Q1 2016 Investor Call

May 10, 2016

LIBERTY GLOBAL®

“Safe Harbor”

Forward-Looking Statements

This contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements with respect to our strategies, future growth prospects and opportunities; expected RGU additions and OCF growth; property and equipment additions as a percentage of revenue; the development, enhancement and expansion of our superior networks and innovative and advanced products and services, including higher broadband speed rollouts, expansion and launches of next-generation video services, set-top boxes and 4G; our mobile and B2B strategies and marketing efforts; plans and expectations relating to Liberty GO and new build and network extension opportunities, including estimated number of homes to be built out and the costs associated therewith; the strength of our operating companies’ balance sheets and tenor of their third-party debt; the pending acquisition of Cable and Wireless and the joint venture in the Netherlands and the anticipated benefits, costs and synergies in connection therewith; the timing of proposed transactions; and other information and statements that are not historical fact. These forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements. These risks and uncertainties include the continued use by subscribers and potential subscribers of our services and their willingness to upgrade to our more advanced offerings; our ability to meet challenges from competition, to manage rapid technological change or to maintain or increase rates to our subscribers or to pass through increased costs to our subscribers; the effects of changes in laws or regulation; our ability to maintain certain accreditations; general economic factors; our ability to obtain regulatory approval and satisfy regulatory conditions associated with acquisitions and dispositions; our ability to successfully acquire and integrate new businesses and realize anticipated efficiencies from businesses we acquire; the availability of attractive programming for our digital video services and the costs associated with such programming; our ability to achieve forecasted financial and operating targets; the outcome of any pending or threatened litigation; the ability of our operating companies to access cash of their respective subsidiaries; the impact of our operating companies' future financial performance, or market conditions generally, on the availability, terms and deployment of capital; fluctuations in currency exchange and interest rates; the ability of suppliers and vendors (including our third-party wireless network providers under our MVNO arrangements) to timely deliver quality products, equipment, software, services and access; our ability to adequately forecast and plan future network requirements including the costs and benefits associated with network expansions; and other factors detailed from time to time in our filings with the Securities and Exchange Commission, including Liberty Global's most recently filed Form 10-K and Form 10-Q. These forward-looking statements speak only as of the date of this presentation. We expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Additional Information Relating to Defined Terms:

Please refer to the Appendix at the end of this presentation, as well as our press release dated May 9, 2016 and our SEC filings, for the definitions of the following terms which may be used herein including: Rebased Growth, Operating Cash Flow (“OCF”), Free Cash Flow (“FCF”), Revenue Generating Units (“RGUs”), Average Revenue per Unit (“ARPU”), as well as GAAP reconciliations, where applicable.


EXECUTIVE SUMMARY
It's the final discount.
VOLLENBAK VOORUIT
Mobile Unlimited 2000
Unlimitiert:
Surfen
Telefonieren
SMS senden
Nur
25.-
statt 40.- / Mt.*
CableVisión HD
ívelo hoy
FINANCIAL RESULTS
APPENDIX
Ziggo
Liberty
TE DA MÁS
200 MEGAS
400
MBIT/S

Key Messages

- RGU additions more than doubled YoY driven by U.K.
- Price increases landed well across markets
- New build target of 1.5 mm homes in 2016 on track
- Hybrid mobile strategy well underway
- Closing of CWC acquisition imminent
- All 2016 guidance targets confirmed for LBTY & LiLAC

Liberty Global plc Highlights – Q1 2016[1]

OPERATIONS & FINANCIALS

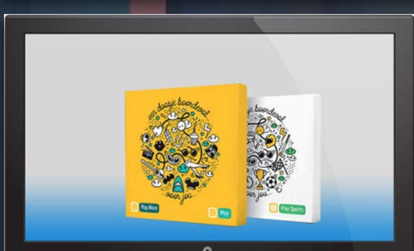
- Gained 156k RGUs and 100k mobile postpaid subs
- Revenue up 3% YoY to $4.6 bn (rebased)
- OCF up 3% YoY to $2.1 bn (rebased)
- Negative FCF of $85 mm due to timing of payments

M&A, PRODUCTS & INNOVATION

- Received shareholder approvals for CWC deal
- Ziggo/Vodafone JV planned closing ~YE '16
- BASE integration started; increased synergy target
- Liberty 3.0 is a "GO"; growth plan in full swing

BALANCE SHEET

- $4.4 bn of total liquidity, including $1.0 bn of cash
- Lowered cost of debt to 4.8%; Gross leverage 5.4x
- Less than 15% of debt due before 2021
- Bought $286 mm of equity; moratorium lifted soon



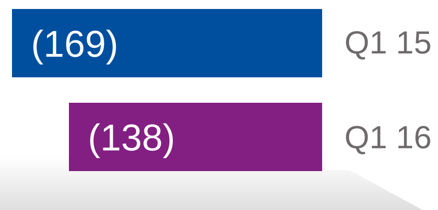
(1) Please see Appendix for definitions and additional information.

Liberty Global plc – Net Adds Improvement[1]

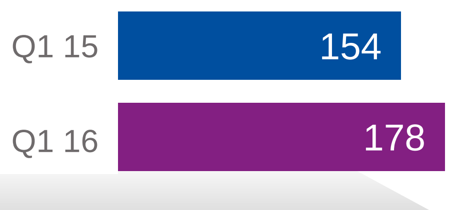
Delivered year-over-year gains across all three fixed products in Q1

PRICE INCREASES LANDED WELL ACROSS MARKETS

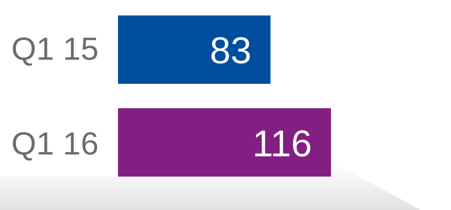
VIDEO



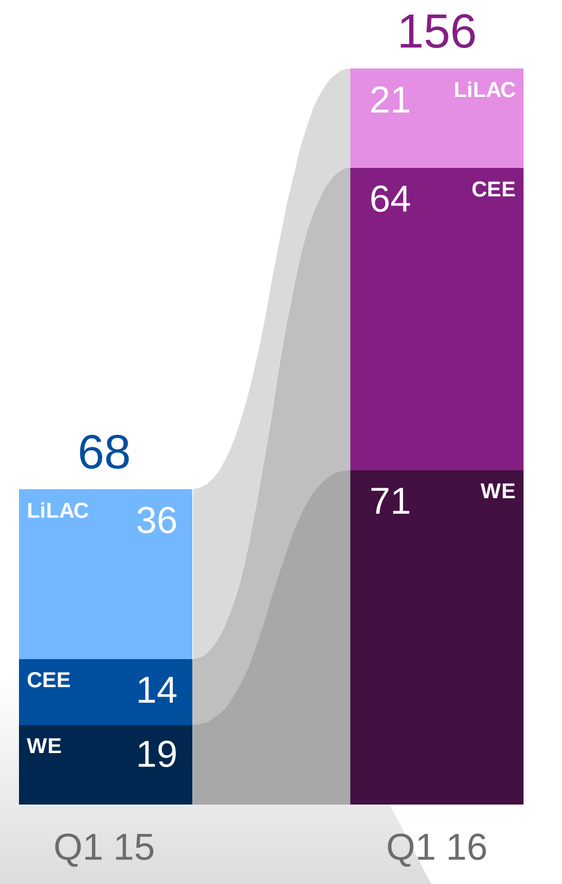
DATA



VOICE

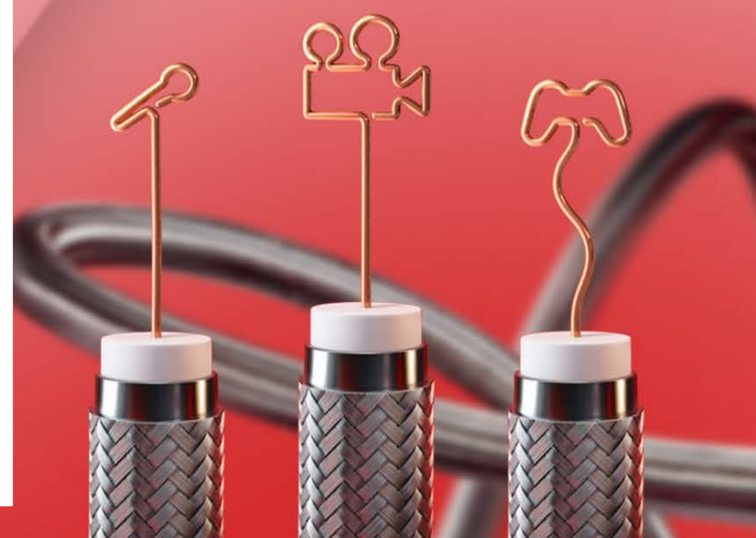


TOTAL NET ADDS



DRIVERS OF Q1 RESULTS

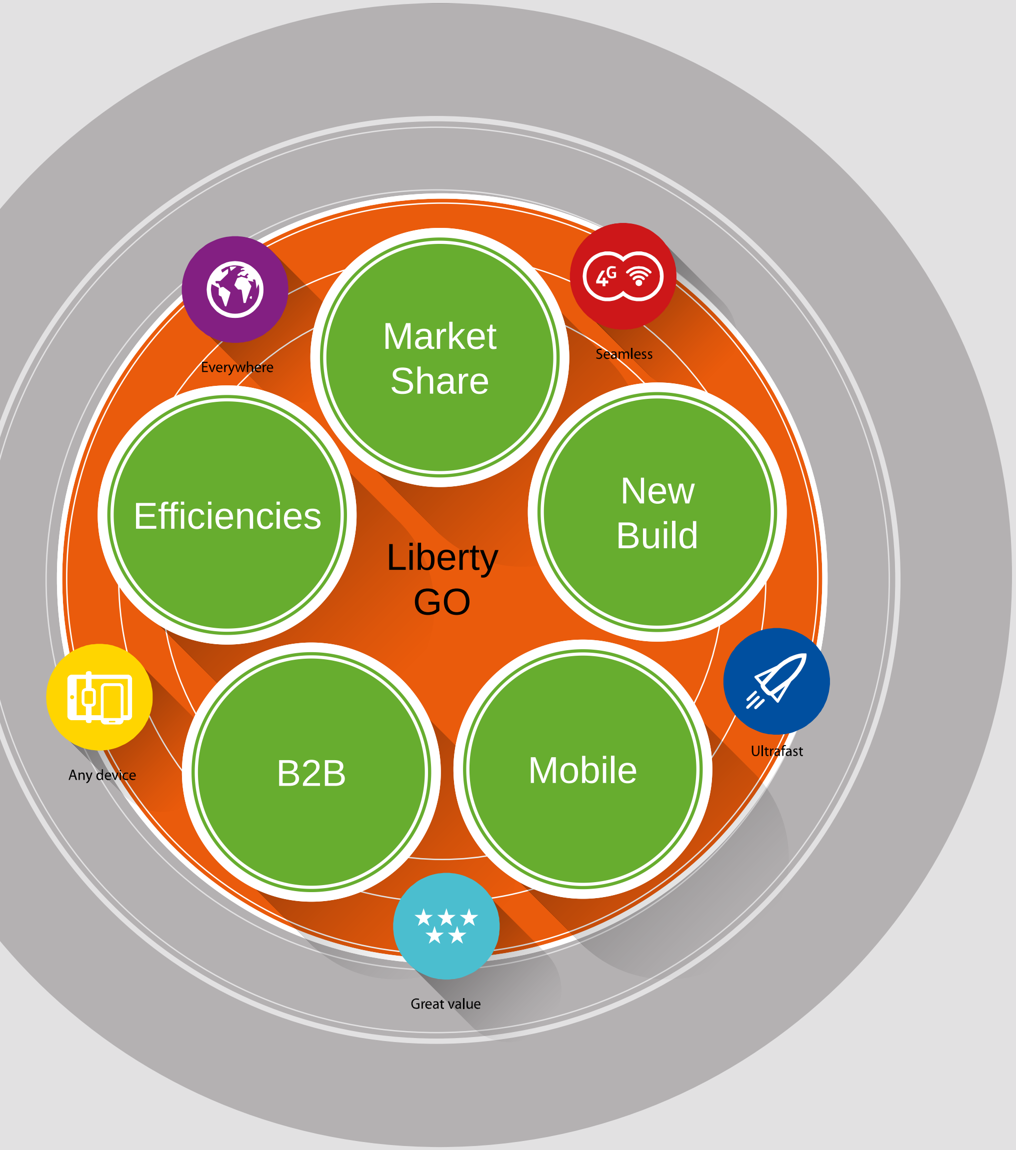
- U.K. delivers best Q1 growth in 6 years
- German RGU additions stable YoY
- Netherlands: RGU attrition of 40k
- Switzerland impacted by price increase
- CEE powered by new build expansion



(1) Please see Appendix for definitions and additional information. Totals may not sum due to rounding.

Liberty 3.0 is a "GO!"

Three-year plan to accelerate our revenue and OCF growth



LIBERTY GO

Full execution mode across the entire organization

Revenue drivers building momentum

Operating model will deliver scale efficiencies and improved rNPS

H1 2016 lays groundwork; benefits expected to pick-up in second half

Continuing to target **7-9% rebased OCF growth** for 2015-2018[(1)]

(1) Please see Appendix for definitions and additional information.

2016 Product Roadmap and New Build Update

Enhanced customer experience & new build to fuel future growth plans

2016 PRODUCT ROADMAP

Horizon Go and **Replay TV** apps expanding usage and reach

Horizon UI enhancements & **EOS** set-top to boost experience & efficiencies

WiFi Connect Box supports **1Gbps** speeds in the home

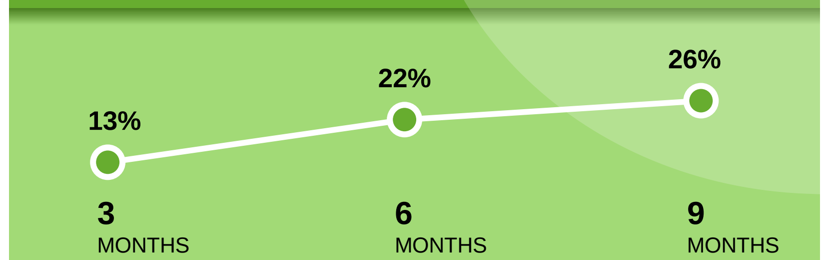
NEW BUILD DELIVERING GROWTH

1.5 mm new homes expected in Europe and Latin America this year

Highly accretive returns support increase in capital spending

Project Lightning in U.K. on track (ARPU, penetrations & build costs)

PROJECT LIGHTNING PENETRATION(1) (OF RELEASED PREMISES)



CUSTOMER ARPU IN-LINE WITH PLAN

(1) Based on 276k, 156k and 103k Project Lightning premises released over the 3, 6 and 9 month period, respectively.

Key Drivers for Future Growth[1]

Leveraging our scale and superior network to drive accretive growth

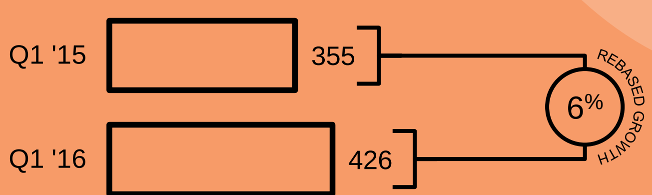
MOBILE DRIVING TOP LINE

100k postpaid mobile adds in Q1; high take-up among our 3P customers

BASE (2.0 mm) and **CWC** (~3.5 mm) to increase mobile base to > 10 mm subs

MVNO contracts improving; launching 4G in Ireland and Austria later this year

Mobile Revenue[2]
USD MM



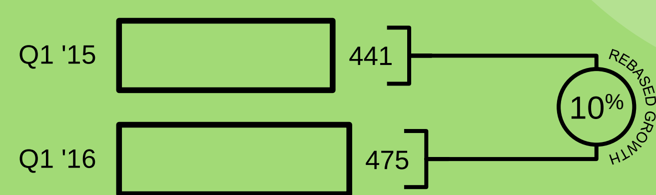
B2B ACCELERATING

10% revenue growth in Q1 2016

Double-digit market share targeted for SOHO and SME in Europe

Product focus: speed, value, simplicity and fixed-mobile convergence

B2B Revenue[3]
USD MM



Virgin media BUSINESS VOOM 2016

(1) Please see Appendix as well.
(2) Includes interconnect and handset revenue.
(3) B2B revenue includes SOHO.

LiLAC – Transformational CWC Transaction

Closing of CWC deal imminent; substantial growth potential across region

TRANSACTION UPDATE

Deal approved by 99% of Liberty Global and CWC shareholders[1]

New regional champion with best B2C and B2B products and platform

Additional synergies expected[2] beyond $125 million and communicated in due course

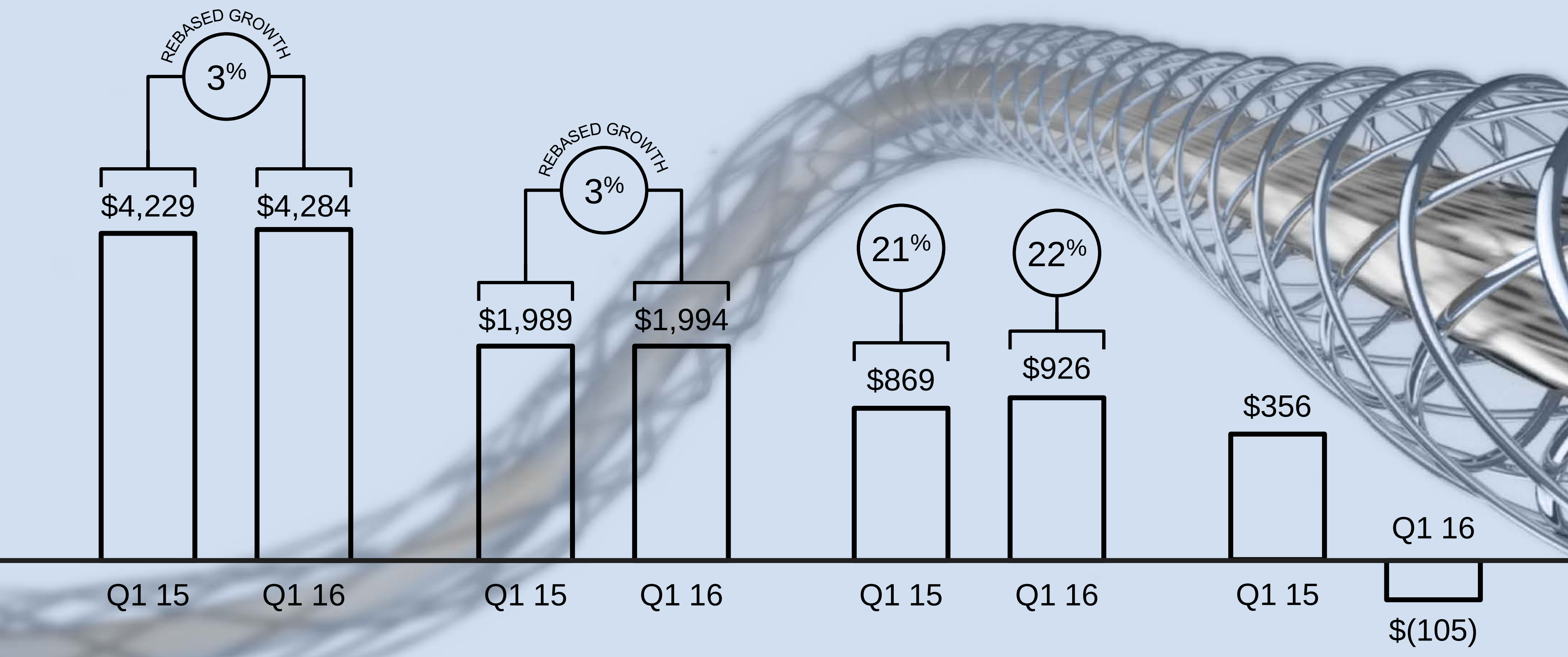
Considering distribution of 67% inter-group interest in LiLAC to Liberty Global Group shareholders

(1) 99% of votes cast for both Liberty Global plc and Cable & Wireless Communications Plc.
(2) Additional synergies expected beyond the $125 million previously reported by Cable & Wireless Communications Plc.


EXECUTIVE SUMMARY
It's the final discount.
VOLLENBAK VOORUIT
Mobile Unlimited 2000
Unlimitiert:
Surfen
Telefonieren
SMS senden
Nur
25.-
statt 40.- / Mt.*
CableVisión HD
ívelo hoy
FINANCIAL RESULTS
APPENDIX
Ziggo
Liberty
TE DA MÁS
200 MEGAS
400
MBIT/S

Liberty Global Group – Q1 2016 Financial Results[1]

Confirming all financial guidance targets for 2016



REVENUE
USD MM

OCF
USD MM

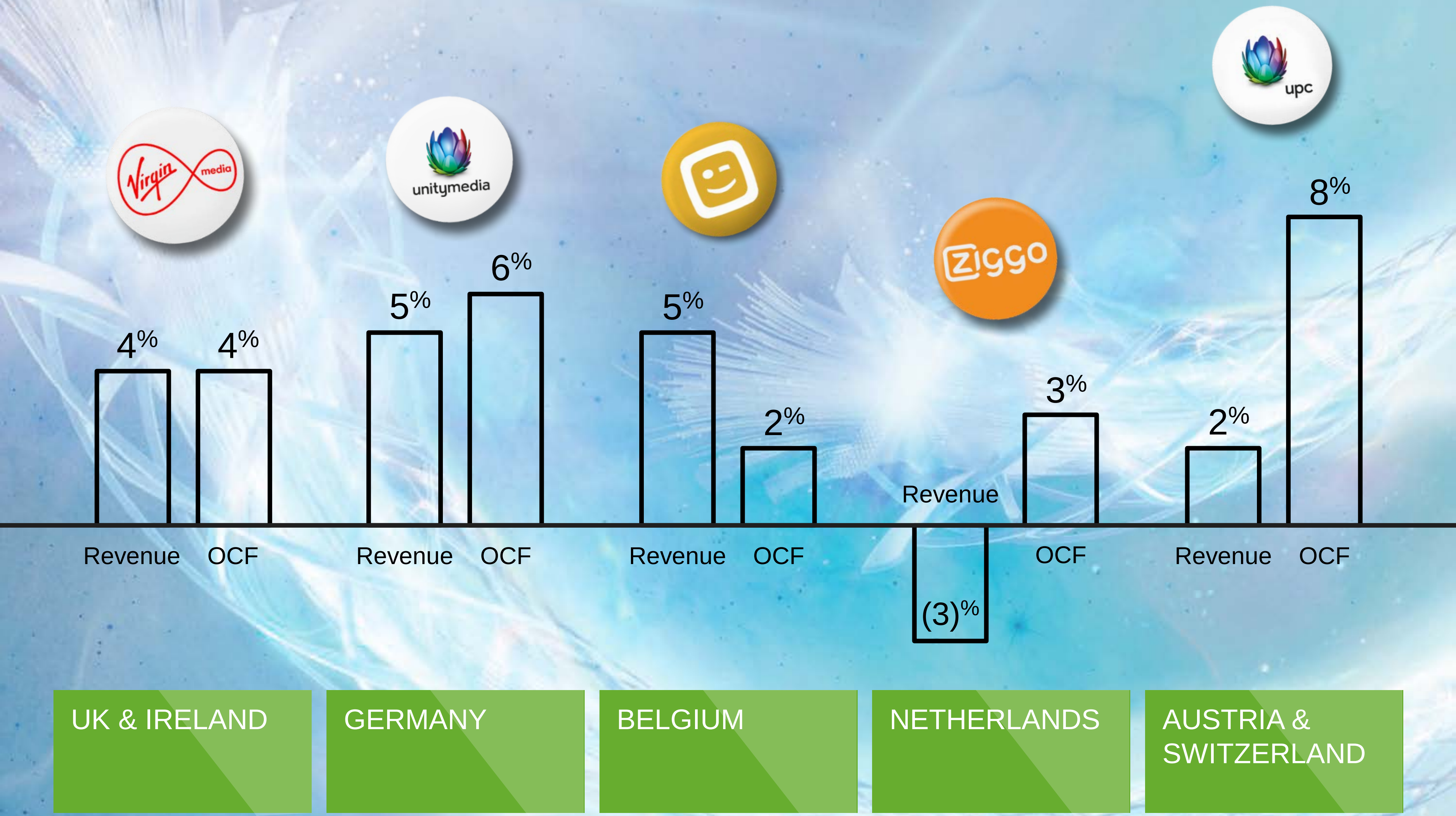
PROPERTY & EQUIPMENT ADD
USD MM, % OF REVENUE

FREE CASH FLOW
USD MM

(1) Amounts are in millions, except % amounts. Revenue and OCF growth is rebased. Property & Equipment Additions % shown as a % of revenue. See Appendix for definitions and additional information.

Q1 2016 Rebased Results – Western Europe (1,2)

Western Europe posted 4% rebased OCF growth



(1) Please see Appendix for definitions and additional information.
(2) Growth rates presented above are on a rebased basis.

Liberty Global Group – Q1 2016 Leverage & Buybacks[1]

Borrowing cost of debt improved to record-low 4.7%; buyback moratorium lifting

ADJUSTED LEVERAGE RATIOS

Gross 5.4x

Net 5.3x

SHARE REPURCHASES

$3.7bn
By Year-End 2017

$0.3bn
Q1 2016

LIQUIDITY
$3.9bn

Borrowing Capacity
$3.2bn

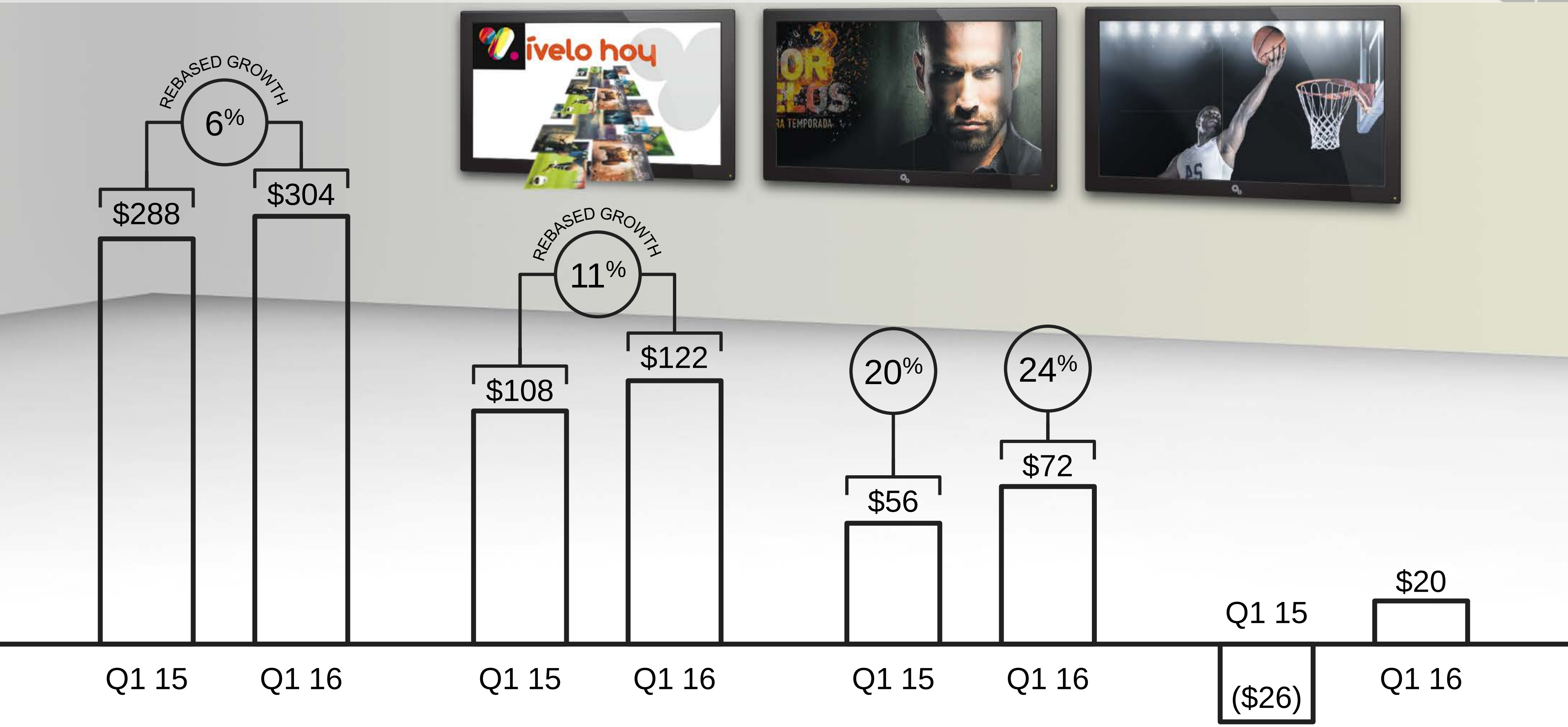
Parent Cash
$0.2bn

Operating Subsidiary Cash
$0.5bn

(1) Please see Appendix for definitions and additional information.

LiLAC Group – Q1 2016 Financial Results[1]

Financial performance underpinned by RGU and ARPU gains



REVENUE
USD MM

OCF
USD MM

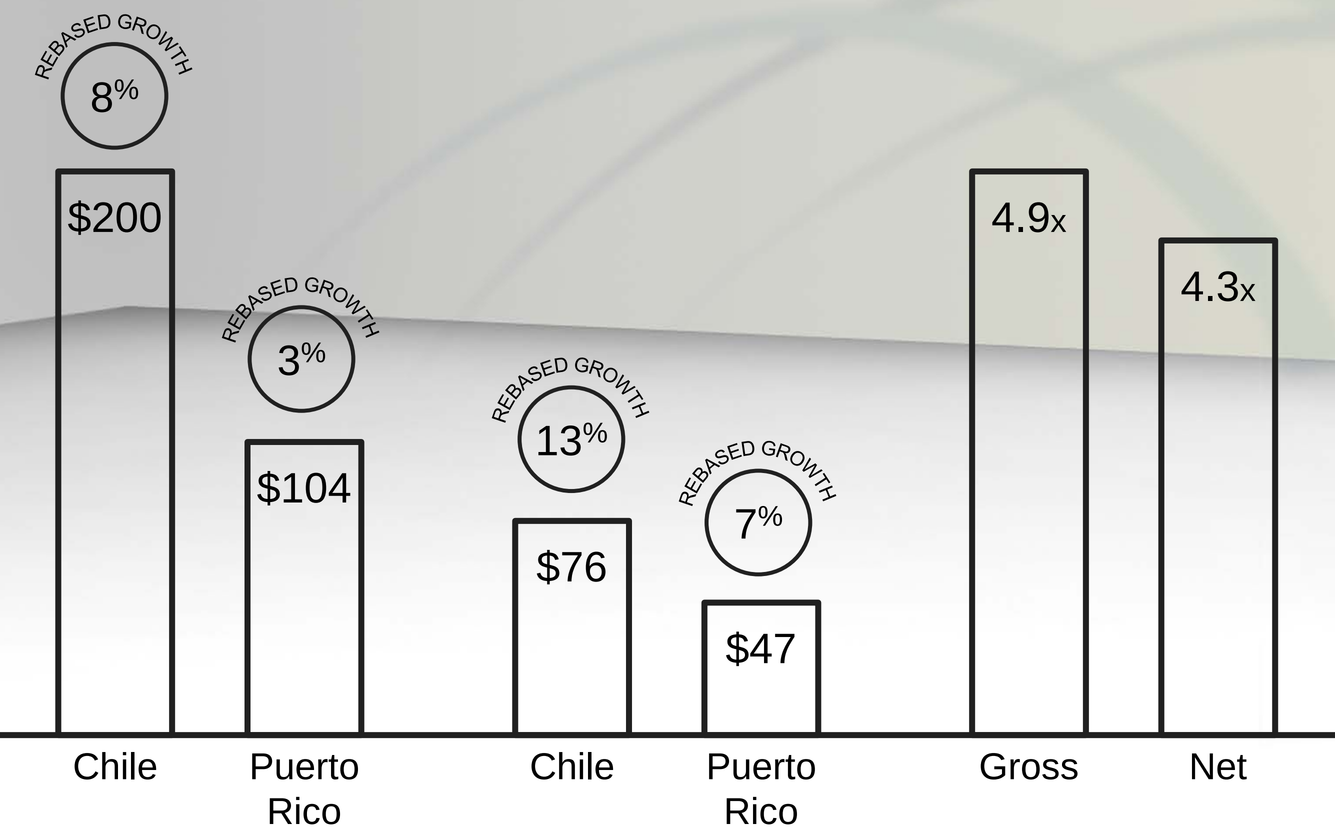
PROPERTY & EQUIPMENT ADD
USD MM, % OF REVENUE

FREE CASH FLOW
USD MM

(1) Amounts are in millions, except % amounts. Revenue and OCF growth is rebased. See Appendix for definitions and additional information.

LiLAC Group – Q1 2016 Results & Leverage[1]

Robust financial results in both Chile and Puerto Rico



REVENUE GROWTH BREAKDOWN
USD MM

OCF GROWTH BREAKDOWN
USD MM

ADJUSTED LEVERAGE RATIOS
USD MM

(1) Please see Appendix for definitions and additional information.

Conclusions

Growth drivers of Liberty GO in place

Expect accelerating RGU adds & financial results

All 2016 guidance targets confirmed for LBTY and LiLAC

P&E Additions set to increase through 2016

Following CWC closing, LiLAC to unlock substantial growth opportunity


EXECUTIVE SUMMARY
It's the final discount.
VOLLENBAK VOORUIT
Mobile Unlimited 2000
Unlimitiert:
Surfen
Telefonieren
SMS senden
Nur
25.-
statt 40.- / Mt.*
CableVisión HD
ívelo hoy
EL MEJOR PACK AHORA CON 63 CANALES HD
$40.990
FINANCIAL RESULTS
APPENDIX
Ziggo
Liberty
TE DA MÁS
DISFRUTA DE HASTA
200 MEGAS
400
MBIT/S

Definitions and Additional Information

GAAP are accounting principles generally accepted in the United States.

Revenue Generating Unit "RGU" is separately a Basic Video Subscriber, Enhanced Video Subscriber, DTH Subscriber, Internet Subscriber or Telephony Subscriber (each as defined and described below). A home, residential multiple dwelling unit, or commercial unit may contain one or more RGUs. For example, if a residential customer in our Austrian market subscribed to our enhanced video service, fixed-line telephony service and broadband internet service, the customer would constitute three RGUs. Total RGUs is the sum of Basic Video, Enhanced Video, DTH, 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. Nonpaying 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 March 31, 2016 RGU counts exclude our separately reported postpaid and prepaid mobile subscribers.

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

Organic RGU additions exclude RGUs of acquired entities at the date of acquisition, but include the impact of changes in RGUs from the date of acquisition. All subscriber/RGU additions or losses refer to net organic changes, unless otherwise noted.

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

OCF margin is calculated by dividing OCF by total revenue for the applicable period.

Subscription Revenue includes amounts received from subscribers for ongoing services, excluding installation fees and late fees.

Liberty 3.0 ("Liberty GO") During 2015, we initiated our Liberty GO program, which is a comprehensive plan to drive top-line growth while maintaining tight cost controls. The Liberty GO program seeks to capitalize on revenue opportunities associated with extensions of our network, mobile and B2B, together with the realization of greater efficiencies by leveraging our scale more effectively. Underpinning this program is a commitment to customer centricity, which we believe is key to succeeding in an ever more demanding consumer market. We expect this transformation to occur over the next several years and, as with any program of this magnitude, the benefits are expected to materialize over time. We believe that the successful implementation of Liberty GO will, beginning in 2017, lead to consolidated organic growth rates for revenue and OCF that are meaningfully higher than our recent consolidated organic growth rates.

2015 to 2018 Rebased OCF Growth Our three-year OCF target of 7% to 9% growth excludes Ziggo, Cable & Wireless and BASE and is intended to be calculated as a compound annual growth rate in 2018 with 2015 as the base year, after adjusting for acquisitions, dispositions, FX and other factors that may affect the comparability of 2018 and 2015 results.

2016 FCF Guidance Our FCF guidance for 2016, which includes the Netherlands, but excludes BASE and Cable & Wireless, is based on FX rates as of February 10, 2016.

Definitions and Additional Information

Total B2B includes subscription (SOHO) and non-subscription revenue. Non-subscription revenue includes the amortization of deferred upfront installation fees and deferred non-recurring fees received on B2B contracts where we maintain ownership of the installed equipment. Most of this deferred revenue relates to Virgin Media's B2B contracts, and in connection with the application of the Virgin Media acquisition accounting, we eliminated all of Virgin Media's B2B deferred revenue as of the June 7, 2013 acquisition date. Due primarily to this acquisition accounting, the amortization of Virgin Media's deferred revenue is accounting for $4.4 million of the increase in Liberty Global Group's total B2B revenue for the three months ended March 31, 2016.

Split-contract program In the U.K. and Belgium, we now offer our customers the option to purchase a mobile handset pursuant to a contract that is independent of a mobile airtime services contract ("split-contract programs"). Revenue associated with handsets sold under our split-contract programs is recognized upfront and included in other non-subscription revenue. We generally recognize the full sales price for the mobile handset upon delivery, regardless of whether the sales price is received upfront or in installments. Revenue associated with the airtime services is recognized as mobile subscription revenue over the contractual term of the airtime services contract. Prior to our split-contract programs, all revenue from handset sales that was contingent upon delivering future airtime services was recognized over the life of the customer contract as part of the monthly fee and included in mobile subscription revenue.

Rebased Mobile Revenue Growth Liberty Global Group's 5.4% rebased mobile revenue growth for Q1 2016 includes the positive impact of our split-contract and non-subsidized handset sales programs in the U.K. and Belgium. Our split-contract and non-subsidized handset sales programs in the U.K. and Belgium had a net positive effect on our mobile subscription and handset revenue of $12.1 million in Q1 2016. The net positive effect of the split-contract and non-subsidized handset sales programs is comprised of (i) an increase in handset revenue of $36.0 million and (ii) a decrease in mobile subscription revenue of $23.9 million during Q1 2016.

Definitions and Additional Information

Basic Video Subscriber is a home, residential multiple dwelling unit or commercial unit that receives our video service over our broadband network either via an analog video signal or via a digital video signal without subscribing to any recurring monthly service that requires the use of encryption-enabling technology. Encryption-enabling technology includes smart cards, or other integrated or virtual technologies that we use to provide our enhanced service offerings. With the exception of RGUs that we count on an EBU basis, we count RGUs on a unique premises basis. In other words, a subscriber with multiple outlets in one premises is counted as one RGU and a subscriber with two homes and a subscription to our video service at each home is counted as two RGUs. In Europe, we have approximately 143,400 "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.

Enhanced Video Subscriber is a home, residential multiple dwelling unit or commercial unit that receives our video service over our broadband network or through a partner network via a digital video signal while subscribing to any recurring monthly service that requires the use of encryption-enabling technology. Enhanced Video Subscribers that are not counted on an EBU basis are counted on a unique premises basis. For example, a subscriber with one or more set-top boxes that receives our video service in one premises is generally counted as just one subscriber. An Enhanced Video Subscriber is not counted as a Basic Video Subscriber. As we migrate customers from basic to enhanced video services, we report a decrease in our Basic Video Subscribers equal to the increase in our Enhanced Video Subscribers. Subscribers to enhanced video services provided by our operations in Switzerland and the Netherlands over partner networks receive basic video services from the partner networks as opposed to our operations.

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

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 exclude 51,100 digital subscriber line ("DSL") subscribers within Austria that are not serviced over our networks. Our Internet Subscribers do not include customers that receive services from dial-up connections. In Switzerland, we offer a 2 Mbps internet service to our Basic and Enhanced Video Subscribers without an incremental recurring fee. Our Internet Subscribers in Switzerland include 100,400 subscribers who have requested and received this service.

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 exclude 39,500 subscribers within Austria that are not serviced over our networks. In Switzerland, we offer a basic phone service to our Basic and Enhanced Video Subscribers without an incremental recurring fee. Our Telephony Subscribers in Switzerland include 61,200 subscribers who have requested and received this service.

Mobile Subscriber represents the number of active subscriber identification module ("SIM") cards in service rather than services provided. For example, if a mobile subscriber has both a data and voice plan on a smartphone this would equate to one mobile subscriber. Alternatively, a subscriber who has a voice and data plan for a mobile handset and a data plan for a laptop (via a dongle) would be counted as two mobile subscribers. Customers who do not pay a recurring monthly fee are excluded from our mobile telephony subscriber counts after periods of inactivity ranging from 30 to 90 days, based on industry standards within the respective country.

Next-Generation TV Subscribers in this presentation consists of Horizon TV, TiVo (in the U.K.), Digital TV with Horizon-like user interface (in Belgium) as well as Horizon Light set-top boxes.

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 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. Due to the fact that we do not own the partner networks used in Switzerland and the Netherlands we do not report homes passed for Switzerland's and the Netherlands' partner networks.

Definitions and Additional Information

Information on Rebased Growth For purposes of calculating rebased growth rates on a comparable basis for all businesses that we owned during 2016, we have adjusted our historical revenue and OCF for the three months ended March 31, 2015 to (i) include the pre-acquisition revenue and OCF of certain entities acquired during 2015 and 2016 in our rebased amounts for the three months ended March 31, 2015 to the same extent that the revenue and OCF of such entities are included in our results for the three months ended March 31, 2016, (ii) exclude the pre-disposition revenue and OCF of "offnet" subscribers in the U.K. that were disposed in the fourth quarter of 2014 and the first half of 2015 from our rebased amounts for the three months ended March 31, 2015 to the same extent that the revenue and OCF of these disposed subscribers is excluded from our results for the three months ended March 31, 2016, (iii) exclude the revenue and OCF related to a partner network agreement that was terminated shortly after the Ziggo acquisition from our rebased amounts for the three months ended March 31, 2015 to the same extent that the revenue and OCF from this partner network is excluded from our results for the three months ended March 31, 2016, (iv) exclude the pre-disposition revenue, OCF and associated intercompany eliminations of Film1, which was disposed in the third quarter of 2015, from our rebased amounts for the three months ended March 31, 2015 to the same extent that the revenue, OCF and associated intercompany eliminations are excluded from our results for the three months ended March 31, 2016, (v) exclude the revenue and OCF of multi-channel multi-point (microwave) distribution system subscribers in Ireland that have disconnected since we announced the switch-off of this service effective April 2016 for the three months ended March 31, 2015 to the same extent that the revenue and OCF of these subscribers is excluded from our results for the three months ended March 31, 2016 and (vi) reflect the translation of our rebased amounts for the three months ended March 31, 2015 at the applicable average foreign currency exchange rates that were used to translate our results for the three months ended March 31, 2016. We have included BASE, Choice and two small entities in whole or in part in the determination of our rebased revenue and OCF for the three months ended March 31, 2015. We have reflected the revenue and OCF of the acquired entities in our 2015 rebased amounts based on what we believe to be the most reliable information that is currently available to us (generally pre-acquisition financial statements), as adjusted for the estimated effects of (a) any significant differences between Generally Accepted Accounting Principles in the United States ("GAAP") and local generally accepted accounting principles, (b) any significant effects of acquisition accounting adjustments, (c) any significant differences between our accounting policies and those of the acquired entities and (d) other items we deem appropriate. We do not adjust pre-acquisition periods to eliminate non-recurring items or to give retroactive effect to any changes in estimates that might be implemented during post-acquisition periods. As we did not own or operate the acquired businesses during the pre-acquisition periods, no assurance can be given that we have identified all adjustments necessary to present the revenue and OCF of these entities on a basis that is comparable to the corresponding post-acquisition amounts that are included in our historical results or that the pre-acquisition financial statements we have relied upon do not contain undetected errors. The adjustments reflected in our rebased amounts have not been prepared with a view towards complying with Article 11 of Regulation S-X. In addition, the rebased growth percentages are not necessarily indicative of the revenue and OCF that would have occurred if these transactions had occurred on the dates assumed for purposes of calculating our rebased amounts or the revenue and OCF that will occur in the future. The rebased growth percentages have been presented as a basis for assessing growth rates on a comparable basis, and are not presented as a measure of our pro forma financial performance. Therefore, we believe our rebased data is not a non-GAAP financial measure as contemplated by Regulation G or Item 10 of Regulation S-K.

Profit Forecast We are currently in an offer period (as defined in the City Code on Takeovers and Mergers (the "Code")) with respect to Cable & Wireless Communications Plc. Statements we make regarding (1) our full-year guidance of 5% to 7% rebased OCF growth, for Liberty Global Group, excluding the Netherlands and BASE, and (2) our full-year guidance of 5% to 7% rebased OCF growth for LiLAC Group, excluding Cable & Wireless, constitute "profit forecasts" for the purposes of the Code (the "Liberty Global Profit Forecast"). For additional information regarding the Liberty Global Profit Forecast and the required statement by our Directors that such profit forecast remains valid and has been properly compiled, please see Liberty Global's First Quarter 2016 Results Release, dated May 9, 2016.

Operating Cash Flow Definition and Reconciliation

As used herein, OCF has the same meaning as the term "Adjusted OIBDA" that is referenced in our 10-Q. OCF is the primary measure used by our chief operating decision maker to evaluate segment operating performance. OCF 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, OCF is defined as operating income before depreciation and amortization, share-based compensation, provisions and provision releases related to significant litigation and impairment, restructuring and other operating items. Other operating items include (a) gains and losses on the disposition of long-lived assets, (b) third-party costs directly associated with successful and unsuccessful acquisitions and dispositions, including legal, advisory and due diligence fees, as applicable, and (c) other acquisition-related items, such as gains and losses on the settlement of contingent consideration. Our internal decision makers believe OCF 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 (1) readily view operating trends, (2) perform analytical comparisons and benchmarking between segments and (3) identify strategies to improve operating performance in the different countries in which we operate. We believe our OCF measure is useful to investors because it is one of the bases for comparing our performance with the performance of other companies in the same or similar industries, although our measure may not be directly comparable to similar measures used by other public companies. OCF should be viewed as a measure of operating performance that is a supplement to, and not a substitute for, operating income, net earnings or loss, cash flow from operating activities and other GAAP measures of income or cash flows. A reconciliation of total segment operating cash flow to our operating income is presented below.

	Three months ended March 31,	
	2016	2015
	in millions	
Total segment operating cash flow	$ 2,115.5	$ 2,097.3
Share-based compensation expense	(69.0)	(71.4)
Depreciation and amortization	(1,435.5)	(1,451.4)
Impairment, restructuring and other operating items, net	(24.4)	(17.0)
Operating income	$ 586.6	$ 557.5

Free Cash Flow and Free Cash Flow Definitions and Reconciliations(*)

We define free cash flow as net cash provided by our operating activities, plus (i) excess tax benefits related to the exercise of share-based incentive awards, (ii) cash payments for third-party costs directly associated with successful and unsuccessful acquisitions and dispositions and (iii) expenses financed by an intermediary, less (a) capital expenditures, as reported in our condensed consolidated statements of cash flows, (b) principal payments on amounts financed by vendors and intermediaries and (c) principal payments on 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 condensed consolidated statements of cash flows. The following table provides the reconciliation of our net cash provided by operating activities to FCF for the indicated periods:

	Three months ended March 31,	
	2016	2015
	in millions	
Consolidated Liberty Global		
Net cash provided by operating activities	$ 1,088.9	$ 1,373.9
Excess tax benefits from share-based compensation[6]	1.8	20.0
Cash payments for direct acquisition and disposition costs	8.2	7.6
Expenses financed by an intermediary[7]	153.5	9.1
Capital expenditures	(637.1)	(661.2)
Principal payments on amounts financed by vendors and intermediaries	(672.9)	(381.7)
Principal payments on certain capital leases	(27.4)	(37.7)
FCF	$ (85.0)	$ 330.0
Liberty Global Group		
Net cash provided by operating activities	$ 1,019.0	$ 1,353.9
Excess tax benefits from share-based compensation	1.8	16.8
Cash payments for direct acquisition and disposition costs	8.1	6.6
Expenses financed by an intermediary	153.5	9.1
Capital expenditures	(587.1)	(611.4)
Principal payments on amounts financed by vendors and intermediaries	(672.9)	(381.7)
Principal payments on certain capital leases	(27.3)	(37.6)
FCF	$ (104.9)	$ 355.7
LiLAC Group		
Net cash provided by operating activities	$ 69.9	$ 20.0
Excess tax benefits from share-based compensation	—	3.2
Cash payments for direct acquisition and disposition costs	0.1	1.0
Capital expenditures	(50.0)	(49.8)
Principal payments on certain capital leases	(0.1)	(0.1)
FCF	$ 19.9	$ (25.7)

(*) Please see next slide for accompanying footnotes.

Definitions and Additional Information

Free Cash Flow

6. Excess tax benefits from share-based compensation represent the excess of tax deductions over the related financial reporting share-based compensation expense. The hypothetical cash flows associated with these excess tax benefits are reported as an increase to cash flows from financing activities and a corresponding decrease to cash flows from operating activities in our condensed consolidated statements of cash flows.

7. For purposes of our condensed consolidated statements of cash flows, expenses financed by an intermediary, are treated as hypothetical operating cash outflows and hypothetical financing cash inflows when the expenses are incurred. When we pay the financing intermediary, we record financing cash outflows in our condensed consolidated statements of cash flows. For purposes of our free cash flow definition, we add back the hypothetical operating cash outflow when these financed expenses are incurred and deduct the financing cash outflows when we pay the financing intermediary.

Property & Equipment Additions and Capex

Our property and equipment additions include our capital expenditures on an accrual basis and amounts financed under vendor financing or capital lease arrangements.

Capital expenditures refer to capital expenditures on a cash basis, as reported in our condensed consolidated statements of cash flows.

The capital expenditures that we report in our condensed consolidated statements of cash flows do not include amounts that are financed under vendor financing or capital lease arrangements. Instead, these expenditures are reflected as non-cash additions to our property and equipment when the underlying assets are delivered, and as repayments of debt when the related principal is repaid.

Leverage and Liquidity

Our gross and net debt ratios are defined as total debt and net debt to annualized OCF of the latest quarter. Net debt is defined as total debt less cash and cash equivalents. For purposes of these calculations, debt is measured using swapped foreign currency rates, consistent with the covenant calculation requirements of our subsidiary debt agreements, and, in the case of the Liberty Global Group, excludes the loans backed by the shares we hold in Sumitomo Corp., ITV plc and Lions Gate Entertainment Corp. For Liberty Global plc and Liberty Global Group, our ratios are adjusted to reflect the Q1 2016 pre-acquisition OCF of BASE company.

Liquidity refers to cash and cash equivalents plus the maximum undrawn commitments under subsidiary borrowing facilities, without regard to covenant compliance calculations.

Definitions and Additional Information

LiLAC Transaction

On July 1, 2015, Liberty Global completed the "LiLAC Transaction" pursuant to which each holder of Liberty Global's then-outstanding ordinary shares remained a holder of the same amount and class of new Liberty Global ordinary shares and received one share of the corresponding class of LiLAC ordinary shares for each 20 then-outstanding Liberty Global ordinary shares held as of the record date for such distribution, with cash issued in lieu of fractional LiLAC ordinary shares. The Liberty Global ordinary shares following the LiLAC Transaction and the LiLAC ordinary shares are tracking shares. Tracking shares are intended by the issuing company to reflect or "track" the economic performance of a particular business or "group," rather than the economic performance of the company as a whole. The Liberty Global ordinary shares and the LiLAC ordinary shares are intended to reflect or "track" the economic performance of the Liberty Global Group and the LiLAC Group (each as defined and described below), respectively. For more information regarding the tracking shares, see note 1 to our condensed consolidated financial statements included in our quarterly report on Form 10-Q filed on May 9, 2016 (the "10-Q").

"Liberty Global Group" does not represent a separate legal entity, rather it represents those businesses, assets and liabilities that have been attributed to that group. The Liberty Global Group comprises our businesses, assets and liabilities not attributed to the LiLAC Group, including Virgin Media, Unitymedia, UPC Holding BV, Telenet and Ziggo Group Holding.

"LiLAC Group" does not represent a separate legal entity, rather it represents those businesses, assets and liabilities that have been attributed to that group. The LiLAC Group comprises our operations in Latin America and the Caribbean and has attributed to it VTR and Liberty Puerto Rico.