retained Distributions will become vested as of March 1, 2013, subject to the forfeiture provisions of Section 6(b), and no longer be subject to a risk of forfeiture.

(ii) If the Termination of Service occurs after February 28, 2013, and is due to death or Disability, the Grantee's unvested Restricted Shares and any related Retained Distributions will thereupon become vested and no longer be subject to a risk of forfeiture.

(iii) If the Termination of Service occurs on or prior to February 28, 2013, and is due to termination of the Grantee by the Company or any of its Subsidiaries without Cause or resignation by the Grantee for Good Reason, then the Committee may determine, in its sole discretion, that a portion of the Grantee's Restricted Shares and any related Retained Distributions will become vested as of March 1, 2013, and no longer be subject to a risk of forfeiture in such amount as the Committee may determine.

(iv) If the Termination of Service occurs after February 28, 2013, and is due to termination of the Grantee by the Company or any of its Subsidiaries without Cause or resignation by the Grantee for Good Reason, then the Committee may determine, in its sole discretion, that a portion of the Grantee's Restricted Shares and any related Retained Distributions will thereupon become vested and no longer be subject to a risk of forfeiture in such amount as the Committee may determine.

(b) If the number of Restricted Shares together with the number of Unrestricted Shares granted under this Grant exceeds the number of Earned Performance Share Units (as defined in the PSU Agreement) that would have been earned by the Grantee under the PSU Agreement, as determined by the Committee on or prior to February 28, 2013, the number of Restricted Shares vesting on the Vesting Date shall be reduced by such excess (if necessary, to zero), and the Restricted Shares subject to reduction, together with any Retained Distributions related thereto) will be forfeited by the Grantee as of March 1, 2013.

(c) If Grantee breaches any restrictions, terms or conditions provided in or established by the Committee pursuant to the Plan or this Grant with respect to the Restricted Shares prior to the vesting thereof (including any attempted or completed transfer of any such unvested Restricted Shares contrary to the terms of the Plan or this Grant), the unvested Restricted Shares, together with any Retained Distributions thereto, will be forfeited immediately.

7. Delivery by Company. As soon as practicable after the vesting of Restricted Shares and the related Retained Distributions pursuant to Section 5 or 6 hereof or Section 11.1(b) of the Plan, and subject to the withholding referred to in Section 14 of this Grant, the Company will deliver or cause to be delivered to Grantee (i) a statement of holdings reflecting such vested Restricted Shares held through the Direct Registration Statement or, if the Company so elects, in its sole discretion, a new certificate or certificates issued in Grantee’s name for such vested Restricted Shares or a confirmation of deposit of such vested Restricted Shares, in electronic form, into a broker’s account designated by Grantee, (ii) any securities constituting related vested Retained Distributions by any applicable method specified in clause (i) above, and (iii) any cash payment constituting related vested Retained Distributions. Any delivery of securities will be deemed effected for all purposes when (i) (a) a certificate representing or statement of holdings reflecting such securities and, in the case of Retained Distributions, any other documents necessary to reflect ownership thereof by Grantee has been delivered personally to the Grantee or, if delivery is by mail, when the Company or its stock transfer agent has deposited the certificate or statement of holdings and/or such other documents in the United States mail, addressed to the Grantee, or (b) confirmation of deposit into the designated broker’s account of such securities, in written or electronic format, is first made available to Grantee, and (ii) any cash payment will be deemed effected when a check from the Company, payable to or at the direction of the Grantee and in the amount equal to the amount of the cash payment, has been delivered personally to or at the direction of the Grantee or deposited in the United States mail, addressed to the Grantee or his or her nominee.

8. Forfeited Shares and Retained Distributions. Upon forfeiture of unvested Restricted Shares by the Grantee for any reason, the Company shall not pay any dividend to the Grantee on account of such forfeited unvested Restricted Shares (irrespective of whether such dividend would constitute a Retained Distribution) or permit the Grantee to exercise any of the privileges or rights of a stockholder with respect to such Restricted Shares, but shall, in so far as permitted by law, treat the Company as the owner of such Restricted Shares.

9. Nontransferability of Restricted Shares Before Vesting.

(a) Before vesting and during Grantee’s lifetime, the Restricted Shares and related Retained Distributions are not transferable (voluntarily or involuntarily) other than pursuant to a Domestic Relations Order. In the event of transfer pursuant to a Domestic Relations Order, the unvested Restricted Shares and related Retained Distributions so transferred shall be subject to all the restrictions, terms and provisions of this Grant and the Plan, and the transferee shall be bound by all applicable provisions of this Grant and the Plan in the same manner as Grantee.

(b) Except for a transfer pursuant to a Domestic Relations Order, in the event any unvested Restricted Shares are transferred or attempted to be transferred to a third party, the Company shall have the right to acquire for its own account, without the payment of any consideration therefor, such Restricted Shares and any Retained Distributions with respect thereto, from the owner thereof or his transferee at any time before or after such prohibited transfer. In addition to any other legal or equitable remedies it may have, the Company may enforce its rights to specific performance to the extent permitted by law and may exercise such other equitable remedies then available to it. The Company may refuse for any purpose to recognize any transferee who receives unvested Restricted Shares contrary to the provisions of the Plan or this Grant as a stockholder of the Company, and may retain and/or recover all distributions or dividends on such Restricted Shares (irrespective of whether such distributions or dividends would be Retained Distributions) that were paid or payable subsequent to the date on which a prohibited transfer was made or attempted.

(c) The Grantee may designate a beneficiary or beneficiaries to whom the Restricted Shares, to the extent then vesting, and any related Retained Distributions will pass upon the Grantee’s death and may change such designation from time to time by filing a written designation of beneficiary or beneficiaries with the Committee on the form annexed hereto as Exhibit C or such other form as may be prescribed by the Committee, provided that no such designation will be effective unless so filed prior to the death of Grantee. If no such designation is made or if the designated beneficiary does not survive Grantee’s death, the Restricted Shares, to the extent then vesting, and any related Retained Distributions will pass by will or the laws of descent and distribution. Following Grantee’s death, the person to whom such vested Restricted Shares and Retained Distributions pass according to the foregoing will be deemed the Grantee for purposes of any applicable provisions of this Grant.

10. Adjustments. The Restricted Shares will be subject to adjustment in the sole discretion of the Committee and in such manner as the Committee may deem equitable and appropriate in connection with the occurrence following the Grant Date of any of the events described in Section 4.2 of the Plan.

11. Company’s Rights. The existence of this Grant will not affect in any way the right or power of the Company or its stockholders to accomplish any corporate act, including, without limitation, the acts referred to in Section 11.16 of the Plan.

12. Limitation of Rights. Nothing in this Grant or the Plan will be construed to give Grantee any right to be awarded any future restricted shares other than in the sole discretion of the Committee or give Grantee or any other person any interest in any fund or in any specified asset or assets of the Company or any of its Subsidiaries. Neither Grantee nor any person claiming through Grantee will have any right or interest in the Restricted Shares or any related Retained Distributions unless and until there shall have been full compliance with all the terms, conditions and provisions of this Grant and the Plan which affect Grantee or such other person.

13. Restrictions Imposed by Law. Without limiting the generality of Section 11.8 of the Plan, the Company shall not be obligated to deliver any Restricted Shares or securities constituting Retained Distributions if counsel to the Company determines that the issuance or delivery thereof would violate any applicable law or any rule or regulation of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which shares of LBTY.__ or such other securities are listed or quoted. The Company will in no event be obligated to take any affirmative action in order to cause the delivery of Restricted Shares or such other securities to comply with any such law, rule, regulation, or agreement. Any certificates representing, or restricted shares account holding, Restricted Shares or such other securities issued or delivered under this Grant (whether representing vested or unvested Restricted Shares or Retained Distributions) may bear such legend or legends as the Company deems appropriate in order to assure compliance with applicable securities laws.

14. Withholding. To the extent that the Company is subject to withholding tax requirements under any national, state, local or other governmental law with respect to the award of the Restricted Shares to Grantee or the vesting thereof or an election by the Grantee under Section 83(b) of the Code, the Grantee must make arrangement satisfactory to the Company to make payment to the Company of the amount required to be withheld under such tax laws, as determined by the Company (collectively, the "Required Withholding Amount"). To the extent such withholding is required because the Grantee vests in some or all of the Restricted Shares, the Company shall withhold from the vested Restricted Shares otherwise deliverable to the Grantee a number of shares having a value equal to the Required Withholding Amount, unless Grantee remits the Required Withholding Amount to the Company in cash in such form and by such time as the Company may require or other provisions for withholding such amount satisfactory to the Company have been made. The value of the shares withheld shall be based on the Fair Market Value of such shares on the date the amount of the Required Withholding Amount is required to be determined (the "Tax Date"). Notwithstanding any other provisions of this Grant, the issuance or delivery of any Restricted Shares and related Retained Distributions, whether or not vested, may be postponed until any required withholding taxes have been paid to the Company. Upon the payment of any cash dividends with respect to the Restricted Shares during the Restriction Period, the amount of such dividends will be reduced to the extent necessary to satisfy any withholding tax requirements applicable thereto prior to payment to Grantee.

15. Notice. Unless the Company notifies the Grantee in writing of a different procedure, any notice or other communication to the Company with respect to this Grant will be in writing and will be delivered personally or sent by United States first class mail, postage prepaid, sent by overnight courier, freight prepaid or sent by facsimile and addressed as follows:

Liberty Global, Inc.
12300 Liberty Boulevard
Englewood, CO 80112
Attn: General Counsel
Fax: 303-220-6691

Any notice or other communication to the Grantee with respect to this Grant will be in writing and will be delivered personally, or will be sent by United States first class mail, postage prepaid, to the Grantee's address as listed in the records of the Company on the Grant Date, unless the Company has received written notification from the Grantee of a change of address.

16. Amendment. Notwithstanding any other provision hereof, this Grant may be supplemented or amended from time to time as approved by the Committee. Without limiting the generality of the foregoing, without the consent of the Grantee,

(a) this Grant may be amended or supplemented from time to time as approved by the Committee (i) to cure any ambiguity or to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or (ii) to add to the covenants and agreements of the Company for the benefit of the Grantee or surrender any right or power reserved to or conferred upon the Company in this Grant, subject to any required approval of the Company's stockholders and, provided, in each case, that such changes will not adversely affect the rights of the Grantee with respect to the Award evidenced hereby, or (iii) to reform the Award made hereunder as contemplated by Section 11.18 of the Plan, or (iv) to make such other changes as the Company, upon advice of counsel, determines are necessary or advisable because of the adoption or promulgation of, or change in or of the interpretation of, any law or governmental rule or regulation, including any applicable federal or state securities laws; and

(b) subject to any required action by the Board or the stockholders of the Company, the Restricted Shares granted under this Grant may be canceled by the Company and a new Award made in substitution therefor, provided that the Award so substituted will satisfy all of the requirements of the Plan as of the date such new Award is made and no such action will adversely affect any Restricted Shares that are then vested.

17. Grantee Employment. Nothing contained in this Grant, and no action of the Company or the Committee with respect hereto, will confer or be construed to confer on the Grantee any right to continue in the employ or service of the Company or any of its Subsidiaries or interfere in any way with the right of the Company or any Subsidiary to terminate the Grantee's employment or service at any time, with or without cause.

18. Nonalienation of Benefits. Except as provided in Section 9 of this Grant, (i) no right or benefit under this Grant will be subject to anticipation, alienation, sale, assignment, hypothecation, pledge, exchange, transfer, encumbrance or charge, and any attempt to anticipate, alienate, sell, assign, hypothecate, pledge, exchange, transfer, encumber or charge the same will be void, and (ii) no right or benefit hereunder will in any manner be liable for or subject to the debts, contracts, liabilities or torts of the Grantee or other person entitled to such benefits.

19. Governing Law. This Grant will be governed by, and construed in accordance with, the internal laws of the State of Colorado. Each party irrevocably submits to the general jurisdiction of the state and federal courts located in the State of Colorado in any action to interpret or enforce this Grant and irrevocably waives any objection to jurisdiction that such party may have based on inconvenience of forum.

20. Construction. References in this Grant to "this Grant" and the words "herein," "hereof," "hereunder" and similar terms include all Exhibits and Schedules appended hereto, including the Plan. This Grant is entered into, and the Award evidenced hereby is granted, pursuant to the Plan and shall be governed by and construed in accordance with the Plan and the administrative interpretations adopted by the Committee thereunder. The word "include" and all variations thereof are used in an illustrative sense and not in a limiting sense. All decisions of the Committee upon questions regarding this Grant will be conclusive. Unless otherwise expressly stated herein, in the event of any inconsistency between the terms of the Plan and this Grant, the terms of the Plan will control. The headings of the sections of this Grant have been included for convenience of reference only, are not to be considered a part hereof and will in no way modify or restrict any of the terms or provisions hereof.

21. Rules by Committee. The rights of the Grantee and the obligations of the Company hereunder will be subject to such reasonable rules and regulations as the Committee may adopt from time to time.

22. Entire Agreement. This Grant is in satisfaction of and in lieu of all prior discussions and agreements, oral or written, between the Company and the Grantee regarding the subject matter hereof.

23. Recoupment Policy. The grant of Unrestricted Shares and Restricted Shares under this Grant is subject in all respects to the recoupment provisions applicable in the event of a restatement of the Company's financial statements.

LIBERTY GLOBAL, INC.

By: ____________
Name: Authorized Signatory
Title: Senior Vice President and Chief Human
Resources Officer

Exhibit A

Grantee Name: ______________________________

Employee Number: ___________________________

Grant No.: ______________

Number of Unrestricted Shares of LBTY.__ awarded: _________

Number of Restricted Shares of LBTY.__ awarded: ___________

Exhibit B

Liberty Global, Inc.

2005 Incentive Plan

Exhibit C
to
Share Grant and Restricted Shares Award (Series __)
dated as of December 31, 2012

Designation of Beneficiary

I, ____ (the “Grantee”), hereby declare that upon my death _______________ (the “Beneficiary”) of Name

,

Street Address City State Zip Code

who is my ___________________, will be entitled to the
Relationship to Grantee

Restricted Shares vesting upon my death and all other rights accorded the Grantee by the above-referenced grant (the “Grant”).

It is understood that this Designation of Beneficiary is made pursuant to the Grant and is subject to the conditions stated herein, including the Beneficiary’s survival of the Grantee’s death. If any such condition is not satisfied, such rights will devolve according to the Grantee’s will or the laws of descent and distribution.

It is further understood that all prior designations of beneficiary under the Grant are hereby revoked and that this Designation of Beneficiary may only be revoked in writing, signed by the Grantee, and filed with the Company prior to the Grantee’s death.

___________ _____________

Date Grantee

LIBERTY GLOBAL, INC.
DEFERRED COMPENSATION PLAN
(Effective December 15, 2008; Amended and Restated as of, January 1, 2013)

1. COVERAGE OF PLAN

The Plan is unfunded and is maintained for the purpose of providing a select group of management or highly compensated employees the opportunity to defer the receipt of compensation otherwise payable to such eligible employees in accordance with the terms of the Plan.

2. DEFINITIONS

2.1. "Account" means each of the bookkeeping accounts established pursuant to Section 5.1 and maintained by the Company in the names of the respective Participants, to which all amounts deferred under the Plan and deemed interest, earnings and losses on such amounts shall be credited or debited pursuant to Section 5.2, and from which all amounts distributed under the Plan shall be debited.

2.2. "Active Participant" means each Participant who is actively employed by the Company as an Eligible Employee.

2.3. "Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, the term "control," including its correlative terms "controlled by" and "under common control with," mean, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

2.4. "Applicable Interest Rate" means: (i) for the Prior Account, if any, no less than 9% per annum compounded as of the end of each calendar quarter, and (ii) for any portion of a Participant's Account (other than the Prior Account) attributable to a deferral of Compensation that would otherwise have been payable during a Plan Year, the most recent interest crediting rate and compounding method established by the Committee in its sole discretion prior to the date the deferral election for such Plan Year became irrevocable.

2.5. "Approved Transaction" means any transaction in which the Board (or, if approval of the Board is not required as a matter of law, the stockholders of the Company) shall approve (i) any consolidation or merger of the Company, or binding share exchange, pursuant to which shares of common stock of the Company would be changed or converted into or exchanged for cash, securities, or other property, other than any such transaction in which the common stockholders of the Company immediately prior to such transaction have the same proportionate ownership of the common stock of, and voting power with respect to, the surviving corporation immediately after such transaction, (ii) any merger, consolidation or binding share exchange to which the Company is a party as a result of which the persons who are common stockholders of the Company immediately prior thereto have less than a majority of the combined voting power of the outstanding capital stock of the Company ordinarily (and apart from the rights accruing under special circumstances) having the right to vote in the election of directors immediately following such merger, consolidation or binding share exchange, (iii) the adoption of any plan or proposal for the liquidation or dissolution of the Company, or (iv) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Company.

2.6. "Beneficiary" means such person or persons or legal entity or entities, including, but not limited to, an organization exempt from federal income tax under section 501(c)(3) of the Code, designated by a Participant or Beneficiary to receive benefits pursuant to the terms of the Plan after such Participant's or Beneficiary's death. If no Beneficiary is designated by the Participant or Beneficiary, or if no Beneficiary survives the Participant or Beneficiary (as the case may be), the Participant's Beneficiary shall be the Participant's Surviving Spouse if the Participant has a Surviving Spouse and otherwise the Participant's estate, and the Beneficiary of a Beneficiary shall be the Beneficiary's Surviving Spouse if the Beneficiary has a Surviving Spouse and otherwise the Beneficiary's estate.

2.7. "Board" means the Board of Directors of the Company.

2.8. "Board Change" means, during any period of two consecutive years, individuals who at the beginning of such period constituted the entire Board cease for any reason to constitute a majority thereof unless the election, or the nomination for election, of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period.

2.9. "Change of Control" means any of the following events, provided that such event also constitutes a Section 409A Change of Control: (i) an Approved Transaction, (ii) a Board Change, or (iii) a Control Purchase.

2.10. "Code" means the Internal Revenue Code of 1986, as amended.

2.11. "Committee" means the committee appointed by the Board to administer the Plan, which shall be the Compensation Committee of the Board or such other committee as the Board may appoint or, if the Board so determines, the Board.

2.12. "Company" means Liberty Global, Inc., a Delaware corporation, including any successor thereto by merger, consolidation, acquisition of all or substantially all the assets thereof, or otherwise.

2.13. "Compensation" means, with respect to any Eligible Employee, base salary (subject to such limitations as the Committee shall impose from time to time) and any payment for services performed for the Company as an annual cash performance award or as a multi-year award under any future annual or multi-year performance bonus or award arrangement, but excluding any discretionary bonus payable without regard to pre-established performance objectives.

2.14. "Control Purchase" means any transaction (or series of related transactions) in which (i) any person (as such term is defined in Sections 13(d)(3) and 14(d)(2) of the Exchange Act), corporation or other entity (other than the Company, any Subsidiary of the Company or any employee benefit plan sponsored by the Company or any Subsidiary of the Company) shall purchase any common stock of the Company (or securities convertible into common stock of the Company) for cash, securities or any other consideration pursuant to a tender offer or exchange offer, without the prior consent of the Board, or (ii) any person (as such term is so defined), corporation or other entity (other than the Company, any Subsidiary of the Company, any employee benefit plan sponsored by the Company or any Subsidiary of the Company or any Exempt Person (as defined below)) shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the then outstanding securities of the Company ordinarily (and apart from the rights accruing under special circumstances) having the right to vote in the election of directors (calculated as provided in Rule 13d-3(d) under the Exchange Act in the case of rights to acquire the Company's securities), other than in a transaction (or series of related transactions) approved by the Board. For purposes of this definition, "Exempt Person" means each of (a) the Chairman of the Board, the President and each of the directors of the Company as of December 31, 2008, and (b) the respective family members, estates and heirs of each of the persons referred to in clause (a) above and any trust or other investment vehicle for the primary benefit of any of such persons or their respective family members or heirs. As used with respect to any person, the term "family member" means the spouse, siblings and lineal descendants of such person.

2.15. "Credited Interest Fund" means that portion or all of a Participant's Account to be credited with interest at the Applicable Interest Rate in accordance with Section 5.2.

2.16. "Deceased Participant" means:

2.16.1. A Participant whose employment with the Company is terminated by death; or

2.16.2. An Inactive Participant who dies following termination of his or her employment with the Company.

2.17. "Disability" means:

2.17.1. an individual's inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months; or

2.17.2. circumstances under which, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, an individual is receiving income replacement benefits for a period of not less than three months under an accident or health plan covering employees of the individual's employer.

2.18. "Disabled Participant" means:

2.18.1. A Participant whose employment with the Company is terminated by reason of Disability;

2.18.2. An Inactive Participant who suffers a Disability following termination of his or her employment with the Company; or

2.18.3. The duly-appointed legal guardian of an individual described in Section 2.18.1 or 2.18.2 acting on behalf of such individual.

2.19. "Eligible Employee" means an officer or other employee of the Company, or of a subsidiary or affiliate that has adopted the Plan with the permission of the Company, who is part of a select group of management or highly compensated employees and is designated by the Committee as eligible for participation in the Plan.

2.20. "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, or any successor statute or statutes thereto. Reference to any specific Exchange Act section shall include any successor section.

2.21. "Hardship" means a Participant's severe financial hardship due to an unforeseeable emergency resulting from a sudden and unexpected illness or accident of the Participant, or, a sudden and unexpected illness or accident of a dependent (as defined by section 152(a) of the Code) of the Participant, or loss of the Participant's property due to casualty, or other similar and extraordinary unforeseeable circumstances arising as a result of events beyond the control of the Participant. A need to send the Participant's child to college or a desire to purchase a home is not an unforeseeable emergency. No Hardship shall be deemed to exist to the extent that the financial hardship is or may be relieved (a) through reimbursement or compensation by insurance or otherwise, (b) by borrowing from commercial sources on reasonable commercial terms to the extent that this borrowing would not itself cause a severe financial hardship, (c) by cessation of deferrals under the Plan, or (d) by liquidation of the Participant's other assets (including assets of the Participant's spouse and minor children that are reasonably available to the Participant) to the extent that this liquidation would not itself cause severe financial hardship. For the purposes of the preceding sentence, the Participant's resources shall be deemed to include those assets of his spouse and minor children that are reasonably available to the Participant; however, property held for the Participant's child under an irrevocable trust or under a Uniform Gifts to Minors Act custodianship or Uniform Transfers to Minors Act custodianship shall not be treated as a resource of the Participant. The Committee shall determine whether the circumstances of the Participant constitute an unforeseeable emergency and thus a Hardship within the meaning of this Section 2.21. Following a uniform procedure, the Committee's determination shall consider any facts or conditions deemed necessary or advisable by the Committee, and the Participant shall be required to submit any evidence of the Participant's circumstances that the Committee requires. The determination as to whether the Participant's circumstances are a case of Hardship shall be based on the facts of each case; provided however, that all determinations as to Hardship shall be uniformly and consistently made according to the provisions of this Section 2.21 for all Participants in similar circumstances.

2.22. "Inactive Participant" means each Participant (other than a Deceased Participant or a Disabled Participant) who is not actively employed by the Company.

2.23. "Initial Election" means a written election on a form provided by the Company, filed with the Company in accordance with Article 3, pursuant to which an Eligible Employee may elect to defer all or any portion of the Eligible Employee's Compensation and designate the time and form of payment of the amount of deferred Compensation to which the Initial Election relates.

2.24. "New Eligible Employee" means an employee of the Company who becomes an Eligible Employee after January 1, 2009.

2.25. "Outside Date" has the meaning set forth in Section 3.5.

2.26. "Participant" means each individual who has made an Initial Election, and who has an undistributed amount credited to an Account under the Plan, including an Active Participant, a Deceased Participant, a Disabled Participant and an Inactive Participant.

2.27. "Performance-Based Compensation" means "performance-based compensation" within the meaning of Section 409A.

2.28. "Performance Period" means the period of at least 12 months during which a Participant may earn Performance-Based Compensation.

2.29. "Person" means an individual, a corporation, a limited liability company, a partnership, an association, a trust or any other entity or organization.

2.30. "Plan" means the Liberty Global, Inc. Deferred Compensation Plan, as set forth herein, and as may be amended from time to time.

2.31. "Plan Year" means the calendar year.

2.32. "Phantom Investment Fund" shall mean any measurement fund, other than the Credited Interest Fund, selected by the Committee in its sole discretion. A Phantom Investment Fund may include mutual funds or any other investment or fund approved by the Committee. As necessary, the Committee may, in its sole discretion, discontinue, substitute or add a Phantom Investment Fund. Each such action will take effect as of the date specified by the Committee after giving Participants advance written notice of such change.

2.33. "Section 409A" means section 409A of the Code and any Treasury Regulations promulgated under, or other administrative guidance issued with respect to, such Code section, as applicable to the Plan at the relevant time.

2.34. "Section 409A Change of Control" means a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company, in each case within the meaning of Section 409A.

2.35. "Prior Account" means the portion of a Participant's Account that is attributable to a deferral of Compensation that would otherwise have been payable in a Plan Year ending before January 1, 2013.

2.36. "Stock Fund" means that portion, if any, of a Participant's Account attributable to an election to defer Compensation that would otherwise have been payable in the form of equity of the Company, and shall include the number and kind of equity so deferred, as adjusted for dividends and distributions payable in the form of equity, and subject to such further adjustments as are otherwise applicable with respect to equity awards under the Liberty Global, Inc. 2005 Incentive Plan.

2.37. "Separation from Service" means the termination of a Participant's employment with the Company within the meaning of Section 409A.

2.38. "Subsequent Election" means a written election on a form provided by the Company, filed with the Company in accordance with Article 3, pursuant to which a Participant may elect to defer (or, in limited cases and to the extent permitted under Section 409A, accelerate) the time of payment of amounts previously deferred in accordance with the terms of a previously made Initial Election or Subsequent Election.

2.39. "Subsidiary" means any present or future subsidiary (as defined in section 424(f) of the Code) of the Company or any business entity in which the Company owns, directly or indirectly, 50% or more of the voting, capital or profits interests. An entity shall be deemed a subsidiary of the Company for purposes of this definition only for such periods as the requisite ownership or control relationship is maintained.

2.40. "Surviving Spouse" means the widow or widower, as the case may be, of a Deceased Participant or a deceased Beneficiary (as applicable).

3. INITIAL AND SUBSEQUENT ELECTIONS TO DEFER COMPENSATION

3.1. Elections.

3.1.1. Initial Elections. An Initial Election shall be made on the form approved by the Company for this purpose. Each Eligible Employee, by filing an Initial Election at the time and in the form described in this Article 3, shall have the right to defer all or any portion of the Compensation that he or she otherwise would be entitled to receive. The compensation of such Eligible Employee for a Plan Year shall be reduced in an amount equal to the portion of the Compensation deferred by such Eligible Employee for such Plan Year pursuant to the eligible Employee's Initial Election. Such reduction shall be effected: (a) as to any portion of the Eligible Employee's base salary that is deferred, on a pro rata basis from each installment of base salary paid in accordance with applicable payroll practices; and (b) as to any portion of the eligible Employee's annual cash performance award that is deferred or any portion of an installment payment to the Eligible Employee under any multi-year performance incentive plan that is deferred, on a percentage basis from such award as and when otherwise payable. The amount of any such reduction shall be credited to the Eligible Employee's Account in accordance with Section 5.1.

3.1.2. Subsequent Elections. Each Participant shall have the right to elect to defer the time of payment of amounts previously deferred in accordance with the terms of a previously made Initial Election pursuant to the terms of the Plan by filing a Subsequent Election at the time, to the extent, subject to the requirements and in the form described in this Article 3.

3.2. Filing of Initial Election.

3.2.1. Performance-Based Compensation. An Initial Election shall be effective with respect to Performance-Based Compensation if (i) it is filed with the Company not less than six months before the end of the Performance Period during which such Performance-Based Compensation may be earned, (ii) the Eligible Employee has performed services continuously from the later of the beginning of the Performance Period or the date the performance criteria are established through the date the election is made, and (iii) the amount of the Performance-Based Compensation has not become readily ascertainable within the meaning of Section 409A at the time the election is filed. An Initial Election described in the preceding sentence shall become irrevocable on the last day prior to the start of the six-month period referred to in such sentence.

3.2.2. Other Initial Elections. Except as provided in Section 3.3, no Initial Election shall be effective with respect to Compensation other than Performance-Based Compensation unless it is filed with the Company on or before the close of business on December 31 of the Plan Year preceding the Plan Year to which the Initial Election applies. An Initial Election described in the preceding sentence shall become irrevocable on December 31 of the Plan Year preceding the Plan Year to which the Initial Election applies.

3.2.3. Transitional 2009 Election. An Eligible Employee may file an Initial Election on or before the close of business on December 31, 2008, to defer all or any portion of the Compensation that he or she otherwise would be entitled to receive in 2009 and subsequent years, including Compensation for services performed prior to 2009.

3.3. Filing of Initial Election by New Eligible Employees. Notwithstanding Section 3.2, a New Eligible Employee may elect to defer all or any portion of his or her Compensation earned for the performance of services in the Plan Year in which the New Eligible Employee becomes a New Eligible Employee, beginning with the payroll period next following the filing of an Initial Election with the Company and before the close of such Plan Year by making and filing the Initial Election with the Company within 30 days of the date on which such New Eligible Employee becomes a New Eligible Employee. Any Initial Election by such New Eligible Employee for succeeding Plan Years shall be made in accordance with Section 3.2.

3.4. Plan Years to which Initial Election May Apply. A separate Initial Election may be made for each Plan Year as to which an Eligible Employee desires to defer all or any portion of such Eligible Employee's Compensation, or an Eligible Employee may make an Initial Election with respect to a Plan Year that will remain in effect for subsequent Plan Years unless the Eligible Employee revokes such Initial Election or timely makes a new Initial Election with respect to a subsequent Plan Year. Any such revocation of an Initial Election must be in writing and must be filed with the Company on or before December 31 of the Plan Year immediately preceding the Plan Year to which such revocation applies. The failure of an Eligible Employee to make an Initial Election for any Plan Year shall not affect such Eligible Employee's right to make an Initial Election for any other Plan Year.

3.5. Distribution Events.

3.5.1. Initial Election of Distribution Events. Each Eligible Employee shall, contemporaneously with an Initial Election, also elect the time of payment of the amount of the deferred Compensation to which such Initial Election relates. Subject to the terms and conditions of the Plan and

Section 409A, the distribution event elected by each Eligible Employee may be (a) up to three specific dates selected by the Eligible Employee, none of which occurs later than December 31 of the 30th calendar year following the Plan Year to which the Initial Election applies (the "Outside Date"), (b) the earlier to occur of one or more of (1) the date or dates selected by the Eligible Employee, (2) the Eligible Employee's Separation from Service, (3) a Change of Control, or (4) a Section 409A Change of Control, or (c) such other distribution event permitted under Section 409A as the Committee may approve and set forth in an election form. If an Eligible Employee fails to elect a distribution event in accordance with the provisions of this Section 3.5, he or she shall be deemed to have elected the earlier to occur of the Outside Date or the Eligible Employee's Separation from Service as the distribution event.

3.5.2. Death or Disability. The death or Disability of a Participant or an Inactive Participant prior to complete distribution of the Account shall be a distribution event.

3.6. Subsequent Elections. Any Subsequent Election with respect to deferred amounts may be made only in accordance with the provisions of this Section 3.6. No Subsequent Election shall be effective until 12 months after the date on which such Subsequent Election is made. Any Subsequent Election must defer the time of payment of such amount for a minimum of five additional years from the previously elected payment date and may not cause receipt by a Participant of a lump-sum or percentage payment or the commencement of installment payments to a Participant to occur on a date that is later than the Outside Date. No Subsequent Election shall be effective to defer the time of any payment due to death or Disability.

3.6.1. Active Participants. The number of Subsequent Elections that an Active Participant may make under this Section 3.6.1 shall not be limited.

3.6.2. Inactive Participants. The Committee may, in its sole and absolute discretion, permit an Inactive Participant to make one or more Subsequent Elections. The number of Subsequent Elections that an Inactive Participant may make under this Section 3.6.2 shall be determined by the Committee in its sole and absolute discretion and need not be the same for all Inactive Participants.

3.6.3. Most Recently Filed Initial Election or Subsequent Election Controlling. Subject to acceleration pursuant to Section 3.5.2, 3.8, Section 7.1, or Article 8 (each to the extent permitted under Section 409A), no distribution of the amounts deferred by a Participant for any Plan Year shall be made before the distribution event designated by the Participant on the most recently filed Initial Election or Subsequent Election with respect to such deferred amount.

3.7. Payment Date, and Actual Payment of Amounts Due under the Plan. For purposes of Code Section 409A, the payment dates for distributions shall be as follows: (i) the payment date for a distribution event on a specific date as elected by the Participant shall be the date or dates elected by the Participant pursuant to an Initial Election or a Subsequent Election (or, if such date is not a business day, on the next succeeding business day); (ii) the payment date for a distribution event due to death or Disability shall be the date of death or the date of onset of Disability (or, if such date is not a business day, on the next succeeding business day); (iii) except as provided in Section 3.10, the payment date for a distribution event due to Separation from Service or Change in Control shall be the date on which Separation from Service or Change in Control, as applicable, occurred (or, if such date is not a business day, on the next succeeding business day); and (iv) the payment date for specified employees under Section 3.10 shall be the date the suspension period lapses. Actual payment of amounts due under the Plan shall be paid as soon as administratively practicable following the payment date for the applicable distribution event within the time permitted in communication materials but in no event later than permitted under Treasury Regulation 1.409A-3(d). Notwithstanding the foregoing, the payment date with respect to the Prior Account shall be governed by the terms of Section 3.7 as in effect prior to January 1, 2013.

3.8. Discretion to Distribute in Full Upon or Following a Change of Control. To the extent permitted under Section 409A, in connection with a Change of Control, and for the 12-month period following a Change of Control, the Committee may exercise its discretion to terminate the Plan and, notwithstanding any other provision of the Plan or the terms of any Initial Election or Subsequent Election, distribute the Account balance of each Participant in full and thereby effect the revocation of any outstanding Initial Elections or Subsequent Elections.

3.9. Rabbi Trust. The Committee may authorize the Company to establish an irrevocable trust with a duly authorized bank or corporation with trust powers designated by the Company's Chief Executive Officer ("Rabbi Trust"), pursuant to such terms and conditions as are set forth in the governing trust agreement. Any such Rabbi Trust shall be intended to be treated as a "grantor trust" under the Code, and the establishment of the Rabbi Trust shall not be intended to cause Participants performing services for the Company to realize current income on amounts contributed thereto nor to cause the Plan to be "funded" with respect to the Company, and the Rabbi Trust shall be so interpreted. Any amounts subsequently due to a Participant under the Plan shall be first satisfied by the Rabbi Trust, and any remaining obligations shall be satisfied by the Company, in accordance with the terms of the Plan.

3.10. Required Suspension of Payment of Benefits. Notwithstanding any provision of the Plan or any Participant's election as to the date or time of payment of any amount payable under the Plan, to the extent required under Section 409A, any amount that otherwise would be payable to a Participant who is a "specified employee" of the Company, as determined in accordance with Section 409A, during the six-month period following such Participant's Separation from Service, shall be suspended until the lapse of such six-month period (or, if earlier, the date of death of the Participant). The amount that otherwise would be payable to such Participant during such period of suspension, together with applicable credits or debits in accordance with Section 5.2 on such suspended amount, shall be paid in a single payment on the day following the end of such six-month period (or, if such day is not a business day, on the next succeeding business day) or within 60 days following the death of the Participant during such six-month period[, provided that the death of the Participant during such six-month period shall not cause the acceleration of any amount that otherwise would be payable on any date during such six-month period following the date of the Participant's death].

3.11. Delay of Payment Under Certain Circumstances. Notwithstanding any provision of the Plan or any Participant's election as to the date or time of payment of any benefit payable under the Plan, if the Committee reasonably determines with respect to any payment under the Plan:

3.11.1. that the Company's deduction with respect to any such payment would be limited or eliminated by the application of section 162(m) of the Code, then to the extent deemed necessary by the Company to ensure that the entire amount of any payment under the Plan is deductible, the Company may delay payment of any amount that would otherwise be paid under the Plan until the earliest date on which the Company reasonably anticipates that the Company's deduction of the payment of the amount will not be limited or eliminated by application of section 162(m) of the Code, and any amounts for which distribution is delayed pursuant to this Section shall continue to be credited or debited with additional amounts in accordance with Section 5.2; or

3.11.2. that the making of such payment would violate (i) the terms of any loan arrangement or similar contract to which the Company is a party and such violation would cause material harm to the Company or (ii) Federal securities law or any other law applicable to the Company, such payment shall be delayed until the earliest date the Company reasonably anticipates that the making of the payment will not cause such violation (or, in the case of (i) above, such violation will not cause material harm to the Company) and any amounts for which distribution is delayed pursuant to this Section shall continue to be credited or debited with additional amounts in accordance with Section 5.2.

4. FORMS OF DISTRIBUTION

4.1. Forms of Distribution.

4.1.4. Distribution Form. Amounts credited to an Account shall be distributed, pursuant to an Initial Election or Subsequent Election, in one of the following forms of distribution:

4.1.4.1. A lump-sum payment;

4.1.4.2. Substantially equal annual installments over a period of two, three, four or five years; or

4.1.4.3. Payment of two or three specified portions, identified as percentages collectively totaling 100%, of the amount of Compensation deferred for a Plan Year.

If an Eligible Employee fails to elect a form of distribution in accordance with the provisions of this Section 4.1, he or she shall be deemed to have elected to receive a lump-sum payment as the form of distribution. In the event the payment event is due to death or Disability, the form of distribution shall be limited to a lump-sum payment.

4.1.5. Payment Form. A Participant who has made an election to defer Compensation that would otherwise have been payable in the form of equity of the Company shall receive a distribution from the Account in the number and kind of equity allocated to the Stock Fund. Unless otherwise approved by the Committee, all other distributions shall be made in the form of cash payments.

4.1.6. Limited Cashout. To the extent permitted under Section 409A, notwithstanding any Initial Election, Subsequent Election or any other provision of the Plan to the contrary:

4.1.6.1. distributions shall be made in the form of a lump-sum payment unless the portion of a Participant’s Account subject to distribution pursuant to Section 4.1.1.2, as of the benefit commencement date, is more than $10,000; and

4.1.6.2. following a Participant’s Separation from Service for any reason, if the amount credited to the Participant’s Account is $10,000 or less, the Committee may, in its sole discretion, direct that such amount be distributed to the Participant (or Beneficiary, as applicable) in one lump-sum payment, provided that the payment is made on or before the later of (i) December 31 of the calendar year in which the Participant’s Separation from Service occurs or (ii) the 15th day of the third month after the Participant’s Separation from Service.

4.2. Determination of Account Balances For Purposes of Distribution. The amount of any distribution made pursuant to Section 4.1 shall be based on the balance in the Participant’s Account(s) on the “payment date” as prescribed by Section 3.7 applicable to the distribution event that triggers the payment under the Plan. For this purpose, the value of a Participant’s Account shall be calculated by taking into account applicable credits or debits in accordance with Section 5.2 through the end of the day of the payment date.

4.3. Plan-to-Plan Transfers. The Committee may delegate its authority to arrange for plan-to-plan transfers as described in this Section 4.3 to an officer of the Company or committee of two or more officers of the Company.

4.3.1.1. The Committee may, with a Participant’s consent, make such arrangements as it may deem appropriate to transfer the Company’s obligation to pay benefits with respect to such Participant which have not become payable under this Plan, to another employer,

whether through a deferred compensation plan, program or arrangement sponsored by such other employer or otherwise, or to another deferred compensation plan, program or arrangement sponsored by the Company or an Affiliate. Following the completion of such transfer, with respect to the benefit transferred, the Participant shall have no further right to payment under this Plan.

4.3.1.2. The Committee may, with a Participant's consent, make such arrangements as it may deem appropriate for the Plan to assume another employer's obligation to pay benefits with respect to such Participant which have not become payable under the deferred compensation plan, program or arrangement under which such future right to payment arose, or to assume a future payment obligation of the Company or an Affiliate under another plan, program or arrangement sponsored by the Company or an Affiliate. Upon the completion of the Plan's assumption of such payment obligation, the Company shall establish an Account for such Participant, and the Account shall be subject to the rules of this Plan, as in effect from time to time.

5. BOOK ACCOUNTS

5.1. Deferred Compensation Account. A deferred compensation Account shall be established for each Eligible Employee when such Eligible Employee becomes a Participant. Compensation deferred pursuant to the Plan shall be credited to the Account on the date such Compensation would otherwise have been payable to the Participant. All deemed interest, dividends, earnings, losses and other relevant amounts applicable to each Account shall be credited or debited to the Account as they are deemed to occur, as provided in Section 5.2.

5.2. Crediting/Debiting of Account Balances. In accordance with, and subject to, the rules and procedures that are established from time to time by the Committee, amounts shall be credited or debited to a Participant's Account in accordance with the following rules:

5.2.2. Phantom Investment Portfolio Program. Subject to Section 5.2.4, the Participant may elect the Credited Interest Fund and/or one or more of any established Phantom Investment Funds, for the purpose of crediting or debiting additional amounts to his or her Account.

5.2.3. Election of Phantom Investment Funds. In the event the Committee has established one or more Phantom Investment Funds, a Participant, in connection with his or her Initial Election in accordance with Section 3.1, may elect, on the form provided by the Company, filed with the Company in accordance with Article 3, one or more Phantom Investment Fund(s) (as described in Section 5.2.1) to be used to determine the amounts to be credited or debited to his or her Account. The Participant may (but is not required to) elect, by submitting an election form to the Company that is accepted by the Company, to add or delete one or more of the Credited Interest Fund and Phantom Investment Fund(s) to be used to determine the amounts to be credited or debited to his or her Account, or to change the portion of his or her Account allocated to each. If an election is made in accordance with the previous sentence, it shall apply as of the first business day after the election is filed, and shall continue thereafter for each subsequent day in which the Participant participates in the Plan, unless changed in accordance with the previous sentence. Notwithstanding the foregoing, the Company, in its sole discretion, may impose limitations on the frequency with which one or more of the Phantom Investment Funds elected in accordance with this Section 5.2.2 may be added or deleted by such Participant; furthermore, the Company, in its sole discretion, may impose limitations on the frequency with which the Participant may change the portion of his or her Account allocated to each previously or newly elected Phantom Investment Fund.

5.2.4. Credited Interest Fund. Subject to Section 5.2.4, a Participant's Account attributable to amounts deferred on or after January 1, 2009 shall be allocated to the Credited Interest Fund until such time as the Committee determines, in its sole discretion, that the Participant may select one or more Phantom Investment Funds and the Participant elects to change the allocation of the

Account. To the extent that a Participant does not elect any of the Phantom Investment Funds as described in Section 5.2.2, the Participant's Account shall automatically be allocated to the Credited Interest Fund unless Section 5.2.4 is otherwise applicable.

5.2.5. Stock Fund. Any amount held in the Stock Fund shall remain allocated to the Stock Fund and the Participant shall not be entitled to change the portion of his Account allocated to the Stock Fund; provided, however, that any cash dividends payable with respect to the number and kind of equity allocated to the Stock Fund shall be credited to the Participant's Account in the Phantom Investment Funds or the Credited Interest Fund in accordance with Sections 5.2.2 and 5.2.3.

5.2.6. Proportionate Allocation. In making any election described in Section 5.2.2 above, the Participant shall specify on the applicable election form, in increments of one percent (1%), the percentage of his or her Account to be allocated/reallocated.

5.2.7. Crediting or Debiting Method. Each Participant's Account allocated to the Credited Interest Fund shall be credited with interest at the Applicable Interest Rate. The performance of each Phantom Investment Fund (either positive or negative) will be determined on a daily basis based on the manner in which such Participant's Account has been hypothetically allocated among the Phantom Investment Funds by the Participant, and any portion of a Participant's Account allocated to the Phantom Investment Fund shall be credited or debited based on that performance. Credits and debits under this Section 5.2.6 shall be calculated with respect to Compensation deferred by such Participant in accordance with this Plan from the date such Compensation would otherwise have been payable to the Participant through the end of the day immediately preceding the date on which such deferred Compensation is paid to such Participant (or his or her Beneficiary) in accordance with this Plan.

5.2.8. No Actual Investment. Notwithstanding any other provision of this Plan that may be interpreted to the contrary, the Phantom Investment Funds are to be used for measurement purposes only, and a Participant's election of any such Phantom Investment Fund, the allocation of his or her Account thereto, the calculation of additional amounts and the crediting or debiting of such amounts to a Participant's Account shall not be considered or construed in any manner as an actual investment of his or her Account in any such Phantom Investment Fund. In the event that the Company or the trustee of the Rabbi Trust, if any, in its own discretion, decides to invest funds in any or all of the investments on which the Phantom Investment Funds are based, no Participant shall have any rights in or to such investments themselves. Without limiting the foregoing, a Participant's Account shall at all times be a bookkeeping entry only and shall not represent any investment made on his or her behalf by the Company or the Rabbi Trust, if any; the Participant shall at all times remain an unsecured creditor of the Company.

5.3. Status of Deferred Amounts. All Compensation deferred under this Plan shall continue for all purposes to be a part of the general funds of the Company.

5.4. Participants' Status as General Creditors. An Account shall at all times represent the general obligation of the Company. Each Participant shall be a general creditor of the Company with respect to this obligation and shall not have a secured or preferred position with respect to his or her Account. Nothing contained herein shall be deemed to create an escrow, trust, custodial account or fiduciary relationship of any kind. Nothing contained herein shall be construed to eliminate any priority or preferred position of a Participant in a bankruptcy matter with respect to claims for wages.

6. NO ALIENATION OF BENEFITS

Except as otherwise required by law, the right of any Participant or Beneficiary to any benefit or interest under any of the provisions of the Plan shall not be subject to encumbrance, attachment, execution, garnishment, assignment, pledge, alienation, sale, transfer or anticipation, either by the

voluntary or involuntary act of any Participant or Beneficiary or by operation of law, nor shall such payment, right or interest be subject to any other legal or equitable process.

7. DEATH OF PARTICIPANT

7.1. Death of Participant. A Deceased Participant's Account shall be distributed in a lump sum to the Deceased Participant's Beneficiary to whom the right to payment under the Plan shall have passed.

7.2. Designation of Beneficiaries. Each Participant and Beneficiary shall have the right to designate one or more Beneficiaries to receive distributions in the event of the Participant's or Beneficiary's death by filing with the Company a Beneficiary designation on the form provided by the Company for such purpose. The designation of Beneficiary or Beneficiaries may be changed by a Participant or Beneficiary at any time prior to such Participant's or Beneficiary's death by the delivery to the Company of a new Beneficiary designation form.

8. HARDSHIP AND OTHER ACCELERATION EVENTS

8.1. Hardship. Notwithstanding the terms of an Initial Election or Subsequent Election, if, at the Participant's request, the Committee determines that the Participant has incurred a Hardship, the Committee may, in its discretion and to the extent permitted under Section 409A, authorize the immediate distribution of all or any portion of the Participant's Account.

8.2. Other Acceleration Events. To the extent permitted under Section 409A, notwithstanding the terms of an Initial Election or Subsequent Election, distribution of all or part of a Participant's Account may be made:

8.2.1. To the extent necessary to fulfill a domestic relations order (as deemed in section 414(p)(1)(B) of the Code).

8.2.2. To the extent necessary to comply with a certificate of divestiture (as defined in section 1043(b)(2) of the Code).

8.2.3. To pay the Federal Insurance Contribution Act ("FICA") tax imposed under sections 3101 and 3121(v)(2) of the Code on Compensation deferred under the Plan (the "FICA Amount") plus the income tax at source on wages imposed under section 3401 of the Code with respect to the FICA Amount, and to pay the additional income tax at source on wages attributable to the pyramiding section 3401 wages and taxes, provided that the total amount distributable under this Section 8.2.3 shall not exceed the sum of the FICA Amount and the income tax withholding related to such FICA Amount.

9. INTERPRETATION

9.1. Authority of Committee. The Committee shall have full and exclusive authority to construe, interpret and administer this Plan and take all actions and make all determinations on behalf of the Company unless otherwise indicated, and the Committee's construction and interpretation thereof and determinations thereunder shall be binding and conclusive on all persons for all purposes. The Committee shall be entitled to delegate any authority hereunder to the appropriate officers of the Company, as determined by the Committee in its discretion.

9.2. Claims Procedure. If an individual (hereinafter referred to as the "Applicant," which reference shall include the legal representative, if any, of the individual) does not receive timely payment of benefits to which the Applicant believes he or she is entitled under the Plan, the Applicant may make a claim for benefits in the manner hereinafter provided.

An Applicant may file a claim for benefits with the Committee on a form supplied by the Company. If the Committee wholly or partially denies a claim, the Committee shall provide the Applicant with a written notice stating:

9.2.1. The specific reason or reasons for the denial;

9.2.2. Specific reference to pertinent Plan provisions on which the denial is based;

9.2.3. A description of any additional material or information necessary for the Applicant to perfect the claim and an explanation of why such material or information is necessary; and

9.2.4. Appropriate information as to the steps to be taken in order to submit a claim for review.

Written notice of a denial of a claim shall be provided within 60 days of the receipt of the claim, provided that if special circumstances require an extension of time for processing the claim, the Committee may notify the Applicant in writing that an additional period of up to 60 days will be required to process the claim.

If the Applicant's claim is denied, the Applicant shall have 60 days from the date of receipt of written notice of the denial of the claim to request a review of the denial of the claim by the Committee. Request for review of the denial of a claim must be submitted in writing. The Applicant shall have the right to review pertinent documents and submit issues and comments to the Committee in writing. The Committee shall provide a written decision within 60 days of its receipt of the Applicant's request for review, provided that if special circumstances require an extension of time for processing the review of the Applicant's claim, the Committee may notify the Applicant in writing that an additional period of up to 60 days shall be required to process the Applicant's request for review.

It is intended that the claims procedures of this Plan be administered in accordance with the claims procedure regulations of the Department of Labor set forth in 29 CFR § 2560.503-1.

Claims for benefits under the Plan must be filed with the Committee at the following address or, if different, at the address of the Company's principal executive offices:

Liberty Global, Inc. 12300 Liberty Boulevard Englewood, Colorado 80112 Attn: Chief Human Resources Officer
cc: General Counsel

10. AMENDMENT OR TERMINATION

10.1. Amendment or Termination. Except as otherwise provided by Section 10.2, the Company, by action of the Committee, reserves the right at any time, or from time to time, to amend or modify this Plan, including amendments for the purpose of complying with Section 409A. The Company, by action of the Board, reserves the right at any time to terminate this Plan.

10.2. Amendment of Rate of Credited Earnings. No amendment shall decrease the Applicable Interest Rate with respect to the portion of a Participant's Account that is attributable to an Initial Election or Subsequent Election made with respect to Compensation earned in a Plan Year which election has become irrevocable before the date of adoption of such amendment by the Committee. For purposes of this Section 10.2, a Subsequent Election to defer the payment of part or all of an Account for an additional period after a previously-elected payment date (as described in Section 3.6) shall be treated as

a Subsequent Election separate from any previous Initial Election or Subsequent Election with respect to such Account.

11. WITHHOLDING OF TAXES

The Company, or the trustee of any Rabbi Trust, shall withhold from any payments made to a Participant under this Plan all federal, state and local income, employment and other taxes required to be withheld by the Company or the trustee of the Rabbi Trust, if any, in connection with such payments, in amounts and in a manner to be determined in the sole discretion of the Company and the trustee of any Rabbi Trust.

12. MISCELLANEOUS PROVISIONS

12.1. No Right to Continued Employment. Nothing contained herein shall be construed as conferring upon any Participant the right to remain in the employment of the Company, its subsidiaries or divisions, as an executive or in any other capacity.

12.2. Expenses of Plan. All expenses of the Plan shall be paid by the Company.

12.3. Gender and Number. Whenever any words are used herein in any specific gender, they shall be construed as though they were also used in any other applicable gender. The singular form, whenever used herein, shall mean or include the plural form, and vice versa, as the context may require.

12.4. Law Governing Construction. The construction and administration of the Plan and all questions pertaining thereto, shall be governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and other applicable federal law and, to the extent not governed by federal law, by the internal laws of the State of Colorado.

12.5. Headings Not a Part Hereof. Any headings preceding the text of the several Articles, Sections, subsections, or paragraphs hereof are inserted solely for convenience of reference and shall not constitute a part of the Plan, nor shall they affect its meaning, construction, or effect.

12.6. Severability of Provisions. If any provision of this Plan is determined to be void by any court of competent jurisdiction, the Plan shall continue to operate and, for the purposes of the jurisdiction of that court only, shall be deemed not to include the provision determined to be void.

12.7. Compliance with Section 409A. This Plan is intended to comply in all respects with Section 409A and at all times shall be interpreted and operated in compliance therewith.

13. EFFECTIVE DATE

The Plan was originally effective on December 15, 2008 and was initially amended and restated effective as of November 20, 2009. This second amendment and restatement is made by Liberty Global, Inc. to the Liberty Global, Inc. Deferred Compensation Plan, as amended and restated effective November 20, 2009 (the "Plan") and becomes effective January 1, 2013.

IN WITNESS WHEREOF, LIBERTY GLOBAL, INC. has caused this Plan, as amended and restated, to be executed by its duly authorized officer as of the 13th day of December 2012.

LIBERTY GLOBAL, INC.

By: Authorized Signatory
Name: Authorized Signatory
Title: Executive Vice President

Exhibit 10.20

LIBERTY GLOBAL, INC.
DEFERRED COMPENSATION PLAN
(Effective December 15, 2008; Amended and Restated as of November 20, 2009)

2012 DEFERRAL ELECTION FORM

Participant's Name:__

This Deferral Election is subject to all of the terms of the Liberty Global, Inc. Deferred Compensation Plan (the "Plan"). I acknowledge that I have received a copy of the Plan and that my participation is subject to the terms and conditions of the Plan and this Deferral Election. I understand that capitalized terms in this Deferral Election have the meanings assigned to such terms in the Plan.

I. DEFERRAL ELECTION – 2012 BASE SALARY

o I hereby elect to defer ____ % (not more than 90%) of my 2012 base salary, to be applied on a pro rata basis from each installment of base salary paid in accordance with applicable payroll practices.

OR

o I hereby elect to defer from each installment of my 2012 base salary paid in accordance with applicable payroll practices, the percentage (not more than 90%) set forth next to such installment on Appendix A.

II. TIMING AND FORM OF DISTRIBUTION

A. Timing of Elective Distribution Event

I hereby elect the following distribution events (choose one option and complete as necessary):

o The following specified dates (specify up to three dates not later than December 31, 2042):

1. ______________________________________

2. ______________________________________

3. ______________________________________

OR

- o The earlier to occur of (specify any or all of the following):

  - o The following specified dates (specify up to three dates not later than December 31, 2042):

    1. ____
    2. ____
    3. ____

  - o My Separation from Service.
  - o A Change of Control.
  - o A Section 409A Change of Control.

B. <u>Form of Payment</u>

I hereby elect the following form of payment commencing on the applicable distribution event (check only one box and complete, if necessary):

- o A single lump sum payment; or
- o A series of _________ (specify five or fewer) substantially equal annual installments; or
- o A portion allocated to each specified date I have designated in Section II.A. above, as follows (specify percentages totaling 100% and associated with date(s) specified above):

  1. _________%
  2. _________%
  3. _________%

III. PARTICIPANT SIGNATURE AND DATE:

I understand that this Deferral Election will become irrevocable after December 31, 2011.

I further understand that the Company may take whatever steps the Company, in its sole discretion, deems appropriate or necessary to satisfy the Company's state and federal income tax, social security, Medicare, and any other tax withholding obligations (including in jurisdictions other than the United States) arising in connection with any Compensation subject to this Deferral Election. I understand that social security and Medicare (FICA) tax will arise at the time the payments would otherwise have been made in the absence of this deferral election, and that the Company will withhold amounts necessary to satisfy that obligation from other compensation I am entitled to receive.

This Deferral Election shall be interpreted, and such amounts shall in all events be paid, in a manner consistent with Section 409A so as to avoid adverse tax consequences related to the deferrals.

I am aware that any elections I have hereby made may have significant tax consequences to me and, to the extent I deem necessary, I have received advice from my personal tax advisor before making this Deferral Election.

____
Participant's Signature

Deliver by December 31, 2011 to:

Liberty Global, Inc.
Attn: Senior Vice President, Global Human Resources
12300 Liberty Boulevard
Englewood, Colorado 80112

____
Date Signed

APPENDIX A

Scheduled Payment Date	Percentage to Defer
January 6, 2012	%________________
January 20, 2012	%________________
February 3, 2012	%________________
February 17, 2012	%________________
March 2, 2012	%________________
March 16, 2012	%________________
March 30, 2012	%________________
April 13, 2012	%________________
April 27, 2012	%________________
May 11, 2012	%________________
May 25, 2012	%________________
June 8, 2012	%________________
June 22, 2012	%________________
July 6, 2012	%________________
July 20, 2012	%________________
August 3, 2012	%________________
August 17, 2012	%________________
August 31, 2012	%________________
September 14, 2012	%________________
September 28, 2012	%________________
October 12, 2012	%________________
October 26, 2012	%________________
November 9, 2012	%________________
November 23, 2012	%________________
December 7, 2012	%________________
December 21, 2012	%________________

UNITEDGLOBALCOM, INC.

EQUITY INCENTIVE PLAN

amended and restated effective October 17, 2003

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Page

UNITEDGLOBALCOM, INC.

EQUITY INCENTIVE PLAN

ARTICLE I -
INTRODUCTION

1.1 ***Establishment*** UnitedGlobalCom, Inc., a Delaware corporation ("UnitedGlobalCom"), hereby establishes the UnitedGlobalCom, Inc. Equity Incentive Plan (the "Plan") effective September 1, 2003, for certain employees of the Company (as defined in subsection 2.1(i)), certain consultants to the Company and Non-Employee Directors (as defined in subsection 2.1(r)) of the Company. The Plan permits the grant of incentive stock options within the meaning of section 422 of the Internal Revenue Code of 1986, as amended, non-qualified stock options, restricted stock awards, stock appreciation rights, stock bonuses, stock units and other stock grants to certain employees of the Company, and permits the grant of non-qualified stock options to certain consultants to the Company and to Non-Employee Directors of the Company.

1.2 ***Purposes***. The purposes of the Plan are to provide those who are selected for participation in the Plan with added incentives to continue in the long-term service of the Company and to create in such persons a more direct interest in the future success of the operations of the Company by relating incentive compensation to increases in stockholder value, so that the income of those participating in the Plan is more closely aligned with the income of the Company's stockholders. The Plan is also designed to provide a financial incentive that will help the Company attract, retain and motivate the most qualified employees, consultants and Non-Employee Directors.

ARTICLE II -
DEFINITIONS

2.1 ***Definitions***. The following terms shall have the meanings set forth below:

(a) ***"Affiliated Corporation"***

means any corporation or other entity that is affiliated with UnitedGlobalCom through stock ownership or otherwise and is designated as an "Affiliated Corporation" by the Board, provided, however, that for purposes of Incentive Options granted pursuant to the Plan, an "Affiliated Corporation" means any parent or subsidiary of UnitedGlobalCom as defined in section 424 (c) or (f) of the Code.

(b) ***"Award"***

means an Option, an award of Restricted Stock, a Stock Appreciation Right, a Stock Unit, grants of Stock pursuant to Article XI or other issuances of Stock hereunder.

(c) ***"Award Certificate"*** means an agreement or certificate evidencing an Award or Awards, as any such agreement or certificate may amended from time to time, as approved by the Committee.

(d) ***"Board"*** means the Board of Directors of UnitedGlobalCom.

(e) ***"Class A Stock"*** means the Class A common stock, $0.01 par value of UnitedGlobalCom.

(f) ***"Class B Stock"*** means the Class B common stock, $0.01 par value of UnitedGlobalCom.

(g) ***"Code"*** means the Internal Revenue Code of 1986, as it may be amended from time to time.

(h) ***"Committee"*** means a committee consisting of members of the Board who are empowered hereunder to take actions in the administration of the Plan. The Committee shall be so constituted at all times as to permit the Plan to comply with the requirements of section 162(m) of the Code. Except as provided in Section 3.2, the Committee shall select Participants from Eligible Employees and Eligible Consultants of the Company and shall determine the awards to be made pursuant to the Plan and the terms and conditions thereof.

(i) ***"Company"*** means UnitedGlobalCom and the Affiliated Corporations.

(j) ***"Disabled" or "Disability"*** shall have the meaning given to such terms in section 22(e)(3) of the Code.

(k) ***"Dividend Equivalents"*** means, with respect to Stock to be issued pursuant to a Restricted Stock Award at the end of the Restriction Period, to the extent specified by the Committee only, an amount equal to all dividends and other distributions (or the economic equivalent thereof) which are payable to stockholders of record during the Restriction Period on a like number and kind of shares of Stock.

(l) ***"Domestic Relations Order"*** means a domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act, or the rules thereunder.

(m) ***"Effective Date"*** means September 1, 2003.

(n) ***"Eligible Consultants"*** means those consultants to the Company who are determined, by the Committee, to be individuals whose services are important to the Company and who are eligible to receive Awards, other than Incentive Options, under the Plan.

(o) ***"Eligible Employees"*** means those employees (including, without limitation, officers and directors who are also employees) of the Company or any Affiliated Corporation, who are determined by the Committee to be eligible to receive the grant of Awards under this Plan. For purposes of the Plan, an employee is any individual who provides services to the Company or any subsidiary or division thereof as a common law employee. An Eligible Employee shall not include any individual who provides services to the Company or any subsidiary or division thereof under an agreement, contract, or any other arrangement pursuant to which the individual is initially classified as an independent contractor, even if the individual is subsequently reclassified as a common law employee as a result of a final decree of a court of competent jurisdiction or the settlement of an administrative or judicial proceeding. Leased employees within the meaning of section 414(n) of the Code shall not be treated as Eligible Employees under this Plan.

(p) ***"Fair Market Value"*** of a share of Class A Stock or Class B Stock on any day means the last sale price (or, if no last sale price is reported, the average of the high bid and low asking price) for a share of Class A Stock or Class B Stock, as applicable, on such day (or, if such day is not a trading day, on the next preceding trading day) as reported on the consolidated transaction reporting system for the principal national securities exchange on which shares of Class A Stock or Class B Stock, if applicable, are listed on such day or if such Shares are not then listed on a national securities exchange, then as reported on Nasdaq or, if such Shares are not then listed or quoted on Nasdaq, then as quoted by the National Quotation Bureau Incorporated. If for any day the Fair Market Value of a share of Class A Stock or Class B Stock, if applicable, is not determinable by any of the foregoing means, then the Fair Market Value for such day shall be determined in good faith by the Committee on the basis of such quotations and other considerations as the Committee deems appropriate. If the Class B Stock is not listed or reported on any securities exchange or national market system, the Fair Market Value of the Class B Stock for purposes of the grant of Options under the Plan shall be equal to the Fair Market Value of the Class A Stock.

(q) ***"Incentive Option"*** means an Option designated as such and granted in accordance with section 422 of the Code.

(r) ***"Non-Employee Director"*** means a member of the Board who is not an employee (as defined in the second sentence of subsection 2.1(l) above) of the Company.

(s) ***"Non-Qualified Option"*** means any Option other than an Incentive Option.

(t) ***"Option"*** means a right to purchase Stock at a stated or formula price for a specified period of time pursuant to Article VII of this Plan. Options granted under the Plan shall be either Incentive Options or Non-Qualified Options.

(u) ***"Option Certificate"*** shall have the meaning given to such term in Section 7.2 hereof.

(v) ***"Option Holder"*** means a Participant who has been granted one or more Options under the Plan.

(w) ***"Option Price"*** means the price at which each Share of Stock subject to an Option may be purchased, determined in accordance with subsection 7.2(b).

(x) ***"Participant"*** means an Eligible Employee or Eligible Consultant designated by the Committee from time to time during the term of the Plan to receive one or more of the Awards provided under the Plan or a Non-Employee Director who has been granted an Option.

(y) ***"Restricted Stock"*** means shares of Stock or the right to receive shares of Stock, as the case may be, awarded to a Participant pursuant to Article VIII that is subject to certain restrictions imposed in accordance with the provisions of such Article.

(z) ***"Restriction Period"*** means a period of time beginning on the date of each Restricted Stock Award and ending on the Vesting Date with respect to such Award.

(aa) ***"Share"*** means a share of Stock.

(ab) ***"Stock"*** means the Class A Stock and the Class B Stock.

(ac) ***"Stock Appreciation Right"*** means the right, granted by the Committee pursuant to the Plan, to receive a payment determined by reference to the Fair Market Value of a Share of Stock subsequent to the grant of such Award pursuant to Article X of this Plan.

(ad) ***"Stock Bonus"*** means either an outright grant of Stock or a grant of Stock subject to and conditioned upon certain employment or performance related goals pursuant to Article XI of the Plan.

(ae) ***"Stock Unit"*** means a measurement component equal to the Fair Market Value of one Share of Stock on the date for which a determination is made pursuant to the provisions of Article IX of this Plan.

(af) ***"UnitedGlobalCom"*** means UnitedGlobalCom, Inc., a Delaware corporation.

(ag) ***"Vesting Date,"*** with respect to any Restricted Stock Award hereunder, means the date on which such Restricted Stock Award ceases to be subject to a risk of forfeiture, as designated in or determined in accordance with the Award Certificate with respect to such Restricted Stock Award pursuant to Article VIII. If more than one Vesting Date is designated for a Restricted Stock Award, reference in the Plan to a Vesting Date in respect of such Award shall be deemed to refer to each part of such Award and the Vesting Date for such part.

2.2 ***Gender and Number*** Except when otherwise indicated by the context, the masculine gender shall also include the feminine gender, and the definition of any term herein in the singular shall also include the plural.

ARTICLE III -
PLAN ADMINISTRATION

3.1 ***General.*** The Plan shall be administered by the Committee. In accordance with the provisions of the Plan, the Committee shall, in its sole discretion, select the Participants from among the Eligible Employees and Eligible Consultants, determine the Awards to be made pursuant to the Plan, the number of Stock Units, Stock Appreciation Rights or shares of Stock to be issued thereunder and the time at which such Awards are to be made, fix the Option Price, period and manner in which an Option becomes exercisable, establish the duration and nature of Restricted Stock Award restrictions, establish the terms and conditions applicable to Stock Bonuses and Stock Units, and establish such other terms and requirements of the various compensation incentives under the Plan as the Committee may deem necessary or desirable and consistent with the terms of the Plan. The Committee shall determine the form or forms of the agreements with Participants that shall evidence the particular provisions, terms, conditions, rights and duties of the Company and the Participants with respect to Awards granted pursuant to the Plan, which provisions need not be identical except as may be provided herein; provided, however, that Eligible Consultants shall not be eligible to receive Incentive Options. The Committee may from time to time adopt such rules and regulations for carrying out the purposes of the Plan as it may deem proper and in the best interests of the Company. The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any agreement entered into hereunder in the manner and to the extent it shall deem expedient and it shall be the sole and final judge of such expediency. No member of the Committee shall be liable for any action or determination made in good faith. The determinations, interpretations and other actions of the Committee pursuant to the provisions of the Plan shall be binding and conclusive for all purposes and on all persons.

3.2 ***Delegation by Committee.*** The Committee may from time to time in accordance with applicable law, delegate to specified officers of UnitedGlobalCom, the power and authority to grant Awards under the Plan to specified groups of Eligible Employees and Eligible Consultants, subject to such restrictions and conditions as the Committee, in its sole discretion, may impose. The delegation shall be as broad or as narrow as the Committee shall determine. To the extent that the Committee has delegated the authority to determine certain terms and conditions of an Award, all references in the Plan to the Committee's exercise of authority in determining such terms and conditions shall be construed to include the UnitedGlobalCom officer or officers to whom the Committee has delegated the power and authority to make such determination. The power and authority to grant Awards to any employee or consultant who is covered by Section 16(b) of the Securities Exchange Act of 1934 (the "1934 Act") shall not be delegated by the Committee.

3.3 ***Grants to Non-Employee Directors.*** The full Board may make grants of Non-Qualified Options to Non-Employee Directors. Wherever this Plan provides for administration or decision making with respect to Options, the full Board shall have such powers with respect to the grant of Non-Qualified Options to Non-Employee Directors.

ARTICLE IV -
STOCK SUBJECT TO THE PLAN

4.1 ***Number of Shares.*** The maximum aggregate number of Shares that may be issued under the Plan at any time pursuant to Awards shall be an aggregate of 39,000,000 Shares, which may be any combination of Class A Stock or Class B Stock as the Committee may determine in its sole discretion, plus an additional number of Shares, which may be any combination of Class A Stock or Class B Stock as the Committee shall determine in its sole discretion, on January 1 of each calendar year (beginning with calendar year 2004) during the duration of the Plan equal to 1% of the aggregate number of shares of Class A Stock and Class B Stock outstanding on December 31 of the immediately preceding calendar year, provided, however, that the number of Shares of Class B Stock as to which Awards may be granted may not exceed 3,000,000 minus the number of Shares of Class B Stock as to which Awards have been granted under previous option or incentive plans, unless and until a greater number of Shares of Class B Stock may be covered by Awards consistent with the terms of the Restated Certificate of Incorporation of UnitedGlobalCom and the Standstill Agreement, dated as of January 30, 2002, among UnitedGlobalCom, Liberty Media Corporation, Liberty Global, Inc. and Liberty UCOMA, LLC (the "Standstill Agreement"). Notwithstanding anything to the contrary contained herein, no Award granted hereunder shall become void or otherwise be adversely affected solely because of a change in the number of Shares of UnitedGlobalCom that are issued and outstanding from time to time, provided that changes to the issued and outstanding Shares may result in adjustments to outstanding Awards in accordance with the provisions of this Article IV. The maximum number of Shares with respect to which a Participant may receive Options and Stock Appreciation Rights under the Plan in any calendar year is 5,000,000. The maximum number of Shares as to which Incentive Options may be granted is 39,000,000. The Shares may be either authorized and unissued Shares or previously issued Shares acquired by UnitedGlobalCom. Such maximum numbers may be increased from time to time by approval of the Board and by the stockholders of UnitedGlobalCom if, in the opinion of counsel for UnitedGlobalCom, stockholder approval is required. UnitedGlobalCom shall at all times during the term of the Plan and while any Awards are outstanding retain as authorized and unissued Stock at least the number of Shares from time to time required under the provisions of the Plan, or otherwise assure itself of its ability to perform its obligations hereunder.

4.2 ***Other Shares of Stock.*** Any shares of Stock that are subject to an Option that expires or for any reason is terminated unexercised and any shares of Stock that are subject to an Award (other than an Option) and that are forfeited shall automatically become available for use under the Plan.

4.3 ***Adjustments for Stock Split, Stock Dividend, Etc.*** Unless otherwise provided by the Committee, if UnitedGlobalCom shall at any time increase or decrease the number of its outstanding Shares or change in any way the rights and privileges of such Shares by means of the payment of a stock dividend or any other distribution upon such shares payable in Stock, or through a stock split, subdivision, consolidation, combination, reclassification or recapitalization involving the Stock, in each case, without the receipt of consideration by the Company, then in relation to the Stock that is affected by one or more of the above events, the numbers, rights and privileges of the following shall be increased, decreased or changed in like manner as if they had been issued and outstanding, fully paid and nonassessable at the time of such occurrence: (i) the Shares as to which Awards may be granted under the Plan, (ii) the Shares then included in each outstanding Award granted hereunder, (iii) the maximum number of Shares available for grant to any one person in a calendar year, (iv) the maximum number of Shares available for grant pursuant to Incentive Options, and (v) the number of Shares subject to a delegation of authority under Section 4.2 of this Plan.

4.4 ***Other Distributions and Changes in the Stock.*** If

(a) UnitedGlobalCom shall at any time distribute with respect to the Stock assets or securities of persons other than UnitedGlobalCom (excluding cash or distributions referred to in Section 4.3), or

(b) UnitedGlobalCom shall at any time grant to the holders of its Stock rights to subscribe *pro rata* for additional shares thereof or for any other securities of UnitedGlobalCom, or

(c) there shall be any other change (except as described in Section 4.3) in the number or kind of outstanding Shares or of any stock or other securities into which the Stock shall be changed or for which it shall have been exchanged,

and if the Committee shall in its sole discretion determine that the event described in subsection (a), (b), or (c) above equitably requires, in order to preserve the benefits intended to be made available, an adjustment in the number or kind of Shares subject to an Option or other Award, an adjustment in the Option Price or the taking of any other action by the Committee, including without limitation, the setting aside of any property for delivery to the Participant upon the exercise of an Option or the full vesting of an Award, then such adjustments shall be made, or other action shall be taken, by the Committee, as the Committee in its sole discretion shall deem appropriate, and shall be effective for all purposes of the Plan and on each outstanding Option or Award that involves the particular type of stock for which a change was effected.

4.5 ***General Adjustment Rules .*** No adjustment or substitution provided for in this Article IV shall require UnitedGlobalCom to sell a fractional share of Stock under any Option, or otherwise issue a fractional share of Stock, and the total substitution or adjustment with respect to each Option and other Award shall be limited by deleting any fractional share. In the case of any such substitution or adjustment, the aggregate Option Price for the total number of shares of Stock then subject to an Option shall remain unchanged but the Option Price per share under each such Option shall be equitably adjusted by the Committee to reflect the greater or lesser number of shares of Stock or other securities into which the Stock subject to the Option may have been changed, and appropriate adjustments shall be made to other Awards to reflect any such substitution or adjustment.

4.6 ***Determination by the Committee, Etc.*** Adjustments under this Article IV shall be made by the Committee in its sole discretion, whose determinations with regard thereto shall be final and binding upon all parties thereto.

ARTICLE V -
CORPORATE REORGANIZATION; CHANGE IN CONTROL

5.1 ***Change in Control.***

(a) If a Change in Control (as defined below) occurs under (c)(i) below without the prior approval of at least a majority of the members of the Board unaffiliated with such person or under (c)(ii) below, then all outstanding Options and Stock Appreciation Rights held by Participants who are employees or directors as of the date of the Change in Control shall become exercisable in full, regardless of whether all conditions of exercise relating to length of service have been satisfied, all restrictions with respect to outstanding Restricted Stock Awards held by Participants who are employees or directors as of the date of the Change in Control shall immediately lapse, all outstanding Stock Units held by Participants who are employees or directors as of the date of the Change in Control shall become vested in full, and all other outstanding Awards held by Participants who are employees or directors as of the date of the Change in Control shall become immediately exercisable or shall vest, as the case may be, without any further action or passage of time, provided, in each case, that if a Participant's employment or service shall terminate prior to the complete exercise of such Award, then such Award shall be exercisable following such termination of employment or service only to the extent provided in the applicable Award agreement and this Plan, including, without limitation, subsection 7.2(d) and Section 10.7.

(b) If a Change in Control (as defined below) occurs under (c)(i) below with the prior approval of at least a majority of the members of the Board unaffiliated with such person and (i) the Participant's employment or other service with the Company is involuntarily terminated by the Company within one year after such Change in Control (other than for "cause" as defined in subsection 7.2(d)) or (ii) within one year following the Change in Control, the Participant resigns as a result of being assigned duties materially different from such Participant's duties, authority or responsibilities prior to such Change in Control and Participant has given the Company 30 days prior written notice with reasonable detail of the facts on which the resignation is based and the Company had failed to remedy such circumstances within the 30 day period, all outstanding Options and Stock Appreciation Rights held by such Participant shall become exercisable in full, regardless of whether all conditions of exercise relating to length of service have been satisfied, all restrictions with respect to outstanding Restricted Stock Awards held by such Participant shall immediately lapse, all outstanding Stock Units held by such Participant shall become vested in full, and all other outstanding Awards held by such Participant shall become immediately exercisable or shall vest, as the case may be, without any further action or passage of time, provided, in each case, that such Award shall be exercisable following such termination of employment or service only to the extent provided in the applicable Award agreement and this Plan, including, without limitation, subsection 7.2(d) and Section 10.7.

(c) "Change in Control" is deemed to have occurred if (i) a person (as such term is used in Section 13(d) of the 1934 Act) becomes the beneficial owner (as defined in Rule 13d-3 under the 1934 Act) of shares of UnitedGlobalCom having more than 50% of the total number of votes that may be cast for the election of directors of UnitedGlobalCom and after such acquisition such person has the ability, through share ownership, contract or otherwise, to elect persons constituting a majority of the Board; or (ii) individuals who constitute the directors of UnitedGlobalCom at the beginning of a 24-month period (together with any new or replacement directors as approved by a vote of at least a majority of the members of the Board in office immediately prior to such period and of the new and replacement director so approved) cease to constitute at least 2/3 of all directors at any time during such period; provided, however, any increased beneficial ownership by Liberty (as defined below) and its affiliates or increase in the number of directors appointed or elected by Liberty and its affiliates shall not be deemed a Change in Control for purposes of this Plan.

(d) “Liberty” means Liberty Media Corporation, a Delaware corporation and any successor (by merger, consolidation, transfer or otherwise) to all or substantially all of its assets; provided that if a Transferee Parent (as defined below) becomes the beneficial owner of all or substantially all of the equity securities of UnitedGlobalCom then beneficially owned by Liberty as to which Liberty has dispositive power, the term “Liberty” shall mean such Transferee Parent and any successor (by merger, consolidation, transfer or otherwise) to all or substantially all of its assets. Transferee Parent means, in the event of any transaction or series of related transactions involving the direct or indirect transfer (or relinquishment of control) by Liberty of a person or persons (a “Transferred Person”) that hold equity securities of UnitedGlobalCom beneficially owned by Liberty, such Transferred Person or its successor in such transaction or any ultimate parent entity (within the meaning of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended) of such Transferred Person or its successor if immediately after giving effect to such transaction or the last transaction in such series, voting securities representing at least a majority of the voting power of the outstanding voting securities of such Transferred Person, successor or ultimate parent entity are beneficially owned by any combination of Liberty, persons who prior to such transaction were beneficial owners of a majority of, or a majority of the voting power of, the outstanding voting securities of Liberty (or of any publicly traded class or series of voting securities of Liberty designed to track the economic performance of a specified group of assets or businesses) or persons who are Control Persons. “Control Person” for this purpose means each of (1) the Chairman of the Board of Liberty, (2) the President of Liberty, (3) any Executive Vice President of Liberty, (4) each of the directors of Liberty and (5) the respective family members, estates and heirs of each of the persons referred to in clauses (1) through (4) above and any trust or other investment vehicle for the primary benefit of any of such persons or their respective family members or heirs. “Family members” for this purpose means the parents, descendants, stepchildren, step grandchildren, nieces and nephews, and spouses of the specified person. Beneficial ownership for purposes of the foregoing shall be determined pursuant to Rule 13d-3 and Rule 13d-5 of the 1934 Act and any successor regulation, except that a person shall be deemed to have beneficial ownership of all securities that such person has or acquires the right to acquire, whether such right is exercisable immediately or after the passage of time.

5.2 ***Reorganization*** . Except as provided otherwise by the Committee at the time an Award is granted, if one of the following events has occurred and if the notice required by Section 5.3 shall have first been given, the Plan and all Options then outstanding hereunder shall automatically terminate and be of no further force and effect whatsoever, and other Awards then outstanding shall be treated as described in Sections 5.3 and 5.4, without the necessity for any additional notice or other action by the Board, the Committee or UnitedGlobalCom: (a) the merger or consolidation of UnitedGlobalCom with or into another corporation (other than a consolidation or merger in which UnitedGlobalCom is the continuing corporation and which does not result in any reclassification or change of outstanding shares of stock); or (b) the sale or conveyance of the property of UnitedGlobalCom as an entirety or substantially as an entirety (other than a sale or conveyance in which UnitedGlobalCom continues as holding company of an entity or entities that conduct the business or business formerly conducted by UnitedGlobalCom); or (c) the dissolution or liquidation of UnitedGlobalCom.

5.3 ***Required Notice.*** At least 15 days' prior written notice of any event described in Section 5.2 shall be given by UnitedGlobalCom to each Option Holder and Participant, unless in the case of the events described in clauses (a) or (b) of Section 5.2, UnitedGlobalCom, or the successor or purchaser, as the case may be, shall make adequate provision for the taking of such action with respect to outstanding Awards which, in the opinion of the Committee, is equitable and appropriate to substitute a new Award for such Award or to assume such Award and to make such new or assumed Award, as nearly as may be practicable, equivalent to the old Award (before giving effect to any acceleration of the vesting or exercisability thereof), taking into account, to the extent applicable, the kind and amount of securities, cash, or other assets into or for which the applicable Shares of Stock may be changed, converted, or exchanged in connection with the events described in clauses (a) or (b) of Section 5.2. The provisions of this Article V shall similarly apply to successive mergers, consolidations, sales or conveyances. Such notice shall be deemed to have been given when delivered personally to a Participant by registered or certified mail, postage prepaid, at such Participant's address last known to the Company.

5.4 ***Acceleration of Exercisability.*** Participants notified in accordance with Section 5.3 may exercise their Options at any time before the occurrence of the event requiring the giving of notice (but subject to occurrence of such event), regardless of whether all conditions of exercise relating to length of service, attainment of financial performance goals or otherwise have been satisfied. Upon the giving of notice in accordance with Section 5.3, all restrictions with respect to Restricted Stock and other Awards shall lapse immediately, all Stock Units shall become payable immediately, and all Stock Appreciation Rights shall become exercisable. Any Options, Stock Appreciation Rights or Stock Units or other Awards that are not assumed or substituted under Section 5.3 that have not been exercised prior to the event described in Section 5.2 shall automatically terminate upon the occurrence of such event.

ARTICLE VI - PARTICIPATION

6.1 ***Eligible Employees; Eligible Consultants.*** Participants in the Plan shall be those Eligible Employees and Eligible Consultants selected by the Committee to receive Awards under the Plan. Participants may be granted from time to time one or more Awards; provided, however, that the grant of each such Award shall be separately approved by the Committee and receipt of one such Award shall not result in automatic receipt of any other Award. Upon determination by the Committee that an Award is to be granted to a Participant, written notice shall be given to such person, specifying the terms, conditions, rights and duties related thereto, including whether the Shares subject to an Award are Class A Stock or Class B Stock. Each Participant shall, if required by the Committee, enter into an agreement with UnitedGlobalCom, in such form as the Committee shall determine and which is consistent with the provisions of the Plan, specifying such terms, conditions, rights and duties. Awards shall be deemed to be granted as of the date specified in the grant resolution of the Committee. In the event of any inconsistency between the provisions of the Plan and any such agreement entered into hereunder, the provisions of the Plan shall govern.

6.2 ***Non-Employee Directors.*** The Committee may, from time to time, grant Non-Qualified Options to one or more Non-Employee Directors, who shall be Participants in the Plan. Each Option shall include the terms and conditions that are determined by the Committee and that are consistent with the terms of the Plan, and shall specify whether the Shares subject to such Option are Class A Stock or Class B Stock. Each Participant shall, if required by the Committee, enter into an agreement with UnitedGlobalCom, in such form as the Committee shall determine and that is consistent with the terms of the Plan, specifying the terms and conditions of the Option and the rights and duties of the Participant. An Option shall be deemed granted as of the date specified in the grant resolution of the Committee. In the event of any inconsistency between the provisions of the Plan and any such agreement entered into hereunder, the provisions of the Plan shall govern.

ARTICLE VII -
OPTIONS

7.1 ***Grant of Options.*** Coincident with or following designation for participation in the Plan, a Participant may be granted one or more Options. The Committee in its sole discretion shall designate whether an Option is an Incentive Option or a Non-Qualified Option; provided, however, that only Non-Qualified Options may be granted to Eligible Consultants and Non-Employee Directors. The Committee may grant both an Incentive Option and a Non-Qualified Option to an Eligible Employee at the same time or at different times. Incentive Options and Non-Qualified Options, whether granted at the same time or at different times, shall be deemed to have been awarded in separate grants and shall be clearly identified, and in no event shall the exercise of one Option affect the right to exercise any other Option or affect the number of shares for which any other Option may be exercised. An Option shall be considered as having been granted on the date specified in the grant resolution of the Committee.

7.2 ***Stock Option Certificates.*** Each Option granted under the Plan shall be evidenced by an Award Certificate (an "Option Certificate"), as any such Option Certificate may be supplemented or amended from time to time. An Option Certificate shall be issued by UnitedGlobalCom in the name of the Participant to whom the Option is granted (the "Option Holder") and in such form as may be approved by the Committee. The Option Certificate shall incorporate and conform to the conditions set forth in this Section 7.2 as well as such other terms and conditions that are not inconsistent as the Committee may consider appropriate in each case.

(a) ***Number of Shares .*** Each Option Certificate shall state that it covers a specified number of shares of Stock and state whether the Stock covered is Class A Stock or Class B Stock, all as determined by the Committee.

(b) ***Price .*** The price at which each share of Stock covered by an Option may be purchased shall be determined in each case by the Committee and set forth in the Option Certificate, but, in the case of an Incentive Option, in no event shall the price be less than 100 percent of the Fair Market Value of the Stock on the date the Incentive Option is granted.

(c) ***Duration of Options; Restrictions on Exercise.*** Each Option Certificate shall state the period of time, determined by the Committee, within which the Option may be exercised by the Option Holder (the "Option Period"). The Option Period must end, in all cases, not more than ten years from the date the Option is granted. The Option Certificate shall also set forth any installment or other restrictions on exercise of the Option during such period, if any, as may be determined by the Committee. Each Option shall become exercisable (vest) over such period of time, if any, or upon such events, as determined by the Committee, provided, however, that no Option shall be exercisable for six months following the date of grant, unless the Committee specifies otherwise, either at the time of grant or thereafter.

(d) ***Termination of Services, Death, Disability, Etc.*** The Committee may specify the period, if any, during which an Option may be exercised following termination of the Option Holder's services. The effect of this subsection 7.2(d) shall be limited to determining the consequences of a termination and nothing in this subsection 7.2(d) shall restrict or otherwise interfere with the Company's discretion with respect to the termination of any individual's services. If the Committee does not otherwise specify, the following shall apply:

(i) If the employment or consulting relationship, or services as a Non-Employee Director, of an Option Holder by or with the Company terminates for any reason other than death or Disability within six months after the date the Option is granted or if the employment or consulting relationship of the Option Holder by or with the Company is terminated within the Option Period for "cause", as determined by the Company, the Option shall thereafter be void for all purposes. As used in this subsection 7.2(d), "cause" shall mean the Option Holder's willful misconduct, a willful failure to perform the Option Holder's duties, insubordination, theft, dishonesty, conviction of a felony or any other willful conduct that is materially detrimental to the Company or such other cause as the Board in good faith reasonably determines provides cause for the discharge of an Option Holder.

(ii) If the Option Holder becomes Disabled, the Option may be exercised by the Option Holder within one year following the Option Holder's termination of services on account of Disability (provided that such exercise must occur within the Option Period), but not thereafter. In any such case, the Option will vest fully and may be exercised as to all Shares then subject to the Option.

(iii) If the Option Holder dies during the Option Period while still performing services for the Company or during the applicable exercisability period referred to in (ii) above or (iv) or (v) below, the Option may be exercised by those entitled to do so under the Option Holder's will or by the laws of descent and distribution within one year following the Option Holder's death, (provided that such exercise must occur within the Option Period), but not thereafter. If the Option Holder dies during the Option Period while still performing services for the Company, the Option will vest fully and may be exercised as to all Shares then subject to the Option. If the Option Holder dies following termination of employment or services for the Company, the Option may be exercised only as to the Shares as to which the Option was exercisable immediately prior to the date of death.

(iv) If the Option Holder who is an Eligible Employee "retires" (which for this purpose shall mean termination of employment with the Company other than for "cause", Disability or death on or after reaching age 62) within the Option Period, the Option may be exercised by the Option Holder within one year following the Option Holder's termination of services on account of "retirement" (provided that such exercise must occur within the Option Period), but not thereafter. In any such case, the Option may be exercised only as to the Shares as to which the Option had become exercisable on or before the date of the Option Holder's "retirement." An Incentive Option that is not exercised within three months following the date the Option Holder "retires" shall automatically become a Non-Qualified Option.

(v) If the services of the Option Holder terminates (which for this purpose means that the Option Holder is no longer employed by the Company, performing services for the Company or serving as an Non-Employee Director of the Company) within the Option Period for any reason other than retirement, cause, Disability, or death, as applicable, and such termination occurs more than six months after the Option is granted, the Option may be exercised by the Option Holder within one year following the date of such termination (provided that such exercise must occur within the Option Period), but not thereafter, in the case of a Non-Qualified Option, and within three months following the date of such termination (provided that such exercise must occur within the Option Period), but not thereafter, in the case of an Incentive Option. In any such case, the Option may be exercised only as to the Shares as to which the Option had become exercisable on or before the date of termination of services.

(e) ***Exercise, Payments, Etc.***

(i) The method for exercising each Option granted hereunder shall be by delivery to UnitedGlobalCom of written notice specifying the number of Shares with respect to which such Option is exercised. The purchase of such Shares shall take place at the principal offices of UnitedGlobalCom within thirty days following delivery of such notice, at which time the Option Price of the Shares shall be paid in full by any of the methods set forth below or a combination thereof. Except as set forth in the next sentence, the Option shall be exercised when the Option Price for the number of shares as to which the Option is exercised is paid to UnitedGlobalCom in full. Subject to applicable law and regulation, if the Option Price is paid by means of a broker's loan transaction described in subsection 7.2(e)(ii)(D), in whole or in part, the closing of the purchase of the Stock under the Option shall take place (and the Option shall be treated as exercised) on the date on which, and only if, the sale of Stock upon which the broker's loan was based has been closed and settled, unless the Option Holder makes an irrevocable written election, at the time of exercise of the Option, to have the exercise treated as fully effective for all purposes upon receipt of the Option Price by UnitedGlobalCom regardless of whether or not the sale of the Stock by the broker is closed and settled. A properly executed certificate or certificates representing the Shares shall be delivered to or at the direction of the Option Holder upon payment therefor. If Options on less than all shares evidenced by an Option Certificate are exercised, UnitedGlobalCom shall deliver a new Option Certificate evidencing the Option on the remaining shares upon delivery of the Option Certificate for the Option being exercised.

(ii) As determined by the Committee in its sole discretion, the exercise price may be paid by any of the following methods or any combination of the following methods at the election of the Option Holder, or by any other method approved by the Committee upon the request of the Option Holder:

(A) in cash;

(B) by certified check, cashier's check or other check acceptable to UnitedGlobalCom, payable to the order of UnitedGlobalCom;

(C) by delivery to UnitedGlobalCom of certificates representing the number of Shares then owned by the Option Holder, the aggregate Fair Market Value of which equals the aggregate purchase price of the Stock purchased pursuant to the Option, properly endorsed for transfer to UnitedGlobalCom; provided however, that no Option may be exercised by delivery to UnitedGlobalCom of certificates representing Stock, unless such Stock has been held by the Option Holder for more than six months or such other period as specified by the Committee; for purposes of this Plan, the Fair Market Value of any Shares of Stock delivered in payment of the purchase price upon exercise of the Option shall be the Fair

Market Value as of the exercise date; the exercise date shall be the day of delivery of the certificates for the Stock used as payment of the Option Price; or

(D) to the extent permitted by applicable law, by delivery to UnitedGlobalCom of a properly executed notice of exercise together with irrevocable instructions to a broker to deliver to UnitedGlobalCom promptly the amount of the proceeds of the sale of all or a portion of the Stock or of a loan from the broker to the Option Holder required to pay the Option Price.

(f) Date of Grant **.** An Option shall be considered as having been granted on the date specified in the grant resolution of the Committee.

(g) ***Withholding.***

(i) *Non-Qualified Options.* Upon exercise of an Option, the Option Holder shall make appropriate arrangements with the Company to provide for the amount of additional withholding required by Sections 3102 and 3402 of the Code and applicable state income tax laws, including payment of such taxes through delivery of shares of Stock or by withholding Stock to be issued under the Option, as provided in Article XVII.

(ii) *Incentive Options.* If an Option Holder makes a disposition (as defined in Section 424(c) of the Code) of any Stock acquired pursuant to the exercise of an Incentive Option prior to the expiration of two years from the date on which the Incentive Option was granted or prior to the expiration of one year from the date on which the Option was exercised, the Option Holder shall send written notice to the Company at the Company's principal place of business of the date of such disposition, the number of shares disposed of, the amount of proceeds received from such disposition and any other information relating to such disposition as the Company may reasonably request. The Option Holder shall, in the event of such a disposition, make appropriate arrangements with the Company to provide for the amount of additional withholding, if any, required by Sections 3102 and 3402 of the Code and applicable state income tax laws.

(h) ***Consideration for Grant of Options.*** The Committee may require each Eligible Employee who is granted an Option to agree to remain in the employment of the Company, at the pleasure of the Company, for a continuous period of at least six months after the date an Option is granted, at the salary rate or other compensation in effect on the date of such agreement or at such changed rate as may be fixed, from time to time, by the Company. Nothing in this paragraph shall offset or impair the Company's right to terminate the employment of any employee. The Committee may require each Eligible Consultant who is granted an Option to agree to comply with all of the terms and conditions or specified terms and conditions of the agreement between such Eligible Consultant and the Company. If an Option Holder violates any such agreement, UnitedGlobalCom may, in its sole discretion, rescind the transfer of any Shares to the Option Holder pursuant to the exercise of any portion of the Option. Upon notice of any such rescission, the Option Holder will deliver promptly to the Company certificates representing the Shares, duly endorsed for transfer to the Company.

7.3 ***Restrictions on Incentive Options.***

(a) ***Initial Exercise .*** The aggregate Fair Market Value of the Shares with respect to which Incentive Options are exercisable for the first time by an Option Holder in any calendar year, under the Plan or otherwise, shall not exceed $100,000. For this purpose, the Fair Market Value of the Shares shall be determined as of the date of grant of the Option.

(b) ***Ten Percent Stockholders .*** Incentive Options granted to an Option Holder who is the holder of record of 10% or more of the outstanding Stock of UnitedGlobalCom shall have an Option Price equal to not less than 110% of the Fair Market Value of the Shares on the date of grant of the Option and the Option Period for any such Option shall not exceed five years.

(c)

7.4 ***Stockholder Privileges.*** No Option Holder shall have any rights as a stockholder with respect to any shares of Stock covered by an Option until the Option Holder becomes the holder of record of such Stock, and no adjustments shall be made for dividends or other distributions or other rights as to which there is a record date preceding the date such Option Holder becomes the holder of record of such Stock, except as provided in Article IV.

ARTICLE VIII -
RESTRICTED STOCK AWARDS

8.1 ***Grant.*** Subject to the limitations of the Plan, the Committee may grant a Participant one or more Awards of Restricted Stock, shall determine the time when each such Award shall be granted, shall determine whether shares of Stock covered by Awards of Restricted Stock will be issued at the beginning or the end of the Restriction Period and whether Dividend Equivalents will be paid during the Restriction Period in the event shares of the applicable series of Stock are to be issued at the end of the Restriction Period, and shall designate (or set forth the basis for determining) the Vesting Date or Vesting Dates for each Award of Restricted Stock, and may prescribe other restrictions, terms, and conditions applicable to the vesting of such Restricted Stock in addition to those provided in the Plan. The Committee shall determine the price, if any, to be paid by the Participant for the Restricted Stock; provided, however, that the issuance of Restricted Stock shall be made for at least the minimum consideration necessary to permit such Restricted Stock to be deemed fully paid and non-assessable. All determinations made by the Committee pursuant to this Section 8.1 shall be specified in the Award Certificate.

8.2 ***Issuance of Restricted Stock at Beginning of the Restriction Period***. If shares of the applicable series of Stock are issued at the beginning of the Restriction Period, the stock certificate or certificates representing such Restricted Stock shall be registered in the name of the Participant to whom such Restricted Stock shall have been awarded. During the Restriction Period, certificates representing the Restricted Stock and any securities constituting Retained Distributions (as defined in Section 8.3 below) shall bear a restrictive legend to the effect that ownership of the Restricted Stock (and such Retained Distributions), and the enjoyment of all rights appurtenant thereto, are subject to the restrictions, terms, and conditions provided in the Plan and the applicable Award Certificate. Such certificates shall remain in the custody of the Company or its designee, and the Participant shall deposit with the custodian stock powers or other instruments of assignment, each endorsed in blank, so as to permit retransfer to the Company of all or any portion of the Restricted Stock and any securities constituting Retained

Distributions that shall be forfeited or otherwise not become vested in accordance with the Plan and the applicable Award Certificate.

8.3 ***Restrictions***. Restricted Stock issued at the beginning of the Restriction Period shall constitute issued and outstanding shares of the applicable series of Stock for all corporate purposes. The Participant will have the right to vote such Restricted Stock, to receive and retain such dividends and distributions, as the Committee may designate, paid or distributed on such Restricted Stock, and to exercise all other rights, powers, and privileges of a stockholder of shares of the applicable series of Stock with respect to such Restricted Stock; except, that, unless otherwise determined by the Committee and provided in the applicable Award Certificate, (a) the Participant will not be entitled to delivery of the stock certificate or certificates representing such Restricted Stock until the Restriction Period shall have expired and unless all other vesting requirements with respect thereto shall have been fulfilled or waived; (b) the Company or its designee will retain custody of the stock certificate or certificates representing the Restricted Stock during the Restriction Period as provided in Section 8.2; (c) other than such dividends and distributions as the Committee may designate, the Company or its designee will retain custody of all distributions ("Retained Distributions") made or declared with respect to the Restricted Stock (and such Retained Distributions will be subject to the same restrictions. terms and vesting, and other conditions as are applicable to the Restricted Stock) until such time, if ever, as the Restricted Stock with respect to which such Retained Distributions shall have been made, paid, or declared shall have become vested, and such Retained Distributions shall not bear interest or be segregated in a separate account; (d) the Participant may not sell, assign, transfer, pledge, exchange, encumber, or dispose of the Restricted Stock or any Retained Distributions or his interest in any of them during the Restriction Period; and (e) a breach of any restrictions, terms, or conditions provided in the Plan or established by the Committee with respect to any Restricted Stock or Retained Distributions will cause a forfeiture of such Restricted Stock and any Retained Distributions with respect thereto.

8.4 ***Issuance of Stock at End of the Restriction Period***. Restricted Stock issued at the end of the Restriction Period shall not constitute issued and outstanding shares of the applicable series of Stock, and the Participant shall not have any of the rights of a stockholder with respect to the shares of Stock covered by such an Award of Restricted Stock, in each case until such Shares shall have been transferred to the Participant at the end of the Restriction Period. If and to the extent that shares of Stock are to be issued at the end of the Restriction Period, the Participant shall be entitled to receive Dividend Equivalents with respect to the shares of Stock covered thereby either (i) during the Restriction Period or (ii) in accordance with the rules applicable to Retained Distributions, as the Committee may specify in the Agreement.

8.5 ***Completion of Restriction Period.***

(a) On the Vesting Date with respect to each Award of Restricted Stock and the satisfaction of any other applicable restrictions, terms, and conditions, (a) all or the applicable portion of such Restricted Stock shall become vested, and (b) any Retained Distributions and any unpaid Dividend Equivalents with respect to such Restricted Stock shall become vested to the extent that the Restricted Stock related thereto shall have become vested, all in accordance with the terms of the applicable Award Certificate. Any Restricted Stock, Retained Distributions, and any unpaid Dividend Equivalents that shall not become vested shall be forfeited to the Company, and the Participant shall not thereafter have any rights (including dividend and voting rights) with respect to such Restricted Stock, Retained Distributions, and any unpaid Dividend Equivalents that shall have been so forfeited. The Committee may, in its discretion, provide that the delivery of any Restricted Stock, Retained Distributions, and unpaid Dividend Equivalents that shall have become vested, shall be deferred until such date or dates as the recipient may elect. Any election of a recipient pursuant to the preceding sentence shall be filed in writing with the Committee in accordance with such rules and regulations, including any deadline for the making of such an election, as the Committee may provide. A Participant's right to retain a Restricted Stock Award granted to him under Section 8.1 shall be subject to such restrictions, if any, as may be established by the Committee in its sole discretion or as may be otherwise provided in the Plan.

(b) Except as otherwise determined by the Committee in its sole discretion, in the event of the death or Disability of a Participant, all required periods of service and other restrictions applicable to Restricted Stock Awards then held by him shall lapse and all such Restricted Stock Awards shall become fully nonforfeitable. Except as otherwise determined by the Committee in its sole discretion or as otherwise provided in the Plan, if a Participant's employment or consulting services terminate for any other reason, any Restricted Stock Awards as to which the period for which services are required or other restrictions have not been satisfied (or waived or accelerated as provided herein) shall be forfeited, and all shares of Stock related thereto shall be immediately returned to UnitedGlobalCom.

ARTICLE IX -
STOCK UNITS

9.1 ***Grant***. The Committee may, in addition to granting Awards of Options, Stock Appreciation Rights and Restricted Stock, subject to the limitations of the Plan, grant Eligible Employees awards of Stock Units. An Award of Stock Units may be in the form of Shares of Stock or Units, the value of which is based, in whole or in part, on the Fair Market Value of the Shares of Stock. Subject to the provisions of the Plan, including any rules established pursuant to Section 9.2, awards of Stock Units shall be subject to such terms, restrictions, conditions, vesting requirements, and payment rules as the Committee may determine in its discretion, which need not be identical for each Award.

9.2 ***Rules.*** The Committee may, in its discretion, establish any or all of the following rules for application to an Award of Stock Units:

(a) Any shares of Stock which are part of an award of Stock Units may not be assigned, sold, transferred, pledged, or otherwise encumbered prior to the date on which the shares are issued or, if later, the date provided by the Committee at the time of the Award.

(b) Such Awards may provide for the payment of cash consideration by the person to whom such Award is granted or provide that the Award, and any shares of Stock to be issued in connection therewith, if applicable, shall be delivered without the payment of cash consideration; *provided, however,* that the issuance of any shares of Stock in connection with an Award of Stock Units shall be for at least the minimum consideration necessary to permit such shares to be deemed fully paid and nonassessable.

(c) Awards of Stock Units may relate in whole or in part to performance or other criteria established by the Committee at the time of grant.

(d) Awards of Stock Units may provide for deferred payment schedules, vesting over a specified period of service, the payment (on a current or deferred basis) of dividend equivalent amounts with respect to the number of shares of Stock covered by the Award, and elections by the Participant to defer payment of the Award or the lifting of restrictions on the Award, if any.

(e) In such circumstances as the Committee may deem advisable, the Committee may waive or otherwise remove, in whole or in part, any restrictions or limitations to which a Stock Unit Award was made subject at the time of grant.

ARTICLE X -
STOCK APPRECIATION RIGHTS

10.1 ***Grant of Stock Appreciation Rights***. Subject to the limitations of the Plan, Stock Appreciation Rights ("SARs") may be granted by the Committee to such Eligible Employees or Eligible Consultants in such numbers, with respect to Shares, and at such times during the term of the Plan as the Committee shall determine. A SAR may be granted to an Option Holder (hereafter called a "related Option") with respect to all or a portion of the Shares subject to the related Option (a "Tandem SAR") or may be granted separately to an Eligible Employee or an Eligible Consultant (a "Free Standing SAR"). Subject to the limitations of the Plan, SARs shall be exercisable, in whole or in part, upon notice to UGC upon such terms and conditions as are provided in the Award Certificate.

10.2 ***Tandem SARs.*** A Tandem SAR may be granted either concurrently with the grant of the related Option or at any time thereafter prior to the complete exercise, termination, expiration, or cancellation of such related Option. Tandem SARs shall be exercisable only at the time and to the extent that the related Option is exercisable (and may be subject to such additional limitations on exercisability as the Award Certificate may provide) and in no event after the complete termination or full exercise of the related Option. Upon the exercise or termination of the related Option, the Tandem SAR with respect thereto shall be canceled automatically to the extent of the number of Shares with respect to which the related Option was so exercised or terminated. Subject to the limitations of the Plan, upon the exercise of a Tandem SAR and unless otherwise determined by the Committee and provided in the applicable Award Certificate, (i) the Option Holder shall be entitled to receive from the Company, for each Share with respect to which the Tandem SAR is being exercised, consideration (in the form determined as provided in Section 10.4) equal in value to the excess of the Fair Market Value of a Share with respect to which the Tandem SAR was granted on the date of exercise over the related Option purchase price per Share, and (ii) the related Option with respect thereto shall be canceled automatically to the extent of the number of Shares with respect to which the Tandem SAR was so exercised.

10.3 ***Free Standing SARs***. Free standing SARs shall be exercisable at the time, to the extent and upon the terms and conditions set forth in the applicable Award Certificate. The base price of a Free Standing SAR may be more than, less than, or equal to the Fair Market Value of the Stock with respect to which the Free Standing SAR was granted as of the date the Free Standing SAR is granted. Subject to the limitations of the Plan, upon the exercise of a Free Standing SAR and unless otherwise determined by the Committee and provided in the applicable Award Certificate, the Participant shall be entitled to receive from the Company, for each Share with respect to which the Free Standing SAR is being exercised, consideration (in the form determined as provided in Section 10.4) equal in value to the excess of the Fair Market Value of a Share with respect to which the Free Standing SAR was granted on the date of exercise over the base price per share of such Free Standing SAR.

10.4 ***Consideration.*** The consideration to be received upon the exercise of a SAR by the Participant shall be paid in cash, Shares of Stock with respect to which the SAR was granted (valued at Fair Market Value on the date of exercise of such SAR), a combination of cash and such Shares of Stock or such other consideration, in each case, as determined by the Committee. No fractional Shares of Stock shall be issuable upon exercise of a SAR, and unless otherwise provided in the applicable Award Certificate, the Participant will receive cash in lieu of fractional shares. Unless the Committee shall otherwise determine, to the extent a Free Standing SAR is exercisable, it will be exercised automatically for cash on its expiration date.

10.5 ***Limitations.*** The applicable Award Certificate may provide for a limit on the amount payable to a Participant upon exercise of SARs at any time or in the aggregate, for a limit on the number of SARs that may be exercised by the Participant in whole or in part for cash during any specified period, for a limit on the time periods during which a Participant may exercise SARs and for such other limits on the rights of the Participant and such other terms and conditions of the SAR including, without limitation, a condition that the SAR may be exercised only in accordance with rules and regulations adopted from time to time, as the Committee may determine. Unless otherwise so provided in the applicable Award Certificate, any such limit relating to a Tandem SAR shall not restrict the exercisability of the related Option. Such rules and regulations may govern the right to exercise SARs granted prior to the adoption or amendment of such rules and regulations as well as SARs granted thereafter.

10.6 ***Exercise.*** For purposes of this Article X, the date of exercise of a SAR shall mean the date on which the Company shall have received notice from the Participant of the exercise of such SAR (unless otherwise determined by the Committee and provided in the applicable Award Certificate).

10.7 ***Termination of Services*** Upon the termination of the services of a Participant, any SARs then held by such Participant shall be exercisable within the time periods, and upon the same conditions with respect to the reasons for termination of services, as are specified in Section 7.2(d) with respect to Options.

ARTICLE XI - STOCK BONUSES

The Committee may award Stock Bonuses to such Participants, subject to such conditions and restrictions, as it determines in its sole discretion. Stock Bonuses may be either outright grants of Stock, or may be grants of Stock subject to and conditioned upon certain employment or performance related goals.

ARTICLE XII -
OTHER COMMON STOCK GRANTS

From time to time during the duration of this Plan, the Board may, in its sole discretion, adopt one or more incentive compensation arrangements for Participants pursuant to which the Participants may acquire shares of Stock, whether by purchase, outright grant, or otherwise. Any such arrangements shall be subject to the general provisions of this Plan and all shares of Stock issued pursuant to such arrangements shall be issued under this Plan.

ARTICLE XIII -
RIGHTS OF PARTICIPANTS

13.1 ***Service***. Nothing contained in the Plan or in any Option, or other Award granted under the Plan shall confer upon any Participant any right with respect to the continuation of his employment by, or consulting relationship with, the Company, or interfere in any way with the right of the Company, subject to the terms of any separate employment agreement or other contract to the contrary, at any time to terminate such services or to increase or decrease the compensation of the Participant from the rate in existence at the time of the grant of an Award. Whether an authorized leave of absence, or absence in military or government service, shall constitute a termination of service shall be determined by the Committee at the time.

13.2 ***Nontransferability***. Except as permitted by applicable law and regulation, unless otherwise determined by the Committee and provided in the applicable Award Certificate, no right or interest of any Participant in an Option, a Stock Appreciation Right, a Restricted Stock Award (prior to the completion of the restriction period applicable thereto), a Stock Unit, or other Award granted pursuant to the Plan, shall be assignable or transferable other than by will or the laws of descent and distribution or pursuant to a Domestic Relations Order, and except as otherwise required pursuant to a Domestic Relations Order, such right or interest of any Participant in an Option, a Stock Appreciation Right, a Restricted Stock Award (prior to the completion of the restriction period applicable thereto), a Stock Unit, or other Award granted pursuant to the Plan may be exercised during the lifetime of the Participant only by such Participant (or his or her court appointed legal representative).

13.3 ***No Plan Funding.*** Obligations to Participants under the Plan will not be funded, trusteed, insured or secured in any manner. The Participants under the Plan shall have no security interest in any assets of the Company, and shall be only general creditors of the Company.

ARTICLE XIV -
GENERAL RESTRICTIONS

14.1 ***Investment Representations.*** UnitedGlobalCom may require any person to whom an Option, Stock Appreciation Right, Restricted Stock Award, Stock Unit, or Stock Bonus is granted, as a condition of exercising such Option or Stock Appreciation Right, or receiving such Restricted Stock Award, Stock Unit, or Stock Bonus, to give written assurances in substance and form satisfactory to UnitedGlobalCom and its counsel to the effect that such person is acquiring the Stock for his own account for investment and not with any present intention of selling or otherwise distributing the same, and to such other effects as UnitedGlobalCom deems necessary or appropriate in order to comply with Federal and applicable state securities laws. Legends evidencing such restrictions may be placed on the Stock certificates.

14.2 ***Compliance with Securities Laws.*** Each Option, Stock Appreciation Right, Restricted Stock Award, Stock Unit, and Stock Bonus grant shall be subject to the requirement that, if at any time counsel to UnitedGlobalCom shall determine that the listing, registration or qualification of the shares subject to such Option, Stock Appreciation Right, Restricted Stock Award, Stock Unit, or Stock Bonus grant upon any securities exchange or under any state or federal law, or the consent or approval of any governmental or regulatory body, is necessary as a condition of, or in connection with, the issuance or purchase of shares thereunder, such Option, Stock Appreciation Right, Restricted Stock Award, Stock Unit or Stock Bonus grant may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Committee. Nothing herein shall be deemed to require UnitedGlobalCom to apply for or to obtain such listing, registration or qualification.

14.3 ***Changes in Accounting Rules.*** Except as provided otherwise at the time an Award is granted, notwithstanding any other provision of the Plan to the contrary, if, during the term of the Plan, any changes in the financial or tax accounting rules applicable to Options, Stock Appreciation Rights, Restricted Stock Awards, Stock Units or other Awards shall occur which, in the sole judgment of the Committee, may have a material adverse effect on the reported earnings, assets or liabilities of UnitedGlobalCom, the Committee shall have the right and power to modify as necessary, any then outstanding and unexercised Options, Stock Appreciation Rights, outstanding Restricted Stock Awards, outstanding Stock Units and other outstanding Awards as to which the applicable services or other restrictions have not been satisfied.

14.4 ***Award Certificate***. Any Award Certificate may contain (but shall not be required to contain) such provisions as the Committee deems appropriate (A) to insure that the penalty provisions of Section 4999 of the Code will not apply to any stock, cash or other property received by the Participant with respect to such Award or (B) to provide cash payments to the Participant to mitigate the impact of such penalty provisions upon the Participant.

ARTICLE XV -
OTHER EMPLOYEE BENEFITS

The amount of any compensation deemed to be received by a Participant as a result of the exercise of an Option or Stock Appreciation Right, the sale of shares received upon such exercise, the vesting of any Restricted Stock Award, receipt of Stock Bonuses, distributions with respect to Stock Units, or the grant of Stock shall not constitute "earnings" or "compensation" with respect to which any other employee benefits of such employee are determined, including without limitation benefits under any pension, profit sharing, 401(k), life insurance or salary continuation plan.

ARTICLE XVI -
PLAN AMENDMENT, MODIFICATION AND TERMINATION

16.1 ***Amendment and Termination***. The Board may at any time terminate, and from time to time may amend or modify the Plan provided, however, that no amendment or modification may become effective without approval of the amendment or modification by the stockholders if stockholder approval is required to enable the Plan to satisfy any applicable statutory or regulatory requirements, or if UnitedGlobalCom, on the advice of counsel, determines that stockholder approval is otherwise necessary or desirable.

No amendment, modification or termination of the Plan shall in any manner adversely affect any Options, Stock Appreciation Rights, Restricted Stock Awards, Stock Units, Stock Bonuses or other Award theretofore granted under the Plan, without the consent of the Participant holding such Options, Stock Appreciation Rights, Restricted Stock Awards, Stock Units, Stock Bonuses or other Awards. Nothing contained in the foregoing provisions of this Article XVI shall be construed to prevent the Committee from providing in any Award Certificate that the rights of the Participant with respect to the Award evidenced thereby shall be subject to such rules and regulations as the Committee may, subject to the express provisions of the Plan, adopt from time to time or impair the enforceability of any such provision.

ARTICLE XVII -
WITHHOLDING

17.1 ***Withholding Requirement.*** UnitedGlobalCom's obligations to deliver shares of Stock upon the exercise of any Option, or Stock Appreciation Right, the vesting of any Restricted Stock Award, payment with respect to Stock Units, or the grant of Stock shall be subject to the Participant's satisfaction of all applicable federal, state and local income and other tax withholding requirements.

17.2 ***Withholding With Stock.*** At the time the Committee grants an Option, Stock Appreciation Right, Restricted Stock Award, Stock Unit, Stock Bonus, other Award, or Stock or at any time thereafter, it may, in its sole discretion, grant the Participant an election to pay all such amounts of tax withholding, or any part thereof, by electing (a) to have UnitedGlobalCom withhold from Shares otherwise issuable to the Participant, Shares of Stock having an aggregate Fair Market Value equal to the minimum amount required to be withheld or such lesser amount as may be elected by the Participant; provided however, that the amount of Stock so withheld shall not result in an accounting charge to the Company, or (b) to transfer to UnitedGlobalCom a number of shares of Stock that were acquired by the Participant more than six months prior to the transfer to UnitedGlobalCom and that have an aggregate Fair Market Value equal to the amount required to be withheld or such lesser amount as may be elected by the Participant. All elections shall be subject to the approval or disapproval of the Committee. The value of shares of Stock to be withheld shall be based on the Fair Market Value of the Stock on the date that the amount of tax to be withheld is to be determined (the "Tax Date"). Any such elections by Participants to have shares of Stock withheld for this purpose will be subject to the following restrictions:

(a) All elections must be made prior to the Tax Date.

(b) All elections shall be irrevocable.

(c) If the Participant is an officer or director of UnitedGlobalCom within the meaning of Section 16 of the 1934 Act ("Section 16"), the Participant must satisfy the requirements of such Section 16 and any applicable rules thereunder with respect to the use of Stock to satisfy such tax withholding obligation.

ARTICLE XVIII - REQUIREMENTS OF LAW

18.1 ***Requirements of Law*** The issuance of Stock and the payment of cash pursuant to the Plan shall be subject to all applicable laws, rules and regulations.

18.2 ***Federal Securities Law Requirements.*** If a Participant is an officer or director of UnitedGlobalCom within the meaning of Section 16, Awards granted hereunder shall be subject to all conditions required under Rule 16b-3, or any successor rule promulgated under the 1934 Act, to qualify the Award for any exception from the provisions of Section 16(b) of the 1934 Act available under that Rule.

18.3 ***Governing Law.*** The Plan and all agreements hereunder shall be construed in accordance with and governed by the laws of the State of Delaware.

ARTICLE XVIX - MISCELLANEOUS

19.1 ***Expiration***. The Plan shall terminate whenever the Board adopts a resolution to that effect. If not sooner terminated by the Board, the Plan shall terminate and expire on May 31, 2013. After termination, no additional Awards shall be granted under the Plan, but UnitedGlobalCom shall continue to recognize Awards previously granted.

19.2 ***Amendments, Etc.*** The Board may from time to time amend, modify ,suspend or terminate the Plan. Nevertheless, no such amendment, modification, suspension or termination shall, without the consent of the Participant, impair any Award previously granted under the Plan or deprive any Participant of any Shares that he may have acquired through or as a result of the Plan.

19.3 ***Treatment of Proceeds***. Proceeds from the sale of Stock pursuant to Options or other Awards granted under the Plan shall constitute general funds of UnitedGlobalCom.

19.4 ***Section Headings***. The section headings are included herein only for convenience, and they shall have no effect on the interpretation of the Plan.

19.5 ***Severability***. If any article, section, subsection or specific provision is found to be illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if such illegal and invalid provision had never been set forth in the Plan.

19.6 ***Gender and Number***. Except when otherwise indicated by the context, the masculine gender shall include the feminine gender, and the definition of any term herein in the singular shall also include the plural.

19.7 ***Company's Rights.*** The grant of Awards pursuant to the Plan shall not affect in any way the right or power of the Company to make reclassifications, reorganizations, or other changes of or to its capital or business structure or to merge, consolidate, liquidate, sell, or otherwise dispose of all or any part of its business or assets.

ARTICLE XX -
DURATION OF THE PLAN

The Plan shall be effective as of September 1, 2003, and Awards may be granted under the Plan on and after such date, provided, however, that the Plan must be approved by the stockholders of the Company within twelve months after said date and any Awards granted prior to approval by the stockholders may not be exercised until such approval is obtained and if the stockholders of the Company do not approve this Plan within twelve months after the adoption of the Plan by the Board, all Awards shall become null and void and shall be cancelled. Unless sooner terminated by the Board of Directors, the Plan shall terminate at the close of business on August 31, 2013, and no Option, Stock Appreciation Right, Restricted Stock Award, Stock Unit, Stock Bonus, other Award or Stock shall be granted, or offer to purchase Stock made, after such termination. Options, Stock Appreciation Rights, Restricted Stock Awards, other Awards, and Stock Units outstanding at the time of the Plan termination may continue to be exercised, or become free of restrictions, or paid, in accordance with their terms.

Dated: December 17, 2003

UNITEDGLOBALCOM, INC., a Delaware corporation

By:____

Exhibit 10.29

AIRCRAFT TIME SHARING AGREEMENT

This Aircraft Time Sharing Agreement ("**Agreement**") is effective as of the 1st day of October, 2012 ("**Effective Date**"), by and between Liberty Global BV, a company organized under the laws of the Netherlands, with an address of Boeing Avenue 53, 119PE Schiphol-Rijk, The Netherlands ("**Lessor**"), and ______________, with an address of _____________________________ ("**Lessee**");

RECITALS

WHEREAS, Lessor is the operator of that certain Dassault Falcon 900EX aircraft, bearing manufacturer's serial number 61, currently registered with the Federal Aviation Administration ("**FAA**") as N240LG, equipped with three (3) Honeywell TFE731 Series engines, bearing manufacturer's serial numbers P-112296, P-112297 and P-112298 ("**Aircraft**") and has leased the Aircraft from UIM Aircraft, LLC ("Owner");

WHEREAS, Lessor employs a fully qualified flight crew to operate the Aircraft;

WHEREAS, Owner has obtained and may obtain in the future a loan from and has granted and may grant in the future a security interest in the Aircraft to one or more financial or lending institutions ("**Lender**") pursuant to an aircraft security agreement and other loan documents (collectively, "**Loan Documents**");

WHEREAS, Lessor desires to enter into a lease with Lessee for use of said Aircraft and to provide a fully qualified flight crew for all operations on a periodic, non-exclusive time sharing basis, as defined in Section 91.501(c) of the Federal Aviation Regulations ("FAR"); and

WHEREAS, the use of the Aircraft by Lessee shall at all times be pursuant to and in full compliance with the requirements of FAR Sections 91.501 (b) (6), 91.501 (c) (1) and 91.501 (d);

NOW, THEREFORE, in consideration of the mutual promises and considerations contained in this Agreement, the parties agree as follows:

1. Lessor agrees and has the right to lease the Aircraft to Lessee on a periodic, non-exclusive basis, and to provide a fully qualified flight crew for all operations, pursuant and subject to the provisions of FAR Section 91.501 (c) (1) and the terms of this Agreement. With respect to each flight undertaken under this Agreement, Lessor shall have and retain operational control of the Aircraft as provided in the applicable FAR (as defined in FAR Section 1.1 "operational control," with respect to a flight, means the exercise of authority over initiating, conducting, or terminating a flight.); and, for federal tax purposes, shall have and retain "possession, command and control" of the Aircraft. This Agreement shall commence on the Effective Date and continue until the first anniversary of the Effective Date. Thereafter, this Agreement shall be automatically renewed on a month to month basis, unless sooner terminated by either party as hereinafter provided. Either party may at any time terminate this Agreement (including during the initial one-year term) upon thirty (30) days prior written notice to the other party. At all times this Agreement shall be subject and subordinate to the Loan Documents in favor of Lender. All obligations of Lessor and Lessee

hereunder shall be performed and fulfilled in a manner consistent with the requirements of the Loan Documents and in the case of Lessee, to the extent that it is notified of such requirement from time-to-time.

2. Lessee shall pay Lessor for each flight conducted under this Agreement in an amount determined by Lessor, which in no event shall exceed the following actual expenses of each specific flight as authorized by FAR Section 91.501 (d):

(a) Fuel, oil, lubricants, and other additives;
(b) Travel expenses of the crew, including food, lodging and ground transportation;
(c) Hangar and tie down costs away from the Aircraft's base of operation;
(d) Insurance obtained for the specific flight;
(e) Landing fees, airport taxes and similar assessments;
(f) Customs, foreign permit, and similar fees directly related to the flight;
(g) In-flight food and beverages;
(h) Passenger ground transportation; and
(i) Flight planning and weather contract services; and
(j) An additional charge equal to 100% of the expenses listed in subparagraph (a) of this paragraph.

3. Lessor will pay all expenses related to the operation of the Aircraft when incurred, and will bill Lessee on a monthly basis as soon as practicable after the last day of each calendar month for the amount payable in accordance with paragraph 2 above for all flights for the account of Lessee during the preceding month. Lessee shall pay Lessor for all flights for the account of Lessee pursuant to this Agreement within thirty (30) days of receipt of the invoice therefor. Without limiting the foregoing, amounts payable by Lessee to Lessor under this Agreement may include any federal excise tax that may be imposed under Internal Revenue Code Section 4261 or any similar excise taxes, if any.

4. Lessee shall provide Lessor with requests for flight time and proposed flight schedules as far in advance of any given flight as possible, and in no event less than twenty-four (24) hours in advance of Lessee's planned departure, unless Lessor otherwise agrees. Requests for flight time shall be in a form, whether written or oral, mutually convenient to, and agreed upon by the parties. In addition to the proposed schedules and flight times, Lessee shall provide at least the following information for each proposed flight at some time prior to scheduled departure as required by the Lessor or Lessor's flight crew:

(a) proposed departure point;
(b) destinations;
(c) date and time of flight;
(d) the number of anticipated passengers;
(e) the identity of each anticipated passenger;
(f) the nature and extent of luggage and/or cargo to be carried;
(g) the date and time of return flight, if any; and

(h) any other information concerning the proposed flight that may be pertinent or required by Lessor or Lessor's flight crew.

5. Lessor, including Lessor’s Flight Operations Department, shall have sole and exclusive authority over the scheduling of the Aircraft, including any limitations on the number of passengers on any flight, provided however, that, Lessor will use commercially reasonable efforts to accommodate Lessee's needs and to avoid conflicts in scheduling.

6. As between Lessor and Lessee, Lessor shall be solely responsible for securing maintenance, preventive maintenance and required or otherwise necessary inspections on the Aircraft, and shall take such requirements into account in scheduling the Aircraft. No period of maintenance, preventative maintenance or inspection shall be delayed or postponed for the purpose of scheduling the Aircraft, unless said maintenance or inspection can be safely conducted at a later time in compliance with all applicable laws and regulations, and within the sound discretion of the pilot in command. The pilot in command shall have final and complete authority to cancel any flight for any reason or condition which in his judgment would compromise the safety of the flight.

7. Lessor shall employ, pay for and provide to Lessee a qualified flight crew for each flight undertaken under this Agreement.

8. In accordance with applicable FARs, the qualified flight crew provided by Lessor will exercise all of its duties and responsibilities in regard to the safety of each flight conducted hereunder. Lessee specifically agrees that the flight crew, in its sole discretion, may terminate any flight, refuse to commence any flight, or take other action which in the considered judgment of the pilot in command is necessitated by considerations of safety. No such action of the pilot in command shall create or support any liability for loss, injury, damage or delay to Lessee or any other person. The parties further agree that Lessor shall not be liable for delay or failure to furnish the Aircraft and crew pursuant to this Agreement when such failure is caused by government regulation or authority, mechanical difficulty, war, civil commotion, strikes or labor disputes, weather conditions, or acts of God or any other event or circumstance beyond the reasonable control of Lessor.

9. (a) At all times during the term of this Agreement, Lessor shall cause to be carried and maintained, at Lessor's cost and expense, physical damage insurance with respect to the Aircraft, third party aircraft liability insurance, passenger legal liability insurance, property damage liability insurance, and medical expense insurance in such amounts and on such terms and conditions as Lessor shall determine in its sole discretion. Lessor shall also bear the cost of paying any deductible amount on any policy of insurance in the event of a claim or loss.

(b) Any policies of insurance carried in accordance with this Agreement: (i) shall name Lessee as an additional insured; (ii) shall contain a waiver by the underwriter thereof of any right of subrogation against Lessee; and (iii) shall require the insurers to provide at least 30 days’ prior written notice (or at least seven days’ in the case of any war-risk insurance) to Lessee if the insurers cancel insurance for any reason whatsoever, provided that the insurers shall provide at least 10 days prior written notice if the same is allowed to lapse for non-payment of premium. Each liability policy shall be primary without right of contribution from any other insurance which is carried by Lessee or Lessor and shall expressly provide that all of the provisions thereof, except the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured.

(c) Lessor shall obtain the approval of this Agreement by the insurance carrier for each policy of insurance on the Aircraft. If requested by Lessee, Lessor shall arrange for a Certificate of Insurance evidencing the insurance coverage with respect to the Aircraft carried and maintained by Lessor to be given by its insurance carriers to Lessee or will provide Lessee with a copy of such insurance policies. Lessor will give Lessee reasonable advance notice of any material modifications to insurance coverage relating to the Aircraft.

10. (a) LESSEE AGREES THAT THE PROCEEDS OF INSURANCE ("INSURANCE PROCEEDS") WILL BE LESSEE'S SOLE RECOURSE AGAINST LESSOR, ITS AFFILIATES, AND ITS AND THEIR RESPECTIVE PRESENT OR FORMER DIRECTORS, OFFICERS, EMPLOYEES, INSURERS AND AGENTS, AND THE SUCCESSORS AND ASSIGNS THEREOF (COLLECTIVELY, THE "LESSOR PARTIES") WITH RESPECT TO ANY CLAIMS, ACTIONS, SUITS, PROCEDURES, COSTS, EXPENSES, DAMAGES AND LIABILITIES (COLLECTIVELY, "CLAIMS") THAT LESSEE, ITS EMPLOYEES, AGENTS, GUESTS OR INVITEES (AND THE LAWFUL SUCCESSOR AND ASSIGNS THEREOF) (COLLECTIVELY, THE "LESSEE PARTIES"), MAY HAVE UNDER THIS AGREEMENT OF WHATSOEVER NATURE, WHETHER SEEN OR UNFORESEEN, EXCEPT IN THE EVENT OF GROSS NEGLIGENCE OR WILLFUL MISCONDUCT BY LESSOR.

(b) IN NO EVENT SHALL LESSOR BE LIABLE TO LESSEE OR ITS EMPLOYEES, AGENTS, GUESTS, OR INVITEES (AND THE LAWFUL SUCCESSORS AND ASSIGNS THEROF) FOR ANY INDIRECT, CONSEQUENTIAL, SPECIAL OR INCIDENTAL DAMAGES AND/OR PUNITIVE DAMAGES OF ANY KIND OR NATURE, UNDER ANY CIRCUMSTANCES OR FOR ANY REASON, INCLUDING AND NOT LIMITED TO ANY DELAY OR FAILURE TO FURNISH THE AIRCRAFT, OR CAUSED BY THE PERFORMANCE OR NON-PERFORMANCE BY LESSOR OF THIS AGREEMENT.

(c) LESSEE AGREES TO INDEMNIFY AND HOLD HARMLESS THE LESSOR PARTIES FROM ALL CLAIMS, INCLUDING REASONABLE ATTORNEY'S FEES AND COSTS, BROUGHT BY THE LESSEE PARTIES AGAINST THEM ARISING FROM OR RELATED TO (i) SUBJECT TO PARAGRAPH 10 (a) ABOVE, AMOUNTS THAT EXCEED THE INSURANCE PROCEEDS, OR (ii) CONSEQUENTIAL DAMAGES.

(d) **THE PROVISIONS OF THIS SECTION 10 SHALL SURVIVE INDEFINITELY THE TERMINATION OR EXPIRATION OF THE AGREEMENT**.

11. Lessee warrants that:

(a) It will not use the Aircraft for the purpose of providing transportation of passengers or cargo in air commerce for compensation or hire, for any illegal purpose, or in violation of any insurance policies with respect to the Aircraft;

(b) It will refrain from incurring any mechanics, international interest, prospective international interest or other lien and shall not attempt to convey, mortgage, assign, lease or grant or obtain an international interest or prospective international interest or in any way alienate the Aircraft or create any kind of lien or security interest involving the Aircraft or do anything or take any action that might mature into such a lien; and

(c) It will comply with all applicable laws, governmental and airport orders, rules and regulations, as shall from time to time be in effect relating in any way to the operation and use of the Aircraft under this Agreement.

12. For purposes of this Agreement, the permanent base of operation of the Aircraft shall be Centennial Airport, Englewood, Colorado.

13. A copy of this Agreement shall be carried in the Aircraft and available for review upon the request of the Federal Aviation Administration on all flights conducted pursuant to this Agreement.

14. Lessee shall not assign this Agreement or its interest herein to any other person or entity without the prior written consent of Lessor, which may be granted or denied in Lessor's sole discretion. Subject to the preceding sentence, this Agreement shall inure to the benefit of and be binding upon the parties hereto, and their respective heirs, representatives, successors and assigns, and does not confer any rights on any other person. This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof and supersedes any prior understandings and agreements between the parties respecting such subject matter. This Agreement may be amended or supplemented and any provision hereof waived only by a written instrument signed by all parties. The failure or delay on the part of any party to insist on strict performance of any of the terms and conditions of this Agreement or to exercise any rights or remedies hereunder shall not constitute a waiver of any such provisions, rights or remedies. This Agreement may be executed in counterparts, which shall, singly or in the aggregate, constitute a fully executed and binding Agreement.

15. Except as otherwise set forth in paragraph 4, all communications and notices provided for herein shall be in writing and shall become effective when delivered by facsimile transmission (to Lessor at +31 20 778 2926 or to Lessee at 720-875-5400) or by personal delivery, Federal Express or other overnight courier or four (4) days following deposit in the United States mail, with correct postage for first-class mail prepaid, addressed to Lessor or Lessee at their respective addresses set forth above, or else as otherwise directed by the other party from time to time in writing.

16. If any one or more provisions of this Agreement shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall be unimpaired, and the invalid, illegal, or unenforceable provisions shall be replaced by a mutually

acceptable provision, which, being valid, legal, and enforceable, comes closest to the intention of the parties underlying the invalid, illegal, or unenforceable provision. To the extent permitted by applicable law, the parties hereby waive any provision of law, which renders any provision of this Agreement prohibited or unenforceable in any respect.

17. This Agreement is entered into under, and is to be construed in accordance with, the laws of the State of Colorado, without reference to conflicts of laws.

[Intentionally Left Blank]

18. TRUTH IN LEASING STATEMENTUNDER FAR SECTION 91.23

THE AIRCRAFT, A DASSAULT FALCON 900EX, MANUFACTURER'S SERIAL NO. 61, CURRENTLY REGISTERED WITH THE FEDERAL AVIATION ADMINISTRATION AS N240LG, HAS BEEN MAINTAINED AND INSPECTED UNDER FAR PART 91 DURING THE 12 MONTH PERIOD PRECEDING THE DATE OF THIS LEASE.

THE AIRCRAFT WILL BE MAINTAINED AND INSPECTED UNDER FAR PART 91 FOR OPERATIONS TO BE CONDUCTED UNDER THIS LEASE. DURING THE DURATION OF THIS LEASE, LIBERTY GLOBAL BV, BOEING AVENUE 53, 119PE SCHIPHOL-RIJK, THE NETHERLANDS, IS CONSIDERED RESPONSIBLE FOR OPERATIONAL CONTROL OF THE AIRCRAFT UNDER THIS LEASE.

AN EXPLANATION OF FACTORS BEARING ON OPERATIONAL CONTROL AND PERTINENT FEDERAL AVIATION REGULATIONS CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT OFFICE.

THE “INSTRUCTIONS FOR COMPLIANCE WITH TRUTH IN LEASING REQUIREMENTS” ATTACHED HERETO ARE INCORPORATED HEREIN BY REFERENCE.

LIBERTY GLOBAL BV, LOCATED AT BOEING AVENUE 53, 119PE SCHIPHOL-RIJK, THE NETHERLANDS, THROUGH ITS UNDESIGNED AUTHORIZED SIGNATORIES BELOW, CERTIFIES THAT LESSOR IS RESPONSIBLE FOR OPERATIONAL CONTROL OF THE AIRCRAFT AND THAT IT UNDERSTANDS ITS RESPONSIBILITIES FOR COMPLIANCE WITH APPLICABLE FEDERAL AVIATION REGULATIONS.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the date first above written.

LESSOR

Liberty Global BV

By: ___________
Name: ___________
Title: ___________________________
Date: ___________

By: ___________________________
Name: _________________________
Title:___________________________
Date: __________________________

LESSEE

Name: _________
Date: ___________

INSTRUCTIONS FOR COMPLIANCE WITH "TRUTH IN LEASING" REQUIREMENTS

1. Mail a copy of the lease to the following address via certified mail, return receipt requested, immediately upon execution of the lease (14 C.F.R. 91.23 requires that the copy be sent within twenty four hours after it is signed):

   Federal Aviation Administration
   Aircraft Registration Branch
   ATTN: Technical Section
   P.O. Box 25724
   Oklahoma City, Oklahoma 73125

2. Telephone the nearest Flight Standards District Office at least forty eight hours prior to the first flight under this lease.

3. Carry a copy of the lease in the aircraft at all times.

LGI Subsidiaries
December 31, 2012

Name	Country
Arena Sport Rechte und Marketing GmbH	Germany
Asia Television Advertising LLC	USA-Delaware
Associated SMR, Inc.	USA-Delaware
Aster Marketing Sp. z o.o	Poland
At Media Sp. z o.o	Poland
atmedia Kft	Hungary
Bazuca.com, Chile S.A.	Chile
Bicatobe Investments B.V.	Netherlands
Binan Investments B.V.	Netherlands
Cable Management Ireland Ltd.	Ireland
Cablecom Kabelkommunikation GmbH	Austria
Canal Cosmopolitan Latinoamérica, LLC	USA-Delaware
CBS Chellozone EMEA Channels Partnership	United Kingdom
C-Cure NV	Belgium
Centrina Sp z o.o	Poland
Chello Benelux Movieco Ltd	United Kingdom
Chello Central Europe Sp. z o.o	Poland
Chello Central Europe Srl	Romania
Chello Central Europe sro	Czech Republic
Chello Central Europe Zrt	Hungary
Chello Latin America LLC	USA-Delaware
Chello Movieco CE BV	Netherlands
Chello Movieco CE GP BV	Netherlands
Chello Movieco CE LP	USA-Delaware
Chello Movieco CE Services GmbH	Germany
Chello Movieco Holdings Ltd	United Kingdom
Chello Movieco Inc.	USA-Delaware
Chello Networks Srl	Romania
Chello Zone EMEA (2) Ltd.	United Kingdom
Chello Zone Holdings Ltd.	United Kingdom
Chellomedia B.V.	Netherlands
Chellomedia CEE Holdco B.V.	Netherlands
Chellomedia Direct Programming B.V.	Netherlands
Chellomedia Holdings UK II Ltd.	United Kingdom
Chellomedia Priority B.V.	Netherlands
Chellomedia Programming B.V.	Netherlands
Chellomedia Programming Financing B.V.	Netherlands
Chellomedia Programming Financing Holdco B.V.	Netherlands
Chellomedia Programming Financing Holdco II B.V.	Netherlands
Chellomedia Programming Financing Partnership	USA-Delaware
Chellomedia Services Ltd.	United Kingdom
Chellomedia Servicos de Televisao do Brasil Ltda	Brazil

Name	Country
Chellozone (UK) Ltd.	United Kingdom
Chellozone India LLC	USA-Delaware
Chellozone Movieco (Cyprus) Ltd	Cyprus
Chellozone Movieco Asia Pte Ltd.	Singapore
Chorus Communications Ltd.	Ireland
Club Channel Ltd.	United Kingdom
Dianthus Sp. z o.o	Poland
Encore International LLC	USA-Colorado
Europe Acquisition, Inc.	USA-Delaware
Finance Center Telenet Sarl	Luxembourg
Focus Sat Romania Srl	Romania
Fulmar Sp. z o.o	Poland
Iesy Hessen Verwaltungs GmbH	Germany
Independent Wireless Cable Ltd.	Ireland
Inode AG	Liechtenstein
JimJam CEE Ltd.	United Kingdom
JimJam East LLC	Russia
JimJam Television Ltd.	United Kingdom
Kabel BW GmbH	Germany
Labesa Holding B.V.	Netherlands
LCPR Cayman Holding Inc.	Cayman Islands
LCPR Ventures LLC	USA-Delaware
Leo Cable LLC	USA-Delaware
Leo Cable LP	USA-Delaware
LGE Holdco III BV	Netherlands
LGE Holdco IV BV	Netherlands
LGI Broadband Operations, Inc.	USA-Delaware
LGI China Holdings B.V.	Netherlands
LGI China Holdings, Limited	Hong Kong
LGI DTH Ireland	Ireland
LGI International Holdings, Inc.	USA-Colorado
LGI International, Inc.	USA-Delaware
LGI Mobile BV	Netherlands
LGI Ventures B.V.	Netherlands
LGI Ventures Management, Inc.	USA-Delaware
LGJ Holdings LLC	USA-Delaware
Liberty Cablevision of Puerto Rico LLC	Puerto Rico
Liberty FA Holdings, Inc.	USA-Delaware
Liberty Global B.V.	Netherlands
Liberty Global Europe Financing B.V.	Netherlands
Liberty Global Europe Holding B.V.	Netherlands
Liberty Global Europe Investments B.V.	Netherlands
Liberty Global Europe Ltd.	United Kingdom
Liberty Global Europe Management B.V.	Netherlands
Liberty Global Europe, Inc.	USA-Delaware

Liberty Global Holding B.V.	Netherlands
Liberty Global Japan, LLC	USA-Delaware
Liberty Global Management, LLC	USA-Colorado
Liberty Global Operations B.V.	Netherlands
Liberty Global Services B.V.	Netherlands
Liberty Global Services II, LLC	USA-Colorado
Liberty Global Services, LLC	USA-Colorado
Liberty Home Shop International, Inc.	USA-Colorado
Liberty International Cable Management, Inc.	USA-Colorado
Liberty Japan MC, LLC	USA-Delaware
Liberty Japan V, Inc.	USA-Delaware
Liberty Latin Programming Ltd.	Cayman Islands
Liberty Media International Holdings, LLC	USA-Delaware
Liberty Movies Australia Pty Limited	Australia
Liberty Programming Japan, LLC	USA-Delaware
Liberty Programming South America, LLC	USA-Colorado
Liberty South America, S.R.L.	Argentina
Liberty Uruguay, Inc.	USA-Delaware
Liberty VIV II, Inc.	USA-Delaware
LMI Japan Management, Inc.	USA-Delaware
LMI Programming South America S.A.	Uruguay
LMINT Holdings, LLC	USA-Delaware
MGM Channel Poland Ltd	United Kingdom
MGM Korea Holding LLC	Korea
MGM Programming Service India Private Ltd	India
Multicanal (Spain) Holding SLU	Spain
Multicanal Gestion Publicitaria, SLU	Spain
Multicanal Iberia SLU	Spain
Netfront Information Technology Ltd.	Hong Kong
NTL Communications (Ireland) Ltd.	Ireland
NTL Irish Networks Ltd.	Ireland
Outdoor TV Ltd.	United Kingdom
Plator Holding B.V.	Netherlands
Pramer S.C.A.	Argentina
Priority Telecom N.V.	Netherlands
Priority Telecom Service Corporation, Inc.	USA-Delaware
Priority Wireless B.V.	Netherlands
Priority Wireless Switzerland AG	Switzerland
RAE Regionalantenne Ermatingen AG	Switzerland
Reality TV Latin America S.C.A.	Uruguay
Reality TV USA Ltd.	United Kingdom
Romantica (East) Ltd.	United Kingdom
Romantica Television Srl	Romania
Sentino S.A.	Uruguay
Sitel SA	Switzerland
Sky Vision Ltd.	Hong Kong

Sociedad Televisora CBC Limitada	Chile
Southam Chile S.A.	Chile
Stadtantenne Kreuzlingen AG	Switzerland
Suir Nore Relays Ltd.	Ireland
Tara Television Ltd.	Ireland
Telelavaux SA	Switzerland
Telenet Group Holding N.V.	Belgium
Telenet International Finance Sarl	Luxembourg
Telenet Luxembourg Finance Center Sarl	Luxembourg
Telenet Mobile NV	Belgium
Telenet NV	Belgium
Telenet Service Center NV	Belgium
Telenet Solutions Luxemburg NV	Luxembourg
Telenet Tecteo Bidco NV	Belgium
Telenet Vlaanderen NV	Belgium
Trnavatel s.r.o.	Slovak Republic
T-VGAS NV	Belgium
UGC Australia BV	Netherlands
UIH Philippines Holdings, LLC	USA-Colorado
UIH SFCC Holdings L.P.	USA-Colorado
UIH SFCC II, LLC	USA-Colorado
UIH SFCC LP	USA-Colorado
UIM Aircraft, LLC	USA-Colorado
United Asia\Pacific Communications, LLC	USA-Delaware
United AUN, LLC	USA-Colorado
United Austar Partners	USA-Colorado
United Chile Ventures, Inc.	Cayman Islands
United Chile, LLC	USA-Colorado
United Football Broadcasting B.V.	Netherlands
United Latin America Programming, LLC	USA-Colorado
UnitedGlobalCom, Inc.	USA-Delaware
Unitymedia Hessen GmbH & Co. KG	Germany
Unitymedia Hessen Verwaltungs GmbH	Germany
Unitymedia International GmbH	Germany
Unitymedia KabelBW GmbH	Germany
Unitymedia Management GmbH	Germany
Unitymedia NRW GmbH	Germany
Unitymedia Services GmbH	Germany
UPC Austria GmbH	Austria
UPC Austria Services GmbH	Austria
UPC Belgium B.V.	Netherlands
UPC Broadband France S.A.S.	France
UPC Broadband France SNC	France
UPC Broadband GmbH	Austria
UPC Broadband Holding B.V.	Netherlands
UPC Broadband Ireland B.V.	Netherlands

UPC Broadband Ireland Ltd	Ireland
UPC Broadband N.V.	Netherlands
UPC Broadband Slovakia sro	Slovak Republic
UPC Broadband UK Limited	United Kingdom
UPC Cablecom GmbH	Switzerland
UPC Central Europe Holding B.V.	Netherlands
UPC Ceska Republica Sro	Czech Republic
UPC Chile BV	Netherlands
UPC Chile Holding BV	Netherlands
UPC Chile Mobile Holding BV	Netherlands
UPC Communications Ireland Ltd	Ireland
UPC Czech Holding B.V.	Netherlands
UPC Direct Programming II B.V.	Netherlands
UPC DSL Telecom GmbH	Austria
UPC DTH Leasing Sarl	Luxembourg
UPC DTH Sarl	Luxembourg
UPC DTH Slovakia Sarl	Luxembourg
UPC Equipment BV	Netherlands
UPC Extra II B.V.	Netherlands
UPC Financing Partnership	USA-Delaware
UPC France Holding B.V.	Netherlands
UPC Germany Financing Holding GmbH	Germany
UPC Germany Holding B.V.	Netherlands
UPC Germany NewCo GmbH	Germany
UPC Holding B.V.	Netherlands
UPC Holding II B.V.	Netherlands
UPC Internet Holding B.V.	Netherlands
UPC Luxembourg Holding B.V.	Netherlands
UPC Magyarorszag Kft	Hungary
UPC Nederland B.V.	Netherlands
UPC Nederland Business B.V.	Netherlands
UPC Nederland Mobile B.V.	Netherlands
UPC Nederland Netwerk 2 BV	Netherlands
UPC Nederland Services B.V.	Netherlands
UPC Oberöstereich GmbH	Austria
UPC Poland Holding B.V.	Netherlands
UPC Polska Sp. z o.o	Poland
UPC Real Estate s.r.o.	Czech Republic
UPC Romania Holding B.V.	Netherlands
UPC Romania Srl	Romania
UPC Switzerland Holding BV	Netherlands
UPC Telekabel Wien GmbH	Austria
UPC Telekabel-Fernsehnetz Region Baden Betriebe GmbH	Austria
UPC Telekabel-Fernsehnetz Wiener Neustadt Neunkirchen Betriebs GmbH	Austria
UPC Western Europe Holding B.V.	Netherlands
Video 2000 SA	Switzerland

VTR Banda Ancha S.A.	Chile
VTR Galaxy Chile S.A.	Chile
VTR Global Carrier S.A.	Chile
VTR GlobalCom S.A.	Chile
VTR Ingeniería S.A.	Chile
VTR Movil S.A.	Chile
VTR Wireless SA	Chile
Westward Horizon Ltd	Ireland
Wicab GmbH	Switzerland
Zomerwind Holding B.V.	Netherlands
Zone Broadcasting (EMC) Ltd.	United Kingdom
Zone Broadcasting (Maximum Reality) Ltd.	United Kingdom
Zone Broadcasting E! (Turkey) Ltd.	United Kingdom
Zone East 1 LLC	Russia
Zone East 2 LLC	Russia
Zone East LLC (aka OOO "30YH BOCTOK")	Russia
Zone Kids Limited	United Kingdom
Zone Licensing Ltd.	United Kingdom
Zone Vision (China) Ltd.	United Kingdom
Zonemedia Broadcasting Ltd.	United Kingdom
Zonemedia Enterprises Ltd.	United Kingdom
Zonemedia Group Ltd.	United Kingdom
Zonemedia Management Ltd.	United Kingdom
ZUMB B.V.	Netherlands

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Liberty Global, Inc.:

We consent to the incorporation by reference in the registration statements (Nos. 333-125930, 333-125941, 333-125943, 333-125946, 333-125962, 333-128034, 333-128035, 333-128037, 333-128038, 333-140111, 333-152753, 333-169604 and 333-169605) on Form S-8 of Liberty Global, Inc. of our report dated February 13, 2013, with respect to the consolidated balance sheets of Liberty Global, Inc. and subsidiaries as of December 31, 2012 and 2011, and the related consolidated statements of operations, comprehensive earnings (loss), equity and cash flows for each of the years in the three-year period ended December 31, 2012, and the related financial statement schedules I and II, and our report dated February 13, 2013 on the effectiveness of internal control over financial reporting as of December 31, 2012, which reports appear in the December 31, 2012 annual report on Form 10-K of Liberty Global, Inc.

Our report on the effectiveness of internal control over financial reporting as of December 31, 2012 contains an explanatory paragraph that states that the aggregate amount of total assets and revenue of San Juan Cable LLC, doing business as Onelink Communications that are excluded from management's assessment of the effectiveness of internal control over financial reporting as of and for the year ended December 31, 2012 are $795.7 million and $24.8 million, respectively. Our audit of internal control over financial reporting also excluded an evaluation of the internal control over financial reporting of these subsidiaries.

KPMG LLP

Denver, Colorado
February 13, 2013

Exhibit 31.1

CERTIFICATION

I, Michael T. Fries, certify that:

1. I have reviewed this annual report on Form 10-K of Liberty Global, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this annual report based on such evaluation; and

   d) Disclosed in this annual report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 13, 2013

/s/ Michael T. Fries

Michael T. Fries
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Charles H.R. Bracken, certify that:

1. I have reviewed this annual report on Form 10-K of Liberty Global, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this annual report based on such evaluation; and

    d) Disclosed in this annual report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 13, 2013

/s/ Charles H.R. Bracken

Charles H.R. Bracken
Executive Vice President and Co-Chief Financial Officer
(Principal Financial Officer)

Exhibit 31.3

CERTIFICATION

I, Bernard G. Dvorak, certify that:

1. I have reviewed this annual report on Form 10-K of Liberty Global, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this annual report based on such evaluation; and

   d) Disclosed in this annual report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 13, 2013

/s/ Bernard G. Dvorak

Bernard G. Dvorak
Executive Vice President and Co-Chief Financial Officer
(Principal Accounting Officer)

Exhibit 32

Certification
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Liberty Global, Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Annual Report on Form 10-K for the year ended December 31, 2012 (the "Form 10-K") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company as of December 31, 2012 and December 31, 2011, and for the years ended December 31, 2012, 2011 and 2010.

Dated: February 13, 2013

/s/ Michael T. Fries
Michael T. Fries
President and Chief Executive Officer

Dated: February 13, 2013

/s/ Charles H.R. Bracken
Charles H.R. Bracken
Executive Vice President and Co-Chief Financial Officer
(Principal Financial Officer)

Dated: February 13, 2013

/s/ Bernard G. Dvorak
Bernard G. Dvorak
Executive Vice President and Co-Chief Financial Officer
(Principal Accounting Officer)

The foregoing certification is being furnished solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Form 10-K or as a separate disclosure document.