

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, 2013
- 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 001-35961



LIBERTY GLOBAL
Liberty Global plc

(Exact name of Registrant as specified in its charter)

England and Wales
(State or other jurisdiction of incorporation or organization)

38 Hans Crescent, London, England
(Address of principal executive offices)

98-1112770
(I.R.S. Employer Identification No.)

SW1X 0LZ
(Zip Code)

Registrant's telephone number, including area code: +44.20.7190.6449 or 303.220.6600

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

Title of Each Class	Name of Each Exchange on Which Registered
Class A Ordinary Share, par value \$0.01 per share	NASDAQ Global Select Market
Class B Ordinary Shares, par value \$0.01 per share	NASDAQ Global Select Market
Class C Ordinary Shares, 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: \$27.3 billion.

The number of outstanding ordinary shares of Liberty Global plc as of February 7, 2014 was: 222,111,115 Class A ordinary shares; 10,147,184 Class B ordinary shares; and 161,089,629 Class C ordinary shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement for the Registrant's 2014 Annual General Meeting of Shareholders are incorporated by reference in Part III of this Form 10-K.

LIBERTY GLOBAL PLC
2013 ANNUAL REPORT ON FORM 10-K
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PART I

Item 1. BUSINESS

General Development of Business

Liberty Global plc (Liberty Global) is an international provider of video, broadband internet, fixed-line telephony and mobile services, with consolidated operations at December 31, 2013, serving 24.5 million customers across 14 countries. Through Virgin Media Inc. (Virgin Media) and Unitymedia KabelBW GmbH (Unitymedia KabelBW), each a wholly-owned subsidiary, and Telenet Group Holding NV (Telenet), a 57.4%-owned subsidiary, we provide video, broadband internet, fixed-line telephony and mobile services in the United Kingdom (U.K.), Germany and Belgium, respectively. Through UPC Holding BV (UPC Holding), also a wholly-owned subsidiary, we provide video, broadband internet and fixed-line telephony services in nine European countries and mobile services in three European countries. The operations of Virgin Media, Unitymedia KabelBW, Telenet and the broadband communications and direct-to-home satellite (DTH) operations of UPC Holding are collectively referred to herein as the “European Operations Division”. Our broadband communications operations in Chile are provided through our 80%-owned subsidiary, VTR GlobalCom SpA (VTR GlobalCom), formerly known as VTR GlobalCom S.A. Through our 80%-owned subsidiary, VTR Wireless SpA (VTR Wireless), formerly known as VTR Wireless S.A., we also offer mobile services in Chile. Our operations also include (1) consolidated broadband communications operations in Puerto Rico that we conduct through a 60%-owned subsidiary, Liberty Cablevision of Puerto Rico (Liberty Puerto Rico), and (2) investments in various other businesses, primarily in Europe. At December 31, 2013, we owned programming interests in Europe and Latin America that were held through Chellomedia BV (Chellomedia). Certain of Chellomedia’s subsidiaries and affiliates provided programming services to certain of our broadband communications operations, primarily in Europe. On January 31, 2014, we completed the sale of substantially all of Chellomedia’s assets.

As further described below, as a result of a series of mergers that were completed on June 7, 2013, Liberty Global became the publicly-held parent company of the successors by merger of Liberty Global, Inc. (LGI) (the predecessor to Liberty Global) and Virgin Media. In the following text, the terms “we,” “our,” “our company,” and “us” may refer, as the context requires, to Liberty Global (or its predecessor) or collectively to Liberty Global (or its predecessor) and its subsidiaries.

Unless otherwise indicated, convenience translations into United States (U.S.) dollars are calculated as of December 31, 2013, and operational data, including subscriber statistics and ownership percentages, are as of December 31, 2013.

Recent Developments

Virgin Media Acquisition

On June 7, 2013, pursuant to an Agreement and Plan of Merger (the Virgin Media Merger Agreement) with Virgin Media and following receipt of regulatory and shareholder approvals, we acquired Virgin Media in a stock and cash merger (the Virgin Media Acquisition).

Pursuant to the Virgin Media Merger Agreement:

- each share of common stock of Virgin Media was converted into the right to receive (a) 0.2582 Class A ordinary shares of Liberty Global, (b) 0.1928 Class C ordinary shares of Liberty Global and (c) \$17.50 in cash; and
- each share of Series A common stock of LGI was converted into the right to receive one Class A ordinary share of Liberty Global, each share of Series B common stock of LGI was converted into the right to receive one Class B ordinary share of Liberty Global, and each share of Series C common stock of LGI was converted into the right to receive one Class C ordinary share of Liberty Global.

In connection with the completion of the Virgin Media Acquisition, we issued 70,233,842 Class A and 52,444,170 Class C ordinary shares to holders of Virgin Media common stock and 141,234,331 Class A, 10,176,295 Class B and 105,572,797 Class C ordinary shares to holders of LGI Series A, Series B and Series C common stock, respectively.

For additional information on the Virgin Media Acquisition, including related financings, see notes 3, 6, and 9 to our consolidated financial statements included in Part II of this Annual Report.

Ziggo Acquisitions

During 2013, we acquired an aggregate of 57,000,738 shares of Ziggo N.V. (Ziggo), a publicly-traded company in the Netherlands, at an average price of €26.40 (\$36.40) per share, for a total investment of €1,505.0 million (\$2,075.3 million). Ziggo

is the largest cable operator in the Netherlands in terms of customers. As a result of these investments, we effectively owned 28.5% of the outstanding shares of Ziggo at December 31, 2013. In April 2013, we entered into a limited recourse margin loan agreement with respect to a portion of our investment in Ziggo, and in July 2013, we entered into a share collar and secured borrowing arrangement with respect to a portion of our owned Ziggo shares. All but 4,743,738 of the Ziggo shares that we owned at December 31, 2013 were pledged as collateral under one of these two arrangements.

On January 27, 2014, we reached an agreement on an offer to acquire all of the shares of Ziggo that we do not already own (the Ziggo Offer) in a stock and cash transaction. The supervisory and management boards of Ziggo have recommended that the shareholders of Ziggo accept the Ziggo Offer. Under the terms of the Ziggo Offer, Ziggo shareholders will receive (1) 0.2282 Class A ordinary shares of Liberty Global, (2) 0.1674 Class C ordinary shares of Liberty Global (or 0.5630 Class C ordinary shares of Liberty Global after the completion of the 2014 Share Dividend, as defined and described in note 19 to our consolidated financial statements included in Part II of this Annual Report), and (3) €11.00 (\$15.17) in cash for each Ziggo share that they own. The completion of the Ziggo Offer is subject to customary closing conditions, including a minimum tender condition and receipt of competition clearances.

For additional information on the above Ziggo transactions, including related financings, see notes 5, 6, 9 and 19 to our consolidated financial statements included in Part II of this Annual Report.

In addition, during 2013, we completed various other smaller acquisitions in the normal course of business.

Financings

- *VTR Financing Transactions.* On January 24, 2014, we completed a reorganization of our credit pools. VTR GlobalCom and VTR Wireless were placed in a separate credit pool with their parent and one of our wholly-owned subsidiaries, VTR Finance B.V. (VTR Finance). In connection with the reorganization, VTR Finance and certain of its subsidiaries (including VTR GlobalCom) were extracted from the UPC Holding credit pool and VTR Finance and certain of its subsidiaries entered into the financing transactions described below. In connection with these transactions, we disclosed that we are exploring opportunities with respect to our Latin American operations (which include VTR GlobalCom, VTR Wireless and Liberty Puerto Rico), including a possible spin-off of those operations to our shareholders. Our evaluation of such opportunities is at a preliminary stage, and any alternative pursued would be subject to approval by our board of directors. We are unable to predict the timing or terms of any spin-off or other transaction that might be pursued, or whether such a transaction will eventually occur. On January 24, 2014, VTR Finance issued \$1.4 billion principal amount of 6.875% senior secured notes due January 15, 2024 (the VTR Senior Secured Notes). The net proceeds from the issuance of the VTR Senior Secured Notes were used, together with existing cash of our subsidiaries, to repay all of the outstanding indebtedness under Facilities R, S and AE of the senior secured credit facility of UPC Broadband Holding BV, a wholly-owned subsidiary of UPC Holding, in connection with the extraction of VTR Finance and its subsidiaries from the UPC Holding credit pool.
- *Virgin Media Credit Facility.* In connection with the execution of the Virgin Media Merger Agreement, we entered into various debt financing arrangements. On June 7, 2013, Virgin Media Investment Holdings Limited, a subsidiary of Virgin Media, together with other subsidiaries of Virgin Media as borrowers and guarantors, entered into a new senior secured credit facility agreement. Under the agreement, the lenders agreed to provide the borrowers with (1) a £375.0 million (\$621.3 million) term loan, (2) a \$2,755.0 million term loan, (3) a £600.0 million (\$994.0 million) term loan and (4) a £660.0 million (\$1,093.4 million) revolving credit facility. With the exception of the revolving credit facility, all available amounts were borrowed in June 2013.
- *Virgin Media Notes.* In February 2013, also in connection with the execution of the Virgin Media Merger Agreement, certain of our subsidiaries issued \$1.0 billion principal amount of 5.375% senior secured notes and £1.1 billion (\$1.8 billion) principal amount of 6.0% senior secured notes; and \$530.0 million principal amount of 6.375% senior notes and £250.0 million (\$414.2 million) principal amount of 7.0% senior notes. The net proceeds (after deducting certain transaction expenses) of these notes were placed into escrow pending the closing of the Virgin Media Acquisition at which time they were released.
- *Virgin Media Convertible Notes.* Prior to the Virgin Media Acquisition, Virgin Media issued \$1.0 billion principal amount of 6.50% convertible senior notes (the VM Convertible Notes) pursuant to an indenture, as supplemented. The VM Convertible Notes mature on November 15, 2016, unless the VM Convertible Notes are exchanged or repurchased prior thereto pursuant to the terms the indenture. As of December 31, 2013, an aggregate of \$944.2 million principal amount of VM Convertible Notes had been exchanged following the Virgin Media Acquisition for 13.1 million Class A and 9.8

million Class C ordinary shares and \$885.1 million of cash. After giving effect to all exchanges completed, the remaining principal amount outstanding under the VM Convertible Notes was \$54.8 million as of December 31, 2013.

For a further description of the terms of the above financings, including call provisions, and certain other transactions affecting our consolidated debt in 2013, see notes 9 and 19 to our consolidated financial statements included in Part II of this Annual Report.

Equity Transactions

- *Share Repurchases.* Pursuant to our various share repurchase programs, during 2013 we repurchased a total of 6,550,197 shares of Liberty Global Class A ordinary shares or LGI Series A common stock at a weighted average price of \$73.82 per share and 9,105,600 shares of Liberty Global Class C ordinary shares or LGI Series C common stock at a weighted average price of \$73.41 per share, for an aggregate cash purchase price of \$1,151.9 million, including direct acquisition costs and the effects of derivative instruments. On June 11, 2013, our board of directors authorized a new program of up to \$3.5 billion (before direct acquisition costs) for the repurchase of Liberty Global Class A and/or Class C ordinary shares, 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, 2013, the remaining amount authorized for share repurchases was \$2,522.1 million. In conjunction with our share repurchase program, we entered into a number of call option contracts during 2013. Subsequent to December 31, 2013, our board of directors increased the amount authorized under our current repurchase program by \$1.0 billion. We currently intend to complete this repurchase program by the end of 2015.

For a further description of our share 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 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* and Item 7A. *Quantitative and Qualitative Disclosures About Market Risk* may 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 2014, the amount of our anticipated non-functional currency transactions in 2014, 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 property and equipment additions, 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 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 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, fixed-line telephony, mobile and business 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, fixed-line 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;
- our ability to maintain our revenue from channel carriage arrangements, particularly in Germany;
- 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;
- 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 present and any future conditions imposed in connection with the acquisition of Kabel BW GmbH (KBW) on our operations in Germany;
- 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 the Virgin Media Acquisition and the recently announced Ziggo Offer;
- 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 and the costs associated with such programming, including retransmission and copyright fees payable to public and private broadcasters;
- 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;
- leakage of sensitive customer data;
- 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 fixed-line telephony, and in certain of our operations we offer mobile services. We design these services to enable our customers to access the digital world on their own terms and at their own pace. In most of our footprint, the core of our offer to customers is “triple-play”, which we use to describe bundled services of digital video, internet and fixed-line telephony in one subscription. We are enhancing this offer with the development of “quadruple-play” by expanding our services to include mobile. Available service offerings depend on the bandwidth capacity of a particular system and whether it has been upgraded for two-way communications. In select markets, we also offer video services through DTH or through multichannel multipoint (microwave) distribution systems (MMDS). Our consumer brands include Virgin Media, UPC, Unitymedia, Kabel BW, Telenet, VTR GlobalCom and in Puerto Rico, Liberty. 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, Switzerland and the U.K. and the second largest cable network in each of Germany, the Netherlands and Romania.

The following table presents certain operating data as of December 31, 2013, 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, 2013**

					Video					Internet	Fixed-line 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	Subscribers (9)	Subscribers (10)
European Operations Division:											
United Kingdom	12,520,100	12,520,100	4,908,500	12,261,700	—	3,749,600	—	—	3,749,600	4,375,700	4,136,400
Germany	12,634,300	12,295,200	7,069,800	11,698,500	4,366,500	2,234,900	—	—	6,601,400	2,579,600	2,517,500
Belgium	2,893,800	2,893,800	2,092,500	4,622,400	601,100	1,491,400	—	—	2,092,500	1,464,900	1,065,000
The Netherlands (11)	2,838,600	2,825,300	1,633,900	3,683,000	523,900	1,108,100	—	—	1,632,000	1,068,100	982,900
Switzerland (11)	2,145,300	1,875,100	1,455,200	2,538,700	764,700	651,700	—	—	1,416,400	663,800	458,500
Austria	1,326,000	1,326,000	642,700	1,304,500	181,400	342,800	—	—	524,200	432,100	348,200
Ireland	859,600	748,600	533,000	1,059,700	51,100	338,300	—	38,500	427,900	338,300	293,500
Total Western Europe	35,217,700	34,484,100	18,335,600	37,168,500	6,488,700	9,916,800	—	38,500	16,444,000	10,922,500	9,802,000
Poland	2,717,700	2,616,300	1,436,600	2,673,000	387,000	848,300	—	—	1,235,300	915,900	521,800
Hungary	1,539,300	1,524,000	1,050,800	1,862,600	257,300	376,900	264,600	—	898,800	518,300	445,500
Romania	2,272,600	2,080,300	1,188,300	1,842,900	364,100	477,700	341,000	—	1,182,800	381,000	279,100
Czech Republic	1,359,400	1,257,700	725,600	1,189,000	81,600	379,200	106,800	—	567,600	440,000	181,400
Slovakia	501,200	478,300	287,600	431,200	59,100	133,000	66,500	600	259,200	109,400	62,600
Total Central and Eastern Europe	8,390,200	7,956,600	4,688,900	7,998,700	1,149,100	2,215,100	778,900	600	4,143,700	2,364,600	1,490,400
Total European Operations Division	43,607,900	42,440,700	23,024,500	45,167,200	7,637,800	12,131,900	778,900	39,100	20,587,700	13,287,100	11,292,400
Chile	2,927,300	2,406,100	1,199,800	2,564,800	134,800	854,600	—	—	989,400	885,700	689,700
Puerto Rico	704,600	704,600	272,800	535,800	—	210,500	—	—	210,500	192,200	133,100
Grand Total	47,239,800	45,551,400	24,497,100	48,267,800	7,772,600	13,197,000	778,900	39,100	21,787,600	14,365,000	12,115,200

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- (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 11 below), we do not report homes passed for Switzerland's and the Netherlands' partner networks.
 - (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 fixed-line telephony services.
 - (3) Customer Relationships are the number of customers who receive at least one of our video, internet or fixed-line 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 Fixed-line 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, fixed-line 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 Fixed-line 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 fixed-line 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, 2013 RGU counts exclude our separately reported postpaid and prepaid mobile subscribers in the U.K., Belgium, Germany, Chile, Poland, Hungary and the Netherlands of 2,990,200, 750,500, 239,500, 71,300, 16,500, 7,700 and 3,000, respectively. Our mobile subscriber count represents the number of active subscriber identification module (SIM) cards in service.
 - (5) Analog Cable Subscriber is a home, residential multiple dwelling unit or commercial unit that receives our analog cable service over our broadband network. Our Analog Cable Subscriber counts also include subscribers who may use a purchased set-top box or other 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). 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 and the use of purchased digital set-top boxes in Belgium. In Europe, we have approximately 108,100 "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. 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 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 134,800 asymmetric digital subscriber line (ADSL) subscribers within our U.K. segment and 73,800 digital subscriber line (DSL) subscribers within our Austria segment 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 Analog and Digital Cable Subscribers without an incremental recurring fee. Our Internet Subscribers in Switzerland include 27,600 subscribers who have requested and received a modem that enables the receipt of this 2 Mbps internet service.

- (10) Fixed-line 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. Fixed-line Telephony Subscribers exclude mobile telephony subscribers. Our Fixed-line Telephony Subscribers exclude 94,800 and 53,700 subscribers within our segments in the U.K. and Austria, respectively, that are not serviced over our networks.
- (11) Pursuant to service agreements, Switzerland and, to a much lesser extent, the Netherlands offer digital cable, broadband internet and fixed-line telephony services over networks owned by third-party cable operators (partner networks). A partner network RGU is only recognized if there is a direct billing relationship with the customer. At December 31, 2013, Switzerland's partner networks account for 131,700 Customer Relationships, 261,500 RGUs, 98,200 Digital Cable Subscribers, 95,200 Internet Subscribers and 68,100 Fixed-line Telephony Subscribers.

Additional General Notes to Table:

All of our broadband communications subsidiaries provide fixed-line telephony, broadband internet, data, video or other business services. Certain of our business service 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 fixed-line telephony services that are the same or similar to the mass marketed products offered to our residential subscribers. All mass marketed products provided to SOHOs, whether or not accompanied by enhanced service levels and/or premium prices, are included in the respective RGU and customer counts of our broadband communications operations, with only those services provided at premium prices considered to be "SOHO RGUs" or "SOHO customers." With the exception of our business SOHO subscribers, we generally do not count customers of business 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 an area by the most prevalent price charged to non-bulk residential customers in that market for the comparable tier of service. As such, we may experience variances in our EBU counts solely as a result of changes in rates. In Germany, homes passed reflect the footprint, and two-way homes passed 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.

- **Video.** Our cable operations offer a full range of video services, including basic and premium programming, which can be accessed on the television and, in select markets, through internet connected devices in the home and whenever there is internet connectivity. We provide advanced service offerings, such as high definition (HD) channels, digital video recorder (DVR), HD DVR and, in certain markets, video-on-demand (VoD), which give our customers the ability to control when they watch their programming. In several of our markets, we also have enhanced pay-per-view programming on channels we distribute and through VoD. In addition, we offer select programming in three-dimensional (3D) format to our customers who have 3D capable televisions. Several of our operations offer television applications (apps) that allow access to programming on a variety of devices, including laptops and tablets.

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 are able to also watch our basic digital television channels, provided that they pay the monthly subscription fee for our analog package and have televisions capable of receiving digital signals. The basic digital television channels in our entire footprints in Germany, the Netherlands, Switzerland, Austria, Poland, the Czech Republic and Romania are unencrypted as of December 31, 2013. It is possible that we will decide to unencrypt the digital versions of our basic analog tier in additional markets in 2014 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.

To enhance our customers video experience, we have launched “Horizon TV”, a next generation multimedia home gateway, in Germany, the Netherlands, Switzerland and Ireland. As described further below, Horizon TV is a home multimedia platform with a sophisticated user interface that enables customers to view and share content across the television, computer, tablet and smartphone. Similar video experiences are offered by us through the “TiVo” platform in the U.K. and “Yelo TV” in Belgium.

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 60 video channels and several audio services. This service also includes VoD access and an electronic programming guide. In our markets where our basic digital service is not encrypted, the cost of our digital service is the same cost as our analog services. In the markets where we encrypt our basic digital service, such service is generally offered at an incremental cost equal to or slightly higher than 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. Customers who subscribe to a digital tier generally receive a VoD enabled set top box without an additional monthly charge. Our 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, except in the U.K. and in Puerto Rico. 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. In certain of our markets, we offer 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 two or more of our services (bundled services): video, internet, fixed-line telephony and, in certain markets, mobile services. Bundled services consist of “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 (such as sports, family and international focus) and our VoD service provides a wide variety of movies and special events 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.á.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. Depending on location, this service includes download speeds ranging from less than 1 Mbps to an ultra high-speed internet service of 250 Mbps. Generally, we provide our broadband internet service without any time or data volume restrictions. Our current core package in most of our Europe operations offers a speed of 120 Mbps, with our operations in the Netherlands, Austria, Ireland, Poland, Hungary, the Czech Republic and Romania offering additional packages with download speeds ranging from up to 200 Mbps to 250 Mbps. To a select market in Switzerland, we also have available an ultra high-speed internet service with download speeds of up to 500 Mbps. Our ultra high-speed internet service is based primarily on Euro DOCSIS 3.0 technology. Our internet service generally includes email, address book, parental controls and on-line audio. We also offer value-added broadband services through certain of our operations for an incremental charge. These services include security (e.g., anti-virus and spam protection) and online storage and web spaces. In certain of our markets, we offer mobile broadband services as described under —*Telephony* below.

Our residential subscribers generally access the internet via cable modems connected to their internet capable devices, including 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. In certain of our markets, we are deploying a community WiFi in the home (Community WiFi), which provides a seamless connectivity experience over WiFi to our customers. The Community WiFi is branded as “Wi-free” in Belgium, Poland, Switzerland and Ireland and as “WifiSpots” in the Netherlands. It is enabled by WiFi modems, and starting in 2014 the Horizon TV box, of our internet customers and access is free for our internet customers. By using the WiFi modems and the Horizon TV box, the Community WiFi does not affect the internet speeds of our customers. The Community WiFi is created through the sharing of access to our customers’ home wireless routers.

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. In addition to the monthly fee, customers pay an activation service fee upon subscribing to an internet service. This one time fee may be waived for promotional reasons. 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 fixed-line telephony services are available through our managed, quality of service based voice-over-internet-protocol (VoIP) technology in all of our broadband communication markets. In the U.K., Chile, Austria and Hungary, we also provide traditional circuit-switched fixed-line telephony services. We pay interconnection fees to telephony providers when calls by our subscribers terminate on another network and receive similar fees from providers when calls by their users terminate on our network through interconnection points. We are also offering mobile services, both data and voice, as a mobile virtual network operator (MVNO) over third-party networks in the U.K., Germany, Belgium, Chile and Poland. In the Netherlands and in Hungary we provide mobile data services through MVNO arrangements. We plan to add MVNO arrangements in certain of our other broadband communication markets, as a complement to our fixed-line telephony services.

Our fixed-line telephony service may be selected on a stand-alone basis or in combination with one or more of our other services. Our fixed-line telephony service includes a basic fixed-line 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. We also offer a second or third phone line at an incremental cost. In Poland we offer a phone app that allows our fixed-line telephony customers with smartphones

to use their fixed-line call packages. We also launched this phone app in the U.K., Belgium and Romania in 2013 and plan to launch it in additional markets in 2014.

Telenet and VTR Wireless provide their mobile telephony services as full MVNOs through partnerships with a third-party mobile network operator in their respective footprints. Telenet and VTR Wireless own the core network, including switching, backbone, interconnections, etc., and lease the third party's radio access network. This arrangement permits Telenet and VTR Wireless to offer their respective customers all mobile services using its core network without having to build and operate a cellular radio tower network and without being limited to offering customers packages and rates designated by the wireless network provider. We also offer mobile services using third-party networks in the U.K., Germany, Poland and certain other markets. In the U.K., 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 the U.K., Belgium (and parts of Luxembourg), Chile and Poland. In Germany, we offer our mobile service to our customers located within our German footprint who subscribe to a double-play or triple-play bundle and to a lesser extent on a stand-alone basis.

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. Our mobile services typically include telephony, short message service (or SMS) and internet. Calls, both within and out of network, incur a charge or are covered under a postpaid monthly service plan. Our stand-alone mobile services are primarily on a post-paid basis with customers subscribing to services for periods ranging from 30 days for a SIM-only contract to up to 24 months, with the latter often taken with a subsidized mobile handset. In the U.K., we also offer a prepaid service, where the customers pay for the service prior to using it and generally have no minimum contract term.

Business Services

In addition to our residential services, we offer voice, broadband internet, data, video, wireless and cloud services to business customers. Our business services are designed to meet the specific demands of the business customer. Our business customers range from SOHO (generally fewer than 10 employees) to medium and large enterprises, as well as on a wholesale basis to other operators. In addition, we target specific industry segments, such as financial institutions, hospitals and care facilities, education institutions and government offices, with tailored solutions combining our standard range of services with value added features, such as dedicated customer care and enhanced service performance monitoring. We also offer a complete range of access, voice and internet services to carriers, internet service providers (ISPs) and mobile operators.

Our business services are designed to meet the specific demands of our business customers with a wide range of services. These include, among other things, (1) VoIP and circuit-switch telephony, gateways, hosted solutions and conferencing options for our voice services, (2) internet access with upload speeds from 2 Mbps to 10 Gbps and virtual private networks through our broadband services, (3) video programming packages and for targeted industries dedicated headends, (4) voice and data SIM cards, handsets and WiFi networks on our mobile networks, and (5) webhosting, managed security systems, storage solutions and cloud enabled software packages through our cloud services.

Our business services are provided to business subscribers at contractually established fees based on the type of services received. Customers receive services on terms and conditions similar to those offered to our residential subscribers. For business customers, we enter into individual agreements that address their needs. These agreements are generally for a period of one or more years. In addition to providing business services over our networks, we also have operations and agreements in place to provide our services to our business customers over dedicated fiber lines and third party fiber networks.

Technology

In almost all of our markets, our video, broadband internet and fixed-line telephony services are transmitted over a hybrid fiber coaxial cable network. This network is composed primarily of glass fiber with only the last part that connects the home to the network composed of coaxial cable. Over 96% of our 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, using digital compression technologies and through cluster splits;
- expanding our network to accommodate business services;
- using wireless technologies to extend our services outside the home;
- offering remote access to our video services through computers, tablets and smartphones; and
- developing and introducing next-generation platforms through multimedia home gateways or online media sharing and streaming (or cloud TV).

Our multimedia home gateway, Horizon TV, is a central media platform that is capable of distributing video, voice and data content throughout the home and to multiple devices. We are expanding the Horizon TV experience through cloud TV, including cloud DVR, VoD navigation and advanced applications. The cloud TV platform allows users to stream experiences to set-top boxes and CI+ modules. Horizon TV is available in our footprint in the Netherlands, Switzerland and Ireland and in portions of our footprint in Germany. The Horizon TV platform sets up a wireless network that connects the digital video content available on the television to devices, such as computers, tablets and smartphones. It also integrates access to personal media content, such as photos, music and movies stored in the home or in the cloud, enabling access on devices both in and outside the home. Digital video platforms are available through TiVo in the U.K. and Yelo TV in Belgium.

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 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. The box for Horizon TV has six in-built tuners, two of which are dedicated to channel-surfing. This allows the customer to view programming information while their current program is playing. Also, up to four programs can be recorded simultaneously and up to four devices can connect to the Horizon TV box and view different content. In certain markets, we offer a box for Horizon TV without the recording functionality. For our multimedia gateway customers, we also offer apps for various services. We intend to (1) expand the availability of Horizon TV to other markets within our footprint and (2) continue to improve the Horizon TV user experience with new functionality and software updates.

We deliver our high speed data and fixed-line telephony through our cable network. The cable networks of our operations are connected to our “aorta” backbone, a tier 1 carrier, that permits us to serve our customers through settlement free collaboration with other carriers without the cost of using a third-party network.

Supply Sources

For our video services, we license almost all 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 and streaming services, we generally enter into shorter-term agreements. For our distribution agreements, we seek to include the rights to offer the licensed programming to our customers through multiple delivery platforms and through our apps for smartphones and tablets.

We purchase each type of customer premise equipment from a number of different suppliers with at least two or more suppliers for our high-volume products. Customer premise equipment includes set-top boxes, modems, CI+ modules, DVRs, tuners and similar devices. For each type of equipment, we retain specialists to provide customer support. For our broadband services, we use a variety of suppliers for our network equipment and the various services we offer. Similarly, we use a variety of suppliers for mobile handsets to offer customers in our operations with mobile services.

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 TiVo service in the U.K., we have a partnership arrangement where TiVo is the exclusive provider of the user interface software for our next generation set-top boxes, which provide converged television and broadband internet capabilities, and we are the exclusive distributor of the TiVo services and technology in the U.K. For our fixed-line telephony services, we license software products, such as voicemail, text messaging 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, 2013, 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, 2013

	<u>UK</u>	<u>Germany</u>	<u>Belgium</u>	<u>The Netherlands</u>	<u>Switzerland</u>	<u>Austria</u>	<u>Ireland</u>	<u>Poland</u>	<u>Hungary</u>	<u>Czech Republic</u>	<u>Romania</u>	<u>Slovakia</u>	<u>Chile</u>	<u>Puerto Rico</u>
Liberty Global Network Data:														
Two-way homes passed (HP) percentage (1)	100	97	100	100	87	100	87	96	99	93	92	95	82	100
Digital video availability percentage (2)	99 ⁽⁹⁾	100 ⁽⁹⁾	100	99	88 ⁽⁹⁾	96	97	97	98	94	92	92	82	100
Broadband internet availability percentage (2)	99 ⁽⁹⁾	97 ⁽⁹⁾	100	100	87 ⁽⁹⁾	100	87	96	99	94	92	89	82	100
Fixed-line telephony availability percentage (2)	99 ⁽⁹⁾	97 ⁽⁹⁾	100	100	87 ⁽⁹⁾	100	86	96	99	94	92	89	82	100
Bandwidth percentage (3):														
at least 860 MHz	14	97	26	100	100	86	55	99	16	93	91	97	51	46
750 MHz to 859 MHz	76	—	—	—	—	—	33	— ⁽¹⁰⁾	55	—	— ⁽¹⁰⁾	—	35	—
less than 750 MHz	10	3	74	—	— ⁽¹⁰⁾	14	12	— ⁽¹⁰⁾	29	7	9	3	14	54
Liberty Global Product Penetration:														
Cable television penetration (4)	30	52	72	57	66	40	45	45	41	34	37	38	34	30
Digital cable penetration (5)	100	34	71	68	46	65	87	69	59	82	57	69	86	100
HD, DVR & HD DVR penetration (6)	80	39	98	93	90	70	83	95	43	33	13	23	44	34
Broadband internet penetration (7)	35	21	51	38	35	33	45	35	34	35	18	23	37	27
Fixed telephony penetration (7)	33	20	37	35	24	26	39	20	29	14	13	13	29	19
Double-play penetration (8)	18	8	30	9	17	13	25	22	16	35	15	8	21	24
Triple-play penetration (8)	66	29	46	58	29	45	37	32	31	15	20	21	46	36

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- (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 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 two-way HP 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, 2013. Percentages are rounded to the nearest whole number.

**Video, Broadband Internet & Fixed-Line Telephony and Mobile Services
at December 31, 2013**

	<u>UK</u>	<u>Germany</u>	<u>Belgium</u>	<u>The Netherlands</u>	<u>Switzerland</u>	<u>Austria</u>	<u>Ireland</u>	<u>Poland</u>	<u>Hungary</u>	<u>Czech Republic</u>	<u>Romania</u>	<u>Slovakia</u>	<u>Chile</u>	<u>Puerto Rico</u>
Video services (excluding DTH):														
VoD	X	X	X	X	X	X	X	X	X				X	X
DVR	X	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	X
Electronic programming guide	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Number of channels in basic digital tier	68	80 or 112 ⁽³⁾	75	89	60	86	67	156	82	100	132	94	86	101
Number of channels in basic analog tier (1)	—	34 or 41 ⁽³⁾	21	31	26	38	18	35	32	41	59	47	67	—
Number of unique channels in basic digital tier (2)	68	46 or 71 ⁽³⁾	54	58	34	48	49	111	52	75	73	47	19	101
Number of HD channels	43	60	15	50	65	34	38	44	21	29	19	26	26	96
Broadband internet service:														
Maximum download speed offered (Mbps)	120	150	120	200	150 ⁽⁶⁾	250	200	250	240	240	200	150	120	60
Percentage of Two-way Homes Passed with 3.0 speeds of at least 100 Mbps	100	100	100	99	100	100	96	100	93	98	100	100	100	—
Fixed-line telephony and mobile services:														
VoIP Fixed-line	⁽⁴⁾	X	X	X	X	X	X	X	X	X	X	X	X	X
Mobile (MVNO)	X	X	X	⁽⁵⁾				X	⁽⁵⁾				X	

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- (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) Available to business customers only.
 - (5) Available for data only.
 - (6) Offers 500 Mbps in a limited area.

Operations

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

- *U.K. (Virgin Media).* The operations of the European Operations Division in the U.K. are undertaken by Virgin Media. Virgin Media offers triple-play services consisting of video, internet and fixed-line telephony in parts of many metropolitan areas in England, Wales, Scotland and Northern Ireland. Virgin Media also offers quadruple-play services that include mobile voice and data services as a MVNO through an arrangement with a mobile communications provider.

Virgin Media's video services includes a broad range of digital interactive services, including VoD, and a range of premium subscription-based and pay-per-view services. As a complement to its broadband services, Virgin Media offers a comprehensive internet streaming video service, Virgin TV Anywhere, that allows its video customers to stream up to 90 real-time video channels, including Sky Sports, and watch VoD content anywhere in the U.K. where they have a broadband connection. In addition, Virgin Media offers the multimedia home gateway TiVo to its digital video customers. TiVo customers can also access real-time television channels and manage their TiVo box with a smartphone, tablet or laptop. When in the home, these devices also act as a remote control for TiVo. The streaming service is available at no extra cost to Virgin Media's digital video customers. At December 31, 2013, Virgin Media had 2.0 million connected TiVo customers. Virgin Media does not offer an analog video service.

Virgin Media offers its subscribers premium digital channels from British Sky Broadcasting Group plc (BSkyB) through an agreement with BSkyB and premium BT Sport channels through an agreement with BT Group plc (BT). Virgin Media subscribers may receive these channels through a smart card on Virgin Media's network as part of Virgin Media's extended tier services or for an incremental subscription fee. In addition, Virgin Media subscribers using TiVo may access internet programming services pursuant to agreements between Virgin Media and such service providers.

Through its twisted copper network, Virgin Media offers fixed-line telephony services to its residential customers. It offers its mobile service on both a pre-paid and post-paid basis. Virgin Media's telephony services via VoIP are only available to its business customers. In addition, Virgin Media offers mobile services and has an extensive network of public WiFi hotspots in the London underground train (or Tube) stations available to its customers.

- *Germany (Unitymedia KabelBW).* The operations of the European Operations Division 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 triple-play services consisting of video, internet and fixed-line telephony services in nearly all of its footprint. Unitymedia KabelBW also offers quadruple-play services that includes mobile voice and data services. Unitymedia KabelBW offers the mobile service as a MVNO through an arrangement with a mobile communications provider. 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 access our encrypted digital video service without a set-top box. No set-top box, CI+ module or smart card is, however, required to receive basic digital services because our basic digital service is unencrypted in our Germany footprint. In September 2013, Unitymedia KabelBW launched the next generation set top box Horizon TV and at December 31, 2013, it had over 55,000 connected subscribers.

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

fixed-line telephony services with premium channels from Sky Deutschland. Unitymedia KabelBW subscribers may receive Sky Deutschland channels for an incremental subscription fee through a smart card on the Unitymedia KabelBW network. VoD is available to subscribers to its digital video service on a pay-per-view basis and includes HD and 3D content. In addition, Unitymedia KabelBW offers a Horizon TV online service and app that allow digital video customers to view linear channels, remotely manage their DVR and access VoD with a tablet, smartphone or a laptop.

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 fixed-line telephony services directly to the end customer. 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 fixed-line telephony services directly to the Professional Operator's subscriber base.

Although the majority of Unitymedia KabelBW's service agreements with housing associations have multi-year terms, in connection with our 2011 acquisition of the German cable network KBW (the KBW Acquisition), we agreed to grant early termination rights on certain agreements that Unitymedia KabelBW has with the largest housing associations and which have a remaining term of more than three years as of December 15, 2011. At December 31, 2013, approximately 14% of the dwelling units covered by these agreements remain subject to this early termination right. 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.

- *Belgium (Telenet).* The operations of the European Operations Division in Belgium are conducted by Telenet. At December 31, 2013, we owned 57.4% of Telenet's outstanding ordinary shares. Telenet offers quadruple-play services consisting of video, broadband internet, fixed-line telephony and mobile voice and data services 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 May 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 owns a rich and attractive portfolio of sports content ranging from football (soccer) and basketball to golf. In February 2013, Telenet launched its multimedia home gateway, Yelo TV, and at December 31, 2013, it had over 384,300 connected subscribers. In addition, Telenet offers Yelo TV apps that allow Telenet's digital video customers to remotely manage their DVR, view programs remotely and access VoD with a tablet, smartphone or laptop. Commencing in February 2013, Telenet also offers a CI+ module for an incremental monthly charge to access its encrypted digital service.

Telenet has an extensive network of Community WiFi across its footprint, branded "Wi-free". The Community WiFi provides free WiFi access to its customers who are traveling within its footprint. Telenet has nearly 1,000,000 Community WiFi spots as of December 31, 2013. It also has approximately 1,500 public hotspots covering train stations, bars, hotels and similar public places. 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 Tecteo Bidco has determined that it is no longer able to use these spectrum licenses as the result of the conclusion of negotiations with the network operators in Belgium and the absence of regulatory alternatives.

- *The Netherlands.* The operations of the European Operations Division 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-line 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 Matters—Europe—The Netherlands* below.

UPC Netherlands' VoD service, including catch-up television, is available to subscribers to its digital tiers on a pay-per-view 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 (in addition to catch-up television) including 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, *Fox Sports Eredivisie*, alone or in combination, for additional monthly charges. In September 2012, UPC Netherlands launched Horizon TV and at December 31, 2013, it had over 200,000 connected subscribers. In addition to Horizon TV, UPC Netherlands offers apps that allow its subscribers to record a program remotely, view linear channels and access VoD through smartphones and tablets or an internet browser while in the home via the Horizon TV online service. UPC Netherlands also offers a CI+ module for an incremental monthly charge to access its encrypted digital service. A CI+ module in combination with a smart card allows the customer to view their encrypted digital video service on a television that has a CI+ slot, without the need for a set-top box. The CI+ module is not required to view UPC Netherlands basic digital service because such service is not encrypted.

In October 2013, UPC Netherlands launched a Community WiFi network across its footprint, branded "WifiSpots". The Community WiFi provides our internet subscribers a seamless connectivity experience over WiFi. UPC Netherlands plans to expand its Community WiFi to 500,000 free spots in early 2014. In addition to its triple-play services, UPC Netherlands plans to expand its mobile data service to include voice in 2014, enabling it to market quadruple-play services.

- *Switzerland.* The operations of the European Operations Division 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). At the beginning of 2013, UPC Cablecom launched Horizon TV and at December 31, 2013, it had over 135,000 connected subscribers. As a complement to its digital video service, UPC Cablecom also offers apps that allow its subscribers to remotely manage a DVR, view linear channels and access VoD with a smartphone, tablet or laptop anywhere a broadband or WiFi connection is available. In addition to its video, broadband internet and fixed-line telephony services, UPC Cablecom has entered into a partnership with a mobile communications provider, which will allow it to offer mobile voice and data service as a full MVNO and market quadruple-play packages. UPC Cablecom plans to offer such service in 2014. In addition, UPC Cablecom has launched a pilot Community WiFi in select markets in January 2014 and plans to activate the Community WiFi network throughout its footprint.

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 to access its encrypted digital service. 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 not encrypted. 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, and provides basic video service to the tenants. The landlord or housing association administers the billing for the basic video service with their tenants and manages service terminations for their rental units.

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 European Operations 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 and Klagenfurt, two smaller cities and the Vorarlberg region. 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. Customers with the necessary equipment and who subscribe to UPC Austria's analog service are also able to access its basic digital service, which became unencrypted in February 2013. 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. To complement its digital offering, UPC Ireland offers its digital subscribers several premium channels (sports, movies, adult, ethnic and kids) and a pay-per-view service and VoD service. UPC Ireland launched the next generation set-top box Horizon TV in August 2013 and at December 31, 2013, it had over 44,000 connected subscribers. UPC Ireland also introduced Horizon TV app and Horizon TV online service, offering customers access to linear channels, VoD programming and remote DVR management across multiple device while in the home. In addition, UPC Ireland has launched a pilot Community WiFi network in select markets in January 2014 and plans to activate this network throughout its footprint.

- *Central and Eastern Europe.* The European Operations Division also operates cable networks in Poland (UPC Poland), Hungary (UPC Hungary), the Czech Republic (UPC Czech), 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. UPC Hungary, UPC Poland and UPC Romania have each launched apps for no charge to subscribers that permit them to view the digital channel programming guide, schedule DVR recordings from any location, and use their smartphones as a television remote control. The European Operations Division also has DTH operations in most of these countries, which it provides through UPC DTH.

Poland. UPC Poland's operations are located in regional clusters encompassing nine of the 10 largest cities in Poland, including the capital city Warsaw, Cracow and Katowice. Customers with the necessary equipment and who have a monthly subscription to UPC Poland's analog service are also able to access its basic digital service, which became unencrypted in August 2013. UPC Poland also offers a catch-up television service. In addition, UPC Poland intends to launch Community WiFi in 2014.

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 HD programming, as well as linear channels. UPC Hungary offers its fixed-line telephony services through circuit-switched fixed-line telephony to subscribers on its twisted copper pair network and through VoIP over its two-way capable cable network.

The Czech Republic. UPC Czech's operations are located in cities and towns throughout the Czech Republic, including Prague, Brno, Ostrava and Plzen. A majority of the subscribers to UPC Czech's digital video service receive such service through an HD or HD DVR box. Subscribers may also receive the digital video 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 48% of UPC Czech's digital cable

subscribers receive the basic and extended tier services. UPC Czech's analog service is offered only in areas where its digital service is not available.

Romania. UPC Romania's operations are located primarily in three 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 55% subscribe to the lifeline analog service.

UPC DTH. UPC DTH, based in Luxembourg, 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 778,000 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 35 free-to-air (FTA) television and audio channels. A subscriber to its basic tier may receive 50 to 70 digital video channels depending on their location. Its premium channel offerings cover a range of interests (such as movies, adventure, sports, adult and comedy). In 2013, UPC DTH launched a CI+ module offer in the Czech Republic and Slovakia. The CI+ module will enable its subscribers in the Czech Republic and Slovakia to receive its signals without a set-top box. DVRs are also available and a subscriber to the extended tier will receive nine to 14 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 19% of our total video subscribers in the Czech Republic, 29% of our total video subscribers in Hungary, 26% of our total video subscribers in Slovakia and, through FocusSat, 29% 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's 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.

- *Chile.* Our broadband distribution business in Chile is conducted primarily through our 80%-owned subsidiary VTR GlobalCom. Our mobile service in Chile is conducted primarily through VTR Wireless, also an 80%-owned subsidiary.

VTR GlobalCom offers triple-play services consisting of video, broadband internet and fixed-line telephony services in 64 cities, including Santiago, Chile's largest city, the large regional cities of Iquique, Antofagasta, Concepción, Viña del Mar, Valparaíso and Rancagua, and smaller cities across Chile. VTR GlobalCom 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 GlobalCom's analog service is offered only in areas where its digital service is not available. VTR GlobalCom also owns and operates Bazuca.com, a non-subscription service that provides on-line streaming content on a pay-per-view basis.

VTR GlobalCom offers its broadband internet services in 34 communities within Santiago and 42 communities outside Santiago. VTR GlobalCom also offers multi-feature telephony service over its cable network to customers in 34 communities within Santiago and 42 communities outside Santiago via either circuit-switched telephony or VoIP, depending on location. Since September 2013, VTR Wireless offers mobile voice and data services as a full MVNO pursuant to an arrangement with a third-party mobile telecommunications provider. At that time, VTR Wireless completed the process of migrating its commercial mobile traffic to a third party network operator. For more information regarding the transition by VTR Wireless to full MVNO, see "*Residential Services—Telephony*" above.

- *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 other municipalities covering two-thirds of the island. 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.

Discontinued Operations--Programming Services

On October 28, 2013, we entered into an agreement to sell substantially all of Chellomedia's assets to AMC Networks Inc. for €750.0 million (\$1,034.2 million) in cash (the Chellomedia Transaction). The assets to be disposed of pursuant to the Chellomedia Transaction exclude Chellomedia's premium sports and film channels in the Netherlands. It also does not include our Liberty Global Ventures division, which is an investor in various ventures for the development of country-specific Pan European programming and in various entities developing technology relevant to our operations. The Chellomedia Transaction, which was not conditioned on any regulatory approvals, closed on January 31, 2014.

In 2013, through Chellomedia's programming networks, we provided programming channels to multi-channel distribution systems owned by us and by third parties. We also represented programming networks owned by third parties. Chellomedia programming networks distributed their services through a number of distribution technologies, principally cable television, internet protocol television (IPTV) and DTH. The programming services were delivered to subscribers as part of a video distributor's basic package of programming services for a monthly fee, or delivered as a programming service for an additional monthly charge, or on a VoD or pay-per-view basis. In addition, through Chellomedia, we owned and managed a Digital Media Center (DMC) in Amsterdam. The DMC is a technologically advanced production facility that provides clients, including our European Operations Division, with channel origination, post-production and satellite and fiber transmission.

Competition

The markets for video, broadband internet, fixed-line telephony and mobile services are highly competitive and rapidly evolving. In addition, technological advances and product innovations have increased and are likely to continue to increase the number of alternative providers available to our customers. 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 European Union (EU). The percentage information in this section reflects the data for each country regardless of the extent of our footprint in such country and 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 2013. For Latin America, the percentage information is based on information from DataXis for the third quarter of 2013 and information on Chilean telephony provided by the Chilean Subsecretary of Telecommunications (SubTel) as of June 30, 2013. The competition in certain countries in which we operate is described more specifically after the respective competition overview on video, broadband internet, fixed-line telephony and mobile 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 over broadband internet connections using asymmetric digital subscriber line (ADSL) or very high-speed DSL technology (VDSL) or an enhancement to VDSL called "vectoring", (c) IPTV over fiber optic lines where the fiber is to the home, cabinet, or building or to the node networks (fiber-to-the-home/-cabinet/-building/-node is referred to herein as "FTTx"), or (d) long-term evolution wireless service, next generation of ultra high-speed mobile data (LTE) services; (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.

We believe that our deep-fiber access provides us with several competitive advantages in the areas served by our network. For instance, our cable network allows us to concurrently deliver internet access, together with real-time television and VoD content at higher speeds and with less data loss than comparable services of other providers. In addition, our cable infrastructure allows us to provide “triple-play” bundled services of broadband internet, television and fixed-line telephony services without relying on a third-party service provider or network. Our capacity is dimensioned to support peak consumer demand. In serving the business market, many aspects of the network can be leveraged at very low incremental cost given that business demand peaks at a time when consumer demand is low, and peaks at lower levels than consumer demand.

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 the U.K., Germany, Austria, Ireland, the Czech Republic and Slovakia, where we compete with long-established satellite platforms; incumbent telecommunications providers using fiber technology; 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 a competitive factor.

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. Our competitors are also improving their video platforms with next generation set-top boxes. 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, VDSL, 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 as are FTTx networks. In all of our European markets, competitive video services are offered by the incumbent telecommunications operator, whose video strategies include VDSL, DTH, DTT and IPTV over FTTx networks. The ability of incumbent operators to offer the triple-play of video, broadband internet and fixed-line 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. The providers of DTH satellite services, particularly in the Central and Eastern European markets, are also significant competitors. In addition, over-the-top video aggregators are becoming more active in all our markets with their VoD service for television series and movies, catch-up television and linear channels from broadcasters. In some cases, these over-the-top services are provided free-of-charge, or the content library of such services are offered on an unlimited basis for a monthly fee.

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 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. Other competitors also have obtained long-term exclusive contracts for programs, but our operations have access to certain of such programming through select contracts with these companies, including Sky Deutschland in Germany and BSkyB in the U.K. and in Ireland. 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 62%, 64%, and 73% 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, 31% of our footprint in the Netherlands and 34% of our footprint in Switzerland are overbuilt by FTTx networks. Although, we have extensive FTTx overbuild in Switzerland, connectivity to the network is not available at all locations. In addition, government and quasi-government entities in certain of the countries in which we operate in Europe continue to invest in FTTx networks, creating another source of competition. In order to achieve download speeds of up to 100 Mbps or greater for customers, incumbent telecommunications operators are increasingly adopting VDSL with vectoring and bonding technologies as a more cost efficient solution compared to FTTx initiatives.

Our Central and Eastern European markets are also experiencing significant competition from other cable operators. These cable operators have significantly overbuilt our operations in Poland, Hungary, Romania and Slovakia. Based on research of various telecommunication publications, including the Organization for Economic Cooperation and Development, and internal estimates, approximately 42%, 52%, 31% and 47% of our operations in Poland, Hungary, Romania and Slovakia, respectively, are overbuilt by other cable providers.

In most of our Central and Eastern European markets, we also face intense competition from DTH services. 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 and Romania. 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 8% for Hungary, 4% for the Czech Republic, 3% for Slovakia, and through FocusSat, 5% for Romania.

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, VDSL 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 compete on value by offering advanced services, such as DVR functionality, HD, catch-up television and multi-media gateways. In each of our countries we also tailor our packages to include attractive channel offerings and offer 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, the next generation of Horizon TV has been launched in Germany, the Netherlands, Switzerland and Ireland, as well as YeloTV in Belgium.

- *U. K. (Virgin Media).* We are the largest cable television provider in the U.K. in terms of the number of video cable customers and the sole provider of video cable services in substantially all of our network area. Virgin Media's video cable services are available to approximately 46% of the U.K. television households and it serves 14% of the total U.K. television market. Virgin Media's digital television services compete primarily with those of BSkyB, which is the primary pay satellite television platform in the U.K. BSkyB has approximately 9.8 million subscribers in the U.K. or 36% of the total television market. BSkyB owns the U.K. rights to various sports and movie programming content. BSkyB is both a principal competitor in the pay-television market and an important supplier of content to us. Virgin Media distributes several basic and premium video channels supplied by BSkyB. This is also the case with BT, which offers VDSL services and is a principal competitor. In August 2013, BT launched its own premium BT Sport channels, providing a range of sports content including football (soccer) from the English Premier League and, commencing in the 2015/2016 football (soccer) season, exclusive rights to the UEFA Champions League and the UEFA Europa League. The BT Sport channels are available over BT's IPTV platform, BSkyB's satellite system and our cable network. BT is currently offering customers who subscribe to their broadband service free access to the SD version of the BT Sport channels. In addition, FTA DTT and internet-connected television services are a competitive factor.

To effectively compete, Virgin Media promotes its ability to offer attractive triple-play bundles over its cable network and its multimedia platform TiVo. TiVo, together with Virgin Media's VoD service and DVR functionality allow its subscribers to personalize their programming. It also offers Virgin TV Anywhere, which allows its video subscribers to stream linear channels and access VoD services anywhere with WiFi connectivity. In addition, Virgin Media offers quadruple-play bundles.

- *Germany (Unitymedia KabelBW).* 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 VDSL and FTTx and DTH of the incumbent telecommunications operator, Deutsche Telekom. Deutsche Telekom has approximately 2.1 million video subscribers in Germany, or 6% 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 offers competitively priced triple-play bundles and promotional discounts for new customers. 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 launched the next generation HorizonTV platform in 2013. Similar to TiVo in the U.K., HorizonTV brings together television, internet, telephony and VoD content, without the need for separate devices. With the launch of HorizonTV, it realigned its digital packages and created new bundle options. For example, its core triple-play bundle includes an ultra high speed internet service of up to 100 Mbps. In 2013, it also increased the number of HD channels available to up to 60 channels. The bundle options allow subscribers to select various combinations of services to meet their needs. Promotional discounts are typically available to new subscribers.

- *Belgium (Telenet).* 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 45% 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 26% of total television households in Belgium subscribe to Belgacom's IPTV services over its DSL and VDSL networks. To a lesser extent, Telenet faces competition from M7 Group SA, branded TV Vlaanderen Digitaal, which is the largest DTH service provider in Telenet's network area. Also, with the decision that Telenet and other Belgian cable operators must give alternative providers access to their cable networks, Telenet will be facing increased competition from these providers who may then be able to offer triple- and quadruple-play services as well. Telenet's multimedia platform YeloTV, 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, may allow Telenet to compete effectively against alternative providers. In addition, Telenet offers competitively priced quadruple-play bundles, which include its mobile service. Telenet also continues to enhance its programming and simplified its bundle options to meet the needs of its customers.
- *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 22% of the total television market. Competition from the DTT and VDSL services offered by the incumbent telecommunications provider, Royal KPN NV (KPN), is strong with KPN providing subscription video services to 26% of the total television households. KPN is the majority owner of the Netherlands DTT service, Digitenne. It also offers a VDSL service that includes VoD and DVR functionality, including restarting and second screen viewing. In addition, the FTTx networks of Reggiber Group B.V. (a subsidiary of KPN) are a competitive factor in a number of cities and villages. Reggiber Group B.V. continues to expand these networks within our service area. With its ability to offer bundled triple-play and quadruple-play services, and promotional discounts when its mobile service is included, KPN is a significant competitor.

To enhance its competitive position, UPC Netherlands rolled out improvements to its multimedia platform Horizon TV, which, together with its VoD service and DVR functionality, allows 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 2013, UPC Netherlands realigned its bundle options from which subscribers can select various combinations of services, including high-speed internet and fixed-line telephony options, to meet their needs. It also increased the number of HD channels available in its extended tier packages.

- *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 64% of the television households in Switzerland and it serves 43% of the total television market. Our main competitor is Swisscom, the incumbent telecommunications operator, which provides IPTV services over DSL or FTTx networks to approximately 28% 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. In 2013, Swisscom increased the internet speeds available in its bundled

offers, including up to 100 Mbps in areas served by its FTTx network. In addition, Swisscom continues to aggressively expand its FTTx network to Switzerland households in our footprint as well as in our partner network footprints. 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. 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 offers Horizon TV, which combines television, internet and fixed-line telephony on one device, giving subscribers the ability to personalize their programming. It also added a replay function, which is available to its digital video customers with the applicable set top box free of charge.

- *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 37% of the television households in Austria and it serves 15% of the total television market. UPC Austria's primary competition is from FTA television received via satellite. Competition from the VDSL 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. At various times, Telekom Austria offers promotional discounts for its VDSL service, which includes advanced features, such as VoD, when taken as part of either a double- or triple-play bundle. To stay competitive, UPC Austria offers its basic digital service unencrypted and realigned its bundle offers in 2013 to include additional HD channels and increased internet speeds from 75 Mbps for its core triple-play bundle to a top speed of up to 250 Mbps.

UPC Ireland is the sole provider of video cable services in Ireland. UPC Ireland's video cable service is available to approximately 52% of the television households in Ireland and it serves 23% of the total television market. UPC Ireland's primary competition for video customers is from BSkyB, which provides DTH satellite services to 39% of the television households in Ireland and launched triple-play services in 2013. To gain subscribers for its triple-play services, BSkyB offers promotional discounts. UPC Ireland also faces potential competition from a recently launched over-the-top video service by Eircom Limited and smaller video providers, including providers using FTTx networks. Although FTA 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 launched the next generation Horizon TV in August 2013. With the launch of Horizon TV, UPC Ireland realigned its bundle offers, including increasing the broadband internet speed to 120 Mbps for its mass market bundles.

- *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 20% 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 providers, Cyfrowy Polsat SA and NC+ platform (owned by the Vivendi Group). Cyfrowy Polsat SA and NC+ serve 26% and 16%, respectively, of the television households in Poland. The DTH service provider Orange Poland, a subsidiary of France Telecom S.A., is another significant competitor. In addition, UPC Poland competes with other cable operators with triple-play services, who have overbuilt portions of UPC Poland's operations. One of these companies is Vectra SA, which offers aggressively priced double- and triple-play bundles. To enhance its competitive position, UPC Poland realigned its video offers with additional HD channels and increased its broadband internet download speeds in its bundled services and offers mobile service for a quadruple-play. For example, it increased its broadband speeds to 120 Mbps in its core triple-play bundle. In addition, UPC Poland began offering its basic digital service unencrypted in August 2013. Promotional discounts are available, including discounts for bundled services.

UPC Hungary's video cable service is available to approximately 41% of the television households in Hungary and it serves 17% 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 all of UPC Hungary's cable service area, as well as UPC DTH's service area, and it has overbuilt approximately half of UPC Hungary's cable service areas with its own cable network. UPC Hungary also faces competition from the incumbent telecommunications company Magyar Telekom, a subsidiary of Deutsche Telekom. Magyar Telekom offers a VDSL service, including a VoD service, to its internet subscribers. With its ability to offer bundled triple-play and quadruple-play services, including its DTH video content, Magyar Telekom is a significant competitor. To meet such competition, UPC Hungary emphasizes its competitively priced bundles, which have been enhanced with increased broadband speeds of up to 240 Mbps with up to 120 Mbps included in its core bundle offers. It also offers DVR functionality and HD and VoD services. Of the television households in Hungary, 8% subscribe to Digi TV's DTH service, 12% subscribe to Digi TV's cable service and 18% subscribe to Magyar Telekom's DTH or VDSL service. UPC DTH serves 7% 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 37% and 35% of the television households in the Czech Republic and Slovakia, respectively. As in Hungary, Digi TV is also an aggressive competitor in the Czech Republic and Romania. Digi TV provides DTH services to 5% and 16% of the television households in the Czech Republic and Romania, respectively. In Slovakia, we compete with the DTH service provider, Slovak Telekom a.s., a subsidiary of Deutsche Telekom, which offers exclusive sports channels and serves 14% of the television households in Slovakia. UPC DTH provides DTH services to 2%, 5% and 3% of the television households in the Czech Republic, Romania and Slovakia, respectively. To stay competitive, UPC DTH offers pre-paid DTH services in the Czech Republic and Slovakia, as well as a prepaid product through FocusSat in Romania. In Romania, competition also comes from DTH services offered by Rom Telecom SA, the incumbent telecommunications company, with 11% of the television households.

Of the television households in the Czech Republic, Romania and Slovakia, 10%, 12% 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: 31% in the Czech Republic, 33% in Romania 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. UPC Czech competes with the incumbent telephone company's VDSL service and several other operators that provide DTH services and a number of local ISPs that provide IPTV services over FTTx networks. Providers of IPTV services over FTTx networks can reach approximately 62% of the households passed by our cable network in the Czech Republic. Of the television households in Romania, 29% subscribe to Digi TV's cable service. 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 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. 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 recurring monthly fee. To address such sensitivity and meet competition, our operations in Central and Eastern Europe offer enhanced digital services, such as expanded VoD services, HD channel offerings and certain premium channels at no additional charge. In addition, UPC Czech and UPC Romania have realigned their bundle offers to include increased broadband internet speeds of up to 120 Mbps and 150 Mbps, respectively, in their core triple-play bundles. Promotional discounts are available, particularly on bundled options. Also, CI+ cards for DTH only products are available in the Czech Republic and in Slovakia.

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 GlobalCom's video cable services are available to approximately 61% of the Chilean television households and it serves 21% of the total television market in Chile. VTR GlobalCom competes primarily with DTH service providers in Chile, including the incumbent Chilean telecommunications operator Compañía de Telecomunicaciones de Chile SA using the brand name Movistar (Movistar), Claro Chile S.A., a subsidiary of América Móvil, S.A.B. de C.V. (Claro), and DirecTV Chile. Movistar offers double-play and triple-play packages using DTH for video and ADSL for internet and fixed-line telephony and, with mobile services, quadruple-play packages. On a smaller scale, Movistar also offers IPTV services over FTTx networks in Chile. Claro offers triple-play packages using DTH and, in most major cities in Chile, through a hybrid fiber coaxial cable network. It also offers mobile services for quadruple-play packages. Claro is an aggressive competitor targeting video subscribers, including VTR GlobalCom 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, 10%, 7% and 8% subscribe to the DTH services of Movistar, Claro and DirecTV Chile, respectively. To enhance its competitive position, VTR GlobalCom offers VoD, catch-up television, DVR functionality, premium HD channels, pay-per-view and a variety of premium channels as value added services that can be purchased by VTR GlobalCom's video cable customers. These services and its variety of bundle options, including internet and telephony, enhance VTR GlobalCom's competitive position.
- *Puerto Rico.* Liberty Puerto Rico is 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 17% 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 48% 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 offering similar 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 2013, Liberty Puerto Rico increased its internet speeds in its bundle offers with download speeds of up to 60 Mbps in its core bundles. In addition, it plans to offer its customers the ability to view programming remotely and to offer the latest technology.

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. With technological developments, competition from wireless services using various advanced technologies has become significant as well. Recently competitors have started offering high-speed mobile data via LTE wireless networks in certain of our markets. In addition, other wireless technologies, such as WiFi, are becoming more prevalent. 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. These wireless services are in response to the trend across Europe toward mobile internet.

Our strategy is speed leadership, including increasing the maximum speed of our connections, offering varying tiers of service and varying prices and offering 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 100 Mbps or more at mass market price points and ultra high-speed internet with speeds of generally up to 250 Mbps to compete with VDSL 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 the U.K., we have a number of significant competitors in the market for broadband internet services. For example, BT provides broadband internet access services over its own DSL network and is currently rolling out an FTTx network. In addition, BT has recently announced its intention to expand and accelerate FTTx deployments, which will allow its retail arm, and its wholesale customers, to offer ultra high speed broadband services. Where fully deployed, operators are able to offer download speeds of up to 330 Mbps. BT Openreach, a division of BT, is also expanding BT's FTTx to most of the U.K. BT Openreach manages BT's local access network and provides competitors, including Virgin Media, access to BT's networks.

Operators such as BSkyB, TalkTalk Telecom Group plc and Everything Everywhere Limited deploy their own network access equipment in BT exchanges via a process known as local loop unbundling (LLU). This allows an operator to reduce the recurring operating costs charged by BT by reducing the proportion of traffic that must travel directly over BT's network. LLU deployment requires a substantial capital investment to implement and requires a large customer base to deliver a return on investment. In addition to the competition and pricing pressure in the broadband market arising from LLU, competition from mobile broadband is increasing. For example, Everything Everywhere Limited has announced that its LTE coverage will reach 98% of the U.K. population by the end of 2014.

Of these broadband internet providers, BT is the largest, serving 32% of the total market in the U.K. Virgin Media serves 20% of the total broadband market in the U.K. To effectively compete, Virgin Media is expanding its ultra high-speed services and has announced that in February 2014, it will increase its download speeds to up to 152 Mbps. Virgin Media offers its internet service on a standalone basis or through bundled offerings that include video, fixed-line telephony and mobile voice and data services at attractive price points.

In Germany, the competition for broadband internet services is particularly intense. Each of Deutsche Telekom, United Internet AG, Vodafone Germany (a subsidiary of Vodafone) and Telefónica Germany Holding AG (Telefónica Germany) are significant

competitors. Deutsche Telekom is upgrading its network to a transmission speed of up to 100 Mbps and provides services to nearly half of the broadband internet subscribers through its network. United Internet AG and Vodafone Germany provide services to 12% and 11%, respectively, of the 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. Deutsche Telekom, alone and in partnership with others, including Vodafone Germany, has also announced plans to use its VDSL network with vectoring technology to offer increased speeds. Unitymedia KabelBW serves 9% 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 for its core package to up to 100 Mbps. It also offers a service with up to 150 Mbps. 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 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 45% 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 26% 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 39% of the broadband internet market in Belgium.

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 LLU. KPN offers ultra high-speed internet services with download speeds of up to 80 Mbps over its DSL network. Between its DSL network and FTTx network, KPN internet services, with download speeds of up to 40 Mbps, are available to approximately 80% of all the households in the Netherlands. KPN also offers ultra high speed internet services of 100 Mbps on its existing FTTx network and 500 Mbps in new FTTx areas. In 2014, it plans to deploy 500 Mbps on its existing FTTx network as well. In 2014, KPN also plans to increase its download speeds on its DSL network to 100 Mbps and launch VDSL with vectoring. KPN is the leading mobile broadband provider with its competitively priced mobile internet products and launched LTE services in 2013, which will provide nationwide coverage by the end of the first quarter of 2014. KPN serves 42% 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 and includes its basic digital video service to subscribers of its internet services at no additional charge. In the realignment of its bundles, UPC Netherlands increased its broadband internet speed to 120 Mbps for its mass market triple-play bundle. It also launched mobile data in February 2012 and is testing a 500 Mbps internet offer in select locations.

In Switzerland, Swisscom is the largest provider of broadband internet services, with an estimated market share of 56% of all broadband internet customers, and is our primary competitor. Swisscom internet customers have access to its video content free of charge through its internet portal. It is also expanding its FTTx network, through which it can offer download speeds of up to 100 Mbps and recently launched its 1 Gbps offer to customers on its new FTTx network. The next significant competitor is Sunrise Communications AG with 11% of broadband internet customers. UPC Cablecom serves 20% 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, fixed-line telephony services and its ultra high-speed internet services. It also offers ultra high-speed internet with download speeds of up to 500 Mbps in select markets.

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. In addition, Telekom Austria is expanding its DSL network and planning to use VDSL technology with vectoring to increase its download speeds to up to 70 Mbps. UPC Austria's share of such market is 19%. The mobile broadband services of Telekom Austria are also a competitive factor. Telekom Austria is the largest mobile broadband provider serving 44% of the mobile broadband subscribers that use a 3G network. In addition, UPC Austria faces competition from LLU 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. 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. Outside of mobile internet, UPC Ireland's most significant competitor is the fixed-line incumbent, Eircom Limited, with 46% of the broadband internet market in Ireland. In 2013, Eircom Limited increased its download speeds to up to 100 Mbps through its expanded VDSL

network, which passes approximately 700,000 homes at December 31, 2013. UPC Ireland's share of total broadband internet subscribers in Ireland is 31%. To effectively compete, UPC Ireland realigned its bundles, including increasing the download speeds of its internet services to up to 120 Mbps in its mass market bundles. It also launched Horizon TV in August 2013.

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. In all of our Central and Eastern European markets, we are using our ultra high-speed internet service to attract and retain customers. In addition, promotional discounts are a big part of our internet service offerings, as well as with our competitors.

Latin America

In Chile, VTR GlobalCom faces competition primarily from non-cable-based internet service providers such as Movistar and Claro. VTR GlobalCom is experiencing increased pricing and download speed pressure from Movistar 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 launched its LTE network for high-speed mobile data. In response to the availability of mobile data in Chile, VTR GlobalCom has more than doubled its internet speeds with a high-speed internet offering of up to 120 Mbps. VTR GlobalCom's share of the broadband internet market in Chile is 37%, compared to 41% for Movistar. To effectively compete, VTR GlobalCom is expanding its two-way coverage and offering attractive bundling with fixed-line telephony and digital video service.

Fixed-Line Telephony and Mobile Services

With respect to fixed-line telephony services, our businesses continue to compete against the incumbent telecommunications operator in each country. These operators have substantially more experience in providing fixed-line telephony and mobile services, greater resources to devote to the provision of fixed-line telephony services and long-standing customer relationships. In addition, mobile telephony providers are making significant advances in all our areas of operations and over-the-top telephony is becoming a competitive factor. 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 fixed-line 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 telephony apps that allow customers to make and receive calls from their fixed-line call packages on smartphones. 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 voice and data services in the U.K., Belgium, Chile, Germany and Poland. With consumers increasingly moving towards mobile services, we continue to explore opportunities to offer mobile services in our other operations.

Europe

Across Europe, our fixed-line and mobile telephony businesses are generally small compared to the existing business of the incumbent telephone 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.

In the U.K., we compete primarily with BT in providing fixed-line telephony services to residential customers in the U.K. BT occupies an established market position as the former state provider. We also compete with other telecommunications companies that provide fixed-line telephony services. These include TalkTalk Telecom Group plc and BSkyB, and mobile telephone operators such as Everything Everywhere Limited and Vodafone who lease access to BT's network. For our mobile service in the U.K., we also face competition from these mobile network operators as well as other MVNOs. Everything Everywhere Limited became the first U.K. mobile network operator to launch LTE in October 2012, with Vodafone and others launching their LTE services in 2013. Virgin Media is responding to such competition by introducing "Smart Call", a WiFi-calling application that allows customers to use inclusive fixed-line call packages on smartphones. Virgin Media's share of the fixed-line telephony market in the U.K. is 14%.

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. The market share of the fixed-line telephony market for Unitymedia KabelBW is 7%.

In Belgium, Belgacom is the dominant fixed-line telephony provider with 67% of the fixed-line telephony market. It is also a significant competitor in the mobile telephony market, having recently launched 4G services in select markets. 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, plus 2,000 minutes for calls to mobile in Belgium, fixed and mobile in Europe, the U.S. and Canada, and fixed in Morocco and Turkey). Subscribers to our fixed-line telephony service may also make free off-peak calls to mobile lines in Belgium, Europe, the U.S. and Canada. 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. 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 23%.

In the Netherlands, KPN is the dominant fixed-line telephony provider and is expanding significantly its mobile services as well, with the launch of LTE services in 2013. KPN's LTE network will be available throughout the Netherlands in 2014. 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. UPC Netherlands also entered the mobile market with the launch of mobile data in 2012 and plans to expand this service to include voice. 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 include their mobile products in bundles with fixed-line services. To meet the competition for fixed-line services, UPC Cablecom enhanced its portfolio with attractive bundle options. UPC Cablecom also plans to enter the mobile market. The market share of the fixed-line telephony market for UPC Netherlands is 14% and UPC Cablecom is 12%.

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 LLU. UPC Austria also plans to enter the mobile market. 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.

Latin America

In Chile, VTR GlobalCom faces competition from the incumbent telecommunications operator, Movistar, and other telecommunications operators. Movistar 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. VTR GlobalCom offers circuit-switched and VoIP telephony services over its cable network. VTR GlobalCom's share of the residential and commercial fixed-line telephony market in Chile is 21% (36% for residential).

In Chile, an increasing number of consumers have gravitated towards mobile service, prompting us to add wireless plans to complement our existing menu of telecommunications services commencing in 2012. Claro, Movistar and Entel PCS Telecommunications SA are the primary companies that offer mobile telephony in Chile. VTR Wireless represents less than 1% of the mobile telephony market share in Chile, of which slightly more than half comprise post-paid accounts. Of these customers, 58% subscribe to at least one fixed-line VTR GlobalCom service. Competition in the Chilean mobile services market is increasing quickly, with new competitors providing services to customers using the MVNO model. There are four primary operators using the MVNO model: VTR Wireless, Móvil Falabella, Virgin Mobile Chile and GTD—Manquehue. We expect additional new competitors to begin providing mobile services using the MVNO model in the coming years. To enhance its competitive position, VTR GlobalCom entered into an agreement with VTR Wireless, which allows VTR GlobalCom 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.

Regulatory Matters

Overview

Video distribution, broadband internet, fixed-line telephony, mobile 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 property and equipment additions. 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.

Europe

Austria, Belgium, Bulgaria, Croatia, 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 U.K. 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 without any transposition into national law. Certain EU rules are also applicable across the European Economic Area, whose Member States are the EU Member States (excluding Croatia) 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 direct 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 adjusted recommendation led to a reduction in regulation. Some NRAs, however, continue to maintain their analysis of some of the markets from the original list or perform analysis of markets not listed in the recommendation which requires the NRA to prove that additional requirements, the so called three-criteria test, are met. 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. We do not expect 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.

On September 11, 2013, the EU Commission proposed a partial reform to the Regulatory Framework in its proposed regulation on the European single market for electronic communications. Under EU law, a regulation, unlike a Directive, is required to be implemented into national law without interpretation by the respective national government. This proposal is a substantial reform to the 2009 Regulatory Framework, notably in how regulatory powers for licensing, spectrum and consumer protection are divided between NRAs, BEREC and the EU Commission. The proposal does not, however, modify the Regulatory Framework for mandating access obligations on operators with Significant Market Power. With respect to broadband services, the proposal permits

ISPs to charge content or application service providers for carriage in return for new prohibitions to the use of traffic management to block, slow down or degrade services or applications. There are also modifications to the rules on consumer protection that extend the circumstances under which subscribers can terminate their contracts without cost, which may restrict our flexibility in respect of our bundled service offerings. The proposed regulation is subject to approval by the European Parliament and by Member States in the European Council. The proposal is not a current priority for the majority of the Member States in the European Council and is unlikely to be adopted during the course of 2014.

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). 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 services 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 that 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 (the Standby Regulation), 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, the Standby Regulation imposed further requirements on power management on certain devices we purchase and/or develop, which devices, namely the Horizon TV set-top box and any future set-top boxes, must comply with such requirements, unless it can be argued such further requirements are inappropriate. These additional requirements have necessitated additional software developments for our equipment and reduce the functionality of our equipment assuming the equipment's default setting is maintained.

Furthermore in August 2013, the EU Commission issued an amendment to the Standby Regulation called Networked Standby (No 801/2013), which will be effective as of January 1, 2015, with the aim of regulating, among others, the maximum power consumption of networked consumer equipment while in the so-called Networked Standby mode. As is the case with the Standby Regulation, these additional requirements may have an impact on cost and customer experience.

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.

United Kingdom

In the U.K., the revised Regulatory Framework is implemented through (1) the Communications Act 2003, which regulates all forms of communications technology, whether used for telecommunications or broadcasting, and (2) the Wireless Telegraphy Act 2006, which regulates radio communications in the U.K. (including with respect to the spectrum, licensing arrangements, usage conditions and charges, license bidding and trading and enforcement and penalties). The Privacy and Electronic Communications Regulations 2003, as amended, implemented EU Directive 2002/58, which regulates the processing of personal data and the protection of privacy in the electronic communications sector.

Virgin Media is also subject to regulation under the U.K. Broadcasting Acts 1990 and 1996 and other U.K. statutes and subordinate legislation, including the Competition Act 1998 and the Enterprise Act 2002. On-demand programming is regulated by the Authority for Television On-Demand under a co-regulatory regime with the U.K. Office of Communications (Ofcom). The regulatory regime for on-demand programming is derived from the EU Audiovisual Media Services Directive.

Ofcom is the key regulatory authority for the communications sector in which Virgin Media operates. It is responsible for furthering the interests of consumers by promoting competition. Currently, the U.K. Office of Fair Trading also has jurisdiction with respect to competition matters. Pursuant to the Enterprise and Regulatory Reform Act 2013, effective April 1, 2014, the competition functions of the U.K. Office of Fair Trading, together with those of the U.K. Competition Commission, will be transferred to a new U.K. competition authority, the Competition and Markets Authority. The Competition and Markets Authority's primary duty will be to promote competition, both within and outside the U.K., for the benefit of consumers.

The U.K. government has attempted to drive the deployment of super-fast broadband and the provision of basic broadband to 95% of the population of the U.K. by 2017 using money from the publicly funded BBC Licence Fee, under-spend from the Analogue TV Switch-Off Project and other sources of public investment to stimulate private investment. Two key projects are under way: (1) the Broadband Delivery Programme, which is focused on delivering broadband to areas that the market will not serve of its own accord (mainly rural areas); and (2) the Urban Broadband Fund, which is aimed at establishing "super connected" cities with internet capabilities of between 80 Mbps to 100 Mbps and comprehensive mobile broadband coverage. In 2013, the U.K. government announced the Superfast Extension Programme, which is designed to support the roll-out of broadband with download speeds of 30 Mbps or higher to 99% of the population of the U.K. by 2018.

Virgin Media lodged a formal challenge against the European Commission's decision to approve a project involving the deployment of a state-subsidized broadband network in the city of Birmingham in 2012. Based on assurances received from the U.K. government that no Urban Broadband Fund monies would be used to deploy telecommunications infrastructure in the U.K., such that Birmingham could not implement the network for which it had received European Commission approval, Virgin Media requested and was granted a stay in proceedings until December 31, 2015.

Ofcom is in the final stages of its triennial review of the Fixed Access markets (including Wholesale Local Access incorporating physical or passive network access via methods such as LLU and duct access) and Wholesale Broadband Access market (virtual or active network access via methods such as provision of wholesale managed service products). Proposals made by Ofcom in this review indicate that there is no substantive change in its approach to regulation. Therefore, we do not anticipate significant consequences for Virgin Media's operations.

We anticipate that, in line with Ofcom's current proposals, BT will again be found to have Significant Market Power in the Wholesale Local Access market and at least one sub-national area of the Wholesale Broadband Access market and will be required to provide certain products and services on regulated terms, (including providing access to its ducts and poles infrastructure).

As a MVNO, Virgin Media is subject to EU regulations relating to retail prices for roaming services. These regulations set limits on certain wholesale and retail tariffs for international mobile voice roaming, SMS tariffs and data roaming within the EU, provides for greater levels of transparency of retail pricing information, imposes measures to guard against bill shock in respect of data roaming and sets maximum roaming rates within the EU. A new measure, effective July 1, 2014, will allow consumers to select an alternative provider for their EU roaming services. The measure is intended to increase competition for the provision of roaming services.

Mobile termination charges applied by mobile network operators are regulated by Ofcom under a Significant Market Power charge control condition. Under Virgin Media's MVNO agreement, these changes in mobile termination charges are passed on to Virgin Media, which has experienced a reduction in revenue from such charges. Ofcom is in the process of reviewing mobile termination charges for the period of 2015-2018, and its current proposals suggest that rates will stabilize around current levels.

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 13, 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. This commitment, with which we have complied, 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 transferred 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, 2013, approximately 14% of the dwelling units covered by the Remedy HA Agreements remain subject to the special termination right.

In January 2012, two of our competitors, including the incumbent telecommunications operator, each filed an appeal against the FCO regarding its decision to approve the KBW Acquisition. On August 14, 2013, the Düsseldorf Court of Appeal issued a ruling that set aside the FCO's clearance decision. Although the Düsseldorf Court of Appeal did not grant the right to appeal against its ruling to the Federal Supreme Court, on September 16, 2013, we filed a formal request to appeal to the Federal Court of Justice seeking permission to appeal the Düsseldorf Court of Appeal's decision and our reasoned submission was filed on December 16, 2013. Third parties have been given until March 21, 2014 to comment on our submission. The Düsseldorf Court of Appeal's ruling is not legally binding until all appeals have been rejected. If we are not granted the right to appeal, or if any appeal is unsuccessful and the Düsseldorf Court of Appeal's ruling to overturn the FCO clearance becomes final and binding, the KBW Acquisition would be remitted to the FCO for a new phase II review. The FCO would have the power to clear the deal subject to additional remedies or, although we do not expect either to be the outcome, to refuse clearance of the transaction or clear the transaction unconditionally. We will continue to pursue any available opportunity to appeal the Düsseldorf Court of Appeal's ruling. We do not expect that the continued proceedings relating to these appeals will have any impact on the integration and development of our operations in Germany or the day-to-day running of our business. We cannot predict the final outcome of this appeal process, however, any new decision by the FCO with respect to the KBW Acquisition as a result of the Düsseldorf Court of Appeal's ruling, including any decision that increases the existing conditions we are subject to in connection with the FCO's initial approval of the KBW Acquisition or imposes additional conditions, could have a material adverse impact on our results of operations, cash flows or financial position.

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 our results of operations, cash flows or financial position.

Unitymedia KabelBW has entered into numerous feed-in agreements with public and commercial broadcasters for the analog and 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. In 2012, ARD and ZDF sent us notices purporting to terminate their feed-in agreements effective December 31, 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 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. While we are seeking to negotiate with ARD and ZDF to reach acceptable agreements, we have rejected the termination notices and filed lawsuits for payment of carriage fees against ARD and ZDF. 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. In this regard, we are currently in negotiations with certain of the larger private broadcasters and we expect to reach agreements that are acceptable to all parties, although no assurance can be given that any of our agreements with broadcasters will be renewed or extended on financially equivalent terms, or at all.

Belgium has broadly transposed the Regulatory Framework into law. According to the electronic communications law of June 13, 2005, the Belgisch Instituut voor Post en Telecommunicatie (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 were approximately 79% less than the average rate implemented on August 1, 2010. As of January 1, 2013, mobile termination rates have been set by BIPT at 1.08 euro cents per minute, and to date 2014 rates have not been set.

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. After a public consultation, the draft decisions were submitted to the EU Commission. The EU 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, with some minor revisions. The regulatory obligations 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).

After Telenet submitted draft reference offers regarding the obligations described above in February 2012, to which the Belgium Regulatory Authorities subsequently made their observations, launched a national consultation process and consulted with the EU Commission. Although the EU Commission expressed doubts regarding the analog resale offers on August 8, 2013, the EU Commission did not object to the decision on the reference offers. The Belgium Regulatory Authorities published the final decision on September 9, 2013. The regulated wholesale services must be available approximately six months after a third-party operator files a letter of intent and pays an advance payment to each cable operator. On December 27, 2013, wireless operator Mobistar submitted a letter of intent and has paid the advance payment on January 10, 2013. Accordingly, the reference offers could be operational as soon as the third quarter of 2014.

On April 2, 2013, the Belgium Regulatory Authorities issued a draft decision regarding the “retail-minus” tariffs of minus 35% for basic television (basic analog and digital video package) and minus 30% for the bundle of basic television and broadband internet services. 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 costs for billing, franchise, consumer service, marketing, and sales). On October 4, 2013, the Belgium Regulatory Authorities notified a draft quantitative decision to the European Commission in which they changed the “retail-minus” tariffs to minus 30% for basic television (basic analog and digital video package) and to minus 23% for the bundle of basic television and broadband internet services. Even though the EU Commission made a number of comments regarding the appropriateness of certain assumptions in the proposed costing methodology, the Belgium Regulatory Authorities adopted such retail-minus tariffs on December 11, 2013.

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 and the approval of the reference offers by the Belgium Regulatory Authorities, Telenet is now required to begin the process of implementing its reference offers. A final ruling on the merits can be expected in the second or third quarter of 2014. Telenet also filed an appeal with the Brussels Court of Appeal against such decision regarding the qualitative aspects of the reference offer. A decision in this appeal should not be expected before the fourth quarter of 2014. There can be no certainty that Telenet’s appeals will be successful.

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 the extent that competitors take advantage of the resale access ultimately afforded to Telenet's network and other competitive factors or market developments.

The Netherlands

The Netherlands has an electronic communications law that broadly transposes the Regulatory Framework. According to this electronic communications law, Autoriteit Consument & Markt (ACM), formerly Onafhankelijke Post en Telecommunicatie Autoriteit, the Netherlands NRA, should perform a market analysis to determine which, if any, operator or service provider has Significant Market Power. In December 2011, ACM completed a market assessment of the television market in the Netherlands, and concluded that there were no grounds for regulation of that market. As a result, no new regulations relating to the television market may be proposed without a new analysis. In particular, ACM 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 on November 5, 2012.

In May 2012, the Dutch Senate adopted laws that (1) provide the power to ACM to impose an obligation for the mandatory resale of television services and to the Commissariaat voor de Media to supervise the resale obligation introduced by these new laws 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 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. The Dutch government responded to the infringement proceedings on June 25, 2013 and the European Commission is currently reviewing the response. If such response is deemed to be unsatisfactory to the European Commission, it may refer the matter to the European Court of Justice. 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.

On January 29, 2014, a Dutch civil court, in a court proceeding initiated by UPC Netherlands, declared the resale obligation laws non-binding because they infringe EU law. The Dutch government has three months from January 29, 2014, to appeal the decision. The infringement proceeding at the European Commission against the Dutch government is still pending. We cannot predict the outcome of any appeal by the Dutch government of the civil court decision, or, if the decision was overturned, the effect on our results of operations, cash flows or financial position from any implementation of a resale regime, which would likely take several months or more.

On August 5, 2013, ACM published a new market analysis decision on call termination, which combines both the fixed termination market and the mobile termination market. The new tariffs became effective September 1, 2013. All providers of call termination on fixed and mobile networks in the Netherlands have been found to have Significant Market Power. The tariffs were set for both fixed and mobile termination and consist of a single tariff for the relevant three-year period without a glidepath. The Dutch Supreme Administrative Court in preliminary proceedings initiated by the mobile operators approved, consistent with its August 31, 2011 ruling, a costing methodology resulting in higher rates valid until the ruling in the appeal on the merits against the August 5, 2013 decision is published. Such ruling is expected in the third or fourth quarter of 2014.

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. 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. A new Radio and Television ordinance became effective August 1, 2012, which allows cable operators to decrease the number of obligatory channels to be broadcasted in analog. A departmental ordinance was published which eliminates this regime for all foreign broadcasters as of June 1, 2013, and all other such regulation as of January 1, 2015. Additionally, 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. 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 monthly price for a cable connection increased by CHF 0.90 (\$1.01) effective January 1, 2013 and a further increase of CHF 0.60 (\$0.68) took effect on January 1, 2014.

Effective October 1, 2011, the Federal Council proposed 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. The Swiss regulation may not be in line with EU regulation, and it 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.

Chile

VTR GlobalCom is subject to regulation and enforcement by various governmental entities in Chile including the Chilean Antitrust Authority, the Ministry of Transportation and Telecommunications (the Ministry) through the Chilean Undersecretary of Telecommunications (SubTel), the National Television Council (CNTV) and Chile's national consumer service (Sernac).

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

Video

The provision of pay television services requires a permit issued by the Ministry. Cable pay television permits are granted for an indefinite term and are non-exclusive, and, because such permits do not involve radioelectric spectrum, they are granted without ongoing duties or royalties. VTR GlobalCom has permits to provide cable pay television services in the major cities, including Santiago, and in most of the medium-sized markets in Chile.

Cable television service providers in Chile are free to define the channels and content included in their services and are not required to carry any specific programming, except as described below. However, CNTV may impose sanctions on providers who are found to have run programming containing excessive violence, pornography or other objectionable content. Pay television operators are directly responsible for violation of such prohibitions. Additionally, a bill to amend the Television Act, which we refer to as the TV Act Bill, which is currently pending in Congress, intends to require pay television providers to offer a certain quota of cultural content and to distribute public interest campaigns.

The TV Act Bill, which, among other things, is designed to introduce terrestrial digital television, seeks to establish a retransmission consent regime between broadcast television concessionaires and pay television operators. This regime would provide that once a broadcast operator achieves digital coverage of 85% of the population within its concession areas, the broadcast operator may require that pay television operators enter into an agreement for the distribution of its digital signals to be able to retransmit its signal. In addition, the TV Act Bill requires that the technical or commercial conditions imposed by broadcast operators not discriminate among pay television operators. Also, the TV Act Bill seeks to establish a must-carry regime requiring pay television operators to distribute up to four local broadcast television channels in each operating area. The channels that must be carried by any particular pay television operator are to be selected by CNTV.

The Chilean Consumer's Rights Protection Law contains provisions that have been interpreted by Sernac to require that any increase in rates exceeding inflation must be previously accepted and agreed to by subscribers. Although VTR GlobalCom disagrees with this interpretation, in July 2012, VTR GlobalCom reached an agreement with Sernac, which permits VTR GlobalCom to make adjustments to its published rates twice per year to adjust for inflation. In addition, VTR GlobalCom may once a year propose to its existing subscribers additional changes to their rates. If a subscriber does not accept these proposed rate changes, VTR GlobalCom is permitted to terminate service delivery to the subscriber. In addition, the agreement with Sernac establishes the criteria upon which VTR GlobalCom may modify its channel line-up without the consent of subscribers.

Internet

In August 2010, a law on internet neutrality was passed, which prohibits "arbitrary blockings" of legal content, applications or services and the provision of differentiated service conditions according to the origin or ownership of the content or service provided through the internet. Additionally, the law authorizes ISPs to take measures to ensure the privacy of their users and provide virus protection and safety processes over their network, as long as these measures do not infringe antitrust laws. Additional measures were subsequently implemented, including obligations related to consumer information, traffic management policies applied by each ISP and internet quality of service requirements and notices required by law concerning the effective maximum and minimum traffic speeds offered under internet access plans.

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.

Fixed-Line and Mobile Telephony Services

The Ministry also regulates telephony services. The provision of fixed-line and mobile telephony services requires a public telecommunications service concession. With respect to mobile services, in 2009, SubTel awarded VTR GlobalCom a license for 30 MHz of spectrum in the 1700/2100 MHz frequency band for the provision of wireless telephony services. The license has a 30-year renewable term. VTR GlobalCom transferred this license to VTR Wireless in 2012. On January 15, 2014, VTR Wireless received a letter from SubTel in which SubTel asserts that VTR Wireless is not in compliance with the terms of such wireless license. SubTel alleges that the terms of the wireless license require VTR Wireless to comply with certain minimum network coverage and traffic levels. VTR Wireless disagrees with SubTel's assertions regarding the terms of the wireless license and intends to contest such assertions vigorously.

VTR GlobalCom has telecommunications concessions to provide fixed-line 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 GlobalCom's fixed-line 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 GlobalCom has concessions to provide this service, which is non-exclusive, for a 30-year renewable term expiring in September 2025. In Chile, fixed-line telephony communications between primary zones are domestic long distance calls. In October 2011, 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. On November 6, 2013, Law N°20,704 was enacted to provide for the complete elimination of domestic long

distance calls. Pursuant to its terms, 120 days after its enactment SubTel must start a process to unify Chile into just one telephone service primary zone within 180 days thereafter. We believe this process could benefit VTR GlobalCom along with the Chilean fixed-line market as a whole in relation to VTR GlobalCom's mobile telephony competition by providing fixed-line subscribers the ability to make phone calls throughout Chile without incurring into long-distance charges, thereby making VTR GlobalCom's fixed-line telephony services more attractive.

There are no universal service obligations in Chile. However, 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 GlobalCom, 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.

As a general rule, fixed-line telephony service providers are free to establish the rates directly charged to their customers, unless the Chilean Antitrust Authority concludes that due to a lack of sufficient competition in the market, rates should be fixed by regulatory authorities. However, SubTel sets the maximum rates that may be charged by each operator for interconnect charges, access charges between operators for calls originating on one network that are completed through connections with one or more networks of other providers, and charges for network unbundling services. Rate regulation on interconnection charges is applicable to all fixed-line and mobile telephony companies, including VTR GlobalCom and VTR Wireless. The determination of the maximum rates that may be charged by operators for their fixed-line or mobile services are made on a case-by-case basis by SubTel and are effective for five years.

Other Chilean Regulation

- *Bundling.* On December 18, 2012, the Chilean Antitrust Authority 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, as revised by the Chilean Supreme Court, mobile services may be sold jointly with fixed-line services. However, promotional discounts were not permitted for these double play offers. As for traditional bundling over the same platform (e.g., bundled fixed-line services such as our double- and triple-play packages, or bundled mobile services), this regulation provides that such services may be bundled, subject to certain price limitations. These limitations require that the total price for a bundle must be greater than the stand-alone price for the most expensive service included in the bundle. Also, when three or more services are bundled, the price for the bundle must 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, SubTel published a proposal for a General Telecommunication Services Ruling. The purpose of this proposal is to regulate the offer of telecommunication services, including 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.
- *Minimum Standards on Quality of Service and Operation.* From August 5 to September 4, 2013, SubTel submitted for public comment a draft of the Technical Fundamental Plan on Maintenance and Public Service Telecommunications Network Managing. This draft seeks to impose minimum standards on quality of service and operation of telecommunications networks, in general, and in some particular services: voice services; text and multimedia messages services; data transmission services; minimum coverage for mobile services; and digital terrestrial television minimum coverage. We are uncertain when SubTel will publish the final version of the plan.

Employees

As of December 31, 2013, we, including our consolidated subsidiaries, had an aggregate of approximately 35,000 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 U.S. 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.libertyglobal.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 the shares of our company.

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, including risks that relate to our redomiciliation in the U.K.;
- risks that relate to certain financial matters; and
- other risks, including risks that, among other things, 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, fixed-line telephony and mobile services 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 LLU to provide these services, other facilities-based operators and wireless providers. Developments in the DSL and other 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.

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. New technologies, products and services may impact consumer behavior and therefore demand for our products and services. 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 property and equipment additions 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 and advanced DSL technologies, 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.

We depend almost exclusively on our relationships with third-party programming providers and broadcasters for programming content, and a failure to acquire a wide selection of popular programming on acceptable terms could adversely affect our business. The success of our video subscription business depends, in large part, on our ability to provide a wide selection of popular programming to our subscribers. We generally do not produce our own content and we depend on our agreements, relationships and cooperation with public and private broadcasters and collective rights associations to obtain such content. If we fail to obtain a diverse array of popular programming for our pay television services, including a sufficient selection of high-definition channels as well as non-linear content (such as video on demand and digital video recorder capability), on satisfactory terms, we may not be able to offer a compelling video product to our customers at a price they are willing to pay. Additionally, we are frequently negotiating and renegotiating programming agreements and our annual costs for programming can vary. There can be no assurance that we will be able to renegotiate or renew the terms of our programming agreements on acceptable terms or at all. We expect that programming and copyright costs will continue to rise in future periods as a result of, among other factors, higher costs associated with the expansion of our digital video content, including rights associated with ancillary product offerings and rights that provide for the broadcast of live sporting events, and retransmission or copyright fees payable to public broadcasters.

If we are unable to obtain or retain attractively priced competitive content, demand for our existing and future television services could decrease, thereby limiting our ability to attract new customers, maintain existing customers and/or migrate customers from lower tier programming to higher tier programming, thereby inhibiting our ability to execute our business plans. Furthermore, we may be placed at a competitive disadvantage if certain of our competitors, for example BT and BSkyB in the U.K., obtain exclusive programming rights, particularly with respect to popular sports and movie programming. In addition, “must carry” requirements may consume channel capacity otherwise available for more attractive programming.

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. We rely upon intellectual property that is owned or licensed by us to use various technologies, conduct our operations and sell our products and services. Legal challenges could be made against our use of our or our licensed intellectual property rights (such as trademarks, patents and trade secrets) and we may be required to enter into licensing arrangements on unfavorable terms, incur monetary damages or be enjoined from use of the intellectual property rights in question.

Our businesses that offer mobile telephony and data services rely on the radio access networks of third-party wireless network providers to carry our mobile communications traffic. Our services to mobile customers rely on the use of MVNO arrangements in which we utilize the radio access networks of third-party wireless network providers to carry our mobile communications traffic. If any of our MVNO arrangements is terminated, or if the respective third-party wireless network provider fails to provide the services required under a MVNO arrangement, or if a third-party wireless network provider fails to deploy and maintain its network, and we are unable to find a replacement network operator on a timely and commercial basis or at all, we could be prevented from continuing the mobile services relying on such MVNO arrangement. Additionally, as our MVNO arrangements come to term, we may not be able to renegotiate renewal or replacement MVNO arrangements on the same or more favorable terms.

Failure in our technology or telecommunications systems or leakage of sensitive customer data 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. Furthermore, our operating activities could be subject to risks caused by misappropriation, misuse, leakage, falsification or accidental release or loss of information maintained in our information technology systems and networks and those of our third-party vendors, including customer, personnel and vendor data. As a result of the increasing awareness concerning the importance of safeguarding personal information, the potential misuse of such information and legislation that has been adopted or is being considered across all of our markets regarding the protection, privacy and security of personal information, information-related risks are increasing, particularly for businesses like ours that handle a large amount of personal customer data. Failure to comply with these data protection laws may result in, among other consequences, fines.

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.

The "Virgin" brand is used by our subsidiary Virgin Media under licenses from Virgin Enterprises Limited and is not under the control of Virgin Media. The activities of the group of companies utilizing the "Virgin" brand and other licensees could have a material adverse effect on the goodwill of customers towards Virgin Media as a licensee and the licenses from Virgin Enterprises Limited can be terminated in certain circumstances. The "Virgin" brand is integral to Virgin Media's corporate identity. Virgin Media is reliant on the general goodwill of consumers towards the Virgin brand. Consequently, adverse publicity in relation to the group of companies utilizing the "Virgin" brand or its principals, particularly Sir Richard Branson, who is closely associated with the brand, or in relation to another licensee of the "Virgin" name and logo (particularly in the U.K., where Virgin Media does business) could have a material adverse effect on Virgin Media's reputation and on Virgin Media's and our business and results of operations. In addition, the licenses from Virgin Enterprises Limited can be terminated in certain circumstances. For example, Virgin Enterprises Limited can terminate the licenses, after providing Virgin Media with an opportunity to cure, (i) if Virgin Media or any of its affiliates commits persistent and material breaches or a flagrant and material breach of the licenses, (ii) if Virgin Enterprises Limited has reasonable grounds to believe that the use (or lack of use) of the licensed trademarks by Virgin Media has been or is likely to result in a long-term and material diminution in the value of the "Virgin" brand, or (iii) if a third party who is not (or one of whose directors is not) a "fit and proper person," such as a legally disqualified director or a bankrupt entity, acquires "control" of Liberty Global. Such a termination could have a material adverse effect on Virgin Media's and our business and results of operations.

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 underlying currency. At December 31, 2013, 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, 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 2014, (1) less than 1% of our revenue, (2) approximately 4% to 6% of our aggregate operating and SG&A expenses (exclusive of share-based compensation expense) and (3) approximately 10% to 12% of our property and equipment additions will be denominated in non-functional currencies, including amounts denominated in (a) U.S. dollars in Chile and Europe and (b) euros in Poland, the Czech Republic, Romania, Switzerland and Hungary. Our expectations with respect to our non-functional currency transactions in 2014 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, British pound sterling, Swiss franc, Hungarian forint and Polish zloty and the forward sale of the euro, British pound sterling, Swiss franc, Czech koruna, Hungarian forint, Polish zloty and Chilean peso, to hedge certain of these risks. Certain non-functional currency risks related to our revenue, operating and SG&A expenses and property and equipment additions were not hedged as of December 31, 2013. 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 British pound sterling 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. 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.

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.

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 Virgin Media Acquisition completed in June 2013, and the recently announced Ziggo Offer. 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, including private equity funds. Even if we are successful in acquiring new businesses, the integration of these businesses, such as Virgin Media and Ziggo, 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 to 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 Virgin Media Acquisition and the recently announced Ziggo Offer.

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 be treated as a U.S. corporation for U.S. federal income tax purposes. As a U.K. public limited company, we generally would be classified as a foreign corporation (and, therefore, a non-U.S. tax resident) under general rules of U.S. federal income taxation. Section 7874 of the Internal Revenue Code of 1986 (the Code), however, contains rules that result in a foreign corporation being taxed as a U.S. corporation for U.S. federal income tax purposes. These rules are relatively new, their application is complex and there is little guidance regarding their application.

Under Section 7874 of the Code, we would be treated as a U.S. corporation for U.S. federal income tax purposes unless our "expanded affiliated group" is treated as having "substantial business activities" in the U.K. For this purpose, "expanded affiliated group" generally includes Virgin Media and its subsidiaries, and "substantial business activities" generally means at least 25% of employees (by number and compensation), assets and gross income of our expanded affiliated group are based, located and derived, respectively, in the U.K.

We expect to satisfy this 25% test because substantially all of the operations of Virgin Media occur in the U.K., and some of our other operations occur in the U.K. (with our remaining operations occurring throughout Europe and Latin America). We caution, however, that there could be adverse changes to the relevant facts and circumstances which could become known in the future. In addition, there have been legislative proposals to expand the scope of U.S. corporate tax residence and there could be changes to Section 7874 of the Code or the Treasury Regulations promulgated thereunder that could result in our company being treated as a U.S. corporation.

If it were determined that we should be taxed as a U.S. corporation for U.S. federal income tax purposes, we could be liable for substantial additional U.S. federal income tax. In addition, payments of dividends to Non-U.S. holders may be subject to U.S. withholding tax. For U.K. tax purposes, we are expected, regardless of any application of Section 7874 of the Code, to be treated as a U.K. resident company since we are incorporated under English law. Consequently, we might be liable for both U.K. and U.S. taxes, which could have a material adverse effect on our financial condition and results of operations.

The expected tax benefits of the Virgin Media Acquisition may not be realized. There can be no assurance that all of the anticipated tax benefits of our redomiciliation in the U.K. as a result of the Virgin Media Acquisition will be achievable, particularly as the achievement of the benefits are, in many important respects, subject to factors that we do not control, including the reactions of third parties with whom we enter into contracts and do business and the reactions of investors, analysts and U.K. and U.S. taxing authorities. We believe that the Virgin Media Acquisition should improve our ability to maintain a competitive worldwide effective corporate tax rate. However, we cannot give any assurance as to what our effective tax rate will be because of, among other things, uncertainty regarding the tax policies of the jurisdictions in which we operate. Our actual effective tax rate may vary from our expectations and that variance may be material. The Virgin Media Acquisition may have resulted in certain of the combined companies' subsidiaries to have undergone an "ownership change" for purposes under the tax laws for the jurisdictions

in which those subsidiaries operate that may act to limit ability to utilize pre-transaction tax attributes, such as tax losses, in subsequent periods to offset income of those subsidiaries. Limitations imposed on the ability to use tax attributes could cause income taxes to be paid by these subsidiaries earlier than they otherwise would be paid if such limitations were not in effect and could cause such tax attributes to expire unused, in each case, reducing or eliminating the benefit of such tax attributes.

Our effective tax rates and the expected benefits of the redomiciliation are also subject to a variety of other factors, many of which are beyond our ability to control, such as changes in the rate of economic growth in the U.K., the U.S. and everywhere else that we do business, the financial performance of our business in various jurisdictions, currency exchange rate fluctuations, and significant changes in trade, monetary or fiscal policies of the U.K., the U.S. and other jurisdictions in which we do business, including changes in interest rates. The impact of these factors, individually and in the aggregate, is difficult to predict, in part because the occurrence of the events or circumstances described in such factors may be interrelated, and the impact to us of the occurrence of any one of these events or circumstances could be compounded or, alternatively, reduced, offset, or more than offset, by the occurrence of one or more of the other events or circumstances described in such factors.

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 the U.K., the U.S. and many other jurisdictions around the world. 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 many of the jurisdictions in which we operate. 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.

We believe that as a result of our incorporation in the U.K. we have the ability to reduce our global tax liability because the U.K. has implemented a dividend exemption system that generally does not subject non-U.K. earnings to U.K. tax when such earnings are repatriated to the U.K. in the form of dividends from non-U.K. subsidiaries. This should allow us to optimize our capital allocation and deploy efficient fiscal structures. However, we cannot provide any assurances as to what our tax liabilities will be in any period because of, among other things, uncertainty regarding the nature and extent of our business activities in any particular jurisdiction in the future and the tax laws of such jurisdictions. Although substantially all of their revenue and operating income is generated outside the United States, a majority of our subsidiaries remain subject to potential current U.S. income tax due their being owned through U.S. corporations. 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, through our U.S. ownership structure, of assets currently held by subsidiaries in foreign jurisdictions or recognition of 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 U.K., the U.S. and many other jurisdictions in which we have a presence. A change in these tax laws, treaties or regulations, 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 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, 2013, our outstanding consolidated debt and capital lease obligations were \$44.7 billion, of which \$1,023.4 million is due over the next 12 months and \$43.7 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 and 2013 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 property and equipment additions 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, property and equipment additions, 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 2013, we purchased \$1,151.9 million (including direct acquisition costs) of Liberty Global Class A and Class C ordinary shares and LGI Series A and Series C common stock. Any cash used by our company in connection with any future purchases of our ordinary shares 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 property and equipment additions 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 struggles in Europe related to sovereign debt issues and the stability of the euro, has contributed to a challenging global economic environment. 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 challenging conditions will exist or the extent to which the markets in which we operate may deteriorate. Additional risks arising from the ongoing economic challenges 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.***

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 and (3) proceeds in connection with the incurrence of debt or the issuance of equity securities. 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 shareholders 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, 2013, our exposure to counterparty credit risk included (1) derivative assets with a fair value of \$578.6 million, (2) cash and cash equivalent and restricted cash balances of \$2,725.2 million and (3) aggregate undrawn debt facilities of \$3,345.8 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.

We may not report net earnings. We reported losses from continuing operations of \$882.0 million, \$583.9 million and \$801.5 million during 2013, 2012 and 2011, 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 shareholders. John C. Malone beneficially owns outstanding ordinary shares of Liberty Global representing 27.5% of our aggregate voting power as of February 7, 2014. 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 shareholders for approval. For example, under English law and our articles of association, certain matters (including amendments to the articles of association) require the approval of 75% of the shareholders who vote (in person or by proxy) on the relevant resolution, and other certain corporate transactions or matters may require the approval of at least 75% of the outstanding shares of each class of our ordinary shares. Because Mr. Malone beneficially owns more than 25% of our aggregate voting power and more than 75% of the outstanding Class B ordinary shares, he has the ability to prevent the requisite approval threshold from being met even though the other shareholders may determine that such action or transaction is beneficial for the Company. 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.

It may be difficult for a third-party to acquire us, even if doing so may be beneficial to our shareholders. Certain provisions of our articles of association and of English law may discourage, delay, or prevent a change in control of our company that a shareholder may consider favorable. These provisions include the following:

- authorizing a capital structure with multiple series of ordinary shares: a Class B that entitles the holders to 10 votes per share; a Class A that entitles the holders to one vote per share; and a Class C that, except as otherwise required by applicable law, entitles the holder to no voting rights;
- authorizing the issuance of "blank check" shares (both ordinary and preferred), 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, although under English law, shareholders of our company can remove a director without cause by ordinary resolution;
- prohibiting shareholder action by written resolution, thereby requiring all shareholder actions to be taken at a meeting of the shareholders;
- requiring the approval of 75% in value of the shareholders (or class of shareholders) and/or English court approval for certain statutory mergers or schemes of arrangements; and
- 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 shareholders at shareholder meetings.

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 shareholders.

The enforcement of civil liabilities against us may be more difficult. Because we are a public limited company incorporated under the laws of England and Wales, investors could experience more difficulty enforcing judgments obtained against us in U.S. courts than would currently be the case for U.S. judgments obtained against a U.S. company. It may also be more difficult (or impossible) to bring some types of claims against us in courts sitting in England than it would be to bring similar claims against a U.S. company in a U.S. court. In particular, English law significantly limits the circumstances under which shareholders of English companies may bring derivative actions. Under English law generally, only the Company can be the proper plaintiff in proceedings in respect of wrongful acts committed against us. Our articles of association provide for the exclusive jurisdiction of the English courts for shareholder lawsuits against us or our directors.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. PROPERTIES

During 2013, we leased our corporate offices in London, U.K., in Englewood, Colorado and in Amsterdam, the Netherlands. 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. For additional information, see note 16 to our consolidated financial statements in Part II of this Annual Report.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

Item 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED SHAREHOLDER 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 Liberty Global (or its predecessor) or collectively to Liberty Global (or its predecessor) and its subsidiaries.

Market Information

We have three classes of ordinary shares, Liberty Global Class A, Class B and Class 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 Liberty Global Class A, Class B and Class C ordinary shares for the periods indicated. For periods prior to the June 7, 2013 completion of the Virgin Media Acquisition, amounts represent market prices for shares of LGI Series A, Series B, and Series C common stock.

	Class/Series A		Class/Series B		Class/Series C	
	High	Low	High	Low	High	Low
Year ended December 31, 2013						
First quarter	\$73.47	\$62.71	\$71.50	\$63.52	\$68.71	\$57.66
Second quarter	\$79.11	\$68.83	\$77.06	\$71.00	\$73.85	\$64.42
Third quarter	\$82.50	\$72.62	\$81.73	\$74.59	\$78.53	\$67.94
Fourth quarter	\$89.47	\$74.71	\$88.70	\$77.28	\$84.81	\$71.00
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

Holders

As of February 7, 2014, there were 354, 41 and 347 record holders of Liberty Global Class A, Class B and Class C ordinary shares, 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 Liberty Global Class A, Class B and Class C ordinary shares, 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 laws in England and Wales. Except as noted below, there are currently no contractual restrictions on our ability to pay dividends in cash or shares. 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.

For information regarding a share dividend that was declared by our board of directors subsequent to December 31, 2013, see note 19 to our consolidated financial statements.

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, 2013:

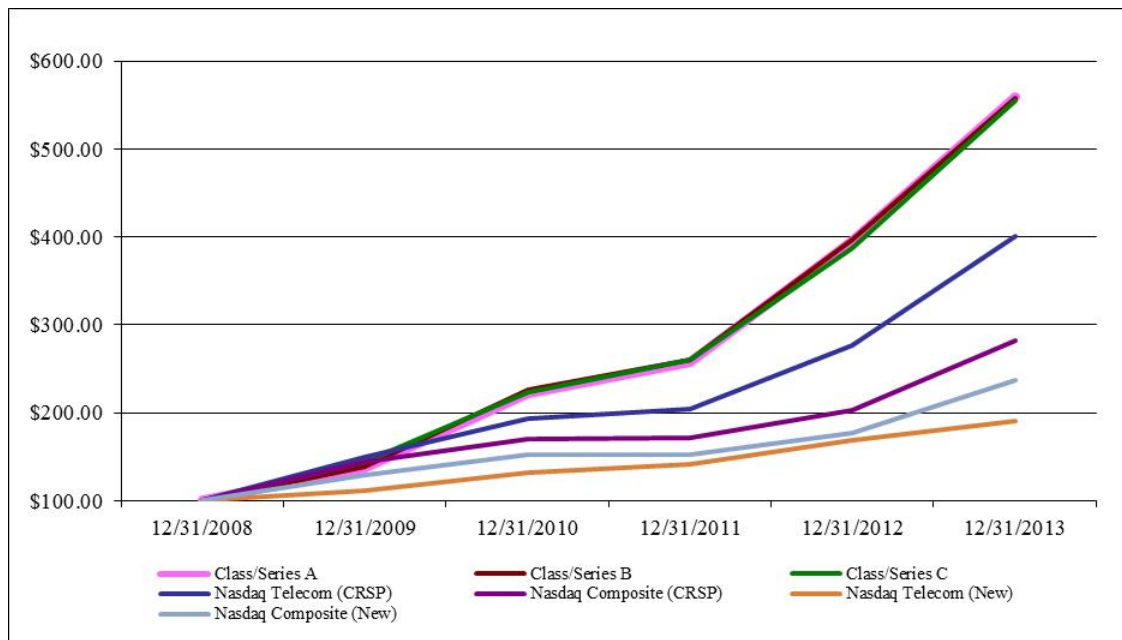
Period	Total number of shares purchased		Average price paid per share (a)		Total number of shares purchased as part of publicly announced plans or programs		Approximate dollar value of shares that may yet be purchased under the plans or programs
October 1, 2013 through October 31, 2013	Class A:	751,346	Class A: \$	77.40	Class A:	751,346	(b)
	Class C:	842,800	Class C: \$	75.11	Class C:	842,800	(b)
November 1, 2013 through November 30, 2013	Class A:	191,921	Class A: \$	79.08	Class A:	191,921	(b)
	Class C:	959,700	Class C: \$	76.52	Class C:	959,700	(b)
December 1, 2013 through December 31, 2013	Class A:	—	Class A: \$	—	Class A:	—	(b)
	Class C:	915,200	Class C: \$	81.22	Class C:	915,200	(b)
Total — October 1, 2013 through December 31, 2013	Class A:	943,267	Class A: \$	77.74	Class A:	943,267	(b)
	Class C:	2,717,700	Class C: \$	77.67	Class C:	2,717,700	(b)

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

(b) As of December 31, 2013, the remaining amount authorized for share repurchases was \$2,522.1 million. For additional information, see note 11 to our consolidated financial statements. Subsequent to December 31, 2013, our board of directors increased the amount authorized under our current repurchase program by \$1.0 billion. We currently intend to complete this repurchase program by the end of 2015.

Stock Performance Graph

The following graph compares the change from January 1, 2009 to December 31, 2013 in the cumulative total shareholder return on our Class/Series A shares, our Class/Series B shares, our Class/Series C shares, the NASDAQ Telecommunications Index, Nasdaq US Benchmark TR Index, the NASDAQ Composite Index and the ICB 6500 Telecommunications (Supersector) (assuming reinvestment of dividends, as applicable). The graph assumes that \$100 was invested on January 1, 2009.



	As of December 31,				
	2009	2010	2011	2012	2013
Liberty Global Class A (a)	\$ 137.50	\$ 222.24	\$ 257.73	\$ 395.48	\$ 559.05
Liberty Global Class B (a)	\$ 138.75	\$ 226.30	\$ 259.80	\$ 396.97	\$ 557.90
Liberty Global Class C (a)	\$ 144.01	\$ 223.25	\$ 260.34	\$ 387.02	\$ 555.47
NASDAQ Telecommunications Index (CRSP)	\$ 149.95	\$ 193.61	\$ 204.74	\$ 276.61	\$ 401.34
NASDAQ Composite Index (CRSP)	\$ 143.74	\$ 170.17	\$ 171.08	\$ 202.40	\$ 281.91
ICB 6500 Telecommunications (Supersector) (New)	\$ 110.92	\$ 132.29	\$ 141.18	\$ 168.43	\$ 191.00
Nasdaq US Benchmark TR Index (New)	\$ 129.26	\$ 151.94	\$ 152.42	\$ 177.46	\$ 236.88

(a) Prior to the June 7, 2013 completion of the Virgin Media Acquisition, amounts represent market prices for LGI Series A, Series B, and Series C common stock.

As a result of a change in the total return data made available to us through our vendor provider, our performance graphs going forward will be using a comparable index provided by NASDAQ OMX Global Indexes. Information for the Nasdaq Telecommunications Index and the Nasdaq Composite Index is provided through December 31, 2013, the last day this data was available by our third-party index provider.

Item 6. SELECTED FINANCIAL DATA

The following tables present selected historical financial information of Liberty Global 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, 2013, 2012, 2011, 2010 and 2009. 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,				
	2013	2012	2011	2010	2009
	in millions				
Summary Balance Sheet Data (a):					
Property and equipment, net	\$ 23,974.9	\$ 13,437.6	\$ 12,868.4	\$ 11,112.3	\$ 12,010.7
Goodwill	\$ 23,748.8	\$ 13,877.6	\$ 13,289.3	\$ 11,734.7	\$ 13,353.8
Total assets	\$ 67,714.3	\$ 38,307.7	\$ 36,409.2	\$ 33,328.8	\$ 39,899.9
Debt and capital lease obligations, including current portion	\$ 44,704.3	\$ 27,524.5	\$ 24,757.9	\$ 22,462.6	\$ 25,852.6
Total equity	\$ 11,541.5	\$ 2,085.1	\$ 2,931.4	\$ 3,457.7	\$ 6,497.1
	Year ended December 31,				
	2013	2012	2011	2010	2009
	in millions, except per share amounts				
Summary Statement of Operations Data (a):					
Revenue	\$ 14,474.2	\$ 9,930.8	\$ 9,118.3	\$ 7,995.2	\$ 6,944.3
Operating income	\$ 2,012.1	\$ 1,983.1	\$ 1,822.9	\$ 1,443.9	\$ 919.6
Loss from continuing operations (b)	\$ (882.0)	\$ (583.9)	\$ (801.5)	\$ (977.3)	\$ (255.2)
Loss from continuing operations attributable to Liberty Global shareholders	\$ (937.6)	\$ (623.7)	\$ (841.0)	\$ (889.8)	\$ (80.6)
Basic and diluted loss from continuing operations attributable to Liberty Global shareholders per share — Class A, Class B and Class C ordinary shares	\$ (2.79)	\$ (2.33)	\$ (3.19)	\$ (3.87)	\$ (0.95)

(a) We acquired Virgin Media on June 7, 2013, OneLink on November 8, 2012, KBW on December 15, 2011, Aster on September 16, 2011 and Unitymedia KabelBW on January 28, 2010. On October 28, 2013, we entered into the Chellomedia Transaction, which was completed on January 31, 2014. 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 Chellomedia Disposal Group, Austar, the J:COM Disposal Group 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 \$55.6 million, \$39.8 million, \$39.5 million, \$87.5 million and \$174.6 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, 2013, 2012 and 2011.
- *Liquidity and Capital Resources.* This section provides an analysis of our corporate and subsidiary liquidity, consolidated statements of cash flows 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, 2013.

Overview

We are an international provider of video, broadband internet, fixed-line telephony and mobile services with consolidated operations at December 31, 2013 in 14 countries. Through Virgin Media, Unitymedia KabelBW and Telenet, we provide video, broadband internet, fixed-line telephony and mobile services in the U.K., Germany and Belgium, respectively. Through UPC Holding, we provide (i) video, broadband internet and fixed-line telephony services in nine European countries and (ii) mobile services in three European countries. The operations of UPC Holding, Virgin Media, Unitymedia KabelBW and Telenet are collectively referred to herein as the “European Operations Division.” Our broadband communications operations in Chile are provided through VTR GlobalCom. Through VTR Wireless, we also offer mobile services in Chile. The operations of VTR GlobalCom and VTR Wireless are collectively referred to herein as the “VTR Group.” For information regarding strategic changes that we have implemented with regard to the mobile operations of VTR Wireless, see note 8 to our consolidated financial statements. Our operations also include the broadband communications operations of Liberty Puerto Rico, an entity in which we hold a 60% ownership interest.

As further described in note 19 to our consolidated financial statements, VTR Finance and certain of its subsidiaries (including VTR GlobalCom) was extracted from the UPC Holding borrowing group and combined with VTR Wireless to form a new borrowing group in January 2014. In addition, we are currently exploring opportunities with respect to our Latin American operations (which include the VTR Group and Liberty Puerto Rico), including a possible spin-off of those operations to our shareholders.

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.

We have launched “Horizon TV” in the Netherlands, Switzerland, Ireland and Germany. 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 (i) expand the availability of Horizon TV to other markets within our footprint and (ii) continue to improve the Horizon TV user experience with new functionality and software updates.

Although our digital television signals are encrypted in many of the countries in which we operate, our basic digital television channels in Germany, the Netherlands, Switzerland, Austria, Romania, the Czech Republic and Poland are unencrypted. 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. In markets where we introduce unencryption, we generally expect to experience a positive impact on our subscriber disconnect levels and a somewhat negative impact on demand for lower tiers of digital cable services.

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 250 Mbps (500 Mbps in a limited area), depending on the market and the tier of service selected. We determine pricing for each tier of broadband internet service through analysis of speed, data limits, market conditions and other factors.

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

We have completed a number of transactions that impact the comparability of our 2013, 2012 and 2011 results of operations. The most significant of these transactions were the Virgin Media Acquisition on June 7, 2013, the Puerto Rico Transaction on November 8, 2012, 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 2013, 2012 and 2011.

On January 31, 2014, we completed the Chellomedia Transaction and in May 2012, we completed the sale of Austar. We have accounted for the Chellomedia Disposal Group and Austar as discontinued operations in our consolidated financial statements. Accordingly, our consolidated balance sheet as of December 31, 2013 has been reclassified to present the Chellomedia Disposal Group as a discontinued operation and our consolidated statements of operations and cash flows have been reclassified to present the Chellomedia Disposal Group and Austar 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, mobile and DTH 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 — Free Cash Flow*). 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 strive to achieve organic revenue and customer growth in our 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, fixed-line telephony and mobile services with existing customers through product bundling and upselling.

Through our subsidiaries and affiliates, we are the largest international broadband communications operator in terms of customers. At December 31, 2013, our continuing operations owned and operated networks that passed 47,239,800 homes and served 48,267,800 RGUs, consisting of 21,787,600 video subscribers, 14,365,000 broadband internet subscribers and 12,115,200 fixed-line telephony subscribers. In addition, at December 31, 2013, we served 4,078,700 mobile subscribers. In connection with the Virgin Media Acquisition, we began excluding, effective April 1, 2013, our DSL internet RGUs and DSL telephony RGUs in Austria from our RGU counts, consistent with how we are treating similar DSL subscribers within our U.K. segment. This adjustment reduced our customer relationships by 85,000 and our broadband internet and telephony RGUs by 80,000 and 58,000, respectively.

Including the effects of acquisitions, our continuing operations added a total of 13,587,300 RGUs during 2013. Excluding the effects of acquisitions (RGUs added on the acquisition date), but including post-acquisition date RGU additions, our continuing operations added 1,294,300 RGUs on an organic basis during 2013. The organic RGU growth during 2013 is attributable to the growth of our (i) broadband internet services, which added 866,800 RGUs, (ii) fixed-line telephony services, which added 718,400 RGUs, (iii) digital cable services, which added 460,400 RGUs, and (iv) DTH video services, which added 68,500 RGUs. The growth of our broadband internet, fixed-line telephony, digital cable and DTH video services was partially offset by a decline in

our analog cable RGUs of 812,200 and a less significant decline in our multi-channel multi-point (microwave) distribution system (MMDS) video RGUs.

We are experiencing significant competition from (i) incumbent telecommunications operators (particularly in the Netherlands and, to a lesser extent, Switzerland, where the incumbent telecommunications operators are overbuilding our networks with fiber-to-the-home, -cabinet, -building or -node (referred to herein as FTTx) and advanced DSL technologies), (ii) DTH operators and/or (iii) 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 total subscription revenue and overall revenue in the Netherlands during the fourth quarter of 2013, as compared to the fourth quarter of 2012;
- (ii) organic declines in subscription revenue from video and fixed-line telephony services in the Netherlands during the fourth quarter of 2013, as compared to the fourth quarter of 2012;
- (iii) organic declines in subscription revenue from fixed-line telephony services in Belgium during the fourth quarter of 2013, as compared to the third quarter of 2013;
- (iv) organic declines in (a) video RGUs in Germany, Switzerland, the Netherlands, Belgium and the several of our other markets and (b) fixed-line telephony RGUs in the U.K. and Chile during the fourth quarter of 2013;
- (v) organic declines in ARPU from (a) video services in Chile and several of our other markets, (b) broadband internet services in the Netherlands and several of our other markets and (c) telephony services in Belgium, Switzerland, the Netherlands, Germany and most of our other markets during the fourth quarter of 2013, as compared to the fourth quarter of 2012; and
- (vi) organic declines in overall ARPU in the Netherlands, Belgium and most of our other markets during the fourth quarter of 2013, as compared to the fourth quarter of 2012.

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.

The video, broadband internet and fixed-line 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 and advanced DSL technologies, 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 Statements of Cash Flows* below.

Based on our most recent financial plan, which excludes the Chellomedia Disposal Group and Ziggo, we expect to continue to generate organic growth in our consolidated revenue and operating cash flow over the next few years. We expect this growth to come primarily from (i) organic increases in our broadband internet, fixed-line telephony and digital cable RGUs, primarily driven by growth in our operations in Germany, the U.K. and other markets, as we expect that our analog cable RGUs will decline and that our overall ARPU will remain relatively unchanged during this timeframe, and (ii) growth in B2B services. In addition, we currently expect that the continued expansion of our mobile service offerings will positively impact (i) our revenue and, towards the end of this timeframe, our operating cash flow growth and (ii) our subscriber retention rates. Additionally, we plan to continue to improve our competitive position through (i) the development and launch of new technology initiatives, including further planned launches of our Horizon TV platform, and (ii) upgrades to our network capacity in Germany, the Netherlands, Switzerland, Belgium and other markets. For information regarding our property and equipment additions, including our 2014 expectations for the European Operations Division and the VTR Group, see *Liquidity and Capital Resources — Consolidated Statements of Cash Flows* 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.

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.

Results of Operations

As noted under *Overview* above, the comparability of our operating results during 2013, 2012 and 2011 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, 2013 was to the euro and British pound sterling as 41.6% and 37.3% of our U.S. dollar revenue during the period was derived from subsidiaries whose functional currencies are the euro and British pound sterling, respectively. 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 fixed-line telephony services. Most of our reportable segments also provide B2B services, and certain of our reportable segments provide mobile services. For detailed information regarding the composition of our reportable segments, see note 17 to our consolidated financial statements.

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 share-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) 2013, as compared to 2012, and (ii) 2012, as compared to 2011. 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 2013, 2012 and 2011 at the end of this section.

The revenue of our reportable segments includes revenue earned from subscribers for broadband communications and mobile services, revenue earned from B2B services, interconnect fees, installation fees, channel carriage fees, 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 and late fees. In the following tables, mobile subscription revenue excludes the related interconnect 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 broadband communications and mobile 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 fixed-line telephony and mobile 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 have increased in certain of the countries in which we operate over the past few years.

Revenue of our Reportable Segments

Revenue — 2013 compared to 2012

	Year ended December 31,		Increase		Organic increase (decrease)
	2013	2012	\$	%	%
in millions					
European Operations Division:					
U.K. (Virgin Media) (a)	\$ 3,653.7	\$ —	\$ 3,653.7	N.M.	N.M.
Germany (Unitymedia KabelBW)	2,559.2	2,311.0	248.2	10.7	7.2
Belgium (Telenet)	2,185.9	1,918.0	267.9	14.0	10.3
The Netherlands	1,242.4	1,229.1	13.3	1.1	(2.2)
Switzerland	1,332.1	1,259.8	72.3	5.7	4.4
Other Western Europe	898.7	848.4	50.3	5.9	2.6
Total Western Europe	11,872.0	7,566.3	4,305.7	56.9	5.6
Central and Eastern Europe	1,141.2	1,115.7	25.5	2.3	—
Central and other	130.4	117.0	13.4	11.5	8.0
Total European Operations Division	13,143.6	8,799.0	4,344.6	49.4	4.9
Chile (VTR Group)	991.6	940.6	51.0	5.4	7.4
Corporate and other	374.3	224.1	150.2	67.0	0.6
Intersegment eliminations	(35.3)	(32.9)	(2.4)	N.M.	N.M.
Total	\$ 14,474.2	\$ 9,930.8	\$ 4,543.4	45.8	5.1

(a) The amount presented for 2013 reflects the post-acquisition revenue of Virgin Media from June 8, 2013 through December 31, 2013.

N.M. — Not Meaningful.

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.

U.K. (Virgin Media). The increase in Virgin Media's revenue during 2013, as compared to 2012, is entirely attributable to the June 7, 2013 Virgin Media Acquisition. During the six months ended December 31, 2013, Virgin Media generated revenue of \$3,267.9 million, representing a 1.2% organic increase over the revenue reported by Virgin Media during the corresponding 2012 period, as adjusted to reflect a pro forma \$64.6 million decrease in revenue associated with the assumed alignment of Virgin Media's policy to our policy for accounting for installation and certain nonrecurring fees received on B2B contracts effective June 7, 2012. For information regarding our accounting policy for these fees, see note 2 to our consolidated financial statements. The pro forma increase in Virgin Media's revenue during this period is primarily attributable to growth in the subscription revenue from Virgin Media's residential broadband communications operations, due primarily to the net effect of (i) an increase in subscription revenue from video services of \$55.0 million or 7.6%, as the impact of higher ARPU from video services was only partially offset by a decline in the average number of RGUs, (ii) an increase in subscription revenue from broadband internet services of \$48.2 million or 7.4%, attributable to higher ARPU from broadband internet services and the impact of an increase in the average number of broadband internet RGUs and (iii) a decrease in subscription revenue from fixed-line telephony services of \$23.1 million or 2.9%, primarily attributable to lower ARPU from fixed-line telephony services. In addition, the decrease in subscription revenue from fixed-line telephony services includes an increase of approximately \$11.3 million attributable to the net non-operational and operational impact of a new product proposition that was initiated by Virgin Media in August 2012. This positive net impact is not expected to contribute materially to Virgin Media's revenue growth in periods subsequent to the August 2013 anniversary date of the new product proposition. Virgin Media's revenue from mobile services increased slightly during the six months ended December 31, 2013, as compared to the revenue reported by Virgin Media during the corresponding 2012 period, primarily due to the positive impacts of (i) an increase in the number of customers taking postpaid mobile services and (ii) a July

2013 price increase that were only partially offset by the adverse impacts of (a) a decline in the revenue from prepaid mobile customers, (b) a reduction in out-of-bundle usage and (c) a higher proportion of customers on lower-priced subscriber identification module or “SIM” card only calling plans. In addition, the increase in mobile subscription revenue was negatively impacted by a favorable nonrecurring adjustment of \$4.5 million that was recorded during the fourth quarter of 2012. Virgin Media’s B2B revenue increased slightly during the six months ended December 31, 2013, due primarily to the net effect of (i) higher recurring contractual revenue from B2B customers and (ii) the \$9.4 million negative impact of nonrecurring items, consisting of (a) a \$6.2 million net favorable impact in 2012 and (b) a \$3.2 million unfavorable impact in 2013.

Germany (Unitymedia KabelBW). The increase in Unitymedia KabelBW’s revenue during 2013, as compared to 2012, includes (i) an organic increase of \$166.0 million or 7.2% and (ii) the impact of FX, as set forth below:

	Subscription revenue (a)	Non-subscription revenue (b)	Total
	in millions		
Increase in cable subscription revenue due to change in:			
Average number of RGUs (c)	\$ 125.7	\$ —	\$ 125.7
ARPU (d)	64.8	—	64.8
Total increase in cable subscription revenue	190.5	—	190.5
Increase in mobile subscription revenue (e)	6.5	—	6.5
Total increase in subscription revenue	197.0	—	197.0
Increase in B2B revenue	—	2.9	2.9
Decrease in other non-subscription revenue (f)	—	(33.9)	(33.9)
Total organic increase (decrease)	197.0	(31.0)	166.0
Impact of FX	74.2	8.0	82.2
Total	\$ 271.2	\$ (23.0)	\$ 248.2

- (a) Unitymedia KabelBW’s subscription revenue includes revenue from multi-year bulk agreements with landlords or 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 Unitymedia KabelBW’s video subscribers. Unitymedia KabelBW’s bulk agreements are, to a significant extent, medium- and long-term contracts, although bulk agreements related to approximately 16% of the video subscribers that Unitymedia KabelBW serves through these agreements expire by the end of 2015. During 2013, Unitymedia KabelBW’s 20 largest bulk agreement accounts generated approximately 7% of its total revenue (including estimated amounts billed directly to the building occupants for premium cable, broadband internet and fixed-line telephony services). No assurance can be given that Unitymedia KabelBW’s bulk agreements will be renewed or extended on financially equivalent terms or at all, particularly in light of the commitments we made to the FCO in connection with the December 15, 2011 acquisition of KBW. In this regard, we have, among other items, agreed to grant a special termination right with respect to the Remedy HA Agreements. The total number of dwelling units covered by the Remedy HA Agreements was approximately 340,000 as of December 15, 2011. At December 31, 2013, approximately 14% of the dwelling units covered by the Remedy HA Agreements remain subject to special termination rights. These dwelling units (which include agreements that are not among the 20 largest bulk agreements) as of December 31, 2013 accounted for less than 1% of Unitymedia KabelBW’s total revenue during the three months ended December 31, 2013. During the third quarter of 2013, the Düsseldorf Court of Appeal decided to overturn the FCO’s decision to clear our acquisition of KBW. For additional information, see note 16 to our consolidated financial statements.
- (b) Unitymedia KabelBW’s other non-subscription revenue includes fees received for the carriage of certain channels included in Unitymedia KabelBW’s analog and digital cable offerings. This carriage fee revenue is subject to contracts that expire or are otherwise terminable by either party on various dates ranging from 2014 through 2018. The aggregate amount of revenue related to these carriage contracts represented approximately 5% of Unitymedia KabelBW’s total revenue during the three months ended December 31, 2013. In 2012, public broadcasters sent us notices purporting to terminate their carriage fee arrangements effective December 31, 2012. While we are seeking to negotiate with the public broadcasters to reach acceptable agreements, we have rejected the termination notices and filed lawsuits for payment of carriage fees against the public broadcasters. Until such time as we resolve these disputes or obtain favorable outcomes in our lawsuits, we don’t believe we meet the criteria to recognize the impacted revenue for 2013 and future periods. The aggregate amount of

revenue related to these public broadcasters was \$8.1 million or 1% of Unitymedia KabelBW's total revenue during the three months ended December 31, 2012. 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 this regard, we are currently in negotiations with certain of the larger private broadcasters and we expect to reach agreements that are acceptable to all parties, although no assurance can be given that any of our agreements with broadcasters will be renewed or extended on financially equivalent terms, or at all. Also, our ability to increase the aggregate carriage fees that Unitymedia KabelBW receives for each channel is limited by certain commitments we made to regulators in connection with the acquisition of KBW.

- (c) The increase in Unitymedia KabelBW's cable subscription revenue related to a change in the average number of RGUs is attributable to increases in the average numbers of broadband internet, fixed-line telephony and digital cable RGUs that were only partially offset by a decline in the average number of analog cable RGUs. The decline in Unitymedia KabelBW's average number of analog cable RGUs led to a decline in the average number of Unitymedia KabelBW's total video RGUs during 2013, as compared to 2012.
- (d) The increase in Unitymedia KabelBW's cable subscription revenue related to a change in ARPU is due to (i) a net increase resulting primarily from the following factors: (a) higher ARPU from broadband internet services and digital cable services, (b) lower ARPU from fixed-line telephony services due to the net impact of (1) a decrease in ARPU associated with lower fixed-line telephony call volumes for customers on usage-based calling plans and (2) an increase in ARPU associated with the migration of customers to fixed-rate plans and related value-added services, (c) higher ARPU due to lower negative impacts from free bundled services provided to new subscribers during promotional periods and (d) higher ARPU from analog cable services, as price increases more than offset lower ARPU due to a higher proportion of subscribers receiving discounted analog cable services through bulk agreements and (ii) an improvement in RGU mix attributable to a higher proportion of fixed-line telephony and broadband internet RGUs.
- (e) The increase in Unitymedia KabelBW's mobile subscription revenue is primarily due to the net effect of (i) an increase in the average number of mobile subscribers, (ii) a reduction in billable usage and (iii) lower ARPU due to the impact of an increase in the proportion of subscribers receiving lower-priced tiers of mobile services.
- (f) The decrease in Unitymedia KabelBW's other non-subscription revenue is primarily attributable to the net effect of (i) a decrease in carriage fee revenue as described above, (ii) an increase in installation revenue, due to a higher number of installations and increases in the average installation fee, and (iii) a decrease in interconnect revenue. We expect that our interconnect revenue in Germany in 2014 will be adversely impacted by a November 2013 decrease in fixed-telephony termination rates. We believe that most of this adverse impact will be offset by corresponding decreases in Germany's interconnect expense.

Belgium (Telenet). The increase in Telenet's revenue during 2013, as compared to 2012, includes (i) an organic increase of \$198.4 million or 10.3% and (ii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
	in millions		
Increase (decrease) in cable subscription revenue due to change in:			
Average number of RGUs (a)	\$ 39.9	\$ —	\$ 39.9
ARPU (b)	(15.2)	—	(15.2)
Total increase in cable subscription revenue	24.7	—	24.7
Increase in mobile subscription revenue (c)	114.9	—	114.9
Total increase in subscription revenue	139.6	—	139.6
Decrease in B2B revenue (d)	—	(2.7)	(2.7)
Increase in other non-subscription revenue (e)	—	61.5	61.5
Total organic increase	139.6	58.8	198.4
Impact of FX	59.1	10.4	69.5
Total	\$ 198.7	\$ 69.2	\$ 267.9

- (a) The increase in Telenet's cable subscription revenue related to a change in the average number of RGUs is attributable to increases in the average number of digital cable, fixed-line 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 average number of analog cable RGUs led to a decline in the average number of Telenet's total video RGUs during 2013, as compared to 2012.
- (b) The decrease in Telenet's cable subscription revenue related to a change in ARPU is due to the net effect of (i) a net decrease resulting primarily from following factors: (a) higher ARPU due to price increases associated with (1) higher-priced tiers of service in our bundles and (2) February 2013 increases for certain existing broadband internet, fixed-line telephony and digital cable services, (b) lower ARPU due to the impacts of higher bundling and promotional discounts, (c) lower ARPU due to the impact of an increase in the proportion of subscribers receiving lower-priced tiers of broadband internet services and (d) lower ARPU from fixed-line telephony services due to (I) lower fixed-line telephony call volume for customers on usage-based plans and (II) a higher proportion of customers migrating to fixed-rate calling plans and (ii) an improvement in RGU mix, attributable to higher proportions of digital cable, broadband internet and fixed-line telephony RGUs. In addition, the increase in Telenet's subscription revenue was offset by a nonrecurring adjustment recorded during the fourth quarter of 2012 to recognize \$6.0 million of revenue following the implementation of billing system improvements. Most of this nonrecurring adjustment relates to revenue earned in years prior to 2012.
- (c) The increase in Telenet's mobile subscription revenue is due primarily to an increase in the average number of mobile subscribers.
- (d) The decrease in Telenet's B2B revenue is attributable to a net decrease associated with (i) a \$7.7 million negative impact associated with changes in how Telenet recognizes certain up-front fees and (ii) increases in other elements of Telenet's B2B revenue.
- (e) The increase in Telenet's other non-subscription revenue is due primarily to the net effect of (i) an increase in interconnect revenue of \$59.1 million, primarily associated with growth in mobile services, (ii) an increase in mobile handset sales of \$12.8 million and (iii) a decrease of \$2.4 million associated with a change in how Telenet recognizes certain up-front fees. The increase in Telenet's mobile handset sales, which typically generate relatively low margins, is due primarily to (a) an increase in contract termination fees applicable to subsidized handsets and (b) 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.

The Netherlands. The increase in the Netherlands' revenue during 2013, as compared to 2012, includes (i) an organic decrease of \$26.7 million or 2.2%, (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 (decrease) in cable subscription revenue due to change in:			
Average number of RGUs (a)	\$ 2.9	\$ —	\$ 2.9
ARPU (b)	(26.6)	—	(26.6)
Total decrease in cable subscription revenue	(23.7)	—	(23.7)
Increase in mobile subscription revenue	0.1	—	0.1
Total decrease in subscription revenue	(23.6)	—	(23.6)
Decrease in B2B revenue (c)	—	(4.5)	(4.5)
Increase in other non-subscription revenue (d)	—	1.4	1.4
Total organic decrease	(23.6)	(3.1)	(26.7)
Impact of an acquisition	0.6	—	0.6
Impact of FX	36.0	3.4	39.4
Total	\$ 13.0	\$ 0.3	\$ 13.3

- (a) The increase in the Netherlands' cable subscription revenue related to a change in the average number of RGUs is attributable to the net effect of (i) increases in the average numbers of fixed-line telephony, broadband internet and digital cable RGUs and (ii) 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 the Netherlands' total video RGUs during 2013, as compared to 2012.
- (b) The decrease in the Netherlands' cable subscription revenue related to a change in ARPU is due to the net effect of (i) a decrease resulting primarily from the following factors: (a) lower ARPU due to a decrease in fixed-line telephony call volume and (b) lower ARPU due to the impact of higher bundling and promotional discounts that more than offset the positive impacts of (1) the inclusion of higher-priced tiers of digital cable, broadband internet and fixed-line telephony services in our promotional bundles and (2) July 2012 price increases for bundled services and a January 2013 price increase for certain analog cable services and (ii) an improvement in RGU mix, attributable to higher proportions of digital cable, broadband internet and fixed-line telephony RGUs.
- (c) The decrease in the Netherlands' B2B revenue is primarily related to lower revenue from telephony and data services.
- (d) The increase in the Netherlands' other non-subscription revenue is primarily attributable to the net effect of (i) an increase in installation revenue, (ii) a decrease in interconnect revenue, due primarily to the impact of reductions in fixed termination rates that became effective on August 1, 2012 and September 1, 2013, and (iii) a decrease in revenue from late fees.

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 increase in Switzerland's revenue during 2013, as compared to 2012, includes (i) an organic increase of \$55.4 million or 4.4%, (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 cable subscription revenue due to change in:			
Average number of RGUs (a)	\$ 30.4	\$ —	\$ 30.4
ARPU (b)	21.0	—	21.0
Total increase in cable subscription revenue	51.4	—	51.4
Decrease in B2B revenue	—	(1.9)	(1.9)
Increase in other non-subscription revenue (c)	—	5.9	5.9
Total organic increase	51.4	4.0	55.4
Impact of acquisitions	2.3	(1.0)	1.3
Impact of FX	13.1	2.5	15.6
Total	\$ 66.8	\$ 5.5	\$ 72.3

- (a) The increase in Switzerland's cable 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 fixed-line 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 Switzerland's total video RGUs during 2013, as compared to 2012.
- (b) The increase in Switzerland's cable subscription revenue related to a change in ARPU is due to (i) an improvement in RGU mix, attributable to higher proportions of digital cable, broadband internet and fixed-line telephony RGUs, and (ii) a net increase resulting primarily from the following factors: (a) higher ARPU due to the inclusion of higher-priced tiers of broadband internet services and, to a lesser extent, digital cable services in our promotional bundles, (b) lower ARPU due to the impact of bundling discounts, (c) higher ARPU due to a January 2013 price increase for a basic cable connection, as discussed below, and, to a lesser extent, a June 2013 price increase for broadband internet services and (d) lower ARPU due to a decrease in fixed-line telephony call volume for customers on usage-based calling plans.

- (c) The increase in Switzerland's other non-subscription revenue is primarily attributable to the net effect of (i) an increase in installation revenue of \$8.4 million, (ii) a decrease in sales of customer premises equipment, primarily due to the unencryption described below, (iii) a decline in revenue from usage-based wholesale residential fixed-line telephony services and (iv) an increase in advertising revenue. The increase in installation revenue includes an increase of \$7.1 million associated with a change in how we recognize installation revenue in Switzerland as a result of a change in how we market and deliver services upon the November 2012 unencryption of the basic tier of digital television channels, as further described below.

In October 2012, we announced an agreement with the Swiss Price Regulator pursuant to which we will make certain changes to Switzerland's service offerings in exchange for progressive increases in the price of Switzerland's basic cable connection. 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 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 monthly price for a cable connection increased by CHF 0.90 (\$1.01) effective January 1, 2013 and a further increase of CHF 0.60 (\$0.68) took effect on January 1, 2014.

Other Western Europe. The increase in Other Western Europe's revenue during 2013, as compared to 2012, includes (i) an organic increase of \$21.9 million or 2.6% and (ii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
	in millions		
Increase (decrease) in cable subscription revenue due to change in (a):			
Average number of RGUs (b)	\$ 43.2	\$ —	\$ 43.2
ARPU (c)	(19.4)	—	(19.4)
Total increase in cable subscription revenue	23.8	—	23.8
Decrease in B2B revenue	—	(0.8)	(0.8)
Decrease in other non-subscription revenue (a) (d)	—	(1.1)	(1.1)
Total organic increase (decrease)	23.8	(1.9)	21.9
Impact of FX	24.1	4.3	28.4
Total	\$ 47.9	\$ 2.4	\$ 50.3

- (a) In connection with the Virgin Media Acquisition, we determined that we would no longer externally report DSL subscribers as RGUs. Accordingly, we have reclassified the revenue from our DSL subscribers in Austria from broadband internet and fixed-line telephony subscription revenue to other non-subscription revenue for all periods presented.
- (b) The increase in Other Western Europe's cable subscription revenue related to a change in the average number of RGUs is attributable to increases in the average numbers of fixed-line 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 2013, as compared to 2012.
- (c) The decrease in Other Western Europe's cable subscription revenue related to a change in ARPU is attributable to a decrease in ARPU in each of Ireland and Austria. Other Western Europe's overall ARPU was impacted by an adverse change in RGU mix, primarily attributable to a lower proportion of digital cable RGUs in Ireland. The lower ARPU in Ireland is also due to the net effect of (i) lower ARPU due to the impact of bundling discounts and (ii) higher ARPU due to the inclusion of higher-priced tiers of broadband internet and digital cable services in our promotional bundles. The decrease in Austria's ARPU is primarily due to the net effect of (a) lower ARPU due to the impact of bundling discounts, (b) higher ARPU due to January 2013 price increases for digital and analog cable and broadband internet services and (c) lower ARPU due to a higher proportion of subscribers receiving lower-priced tiers of broadband internet services in our promotional bundles.
- (d) The decrease in Other Western Europe's non-subscription revenue is due to individually insignificant changes in various non-subscription revenue categories.

Central and Eastern Europe. The increase in Central and Eastern Europe's revenue during 2013, as compared to 2012, includes (i) an organic increase of \$0.2 million, (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 (decrease) in cable subscription revenue due to change in:			
Average number of RGUs (a)	\$ 26.1	\$ —	\$ 26.1
ARPU (b)	(28.0)	—	(28.0)
Total decrease in cable subscription revenue	(1.9)	—	(1.9)
Decrease in mobile subscription revenue	(0.4)	—	(0.4)
Total decrease in subscription revenue	(2.3)	—	(2.3)
Increase in non-subscription revenue (c)	—	2.5	2.5
Total organic increase (decrease)	(2.3)	2.5	0.2
Impact of an acquisition	3.1	0.1	3.2
Impact of FX	20.1	2.0	22.1
Total	\$ 20.9	\$ 4.6	\$ 25.5

- (a) The increase in Central and Eastern Europe's cable subscription revenue related to a change in the average number of RGUs is primarily attributable to increases in the average numbers of digital cable, fixed-line telephony and broadband internet RGUs in Poland, Romania, Hungary and Slovakia that were only partially offset by a decline in the average numbers of (i) analog cable RGUs in each country within our Central and Eastern Europe segment and (ii) digital cable, fixed-line telephony and broadband internet RGUs in the Czech Republic. As a result of the declines in analog cable RGUs, each country within our Central and Eastern Europe segment experienced a decline in the average number of total video RGUs during 2013, as compared to 2012.
- (b) The decrease in Central and Eastern Europe's cable subscription revenue related to a change in ARPU is primarily due to the net effect of (i) lower ARPU due to the impact of higher bundling discounts, (ii) higher ARPU due to the inclusion of higher-priced tiers of digital cable and broadband internet services in our promotional bundles, (iii) lower ARPU from incremental digital cable services and (iv) lower ARPU due to a decrease in fixed-line 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 higher proportions 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 to individually insignificant changes in various non-subscription revenue categories.

Chile (VTR Group). The increase in the VTR Group's revenue during 2013, as compared to 2012, includes (i) an organic increase of \$69.7 million or 7.4% and (ii) the impact of FX, as set forth below:

	Subscription revenue	Non-subscription revenue	Total
	in millions		
Increase in cable subscription revenue due to change in:			
Average number of RGUs (a)	\$ 45.4	\$ —	\$ 45.4
ARPU (b)	13.4	—	13.4
Total increase in cable subscription revenue	58.8	—	58.8
Increase in mobile subscription revenue (c)	10.2	—	10.2
Total increase in subscription revenue	69.0	—	69.0
Increase in non-subscription revenue (d)	—	0.7	0.7
Total organic increase	69.0	0.7	69.7
Impact of FX	(17.1)	(1.6)	(18.7)
Total	\$ 51.9	\$ (0.9)	\$ 51.0

- (a) The increase in the VTR Group's cable subscription revenue related to a change in the average number of RGUs is due to increases in the average numbers of digital cable, broadband internet and fixed-line 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 cable subscription revenue related to a change in ARPU is due to (i) a net increase resulting from the following factors: (a) higher ARPU due to the impact of lower bundling and promotional discounts, (b) higher ARPU due to semi-annual inflation and other price adjustments for video, broadband internet and fixed-line telephony services, (c) lower ARPU from analog and digital cable services, largely due to a higher proportion of subscribers receiving lower-priced tiers of services, (d) higher ARPU from broadband internet services and (e) lower ARPU due to a decrease in fixed-line telephony call volume for customers on usage-based plans and (ii) improvements in RGU mix, primarily attributable to a higher proportion of digital cable RGUs.
- (c) The increase in the VTR Group's mobile subscription revenue is primarily due to the May 2012 launch of mobile services at VTR Wireless.
- (d) The increase in the VTR Group's non-subscription revenue is attributable to the net effect of (i) an increase in mobile interconnect revenue primarily due to the May 2012 launch of mobile services at VTR Wireless, (ii) an increase in advertising revenue, (iii) a decrease in fixed-line telephony interconnect revenue, (iv) a decrease in installation revenue and (v) a net decrease resulting from individually insignificant changes in various other non-subscription revenue categories.

	Year ended December 31,		Increase (decrease)		Organic increase (decrease)
	2012	2011	\$	%	%
in millions					
European Operations Division:					
Germany (Unitymedia KabelBW)	\$ 2,311.0	\$ 1,450.0	\$ 861.0	59.4	13.4
Belgium (Telenet)	1,918.0	1,918.5	(0.5)	—	8.1
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	7,566.3	6,817.8	748.5	11.0	7.0
Central and Eastern Europe	1,115.7	1,122.5	(6.8)	(0.6)	(0.3)
Central and other	117.0	122.7	(5.7)	(4.6)	3.9
Total European Operations Division	8,799.0	8,063.0	736.0	9.1	6.0
Chile (VTR Group)	940.6	889.0	51.6	5.8	6.4
Corporate and other	224.1	213.6	10.5	4.9	1.9
Intersegment eliminations	(32.9)	(47.3)	14.4	N.M.	N.M.
Total	\$ 9,930.8	\$ 9,118.3	\$ 812.5	8.9	5.9

N.M. — Not Meaningful.

Germany (Unitymedia KabelBW). The increase in Unitymedia KabelBW'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	Non-subscription revenue	Total
	in millions		
Increase in cable subscription revenue due to change in:			
Average number of RGUs (a)	\$ 118.9	\$ —	\$ 118.9
ARPU (b)	38.9	—	38.9
Total increase in cable subscription revenue	157.8	—	157.8
Increase in mobile subscription revenue (c)	5.6	—	5.6
Total increase in subscription revenue	163.4	—	163.4
Increase in non-subscription revenue (d)	—	31.0	31.0
Total organic increase	163.4	31.0	194.4
Impact of the KBW Acquisition	756.3	96.2	852.5
Impact of FX	(162.4)	(23.5)	(185.9)
Total	\$ 757.3	\$ 103.7	\$ 861.0

- (a) The increase in Unitymedia KabelBW's cable subscription revenue related to a change in the average number of RGUs is attributable to increases in the average numbers of broadband internet, fixed-line telephony and digital cable RGUs that were only partially offset by a decline in the average number of analog cable RGUs. The decline in Unitymedia KabelBW'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.

- (b) The increase in Unitymedia KabelBW's cable subscription revenue related to a change in ARPU is due to (i) an improvement in RGU mix, attributable to higher proportions of fixed-line 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 fixed-line 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 Unitymedia KabelBW commencing January 1, 2013, see note 3 to our consolidated financial statements.
- (c) The increase in Unitymedia KabelBW's mobile subscription revenue is primarily due to an increase in the average number of mobile subscribers.
- (d) The increase in Unitymedia KabelBW'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 interconnect revenue and (iii) an increase in network usage revenue, most of which relates to the settlement of prior year amounts.

Belgium (Telenet). 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 cable subscription revenue due to change in:			
Average number of RGUs (a)	\$ 29.5	\$ —	\$ 29.5
ARPU (b)	54.9	—	54.9
Total increase in cable subscription revenue	84.4	—	84.4
Increase in mobile subscription revenue (c)	38.5	—	38.5
Total increase in subscription revenue	122.9	—	122.9
Increase in B2B revenue	—	2.1	2.1
Increase in other non-subscription revenue (d)	—	30.8	30.8
Total organic increase	122.9	32.9	155.8
Impact of FX	(127.2)	(29.1)	(156.3)
Total	\$ (4.3)	\$ 3.8	\$ (0.5)

- (a) The increase in Telenet's cable 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 fixed-line 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 cable 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 fixed-line telephony RGUs, and (ii) a net decrease resulting primarily from the following factors: (a) lower ARPU from broadband internet services, largely due to a higher proportion of subscribers receiving lower-priced tiers of 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 fixed-line 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 was 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 mobile subscription revenue is due primarily to an increase in the average number of mobile subscribers.
- (d) The increase in Telenet's other non-subscription revenue is due primarily to (i) an increase in interconnect revenue of \$21.2 million, primarily associated with growth in mobile services, and (ii) 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.

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 cable subscription revenue due to change in:			
Average number of RGUs (a)	\$ 40.7	\$ —	\$ 40.7
ARPU (b)	7.7	—	7.7
Total increase in cable subscription revenue	48.4	—	48.4
Increase in B2B revenue (c)	—	3.2	3.2
Increase in other non-subscription revenue (d)	—	4.2	4.2
Total 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' cable subscription revenue related to a change in the average number of RGUs is attributable to increases in the average numbers of fixed-line 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' cable 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 fixed-line telephony RGUs, and (ii) a net decrease resulting primarily from the following factors: (a) lower ARPU due to a decrease in fixed-line 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' B2B revenue is primarily related to higher revenue from business telephony services.
- (d) The increase in the Netherlands' other non-subscription revenue is primarily attributable to the net effect of (i) an increase in revenue from late fees, (ii) an increase in installation revenue and (iii) 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 cable subscription revenue due to change in:			
Average number of RGUs (a)	\$ 41.0	\$ —	\$ 41.0
ARPU (b)	3.9	—	3.9
Total increase in cable subscription revenue	44.9	—	44.9
Decrease in B2B revenue (c)	—	(0.3)	(0.3)
Increase in other non-subscription revenue (d)	—	3.1	3.1
Total 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)

- (a) The increase in Switzerland's cable 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 fixed-line 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 cable 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 fixed-line telephony RGUs, and (ii) a net decrease resulting primarily from the following factors: (a) higher ARPU from broadband internet services and, to a lesser extent, digital cable services, largely due to a higher proportion of subscribers receiving lower-priced tiers of services, (b) lower ARPU due to the impact of bundling discounts and (c) lower ARPU due to a decrease in fixed-line telephony call volume for customers on usage-based calling plans.
- (c) The slight decrease in Switzerland's B2B revenue is primarily attributable to the net effect of (i) lower revenue from construction and equipment sales and (ii) growth in B2B broadband internet and fixed-line telephony services.
- (d) The increase in Switzerland's other 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 fixed-line telephony services and (iii) a net increase resulting from various individually insignificant changes.

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 cable subscription revenue due to change in (a):			
Average number of RGUs (b)	\$ 56.0	\$ —	\$ 56.0
ARPU (c)	(28.5)	—	(28.5)
Total increase in cable subscription revenue	27.5	—	27.5
Decrease in B2B revenue (d)	—	(4.5)	(4.5)
Increase in other non-subscription revenue (a) (e)	—	1.6	1.6
Total organic increase	27.5	(2.9)	24.6
Impact of FX	(61.3)	(8.2)	(69.5)
Total	\$ (33.8)	\$ (11.1)	\$ (44.9)

- (a) In connection with the Virgin Media Acquisition, we determined that we would no longer externally report DSL subscribers as RGUs. Accordingly, we have reclassified the revenue from our DSL subscribers in Austria from broadband internet and fixed-line telephony subscription revenue to other non-subscription revenue for all periods presented.
- (b) The increase in Other Western Europe's cable subscription revenue related to a change in the average number of RGUs is attributable to increases in the average numbers of fixed-line 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.
- (c) The decrease in Other Western Europe's cable 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 fixed-line 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 from broadband internet services, largely due to a higher proportion of subscribers receiving lower-priced tiers of 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 fixed-line 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.
- (d) The decrease in Other Western Europe's B2B revenue is primarily due to a decrease in revenue from data services in Austria.
- (e) The increase in Other Western Europe's other non-subscription revenue is due primarily to an increase in installation revenue in each of Austria and 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 cable subscription revenue due to change in:			
Average number of RGUs (a)	\$ 29.1	\$ —	\$ 29.1
ARPU (b)	(34.7)	—	(34.7)
Total decrease in cable subscription revenue	(5.6)	—	(5.6)
Decrease in mobile subscription revenue	(1.1)	—	(1.1)
Total decrease in subscription revenue	(6.7)	—	(6.7)
Increase in B2B revenue	—	1.6	1.6
Increase in other non-subscription revenue (c)	—	1.9	1.9
Total organic increase (decrease)	(6.7)	3.5	(3.2)
Impact of acquisitions	99.9	15.0	114.9
Impact of FX	(108.2)	(10.3)	(118.5)
Total	<u>\$ (15.0)</u>	<u>\$ 8.2</u>	<u>\$ (6.8)</u>

- (a) The increase in Central and Eastern Europe's cable subscription revenue related to a change in the average number of RGUs is primarily attributable to increases in the average numbers of digital cable, fixed-line 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 cable subscription revenue related to a change in ARPU is primarily due to (i) lower ARPU from video, broadband internet and fixed-line telephony services, largely due to a higher proportion of subscribers receiving 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 fixed-line 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 decrease in Central and Eastern Europe's other 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 decrease resulting from individually insignificant changes in other non-subscription revenue categories.

Chile (VTR Group). 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 cable subscription revenue due to change in:			
Average number of RGUs (a)	\$ 38.9	\$ —	\$ 38.9
ARPU (b)	2.6	—	2.6
Total increase in cable subscription revenue	41.5	—	41.5
Increase in mobile subscription revenue (c)	11.0	—	11.0
Total increase in subscription revenue	52.5	—	52.5
Increase in non-subscription revenue (d)	—	4.5	4.5
Total organic increase	52.5	4.5	57.0
Impact of FX	(5.0)	(0.4)	(5.4)
Total	\$ 47.5	\$ 4.1	\$ 51.6

- (a) The increase in the VTR Group's cable 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 fixed-line 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 cable 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 fixed-line telephony services, (iii) lower ARPU due to the impact of promotional and bundling discounts and (iv) lower ARPU from fixed-line 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 mobile subscription revenue is attributable to the May 2012 launch of mobile services by VTR Wireless.
- (d) The increase in the VTR Group's non-subscription revenue is attributable to the net effect of (i) an increase in mobile handset sales in connection with the launch of mobile services by VTR Wireless and (ii) decreases in installation and interconnect revenue at VTR GlobalCom.

Operating Expenses of our Reportable Segments

Operating expenses — 2013 compared to 2012

	Year ended December 31,		Increase		Organic increase (decrease)
	2013	2012	\$	%	%
in millions					
European Operations Division:					
U.K. (Virgin Media) (a)	\$ 1,663.6	\$ —	\$ 1,663.6	N.M.	N.M.
Germany (Unitymedia KabelBW)	631.5	548.3	83.2	15.2	11.4
Belgium (Telenet)	875.8	734.5	141.3	19.2	15.4
The Netherlands	376.2	354.5	21.7	6.1	2.8
Switzerland	365.7	359.8	5.9	1.6	0.4
Other Western Europe	334.5	323.6	10.9	3.4	0.1
Total Western Europe	4,247.3	2,320.7	1,926.6	83.0	8.6
Central and Eastern Europe	438.4	418.4	20.0	4.8	2.2
Central and other	131.3	104.3	27.0	25.9	21.4
Total European Operations Division	4,817.0	2,843.4	1,973.6	69.4	8.1
Chile (VTR Group)	467.2	442.4	24.8	5.6	7.5
Corporate and other	200.3	123.2	77.1	62.6	(1.0)
Intersegment eliminations	(78.9)	(67.8)	(11.1)	N.M.	N.M.
Total operating expenses excluding share-based compensation expense	5,405.6	3,341.2	2,064.4	61.8	7.5
Share-based compensation expense	12.1	8.5	3.6	42.4	
Total	\$ 5,417.7	\$ 3,349.7	\$ 2,068.0	61.7	

(a) The amount presented for 2013 reflects the post-acquisition operating expenses of Virgin Media from June 8, 2013 through December 31, 2013.

N.M. — Not Meaningful.

General. Operating expenses include programming and copyright, network operations, interconnect, customer operations, customer care, share-based compensation and other costs related to our operations. We do not include share-based compensation in the following discussion and analysis of the operating expenses of our reportable segments as share-based compensation expense is not included in the performance measures of our reportable segments. Share-based compensation expense is discussed under *Discussion and Analysis of Our Consolidated Operating Results* below. Programming and copyright costs, which represent a significant portion of our operating costs, are expected to rise in future periods as a result of (i) growth in the number of our digital video subscribers, (ii) higher costs associated with the expansion of our digital video content, including rights associated with ancillary product offerings and rights that provide for the broadcast of live sporting events, and (iii) rate 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.

European Operations Division. The European Operations Division's operating expenses (exclusive of share-based compensation expense) increased \$1,973.6 million or 69.4% during 2013, as compared to 2012. This increase includes \$1,657.4 million attributable to the impact of the Virgin Media Acquisition and other less significant acquisitions. Excluding the effects of acquisitions and FX, the European Operations Division's operating expenses increased \$230.6 million or 8.1%. This increase includes the following factors:

- An increase in programming and copyright costs of \$80.7 million or 9.3%, due primarily to growth in digital video services in Germany, the Netherlands, Belgium, Ireland and the U.K. In the U.K. and, to a lesser extent, Belgium, increased costs for sports rights also contributed to the increase. In addition, accrual releases related to the settlement or reassessment of operational contingencies gave rise to an increase in programming and copyright costs of \$10.5 million, as the impact of net accrual releases that reduced the 2012 costs in Germany, the Netherlands, Poland and Belgium more than offset the impact of net accrual releases that reduced the 2013 costs in the Netherlands;
- An increase in interconnect costs of \$72.7 million or 23.1%, due primarily to the net effect of (i) increased costs in Belgium attributable to (a) mobile subscriber growth and (b) increased mobile voice and data volumes on a per subscriber basis and (ii) decreased costs due to lower rates in Germany and the Netherlands and lower call volumes in Switzerland;
- An increase in outsourced labor and professional fees of \$19.5 million or 12.0%, due primarily to (i) higher call center costs in Germany, Switzerland and the Netherlands, and (ii) higher consulting costs related to (a) the Horizon TV platform incurred in the European Operations Division's central operations and (b) a customer retention project in Germany. These increases were partially offset by lower call center costs in Belgium, Hungary and the U.K. due primarily to reduced proportions of calls handled by third parties;
- An increase in personnel costs of \$14.3 million or 2.9%, due primarily to (i) annual wage increases, primarily in Germany, Belgium and the Netherlands, (ii) increased staffing levels, primarily in the European Operations Division's central operations, the Netherlands and Belgium, (iii) higher costs of \$3.8 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 (iv) higher costs of \$3.1 million due to favorable reassessments of certain post-employment benefit obligations during the third and fourth quarters of 2012 in Belgium. These increases were partially offset by a decrease in personnel costs related to lower staffing levels in Germany and Ireland;
- An increase in network-related expenses of \$12.8 million or 2.4%, due primarily to (i) increased network and customer premises equipment maintenance costs, primarily in the Netherlands and Germany, (ii) higher outsourced labor costs associated with customer-facing activities in Germany and (iii) an increase of \$2.9 million due to the net impact of favorable settlements during 2013 and 2012 for claims of costs incurred in connection with faulty customer premises equipment, primarily in Switzerland and the Netherlands. These increases were partially offset by lower costs in Belgium associated with customer-facing activities;
- An increase in bad debt and collection expenses of \$9.5 million or 11.0%, due to the net impact of (i) increases in bad debt expenses in Germany, Belgium and Hungary, (ii) decreases in bad debt expenses in the Netherlands due to improved collection experience and (iii) an increase of \$3.0 million due to the impact of a favorable nonrecurring adjustment recorded in the second quarter of 2012 related to the settlement of an operational contingency in Belgium; and
- Higher costs of \$4.6 million associated with the impact of favorable nonrecurring adjustments recorded by Telenet during the third and fourth quarters of 2012 resulting from the reassessment of a social tariff obligation.

Chile (VTR Group). The VTR Group's operating expenses (exclusive of share-based compensation expense) increased \$24.8 million or 5.6% during 2013, as compared to 2012. Excluding the effects of FX, the VTR Group's operating expenses increased \$33.1 million or 7.5%. This increase includes the following factors:

- An increase in programming and copyright costs of \$13.3 million or 9.0%, primarily associated with growth in digital cable services;
- An increase in mobile access and interconnect costs of \$9.1 million or 12.5%, due primarily to the impact of VTR Wireless' mobile services, which launched in May 2012;

- An increase in personnel costs of \$7.3 million or 14.8%, due largely to higher bonus accruals at VTR GlobalCom;
- A decrease in facilities expenses of \$5.5 million or 25.3%, due primarily to lower tower and real estate rental costs, as the discounted fair value of all remaining payments due under these leases was included in the restructuring charges recorded by VTR Wireless during the third and fourth quarters of 2013, as further described in note 8 to our consolidated financial statements;
- An increase in bad debt and collection expenses of \$3.7 million or 9.8%, primarily at VTR Wireless. This increase is largely a function of the May 2012 launch of VTR Wireless' mobile services;
- An increase in outsourced labor and professional fees of \$3.3 million or 17.8%. This increase is primarily attributable to a \$3.0 million non-recurring charge recorded during the second quarter of 2013 to provide for VTR GlobalCom's mandated share of severance and other labor-related obligations that were incurred by a VTR GlobalCom contractor in connection with such contractor's bankruptcy; and
- A decrease in VTR Wireless' mobile handset costs of \$0.7 million, primarily attributable to the net effect of (i) an aggregate increase of \$4.4 million related to the liquidation or write-off of slow-moving or obsolete handsets and wireless network adaptors and (ii) a decrease of \$5.4 million in mobile handset sales due largely to a reduced emphasis on prepaid mobile plans.

	Year ended December 31,		Increase (decrease)		Organic increase (decrease)
	2012	2011	\$	%	%
in millions					
European Operations Division:					
Germany (Unitymedia KabelBW)	\$ 548.3	\$ 320.5	\$ 227.8	71.1	12.4
Belgium (Telenet)	734.5	704.9	29.6	4.2	12.5
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	2,320.7	2,121.5	199.2	9.4	6.9
Central and Eastern Europe	418.4	435.2	(16.8)	(3.9)	(3.0)
Central and other	104.3	103.7	0.6	0.6	10.5
Total European Operations Division	2,843.4	2,660.4	183.0	6.9	5.4
Chile (VTR Group)	442.4	381.2	61.2	16.1	16.7
Corporate and other	123.2	126.7	(3.5)	(2.8)	2.2
Intersegment eliminations	(67.8)	(84.5)	16.7	N.M.	N.M.
Total operating expenses excluding share-based compensation expense	3,341.2	3,083.8	257.4	8.3	7.0
Share-based compensation expense	8.5	15.1	(6.6)	(43.7)	
Total	\$ 3,349.7	\$ 3,098.9	\$ 250.8	8.1	

N.M. — Not Meaningful.

European Operations Division. The European Operations Division's operating expenses (exclusive of share-based compensation expense) increased \$183.0 million or 6.9% 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 European Operations Division's operating expenses increased \$143.3 million or 5.4%. This increase includes the following factors:

- An increase in programming and copyright costs of \$83.4 million or 10.4%, primarily due to (i) growth in digital video services, predominantly in Germany, Switzerland, Belgium, Austria and the Netherlands, and (ii) 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. In addition, accrual releases related to the settlement or reassessment of operational contingencies gave rise to a decrease in programming and copyright costs of \$9.6 million, as the impact of net accrual releases that reduced the 2012 costs in Germany, the Netherlands, Poland and Belgium more than offset the impact of net accrual releases that reduced the 2011 costs in the Netherlands and Germany;
- An increase in mobile costs of \$36.6 million in Belgium, 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 network-related expenses of \$25.7 million or 5.2%, primarily due to (i) higher outsourced labor costs associated with customer-facing activities in Germany, Ireland and Switzerland, (ii) increased network maintenance costs, primarily in Germany and Poland, (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) lower costs associated with the refurbishment of customer premises equipment in Belgium due primarily to the benefit of claims taken related to faulty set-top boxes, partially offset by an increase in costs related to the refurbishment of customer premises equipment, primarily in Germany, (v) 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, (vi) increased encryption costs, due largely to increased numbers of installed digital set-top boxes, primarily in Switzerland and Germany, and (vii) 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 European Operations 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 interconnect costs of \$19.2 million or 6.6%, due primarily to higher costs in Belgium associated with the net effect of (i) subscriber growth, (ii) increased mobile voice and data volumes and (iii) lower mobile termination rates;
- An increase in outsourced labor and professional fees of \$11.5 million or 8.7%, primarily due to the net effect of (i) higher call center costs due to increased call volumes in Germany and Belgium and (ii) lower call center costs in Switzerland;
- An increase in costs of \$10.0 million in Belgium 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;
- A decrease in bad debt and collection expenses of \$9.8 million or 10.9%, primarily in Poland, the Czech Republic, Ireland and Austria. The decrease in bad debt and collection expenses is primarily attributable to (i) improved collection experience and (ii) the \$3.3 million impact associated with a nonrecurring adjustment recorded in Belgium during the second quarter of 2012 related to the settlement of an operational contingency and (iii) 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;
- Higher costs in Belgium of (i) \$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 (ii) \$3.4 million due to reassessments of certain post-employment benefit obligations during the third and fourth quarters of 2012; and
- Lower costs of \$5.0 million associated with the impact of nonrecurring adjustments recorded by Telenet during the third and fourth quarters of 2012 resulting from the reassessment of a social tariff obligation.

Chile (VTR Group). The VTR Group's operating expenses (exclusive of share-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 copyright costs of \$14.5 million or 10.9%, primarily associated with growth in digital cable services;
- 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 GlobalCom'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 GlobalCom; 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 GlobalCom's customer-facing activities.

SG&A Expenses of our Reportable Segments

SG&A expenses — 2013 compared to 2012

	Year ended December 31,		Increase (decrease)		Organic increase (decrease)
	2013	2012	\$	%	%
in millions					
European Operations Division:					
U.K. (Virgin Media) (a)	\$ 465.2	\$ —	\$ 465.2	N.M.	N.M.
Germany (Unitymedia KabelBW)	386.6	398.4	(11.8)	(3.0)	(5.9)
Belgium (Telenet)	260.7	242.8	17.9	7.4	4.0
The Netherlands	144.5	137.5	7.0	5.1	1.6
Switzerland	188.1	182.1	6.0	3.3	2.1
Other Western Europe	118.9	117.1	1.8	1.5	(1.4)
Total Western Europe	1,564.0	1,077.9	486.1	45.1	(3.1)
Central and Eastern Europe	154.3	142.2	12.1	8.5	6.1
Central and other	202.2	174.4	27.8	15.9	11.8
Total European Operations Division	1,920.5	1,394.5	526.0	37.7	(0.3)
Chile (VTR Group)	170.8	184.0	(13.2)	(7.2)	(5.7)
Corporate and other	237.8	183.9	53.9	29.3	14.4
Intersegment eliminations	(1.2)	(3.7)	2.5	N.M.	N.M.
Total SG&A expenses excluding share-based compensation expense	2,327.9	1,758.7	569.2	32.4	0.8
Share-based compensation expense	288.6	101.6	187.0	184.1	
Total	\$ 2,616.5	\$ 1,860.3	\$ 756.2	40.6	

(a) The amount presented for 2013 reflects the post-acquisition SG&A expenses of Virgin Media from June 8, 2013 through December 31, 2013.

N.M. — Not Meaningful.

General. SG&A expenses include human resources, information technology, general services, management, finance, legal and sales and marketing costs, share-based compensation and other general expenses. We do not include share-based compensation in the following discussion and analysis of the SG&A expenses of our reportable segments as share-based compensation expense is not included in the performance measures of our reportable segments. Share-based compensation expense is discussed under *Discussion and Analysis of Our Consolidated Operating Results* below. As noted under *Operating Expenses of our Reportable Segments* 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.

European Operations Division. The European Operations Division's SG&A expenses (exclusive of share-based compensation expense) increased \$526.0 million or 37.7% during 2013, as compared to 2012. This increase includes \$491.4 million attributable to the impact of the Virgin Media Acquisition and other less significant acquisitions. Excluding the effects of acquisitions and FX, the European Operations Division's SG&A expenses decreased \$4.0 million or 0.3%. This decrease includes the following factors:

- A decrease in sales and marketing costs of \$43.6 million or 8.6%, due primarily to (i) lower costs associated with advertising campaigns and rebranding, primarily in the U.K., Germany, and the European Operations Division's central operations, and (ii) lower third-party sales commissions, primarily in the Netherlands, Switzerland, Hungary, Austria and the Czech Republic;

- An increase in personnel costs of \$22.7 million or 4.3%, due largely to (i) increased staffing levels, primarily in Belgium, Switzerland, Germany, Hungary and the European Operations Division's central operations, (ii) annual wage increases, primarily in the Netherlands, the European Operations Division's central operations, Belgium, Germany and Switzerland, and (iii) higher costs of \$1.4 million due to the favorable reassessment of certain post-employment benefit obligations during the third quarter of 2012 in Belgium;
- An increase in information technology-related expenses of \$17.4 million or 26.8%, due primarily to (i) higher software and other information technology-related maintenance costs, primarily in the European Operations Division's central operations, Hungary and Germany and (ii) costs incurred in connection with the migration of operating systems in Germany;
- An increase in facilities expenses of \$8.4 million, due largely to higher rental expense in Germany and the European Operations Division's central operations;
- An increase in outsourced labor and professional fees of \$8.3 million or 8.5%, due largely to the net effect of (i) higher consulting costs associated with certain strategic initiatives in Belgium, the European Operations Division's central operations and the Netherlands, and (ii) a decrease in consulting costs in Germany, primarily associated with integration activities during 2012 related to the KBW Acquisition; and
- A net decrease resulting from individually insignificant changes in other SG&A expense categories.

Chile (VTR Group). The VTR Group's SG&A expenses (exclusive of share-based compensation expense) decreased \$13.2 million or 7.2%, during 2013, as compared to 2012. Excluding the effects of FX, the VTR Group's SG&A expenses decreased \$10.4 million or 5.7%. This decrease is primarily attributable to the following factors:

- A decrease in sales and marketing costs of \$8.8 million or 14.5%, primarily due to lower advertising costs at each of VTR Wireless and VTR GlobalCom;
- An increase in personnel costs of \$2.9 million or 4.7%, primarily attributable to the net effect of (i) an increase at VTR GlobalCom, due primarily to (a) higher bonus accruals, (b) a combination of increased staffing levels and higher salaries and (c) higher severance, and (ii) a decrease at VTR Wireless, due primarily to lower staffing levels and bonus accruals; and
- A decrease in facilities expenses of \$2.3 million or 8.2%, primarily attributable to (i) a decrease at VTR GlobalCom, due primarily to (a) lower rental costs and (b) lower insurance expenses and (ii) a decrease at VTR Wireless, as the discounted fair value of all remaining payments due under certain facilities-related contracts were included in the restructuring charges recorded by VTR Wireless during the third and fourth quarters of 2013, as further described in note 8 to our consolidated financial statements.

	Year ended December 31,		Increase (decrease)		Organic increase
	2012	2011	\$	%	%
in millions					
European Operations Division:					
Germany (Unitymedia KabelBW)	\$ 398.4	\$ 265.8	\$ 132.6	49.9	21.2
Belgium (Telenet)	242.8	246.6	(3.8)	(1.5)	6.3
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	1,077.9	969.7	108.2	11.2	8.3
Central and Eastern Europe	142.2	139.3	2.9	2.1	4.5
Central and other	174.4	159.5	14.9	9.3	18.4
Total European Operations Division	1,394.5	1,268.5	126.0	9.9	9.2
Chile (VTR Group)	184.0	166.6	17.4	10.4	11.1
Corporate and other	183.9	160.7	23.2	14.4	2.3
Intersegment eliminations	(3.7)	(1.9)	(1.8)	N.M.	N.M.
Total SG&A expenses excluding share-based compensation expense	1,758.7	1,593.9	164.8	10.3	10.0
Share-based compensation expense	101.6	114.3	(12.7)	(11.1)	
Total	\$ 1,860.3	\$ 1,708.2	\$ 152.1	8.9	

N.M. — Not Meaningful.

European Operations Division. The European Operations Division's SG&A expenses (exclusive of share-based compensation expense) increased \$126.0 million or 9.9% 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 European Operations Division's SG&A expenses increased \$116.3 million or 9.2%. This increase includes the following factors:

- An increase in sales and marketing costs of \$48.6 million or 10.8%, largely due to (i) higher third-party sales commissions in Germany and Belgium, (ii) increased costs associated with rebranding and other advertising campaigns in Germany, (iii) higher marketing costs in connection with promotional and operational initiatives in Belgium and (iv) increased sales call center costs in Belgium. The increase in third-party sales commissions and sales call center costs in Belgium is 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. Lower sales and marketing costs in Austria, the Czech Republic and Switzerland, partially offset the increased costs in Germany and Belgium;
- An increase in personnel costs of \$37.2 million or 7.3%, due largely to the net effect of (i) increased staffing levels in the European Operations Division's central operations due largely to increased numbers of strategic initiatives, (ii) annual wage increases, predominantly in Belgium, the Netherlands, the European Operations Division's central operations, Germany and Switzerland, (iii) lower costs of \$1.6 million in Belgium due to the reassessment of certain post-employment benefit obligations during the third quarter of 2012 and (iv) lower bonus costs in Belgium. The increases in personnel costs also include the impact of a new employee wage tax in the Netherlands. 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 facilities expenses of \$8.5 million or 9.0%, due primarily to increases in costs related to the rental of office space in Germany, the European Operations Division's central operations and the Netherlands;
- An increase of \$7.6 million in delivery and postage costs, including higher costs associated with (i) the delivery of mobile handsets to retail locations in Belgium, (ii) the delivery of customer premises equipment to retail locations in Germany and (iii) postage for customer communications in Switzerland; and

- A decrease in outsourced labor and professional fees of \$6.4 million or 6.2%, due primarily to the net effect of (i) a decrease in consulting costs associated with strategic and regulatory initiatives in Belgium, (ii) an increase in consulting costs incurred in Germany, primarily associated with integration activities related to the KBW Acquisition, and (iii) an increase in consulting costs incurred by the European Operations Division's central operations in connection with the European Operations Division's mobile and other strategic initiatives.

Chile (VTR Group). The VTR Group's SG&A expenses (exclusive of share-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 GlobalCom. The higher sales commissions are primarily attributable to (a) an increase at VTR GlobalCom, 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 GlobalCom; 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 GlobalCom.

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 share-based compensation, depreciation and amortization, provisions and provision releases related to significant 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 — 2013 compared to 2012

	Year ended December 31,		Increase (decrease)		Organic increase
	2013	2012	\$	%	(decrease)
in millions					
European Operations Division:					
U.K. (Virgin Media) (a)	\$ 1,524.9	\$ —	\$ 1,524.9	N.M.	N.M.
Germany (Unitymedia KabelBW)	1,541.1	1,364.3	176.8	13.0	9.3
Belgium (Telenet)	1,049.4	940.7	108.7	11.6	8.0
The Netherlands	721.7	737.1	(15.4)	(2.1)	(5.3)
Switzerland	778.3	717.9	60.4	8.4	7.0
Other Western Europe	445.3	407.7	37.6	9.2	5.7
Total Western Europe	6,060.7	4,167.7	1,893.0	45.4	6.2
Central and Eastern Europe	548.5	555.1	(6.6)	(1.2)	(3.1)
Central and other	(203.1)	(161.6)	(41.5)	(25.7)	(20.6)
Total European Operations Division	6,406.1	4,561.2	1,844.9	40.4	4.5
Chile (VTR Group)	353.6	314.2	39.4	12.5	14.9
Corporate and other	(63.8)	(83.1)	19.3	23.2	N.M.
Intersegment eliminations	44.8	38.6	6.2	N.M.	N.M.
Total	\$ 6,740.7	\$ 4,830.9	\$ 1,909.8	39.5	4.9

(a) The amount presented for 2013 reflects the post-acquisition operating cash flow of Virgin Media from June 8, 2013 through December 31, 2013.

Operating Cash Flow — 2012 compared to 2011

	Year ended December 31,		Increase (decrease)		Organic increase (decrease)
	2012	2011	\$	%	%
in millions					
European Operations Division:					
Germany (Unitymedia KabelBW)	\$ 1,364.3	\$ 863.7	\$ 500.6	58.0	11.4
Belgium (Telenet)	940.7	967.0	(26.3)	(2.7)	5.4
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	4,167.7	3,726.6	441.1	11.8	6.8
Central and Eastern Europe	555.1	548.0	7.1	1.3	0.6
Central and other	(161.6)	(140.5)	(21.1)	(15.0)	(25.3)
Total European Operations Division	4,561.2	4,134.1	427.1	10.3	5.3
Chile (VTR Group)	314.2	341.2	(27.0)	(7.9)	(7.3)
Corporate and other	(83.1)	(73.8)	(9.3)	12.6	N.M.
Intersegment eliminations	38.6	39.1	(0.5)	N.M.	N.M.
Total	\$ 4,830.9	\$ 4,440.6	\$ 390.3	8.8	4.0

N.M. — Not Meaningful.

Operating Cash Flow Margin — 2013, 2012 and 2011

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,		
	2013	2012	2011
	%		
European Operations Division:			
U.K. (Virgin Media)	41.7	N.M.	N.M.
Germany (Unitymedia KabelBW)	60.2	59.0	59.6
Belgium (Telenet)	48.0	49.0	50.4
The Netherlands	58.1	60.0	59.3
Switzerland	58.4	57.0	56.3
Other Western Europe	49.5	48.1	46.9
Total Western Europe	51.1	55.1	54.7
Central and Eastern Europe	48.1	49.8	48.8
Total European Operations Division	48.7	51.8	51.3
Chile (VTR Group)	35.7	33.4	38.4

N.M. — Not Meaningful.

With the exception of Telenet, the Netherlands and Central and Eastern Europe, the operating cash flow margins of our reportable segments improved during 2013, as compared to 2012. The decline in Telenet's operating cash flow margin is primarily due to (i) increased interconnect and other costs associated with the expansion of Telenet's mobile business, (ii) the net negative impact of certain favorable nonrecurring items recorded by Telenet in 2012, as described under the Telenet (revenue) and European Operations Division (operating and SG&A expenses) sections of our *Discussion and Analysis of our Reportable Segments* above,

and (iii) a decrease in revenue associated with changes in how Telenet recognizes certain up-front fees. As discussed above under *Overview*, the Netherlands is experiencing significant competition from the incumbent telecommunications operator, who is overbuilding our network in the Netherlands using FTTx and advanced DSL technologies. As a result, the Netherlands experienced a decline in revenue in 2013, which resulted in a lower operating cash flow margin during 2013, as compared to 2012. We believe the Netherlands will be challenged to maintain its current operating cash flow margin in future periods. In Central and Eastern Europe, competitive, economic and other factors contributed to the decline in the operating cash flow margin. In addition, the operating cash flow margin of the European Operations Division during 2013 was negatively impacted by (i) the inclusion of the relatively lower operating cash flow margin of Virgin Media from June 8, 2013 through December 31, 2013 and (ii) an increase in the operating cash flow deficit of the European Operations Division's central and other category, which is primarily attributable to higher personnel and consulting costs, due in part to increased levels of strategic initiatives.

The increase in the VTR Group's operating cash flow margin during 2013, as compared to 2012, reflects lower advertising costs at each of VTR Wireless and VTR GlobalCom and the improvement in the incremental operating cash flow deficit of VTR Wireless. The incremental operating cash flow deficit of VTR Wireless during 2013 and 2012 was \$63.1 million and \$83.0 million, respectively.

The operating cash flow margin of the European Operations Division improved during 2012, as compared to 2011, as most of the cash flow margins of the European Operations Division's operating segments improved or remained relatively unchanged. The operating cash flow margin of the European Operations Division was negatively impacted by an increase in the operating cash flow deficit of the European Operations 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. 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 (revenue) and European Operations Division (operating and SG&A expenses) 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. The increases in the operating cash flow margins for the remaining segments of the European Operations 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 the case of the VTR Group, the decrease in the operating cash flow margin during 2012, as compared to 2011, is attributable to an increase in the incremental operating cash flow deficit of VTR Wireless that was only partially offset by an improvement in the operating cash flow margin of VTR GlobalCom. The incremental operating cash flow deficit of VTR Wireless during 2012 and 2011 was \$83.0 million and \$31.0 million, respectively.

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 2014 operating cash flow margin of (i) the European Operations Division will remain relatively unchanged and (ii) the VTR Group will increase, each as compared to 2013. In the European Operations Division, we expect that modest improvements in the operating cash flow margins in the U.K. and Germany will be offset by modest declines in the operating cash flow margins in the Netherlands and Switzerland. 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.

2013 compared to 2012

Revenue

Our revenue by major category is set forth below:

	Year ended December 31,		Increase		Organic increase (decrease)
	2013	2012	\$	%	%
	in millions				
Subscription revenue (a):					
Video	\$ 5,724.1	\$ 4,637.6	\$ 1,086.5	23.4	0.6
Broadband internet (b)	3,536.6	2,407.0	1,129.6	46.9	10.6
Fixed-line telephony (b)	2,505.3	1,518.9	986.4	64.9	4.3
Cable subscription revenue	11,766.0	8,563.5	3,202.5	37.4	4.0
Mobile (c)	669.9	131.5	538.4	409.4	102.1
Total subscription revenue	12,435.9	8,695.0	3,740.9	43.0	5.5
B2B revenue (d)	992.2	467.9	524.3	112.1	(1.5)
Other revenue (b) (e)	1,046.1	767.9	278.2	36.2	3.9
Total revenue	\$ 14,474.2	\$ 9,930.8	\$ 4,543.4	45.8	5.1

- (a) Subscription revenue includes amounts received from subscribers for ongoing services, excluding installation fees and late fees. 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.
- (b) In connection with the Virgin Media Acquisition, we determined that we would no longer externally report DSL subscribers as RGUs. Accordingly, we have reclassified the revenue from our DSL subscribers in Austria from broadband internet and fixed-line telephony subscription revenue to other revenue for all periods presented.
- (c) Mobile subscription revenue excludes \$175.2 million and \$35.1 million, respectively, of mobile interconnect revenue. Mobile interconnect revenue and revenue from mobile handset sales are included in other revenue.
- (d) These amounts include B2B revenue from business broadband internet, video, voice, wireless and data services offered to medium to large enterprises and, on a wholesale basis, to other operators. We also provide services to certain SOHO subscribers. SOHO subscribers pay a premium price to receive enhanced service levels along with video, broadband internet or fixed-line telephony services that are the same or similar to the mass marketed products offered to our residential subscribers. Revenue from SOHO subscribers, which aggregated \$147.2 million and \$59.7 million, respectively, is included in cable subscription revenue.
- (e) Other revenue includes, among other items, interconnect, installation and carriage fee revenue.

Total revenue. Our consolidated revenue increased \$4,543.4 million during 2013, as compared to 2012. This increase includes \$3,804.7 million attributable to the impact of acquisitions. Excluding the effects of acquisitions and FX, total consolidated revenue increased \$504.2 million or 5.1%.

Subscription revenue. The details of the increase in our consolidated subscription revenue for 2013, as compared to 2012, are as follows (in millions):

Increase in cable subscription revenue due to change in:

Average number of RGUs	\$	350.4
ARPU		(3.8)
Total increase in cable subscription revenue		346.6
Increase in mobile revenue		134.3
Total increase in subscription revenue		480.9
Impact of acquisitions		3,053.5
Impact of FX		206.5
Total	\$	3,740.9

Excluding the effects of acquisitions and FX, our consolidated cable subscription revenue increased \$346.6 million or 4.0% during 2013, as compared to 2012. This increase is attributable to (i) an increase in subscription revenue from broadband internet services of \$255.0 million or 10.6%, 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 fixed-line telephony services of \$65.3 million or 4.3%, as the impact of an increase in the average number of fixed-line telephony RGUs was only partially offset by lower ARPU from fixed-line telephony services, and (iii) an increase in subscription revenue from video services of \$26.3 million or 0.6%, as the impact of higher ARPU from video services was only partially offset by a decline in the average number of video RGUs. Our consolidated mobile subscription revenue increased \$134.3 million or 102.1% during 2013, as compared to 2012, primarily in Belgium and, to a lesser extent, Chile, Germany and the U.K.

B2B revenue. Excluding the effects of acquisitions and FX, our consolidated B2B revenue decreased \$6.9 million or 1.5% during 2013, as compared to 2012. This decrease is primarily due to the net effect of (i) decreases in the Netherlands, Belgium, Switzerland and Austria and (ii) an increase in Germany.

Other revenue. Excluding the effects of acquisitions and FX, our consolidated other revenue increased \$30.2 million or 3.9% during 2013, as compared to 2012. This increase is primarily attributable to the net effect of (i) higher interconnect and installation revenue in Belgium and (ii) a decrease in carriage fee revenue in Germany.

For additional information concerning the changes in our subscription and other revenue, see *Discussion and Analysis of our Reportable Segments — Revenue — 2013 compared to 2012* above. For information regarding the competitive environment in certain of our markets, see *Overview* above.

Operating expenses

Our operating expenses increased \$2,068.0 million during 2013, as compared to 2012. This increase includes \$1,735.2 million attributable to the impact of acquisitions. Our operating expenses include share-based compensation expense, which increased \$3.6 million during 2013. For additional information, see the discussion following *SG&A expenses* below. Excluding the effects of acquisitions, FX and share-based compensation expense, our operating expenses increased \$250.1 million or 7.5% during 2013, as compared to 2012. This increase primarily is attributable to a net increase in (i) programming and copyright costs, (ii) interconnect costs, primarily in Belgium, (iii) outsourced labor and professional fees, (iv) personnel costs and (v) network-related expenses. For additional information regarding the changes in our operating expenses, see *Discussion and Analysis of our Reportable Segments — Operating Expenses of our Reportable Segments* above.

SG&A expenses

Our SG&A expenses increased \$756.2 million during 2013, as compared to 2012. This increase includes \$516.7 million attributable to the impact of acquisitions. Our SG&A expenses include share-based compensation expense, which increased \$187.0 million during 2013. For additional information, see the discussion in the following paragraph. Excluding the effects of acquisitions, FX and share-based compensation expense, our SG&A expenses increased \$13.5 million or 0.8% during 2013, as compared to 2012. This increase is primarily attributable to the net effect of (i) a decrease in sales and marketing costs, (ii) an increase in personnel costs, (iii) an increase in information technology-related expenses and (iv) an increase in integration costs, due primarily to costs incurred during 2013 by our corporate offices in connection with the integration of Virgin Media. In addition, during 2013, we incurred \$8.1 million of legal and consulting fees associated with certain litigation in Puerto Rico, of which \$6.7 million is included in the acquisition effect that we exclude to arrive at the organic increase in SG&A expenses. For additional information regarding the changes in our SG&A expenses, see *Discussion and Analysis of our Reportable Segments — SG&A Expenses of our Reportable Segments* above.

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

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

	Year ended December 31,	
	2013	2012
	in millions	
Liberty Global shares:		
Performance-based incentive awards (a)	\$ 58.6	\$ 33.0
Other share-based incentive awards	182.9	46.0
Total Liberty Global shares (b)	241.5	79.0
Telenet share-based incentive awards (c)	56.5	31.2
Other	4.5	2.2
Total	\$ 302.5	\$ 112.4
Included in:		
Operating expense	\$ 12.1	\$ 8.5
SG&A expense	288.6	101.6
Total	\$ 300.7	\$ 110.1

- (a) Includes share-based compensation expense related to Liberty Global PSUs for both years presented and the Challenge Performance Awards for the applicable 2013 period.
- (b) In accordance with the terms of the Virgin Media Merger Agreement, we issued Virgin Media Replacement Awards to employees and former directors of Virgin Media in exchange for corresponding Virgin Media awards. In connection with the Virgin Media Acquisition, the Virgin Media Replacement Awards were remeasured as of June 7, 2013, resulting in an aggregate estimated fair value attributable to the post-acquisition period of \$188.5 million. During 2013, Virgin Media recorded share-based compensation expense of \$134.3 million, primarily related to the Virgin Media Replacement Awards, including \$80.1 million that was charged to expense in recognition of the Virgin Media Replacement Awards that were fully vested on June 7, 2013 or for which vesting was accelerated pursuant to the terms of the Virgin Media Merger Agreement on or prior to December 31, 2013. The remaining June 7, 2013 estimated fair value will be amortized over the remaining service periods of the unvested Virgin Media Replacement Awards, subject to forfeitures and the satisfaction of performance conditions.
- (c) During the second quarters of 2013 and 2012, Telenet modified the terms of certain of its share-based incentive plans to provide for anti-dilution adjustments in connection with its shareholder returns, as further described in note 11 to our consolidated financial statements. In connection with these anti-dilution adjustments, Telenet recognized share-based compensation expense of \$32.7 million and \$12.6 million, respectively, and continues to recognize additional share-based compensation expense as the underlying options vest. In addition, during the first quarter of 2013, Telenet recognized expense of \$6.2 million related to the accelerated vesting of options granted under the Telenet 2010 SSOP.

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

Depreciation and amortization expense

Our depreciation and amortization expense increased \$1,614.9 million during 2013 as compared to 2012. Excluding the effects of FX, depreciation and amortization expense increased \$1,555.0 million or 58.4%. This increase is due primarily to the net effect of (i) an increase associated with the Virgin Media Acquisition, (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, (iii) a decrease associated with certain assets becoming fully depreciated, largely in Belgium, Chile and Switzerland and (iv) an increase due to accelerated depreciation, primarily in Chile where the acceleration is due to a change in our mobile strategy, as further discussed in note 8 to our consolidated financial statements.

Release of litigation provision

During the third quarter of 2007, we recorded a litigation provision of \$146.0 million based on our assessment at the time of our loss exposure with respect to the 2002 Cignal Action and the 2006 Cignal Action. As further described in note 16 to our consolidated financial statements, on October 25, 2013, we received what we consider to be the final resolution of the 2006 Cignal Action and the effective resolution of the 2002 Cignal Action. Accordingly, we released the entire \$146.0 million provision related to this matter during the third quarter of 2013.

Impairment, restructuring and other operating items, net

We recognized impairment, restructuring and other operating items, net, of \$297.5 million during 2013, as compared to \$76.2 million during 2012. The 2013 amount includes (i) restructuring charges of \$178.7 million, (ii) direct acquisition and disposition costs of \$64.7 million, primarily related to the Virgin Media Acquisition, (iii) an impairment charge of \$73.0 million to reduce the carrying amount of Telenet's spectrum rights related to Telenet's determination that it would no longer be able to utilize its spectrum rights as a result of the conclusion of negotiations with network operators in Belgium and the absence of regulatory alternatives and (iv) a \$20.0 million credit resulting from cash received from the Seller upon the settlement of certain claims related to the Puerto Rico Transaction, as further described in note 3 to our consolidated financial statements. The restructuring charges include (a) \$84.9 million recorded by VTR Wireless during the third and fourth quarters of 2013 as a result of VTR Wireless' decision to cease commercial use of its mobile network, as further described in note 8 to our consolidated financial statements, and (b) \$80.0 million of employee severance and termination costs related to certain reorganization and integration activities, primarily in the U.K., Germany and Chile. The restructuring charges recorded by VTR Wireless include the discounted amount of (i) the remaining payments due under VTR Wireless' tower and real estate operating leases of \$71.5 million and (ii) certain other required payments associated with VTR Wireless' mobile network. The 2012 amount includes (i) aggregate restructuring charges of \$53.0 million, primarily associated with employee severance and termination costs related to certain reorganization activities, mainly in Germany, and (ii) \$20.4 million of direct acquisition costs, primarily related to the Puerto Rico Transaction.

Telenet operates a DTT business that serves a limited number of subscribers. The DTT network is accessed by Telenet pursuant to third-party capacity contracts that are accounted for as operating agreements. During the fourth quarter of 2013, Telenet decided to discontinue the provision of DTT services. Once Telenet discontinues the provision of DTT services, which we currently estimate will occur in the first half of 2014, we expect to record a restructuring charge equal to the estimated net present value of the remaining payments due under the DTT capacity contracts. As of December 31, 2013, the remaining payments due under these capacity contracts aggregated €92.0 million (\$126.9 million).

For additional information regarding our restructuring charges, see note 13 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.

Interest expense

Our interest expense increased \$613.3 million during 2013, as compared to 2012. Excluding the effects of FX, interest expense increased \$568.8 million or 34.0%. This increase is primarily attributable to the net impact of (i) a higher average outstanding debt balance, due largely to debt incurred in connection with the Virgin Media Acquisition, and (ii) a lower weighted average interest rate. The decrease in our weighted average interest rate is primarily related to (a) the completion of certain financing transactions (including the financing transactions related to the Virgin Media Acquisition) that resulted in extended maturities and net decreases to certain of our interest rates and (b) decreases in certain of the base rates for our variable-rate indebtedness. 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 on our variable-rate indebtedness could increase in future periods. As further discussed in note 6 to our consolidated financial statements and 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 increased \$71.0 million during 2013, as compared to 2012. This increase is primarily attributable to (i) higher dividend income related to our investment in shares of Ziggo (after taking into account the impact of the Ziggo Collar) that was only partially offset by lower dividend income related to our investment in shares of Sumitomo (before taking into account the impact of the Sumitomo Collar) and (ii) higher interest income due to the net effect of (a) higher average cash and cash equivalent and restricted cash balances and (b) lower weighted average interest rates earned on our cash and cash equivalent and restricted cash balances. For information regarding the Ziggo Collar and the Sumitomo Collar, see note 6 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,	
	2013	2012
	in millions	
Cross-currency and interest rate derivative contracts (a)	\$ (586.5)	\$ (958.3)
Equity-related derivative instruments (b):		
Sumitomo Collar	(206.4)	(109.0)
Ziggo Collar	(152.5)	—
Other	(3.4)	—
Total equity-related derivative instruments	(362.3)	(109.0)
Foreign currency forward contracts (c)	(72.9)	(6.0)
Other	1.3	3.0
Total	\$ (1,020.4)	\$ (1,070.3)

- (a) The loss during 2013 is primarily attributable to the net effect of (i) losses associated with increases in the values of the British pound sterling, euro and Swiss franc relative to the U.S. dollar, (ii) gains associated with increases in market interest rates in the British pound sterling, euro and Swiss franc markets, (iii) losses associated with increases in market interest rates in the U.S. dollar market, (iv) gains associated with decreases in the values of the Chilean peso, Czech koruna, Swiss franc, Polish zloty and Hungarian forint relative to the euro, and (v) gains associated with a decrease in the value of the Chilean peso relative to the U.S. dollar. In addition, the loss during 2013 includes a net gain of \$15.3 million resulting from changes in our credit risk valuation adjustments. 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) losses associated with increases in the values of the Chilean peso, euro and Swiss franc relative to the U.S. dollar and (iv) gains associated with decreases in market interest rates in the U.S. dollar market. In addition, the loss during 2012 includes a net loss of \$57.3 million resulting from changes in our credit risk valuation adjustments.

- (b) For information concerning the factors that impact the valuations of our equity-related derivative instruments, see note 7 to our consolidated financial statements.
- (c) Primarily includes activity related to deal contingent foreign currency forward contracts that were settled in connection with the Virgin Media Acquisition and the foreign currency forward contracts of LGE Financing.

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

Foreign currency transaction gains, 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, net, are as follows:

	Year ended December 31,	
	2013	2012
	in millions	
Intercompany payables and receivables denominated in a currency other than the entity's functional currency (a)	\$ (280.0)	\$ 229.3
U.S. dollar denominated debt issued by a British pound sterling functional currency entity	249.3	—
Yen denominated debt issued by a U.S. dollar functional currency entity	192.3	135.7
U.S. dollar denominated debt issued by euro functional currency entities	160.7	74.0
Cash and restricted cash denominated in a currency other than the entity's functional currency	94.6	0.5
British pound sterling denominated debt issued by a U.S. dollar functional currency entity	(37.3)	—
Euro denominated debt issued by a U.S. dollar functional currency entity	(34.6)	—
Other	4.3	(1.1)
Total	<u>\$ 349.3</u>	<u>\$ 438.4</u>

- (a) Amounts primarily relate to (i) loans between certain of our non-operating and operating subsidiaries in Europe, which generally are denominated in the currency of the applicable operating subsidiary, and (ii) loans between certain of our non-operating subsidiaries in the U.S., Europe and Chile.

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 or losses due to changes in fair values of certain investments and debt include unrealized gains or losses associated with changes in fair values that are non-cash in nature until such time as these gains or 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,	
	2013	2012
	in millions	
Investments (a):		
Ziggo	\$ 582.9	\$ —
Sumitomo	(6.8)	(38.2)
Other, net (b)	(52.0)	28.0
Total	<u>\$ 524.1</u>	<u>\$ (10.2)</u>

- (a) For additional information regarding our investments and fair value measurements, see notes 5 and 7 to our consolidated financial statements.
- (b) The 2013 amount includes decreases in the fair values of our investments in Cyfra+ and O3B Networks Limited that are attributable to negative developments in the respective business plans of these entities. The 2012 amount primarily includes an increase in the fair value of our investment in Cyfra+.

Losses on debt modification, extinguishment and conversion, net

We recognized losses on debt modification, extinguishment and conversion, net, of \$212.2 million during 2013. These losses include the following:

- aggregate losses of \$112.5 million during the first and fourth quarters related to the redemption of all of Unitymedia KabelBW's euro-denominated 8.125% senior secured notes, including (i) \$75.0 million representing the difference between the principal amount and redemption price of the debt redeemed and (ii) \$37.5 million associated with the write-off of deferred financing costs and an unamortized discount;
- an \$85.5 million loss during the first quarter, which includes (i) \$35.6 million of aggregate redemption premiums related to the UPC Holding 8.0% Senior Notes and the UPC Holding 9.75% Senior Notes, (ii) the write-off of \$24.5 million of unamortized discount related to the UPC Holding 9.75% Senior Notes, (iii) the write-off of \$19.0 million of aggregate deferred financing costs associated with the UPC Holding 8.0% Senior Notes and the UPC Holding 9.75% Senior Notes and (iv) \$6.4 million of aggregate interest incurred on the UPC Holding 8.0% Senior Notes and the UPC Holding 9.75% Senior Notes between the respective dates that we and the trustee were legally discharged; and
- an \$11.9 million loss during the second quarter in connection with the prepayment of amounts outstanding under certain facilities of the UPC Broadband Holding Bank Facility, including (i) \$7.7 million of third-party costs and (ii) \$4.2 million associated with the write-off of deferred financing costs and an unamortized discount.

We recognized losses on debt modification, extinguishment and conversion, net, of \$213.8 million during 2012. These losses include the following:

- a \$175.8 million loss 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 (i) \$125.9 million representing the difference between the principal amount 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;
- a \$16.3 million loss associated with the repayment of borrowings under the UPC Broadband Holding Bank Facility, including a \$12.4 million loss during the fourth quarter associated with the write-off of deferred financing costs and an unamortized discount in connection with the prepayment of Facility AB;

- a \$10.2 million loss during the third quarter representing the difference between the carrying value and redemption price of the UM Senior Secured Floating-Rate Exchange Notes; and
- a \$7.0 million loss incurred by Unitymedia KabelBW 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.

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 \$355.5 million and \$75.0 million during 2013 and 2012, respectively.

The income tax expense during 2013 differs from the expected income tax benefit of \$121.1 million (based on the U.K. statutory income tax rate of 23%) due primarily to the negative impacts of (i) a reduction in net deferred tax assets in the U.K. due to enacted changes in tax law, (ii) certain permanent differences between the financial and tax accounting treatment of interest and other items, including \$51.1 million related to the reversal of a litigation provision in the third quarter, as further described in note 16 to our consolidated financial statements, (iii) a loss of subsidiary tax attributes due to a deemed change in control related to the Virgin Media Acquisition and (iv) a net increase in valuation allowance. The negative impacts of these items were partially offset by the positive impacts of (i) statutory tax rates in certain jurisdictions in which we operate that are different than the U.K. statutory income tax rate and (ii) tax effect of intercompany financing.

The income tax expense during 2012 differs from the expected income tax benefit of \$178.1 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 and (ii) certain permanent differences between the financial and tax accounting treatment of interest and other items.

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

Loss from continuing operations

During 2013 and 2012, we reported losses from continuing operations of \$882.0 million and \$583.9 million, respectively, including (i) operating income of \$2,012.1 million and \$1,983.1 million, respectively, (ii) net non-operating expenses of \$2,538.6 million and \$2,492.0 million, respectively, and (iii) income tax expense of \$355.5 million and \$75.0 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) share-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 loss from discontinued operations of \$23.7 million during 2013 relates to the operations of the Chellomedia Disposal Group and our earnings from discontinued operations of \$47.1 million during 2012 relates to the operations of Austar and the Chellomedia Disposal Group. In addition, we recognized an after-tax gain on the disposal of discontinued operations of \$924.1 million during 2012 related to the May 23, 2012 completion of the Austar Transaction. 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 \$6.3 million during 2013, as compared to 2012, due primarily to the net impact of (i) an increase due to the net effect of (a) an improvement in the results of operations of Telenet and (b) the impact of a decrease in the noncontrolling interests' share of Telenet's results following the Telenet Tender, (ii) a decline in the results of the VTR Group and (iii) a decrease associated with our May 2012 disposition of Austar.

2012 compared to 2011

Revenue

Our revenue by major category is set forth below:

	Year ended December 31,		Increase (decrease)		Organic increase
	2012	2011	\$	%	%
in millions					
Subscription revenue (a):					
Video	\$ 4,637.6	\$ 4,397.7	\$ 239.9	5.5	2.1
Broadband internet (b)	2,407.0	2,203.4	203.6	9.2	9.2
Fixed-line telephony (b)	1,518.9	1,299.2	219.7	16.9	8.3
Cable subscription revenue	8,563.5	7,900.3	663.2	8.4	5.1
Mobile (c)	131.5	76.9	54.6	71.0	70.1
Total subscription revenue	8,695.0	7,977.2	717.8	9.0	5.7
B2B revenue (d)	467.9	495.0	(27.1)	(5.5)	0.4
Other revenue (b) (e)	767.9	646.1	121.8	18.9	11.9
Total	\$ 9,930.8	\$ 9,118.3	\$ 812.5	8.9	5.9

- (a) Subscription revenue includes amounts received from subscribers for ongoing services, excluding installation fees and late fees. 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.
- (b) In connection with the Virgin Media Acquisition, we determined that we would no longer externally report DSL subscribers as RGUs. Accordingly, we have reclassified the revenue from our DSL subscribers in Austria from broadband internet and fixed-line telephony subscription revenue to other revenue for all periods presented.
- (c) Mobile subscription revenue excludes \$35.1 million and \$13.4 million, respectively, of mobile interconnect revenue. Mobile interconnect revenue and revenue from mobile handset sales are included in other revenue.
- (d) These amounts include B2B revenue from business broadband internet, video, voice, wireless and data services offered to medium to large enterprises and, on a wholesale basis, to other operators. We also provide services to certain SOHO subscribers. SOHO subscribers pay a premium price to receive enhanced service levels along with video, broadband internet or fixed-line telephony services that are the same or similar to the mass marketed products offered to our residential subscribers. Revenue from SOHO subscribers, which aggregated \$59.7 million and \$50.4 million, respectively, is included in cable subscription revenue.
- (e) Other revenue includes, among other items, interconnect, installation and carriage fee revenue.

Total revenue. Our consolidated revenue increased \$812.5 million during 2012, as compared to 2011. This increase includes \$997.5 million attributable to the impact of acquisitions. Excluding the effects of acquisitions and FX, total consolidated revenue increased \$535.9 million or 5.9%.

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

Increase in cable subscription revenue due to change in:

Average number of RGUs	\$	374.2
ARPU		28.9
Total increase in cable subscription revenue		403.1
Increase in mobile revenue		53.9
Total increase in subscription revenue		457.0
Impact of acquisitions		890.4
Impact of FX		(629.6)
Total	\$	717.8

Excluding the effects of acquisitions and FX, our consolidated cable subscription revenue increased \$403.1 million or 5.1% during 2012, as compared to 2011. This increase is attributable to (i) an increase in subscription revenue from broadband internet services of \$201.9 million or 9.2%, 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 fixed-line telephony services of \$108.2 million or 8.3%, as the impact of an increase in the average number of fixed-line telephony RGUs was only partially offset by lower ARPU from fixed-line telephony services and (iii) an increase in subscription revenue from video services of \$93.0 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. Our consolidated mobile subscription revenue increased \$53.9 million or 70.1% during 2012, as compared to 2011. This increase is attributable to (i) an increase in the average number of mobile subscribers in Belgium and (ii) the launch of mobile services by VTR Wireless in May 2012 in Chile.

B2B revenue. Excluding the effects of acquisitions and FX, our consolidated B2B revenue increased \$2.0 million or 0.4% during 2012, as compared to 2011. This increase is primarily attributable to increases in Austria, the Netherlands and the Czech Republic.

Other revenue. Excluding the effects of acquisitions and FX, our consolidated other revenue increased \$76.9 million or 11.9% during 2012, as compared to 2011. This increase is attributable to (i) an increase in Germany due primarily to (1) an increase in installation revenue, (2) an increase in interconnect revenue and (3) an increase in network usage revenue and (ii) an increase in Belgium due primarily to (a) an increase in interconnect revenue and (b) an increase in mobile handset sales.

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.

Operating expenses

Our operating expenses increased \$250.8 million during 2012, as compared to 2011. This increase includes \$286.0 million attributable to the impact of acquisitions. Our operating expenses include share-based compensation expense, which decreased \$6.6 million during 2012. For additional information, see the discussion following *SG&A expenses* below. Excluding the effects of acquisitions, FX and share-based compensation expense, our operating expenses increased \$214.7 million or 7.0% during 2012, as compared to 2011. This increase primarily is attributable to increases in (i) programming and copyright 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 of our Reportable Segments* above.

SG&A expenses

Our SG&A expenses increased \$152.1 million during 2012, as compared to 2011. This increase includes \$127.9 million attributable to the impact of acquisitions. Our SG&A expenses include share-based compensation expense, which decreased \$12.7 million during 2012. For additional information, see the discussion in the following paragraph. Excluding the effects of acquisitions, FX and share-based compensation expense, our SG&A expenses increased \$159.1 million or 10.0% 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 European Operations 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 of our Reportable Segments* above.

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

We record share-based compensation that is associated with Liberty Global shares and the shares of certain of our subsidiaries. A summary of the aggregate share-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	
Liberty Global shares:		
Performance-based incentive awards (a)	\$ 33.0	\$ 46.8
Other share-based incentive awards	46.0	43.4
Total Liberty Global shares	79.0	90.2
Telenet share-based incentive awards (b)	31.2	40.0
Other	2.2	4.7
Total	\$ 112.4	\$ 134.9
Included in:		
Operating expense	\$ 8.5	\$ 15.1
SG&A expense	101.6	114.3
Total	\$ 110.1	\$ 129.4

- (a) Includes share-based compensation expense related to the Liberty Global PSUs for both years presented and the Liberty Global Performance Plans for 2011.
- (b) During the second quarters of 2012 and 2011, Telenet modified the terms of certain of its share-based incentive plans to provide for anti-dilution adjustments in connection with its shareholder returns, as further described in note 11 to our consolidated financial statements. In connection with these anti-dilution adjustments, Telenet recognized share-based compensation expense of \$12.6 million and \$15.8 million, respectively, and continues to recognize additional share-based compensation expense as the underlying options vest.

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

Depreciation and amortization expense

Our depreciation and amortization expense increased \$237.2 million during 2012 as compared to 2011. Excluding the effects of FX, depreciation and amortization expense increased \$438.0 million or 18.1%. 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 \$76.2 million during 2012, as compared to \$64.0 million during 2011. The 2012 amount includes (i) aggregate restructuring charges of \$53.0 million associated with employee severance and termination costs related to certain reorganization activities, primarily in Germany, and (ii) \$20.4 million of direct acquisition costs, primarily related to the Puerto Rico Transaction. The 2011 amount includes (i) \$31.5 million of direct acquisition costs, including \$22.3 million and \$6.3 million attributable to the KBW Acquisition and the Aster Acquisition, respectively, and (ii) restructuring charges of \$21.1 million, primarily related to reorganization and integration activities in Europe and Chile.

For additional information regarding our restructuring charges, see note 13 to our consolidated financial statements.

Interest expense

Our interest expense increased \$219.9 million during 2012, as compared to 2011. Excluding the effects of FX, interest expense increased \$348.2 million or 24.0%. 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 on our variable-rate indebtedness could increase in future periods. As further discussed in note 6 to our consolidated financial statements and 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 \$30.8 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 related to our investment in shares of Sumitomo (before taking into account the impact of the Sumitomo Collar).

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 instruments (b):		
Sumitomo Collar	(109.0)	89.9
Other	—	(2.7)
Total equity-related derivative instruments	(109.0)	87.2
Foreign currency forward contracts	(6.0)	(36.1)
Other	3.0	(0.4)
Total	\$ (1,070.3)	\$ (59.9)

- (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) losses associated with increases in the values of the Chilean peso, euro and Swiss franc relative to the U.S. dollar and (iv) gains associated with decreases in market interest rates in the U.S. dollar market. 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 and (iii) gains associated with decreases in the values of the euro and 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) For information concerning the factors that impact the valuations of our equity-related derivative instruments, see note 7 to our consolidated financial statements.

For additional information concerning our derivative instruments, see notes 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)	\$ 229.3	\$ (354.0)
U.S. dollar denominated debt issued by euro functional currency entities	74.0	(102.0)
Yen denominated debt issued by a U.S. dollar functional currency entity	135.7	(63.0)
Cash and restricted cash denominated in a currency other than the entity's functional currency	0.5	(40.7)
Other	(1.1)	(6.9)
Total	<u>\$ 438.4</u>	<u>\$ (566.6)</u>

- (a) Amounts primarily relate to (i) loans between certain of our non-operating and operating subsidiaries in Europe, which generally are denominated in the currency of the applicable operating subsidiary, and (ii) loans between certain of our non-operating subsidiaries in the U.S., Europe and Chile.

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 gains or losses associated with changes in fair values that are non-cash in nature until such time as these gains or 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)	28.0	(16.5)
Debt — UGC Convertible Notes (c)	—	(107.0)
Total	<u>\$ (10.2)</u>	<u>\$ (151.7)</u>

- (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 primarily includes an increase in the fair value of our investment in Cyfra+. The 2011 amount includes decreases in the fair value 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.

Losses on debt modification, extinguishment and conversion, net

We recognized losses on debt modification, extinguishment and conversion, net, of \$213.8 million during 2012. These losses include the following:

- a \$175.8 million loss 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 principal amount 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;
- a \$16.3 million loss associated with the repayment of borrowings under the UPC Broadband Holding Bank Facility, including a \$12.4 million loss during the fourth quarter associated with the write-off of deferred financing costs and an unamortized discount in connection with the prepayment of Facility AB;
- a \$10.2 million loss during the third quarter representing the difference between the carrying value and redemption price of the UM Senior Secured Floating-Rate Exchange Notes; and
- a \$7.0 million loss incurred by Unitymedia KabelBW 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.

We recognized losses on debt modification, extinguishment and conversion, net, of \$218.4 million during 2011. These losses include the following:

- a \$187.2 million debt conversion loss of 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;
- a \$15.7 million loss during the first quarter of 2011 related to the write-off of deferred financing costs and an unamortized discount in connection with the prepayment of amounts outstanding under Facilities M, P, T and U of the UPC Broadband Holding Bank Facility; and

- \$14.8 million loss associated with the prepayment of amounts outstanding under Facilities K, L1, G and J under the Telenet Credit Facility, representing (i) a \$9.5 million write-off of deferred financing costs and (ii) the incurrence of \$5.3 million of third-party costs.

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 \$75.0 million and \$241.1 million during 2012 and 2011, respectively.

The income tax expense during 2012 differs from the expected income tax benefit of \$178.1 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 and (ii) certain permanent differences between the financial and tax accounting treatment of interest and other items.

The income tax expense during 2011 differs from the expected income tax benefit of \$196.1 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 and (ii) certain permanent differences between the financial and tax accounting treatment of interest and other items.

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 \$583.9 million and \$801.5 million, respectively, including (i) operating income of \$1,983.1 million and \$1,822.9 million, respectively, (ii) net non-operating expenses of \$2,492.0 million and \$2,383.3 million, respectively, and (iii) income tax expense of \$75.0 million and \$241.1 million, respectively.

Discontinued operations

Our earnings from our discontinued operations of \$47.1 million and \$130.5 million during 2012 and 2011, respectively, relates to the operations of Austar and the Chellomedia Disposal Group. In addition, we recognized an after-tax gain on the disposal of discontinued operations of \$924.1 million during 2012 related to the May 23, 2012 completion of the Austar Transaction. The decrease in earnings from our discontinued operations is due to a decline in Austar's operating results that was only partially offset by an improvement in the Chellomedia Disposal Group's operating results. The decline in Austar's operating results is due largely to (i) 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 (ii) 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.

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 Virgin Media, UPC Broadband Holding, UPC Holding, Unitymedia KabelBW, Telenet, VTR Finance and Liberty Puerto Rico, 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, 2013. In addition, our ability to access the liquidity of these and other subsidiaries may be limited by tax and legal 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, 2013 are set forth in the following table. With the exception of the amount for Liberty Global, 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:		
Liberty Global and non-operating subsidiaries:		
Liberty Global	\$	796.2
Non-operating subsidiaries		698.4
Total Liberty Global and non-operating subsidiaries		1,494.6
Operating subsidiaries:		
UPC Holding (excluding VTR Group)		645.4
Virgin Media (a)		49.3
Telenet		295.2
VTR Group		162.8
Chellomedia (b)		26.4
Unitymedia KabelBW		18.7
Liberty Puerto Rico		9.5
Total operating subsidiaries		1,207.3
Total cash and cash equivalents	\$	2,701.9

- (a) Represents cash and cash equivalents held by the Virgin Media Borrowing Group. The \$518.8 million of cash and cash equivalents of Virgin Media are included in the amount shown for Liberty Global's non-operating subsidiaries.
- (b) Represents the cash and cash equivalents of Chellomedia at December 31, 2013 that are not attributed to the Chellomedia Disposal Group. For information regarding the Chellomedia Transaction, see note 4 to our consolidated financial statements.

Liquidity of Liberty Global and its Non-operating Subsidiaries

The \$796.2 million of cash and cash equivalents held by Liberty Global and, subject to certain tax and legal considerations, the \$698.4 million of cash and cash equivalents held by Liberty Global's non-operating subsidiaries, represented available liquidity at the corporate level at December 31, 2013. Our remaining cash and cash equivalents of \$1,207.3 million at December 31, 2013 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. For information regarding limitations imposed by our subsidiaries' debt instruments at December 31, 2013, see note 9 to our consolidated financial statements.

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

From time to time, Liberty Global and its non-operating subsidiaries may also receive (i) proceeds in the form of distributions or loan repayments from Liberty Global'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 upon the disposition of investments and other assets of Liberty Global and its non-operating subsidiaries and (iii) proceeds in connection with the incurrence of debt by Liberty Global or its non-operating subsidiaries or the issuance of equity securities by Liberty Global. No assurance can be given that any external funding would be available to Liberty Global or its non-operating subsidiaries on favorable terms, or at all. For information concerning the disposition of the Chellomedia Disposal Group, see note 4 to our consolidated financial statements. For information concerning capital distributions of Telenet and VTR GlobalCom, see note 11 to our consolidated financial statements.

At December 31, 2013, our consolidated cash and cash equivalents balance includes \$2,667.9 million that is held outside of the U.K. 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 share repurchase programs.

The ongoing cash needs of Liberty Global and its non-operating subsidiaries include (i) corporate general and administrative expenses and (ii) interest payments on the Sumitomo Collar Loan, the Ziggo Collar Loan and the Ziggo Margin Loan. In addition, Liberty Global and its non-operating subsidiaries may require cash in connection with (a) the repayment of outstanding debt, (b) the satisfaction of contingent liabilities, (c) acquisitions, (d) the repurchase of equity and debt securities, (e) other investment opportunities or (f) income tax payments. For information concerning the contingencies of Liberty Global and its non-operating subsidiaries, see note 16 to our consolidated financial statements.

As a U.K. incorporated company, we may only elect to repurchase shares or pay dividends to the extent of our "Distributable Reserves." On June 19, 2013, we received approval from the English Companies Court to reduce our share premium and in connection with that approval, we recognized Distributable Reserves of approximately \$29.0 billion. For additional information, see note 11 to our consolidated financial statements. For information regarding a share dividend that was declared by our board of directors subsequent to December 31, 2013, see note 19 to our consolidated financial statements.

During 2013, we repurchased a total of 6,550,197 shares of our Liberty Global Class A ordinary shares or LGI Series A common stock at a weighted average price of \$73.82 per share and 9,105,600 shares of our Liberty Global Class C ordinary shares or LGI Series C common stock at a weighted average price of \$73.41 per share, for an aggregate purchase price of \$1,151.9 million, including direct acquisition costs and the effects of derivative instruments. At December 31, 2013, the remaining amount authorized for share repurchases was \$2,522.1 million. Subsequent to December 31, 2013, our board of directors increased the amount authorized under our current repurchase program by \$1.0 billion. We currently intend to complete this repurchase program by the end of 2015.

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 UPC Broadband Holding, Virgin Media, Unitymedia KabelBW, Telenet, VTR Finance and Liberty Puerto Rico, borrowing availability under their respective debt instruments. For the details of the borrowing availability of such entities at December 31, 2013, see note 9, and for information regarding certain financing transactions completed by VTR Finance in January 2014, see note 19 to our consolidated financial statements. The aforementioned sources of liquidity may be supplemented in certain cases by contributions and/or loans from Liberty Global and its non-operating subsidiaries. Our operating subsidiaries' liquidity generally is used to fund property and equipment additions 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 Liberty Global, (iii) capital distributions to Liberty Global and other equity owners or (iv) the satisfaction of contingencies. 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 (a) the acquisitions and (b) the contingencies of our subsidiaries, see notes 3 and 16 to our consolidated financial statements, respectively.

For additional information concerning our consolidated capital expenditures and cash provided by operating activities, see the discussion under *Consolidated Statements of Cash Flows* 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 (excluding the Sumitomo Collar Loan, the Ziggo Collar Loan and the Ziggo Margin Loan and measured using subsidiary debt figures at swapped foreign currency exchange rates, consistent with the covenant calculation requirements of our subsidiary debt agreements) that is between four and five times our consolidated operating cash flow, although it should be noted that the timing of our acquisitions and financing transactions may temporarily cause this ratio to exceed our targeted range. The ratio of our December 31, 2013 consolidated debt to our annualized consolidated operating cash flow for the quarter ended December 31, 2013 was 5.3x. In addition, the ratio of our December 31, 2013 consolidated net debt (debt, as defined above, less cash and cash equivalents) to our annualized consolidated operating cash flow for the quarter ended December 31, 2013 was 4.9x.

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 property and equipment additions 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, 2013, 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, 2013, our outstanding consolidated debt and capital lease obligations aggregated \$44.7 billion, including \$1,023.4 million that is classified as current in our consolidated balance sheet and \$38.9 billion that is not due until 2018 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 not possible to predict how political and economic conditions, sovereign debt concerns or any adverse regulatory developments could impact the credit and equity markets we access and, accordingly, our future liquidity and 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 have been borrowed or incurred by our subsidiaries at December 31, 2013.

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

Consolidated Statements of Cash Flows

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.

Summary. The 2013 and 2012 consolidated statements of cash flows of our continuing operations are summarized as follows:

	Year ended December 31,		
	2013	2012	Change
	in millions		
Net cash provided by operating activities	\$ 3,921.0	\$ 2,837.5	\$ 1,083.5
Net cash used by investing activities	(7,950.1)	(957.7)	(6,992.4)
Net cash provided (used) by financing activities	4,623.3	(1,465.1)	6,088.4
Effect of exchange rate changes on cash	85.4	28.3	57.1
Net increase in cash and cash equivalents	\$ 679.6	\$ 443.0	\$ 236.6

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, due largely to the impact of the Virgin Media Acquisition, (ii) a decrease in cash provided due to higher cash payments for interest, due largely to the impact of the Virgin Media Acquisition, (iii) an increase in the reported net cash provided by operating activities due to FX, (iv) a decrease in cash provided due to higher net cash payments for taxes 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 primarily attributable to (i) an increase in cash used of \$3,919.2 million associated with higher cash paid in connection with acquisitions, (ii) an increase in cash used of \$1,317.9 million associated with higher cash paid in connection with investments in and loans to affiliates and others, due primarily to the cash we paid to acquire Ziggo shares during 2013, (iii) an increase in cash used of \$1,055.4 million associated with cash proceeds received in connection with the Austar Transaction during 2012 and (iv) an increase in cash used of \$613.2 million associated with higher capital expenditures. Capital expenditures increased from \$1,868.3 million during 2012 to \$2,481.5 million during 2013, primarily due to an increase related to the Virgin Media Acquisition and other less significant acquisitions that was only partially offset by a net decrease in the local currency capital expenditures of our subsidiaries.

The capital expenditures that we report in our consolidated statements of cash flows do not include amounts that are financed under vendor financing or capital lease arrangements. Instead, these amounts are reflected as non-cash additions to our property and equipment when the underlying assets are delivered, and as repayments of debt when the principal is repaid. In the following discussion, we refer to (i) our capital expenditures as reported in our consolidated statements of cash flows, which exclude amounts financed under vendor financing or capital lease arrangements, and (ii) our total property and equipment additions, which include our capital expenditures on an accrual basis and amounts financed under vendor financing or capital lease arrangements. A reconciliation of our consolidated property and equipment additions to our consolidated capital expenditures as reported in the consolidated statements of cash flows is set forth below:

	Year ended December 31,	
	2013	2012
	in millions	
Property and equipment additions	\$ 3,161.6	\$ 2,258.6
Assets acquired under capital-related vendor financing arrangements	(573.5)	(246.5)
Assets acquired under capital leases	(143.0)	(63.1)
Changes in current liabilities related to capital expenditures	36.4	(80.7)
Capital expenditures	\$ 2,481.5	\$ 1,868.3

The European Operations Division accounted for \$2,901.0 million and \$1,981.6 million (including \$755.4 million and nil attributable to Virgin Media, \$543.4 million and \$559.5 million attributable to Unitymedia KabelBW and \$453.7 million and \$440.0 million attributable to Telenet) of our consolidated property and equipment additions during 2013 and 2012, respectively. The increase in the European Operations Division's property and equipment additions is due primarily to the net effect of (i) an increase due to the Virgin Media Acquisition and other less significant acquisitions, (ii) an increase in expenditures for support capital, such as information technology upgrades and general support systems, (iii) an increase due to FX, (iv) a decrease in expenditures for the purchase and installation of customer premises equipment and (v) an increase in expenditures for new build

and upgrade projects to expand services. During 2013 and 2012, the European Operations Division's property and equipment additions represented 22.1% and 22.5% (including 20.7% and nil for Virgin Media, 21.2% and 24.2% for Unitymedia KabelBW and 20.8% and 22.9% for Telenet) of its revenue, respectively.

The VTR Group accounted for \$188.5 million and \$243.4 million (including \$8.7 million and \$36.7 million attributable to VTR Wireless) of our consolidated property and equipment additions during 2013 and 2012, 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) a decrease in expenditures for the purchase and installation of customer premises equipment, (iii) a decrease in expenditures for new build and upgrade projects, (iv) an increase in expenditures for support capital, such as information technology upgrades and general support systems and (v) a decrease due to FX. During 2013 and 2012, the VTR Group's property and equipment additions represented 19.0% and 25.9% (18.1% and 22.0% excluding VTR Wireless) of its revenue, respectively.

We expect the percentage of revenue represented by our aggregate 2014 consolidated property and equipment additions to decline slightly as compared to 2013, with the 2014 percentage expected to range from 21% to 23% for the European Operations Division (including 19% to 21% for Virgin Media, 20% to 22% for Unitymedia KabelBW and 19% to 21% for Telenet) and 18% to 20% for the VTR Group. The actual amount of the 2014 consolidated property and equipment additions and the 2014 property and equipment additions of the European Operations Division (including Virgin Media, Unitymedia KabelBW and 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 change in net cash provided (used) by our financing activities is primarily attributable to the net effect of (i) an increase in cash of \$3,534.2 million due primarily to a change in cash collateral associated with the Virgin Media Acquisition, (ii) an increase in cash of \$3,003.8 million due to the release of restricted cash in connection with the Telenet Tender, (iii) an increase in cash of \$632.9 million due to higher cash received related to derivative instruments, (iv) a decrease in cash of \$458.0 million related to shares purchased in connection with the Telenet Tender, (v) a decrease in cash of \$256.1 million related to lower net borrowings of debt, (vi) a decrease in cash of \$203.0 million related to higher distributions by subsidiaries to noncontrolling interests, (vii) a decrease in cash of \$186.9 million related to higher repurchases of our shares and (viii) a decrease in cash of \$159.8 million due to higher payments for financing costs, debt premiums and exchange offer consideration.

Consolidated Statements of Cash Flows — 2012 compared to 2011

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

	Year ended December 31,		Change
	2012	2011	
	in millions		
Net cash provided by operating activities	\$ 2,837.5	\$ 2,510.2	\$ 327.3
Net cash used by investing activities	(957.7)	(4,020.4)	3,062.7
Net cash used by financing activities	(1,465.1)	(641.7)	(823.4)
Effect of exchange rate changes on cash	28.3	32.6	(4.3)
Net increase (decrease) in cash and cash equivalents	\$ 443.0	\$ (2,119.3)	\$ 2,562.3

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 \$1,826.3 million due to lower cash paid in connection with acquisitions, (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 \$52.5 million associated with lower capital expenditures. Capital expenditures decreased from \$1,920.8 million during 2011 to \$1,868.3 million during 2012, as an increase in the local currency capital expenditures of our subsidiaries, including an increase due to the KBW Acquisition and other less significant acquisitions, was more than offset by a decrease due to FX.

A reconciliation of our consolidated property and equipment additions to our consolidated capital expenditures as reported in the consolidated statements of cash flows is set forth below:

	Year ended December 31,	
	2012	2011
	in millions	
Property and equipment additions	\$ 2,258.6	\$ 2,125.4
Assets acquired under capital-related vendor financing arrangements	(246.5)	(101.4)
Assets acquired under capital leases	(63.1)	(38.2)
Changes in current liabilities related to capital expenditures	(80.7)	(65.0)
Capital expenditures	<u>\$ 1,868.3</u>	<u>\$ 1,920.8</u>

The European Operations Division accounted for \$1,981.6 million and \$1,824.0 million (including \$559.5 million and \$371.0 million attributable to Unitymedia KabelBW and \$440.0 million and \$413.3 million attributable to Telenet) of our consolidated property and equipment additions during 2012 and 2011, respectively. The increase in the European Operations 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 European Operations Division's property and equipment additions represented 22.5% and 22.6% (including 24.2% and 25.6% for Unitymedia KabelBW and 22.9% and 21.5% for Telenet) of its revenue, respectively.

The VTR Group accounted for \$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 property and equipment additions represented 25.9% and 30.5% (22.0% and 20.7% excluding VTR Wireless) of its revenue, respectively.

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 Telenet Tender, (ii) a decrease in cash used of \$504.1 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 Liberty Global subsidiaries, (v) a decrease in cash used of \$81.6 million due to lower cash distributions from Liberty Global subsidiaries to noncontrolling interest owners, (vi) a decrease in cash used of \$61.8 million resulting from lower cash payments of net settled employee withholding taxes on share incentive awards and (vii) an increase in cash used of \$57.7 million due to higher repurchases of our Liberty Global Series A and Series C common stock. The increase in our net borrowings of debt was partially offset by a decrease due 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 share-based incentive awards and (ii) cash payments for third-party costs directly associated with successful and unsuccessful acquisitions and dispositions, less (a) capital expenditures, as reported in our consolidated statements of cash flows, (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 statements of cash flows.

The following table provides the details of our free cash flow:

	Year ended December 31,		
	2013	2012	2011
	in millions		
Net cash provided by operating activities of our continuing operations	\$ 3,921.0	\$ 2,837.5	\$ 2,510.2
Excess tax benefits from share-based compensation	41.0	6.7	37.7
Cash payments for direct acquisition and disposition costs	61.0	31.5	19.6
Capital expenditures	(2,481.5)	(1,868.3)	(1,920.8)
Principal payments on vendor financing obligations	(320.4)	(104.7)	(10.0)
Principal payments on certain capital leases	(95.8)	(17.5)	(11.4)
Free cash flow	<u>\$ 1,125.3</u>	<u>\$ 885.2</u>	<u>\$ 625.3</u>

Off Balance Sheet Arrangements

In the ordinary course of business, we may provide indemnifications to our lenders, our vendors and certain other parties and 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.

Contractual Commitments

The U.S. dollar equivalents of the commitments of our continuing operations as of December 31, 2013 are presented below:

	Payments due during:							
	2014	2015	2016	2017	2018	Thereafter	Total	
	in millions							
Debt (excluding interest)	\$ 787.6	\$ 354.5	\$ 2,352.3	\$ 1,691.6	\$ 3,436.6	\$ 34,069.1	\$ 42,691.7	
Capital leases (excluding interest)	233.0	191.9	147.5	100.0	86.0	1,089.9	1,848.3	
Network and connectivity commitments	398.5	338.3	283.7	267.3	145.8	1,358.6	2,792.2	
Programming obligations	497.6	374.8	258.8	132.2	32.2	1.7	1,297.3	
Purchase commitments	791.9	145.1	60.9	10.4	3.4	—	1,011.7	
Operating leases	177.6	148.0	118.9	97.0	64.5	320.3	926.3	
Other commitments	326.6	236.5	155.9	117.6	54.2	66.1	956.9	
Total (a)	\$ 3,212.8	\$ 1,789.1	\$ 3,378.0	\$ 2,416.1	\$ 3,822.7	\$ 36,905.7	\$ 51,524.4	
Projected cash interest payments on debt and capital lease obligations (b)	\$ 2,462.9	\$ 2,446.5	\$ 2,440.3	\$ 2,341.1	\$ 2,189.9	\$ 6,118.8	\$ 17,999.5	

- (a) The commitments reflected in this table do not reflect any liabilities that are included in our December 31, 2013 consolidated balance sheet other than debt and capital lease obligations. Our liability for uncertain tax positions in the various jurisdictions in which we operate (\$371.1 million at December 31, 2013) 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 payment dates and contractual maturities in effect as of December 31, 2013. 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 contracts, deferred financing costs, discounts or premiums, all of which affect our overall cost of borrowing.

Network and connectivity commitments include (i) Telenet's commitments for certain operating costs associated with its leased network, (ii) commitments associated with our MVNO agreements, (iii) certain repair and maintenance, fiber capacity and energy commitments of Unitymedia KabelBW and (iv) certain commitments of Telenet to purchase broadcasting capacity on a DTT network. Subsequent to October 1, 2015, Telenet's commitments for certain operating costs 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. 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.

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 2013, 2012 and 2011, (a) the programming and copyright costs incurred by our broadband communications and DTH operations aggregated \$1,685.4 million, \$1,055.7 million and \$965.3 million, respectively (including intercompany charges that eliminate in consolidation of \$28.0 million, \$38.7 million and \$40.4 million, respectively), and (b) the third-party programming costs incurred by our programming distribution operations aggregated \$47.4 million, \$45.6 million and \$49.4 million, respectively. The ultimate amount payable in excess of the contractual minimums of our studio output contracts, which expire at various dates through 2019, is dependent upon the number of subscribers to our premium movie service and the theatrical success of the films that we exhibit.

Purchase commitments include unconditional purchase obligations associated with commitments to purchase customer premises and other equipment that are enforceable and legally binding on us.

Commitments arising from acquisition agreements (including with respect to the Ziggo Merger Agreement, as described in note 19 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 (i) derivative instruments and (ii) defined benefit plans and similar arrangements, 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 2013, 2012 and 2011, see note 6 to our consolidated financial statements. For information concerning our defined benefit plans, see note 14 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, 2013.

We review, when circumstances warrant, the carrying amounts of our property and equipment and our intangible assets (other than goodwill and other 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 other indefinite-lived intangible assets may not be recoverable. For impairment evaluations with respect to both goodwill and other indefinite-lived intangibles, we first make a qualitative assessment to determine if the goodwill or other indefinite-lived intangible may be impaired. In the case of goodwill, 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. With respect to franchise rights or other indefinite-lived intangible assets, if it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying value, we then estimate its fair value and any excess of the carrying value over the fair value of the franchise right or other indefinite-lived intangible asset 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 property and equipment additions. 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 2013 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 the three years ended December 31, 2013, the most significant impairment charge that we recorded with respect to our property and equipment and intangible assets was the \$73.0 million impairment charge that Telenet recorded during the fourth quarter of 2013 to reduce the carrying value of the intangible assets related to certain of its spectrum rights. For additional information, see note 8 to our consolidated financial statements.

In the case of our broadband communications operations in Puerto Rico, a hypothetical decline of 20% or more in the fair value of this reporting unit could result in the need to record a goodwill impairment charge based on the results of our October 1, 2013 goodwill impairment test. At December 31, 2013, the goodwill associated with this reporting unit aggregated \$347.0 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.

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 useful life of the assets. The determination of the 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 subscriber disconnect 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 2013, 2012 and 2011 was \$4,276.4 million, \$2,661.5 million and \$2,424.3 million, respectively. A 10% increase in the aggregate amount of the depreciation and amortization expense of our continuing operations during 2013 would have resulted in a \$427.6 million or 21.3% decrease in our 2013 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 2013, 2012 and 2011, our continuing operations included net losses of \$496.3 million, \$1,080.5 million and \$104.6 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, 2013.

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 — Sensitivity Information* 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, 2013, the aggregate valuation allowance provided against deferred tax assets was \$7,052.8 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, 2013 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 positions 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 our consolidated financial statements is different than the amount taken or expected to be taken in our tax returns. As of December 31, 2013, the amount of unrecognized tax benefits for financial reporting purposes, but taken or expected to be taken on tax returns, was \$490.9 million, of which \$419.0 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 non-U.S. 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. At December 31, 2013, income and withholding taxes for which a net deferred tax liability might otherwise be required have not been provided on an estimated \$8.0 billion of cumulative temporary differences on non-U.S. entities. 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, 2013, \$1,035.6 million or 38.3%, \$885.8 million or 32.8% and \$560.6 million or 20.7% of our consolidated cash balances were denominated in euros, U.S. dollars and British pounds sterling, respectively. Subject to applicable debt covenants, certain tax considerations and other factors, these euro, U.S. dollar, and British pound sterling 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 investments in Ziggo and Sumitomo shares. At December 31, 2013, the aggregate fair value of these investments was \$2,609.5 million (including \$1,049.4 million related to shares subject to re-use rights) and \$572.9 million, respectively. All of our Sumitomo shares are held through the Sumitomo Collar and 24,957,000 or 43.8% of our Ziggo shares are held through the Ziggo Collar. For information concerning the terms of the Ziggo Collar and the related Ziggo Collar Loan, see note 6 to our consolidated financial statements. For those shares that are held through the Sumitomo Collar and the Ziggo Collar, our exposure to market risk is limited. A significant portion of our Ziggo shares are also pledged as security for the Ziggo Margin Loan, which is described in note 9 to our consolidated financial statements. For additional information concerning our investments in Sumitomo and Ziggo shares, see note 5 to our consolidated financial statements.

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, 2013, 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 2014, (i) less than 1% of our revenue, (ii) approximately 4% to 6% of our aggregate operating and SG&A expenses (exclusive of share-based compensation expense) and (iii) approximately 10% to 12% of our property and equipment additions will be denominated in non-functional currencies, including amounts denominated in (a) U.S. dollars in Chile and Europe and (b) euros in Poland, the Czech Republic, Romania, Switzerland and Hungary. Our expectations with respect to our non-functional currency transactions in 2014 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, British pound sterling, Swiss franc, Hungarian forint and Polish zloty and the forward sale of the euro, British pound sterling, Swiss franc, Czech koruna, Hungarian forint, Polish zloty and Chilean peso, to hedge certain of these risks. Certain non-functional currency risks related to our revenue, operating and SG&A expenses and property and equipment additions were not hedged as of December 31, 2013. 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, 2013 was to the euro and British pound sterling as 41.6% and 37.3% of our U.S. dollar revenue during the period was derived from subsidiaries whose functional currencies are the euro and British pound sterling, respectively. 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 British pound sterling, the Swiss franc, the Hungarian forint, the Polish zloty, the Czech koruna, the Romanian lei and the Chilean peso and (ii) the U.S. dollar, which is our reporting currency, is shown below, per one U.S. dollar:

	As of December 31,	
	2013	2012
Spot rates:		
Euro	0.7252	0.7577
British pound sterling	0.6036	0.6157
Swiss franc	0.8886	0.9146
Hungarian forint	215.62	220.83
Polish zloty	3.0135	3.0939
Czech koruna	19.828	19.009
Romanian lei	3.2434	3.3675
Chilean peso	525.45	478.79

	Year ended December 31,		
	2013	2012	2011
Average rates:			
Euro	0.7530	0.7779	0.7190
British pound sterling	0.6396	0.6310	0.6238
Swiss franc	0.9268	0.9376	0.8875
Hungarian forint	223.58	225.02	201.13
Polish zloty	3.1601	3.2539	2.9646
Czech koruna	19.559	19.555	17.690
Romanian lei	3.3273	3.4682	3.0497
Chilean peso	495.45	486.26	483.68

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 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 LIBOR-indexed debt of Virgin Media, the EURIBOR-indexed debt of Telenet and Unitymedia KabelBW 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 contracts 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, 2013, we effectively paid a fixed interest rate on 96% of our total debt after considering the impact of our 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, 2013 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 our total debt on which we effectively paid a fixed interest rate at December 31, 2013 declines to 92%. 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, 2013, our variable-rate indebtedness aggregated \$14.5 billion, and the weighted average interest rate (including margin) on such variable-rate indebtedness was approximately 3.9%, excluding the effects of interest rate derivative contracts, 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 contracts, 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 \$72.5 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. 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. 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, 2013, our exposure to counterparty credit risk included (i) derivative assets with an aggregate fair value of \$578.6 million, (ii) cash and cash equivalent and restricted cash balances of \$2,725.2 million and (iii) aggregate undrawn debt facilities of \$3,345.8 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.

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.

Virgin Media Cross-currency and Interest Rate Derivative Contracts

Holding all other factors constant, at December 31, 2013:

- (i) an instantaneous increase (decrease) of 10% in the value of the British pound sterling relative to the U.S. dollar would have decreased (increased) the aggregate fair value of the Virgin Media cross-currency and interest rate derivative contracts by approximately £498 million (\$825 million); and
- (ii) an instantaneous increase (decrease) in the relevant base rate of 50 basis points (0.50%) would have increased (decreased) the aggregate fair value of the Virgin Media cross-currency and interest rate derivative contracts by approximately £57 million (\$94 million).

LGE Financing Foreign Currency Forward Contracts

Holding all other factors constant, at December 31, 2013:

- (i) an instantaneous increase of 10% in the value of the euro relative to the U.S. dollar would have decreased the aggregate fair value of the LGE Financing foreign currency forward contracts by approximately €48 million (\$66 million) and conversely, a decrease of 10% would have increased the aggregate fair value by approximately €57 million (\$79 million); and
- (ii) an instantaneous increase of 10% in the value of the euro relative to the British pound sterling would have increased the aggregate fair value of the LGE Financing foreign currency forward contracts by approximately €24 million (\$33 million) and conversely, a decrease of 10% would have decreased the aggregate fair value by approximately €32 million (\$44 million).

UPC Broadband Holding Cross-currency and Interest Rate Derivative Contracts

Holding all other factors constant, at December 31, 2013:

- (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 €411 million (\$567 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 €146 million (\$201 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 €238 million (\$328 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 €107 million (\$148 million) and conversely, a decrease of 50 basis points (0.50%) would have decreased the aggregate fair value by approximately €111 million (\$153 million); and

- (v) an instantaneous increase (decrease) in UPC Broadband Holding's credit spread of 50 basis points (0.50%) would have increased (decreased) the aggregate fair value of the UPC Broadband Holding cross-currency and interest rate derivative contracts by approximately €16 million (\$22 million).

Unitymedia KabelBW Cross-currency and Interest Rate Derivative Contracts

Holding all other factors constant, at December 31, 2013 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 €135 million (\$186 million).

Telenet Interest Rate Caps, Collars and Swaps

Holding all other factors constant, at December 31, 2013, 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 €47 million (\$65 million) and conversely, a decrease of 50 basis points (0.50%) would have decreased the aggregate fair value by approximately €49 million (\$68 million).

UPC Holding Cross-currency Options and Foreign Currency Forwards

Holding all other factors constant, at December 31, 2013, 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 option and foreign currency forward contracts by approximately €33 million (\$46 million) and conversely, a decrease of 10% would have increased the aggregate fair value by approximately €38 million (\$52 million).

VTR GlobalCom Cross-currency and Interest Rate Derivative Contracts

Holding all other factors constant, at December 31, 2013, an instantaneous increase (decrease) of 10% in the value of the Chilean peso relative to the U.S. dollar would have decreased (increased) the aggregate fair value of the VTR GlobalCom cross-currency and interest rate derivative contracts by approximately CLP 26.4 billion (\$50 million).

Ziggo Collar

Holding all other factors constant, at December 31, 2013, an instantaneous increase of 10% in the per share market price of Ziggo's common stock would have decreased the fair value of the Ziggo Collar by approximately €64 million (\$88 million) and conversely, a decrease of 10% would have increased the fair value by €60 million (\$83 million).

Sumitomo Collar

Holding all other factors constant, at December 31, 2013, 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 ¥5.3 billion (\$50 million).

Projected Cash Flows Associated with Derivative Instruments

The following table provides information regarding the projected cash flows of our continuing operations associated with our derivative instruments at December 31, 2013. The U.S. dollar equivalents presented below are based on interest rates and exchange rates that were in effect as of December 31, 2013. 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:							
	2014	2015	2016	2017	2018	Thereafter	Total	
	in millions							
Projected derivative cash payments (receipts), net:								
Interest-related (a)	\$ 500.9	\$ 400.9	\$ 340.9	\$ 181.7	\$ 147.5	\$ 71.3	\$ 1,643.2	
Principal-related (b)	(152.1)	435.4	213.9	(18.7)	36.6	364.1	879.2	
Other (c)	76.8	76.8	(80.2)	(113.7)	(70.3)	—	(110.6)	
Total	\$ 425.6	\$ 913.1	\$ 474.6	\$ 49.3	\$ 113.8	\$ 435.4	\$ 2,411.8	

- (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 our equity-related derivative instruments and, to a lesser extent, our foreign currency forward contracts. We may elect to use cash or the collective value of the related shares and equity-related derivative instrument to settle the Sumitomo Collar Loan and the Ziggo Collar Loan.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements of Liberty Global are filed under this Item, beginning on page II-73. 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, 2013. 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, 2013, 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-71.

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

The attestation report of KPMG LLP is included herein on page II-72.

(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, 2013, using the criteria in *Internal Control-Integrated Framework (1992)* 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, 2013. 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.

Report of Independent Registered Public Accounting Firm

The Board of Directors
Liberty Global plc:

We have audited Liberty Global plc and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control — Integrated Framework (1992)* 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, 2013, based on criteria established in *Internal Control — Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

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, 2013 and 2012, 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, 2013, and the related financial statement schedules I and II, and our report dated February 13, 2014 expressed an unqualified opinion on those consolidated financial statements.

/s/ **KPMG LLP**

Denver, Colorado
February 13, 2014

Report of Independent Registered Public Accounting Firm

The Board of Directors
Liberty Global plc:

We have audited the accompanying consolidated balance sheets of Liberty Global plc and subsidiaries (the Company) as of December 31, 2013 and 2012, 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, 2013. 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, 2013 and 2012, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2013, 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, 2013, based on criteria established in *Internal Control — Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 13, 2014 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ **KPMG LLP**

Denver, Colorado
February 13, 2014

LIBERTY GLOBAL PLC
CONSOLIDATED BALANCE SHEETS

	December 31,	
	2013	2012
	in millions	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,701.9	\$ 2,038.9
Trade receivables, net	1,588.7	1,031.0
Prepaid expenses	238.2	139.0
Current assets of discontinued operation (note 4)	238.7	—
Other current assets (notes 6 and 10)	715.1	516.9
Total current assets	5,482.6	3,725.8
Restricted cash (note 11)	5.8	1,516.7
Investments (including \$3,481.8 million and \$947.9 million, respectively, measured at fair value) (note 5)	3,491.2	950.1
Property and equipment, net (note 8)	23,974.9	13,437.6
Goodwill (note 8)	23,748.8	13,877.6
Intangible assets subject to amortization, net (note 8)	5,795.4	2,581.3
Long-term assets of discontinued operation (note 4)	513.6	—
Other assets, net (notes 6, 8 and 10)	4,702.0	2,218.6
Total assets	\$ 67,714.3	\$ 38,307.7

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL PLC
CONSOLIDATED BALANCE SHEETS — (Continued)

	December 31,	
	2013	2012
	in millions	
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 1,072.9	\$ 774.0
Deferred revenue and advance payments from subscribers and others	1,406.2	849.7
Current portion of debt and capital lease obligations (note 9)	1,023.4	363.5
Derivative instruments (note 6)	751.2	569.9
Accrued interest	598.7	351.8
Accrued programming	359.1	251.0
Current liabilities of discontinued operation (note 4)	127.5	—
Other accrued and current liabilities (notes 10 and 13)	2,344.0	1,460.4
Total current liabilities	7,683.0	4,620.3
Long-term debt and capital lease obligations (note 9)	43,680.9	27,161.0
Long-term liabilities of discontinued operation (note 4)	19.8	—
Other long-term liabilities (notes 6, 10, 13 and 14)	4,789.1	4,441.3
Total liabilities	56,172.8	36,222.6
Commitments and contingencies (notes 3, 6, 9, 10, 13, 14, 16 and 19)		
Equity (note 11):		
Liberty Global shareholders:		
Class A ordinary shares, \$0.01 nominal value. Issued and outstanding 222,081,117 and nil shares, respectively	2.2	—
Class B ordinary shares, \$0.01 nominal value. Issued and outstanding 10,147,184 and nil shares, respectively	0.1	—
Class C ordinary shares, \$0.01 nominal value. Issued and outstanding 161,996,684 and nil shares, respectively	1.6	—
Series A common stock, \$0.01 par value. Authorized 500,000,000 shares; issued and outstanding nil and 142,284,430 shares, respectively	—	1.4
Series B common stock, \$0.01 par value. Authorized 50,000,000 shares; issued and outstanding nil and 10,206,145 shares, respectively	—	0.1
Series C common stock, \$0.01 par value. Authorized 500,000,000 shares; issued and outstanding nil and 106,402,667 shares, respectively	—	1.1
Additional paid-in capital	12,813.4	2,955.6
Accumulated deficit	(3,312.6)	(2,348.7)
Accumulated other comprehensive earnings, net of taxes	2,528.8	1,600.5
Treasury shares, at cost	(7.7)	—
Total Liberty Global shareholders	12,025.8	2,210.0
Noncontrolling interests	(484.3)	(124.9)
Total equity	11,541.5	2,085.1
Total liabilities and equity	\$ 67,714.3	\$ 38,307.7

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL PLC
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year ended December 31,		
	2013	2012	2011
	in millions, except share and per share amounts		
Revenue	\$ 14,474.2	\$ 9,930.8	\$ 9,118.3
Operating costs and expenses:			
Operating (other than depreciation and amortization) (including share-based compensation) (note 12)	5,417.7	3,349.7	3,098.9
Selling, general and administrative (SG&A) (including share-based compensation) (note 12)	2,616.5	1,860.3	1,708.2
Depreciation and amortization	4,276.4	2,661.5	2,424.3
Release of litigation provision (note 16)	(146.0)	—	—
Impairment, restructuring and other operating items, net (notes 3, 8 and 13)	297.5	76.2	64.0
	12,462.1	7,947.7	7,295.4
Operating income	2,012.1	1,983.1	1,822.9
Non-operating income (expense):			
Interest expense	(2,286.9)	(1,673.6)	(1,453.7)
Interest and dividend income	113.1	42.1	72.9
Realized and unrealized losses on derivative instruments, net (note 6)	(1,020.4)	(1,070.3)	(59.9)
Foreign currency transaction gains (losses), net	349.3	438.4	(566.6)
Realized and unrealized gains (losses) due to changes in fair values of certain investments and debt, net (notes 5, 7 and 9)	524.1	(10.2)	(151.7)
Losses on debt modification, extinguishment and conversion, net (note 9)	(212.2)	(213.8)	(218.4)
Other expense, net	(5.6)	(4.6)	(5.9)
	(2,538.6)	(2,492.0)	(2,383.3)
Loss from continuing operations before income taxes	(526.5)	(508.9)	(560.4)
Income tax expense (note 10)	(355.5)	(75.0)	(241.1)
Loss from continuing operations	(882.0)	(583.9)	(801.5)
Discontinued operations (note 4):			
Earnings (loss) from discontinued operations, net of taxes	(23.7)	47.1	130.5
Gain on disposal of discontinued operations, net of taxes	—	924.1	—
	(23.7)	971.2	130.5
Net earnings (loss)	(905.7)	387.3	(671.0)
Net earnings attributable to noncontrolling interests	(58.2)	(64.5)	(101.7)
Net earnings (loss) attributable to Liberty Global shareholders	\$ (963.9)	\$ 322.8	\$ (772.7)
Basic and diluted earnings (loss) attributable to Liberty Global shareholders per share (note 2):			
Continuing operations	\$ (2.79)	\$ (2.33)	\$ (3.19)
Discontinued operations	(0.08)	3.54	0.26
	\$ (2.87)	\$ 1.21	\$ (2.93)
Weighted average ordinary shares outstanding - basic and diluted	336,174,270	267,320,720	263,742,301

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL PLC
CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)

	Year ended December 31,		
	2013	2012	2011
	in millions		
Net earnings (loss)	\$ (905.7)	\$ 387.3	\$ (671.0)
Other comprehensive earnings, net of taxes (note 15):			
Foreign currency translation adjustments	900.8	98.0	83.2
Reclassification adjustments included in net earnings	(0.7)	(12.1)	—
Other	11.3	5.4	(35.0)
Other comprehensive earnings	911.4	91.3	48.2
Comprehensive earnings (loss)	5.7	478.6	(622.8)
Comprehensive earnings attributable to noncontrolling interests	(41.3)	(64.8)	(80.7)
Comprehensive earnings (loss) attributable to Liberty Global shareholders	\$ (35.6)	\$ 413.8	\$ (703.5)

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL PLC
CONSOLIDATED STATEMENTS OF EQUITY

	Liberty Global shareholders									
	Common stock			Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive earnings, net of taxes	Total Liberty Global shareholders	Non-controlling interests	Total equity	
	Series A	Series B	Series C							
	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	
Share-based compensation (note 12)	—	—	—	81.0	—	—	81.0	—	81.0	
Net excess tax benefits from share-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 PLC
CONSOLIDATED STATEMENTS OF EQUITY — (Continued)

	Liberty Global shareholders																
	Common stock			Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive earnings, net of taxes	Total Liberty Global shareholders	Non- controlling interests	Total equity								
	Series A	Series B	Series C														
	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		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)
Share-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 PLC
CONSOLIDATED STATEMENTS OF EQUITY — (Continued)

	Liberty Global shareholders												
	Ordinary Shares			Common stock			Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive earnings, net of taxes	Treasury shares, at cost	Total Liberty Global shareholders	Non-controlling interests	Total equity
	Class A	Class B	Class C	Series A	Series B	Series C							
	in millions												
Balance at January 1, 2013	\$ —	\$ —	\$ —	\$ 1.4	\$ 0.1	\$ 1.1	\$ 2,955.6	\$ (2,348.7)	\$ 1,600.5	\$ —	\$ 2,210.0	\$ (124.9)	\$ 2,085.1
Net loss	—	—	—	—	—	—	—	(963.9)	—	—	(963.9)	58.2	(905.7)
Other comprehensive earnings, net of taxes (note 15)	—	—	—	—	—	—	—	—	928.3	—	928.3	(16.9)	911.4
Shares issued in connection with the Virgin Media Acquisition and impacts of related change in parent entity (notes 1 and 3)	2.1	0.1	1.6	(1.4)	(0.1)	(1.1)	9,374.1	—	—	—	9,375.3	—	9,375.3
Revaluation of VM Convertible Notes in connection with the Virgin Media Acquisition (notes 3 and 9)	—	—	—	—	—	—	1,660.0	—	—	—	1,660.0	—	1,660.0
Repurchase and cancellation of Liberty Global and LGI shares (note 11)	(0.1)	—	(0.1)	—	—	—	(1,151.7)	—	—	—	(1,151.9)	—	(1,151.9)
Distributions by subsidiaries to noncontrolling interest owners (note 11)	—	—	—	—	—	—	—	—	—	—	—	(542.7)	(542.7)
Purchase of additional Telenet shares (note 11)	—	—	—	—	—	—	(525.7)	—	—	—	(525.7)	63.5	(462.2)
Share-based compensation (note 12)	—	—	—	—	—	—	206.3	—	—	—	206.3	—	206.3
Exchange of VM Convertible Notes (note 9)	0.1	—	0.1	—	—	—	113.5	—	—	—	113.7	—	113.7
Adjustments due to changes in subsidiaries' equity and other, net (note 11)	0.1	—	—	—	—	—	181.3	—	—	(7.7)	173.7	78.5	252.2
Balance at December 31, 2013	\$2.2	\$0.1	\$1.6	\$ —	\$ —	\$ —	\$12,813.4	\$ (3,312.6)	\$ 2,528.8	\$ (7.7)	\$ 12,025.8	\$ (484.3)	\$11,541.5

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL PLC
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2013	2012	2011
	in millions		
Cash flows from operating activities:			
Net earnings (loss)	\$ (905.7)	\$ 387.3	\$ (671.0)
Loss (earnings) from discontinued operations	23.7	(971.2)	(130.5)
Loss from continuing operations	(882.0)	(583.9)	(801.5)
Adjustments to reconcile loss from continuing operations to net cash provided by operating activities:			
Share-based compensation expense	300.7	110.1	129.4
Depreciation and amortization	4,276.4	2,661.5	2,424.3
Release of litigation provision	(146.0)	—	—
Impairment, restructuring and other operating items, net	297.5	76.2	64.0
Amortization of deferred financing costs and non-cash interest accretion	78.0	65.7	78.8
Realized and unrealized losses on derivative instruments, net	1,020.4	1,070.3	59.9
Foreign currency transaction losses (gains), net	(349.3)	(438.4)	566.6
Realized and unrealized losses (gains) due to changes in fair values of certain investments and debt, including impact of dividends	(523.1)	19.6	160.4
Losses on debt modification, extinguishment and conversion, net	212.2	213.8	218.4
Deferred income tax expense	18.6	36.0	146.6
Excess tax benefits from share-based compensation	(41.0)	(6.7)	(37.7)
Changes in operating assets and liabilities, net of the effects of acquisitions and dispositions:			
Receivables and other operating assets	866.7	785.0	671.2
Payables and accruals	(1,208.1)	(1,171.7)	(1,170.2)
Net cash provided by operating activities of discontinued operations	10.3	82.2	226.1
Net cash provided by operating activities	3,931.3	2,919.7	2,736.3
Cash flows from investing activities:			
Cash paid in connection with acquisitions, net of cash acquired	(4,073.4)	(154.2)	(1,980.5)
Capital expenditures	(2,481.5)	(1,868.3)	(1,920.8)
Investments in and loans to affiliates and others	(1,350.3)	(32.4)	(25.1)
Proceeds received upon disposition of discontinued operations, net of disposal costs	—	1,055.4	—
Increase in KBW Escrow Account	—	—	(1,650.0)
Decrease in KBW Escrow Account	—	—	1,522.5
Other investing activities, net	(44.9)	41.8	33.5
Net cash provided (used) by investing activities of discontinued operations, including deconsolidated cash	(14.9)	(123.2)	10.1
Net cash used by investing activities	\$ (7,965.0)	\$ (1,080.9)	\$ (4,010.3)

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL PLC
CONSOLIDATED STATEMENTS OF CASH FLOWS — (Continued)

	Year ended December 31,		
	2013	2012	2011
	in millions		
Cash flows from financing activities:			
Borrowings of debt	\$ 9,670.3	\$ 5,981.4	\$ 5,622.1
Repayments and repurchases of debt and capital lease obligations	(8,318.6)	(4,373.6)	(4,518.4)
Change in cash collateral	3,593.8	59.6	(64.6)
Decrease (increase) in restricted cash related to the Telenet Tender	1,539.7	(1,464.1)	—
Repurchase of Liberty Global and LGI shares	(1,157.2)	(970.3)	(912.6)
Distributions by subsidiaries to noncontrolling interest owners	(538.1)	(335.1)	(416.7)
Net cash received (paid) related to derivative instruments	524.5	(108.4)	(80.4)
Purchase of additional Telenet shares	(458.0)	—	(19.6)
Payment of financing costs, debt premiums and exchange offer consideration	(389.6)	(229.8)	(254.3)
Payment of net settled employee withholding taxes on share-based incentive awards	(64.5)	(54.4)	(116.2)
Excess tax benefits from share-based compensation	41.0	6.7	37.7
Contributions by noncontrolling interest owners to subsidiaries	22.2	115.1	26.7
Other financing activities, net	157.8	(92.2)	54.6
Net cash used by financing activities of discontinued operations	(7.4)	(4.7)	(106.0)
Net cash provided (used) by financing activities	4,615.9	(1,469.8)	(747.7)
Effect of exchange rate changes on cash:			
Continuing operations	85.4	28.3	32.6
Discontinued operations	—	(9.6)	1.7
Total	85.4	18.7	34.3
Net increase (decrease) in cash and cash equivalents:			
Continuing operations	679.6	443.0	(2,119.3)
Discontinued operations	(12.0)	(55.3)	131.9
Net increase (decrease) in cash and cash equivalents	667.6	387.7	(1,987.4)
Cash and cash equivalents:			
Beginning of year	2,038.9	1,651.2	3,847.5
End of year	2,706.5	2,038.9	1,860.1
Less cash and cash equivalents of discontinued operations at end of year	(4.6)	—	(208.9)
Cash and cash equivalents of continuing operations at end of year	\$ 2,701.9	\$ 2,038.9	\$ 1,651.2
Cash paid for interest:			
Continuing operations	\$ 2,148.8	\$ 1,562.7	\$ 1,329.2
Discontinued operations	—	28.9	54.2
Total	\$ 2,148.8	\$ 1,591.6	\$ 1,383.4
Net cash paid for taxes:			
Continuing operations	\$ 97.5	\$ 0.3	\$ 47.8
Discontinued operations	11.7	11.5	7.1
Total	\$ 109.2	\$ 11.8	\$ 54.9

The accompanying notes are an integral part of these consolidated financial statements.

LIBERTY GLOBAL PLC
Notes to Consolidated Financial Statements
December 31, 2013, 2012 and 2011

(1) Basis of Presentation

Liberty Global plc (Liberty Global) is a public limited company organized under the laws of England and Wales. As a result of a series of mergers that were completed on June 7, 2013, Liberty Global became the publicly-held parent company of the successors by merger of Liberty Global, Inc. (LGI) (the predecessor to Liberty Global) and Virgin Media Inc. (Virgin Media), as further described in note 3. In these notes, the terms “we,” “our,” “our company” and “us” may refer, as the context requires, to Liberty Global (or its predecessor) or collectively to Liberty Global (or its predecessor) and its subsidiaries.

We are an international provider of video, broadband internet, fixed-line telephony and mobile services, with consolidated operations at December 31, 2013 in 14 countries. Through Virgin Media and Unitymedia KabelBW GmbH (Unitymedia KabelBW), each a wholly-owned subsidiary, and Telenet Group Holding NV (Telenet), a 57.4%-owned subsidiary, we provide video, broadband internet, fixed-line telephony and mobile services in the United Kingdom (U.K.), Germany and Belgium, respectively. Through UPC Holding BV (UPC Holding), also a wholly-owned subsidiary, we provide (i) video, broadband internet and fixed-line telephony services in nine European countries and (ii) mobile services in three European countries. The operations of Virgin Media, Unitymedia KabelBW, Telenet and UPC Holding are collectively referred to herein as the “European Operations Division.” Our broadband communications operations in Chile are provided through our 80%-owned subsidiary, VTR GlobalCom SpA (VTR GlobalCom), formerly known as VTR GlobalCom S.A. Through our 80%-owned subsidiary, VTR Wireless SpA (VTR Wireless), formerly known as VTR Wireless S.A., we also offer mobile services in Chile. The operations of VTR GlobalCom and VTR Wireless are collectively referred to herein as the “VTR Group.” For information regarding strategic changes that we have implemented with regard to the mobile operations of VTR Wireless, see note 8. Our consolidated operations also include the broadband communications operations of Liberty Puerto Rico (as defined in note 3), an entity in which we hold a 60% ownership interest.

At December 31, 2013, we owned programming interests in Europe and Latin America that were held through Chellomedia BV (Chellomedia). Certain of Chellomedia’s subsidiaries and affiliates provided programming services to certain of our broadband communications operations, primarily in Europe. On January 31, 2014, we completed the sale of substantially all of Chellomedia’s assets (the Chellomedia Disposal Group). On May 23, 2012, we completed the sale of our then 54.15%-owned subsidiary, Austar United Communications Limited (Austar), a provider of direct-to-home (DTH) services in Australia. We have accounted for the Chellomedia Disposal Group and Austar as discontinued operations in our consolidated financial statements. Accordingly, (i) the Chellomedia Disposal Group is reflected as a discontinued operation in our consolidated balance sheet as of December 31, 2013, (ii) our consolidated statements of operations and cash flows have been reclassified to present the Chellomedia Disposal Group and Austar 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, 2013.

(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, programming and copyright expenses, 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, share-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.

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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 consists of 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, 2013 and 2012, our aggregate current and long-term restricted cash balances aggregated \$23.3 million and \$1,533.9 million, respectively. Our long-term restricted cash balance at December 31, 2012 includes €1,142.5 million (\$1,507.9 million at the December 31, 2012 exchange rate) related to the Telenet Tender, all of which was either released or used to fund the Telenet Tender in February 2013. For additional information concerning the 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 \$122.6 million and \$103.0 million at December 31, 2013 and 2012, 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 consider 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 Liberty Global 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.

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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

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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 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 for 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, 2013 and 2012, the recorded value of our asset retirement obligations was \$79.3 million and \$30.3 million, respectively.

Intangible Assets

Our primary intangible assets relate to 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 other 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 other 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 other indefinite-lived intangible assets may not be recoverable. For impairment evaluations with respect to both goodwill and other indefinite-lived intangibles, we first make a qualitative assessment to determine if the goodwill or other indefinite-lived intangible may be impaired. In the case of goodwill, 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. With respect to franchise rights or other indefinite-lived intangible assets, if it is more-likely-than-not that the fair value of an indefinite-lived intangible asset is less than its carrying value, we then estimate its fair value and any excess of the carrying value over the fair value of the franchise right or other indefinite-lived intangible asset is also charged to operations as an impairment loss.

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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 is 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 earnings 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. For additional information on our income taxes, see note 10.

Defined Benefit Plans

Certain of our subsidiaries maintain various employee defined benefit plans. Certain assumptions and estimates must be made in order to determine the costs and future benefits that will be associated with these plans. These assumptions include (i) the estimated long-term rates of return to be earned by plan assets, (ii) the estimated discount rates used to value the projected benefit obligations and (iii) estimated wage increases. We estimate discount rates annually based upon the yields on high-quality fixed-income investments available at the measurement date and expected to be available during the period to maturity of the benefits under the applicable defined benefit plan. For the long-term rates of return, we use a model portfolio based on the subsidiaries' targeted asset allocation. To the extent that net actuarial gains or losses exceed 10% of the greater of plan assets or plan liabilities, such gains or losses are amortized over the average future service period of plan participants. For additional information, see note 14.

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 or 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 sheets 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.

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Revenue Recognition

Service Revenue — Cable Networks. We recognize revenue from the provision of video, broadband internet and fixed-line 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.

Sale of Multiple Products and Services. We sell video, broadband internet and fixed-line 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.

Business-to-Business (B2B) Revenue. We defer upfront installation and certain nonrecurring fees received on B2B contracts where we maintain ownership of the installed equipment. The deferred fees are amortized into revenue on a straight-line basis over the term of the arrangement or the expected period of performance.

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.

Share-Based Compensation

We recognize all share-based payments to employees, including grants of employee share 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 share-based compensation expense for our outstanding share awards that do not contain a performance condition and the accelerated expense attribution method for our outstanding share 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 share appreciation rights (SARs) granted by Liberty Global to employees based on historical exercise trends. The expected volatility for Liberty Global options and SARs is generally based on a combination of (i) historical volatilities of Liberty Global ordinary shares for a period equal to the expected average life of the Liberty Global awards and (ii) volatilities implied from publicly traded Liberty Global options.

Although we generally expect to issue new shares of Liberty Global ordinary shares when Liberty Global options or SARs are exercised, we may also elect to use shares that have been issued but reacquired by our company to the extent available. Although we repurchase Liberty Global ordinary shares 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 share options and SARs.

For additional information regarding our share-based compensation, see note 12.

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Litigation Costs

Legal fees and related litigation costs are expensed as incurred.

Earnings or Loss per Ordinary Share

Basic earnings or loss per share attributable to Liberty Global shareholders is computed by dividing net earnings or loss attributable to Liberty Global shareholders by the weighted average number of ordinary shares (excluding restricted shares) outstanding for the period. Diluted earnings or loss per share attributable to Liberty Global shareholders presents the dilutive effect, if any, on a per share basis of potential ordinary shares (e.g., options, SARs, restricted shares, restricted share units (RSUs) 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 Liberty Global shareholders during 2013, 2012 and 2011. Therefore, the potentially dilutive effect at December 31, 2013, 2012 and 2011 of (i) the aggregate number of shares issuable pursuant to outstanding options, SARs, PSARs (as defined in note 12) and restricted shares and RSUs of approximately 20.1 million, 9.9 million and 11.3 million, respectively, (ii) the number of shares issuable pursuant to PSUs (as defined in note 12) of approximately 1.8 million, 1.5 million and 2.1 million, respectively, and (iii) the aggregate number of shares issuable pursuant to obligations that may be settled in cash or shares of approximately 1.3 million, 3.7 million and 3.7 million, respectively, were not included in the computation of diluted loss per share attributable to Liberty Global shareholders 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 Liberty Global shareholders are set forth below:

	Year ended December 31,		
	2013	2012	2011
	in millions		
Amounts attributable to Liberty Global shareholders:			
Loss from continuing operations	\$ (937.6)	\$ (623.7)	\$ (841.0)
Earnings (loss) from discontinued operations	(26.3)	946.5	68.3
Net earnings (loss) attributable to Liberty Global shareholders	<u>\$ (963.9)</u>	<u>\$ 322.8</u>	<u>\$ (772.7)</u>

(3) Acquisitions

2013 Acquisition

Virgin Media. On June 7, 2013, pursuant to an Agreement and Plan of Merger (the Virgin Media Merger Agreement) with Virgin Media and following receipt of regulatory and shareholder approvals, we acquired Virgin Media in a stock and cash merger (the Virgin Media Acquisition). Virgin Media is one of the U.K.'s largest providers of residential broadband internet, television, fixed-line telephony and mobile services in terms of number of customers. We acquired Virgin Media in order to achieve certain financial, operational and strategic benefits through the integration of Virgin Media with our existing European operations.

Pursuant to the Virgin Media Merger Agreement:

- Each share of common stock of Virgin Media was converted into the right to receive (i) 0.2582 Class A ordinary shares of Liberty Global, (ii) 0.1928 Class C ordinary shares of Liberty Global and (iii) \$17.50 in cash (collectively, the Virgin Media Merger Consideration); and
- Each share of Series A common stock of LGI was converted into the right to receive one Class A ordinary share of Liberty Global; each share of Series B common stock of LGI was converted into the right to receive one Class B ordinary share of Liberty Global; and each share of Series C common stock of LGI was converted into the right to receive one Class C ordinary share of Liberty Global.

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In connection with the completion of the Virgin Media Acquisition, we issued 70,233,842 Class A and 52,444,170 Class C ordinary shares to holders of Virgin Media common stock and 141,234,331 Class A, 10,176,295 Class B and 105,572,797 Class C ordinary shares to holders of LGI Series A, Series B and Series C common stock, respectively. Each Class A ordinary share is entitled to one vote per share, each Class B ordinary share is entitled to ten votes per share and each Class C ordinary share was issued without voting rights.

In connection with the execution of the Virgin Media Merger Agreement, we entered into various debt financing arrangements. For additional information, see note 9.

In a transaction that did not impact our cash and cash equivalents, the net proceeds (after deducting certain transaction expenses) from the February 2013 issuance of the April 2021 VM Senior Secured Notes and 2023 VM Senior Notes (each as defined and described in note 9) of \$3,557.5 million (equivalent at the transaction date) were placed into segregated escrow accounts (the Virgin Media Escrow Accounts) with a trustee. Such net proceeds were released in connection with the closing of the Virgin Media Acquisition.

The Virgin Media Acquisition and related refinancing transactions were funded with a combination of (i) the proceeds from the Virgin Media Escrow Accounts, (ii) borrowings under the VM Credit Facility (as defined and described in note 9) and (iii) our and Virgin Media's existing liquidity.

For accounting purposes, the Virgin Media Acquisition was treated as the acquisition of Virgin Media by Liberty Global (as the successor to LGI). In this regard, the equity and cash consideration paid to acquire Virgin Media is set forth below (in millions):

Class A ordinary shares (a)	\$	5,354.6
Class C ordinary shares (a)		3,750.3
Cash (b)		4,760.2
Fair value of the vested portion of Virgin Media stock incentive awards (c)		270.4
Total equity and cash consideration	\$	14,135.5

- (a) Represents the value assigned to the 70,233,842 Class A and 52,444,170 Class C ordinary shares issued to Virgin Media shareholders in connection with the Virgin Media Acquisition. These amounts are based on (i) the exchange ratios specified by the Virgin Media Merger Agreement, (ii) the closing per share price on June 7, 2013 of Series A and Series C LGI common stock of \$76.24 and \$71.51, respectively, and (iii) the 272,013,333 outstanding shares of Virgin Media common stock at June 7, 2013.
- (b) Represents the cash consideration paid in connection with the Virgin Media Acquisition. This amount is based on (i) the \$17.50 per share cash consideration specified by the Virgin Media Merger Agreement and (ii) the 272,013,333 outstanding shares of Virgin Media common stock at June 7, 2013.
- (c) Represents the portion of the estimated fair value of the Virgin Media stock incentive awards that are attributable to services provided prior to the June 7, 2013 acquisition date. The estimated fair value is based on the attributes of the 13.03 million outstanding Virgin Media stock incentive awards at June 7, 2013, including the market price of the underlying Virgin Media common stock. The outstanding Virgin Media stock incentive awards at June 7, 2013 include 9.86 million stock options that have been valued using Black Scholes option valuations. In addition, Virgin Media's stock incentive awards at June 7, 2013 included 3.17 million restricted stock units that included performance conditions and, in certain cases, market conditions. Those restricted stock units with market conditions have been valued using Monte Carlo simulation models.

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We have accounted for the acquisition of Virgin Media using the acquisition method of accounting, whereby the total purchase price was allocated to the acquired identifiable net assets of Virgin Media 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 Virgin Media Acquisition at the June 7, 2013 acquisition date is presented in the following table. The opening balance sheet presented below reflects our final purchase price allocation (in millions).

Cash and cash equivalents	\$	694.6
Other current assets		932.2
Property and equipment, net		9,863.1
Goodwill (a)		9,000.8
Intangible assets subject to amortization (b)		3,925.8
Other assets, net		4,259.4
Current portion of debt and capital lease obligations		(1,184.5)
Other accrued and current liabilities (c) (d)		(1,892.2)
Long-term debt and capital lease obligations		(8,477.4)
Other long-term liabilities (c)		(1,326.3)
Additional paid-in capital (e)		(1,660.0)
Total purchase price (f)	\$	14,135.5

- (a) The goodwill recognized in connection with the Virgin Media Acquisition is primarily attributable to (i) the ability to take advantage of Virgin Media'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 Virgin Media with our other broadband communications operations in Europe.
- (b) Amount primarily includes intangible assets related to customer relationships. At June 7, 2013, the weighted average useful life of Virgin Media's intangible assets was approximately seven years.
- (c) No amounts have been allocated to deferred revenue with respect to the ongoing performance obligations associated with Virgin Media's B2B service contracts, as our view is that the remaining fees to be received under these contracts approximate fair value given our estimates of the costs associated with these ongoing obligations.
- (d) Amount includes a \$35.6 million liability that was recorded to adjust an unfavorable capacity contract to its estimated fair value. This amount will be amortized through the March 31, 2014 expiration date of the contract as a reduction of Virgin Media's operating expenses so that the net effect of this amortization and the payments required under the contract approximate market rates. During the period from June 8, 2013 through December 31, 2013, \$22.8 million of this liability was amortized as a reduction of operating expenses in our consolidated statement of operations.
- (e) Represents the equity component of the VM Convertible Notes (as defined and described in note 9). During the period from June 7, 2013 through December 31, 2013, 94.4% of the VM Convertible Notes were exchanged for Liberty Global Class A and Class C ordinary shares and cash pursuant to the terms of the VM Convertible Notes Indenture. For additional information, see note 9.
- (f) Excludes direct acquisition costs of \$50.3 million, which are included in impairment, restructuring and other operating items, net, in our consolidated statements of operations.

2012 Acquisitions

Puerto Rico. On November 8, 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. (collectively, 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

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Puerto Rico Transaction, (i) Old Liberty Puerto Rico and OneLink were merged, with OneLink as the surviving entity, and (ii) OneLink was renamed 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 of \$94.7 million, 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 and \$1.8 million of transaction-related costs paid by Old Liberty Puerto Rico on behalf of the Seller. 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 \$17.2 million, which are included in impairment, restructuring and other operating items, net, in our consolidated statement of operations.

In November 2013, LGI Broadband Operations reached a settlement agreement with respect to certain claims against the Seller, pursuant to which, among other matters, LGI Broadband Operations received a cash payment of \$20.0 million. This amount is included as a credit within impairment, restructuring and other operating items, net, in our consolidated statement of operations, and the cash received is included within cash provided by operating activities in our consolidated statement of cash flows.

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 have accounted for the Puerto Rico Transaction as the acquisition of OneLink and the effective sale of a 40.0% interest in Old Liberty Puerto Rico. The effective sale of the 40.0% interest in Old Liberty Puerto Rico was accounted for as an equity transaction. We have accounted for the acquisition of OneLink using the acquisition method of accounting.

A summary of the purchase price and opening balance sheet for OneLink at the November 8, 2012 acquisition date is presented in the following table. The opening balance sheet presented below reflects our final purchase price allocation (in millions).

Cash and cash equivalents	\$	4.4
Other current assets (a)		19.2
Property and equipment, net		150.2
Intangible assets subject to amortization (b)		90.5
Intangible assets not subject to amortization - cable television franchise rights		285.0
Goodwill (c)		226.1
Other assets, net		1.2
Current portion of debt and capital lease obligations		(3.5)
Other current liabilities (a)		(54.1)
Long-term debt and capital lease obligations		(496.9)
Deferred tax liabilities		(125.6)
Total purchase price	\$	96.5

- (a) Other current liabilities include an accrual for a loss contingency that was measured based on our best estimate of the probable loss. The Seller partially indemnified us for the outcome of this loss contingency and, accordingly, other current assets includes an indemnification asset, measured using the same basis as the associated loss contingency.
- (b) Amount primarily includes intangible assets related to customer relationships. At November 8, 2012, the weighted average useful life of OneLink's intangible assets was approximately 10 years.
- (c) 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.

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MGM TV. On July 30, 2012, an entity within the Chellomedia Disposal Group 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 an entity within the Chellomedia Disposal Group. 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 a 50% interest 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 (ii) a loss of \$8.6 million to settle the pre-existing relationship with MGM, both of which are included in earnings (loss) from discontinued operations, net of taxes, in our 2012 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 Musketeeer GmbH (KBW Musketeeer) pursuant to a sale and purchase agreement dated March 21, 2011 (the KBW Purchase Agreement) with Oskar Rakso S.à.r.l. (Oskar Rakso) as the seller (the KBW Acquisition). KBW Musketeeer 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 Musketeeer shares and assigned the balance of a loan receivable from KBW Musketeeer 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, net, 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 Musketeeer 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. This commitment, with which we have complied, 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 fixed-line telephony services within the building;

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- (c) Effective January 1, 2012, upon expiration of the minimum term of an access agreement with a housing association, Unitymedia KabelBW transferred 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, 2013, approximately 14% of the dwelling units covered by the Remedy HA Agreements remain subject to special termination rights.

During the third quarter of 2013, the Düsseldorf Court of Appeal decided to overturn the FCO's decision to clear our acquisition of KBW. For additional information, see note 16 to our consolidated financial statements.

On March 21, 2011, our wholly-owned subsidiary, Liberty Global Europe Holding BV (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, net, 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 authority in Poland was conditioned upon our agreement to dispose of certain sections of Aster's network. This condition was satisfied on May 10, 2013.

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We have accounted for the KBW and Aster Acquisitions using the acquisition method of accounting. 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
	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

- (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.

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Pro Forma Information

The following unaudited pro forma consolidated operating results give effect to (i) the Virgin Media Acquisition and (ii) the Puerto Rico Transaction, as if they had been completed as of January 1, 2012. No effect has been given to the MGM Acquisition since it would not have had a significant impact on our results of operations during 2013 or 2012. 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,	
	2013	2012
	in millions, except per share amounts	
Revenue:		
Continuing operations	\$ 17,239.1	\$ 16,465.0
Discontinued operations	408.6	673.7
Total	<u>\$ 17,647.7</u>	<u>\$ 17,138.7</u>
Net earnings (loss) attributable to Liberty Global shareholders (a)	<u>\$ (1,300.4)</u>	<u>\$ 3,701.5</u>
Basic earnings (loss) attributable to Liberty Global shareholders per share (a)	<u>\$ (3.26)</u>	<u>\$ 8.97</u>
Diluted earnings (loss) attributable to Liberty Global shareholders per share (a)	<u>\$ (3.26)</u>	<u>\$ 8.78</u>

(a) The 2012 amounts reflect the impact of a \$4,144.9 million release of valuation allowances on Virgin Media's deferred tax assets. This release was included in Virgin Media's historical results for the fourth quarter of 2012.

Our consolidated statement of operations for 2013 includes revenue and net loss of \$3,653.7 million and \$987.8 million, respectively, attributable to Virgin Media.

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	\$ 10,081.5	\$ 10,201.4
Discontinued operations	673.7	1,128.2
Total	<u>\$ 10,755.2</u>	<u>\$ 11,329.6</u>
Net earnings (loss) attributable to Liberty Global shareholders	<u>\$ 317.8</u>	<u>\$ (814.3)</u>
Basic and diluted earnings (loss) attributable to Liberty Global shareholders per share	<u>\$ 1.19</u>	<u>\$ (3.09)</u>

Our consolidated statement of operations for 2012 includes revenue and net loss of \$24.8 million and \$2.1 million, respectively, attributable to OneLink.

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(4) Discontinued Operations and Disposition

Discontinued Operations

Chellomedia Disposal Group. On October 28, 2013, we entered into an agreement to sell the Chellomedia Disposal Group to AMC Networks Inc. for €750.0 million (\$1,034.2 million) in cash (the Chellomedia Transaction). The assets to be disposed of pursuant to the Chellomedia Transaction exclude Chellomedia's premium sports and film channels in the Netherlands. Effective December 31, 2013, we concluded that it was probable that all substantive conditions precedent to the closing of the Chellomedia Transaction would be satisfied, and accordingly, we began reporting the Chellomedia Disposal Group as a discontinued operation in our consolidated financial statements as of that date. On January 31, 2014, we completed the Chellomedia Transaction, subject to post-closing adjustments.

Certain of our broadband communications operations will continue to receive programming services from the Chellomedia Disposal Group through contracts that have been negotiated as part of the disposal. As such, Liberty Global will have continuing cash outflows associated with the Chellomedia Disposal Group through at least 2017. However, our involvement as an ongoing customer of the Chellomedia Disposal Group does not disqualify discontinued operations classification because (i) the ongoing cash outflows are not considered significant to the Chellomedia Disposal Group and (ii) Liberty Global does not possess any rights within the ongoing contractual arrangements that would allow us to exert influence over the Chellomedia Disposal Group.

The summarized financial position of the Chellomedia Disposal Group as of December 31, 2013 is as follows (in millions):

Assets:	
Cash and cash equivalents	\$ 4.6
Other current assets	234.1
Investments	21.1
Property and equipment, net	43.1
Goodwill	224.4
Other assets	225.0
Total assets (a)	<u>\$ 752.3</u>
Liabilities:	
Current liabilities	\$ 127.5
Other long-term liabilities	19.8
Total liabilities (a)	<u>147.3</u>
Total equity	605.0
Total liabilities and equity	<u>\$ 752.3</u>

(a) Excludes intercompany payables and receivables that are eliminated within Liberty Global's consolidated financial statements.

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 Liberty Global (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.

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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.

The combined operating results of the Chellomedia Disposal Group (2013, 2012 and 2011) and Austar (2012 and 2011) are classified as discontinued operations in our consolidated statements of operations and are summarized in the following table:

	Year ended December 31,		
	2013 (a)	2012 (a) (b)	2011 (a)
	in millions		
Revenue	\$ 408.6	\$ 673.7	\$ 1,128.2
Operating income	\$ 12.1	\$ 78.7	\$ 256.2
Earnings (loss) before income taxes and noncontrolling interests	\$ (1.0)	\$ 75.2	\$ 178.2
Income tax expense	\$ 22.7	\$ 28.1	\$ 47.7
Earnings (loss) from discontinued operations attributable to Liberty Global shareholders, net of taxes	\$ (26.3)	\$ 22.4	\$ 68.3

- (a) Excludes the Chellomedia Disposal Group's intercompany revenue and expenses that are eliminated within Liberty Global's consolidated financial statements.
- (b) Includes 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.

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(5) Investments

The details of our investments are set forth below:

Accounting Method	December 31,	
	2013	2012
	in millions	
Fair value:		
Ziggo:		
Not subject to re-use rights (34.1 million shares)	\$ 1,560.1	\$ —
Subject to re-use rights (22.9 million shares)	1,049.4	—
Total — Ziggo	2,609.5	—
Sumitomo	572.9	579.7
Other	299.4	368.2
Total — fair value	3,481.8	947.9
Equity	8.9	1.7
Cost	0.5	0.5
Total	\$ 3,491.2	\$ 950.1
Discontinued operation — Investments held by the Chellomedia Disposal Group	\$ 21.1	

Ziggo

During 2013, we acquired an aggregate of 57,000,738 shares of Ziggo N.V. (Ziggo), a publicly-traded company in the Netherlands, at an average price of €26.40 (\$36.40) per share, for a total investment of €1,505.0 million (\$2,075.3 million). Ziggo is the largest cable operator in the Netherlands in terms of customers. As a result of these investments, we effectively owned 28.5% of the outstanding shares of Ziggo at December 31, 2013. At December 31, 2013, the market price of Ziggo shares was €33.20 (\$45.78) per share. In April 2013, LGE HoldCo V BV (LGE HoldCo V), our wholly-owned subsidiary, entered into a limited recourse margin loan agreement (the Ziggo Margin Loan) with respect to a portion of our investment in Ziggo, and in July 2013, we entered into a share collar (the Ziggo Collar) and secured borrowing arrangement (the Ziggo Collar Loan) with respect to a portion of our owned Ziggo shares. All but 4,743,738 of the Ziggo shares that we owned at December 31, 2013 were pledged as collateral under one or the other of the Ziggo Collar and Ziggo Collar Loan. During 2013, we received aggregate cash dividends from Ziggo of \$78.4 million after taking into account the impact of the Ziggo Collar. For additional information regarding the Ziggo Collar Loan and the Ziggo Collar, including a description of the related re-use rights and the impact of the Ziggo Collar on the dividends we receive on our Ziggo shares, see note 6. For additional information concerning the Ziggo Margin Loan, see note 9.

On January 27, 2014, we announced that we have reached a conditional agreement on a recommended offer pursuant to which we will seek to acquire all of the remaining shares of Ziggo that we do not currently own in a stock and cash transaction. For additional information, see note 19.

The summarized financial condition of Ziggo as of December 31, 2013 is set forth below (in millions):

Current assets	\$ 288.5
Long-term assets	6,336.3
Total assets	\$ 6,624.8
Current liabilities	\$ 539.3
Long-term liabilities	4,747.2
Owners' equity	1,338.3
Total liabilities and owners' equity	\$ 6,624.8

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The summarized results of operations of Ziggo for the period from March 28, 2013 (the date of our initial investment in Ziggo) through December 31, 2013 are set forth below (in millions):

Revenue	\$	1,570.7
Operating income	\$	418.5
Net earnings	\$	199.1

Sumitomo

At December 31, 2013 and 2012, we owned 45,652,043 shares of Sumitomo Corporation (Sumitomo) common stock. Our Sumitomo shares represented less than 5% of Sumitomo's outstanding common stock at December 31, 2013. These shares secure the Sumitomo Collar Loan, as defined and described in note 6.

Other

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.

Chellomedia Disposal Group

Substantially all of the investments held by the Chellomedia Disposal Group are measured at fair value. The investments held by the Chellomedia Disposal Group at December 31, 2013 are included in long-term assets of discontinued operations on our consolidated balance sheet. For additional information regarding the Chellomedia Disposal Group, see note 4.

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(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 British pound sterling (£), the Swiss franc (CHF), the Chilean peso (CLP), the Czech koruna (CZK), 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, 2013			December 31, 2012		
	Current (a)	Long-term (a)	Total	Current (a)	Long-term (a)	Total
in millions						
Assets:						
Cross-currency and interest rate derivative contracts (b)	\$ 248.4	\$ 520.8	\$ 769.2	\$ 191.3	\$ 467.1	\$ 658.4
Equity-related derivative instruments (c)	—	430.4	430.4	—	594.6	594.6
Foreign currency forward contracts	2.6	—	2.6	0.7	0.4	1.1
Other	1.1	0.9	2.0	1.3	3.0	4.3
Total	<u>\$ 252.1</u>	<u>\$ 952.1</u>	<u>\$ 1,204.2</u>	<u>\$ 193.3</u>	<u>\$ 1,065.1</u>	<u>\$ 1,258.4</u>
Liabilities:						
Cross-currency and interest rate derivative contracts (b)	\$ 727.2	\$ 2,191.4	\$ 2,918.6	\$ 543.2	\$ 2,156.3	\$ 2,699.5
Equity-related derivative instruments (c)	15.6	101.3	116.9	21.6	—	21.6
Foreign currency forward contracts	8.2	12.0	20.2	4.5	3.6	8.1
Other	0.2	0.6	0.8	0.6	0.7	1.3
Total	<u>\$ 751.2</u>	<u>\$ 2,305.3</u>	<u>\$ 3,056.5</u>	<u>\$ 569.9</u>	<u>\$ 2,160.6</u>	<u>\$ 2,730.5</u>

- (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, 2013 and 2012, (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 \$9.8 million and \$17.2 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 \$173.0 million and \$156.5 million, respectively. The adjustments to our derivative assets relate to the 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 \$15.3 million, (\$57.3 million) and \$42.9 million during 2013, 2012 and 2011, 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) Our equity-related derivative instruments include the fair value of (i) the share collar (the Sumitomo Collar) with respect to the Sumitomo shares held by our company at December 31, 2013 and 2012 and (ii) the Ziggo Collar and the Virgin Media Capped Calls (each as defined and described below) at December 31, 2013. The fair values of the Sumitomo Collar and the Ziggo Collar do not include credit risk valuation adjustments as we have assumed that any losses incurred by our company in

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the event of nonperformance by the respective counterparty would be, subject to relevant insolvency laws, fully offset against amounts we owe to such counterparty pursuant to the secured borrowing arrangements of the Sumitomo Collar and Ziggo Collar.

The details of our realized and unrealized gains (losses) on derivative instruments, net, are as follows:

	Year ended December 31,		
	2013	2012	2011
	in millions		
Continuing operations:			
Cross-currency and interest rate derivative contracts	\$ (586.5)	\$ (958.3)	\$ (110.6)
Equity-related derivative instruments:			
Sumitomo Collar	(206.4)	(109.0)	89.9
Ziggo Collar	(152.5)	—	—
Other	(3.4)	—	(2.7)
Total equity-related derivative instruments	(362.3)	(109.0)	87.2
Foreign currency forward contracts	(72.9)	(6.0)	(36.1)
Other	1.3	3.0	(0.4)
Total — continuing operations	\$ (1,020.4)	\$ (1,070.3)	\$ (59.9)
Discontinued operations	\$ (2.0)	\$ 5.0	\$ (8.8)

The net cash received or paid related to each of 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,		
	2013	2012	2011
	in millions		
Continuing operations:			
Operating activities	\$ (402.1)	\$ (435.5)	\$ (459.1)
Investing activities	(66.5)	23.7	—
Financing activities	524.5	(108.4)	(80.4)
Total — continuing operations	\$ 55.9	\$ (520.2)	\$ (539.5)
Discontinued operations	\$ —	\$ (6.6)	\$ (13.3)

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, 2013, our exposure to counterparty credit risk included derivative assets with an aggregate fair value of \$578.6 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

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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.

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Cross-currency and Interest Rate Derivative Contracts

Cross-currency Swaps:

The terms of our outstanding cross-currency swap contracts at December 31, 2013 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						
Virgin Media Investment Holdings Limited (VMIH), a subsidiary of Virgin Media:						
February 2022	\$	1,400.0	£	873.6	5.01%	5.35%
June 2020	\$	1,384.6	£	901.4	6 mo. LIBOR + 2.75%	6 mo. GBP LIBOR + 3.18%
October 2020	\$	1,370.4	£	881.6	6 mo. LIBOR + 2.75%	6 mo. GBP LIBOR + 3.10%
January 2018	\$	1,000.0	£	615.7	6.50%	7.05%
October 2019	\$	500.0	£	302.3	8.38%	9.07%
April 2019	\$	291.5	£	186.2	5.38%	5.49%
November 2016 (b)	\$	55.0	£	27.7	6.50%	7.03%
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%
January 2015 - July 2021	\$	312.0	€	240.0	6 mo. LIBOR + 2.50%	6 mo. EURIBOR + 2.87%
October 2020	\$	300.0	€	219.1	6 mo. LIBOR + 3.00%	6 mo. EURIBOR + 3.04%
January 2017 - July 2021	\$	262.1	€	194.1	6 mo. LIBOR + 2.50%	6 mo. EURIBOR + 2.51%
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%
September 2014 - July 2021	\$	128.0	€	97.2	6 mo. LIBOR + 2.50%	6 mo. EURIBOR + 2.90%
December 2016	\$	340.0	CHF	370.9	6 mo. LIBOR + 3.50%	6 mo. CHF LIBOR + 4.01%
January 2017 - July 2021	\$	300.0	CHF	278.3	6 mo. LIBOR + 2.50%	6 mo. CHF LIBOR + 2.46%
January 2015 - July 2021	\$	200.0	CHF	186.0	6 mo. LIBOR + 2.50%	6 mo. CHF LIBOR + 2.55%
January 2015	\$	171.5	CHF	187.1	6 mo. LIBOR + 2.75%	6 mo. CHF LIBOR + 2.95%
January 2015	€	898.4	CHF	1,466.0	6 mo. EURIBOR + 1.68%	6 mo. CHF LIBOR + 1.94%
January 2015 - September 2022	€	383.8	CHF	477.0	6 mo. EURIBOR + 2.00%	6 mo. CHF LIBOR + 2.22%
January 2015 - January 2017	€	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%
January 2015	€	365.8	CZK	10,521.8	5.48%	5.99%
January 2015 - January 2017	€	60.0	CZK	1,703.1	5.50%	6.99%

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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					
July 2017	€	39.6	CZK	1,000.0	3.00%	3.75%
January 2015	€	260.0	HUF	75,570.0	5.50%	9.40%
January 2015 - January 2017	€	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%
January 2015	€	400.5	PLN	1,605.6	5.50%	7.50%
January 2015 - January 2017	€	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, 2013, we present a single date that represents the applicable final maturity date. For derivative instruments that become effective subsequent to December 31, 2013, we present a range of dates that represents the period covered by the applicable derivative instruments.
- (b) Unlike the other cross-currency swaps presented in this table, the identified cross-currency swaps do not involve the exchange of notional amounts at the inception and maturity of the instruments. Accordingly, the only cash flows associated with these instruments are interest payments and receipts.

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Cross-currency Interest Rate Swaps:

The terms of our outstanding cross-currency interest rate swap contracts at December 31, 2013 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					
VMIH:						
January 2021	\$	500.0	£	308.9	5.25%	6 mo. GBP LIBOR + 1.94%
UPC Broadband Holding:						
July 2018	\$	525.0	€	396.3	6 mo. LIBOR + 1.99%	6.25%
September 2014 - January 2020	\$	327.5	€	249.5	6 mo. LIBOR + 4.92%	7.52%
January 2015	\$	300.0	€	226.5	6 mo. LIBOR + 1.75%	5.78%
December 2016	\$	296.6	€	219.8	6 mo. LIBOR + 3.50%	6.75%
December 2014 - July 2018	\$	200.0	€	151.0	6 mo. LIBOR + 3.00%	7.31%
January 2015 - July 2018	\$	100.0	€	75.4	6 mo. LIBOR + 1.75%	5.77%
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 GlobalCom:						
September 2014	\$	441.8	CLP	244,508.6	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, 2013, we present a single date that represents the applicable final maturity date. For derivative instruments that become effective subsequent to December 31, 2013, we present a range of dates that represents the period covered by the applicable derivative instruments.

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Interest Rate Swaps:

The terms of our outstanding interest rate swap contracts at December 31, 2013 are as follows:

Subsidiary / Final maturity date (a)	Notional amount		Interest rate due from counterparty	Interest rate due to counterparty
	in millions			
VMIH:				
October 2018	£	2,155.0	6 mo. GBP LIBOR	1.52%
January 2021	£	650.0	5.50%	6 mo. GBP LIBOR + 1.84%
January 2021	£	650.0	6 mo. GBP LIBOR + 1.84%	3.87%
December 2015	£	600.0	6 mo. GBP LIBOR	2.86%
April 2018	£	300.0	6 mo. GBP LIBOR	1.37%
UPC Broadband Holding:				
July 2020	\$	1,000.0	6.63%	6 mo. LIBOR + 3.03%
January 2022	\$	750.0	6.88%	6 mo. LIBOR + 4.89%
January 2014	€	2,750.0	1 mo. EURIBOR + 3.76%	6 mo. EURIBOR + 3.52%
January 2014 - January 2015	€	2,100.0	1 mo. EURIBOR + 3.75%	6 mo. EURIBOR + 3.56%
January 2015	€	1,364.8	6 mo. EURIBOR	3.44%
July 2020	€	750.0	6.38%	6 mo. EURIBOR + 3.16%
January 2015 - January 2021	€	750.0	6 mo. EURIBOR	2.57%
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%
December 2014	€	107.0	6 mo. EURIBOR	4.73%
January 2015 - November 2021	€	107.0	6 mo. EURIBOR	2.89%
January 2015	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%
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%
July 2017	€	150.0	3 mo. EURIBOR	3.55%

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Subsidiary / Final maturity date (a)	Notional amount	Interest rate due from counterparty	Interest rate due to counterparty
	in millions		
July 2017 - December 2018	€ 70.0	3 mo. EURIBOR	3.00%
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%

- (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, 2013, we present a single date that represents the applicable final maturity date. For derivative instruments that become effective subsequent to December 31, 2013, we present a range of dates that represents the period covered by the applicable derivative instruments.

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, 2013	
	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	€ 1.5	6.50%
December 2017	€ 1.5	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, 2013, we present a single date that represents the applicable final maturity date. For derivative instruments that become effective subsequent to December 31, 2013, we present a range of dates that represents the period covered by the applicable derivative instruments.
- (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.

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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, 2013		
	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 and interest rates are presented on a weighted average basis. For derivative instruments that were in effect as of December 31, 2013, we present a single date that represents the applicable final maturity date. For derivative instruments that become effective subsequent to December 31, 2013, we present a range of dates that represents the period covered by the applicable derivative instruments.
- (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 0.7354 Swiss francs per one U.S. dollar, in the notional amounts listed below:

Contract expiration date	Notional amount at December 31, 2013
	in millions
April 2018	\$ 419.8
October 2016	\$ 19.8
April 2017	\$ 19.8
October 2017	\$ 19.8

Equity-Related Derivative Instruments

Virgin Media Capped Calls. During 2010, Virgin Media entered into conversion hedges (the Virgin Media Capped Calls) with respect to the VM Convertible Notes, as defined and described in note 9, in order to offset a portion of the dilutive effects associated with conversion of the VM Convertible Notes. We account for the Virgin Media Capped Calls at fair value using a binomial pricing model and changes in fair value are reported in realized and unrealized gains or losses on derivative instruments, net, in our consolidated statements of operations. The Virgin Media Capped Calls mature on dates ranging from September 30, 2016 to November 10, 2016.

As further described in note 9, most of the VM Convertible Notes were exchanged for Liberty Global Class A and Class C ordinary shares and cash pursuant to the terms of the VM Convertible Notes Indenture (as defined in note 9). Accordingly, during 2013, we settled 93.8% of the notional amount of the Virgin Media Capped Calls for cash proceeds of \$534.8 million.

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Ziggo Collar and Secured Borrowing. In July 2013, our wholly-owned subsidiary, Liberty Global Incorporated Limited (Liberty Global Limited), paid a net option premium of €38.6 million (\$51.0 million at the transaction date) to enter into the Ziggo Collar with respect to 24,957,000 Ziggo shares. The Ziggo Collar is comprised of (i) purchased put options exercisable by Liberty Global Limited and (ii) sold call options exercisable by the counterparty. The Ziggo Collar effectively hedges the value of a portion of our investment in Ziggo shares from significant losses due to market price decreases below the put option price while retaining a portion of the gains from market price increases up to the call option price. For additional information regarding our investment in Ziggo, see note 5.

The Ziggo Collar and related agreements also provided Liberty Global Limited with the ability to effectively finance the purchase of certain of its Ziggo shares pursuant to the Ziggo Collar Loan. In this regard, in July 2013, we borrowed €617.1 million (\$816.4 million at the transaction date) under the Ziggo Collar Loan, including €486.4 million (\$643.5 million at the transaction date) of non-cash borrowings that were used to finance the acquisition of Ziggo shares. At December 31, 2013, borrowings under the Ziggo Collar Loan were secured by 24,957,000 shares of Ziggo that were placed into a custody account. The Ziggo Collar Loan was issued at a discount with a zero coupon rate and an average implied yield of 45 basis points (0.45%). The Ziggo Collar Loan, which has an average maturity of three years and contains no financial covenants, provides for customary representations and warranties, events of default and certain adjustment and termination events. Under the terms of the Ziggo Collar, the counterparty has the right to re-use most of the Ziggo shares held in the custody account (up to an estimated 22.9 million shares at December 31, 2013), but we have the right to recall the shares that are re-used by the counterparty subject to certain costs. In addition, the counterparty retains dividends on the Ziggo shares that the counterparty would need to borrow from the custody account to hedge its exposure under the Ziggo Collar (an estimated 18.7 million shares at December 31, 2013). In January 2014, we settled a portion of the Ziggo Collar and Ziggo Collar Loan such that the number of Ziggo shares covered by these instruments was reduced to 19,965,600.

Sumitomo Collar and Secured Borrowing. The Sumitomo Collar is comprised of purchased put options exercisable by Liberty Programming Japan LLC (Liberty Programming Japan), a wholly-owned subsidiary, and written call options exercisable by the counterparty with respect to all of the common shares of Sumitomo owned by Liberty Programming Japan. 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 (\$20.13) while retaining gains from market price increases up to a per share value of ¥2,787.50 (\$26.48). At December 31, 2013, the market price of Sumitomo common stock was ¥1,321.00 (\$12.55) 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. The fair value of the Sumitomo Collar as of December 31, 2013 was a net asset of \$381.4 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.

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Foreign Currency Forwards

The following table summarizes our outstanding foreign currency forward contracts at December 31, 2013:

Subsidiary	Currency purchased forward		Currency sold forward		Maturity dates
	in millions				
LGE Financing	\$	722.7	€	524.9	January 2014 — October 2014
LGE Financing	€	275.1	£	230.0	January 2014
UPC Holding	\$	479.0	CHF	415.1	October 2016 — April 2018
UPC Broadband Holding	\$	2.5	CZK	49.3	January 2014 — October 2014
UPC Broadband Holding	€	86.6	CHF	106.5	January 2014 — December 2014
UPC Broadband Holding	€	15.0	CZK	388.4	January 2014 — October 2014
UPC Broadband Holding	€	13.9	HUF	4,250.0	January 2014 — October 2014
UPC Broadband Holding	€	40.0	PLN	176.6	January 2014 — October 2014
UPC Broadband Holding	£	2.1	€	2.5	January 2014 — July 2014
UPC Broadband Holding	CHF	123.5	€	100.7	January 2014
UPC Broadband Holding	HUF	6,650.0	€	22.4	January 2014
UPC Broadband Holding	PLN	109.0	€	26.3	January 2014
Telenet NV	\$	43.0	€	31.9	January 2014 — December 2014
VTR GlobalCom	\$	28.6	CLP	14,984.2	January 2014 — December 2014

(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, 2013 likely will not represent the value that will be paid or received 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 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 2013, 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 investments in Ziggo and Sumitomo, the recurring fair value measurements are based on the quoted closing price of the respective shares at each reporting date. Accordingly, the valuations of these investments fall under Level 1 of the fair value

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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 our equity-related derivatives are based on binomial option pricing models, which require 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 valuations of our equity-related derivatives are 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 valuations, we have determined that these valuations fall under Level 3 of the fair value hierarchy. For the December 31, 2013 valuations of our equity-related derivatives, we used estimated volatilities ranging from 22% to 36%. Based on the December 31, 2013 market prices for Sumitomo common stock and Liberty Global ordinary shares, changes in forecasted volatilities currently would not have significant impacts on the respective valuations of the Sumitomo Collar and the Virgin Media Capped Calls.

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 2013 and 2012, we performed nonrecurring valuations for the purpose of determining the acquisition accounting for the Virgin Media Acquisition and the Puerto Rico Transaction, respectively. We used a discount rate of 9.0% for each of our valuations of the customer relationships acquired as a result of these acquisitions. For additional information, see note 3.

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A summary of our assets and liabilities that are measured at fair value on a recurring basis is as follows:

Description	December 31, 2013	Fair value measurements at December 31, 2013 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	\$ 769.2	\$ —	\$ 769.2	\$ —
Equity-related derivative instruments	430.4	—	—	430.4
Foreign currency forward contracts	2.6	—	2.6	—
Other	2.0	—	2.0	—
Total derivative instruments	1,204.2	—	773.8	430.4
Investments	3,481.8	3,182.4	—	299.4
Total assets	\$ 4,686.0	\$ 3,182.4	\$ 773.8	\$ 729.8
Liabilities - derivative instruments:				
Cross-currency and interest rate derivative contracts	\$ 2,918.6	\$ —	\$ 2,918.6	\$ —
Equity-related derivative instruments	116.9	—	—	116.9
Foreign currency forward contracts	20.2	—	20.2	—
Other	0.8	—	0.8	—
Total liabilities	\$ 3,056.5	\$ —	\$ 2,939.6	\$ 116.9

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Description	Fair value measurements at December 31, 2012 using:			
	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 instrument	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 instrument	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

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:

	Equity-related derivative instruments		
	Investments	Equity-related derivative instruments	Total
in millions			
Balance of net assets at January 1, 2013	\$ 368.2	\$ 573.0	\$ 941.2
Additions (a)	—	617.8	617.8
Cash settlements of Virgin Media Capped Calls	—	(534.8)	(534.8)
Losses included in loss from continuing operations (b):			
Realized and unrealized losses on derivative instruments, net	—	(362.3)	(362.3)
Realized and unrealized loss due to changes in fair values of certain investments, net	(52.0)	—	(52.0)
Foreign currency translation adjustments, dividends and other, net	19.1	19.8	38.9
Reclassification of the Chellomedia Disposal Group to discontinued operations	(35.9)	—	(35.9)
Balance of net assets at December 31, 2013	\$ 299.4	\$ 313.5	\$ 612.9

(a) Amount includes (i) \$566.8 million representing the estimated fair value of the Virgin Media Capped Calls on June 7, 2013 and (ii) \$51.0 million representing the amount paid to enter into the Ziggo Collar.

(b) Substantially all of these net losses relate to assets and liabilities of our continuing operations that we continue to carry on our consolidated balance sheet as of December 31, 2013.

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(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, 2013	December 31,	
		2013	2012
		in millions	
Distribution systems	4 to 30 years	\$ 25,193.2	\$ 15,372.3
Customer premises equipment	3 to 5 years	6,126.0	4,162.6
Support equipment, buildings and land	3 to 40 years	3,581.9	2,282.1
		34,901.1	21,817.0
Accumulated depreciation		(10,926.2)	(8,379.4)
Total property and equipment, net		\$ 23,974.9	\$ 13,437.6

Depreciation expense of our continuing operations related to our property and equipment was \$3,499.6 million, \$2,201.4 million and \$2,035.4 million during 2013, 2012 and 2011, respectively. Depreciation expense of our discontinued operations related to our property and equipment was \$11.5 million, \$12.3 million and \$129.6 million during 2013, 2012 and 2011, respectively.

At December 31, 2013 and 2012, the amount of property and equipment, net, recorded under capital leases was \$1,877.3 million and \$1,206.0 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 2013, 2012 and 2011, we recorded non-cash increases to our property and equipment related to assets acquired under capital leases of \$143.0 million, \$63.1 million and \$38.2 million, respectively. In addition, during 2013, 2012 and 2011, we recorded non-cash increases related to vendor financing arrangements of \$573.5 million, \$246.5 million and \$101.4 million, respectively, which amounts exclude related value-added taxes of \$46.0 million, \$28.5 million and \$13.7 million, respectively, that were also financed by our vendors under these arrangements.

In May 2012, through VTR Wireless, we began offering mobile services in Chile through a combination of our own wireless network and a third-party wireless access arrangement. During the second quarter of 2013, we began exploring strategic alternatives with respect to VTR Wireless' mobile operations, including alternatives that involved the use of expanded mobile virtual network operator (MVNO) arrangements. Effective April 1, 2013, we reduced the useful lives of VTR Wireless' network equipment to reflect our then expectation that we would enter into a new MVNO arrangement and cease commercial use of VTR Wireless' mobile network during the fourth quarter of 2013. In September 2013, (i) VTR Wireless completed the process of migrating its mobile traffic to a third-party wireless network pursuant to its existing roaming agreement and (ii) VTR Wireless ceased commercial use of its mobile network, which resulted in a further reduction in the useful lives of VTR Wireless' network equipment. As a result of the aforementioned reductions in useful lives, VTR Wireless recognized aggregate incremental depreciation expense of \$98.3 million during 2013. In connection with the foregoing, we have recorded restructuring charges totaling \$84.9 million during the third and fourth quarters of 2013. These restructuring charges include the discounted amount of (i) the remaining payments due under VTR Wireless' tower and real estate operating leases of \$71.5 million and (ii) certain other required payments associated with VTR Wireless' mobile network. For information regarding our restructuring charges, see note 13.

In December 2013, VTR Wireless amended its existing roaming agreement with an agreement that provides for a full MVNO relationship. The amended agreement sets forth the terms for a more comprehensive arrangement with the third-party network operator and includes, among other items, terms that will allow VTR Wireless to decrease the variable costs associated with its wireless business and increase its ability to design its own tariff and commercial strategies.

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Goodwill

Changes in the carrying amount of our goodwill during 2013 are set forth below:

	January 1, 2013	Acquisitions and related adjustments	Reclassification of Chellomedia Disposal Group to discontinued operations	Foreign currency translation adjustments and other	December 31, 2013
	in millions				
European Operations Division:					
U.K. (Virgin Media)	\$ —	\$ 9,000.8	\$ —	\$ 597.4	\$ 9,598.2
Germany (Unitymedia KabelBW)	3,770.3	—	—	169.1	3,939.4
Belgium (Telenet)	2,158.3	—	—	96.8	2,255.1
The Netherlands	1,206.2	—	—	54.2	1,260.4
Switzerland	3,107.9	0.6	—	88.9	3,197.4
Other Western Europe	1,031.5	—	—	48.2	1,079.7
Total Western Europe	11,274.2	9,001.4	—	1,054.6	21,330.2
Central and Eastern Europe	1,509.5	—	—	10.6	1,520.1
Total European Operations Division	12,783.7	9,001.4	—	1,065.2	22,850.3
Chile (VTR Group)	558.0	—	—	(49.5)	508.5
Corporate and other	535.9	77.2	(223.4)	0.3	390.0
Total (a)	\$ 13,877.6	\$ 9,078.6	\$ (223.4)	\$ 1,016.0	\$ 23,748.8

- (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. For information concerning the reporting units included within the Other Western Europe and Central and Eastern Europe reportable segments, see note 17.

Based on the results of our October 1, 2013 goodwill impairment test, a hypothetical decline of 20% or more in the fair value of Liberty Puerto Rico, which is included in our corporate and other category, could result in the need to record a goodwill impairment charge. At December 31, 2013, the goodwill associated with the Liberty Puerto Rico reporting unit was \$347.0 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, 2013 and 2012 and based on exchange rates as of those dates, the accumulated goodwill impairments of our continuing operations were \$239.6 million and \$230.8 million, respectively. These amounts represent accumulated impairments related to our broadband communications operations in Romania, which operations are included within the European Operations Division's Central and Eastern Europe segment.

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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			
European Operations Division:				
Germany (Unitymedia KabelBW)	\$ 3,703.3	\$ (0.8)	\$ 67.8	\$ 3,770.3
Belgium (Telenet)	2,119.5	—	38.8	2,158.3
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	11,044.3	3.2	226.7	11,274.2
Central and Eastern Europe	1,404.2	0.8	104.5	1,509.5
Total European Operations Division	12,448.5	4.0	331.2	12,783.7
Chile (VTR Group)	514.3	—	43.7	558.0
Corporate and other	326.5	204.3	5.1	535.9
Total	\$ 13,289.3	\$ 208.3	\$ 380.0	\$ 13,877.6

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, 2013	December 31, 2013			December 31, 2012		
		Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
		in millions					
Customer relationships	4 to 15 years	\$ 8,116.7	\$ (2,458.4)	\$ 5,658.3	\$ 4,117.5	\$ (1,780.0)	\$ 2,337.5
Other	2 to 15 years	288.1	(151.0)	137.1	379.3	(135.5)	243.8
Total		\$ 8,404.8	\$ (2,609.4)	\$ 5,795.4	\$ 4,496.8	\$ (1,915.5)	\$ 2,581.3

In December 2013, Telenet's management determined that it would no longer be able to utilize its spectrum rights as a result of the conclusion of negotiations with network operators in Belgium and the absence of regulatory alternatives. This resulted in a triggering event with respect to the intangible asset related to Telenet's spectrum rights and, after performing an impairment analysis, Telenet recorded an impairment charge of \$73.0 million during the fourth quarter of 2013 to reduce the carrying amount of this intangible asset to zero.

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Amortization of intangible assets with finite useful lives of our continuing operations was \$776.8 million, \$460.1 million and \$388.9 million during 2013, 2012 and 2011, respectively. Amortization of intangible assets with finite useful lives of our discontinued operations was \$17.6 million, \$17.3 million and \$18.4 million during 2013, 2012 and 2011, respectively. Based on the amortizable intangible asset balances of our continuing operations at December 31, 2013, we expect that amortization expense will be as follows for the next five years and thereafter. The U.S. dollar equivalents of such amortization expense amounts as of December 31, 2013 are presented below (in millions):

2014	\$	1,043.4
2015		1,012.0
2016		953.8
2017		810.8
2018		752.5
Thereafter		1,222.9
Total	\$	5,795.4

Other Indefinite-lived Intangible Assets

At December 31, 2013 and 2012, franchise rights and other indefinite-lived intangible assets aggregating \$470.2 million and \$558.2 million, respectively, were included in other assets, net, in our consolidated balance sheets.

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(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, 2013												
	Weighted average interest rate (a)	Unused borrowing capacity (b)			Estimated fair value (c)		Carrying value (d)						
		Borrowing currency	U.S. \$ equivalent	December 31,		December 31,							
				2013	2012	2013	2012						
in millions													
Debt:													
VM Notes	6.36%		—	\$	—	\$	9,188.7	\$	—	\$	9,150.1	\$	—
VM Credit Facility	3.77%	£	660.0		1,093.4		4,388.9		—		4,352.8		—
VM Convertible Notes (e)	6.50%		—		—		164.1		—		57.5		—
UPC Broadband Holding Bank Facility	3.76%	€	1,046.2		1,442.6		5,717.8		5,494.4		5,671.4		5,466.8
UPC Holding Senior Notes	7.51%		—		—		3,297.4		3,190.0		3,099.2		2,905.9
UPCB SPE Notes	6.88%		—		—		4,536.5		4,502.3		4,219.5		4,145.2
Unitymedia KabelBW Notes	6.89%		—		—		8,058.2		7,416.5		7,651.9		6,815.5
Unitymedia KabelBW Revolving Credit Facilities	3.27%	€	417.5		575.7		—		—		—		—
Telenet Credit Facility	3.73%	€	158.0		217.9		1,956.9		1,860.0		1,936.9		1,853.7
Telenet SPE Notes	5.93%		—		—		2,916.5		2,777.6		2,759.2		2,641.0
Sumitomo Collar Loan (f)	1.88%		—		—		939.3		1,175.1		894.3		1,083.6
Ziggo Collar Loan (g)	0.45%		—		—		852.9		—		852.6		—
Liberty Puerto Rico Bank Facility	6.89%	\$	15.0		15.0		666.2		667.0		665.0		663.9
Ziggo Margin Loan	3.08%		—		—		634.3		—		634.3		—
Vendor financing (h)	3.56%		—		—		603.1		276.8		603.1		276.8
Other (i)	8.53%	CLP	585.0		1.2		308.2		282.5		308.2		282.5
Total debt	5.55%				\$ 3,345.8		\$ 44,229.0		\$ 27,642.2		42,856.0		26,134.9
Capital lease obligations:													
Unitymedia KabelBW (j)											952.0		937.1
Telenet (k)											451.2		405.1
Virgin Media											373.5		—
Other subsidiaries											71.6		47.4
Total capital lease obligations											1,848.3		1,389.6
Total debt and capital lease obligations											44,704.3		27,524.5
Current maturities											(1,023.4)		(363.5)
Long-term debt and capital lease obligations											\$ 43,680.9		\$ 27,161.0

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- (a) Represents the weighted average interest rate in effect at December 31, 2013 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 contracts, 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 6.6% at December 31, 2013. For information concerning our derivative instruments, see note 6.
- (b) Unused borrowing capacity represents the maximum availability under the applicable facility at December 31, 2013 without regard to covenant compliance calculations or other conditions precedent to borrowing. At December 31, 2013, the full amount of unused borrowing capacity was available to be borrowed under each of the respective subsidiary facilities based on the applicable leverage and other financial covenants, except as noted below. At December 31, 2013, our availability under the VM Credit Facility, the UPC Broadband Holding Bank Facility and the Unitymedia KabelBW Revolving Credit Facilities (each credit facility as defined and described below) was limited to £653.6 million (\$1,082.8 million), €432.3 million (\$596.1 million) and €214.5 million (\$295.8 million), respectively. When the relevant December 31, 2013 compliance reporting requirements have been completed and assuming no changes from December 31, 2013 borrowing levels, we anticipate that our availability under the VM Credit Facility, the UPC Broadband Holding Bank Facility and the Unitymedia KabelBW Revolving Credit Facilities will be limited to £622.0 million (\$1,030.5 million), €726.7 million (\$1,002.1 million) and €417.5 million (\$575.7 million), respectively. In January 2014, the CLP 60.0 billion (\$114.2 million) term loan bank facility of VTR Wireless (the VTR Wireless Bank Facility) was repaid in full and canceled. In addition to the limitations noted above, the debt instruments of our subsidiaries contain restricted payment tests that limit the amount that can be loaned or distributed to other Liberty Global subsidiaries and ultimately to Liberty Global. At December 31, 2013, these restrictions did not impact our ability to access the liquidity of our subsidiaries to satisfy our corporate liquidity needs beyond what is described above, except that the availability to be loaned or distributed by Virgin Media and Unitymedia KabelBW to other Liberty Global subsidiaries and ultimately to Liberty Global was limited to £305.2 million (\$505.6 million) and €134.5 million (\$185.5 million), respectively, and none of the liquidity of Liberty Puerto Rico was available to be loaned or distributed. When the relevant December 31, 2013 compliance reporting requirements have been completed and assuming no changes from December 31, 2013 borrowing levels, we anticipate that the availability of Virgin Media and Unitymedia KabelBW will be limited to £139.4 million (\$230.9 million) and €367.4 million (\$506.6 million), respectively, and none of the liquidity of Liberty Puerto Rico, will be available under these tests to be loaned or distributed.
- (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) The amount reported in the estimated fair value column for the VM Convertible Notes represents the estimated fair value of the remaining VM Convertible Notes outstanding as of December 31, 2013, including both the debt and equity components.
- (f) For information regarding the Sumitomo Collar Loan, see note 6.
- (g) For information regarding the Ziggo Collar Loan, see note 6.
- (h) Represents amounts owed pursuant to interest-bearing vendor financing arrangements that are generally due within one year. At December 31, 2013 and 2012, the amounts owed pursuant to these arrangements include \$47.3 million and \$29.1 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 statements of cash flows.

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- (i) Includes outstanding borrowings under the VTR Wireless Bank Facility of \$113.1 million and \$91.9 million at December 31, 2013 and 2012, respectively. In January 2014, all outstanding amounts under the VTR Wireless Bank Facility were repaid and the VTR Wireless Bank Facility was canceled.
- (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, 2013 and 2012, Telenet's capital lease obligations included €309.0 million (\$426.1 million) and €284.4 million (\$392.2 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 intercommunalities 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.

VM Notes

At December 31, 2013, the following senior notes of certain Virgin Media subsidiaries were outstanding:

- \$507.1 million principal amount of 8.375% senior notes (the 2019 VM Dollar Senior Notes) and £253.5 million (\$420.0 million) principal amount of 8.875% senior notes (the 2019 VM Sterling Senior Notes and, together with the 2019 VM Dollar Senior Notes, the 2019 VM Senior Notes). The 2019 VM Senior Notes were issued by Virgin Media Finance;
- \$1.0 billion principal amount of 6.50% senior secured notes (the 2018 VM Dollar Senior Secured Notes) and £875.0 million (\$1,449.6 million) principal amount of 7.0% senior secured notes (the 2018 VM Sterling Senior Secured Notes and, together with the 2018 VM Dollar Senior Secured Notes, the 2018 VM Senior Secured Notes). The 2018 VM Senior Secured Notes were issued by Virgin Media Secured Finance PLC (Virgin Media Secured Finance), a wholly-owned subsidiary of Virgin Media;
- \$447.9 million principal amount of 5.25% senior secured notes (the January 2021 VM Dollar Senior Secured Notes) and £628.4 million (\$1,041.1 million) principal amount of 5.50% senior secured notes (the January 2021 VM Sterling Senior Secured Notes and, together with the January 2021 VM Dollar Senior Secured Notes, the January 2021 VM Senior Secured Notes). The January 2021 VM Senior Secured Notes were issued by Virgin Media Secured Finance;
- \$95.0 million principal amount of 5.25% senior notes (the 2022 VM 5.25% Dollar Senior Notes);
- \$118.7 million principal amount of 4.875% senior notes (the 2022 VM 4.875% Dollar Senior Notes) and £44.1 million (\$73.1 million) principal amount of 5.125% senior notes (the 2022 VM Sterling Senior Notes and, together with the 2022 VM 4.875% Dollar Senior Notes and the 2022 VM 5.25% Dollar Senior Notes, the 2022 VM Senior Notes). The 2022 VM Senior Notes were issued by Virgin Media Finance;
- \$1.0 billion principal amount of 5.375% senior secured notes (the April 2021 VM Dollar Senior Secured Notes) and £1.1 billion (\$1.8 billion) principal amount of 6.0% senior secured notes (the April 2021 VM Sterling Senior Secured Notes and, together with the April 2021 VM Dollar Senior Secured Notes, the April 2021 VM Senior Secured Notes); and
- \$530.0 million principal amount of 6.375% senior notes (the 2023 VM Dollar Senior Notes) and £250.0 million (\$414.2 million) principal amount of 7.0% senior notes (the 2023 VM Sterling Senior Notes and, together with the 2023 VM Dollar Senior Notes, the 2023 VM Senior Notes).

The April 2021 VM Senior Secured Notes and the 2023 VM Senior Notes were originally issued by our subsidiaries in February 2013 in connection with the execution of the Virgin Media Merger Agreement. The net proceeds (after deducting certain transaction expenses) from the April 2021 VM Senior Secured Notes and the 2023 VM Senior Notes of \$3,557.5 million (equivalent at the

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transaction date) were placed into the Virgin Media Escrow Accounts. Such net proceeds were released in connection with the closing of the Virgin Media Acquisition. In addition, upon completion of the Virgin Media Acquisition, the April 2021 VM Senior Secured Notes and the 2023 VM Senior Notes were pushed down to Virgin Media Secured Finance and Virgin Media Finance, respectively.

The 2018 VM Senior Secured Notes, the January 2021 VM Senior Secured Notes and the April 2021 VM Senior Secured Notes are collectively referred to as the “VM Senior Secured Notes.” The 2019 VM Senior Notes, the 2022 VM Senior Notes and the 2023 VM Senior Notes are collectively referred to as the “VM Senior Notes” (and together with the VM Senior Secured Notes, the VM Notes).

Under the terms of the applicable indentures, the completion of the Virgin Media Acquisition represented a “Change of Control” event that required Virgin Media Secured Finance and Virgin Media Finance, as applicable, to offer to repurchase the January 2021 VM Senior Secured Notes and the 2022 VM Senior Notes at a repurchase price of 101% of par. In this regard, on June 11, 2013, Virgin Media Secured Finance and Virgin Media Finance, as applicable, redeemed (i) \$52.1 million of the January 2021 VM Dollar Senior Secured Notes, (ii) £21.6 million (\$35.8 million) of the January 2021 VM Sterling Senior Secured Notes, (iii) \$405.0 million of the 2022 VM 5.25% Dollar Senior Notes, (iv) \$781.3 million of the 2022 VM 4.875% Dollar Senior Notes and (v) £355.9 million (\$589.6 million) of the 2022 VM Sterling Senior Notes. With respect to the 2019 VM Senior Notes and the 2018 VM Senior Secured Notes, Virgin Media previously had obtained consent from holders of such notes to waive its repurchase obligations under the respective indentures related to the “Change of Control” provisions. The Virgin Media Acquisition did not constitute a “Change of Control” event under the indentures governing the April 2021 VM Senior Secured Notes and the 2023 VM Senior Notes.

The details of the VM Notes as of December 31, 2013 are summarized in the following table:

VM Notes	Maturity	Interest rate	Outstanding principal amount		Estimated fair value	Carrying value (a)
			Borrowing currency	U.S. \$ equivalent		
			in millions			
2018 VM Dollar Senior Secured Notes	January 15, 2018	6.500%	\$ 1,000.0	\$ 1,000.0	\$ 1,038.1	\$ 1,042.5
2018 VM Sterling Senior Secured Notes	January 15, 2018	7.000%	£ 875.0	1,449.6	1,507.6	1,515.4
2019 VM Dollar Senior Notes	October 15, 2019	8.375%	\$ 507.1	507.1	554.0	557.1
2019 VM Sterling Senior Notes	October 15, 2019	8.875%	£ 253.5	420.0	458.8	459.7
January 2021 VM Dollar Senior Secured Notes	January 15, 2021	5.250%	\$ 447.9	447.9	458.5	462.1
January 2021 VM Sterling Senior Secured Notes	January 15, 2021	5.500%	£ 628.4	1,041.1	1,050.8	1,057.3
April 2021 VM Dollar Senior Secured Notes	April 15, 2021	5.375%	\$ 1,000.0	1,000.0	1,008.8	1,000.0
April 2021 VM Sterling Senior Secured Notes	April 15, 2021	6.000%	£ 1,100.0	1,822.4	1,880.4	1,822.4
2022 VM 5.25% Dollar Senior Notes	February 15, 2022	5.250%	\$ 95.0	95.0	84.6	95.9
2022 VM 4.875% Dollar Senior Notes	February 15, 2022	4.875%	\$ 118.7	118.7	104.0	119.7
2022 VM Sterling Senior Notes	February 15, 2022	5.125%	£ 44.1	73.1	67.7	73.8
2023 VM Dollar Senior Notes	April 15, 2023	6.375%	\$ 530.0	530.0	542.9	530.0
2023 VM Sterling Senior Notes	April 15, 2023	7.000%	£ 250.0	414.2	432.5	414.2
Total				\$ 8,919.1	\$ 9,188.7	\$ 9,150.1

- (a) Amounts include the impact of premiums and discounts, where applicable, including amounts recorded in connection with the acquisition accounting for the Virgin Media Acquisition.

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The VM Senior Notes are unsecured senior obligations of Virgin Media Finance that rank equally with all of the existing and future senior debt of Virgin Media Finance and are senior to all existing and future subordinated debt of Virgin Media Finance. The VM Senior Notes are guaranteed on a senior basis by Virgin Media and certain of its subsidiaries, and on a senior subordinated basis by VMIH and Virgin Media Investments Limited.

The VM Senior Secured Notes are senior obligations of Virgin Media Secured Finance that rank equally with all of the existing and future senior debt of Virgin Media Secured Finance and are senior to all existing and future subordinated debt of Virgin Media Secured Finance. The VM Senior Secured Notes are guaranteed on a senior basis by Virgin Media and certain subsidiaries of Virgin Media (the VM Senior Secured Guarantors), and are secured by liens on substantially all of the assets of Virgin Media Secured Finance and the VM Senior Secured Guarantors (except for Virgin Media). The VM 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 Liberty Global is subject to a Consolidated Leverage Ratio test, as defined in the applicable indenture. In addition, the VM 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 (€82.8 million) or more in the aggregate of Virgin Media, Virgin Media Finance, Virgin Media Secured Finance or VMIH (as applicable under the relevant indenture), or the Restricted Subsidiaries (as defined in the applicable indenture) is an event of default under the VM Notes.

Subject to the circumstances described below, the January 2021 VM Senior Secured Notes and the 2022 VM Senior Notes are non-callable. At any time prior to maturity, Virgin Media Secured Finance or Virgin Media Finance (as applicable) may redeem some or all of the January 2021 VM Senior Secured Notes or the 2022 VM Senior Notes (as applicable) by paying a “make-whole” premium, which is the present value of all remaining scheduled interest payments to (i) January 15, 2021 using the discount rate (as specified in the applicable indenture) as of the applicable redemption date plus 25 basis points in the case of the January 2021 VM Senior Secured Notes or (ii) February 15, 2022 using the discount rate (as specified in the applicable indenture) as of the applicable redemption date plus 50 basis points in the case of the 2022 VM Senior Notes.

Subject to the circumstances described below, the 2018 VM Senior Secured Notes are non-callable until January 15, 2014, the 2019 VM Senior Notes are non-callable until October 15, 2014, the April 2021 VM Senior Secured Notes are non-callable until April 15, 2017 and the 2023 VM Senior Notes are non-callable until April 15, 2018. At any time prior to January 15, 2014, in the case of the 2018 VM Senior Secured Notes, October 15, 2014, in the case of the 2019 VM Senior Notes, April 15, 2017, in the case of the April 2021 VM Senior Secured Notes or April 15, 2018, in the case of the 2023 VM Senior Notes, Virgin Media Secured Finance and Virgin Media Finance (as applicable) may redeem some or all of the 2018 VM Senior Secured Notes, the 2019 VM Senior Notes, the April 2021 VM Senior Secured Notes or the 2023 VM Senior Notes (as applicable) by paying a “make-whole” premium, which is the present value of all remaining scheduled interest payments to January 15, 2014, October 15, 2014, April 15, 2017 or April 15, 2018 (as applicable) using the discount rate (as specified in the applicable indenture) as of the redemption date plus 50 basis points.

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Virgin Media Finance and Virgin Media Secured Finance (as applicable) may redeem some or all of the 2018 VM Senior Secured Notes, the 2019 VM Senior Notes, the April 2021 VM Senior Secured Notes or the 2023 VM 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 January 15, in the case of the 2018 VM Senior Secured Notes, October 15, in the case of the 2019 VM Senior Notes, or April 15, in the case of the April 2021 VM Senior Secured Notes and the 2023 VM Senior Notes, of the years set forth below:

Year	Redemption price							
	2018 VM Dollar Senior Secured Notes	2018 VM Sterling Senior Secured Notes	2019 VM Dollar Senior Notes	2019 VM Sterling Senior Notes	April 2021 VM Dollar Senior Secured Notes	April 2021 VM Sterling Senior Secured Notes	2023 VM Dollar Senior Notes	2023 VM Sterling Senior Notes
2014	103.250%	103.500%	104.188%	104.438%	N.A.	N.A.	N.A.	N.A.
2015	101.625%	101.750%	102.792%	102.958%	N.A.	N.A.	N.A.	N.A.
2016	100.000%	100.000%	101.396%	101.479%	N.A.	N.A.	N.A.	N.A.
2017	100.000%	100.000%	100.000%	100.000%	102.688%	103.000%	N.A.	N.A.
2018	N.A.	N.A.	100.000%	100.000%	101.344%	101.500%	103.188%	103.500%
2019	N.A.	N.A.	N.A.	N.A.	100.000%	100.000%	102.125%	102.333%
2020	N.A.	N.A.	N.A.	N.A.	100.000%	100.000%	101.063%	101.667%
2021 and thereafter	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	100.000%	100.000%

VM Credit Facility

On June 7, 2013, VMIH, together with certain other subsidiaries of Virgin Media as borrowers and guarantors (the Virgin Media Borrowing Group) entered into a new senior secured credit facility agreement, as amended and restated on June 14, 2013 (the VM Credit Facility), pursuant to which the lenders thereunder agreed to provide the borrowers with (i) a £375.0 million (\$621.3 million) term loan (VM Facility A), (ii) a \$2,755.0 million term loan (VM Facility B), (iii) a £600.0 million (\$994.0 million) term loan (VM Facility C) and (iv) a £660.0 million (\$1,093.4 million) revolving credit facility (the VM Revolving Facility). With the exception of the VM Revolving Facility, all available amounts were borrowed under the VM Credit Facility in June 2013.

The VM Credit Facility requires that certain members of the Virgin Media Borrowing Group that generate not less than 80% of such group's EBITDA (as defined in the VM Credit Facility) in any financial year, guarantee the payment of all sums payable under the VM Credit Facility and such group members are required to grant first-ranking security over all or substantially all of their assets to secure the payment of all sums payable. In addition, the holding company of each borrower must give a share pledge over its shares in such borrower.

In addition to mandatory prepayments which must be made for certain disposal proceeds (subject to certain de minimis thresholds), the lenders may cancel their commitments and declare the loans due and payable after 30 business days following the occurrence of a change of control in respect of VMIH, subject to certain exceptions.

The VM Credit Facility contains certain customary events of default, the occurrence of which, subject to certain exceptions and materiality qualifications, would allow the lenders to (i) cancel the total commitments, (ii) accelerate all outstanding loans and terminate their commitments thereunder and/or (iii) declare that all or part of the loans be payable on demand. The VM Credit Facility contains certain representations and warranties customary for facilities of this type, which are subject to exceptions, baskets and materiality qualifications.

The VM Credit Facility restricts the ability of certain members of the Virgin Media Borrowing Group to, among other things, (i) incur or guarantee certain financial indebtedness, (ii) make certain disposals and acquisitions and (iii) create certain security interests over their assets, in each case, subject to carve-outs from such limitations.

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The VM Credit Facility requires the borrowers to observe certain affirmative undertakings or covenants, which covenants are subject to materiality and other customary and agreed exceptions. In addition, the VM Credit Facility also requires compliance with various financial covenants such as Senior Net Debt to Annualized EBITDA and Total Net Debt to Annualized EBITDA, each capitalized term as defined in the VM Credit Facility.

In addition to customary default provisions, the VM Credit Facility provides that any event of default with respect to indebtedness of £50.0 million (\$82.8 million) or more in the aggregate of Virgin Media Finance PLC (Virgin Media Finance), a wholly-owned subsidiary of Virgin Media, and its subsidiaries is an event of default under the VM Credit Facility.

The VM Credit Facility permits certain members of the Virgin Media Borrowing Group to make certain distributions and restricted payments to its parent company (and indirectly to Liberty Global) through loans, advances or dividends subject to compliance with applicable covenants.

The details of our borrowings under the VM Credit Facility as of December 31, 2013 are summarized in the following table:

Facility	Final maturity date	Interest rate	Facility amount (in borrowing currency)	Unused borrowing capacity (a)	Carrying value (b)
in millions					
A	June 7, 2019	LIBOR + 3.25%	£ 375.0	\$ —	\$ 621.2
B	June 7, 2020	LIBOR + 2.75% (c)	\$ 2,755.0	—	2,742.2
C	June 7, 2020	LIBOR + 3.75% (c)	£ 600.0	—	989.4
Revolving Facility	June 7, 2019	LIBOR + 3.25%	£ 660.0	1,093.4	—
Total				\$ 1,093.4	\$ 4,352.8

(a) At December 31, 2013, our availability was limited to £653.6 million (\$1,082.8 million). When the relevant December 31, 2013 compliance reporting requirements have been completed and assuming no changes from December 31, 2013 borrowing levels, we anticipate that our availability will be limited to £622.0 million (\$1,030.5 million). The VM Revolving Facility has a commitment fee on unused and uncanceled balances of 1.3% per year.

(b) The carrying values of VM Facilities B and C include the impact of discounts.

(c) VM Facilities B and C have a LIBOR floor of 0.75%.

VM Convertible Notes

In April 2008, Virgin Media issued \$1.0 billion principal amount of 6.50% convertible senior notes (the VM Convertible Notes), pursuant to an indenture (as supplemented, the VM Convertible Notes Indenture). The VM Convertible Notes mature on November 15, 2016, unless the VM Convertible Notes are exchanged or repurchased prior thereto pursuant to the terms of the VM Convertible Notes Indenture.

As a result of the application of acquisition accounting in connection with the Virgin Media Acquisition, the \$2,716.8 million estimated fair value of the VM Convertible Notes at June 7, 2013 was allocated between the respective debt and equity components. The portion allocated to the debt component of \$1,056.8 million was measured based on the estimated fair value of a debt instrument that has the same terms as the VM Convertible Notes without the conversion feature. The amount allocated to the debt component resulted in a premium to the principal amount of the VM Convertible Notes. The \$1,660.0 million portion allocated to the equity component was recorded as an increase to additional paid-in capital in our consolidated statement of equity.

The VM Convertible Notes are exchangeable under certain conditions for (subject to further adjustment as provided in the VM Convertible Notes Indenture and subject to Virgin Media's right to settle in cash or a combination of Liberty Global ordinary shares and cash) 13.4339 of our Class A ordinary shares, 10.0312 of our Class C ordinary shares and \$910.51 in cash (without interest) for each \$1,000 in principal amount of VM Convertible Notes exchanged. The circumstances under which the VM Convertible Notes are exchangeable are more fully described in the VM Convertible Notes Indenture, including, for example,

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based on the relationship of the value of the Virgin Media Merger Consideration to the conversion price of the VM Convertible Notes. Based on the trading prices of our Class A and Class C ordinary shares during a specified period, as provided for in the VM Convertible Notes Indenture, the VM Convertible Notes are currently exchangeable. Because the Virgin Media Acquisition constituted a “Fundamental Change” and a “Make-Whole Fundamental Change” under the VM Convertible Notes Indenture, a holder of the VM Convertible Notes who exchanged such notes at any time from June 7, 2013 through July 9, 2013 received 13.8302 Class A ordinary shares, 10.3271 Class C ordinary shares and \$937.37 in cash (without interest) for each \$1,000 in principal amount of VM Convertible Notes exchanged.

As of December 31, 2013, an aggregate of \$944.2 million principal amount of VM Convertible Notes had been exchanged following the Virgin Media Acquisition for 13.1 million Class A and 9.8 million Class C ordinary shares and \$885.1 million of cash. The difference between the cash portion of the exchange consideration and the aggregate \$998.8 million fair value of the exchanged VM Convertible Notes on the exchange dates resulted in a net increase to equity of \$113.7 million. No gain or loss on extinguishment was recorded for these exchanges as the debt component of the VM Convertible Notes was measured at fair value shortly before the exchanges pursuant to the application of acquisition accounting in connection with the Virgin Media Acquisition. After giving effect to all exchanges completed, the remaining principal amount outstanding under the VM Convertible Notes was \$54.8 million as of December 31, 2013.

The VM Convertible Notes are senior unsecured obligations of Virgin Media that rank equally in right of payment with all of Virgin Media’s existing and future senior and unsecured indebtedness and ranks senior in right to all of Virgin Media’s existing and future subordinated indebtedness. The VM Convertible Notes are effectively subordinated to all existing and future indebtedness and other obligations of Virgin Media’s subsidiaries. The VM Convertible Notes Indenture does not contain any financial or restrictive covenants. The VM Convertible Notes are non-callable.

UPC Broadband Holding Bank Facility

The UPC Broadband Holding Bank Facility, as amended from time to time, 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 (\$68.9 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 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 Liberty Global) 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 (after deducting cash and cash equivalent investments) to Annualized EBITDA, (ii) EBITDA to Total Cash Interest, (iii) EBITDA to Senior Debt Service, (iv) EBITDA to Senior Interest and (v) Total Debt (after deducting cash and cash equivalent investments) 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.

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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 (\$137.9 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 as of December 31, 2013 are summarized in the following table:

<u>Facility</u>	<u>Final maturity date</u>	<u>Interest rate</u>	<u>Facility amount (in borrowing currency) (a)</u>	<u>Unused borrowing capacity (b)</u>	<u>Carrying value (c)</u>
in millions					
Q	July 31, 2014	EURIBOR + 2.75%	€ 30.0	\$ 41.4	\$ —
R (e)	December 31, 2015	EURIBOR + 3.25%	€ 111.0	—	153.1
S (e)	December 31, 2016	EURIBOR + 3.75%	€ 545.5	—	752.2
V (d)	January 15, 2020	7.625%	€ 500.0	—	689.5
Y (d)	July 1, 2020	6.375%	€ 750.0	—	1,034.2
Z (d)	July 1, 2020	6.625%	\$ 1,000.0	—	1,000.0
AC (d)	November 15, 2021	7.250%	\$ 750.0	—	750.0
AD (d)	January 15, 2022	6.875%	\$ 750.0	—	750.0
AE (e)	December 31, 2019	EURIBOR + 3.75%	€ 602.5	—	830.7
AF	January 31, 2021	LIBOR + 3.00% (f)	\$ 500.0	—	495.1
AG	March 31, 2021	EURIBOR + 3.75%	€ 1,554.4	—	2,138.7
AH	June 30, 2021	LIBOR + 2.50% (f)	\$ 1,305.0	—	1,301.6
AI	April 30, 2019	EURIBOR + 3.25%	€ 1,016.2	1,401.2	—
Elimination of Facilities V, Y, Z, AC and AD in consolidation (d)				—	(4,223.7)
Total				\$ 1,442.6	\$ 5,671.4

- (a) Except as described in (d) below, amounts represent total third-party facility amounts at December 31, 2013 without giving effect to the impact of discounts.
- (b) At December 31, 2013, our availability under the UPC Broadband Holding Bank Facility was limited to €432.3 million (\$596.1 million). When the relevant December 31, 2013 compliance reporting requirements have been completed, we anticipate that our availability under the UPC Broadband Holding Bank Facility will be limited to €726.7 million (\$1,002.1 million). Facilities Q and AI have commitment fees on unused and uncanceled balances of 0.75% and 1.3% per year, respectively.
- (c) The carrying values of Facilities AF, AG and AH 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 Liberty Global's consolidated financial statements.

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- (e) Subsequent to December 31, 2013, all of the borrowings under Facilities R, S and AE were repaid. For additional information, see note 19.
- (f) Facilities AF and AH have LIBOR floors of 1.00% and 0.75%, respectively.

Refinancing Transactions. During 2013, 2012 and 2011, we completed a number of refinancing transactions that generally resulted in additional borrowings or extended maturities under the the UPC Broadband Holding Bank Facility. In connection with these transactions, we recognized losses on debt modification and extinguishment of \$11.9 million, \$16.3 million and \$15.7 million during 2013, 2012 and 2011, respectively. These losses include (i) write-offs of deferred financing costs and unamortized discounts of \$4.2 million, \$14.3 million, and \$15.7 million, respectively, and (ii) \$7.7 million, \$2.0 million and nil of third-party debt modification costs, respectively.

UPC Holding Senior Notes

2013 Transactions. On March 26, 2013, UPC Holding issued (i) €450.0 million (\$620.5 million) principal amount of 6.75% senior notes (the UPC Holding 6.75% Euro Senior Notes) and (ii) CHF 350.0 million (\$393.9 million) principal amount of 6.75% senior notes (the UPC Holding 6.75% CHF Senior Notes and, together with the UPC Holding 6.75% Euro Senior Notes, the UPC Holding 6.75% Senior Notes). The UPC Holding 6.75% Senior Notes mature on March 15, 2023.

On April 25, 2013, the net proceeds from the issuance of the UPC Holding 6.75% Senior Notes were used to redeem in full (a) UPC Holding's €300.0 million (\$413.7 million) principal amount of 8.0% senior notes due 2016 (the UPC Holding 8.0% Senior Notes) and (b) UPC Holding's €400.0 million (\$551.6 million) principal amount of 9.75% senior notes due 2018 (the UPC Holding 9.75% Senior Notes). Our obligations with respect to the UPC Holding 8.0% Senior Notes and the UPC Holding 9.75% Senior Notes were legally discharged with the trustee on March 26, 2013 and March 27, 2013, respectively, in connection with the issuance of the UPC Holding 6.75% Senior Notes. The trustee, in turn, paid all amounts due to the holders of the UPC Holding 8.0% Senior Notes and UPC Holding 9.75% Senior Notes on April 25, 2013. We incurred aggregate debt extinguishment losses of \$85.5 million during the first quarter of 2013, which include (i) \$35.6 million of redemption premiums related to the UPC Holding 8.0% Senior Notes and the UPC Holding 9.75% Senior Notes, (ii) the write-off of \$24.5 million of unamortized discount related to the UPC Holding 9.75% Senior Notes, (iii) the write-off of \$19.0 million of deferred financing costs associated with the UPC Holding 8.0% Senior Notes and the UPC Holding 9.75% Senior Notes and (iv) \$6.4 million of aggregate interest incurred on the UPC Holding 8.0% Senior Notes and the UPC Holding 9.75% Senior Notes between the respective dates that we and the trustee were legally discharged, as described above.

2012 Transaction. On September 21, 2012, UPC Holding issued €600.0 million (\$827.4 million) principal amount of 6.375% senior notes (the UPC Holding 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).

We collectively refer to the UPC Holding 6.75% Senior Notes, the UPC Holding 6.375% Senior Notes, UPC Holding's €640.0 million (\$882.5 million) principal amount of 8.375% senior notes due 2020 (the UPC Holding 8.375% Senior Notes) and UPC Holding's \$400.0 million principal amount of 9.875% senior notes due 2018 (the UPC Holding 9.875% Senior Notes) as the "UPC Holding Senior Notes."

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The details of the UPC Holding Senior Notes as of December 31, 2013 are summarized in the following table:

UPC Holding Senior Notes	Maturity	Outstanding principal amount		Estimated fair value	Carrying value (a)
		Borrowing currency	U.S. \$ equivalent		
in millions					
UPC Holding 9.875% Senior Notes	April 15, 2018	\$	400.0	\$ 400.0	\$ 381.7
UPC Holding 8.375% Senior Notes	August 15, 2020	€	640.0	882.5	882.5
UPC Holding 6.375% Senior Notes	September 15, 2022	€	600.0	827.4	820.6
UPC Holding 6.75% Euro Senior Notes	March 15, 2023	€	450.0	620.5	620.5
UPC Holding 6.75% CHF Senior Notes	March 15, 2023	CHF	350.0	393.9	393.9
Total			\$ 3,124.3	\$ 3,297.4	\$ 3,099.2

(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 Liberty Global 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 (\$68.9 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, 2014, in the case of the UPC Holding 9.875% Senior Notes, August 15, 2015, in the case of the UPC Holding 8.375% Senior Notes, September 15, 2017, in the case of the UPC Holding 6.375% Senior Notes, and March 15, 2018, in the case of the UPC Holding 6.75% 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, 2014, August 15, 2015, September 15, 2017 or March 15, 2018, as the case may be, using the discount rate (as specified in the applicable indenture) as of the redemption date, plus 50 basis points.

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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 April 15, in the case of the UPC Holding 9.875% Senior Notes, August 15, in the case of the UPC Holding 8.375% Senior Notes, September 15, in the case of the UPC Holding 6.375% Senior Notes, and March 15, in the case of the UPC Holding 6.75% Senior Notes, of the years set forth below:

Year	Redemption price			
	UPC Holding 9.875% Senior Notes	UPC Holding 8.375% Senior Notes	UPC Holding 6.375% Senior Notes	UPC Holding 6.75% Senior Notes
2014	104.938%	N.A.	N.A.	N.A.
2015	102.469%	104.188%	N.A.	N.A.
2016	100.000%	102.792%	N.A.	N.A.
2017	100.000%	101.396%	103.188%	N.A.
2018	100.000%	100.000%	102.125%	103.375%
2019	N.A.	100.000%	101.063%	102.250%
2020	N.A.	100.000%	100.000%	101.125%
2021 and thereafter	N.A.	N.A.	100.000%	100.000%

If all or substantially all of the assets of UPC Holding and certain of its subsidiaries are disposed of or any other Change of Control (as defined in the relevant UPC Holding Senior Notes) is triggered, UPC Holding must offer to repurchase all of the relevant UPC Holding Senior Notes at a redemption price of 101% of the principal amount of such UPC Holding Senior Notes.

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 all special purpose financing entities that are owned 100% by charitable trusts. The UPCB SPEs were created for the primary purposes of facilitating the offerings of €500.0 million (\$689.5 million) principal amount of 7.625% senior secured notes (the UPCB Finance I Notes), €750.0 million (\$1,034.2 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 UPCB SPE Funded Facility) under the UPC Broadband Holding Bank Facility, with UPC Financing Partnership (UPC Financing) as the borrower. The proceeds from Facility V, Y, Z, AC and AD generally were used to repay amounts outstanding under the UPC Broadband Holding Bank Facility.

Each UPCB SPE is dependent on payments from UPC Financing under the applicable UPCB SPE Funded Facility in order to service its payment obligations under each respective UPCB SPE Note. Although UPC Financing has no equity or voting interest in any of the UPCB SPEs, each of the UPCB SPE 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 Liberty Global, are required by the provisions of GAAP to consolidate the UPCB SPEs. As

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a result, the amounts outstanding under Facilities V, Y, Z, AC and AD are eliminated in Liberty Global'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 UPCB SPE 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 UPCB SPE 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 as of December 31, 2013 are summarized in the following table:

UPCB SPEs	Maturity	Interest rate	Outstanding principal amount		Estimated fair value	Carrying value (a)	
			Borrowing currency	U.S. \$ equivalent			
			in millions				
UPCB Finance I Notes	January 15, 2020	7.625%	€	500.0	\$ 689.5	\$ 747.2	\$ 685.3
UPCB Finance II Notes	July 1, 2020	6.375%	€	750.0	1,034.2	1,111.1	1,034.2
UPCB Finance III Notes	July 1, 2020	6.625%	\$	1,000.0	1,000.0	1,063.8	1,000.0
UPCB Finance V Notes	November 15, 2021	7.250%	\$	750.0	750.0	816.1	750.0
UPCB Finance VI Notes	January 15, 2022	6.875%	\$	750.0	750.0	798.3	750.0
Total					\$ 4,223.7	\$ 4,536.5	\$ 4,219.5

(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 UPCB SPE 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 UPCB SPE 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.

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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 UPCB SPE 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:

Year	Redemption Price				
	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	100.000%	100.000%	100.000%	100.000%	100.000%
2021 and thereafter	N.A.	N.A.	N.A.	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 (\$937.7 million) principal amount of 9.5% senior notes due 2021 (the KBW Senior Notes) and (ii) KBW's (a) €800.0 million (\$1,103.1 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 (\$579.2 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 Facilities, as defined and described below. In connection with these transactions, we recognized aggregate losses on debt modification and extinguishment of \$7.0 million during 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.

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The details of (i) the Unitymedia KabelBW Exchange and (ii) the Special Optional Redemptions are as follows:

KBW Notes	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					
	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
Total			\$	2,986.7			\$	2,748.4			\$	238.3

- (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, prior to their redemption as described below, bore interest at a rate of EURIBOR plus 4.25%. We refer to the UM Senior Exchange Notes and the UM Senior Secured Exchange Notes collectively as the “UM Exchange Notes.”

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November 2013 UM Senior Secured Notes. On November 21, 2013, the UM Senior Secured Notes Issuers issued €475.0 million (\$655.0 million) principal amount of 6.25% senior secured notes due January 15, 2029 (the November 2013 UM Senior Secured Notes). A portion of the net proceeds from the issuance of the November 2013 UM Senior Secured Notes were used to redeem all of the then outstanding 2009 UM Euro Senior Secured Notes (as defined and described below), including the related redemption premiums.

April 2013 UM Senior Secured Notes. On April 16, 2013, UM Senior Secured Notes Issuers issued €350.0 million (\$482.6 million) principal amount of 5.625% senior secured notes due April 15, 2023 (the April 2013 UM Senior Secured Notes).

January 2013 UM Senior Secured Notes. On January 21, 2013, the UM Senior Secured Notes Issuers issued €500.0 million (\$689.5 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 were used to redeem a portion of the 2009 UM Euro Senior Secured Notes, as defined below.

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 (\$689.5 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 (\$722.6 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 principal 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.

September 2012 UM Senior Secured Notes. On September 19, 2012, the UM Senior Secured Notes Issuers issued €650.0 million (\$896.3 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 (\$333.4 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.

2009 UM Notes. In November 2009, Unitymedia KabelBW issued (i) €1,430.0 million (\$1,971.9 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 (\$917.0 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%.

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.”

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The details of the Unitymedia KabelBW Notes as of December 31, 2013 are summarized in the following table:

Unitymedia KabelBW Notes	Maturity	Interest rate	Outstanding principal amount		Estimated fair value	Carrying value (a)	
			Borrowing currency	U.S. \$ equivalent			
in millions							
2009 UM Senior Notes	December 1, 2019	9.625%	€	665.0	\$ 917.0	\$ 1,018.4	\$ 901.7
UM Senior Exchange Notes	March 15, 2021	9.500%	€	618.0	852.2	992.2	850.1
UM Euro Senior Secured Exchange Notes	March 15, 2019	7.500%	€	735.1	1,013.7	1,104.8	1,020.7
UM Dollar Senior Secured Exchange Notes	March 15, 2019	7.500%	\$	459.3	459.3	498.9	466.5
September 2012 UM Senior Secured Notes	September 15, 2022	5.500%	€	650.0	896.3	926.0	896.3
December 2012 UM Dollar Senior Secured Notes	January 15, 2023	5.500%	\$	1,000.0	1,000.0	975.0	1,000.0
December 2012 UM Euro Senior Secured Notes	January 15, 2023	5.750%	€	500.0	689.5	713.6	689.5
January 2013 UM Senior Secured Notes	January 21, 2023	5.125%	€	500.0	689.5	690.3	689.5
April 2013 UM Senior Secured Notes	April 15, 2023	5.625%	€	350.0	482.6	490.2	482.6
November 2013 UM Senior Secured Notes	January 15, 2029	6.250%	€	475.0	655.0	648.8	655.0
Total					\$ 7,655.1	\$ 8,058.2	\$ 7,651.9

(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, the December 2012 UM Senior Secured Notes, January 2013 UM Senior Secured Notes, the April 2013 UM Senior Secured Notes and the November 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 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 Liberty Global 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 (\$34.5 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, the December 2012 UM Senior Secured Notes are non-callable until January 15, 2018, the January 2013 UM Senior Secured Notes are non-

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callable until January 21, 2018, the April 2013 UM Senior Secured Notes are non-callable until April 15, 2018 and the November 2013 UM Senior Secured Notes are non-callable until January 15, 2021.

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, January 15, 2018, in the case of the December 2012 UM Senior Secured Notes, January 21, 2018, in the case of the January 2013 UM Senior Secured Notes, April 15, 2018, in the case of the April 2013 UM Senior Secured Notes, and January 15, 2021, in the case of the November 2013 UM Senior Secured Notes, Unitymedia KabelBW and the UM Senior Secured Notes Issuers (as applicable) may redeem some or all of these Unitymedia KabelBW 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, January 15, in the case of the December 2012 UM Senior Secured Notes and the November 2013 UM Senior Secured Notes, January 21, in the case of the January 2013 UM Senior Secured Notes, or April 15, in the case of the April 2013 UM Senior Secured Notes, of the years set forth below:

Year	Redemption Price								
	2009 UM Senior 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	January 2013 UM Senior Secured Notes	April 2013 UM Senior Secured Notes	November 2013 UM Senior Secured Notes
2014	104.813%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2015	103.208%	N.A.	103.750%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2016	101.604%	104.750%	101.875%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2017	100.000%	103.167%	100.000%	102.750%	N.A.	N.A.	N.A.	N.A.	N.A.
2018	100.000%	101.583%	100.000%	101.833%	102.750%	102.875%	102.563%	102.813%	N.A.
2019	100.000%	100.000%	100.000%	100.917%	101.833%	101.917%	101.708%	101.875%	N.A.
2020	N.A.	100.000%	N.A.	100.000%	100.917%	100.958%	100.854%	100.938%	N.A.
2021 and thereafter	N.A.	100.000%	N.A.	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%

In addition, prior to the dates below, the UM Senior Secured Notes Issuers may redeem up to 40% of the respective notes presented below at the following redemption prices:

Unitymedia KabelBW Notes	Redemption date	Redemption price
November 2013 UM Senior Secured Notes	January 15, 2017	106.250%
December 2012 UM Euro Senior Secured Notes	January 15, 2016	105.750%
April 2013 UM Senior Secured Notes	April 15, 2016	105.625%
September 2012 UM Senior Secured Notes	September 15, 2015	105.500%
December 2012 UM Dollar Senior Secured Notes	January 15, 2016	105.500%
January 2013 UM Senior Secured Notes	January 21, 2016	105.250%

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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, the January 2013 UM Senior Secured Notes, the April 2013 UM Senior Secured Notes and the November 2013 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, the December 2012 UM Senior Secured Notes, the January 2013 UM Senior Secured Notes, the April 2013 UM Senior Secured Notes and the November 2013 UM Senior Secured Notes.

If all or substantially all of the assets of (i) Unitymedia KabelBW and certain of its subsidiaries or (ii) the UM Senior Secured Notes Issuer and certain of their subsidiaries are disposed of or any other Change of Control (as defined in the relevant Unitymedia KabelBW Notes) is triggered, Unitymedia KabelBW and the UM Senior Secured Notes Issuers (as applicable) must offer to repurchase all of the relevant Unitymedia KabelBW Notes at a redemption price of 101% of the principal amount of such Unitymedia KabelBW Notes.

Unitymedia KabelBW Revolving Credit Facilities

On May 1, 2012, Unitymedia Hessen entered into a €312.5 million (\$430.9 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 (\$465.4 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 (\$110.3 million) secured revolving credit facility (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, (v) the January 2013 UM Senior Secured Notes, (vi) the April 2013 UM Senior Secured Notes, (vii) the November 2013 UM Senior Secured Notes and (viii) 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. 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. The Unitymedia KabelBW Revolving Credit Facilities permit Unitymedia KabelBW to transfer funds to its parent company (and indirectly to Liberty Global) through loans, dividends or other distributions provided that Unitymedia KabelBW maintains compliance with applicable covenants. If a Change of Control occurs, as defined in the Unitymedia KabelBW Revolving Credit Facilities, each lender may cancel its commitments and declare all outstanding amounts immediately due and payable.

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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 (\$68.9 million) or more in the aggregate of Telenet and certain of its subsidiaries is an event of default under the Telenet Credit Facility. If a Change of Control occurs, as defined in the Telenet Credit Facility, the facility agent may (if required by the majority lenders) cancel the total commitments and declare all outstanding amounts immediately due and payable.

The details of our borrowings under the Telenet Credit Facility as of December 31, 2013 are summarized in the following table:

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	\$ —	\$ 689.5
N (c)	November 15, 2016	5.300%	€	100.0	—	137.9
O (c)	February 15, 2021	6.625%	€	300.0	—	413.7
P (c)	June 15, 2021	EURIBOR + 3.875%	€	400.0	—	551.6
Q	July 31, 2017	EURIBOR + 3.25%	€	431.0	—	594.4
R	July 31, 2019	EURIBOR + 3.625%	€	798.6	—	1,101.2
S	December 31, 2016	EURIBOR + 2.75%	€	158.0	217.9	—
T	December 31, 2018	EURIBOR + 3.50%	€	175.0	—	241.3
U (c)	August 15, 2022	6.250%	€	450.0	—	620.5
V (c)	August 15, 2024	6.750%	€	250.0	—	344.7
Elimination of Telenet Facilities M, N, O, P, U and V in consolidation (c)					—	(2,757.9)
Total					\$ 217.9	\$ 1,936.9

(a) Except as described in (c) below, amounts represent total third-party facility amounts at December 31, 2013.

(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 Liberty Global's consolidated financial statements.

Refinancing Transactions. During 2012 and 2011, Telenet completed a number of refinancing transactions that generally resulted in additional borrowings or extended maturities under the Telenet Credit Facility. In connection with the 2011 transactions, Telenet recognized aggregate debt extinguishment losses of \$14.8 million, representing (i) a \$9.5 million write-off of deferred financing costs and (ii) the incurrence of \$5.3 million of third-party costs.

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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 all special purpose financing entities that are owned 100% by certain third parties. The Telenet SPEs were created for the primary purposes of facilitating the offerings of €500.0 million (\$689.5 million) principal amount of 6.375% senior secured notes (the Telenet Finance Notes), €100.0 million (\$137.9 million) principal amount of 5.3% senior secured notes (the Telenet Finance II Notes), €300.0 million (\$413.7 million) principal amount of 6.625% senior secured notes (the Telenet Finance III Notes), €400.0 million (\$551.6 million) principal amount of floating-rate senior secured notes (the Telenet Finance IV Notes), €450.0 million (\$620.5 million) principal amount of 6.25% senior secured notes (the 6.25% Telenet Finance V Notes) and €250.0 million (\$344.7 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.”

On November 3, 2010, November 26, 2010, February 15, 2011 and June 15, 2011, the applicable Telenet SPE issued the Telenet Finance Notes, the Telenet Finance II Notes, the Telenet Finance III Notes and the Telenet Finance IV Notes and on August 13, 2012, Telenet Finance V issued the 6.75% Telenet Finance V Notes and the 6.25% Telenet Finance V Notes, respectively. The proceeds from these Telenet SPE Notes were used to fund the respective new Facility M, N, O, P, U and V of the Telenet Credit Facility, the proceeds of which were in turn generally applied to repay amounts outstanding under the Telenet Credit Facility.

Each Telenet SPE is dependent on payments from Telenet International under the applicable facility (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 Liberty Global, are required by the provisions of GAAP to consolidate the Telenet SPEs. Accordingly, the amounts outstanding under Facilities M, N, O, P, U and V have been eliminated in Liberty Global’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

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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.

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:

Year	Redemption Price					
	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
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 as of December 31, 2013 are summarized in the following table:

Telenet SPEs Notes	Maturity	Interest rate	Outstanding principal amount		Estimated fair value	Carrying value	
			Borrowing currency	U.S. \$ equivalent			
in millions							
Telenet Finance Notes	November 15, 2020	6.375%	€	500.0	\$ 689.5	\$ 744.2	\$ 689.5
Telenet Finance II Notes (a)	November 15, 2016	5.300%	€	100.0	137.9	140.7	139.2
Telenet Finance III Notes	February 15, 2021	6.625%	€	300.0	413.7	448.3	413.7
Telenet Finance IV Notes	June 15, 2021	EURIBOR + 3.875%	€	400.0	551.6	554.5	551.6
6.25% Telenet Finance V Notes	August 15, 2022	6.250%	€	450.0	620.5	660.8	620.5
6.75% Telenet Finance V Notes	August 15, 2024	6.750%	€	250.0	344.7	368.0	344.7
Total					\$ 2,757.9	\$ 2,916.5	\$ 2,759.2

(a) The carrying amount includes the impact of a premiums.

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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 connection with the November 8, 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. 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, 2013, 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), of which \$10.0 million was drawn at December 31, 2013. 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% depending on the then 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 Liberty Global) 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.

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Ziggo Margin Loan

On April 26, 2013, LGE HoldCo V entered into the Ziggo Margin Loan with a financial institution. The Ziggo Margin Loan provides for the ability of LGE HoldCo V to incur debt through additional facilities, which could be used to fund purchases of additional Ziggo shares up to a maximum of 48.0 million shares in the aggregate across all facilities. Any amounts borrowed under the Ziggo Margin Loan can be used for general corporate purposes, including distributions and/or loans to other subsidiaries of Liberty Global. Any drawdown under the Ziggo Margin Loan is subject to the satisfaction of certain customary conditions precedent. The Ziggo Margin Loan does not contain any financial covenants and provides for certain adjustment events and customary events of default. The Ziggo Margin Loan includes various lender early termination events (which are subject to materiality and other thresholds), including with respect to any delisting of the Ziggo shares, changes to the Ziggo share price and average daily trading volume of the Ziggo shares over a 30-day period and a change of control of LGE HoldCo V.

The Ziggo Margin Loan is secured by a pledge agreement over Ziggo shares owned by LGE HoldCo V, which provides that LGE HoldCo V, prior to an Enforcement Event (as defined in the Ziggo Margin Loan), will be able to exercise voting and consensual rights subject to the terms of the Ziggo Margin Loan, and receive dividends on the Ziggo shares subject to compliance with certain loan-to-value ratios.

The initial facility under the Ziggo Margin Loan provides for borrowings of up to 65.0% of the value of the Ziggo shares pledged on the date prior to the date of utilization. The initial facility matures on April 26, 2016, and bears interest at a rate of EURIBOR plus 2.85% per annum. In addition to the lender early termination events described above, there is also a requirement for repayment of the initial facility if the loan-to-value ratio is equal to or greater than 80.0% (after taking into account any cash collateral deposited on account for the lenders). On May 30, 2013, the full amount of the initial tranche of the Ziggo Margin Loan was drawn, in the amount of €460.0 million (\$634.3 million), and secured with a pledge of 25,300,000 Ziggo shares. On July 24, 2013, we pledged an additional 2,000,000 Ziggo shares as security for the Ziggo Margin Loan.

For information regarding our investment in Ziggo, see note 5.

LGI Convertible Notes

In November 2009, LGI completed the offering and sale of its 4.50% convertible senior notes due November 15, 2016 (the LGI Convertible Notes). 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 LGI Series A common stock, 8,807,772 shares of 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 \$676.2 million carrying amount of the 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.

UGC Convertible Notes

On April 6, 2004, UnitedGlobalCom, Inc. (UGC), a wholly-owned subsidiary of Liberty Global, completed the offering and sale of €500.0 million (\$689.5 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 (\$452.6 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-

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in capital and common stock in our consolidated balance sheet. Prior to conversion, the UGC Convertible Notes were measured at fair value.

Maturities of Debt and Capital Lease Obligations

Maturities of our debt and capital lease obligations as of December 31, 2013 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, 2013 exchange rates:

Debt:

	Virgin Media	UPC Holding (a)	Unitymedia KabelBW	Telenet (a)	Other	Total
in millions						
Year ending December 31:						
2014	\$ 117.4	\$ 427.3	\$ 49.6	\$ 10.2	\$ 183.1	\$ 787.6
2015	—	153.1	—	10.2	191.2	354.5
2016	—	752.3	—	148.1	1,451.9	2,352.3
2017	—	—	—	604.6	1,087.0	1,691.6
2018	2,449.6	400.0	—	251.5	335.5	3,436.6
Thereafter	10,839.1	11,726.9	7,655.0	3,848.1	—	34,069.1
Total debt maturities	13,406.1	13,459.6	7,704.6	4,872.7	3,248.7	42,691.7
Unamortized premium (discount)	216.9	(42.2)	(3.2)	1.3	(8.5)	164.3
Total debt	\$ 13,623.0	\$ 13,417.4	\$ 7,701.4	\$ 4,874.0	\$ 3,240.2	\$ 42,856.0
Current portion	\$ 120.2	\$ 427.3	\$ 49.6	\$ 10.2	\$ 183.1	\$ 790.4
Noncurrent portion	\$ 13,502.8	\$ 12,990.1	\$ 7,651.8	\$ 4,863.8	\$ 3,057.1	\$ 42,065.6

(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	Virgin Media	Other	Total
in millions					
Year ending December 31:					
2014	\$ 101.3	\$ 73.1	\$ 160.3	\$ 19.1	\$ 353.8
2015	101.1	68.1	112.9	18.9	301.0
2016	101.1	66.4	63.2	15.9	246.6
2017	101.1	64.6	17.0	8.2	190.9
2018	101.1	61.0	4.6	3.6	170.3
Thereafter	1,201.8	279.1	241.0	27.5	1,749.4
Total principal and interest payments	1,707.5	612.3	599.0	93.2	3,012.0
Amounts representing interest	(755.5)	(161.1)	(225.5)	(21.6)	(1,163.7)
Present value of net minimum lease payments	\$ 952.0	\$ 451.2	\$ 373.5	\$ 71.6	\$ 1,848.3
Current portion	\$ 28.9	\$ 45.3	\$ 144.0	\$ 14.8	\$ 233.0
Noncurrent portion	\$ 923.1	\$ 405.9	\$ 229.5	\$ 56.8	\$ 1,615.3

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Non-cash Refinancing Transactions

During 2013, 2012 and 2011, certain of our refinancing transactions included non-cash borrowings and repayments of debt aggregating \$5,061.5 million, \$3,793.4 million and \$2,908.0 million, respectively. We also recorded a \$3,557.5 million non-cash increase to our debt as a result of certain financing transactions completed in contemplation of the Virgin Media Acquisition. For additional information, see note 3.

Subsequent Events

For information concerning certain financing transactions completed subsequent to December 31, 2013, see note 19.

(10) Income Taxes

As a result of the Virgin Media Acquisition, pursuant to which Liberty Global became the publicly-held parent company of the successors by merger of LGI and Virgin Media, our statutory tax rate changed from the U.S. federal income tax rate of 35% to the U.K. statutory income tax rate of 23%. Liberty Global will file income tax returns in the U.K. and U.S. for 2013 and future years, and LGI will continue to file consolidated income tax returns in the U.S. The income taxes of Liberty Global and its subsidiaries are presented on a separate return basis for each tax-paying entity or group.

The components of our loss from continuing operations before income taxes are as follows:

	Year ended December 31,		
	2013	2012	2011
	in millions		
U.K.	\$ (976.0)	\$ (11.6)	\$ 2.5
U.S.	(306.3)	(73.3)	(279.9)
Other	755.8	(424.0)	(283.0)
Total	<u>\$ (526.5)</u>	<u>\$ (508.9)</u>	<u>\$ (560.4)</u>

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Income tax expense consists of:

	Current	Deferred	Total
	in millions		
Year ended December 31, 2013:			
Continuing operations:			
U.K.	\$ (2.4)	\$ (250.0)	\$ (252.4)
U.S. (a)	(106.0)	109.7	3.7
Other	(228.5)	121.7	(106.8)
Total — continuing operations	<u>\$ (336.9)</u>	<u>\$ (18.6)</u>	<u>\$ (355.5)</u>
Discontinued operations	<u>(20.5)</u>	<u>\$ (2.2)</u>	<u>\$ (22.7)</u>
Year ended December 31, 2012:			
Continuing operations:			
U.K	\$ (0.1)	\$ (0.7)	\$ (0.8)
U.S. (a)	38.2	(44.6)	(6.4)
Other	(77.1)	9.3	(67.8)
Total — continuing operations	<u>\$ (39.0)</u>	<u>\$ (36.0)</u>	<u>\$ (75.0)</u>
Discontinued operations	<u>\$ (14.8)</u>	<u>\$ (13.3)</u>	<u>\$ (28.1)</u>
Year ended December 31, 2011:			
Continuing operations:			
U.K.	\$ (0.6)	\$ 0.7	\$ 0.1
U.S. (a)	(32.4)	115.4	83.0
Other	(61.5)	(262.7)	(324.2)
Total — continuing operations	<u>\$ (94.5)</u>	<u>\$ (146.6)</u>	<u>\$ (241.1)</u>
Discontinued operations	<u>\$ (7.6)</u>	<u>\$ (40.1)</u>	<u>\$ (47.7)</u>

(a) Includes federal and state income taxes. Our U.S. state income taxes were not material during any of the years presented.

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Income tax expense attributable to our loss from continuing operations before income taxes differs from the amounts computed using the applicable income tax rate as a result of the following:

	Year ended December 31,		
	2013	2012	2011
	in millions		
Computed “expected” tax benefit (a)	\$ 121.1	\$ 178.1	\$ 196.1
Enacted tax law and rate changes (b)	(377.8)	12.3	(7.6)
Non-deductible or non-taxable interest and other expenses	(105.9)	(82.3)	(106.1)
International rate differences (c)	97.3	(21.2)	(22.5)
Change in subsidiary tax attributes due to a deemed change in control	(88.0)	—	—
Tax effect of intercompany financing	82.7	—	—
Change in valuation allowances	(80.9)	(122.7)	(271.0)
Non-deductible or non-taxable foreign currency exchange results	(55.6)	(10.4)	(25.9)
Basis and other differences in the treatment of items associated with investments in subsidiaries and affiliates	53.7	(24.6)	0.4
Change in tax form of consolidated subsidiary	—	(11.6)	—
Recognition of previously unrecognized tax benefits	—	—	4.7
Other, net	(2.1)	7.4	(9.2)
Total income tax expense	\$ (355.5)	\$ (75.0)	\$ (241.1)

- (a) The statutory or “expected” tax rate is the U.K. rate of 23% for 2013 and the U.S. rate of 35% for 2012 and 2011.
- (b) During the first quarter of 2013, it was announced that the U.K. corporate income tax rate will change to 21% in April 2014 and 20% in April 2015. This change in law was enacted in July 2013, and accordingly, the amount presented for 2013 reflects the impact of these future rate changes.
- (c) Amounts reflect statutory rates in jurisdictions in which we operate outside of the U.K. for 2013 and outside of the U.S. for 2012 and 2011.

The current and non-current components of our deferred tax assets (liabilities) are as follows:

	December 31,	
	2013	2012
	in millions	
Current deferred tax assets	\$ 226.1	\$ 98.4
Non-current deferred tax assets	2,641.8	166.2
Current deferred tax liabilities	(1.5)	(1.4)
Non-current deferred tax liabilities	(1,554.2)	(1,480.2)
Net deferred tax asset (liability) (a)	\$ 1,312.2	\$ (1,217.0)

- (a) Our current deferred tax assets and liabilities are included in other current assets and other accrued and current liabilities, respectively, 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.

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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,	
	2013	2012
	in millions	
Deferred tax assets:		
Net operating loss and other carryforwards	\$ 7,286.1	\$ 1,985.3
Property and equipment, net	3,470.7	299.9
Debt	837.7	528.6
Derivative instruments	518.4	526.3
Intangible assets	187.5	109.0
Share-based compensation	84.6	38.4
Other future deductible amounts	180.4	135.9
Deferred tax assets	12,565.4	3,623.4
Valuation allowance	(7,052.8)	(2,184.4)
Deferred tax assets, net of valuation allowance	5,512.6	1,439.0
Deferred tax liabilities:		
Property and equipment, net	(1,945.3)	(1,156.6)
Intangible assets	(1,471.1)	(618.3)
Investments	(400.7)	(445.2)
Derivative instruments	(129.5)	(218.5)
Other future taxable amounts	(253.8)	(217.4)
Deferred tax liabilities	(4,200.4)	(2,656.0)
Net deferred tax asset (liability)	\$ 1,312.2	\$ (1,217.0)

Our deferred income tax valuation allowance increased \$4,868.4 million in 2013. This increase reflects the net effect of (i) the Virgin Media Acquisition, (ii) enacted tax law and rate changes, (iii) foreign currency translation adjustments, (iv) the net tax expense related to our continuing operations of \$80.9 million and (v) other individually insignificant items.

At December 31, 2013, Virgin Media had property and equipment on which future U.K. tax deductions can be claimed of \$22.2 billion. The maximum amount of these “capital allowances” that can be claimed in any one year is 18% of the remaining balance, after additions, disposals and prior claims. The tax effects of these capital allowances are included in the 2013 deferred tax assets related to property and equipment, net, in the above table.

At December 31, 2013, our excess tax benefits aggregated \$74.1 million. These excess tax benefits, which represent tax deductions in excess of the financial reporting expense for share-based compensation, 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. The tax effects of these excess tax benefits are not included in the above table.

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The significant components of our tax loss carryforwards and related tax assets at December 31, 2013 are as follows:

Country	Tax loss carryforward	Related tax asset	Expiration date
	in millions		
U.K.	\$ 22,763.0	\$ 4,552.6	Indefinite
Germany	3,122.9	494.8	Indefinite
The Netherlands	2,952.9	738.2	2014-2022
U.S.	1,679.6	613.3	2014-2033
Luxembourg	1,116.3	326.2	Indefinite
France	669.9	230.6	Indefinite
Ireland	545.8	68.2	Indefinite
Belgium	338.9	115.2	Indefinite
Chile	289.2	57.8	Indefinite
Hungary	223.5	42.5	Indefinite
Other	204.7	46.7	Various
Total	<u>\$ 33,906.7</u>	<u>\$ 7,286.1</u>	

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. The majority of the tax losses shown in the above table are not expected to be realized, including certain losses that are limited in use due to change in control or same business tests.

We intend to indefinitely reinvest earnings from certain non-U.S. operations except to the extent the earnings are subject to current income taxes. At December 31, 2013, income and withholding taxes for which a net deferred tax liability might otherwise be required have not been provided on an estimated \$8.0 billion 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) on non-U.S. entities. The determination of the additional 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.

In general, a U.K. or U.S. corporation may claim a foreign tax credit against its 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.K. or 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 jurisdiction against income earned in another jurisdiction could result in a high effective tax rate on our earnings. Since a significant portion of our revenue is generated outside of the U.K. and substantially all of our revenue is generated outside the U.S., including in jurisdictions that do not have tax treaties with the U.K. or U.S., these risks are greater for us than for companies that generate most of their revenue in the U.K. or U.S. or in jurisdictions that have these treaties.

Through our subsidiaries, we maintain a presence in many countries. Many of these countries maintain highly complex tax regimes that differ significantly from the system of income taxation used in the U.K. and the U.S. We have accounted for the effect of these 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 jurisdictions do not have systems of taxation that are as well

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established as the system of income taxation used in the U.K., U.S. or tax regimes used in other major industrialized countries, it may be difficult to anticipate how other 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, no assurance can be given that we will be able to do so.

We and our subsidiaries file consolidated and standalone income tax returns in various 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.

In general, 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 subsidiaries are also currently involved in income tax examinations in various jurisdictions in which we operate, including Belgium (2010 through 2011), Germany (2005 through 2010), and the U.S. (2009 through 2013). 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. In the U.S., the consolidated income tax returns of LGI for 2009 through 2013 are under examination and, during the fourth quarter of 2013, we received two notifications from the Internal Revenue Service (IRS) regarding proposed adjustments to the 2010 and 2009 taxable income of LGI. We have entered into mediation with the IRS with respect to these proposed adjustments. While we believe that the resolution of these proposed adjustments will not have a material impact on our consolidated financial position or results of operations, no assurance can be given that this will be the case given the amounts involved and the complex nature of the related issues.

The changes in our unrecognized tax benefits are summarized below:

	2013	2012	2011
	in millions		
Balance at January 1	\$ 359.7	\$ 400.6	\$ 475.0
Additions based on tax positions related to the current year	102.3	89.9	16.7
Additions for tax positions of prior years	41.5	5.5	42.7
Reductions for tax positions of prior years	(14.2)	(124.2)	(133.1)
Foreign currency translation	7.9	2.9	(0.2)
Lapse of statute of limitations	(6.3)	(15.0)	(0.5)
Balance at December 31	<u>\$ 490.9</u>	<u>\$ 359.7</u>	<u>\$ 400.6</u>

No assurance can be given that any of these tax benefits will be recognized or realized.

As of December 31, 2013, our unrecognized tax benefits included \$419.0 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 2014, it is reasonably possible that the resolution of currently ongoing examinations by tax authorities could result in significant reductions to our unrecognized tax benefits related to tax positions taken as of December 31, 2013. The amount of any such reductions cannot be reasonably estimated at this time. Other than the potential impacts of these ongoing examinations and the expected expiration of certain statutes of limitation, we do not expect that any changes in our unrecognized tax benefits during 2014 will have a material impact on our unrecognized tax benefits. No assurance can be given as to the nature or impact of any changes in our unrecognized tax positions during 2014.

During 2013, 2012 and 2011, the income tax expense of our continuing operations includes net income tax expense of \$14.0 million, \$7.7 million and \$16.0 million, respectively, representing the net accrual of interest and penalties during the period. Our other long-term liabilities include accrued interest and penalties of \$40.8 million at December 31, 2013.

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(11) Equity

Capitalization

Our authorized share capital consists of an aggregate nominal amount of \$20.0 million, consisting of any of the following: (i) Liberty Global Class A ordinary shares, Liberty Global Class B ordinary shares, Liberty Global Class C ordinary shares, each with a nominal value of \$.01 per share, (ii) Liberty Global preferred shares, with a nominal value of \$.01 per share, the issuance of one or more classes or series of which as may be authorized by the board of directors, and (iii) any other shares of one or more classes as may be determined by the board of directors or by the shareholders of Liberty Global.

Under Liberty Global's Articles of Association, holders of Liberty Global Class A ordinary shares are entitled to one vote for each such share held, and holders of Liberty Global Class B ordinary shares are entitled to 10 votes for each such share held, on all matters submitted to a vote of Liberty Global shareholders at any general meeting (annual or special). Holders of Liberty Global Class C ordinary shares are not entitled to any voting powers.

Each Liberty Global Class B ordinary share is convertible into one Liberty Global Class A ordinary share. One Liberty Global Class A ordinary share is reserved for issuance for each Liberty Global Class B ordinary share that is issued (10,147,184 shares issued as of December 31, 2013). At December 31, 2013, there were (i) 2,708,445 and 2,161,462 Liberty Global Class A and Class C ordinary shares, respectively, reserved for issuance pursuant to outstanding stock options, (ii) 4,168,758 and 4,134,386 Liberty Global Class A and Class C ordinary shares, respectively, reserved for issuance pursuant to outstanding SARs, and (iii) 1,650,324 and 1,519,298 Liberty Global Class A and Class C ordinary shares, respectively, reserved for issuance pursuant to outstanding RSUs (including PSUs, as defined in note 12).

Subject to any preferential rights of any outstanding class of our preferred shares, the holders of Liberty Global Class A, Class B and Class C ordinary shares 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 class of our ordinary shares, we shall also pay to the holders of the other classes of our ordinary shares an equal per share dividend. There are currently no contractual restrictions on our ability to pay dividends in cash or shares.

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 shareholders may be entitled, the holders of Liberty Global Class A, Class B and Class C ordinary shares will share equally, on a share for share basis, in our assets remaining for distribution to the holders of Liberty Global ordinary shares.

Share Repurchases

During 2013, 2012 and 2011, our board of directors authorized various share repurchase programs, the most recent of which was authorized in June 2013 and provided for the repurchase of up to \$3.5 billion (before direct acquisition costs) of Liberty Global Class A and/or Class C ordinary shares. Under these plans, we receive authorization to acquire up to the specified amount of Liberty Global Class A and Class C ordinary shares 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, 2013, the remaining amount authorized for share repurchases was \$2,522.1 million. Subsequent to December 31, 2013, our board of directors increased the amount authorized under our current repurchase program by \$1.0 billion. We currently intend to complete this repurchase program by the end of 2015.

As a U.K. incorporated company, we may only elect to repurchase shares or pay dividends to the extent of our "Distributable Reserves." Distributable Reserves, which are not linked to a GAAP reported amount, may be created through the earnings of the U.K. parent company and, amongst other methods, through a reduction in share premium approved by the English Companies Court. On June 19, 2013, we received approval from the English Companies Court to reduce our share premium and in connection with that approval, we recognized Distributable Reserves of approximately \$29.0 billion.

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The following table provides details of our share repurchases during 2013, 2012 and 2011:

	Liberty Global Class A ordinary shares or LGI Series A common stock		Liberty Global Class C ordinary shares or 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
Shares purchased pursuant to repurchase programs during:					
2013	6,550,197	\$ 73.82	9,105,600	\$ 73.41	\$ 1,151.9
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

(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 share repurchase program in place at the time the payments were made.

Call Option Contracts

2013 Transactions. During the first quarter of 2013, we entered into a number of call option contracts pursuant to which we contemporaneously (i) sold call options on 1,000,000 shares of LGI Series A common stock at exercise prices ranging from \$64.56 per share to \$70.33 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 \$66.3 million. These contracts, which can result in the receipt of cash or shares, were settled during the first quarter of 2013 through the receipt of \$40.3 million of cash and 400,000 shares of LGI Series A common stock. Shares acquired through the exercise of the call options are included in our share repurchases and the net gain on cash settled contracts is recorded in additional paid-in capital.

During the period from June 7, 2013 through June 20, 2013, we entered into a number of call option contracts pursuant to which we contemporaneously (i) sold call options on 1,512,000 shares of Liberty Global Class A and Class C ordinary shares with an exercise price of \$100.00 per share and (ii) purchased call options on an equivalent number of shares of Liberty Global Class A ordinary shares with an exercise price of zero. The aggregate call price that we paid to enter into these contracts was \$106.9 million. These call option contracts had default cash settlement terms and, at our election, share settle terms. We initially accounted for the call option contracts as derivative financial instruments as we were unable to elect the share settlement option until Distributable Reserves were created. When the Distributable Reserves were created on June 19, 2013, the derivative asset at that date of \$102.2 million was reclassified to additional paid-in capital. The difference between the premium paid and the asset reclassified to equity resulted in a \$4.7 million loss that is included in realized and unrealized losses on derivative instruments, net, in our consolidated statement of operations. All of these call option contracts, which expired from June 26, 2013 through July 5, 2013, were settled in shares.

During the period from June 21, 2013 to December 31, 2013, we entered into a number of call option contracts pursuant to which we contemporaneously (i) sold call options on 3,726,759 shares of Liberty Global Class A ordinary shares at exercise prices ranging from \$69.66 per share to \$81.71 per share and (ii) purchased call options on an equivalent number of shares of Liberty Global Class A ordinary shares with an exercise price of zero. The aggregate call price that we paid to enter into these contracts was \$278.0 million. These contracts were settled through the receipt of \$196.7 million of cash and 1,107,597 Liberty Global Class A ordinary shares during the third and fourth quarters of 2013.

2012 Transactions. During 2012, we entered into a number of call option contracts, pursuant to which 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

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paid in January 2013. These contracts 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.

Treasury Shares

Prior to the Virgin Media Acquisition, participating executives and other key employees of Virgin Media in the U.K. purchased, at fair value, jointly-held interests in a grantor trust that held shares of Virgin Media's stock. On June 7, 2013, (i) the Virgin Media shares held by the Virgin Media grantor trust were transferred to a new grantor trust that was then owned by the same participating Virgin Media executives and key employees (the Liberty Global JSOP) and (ii) the Liberty Global JSOP received consideration in connection with the Virgin Media Acquisition of (a) 155,719 Class A ordinary shares, (b) 116,277 Class C ordinary shares and (c) \$10.6 million in cash. Whereas the Liberty Global JSOP represents a variable interest entity for which we are the primary beneficiary, we are required by the provisions of GAAP to consolidate the Liberty Global JSOP. Accordingly, the cash held by the Liberty Global JSOP is classified as noncurrent restricted cash and the Liberty Global ordinary shares held by the Liberty Global JSOP are reflected as treasury shares, at cost, in our consolidated balance sheet. The cost of these treasury shares is based on the applicable June 7, 2013 closing market prices of our Class A and Class C ordinary shares.

During the third and fourth quarters of 2013, certain participants exercised a portion of their interests in the Liberty Global JSOP, resulting in an aggregate distribution of (i) 96,018 Class A ordinary shares, (ii) 71,881 Class C ordinary shares and (iii) \$2.2 million in cash.

The Liberty Global JSOP trustee will return to us any cash or shares underlying awards that do not vest, and will return any dividends on the shares in the trust to our company until the awards are exercised. The Liberty Global JSOP trustee will vote shares in the trust in proportion to the votes of other shareholders of Liberty Global until the awards vest.

Other

Telenet Tender. On December 17, 2012, Binan Investments B.V. (Binan), our wholly-owned subsidiary, launched a voluntary and conditional cash public offer (the 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 (\$48.26) 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 (\$18.59) per share to €25.47 (\$35.12) per share.

On October 12, 2012, in anticipation of the Telenet Tender, we entered into a new €925.0 million (\$1,275.5 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 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 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 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 Telenet Tender, we accounted for the impact of the acquisition of the additional Telenet shares as an equity transaction.

Telenet Share Repurchases. 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 (\$68.9 million), was terminated on August 13, 2012. 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).

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Telenet Distributions. On April 24, 2013, Telenet's shareholders approved (i) a shareholder return in the form of a cash dividend of €7.90 (\$10.89) per share and (ii) a share repurchase program of up to €50.0 million (\$68.9 million). Our share of the cash dividend, which was received on May 8, 2013, was €524.1 million (\$690.3 million at the applicable rate) and the noncontrolling interest owners' share was €381.3 million (\$502.2 million at the applicable rate).

On April 25, 2012, Telenet's shareholders approved cash distributions of (i) €1.00 (\$1.38) per share in the form of a gross dividend and (ii) €3.25 (\$4.48) per share 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. 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).

VTR GlobalCom Distributions. In February 2013 and September 2013, we and the 20% noncontrolling interest owner in VTR GlobalCom (the VTR NCI Owner) approved distributions of CLP 50.0 billion (\$105.8 million at the applicable rate) and CLP 29.0 billion (\$57.6 million at the applicable rate), respectively. The VTR NCI Owner's share of these distributions was CLP 10.0 billion (\$21.2 million at the applicable rate) and CLP 5.8 billion (\$11.5 million at the applicable rate), respectively. The aggregate amount of these distributions was paid during 2013.

In January 2012 and September 2012, we and the VTR NCI Owner approved distributions of CLP 35.0 billion (\$71.6 million at the applicable rate) and CLP 20.0 billion (\$41.5 million at the applicable rate), respectively. The VTR NCI Owner's share of these distributions was CLP 7.0 billion (\$14.3 million at the applicable rate) and CLP 4.0 billion (\$8.3 million at the applicable rate), respectively. The aggregate amount of these distributions was paid by VTR GlobalCom during 2012.

In March 2011 and October 2011, we and the VTR NCI Owner approved distributions of CLP 58.5 billion (\$121.5 million at the applicable rate) and CLP 38.0 billion (\$71.9 million at the applicable rate), respectively. The VTR NCI Owner's share of these distributions was CLP 11.7 billion (\$24.9 million at the applicable rate) and CLP 7.6 billion (\$14.8 million at the applicable rate), respectively. The aggregate amount of these distributions was paid by VTR GlobalCom during 2011.

Contributions to VTR Wireless. We and the VTR NCI Owner have agreed to proportionately fund, as required, the capital calls of VTR Wireless. During 2013, we and the VTR NCI Owner made capital contributions to VTR Wireless of CLP 43.6 billion (\$88.7 million at the applicable rate) and CLP 10.9 billion (\$22.2 million at the applicable rate), respectively.

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, 2013, substantially all of our net assets represented net assets of our subsidiaries that were subject to such limitations.

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(12) Share-based Compensation

Our share-based compensation expense is based on the share-based incentive awards held by our and our subsidiaries' employees, including share-based incentive awards related to Liberty Global shares and the shares of certain of our subsidiaries. The following table summarizes our share-based compensation expense:

	Year ended December 31,		
	2013	2012	2011
	in millions		
Liberty Global shares:			
Performance-based incentive awards (a)	\$ 58.6	\$ 33.0	\$ 46.8
Other share-based incentive awards	182.9	46.0	43.4
Total Liberty Global shares (b)	241.5	79.0	90.2
Telenet share-based incentive awards (c)	56.5	31.2	40.0
Other	4.5	2.2	4.7
Total	<u>\$ 302.5</u>	<u>\$ 112.4</u>	<u>\$ 134.9</u>
Included in:			
Continuing operations:			
Operating expense	\$ 12.1	\$ 8.5	\$ 15.1
SG&A expense	288.6	101.6	114.3
Total - continuing operations	300.7	110.1	129.4
Discontinued operations (d)	1.8	2.3	5.5
Total	<u>\$ 302.5</u>	<u>\$ 112.4</u>	<u>\$ 134.9</u>

- (a) Includes share-based compensation expense related to Liberty Global performance-based restricted share units (PSUs) for all periods presented, the Challenge Performance Awards (as defined and described below) for the applicable 2013 period and our five-year performance-based incentive plans for our senior executives and certain key employees (the Liberty Global Performance Plans) for 2011.
- (b) In accordance with the terms of the Virgin Media Merger Agreement, we issued Liberty Global share-based incentive awards (Virgin Media Replacement Awards) to employees and former directors of Virgin Media in exchange for corresponding Virgin Media awards. In connection with the Virgin Media Acquisition, the Virgin Media Replacement Awards were remeasured as of June 7, 2013, resulting in an aggregate estimated fair value attributable to the post-acquisition period of \$188.5 million. During the 2013 period following the Virgin Media Acquisition, Virgin Media recorded share-based compensation expense of \$134.3 million, primarily related to the Virgin Media Replacement Awards, including \$80.1 million that was charged to expense in recognition of the Virgin Media Replacement Awards that were fully vested on June 7, 2013 or for which vesting was accelerated pursuant to the terms of the Virgin Media Merger Agreement on or prior to December 31, 2013. The remaining June 7, 2013 estimated fair value will be amortized over the remaining service periods of the unvested Virgin Media Replacement Awards, subject to forfeitures and the satisfaction of performance conditions.
- (c) During the second quarters of 2013, 2012 and 2011, Telenet modified the terms of certain of its share-based incentive plans to provide for anti-dilution adjustments in connection with its shareholder returns. In connection with these anti-dilution adjustments, Telenet recognized share-based compensation expense of \$32.7 million, \$12.6 million and \$15.8 million, respectively, and continues to recognize additional share-based compensation expense as the underlying options vest. In addition, during the first quarter of 2013, Telenet recognized expense of \$6.2 million related to the accelerated vesting of options granted under the Telenet 2010 SSOP (as defined and described below).
- (d) Amounts relate to (i) the share-based compensation expense associated with the Liberty Global share-based incentive awards held by certain employees of the Chellomedia Disposal Group and (ii) during 2011, Austar's long-term incentive plan.

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The following table provides certain information related to share-based compensation not yet recognized for share incentive awards related to Liberty Global ordinary shares and Telenet ordinary shares as of December 31, 2013:

	Liberty Global ordinary shares (a)	Liberty Global performance- based awards	Telenet ordinary shares (b)
Total compensation expense not yet recognized (in millions)	\$ 155.5	\$ 125.0	\$ 13.4
Weighted average period remaining for expense recognition (in years)	2.3	2.1	2.3

(a) Amounts relate to awards granted or assumed by Liberty Global under (i) the Liberty Global, Inc. 2005 Incentive Plan (as amended and restated effective June 7, 2013) (the Liberty Global Incentive Plan), (ii) the Liberty Global, Inc. 2005 Nonemployee Director Incentive Plan (as amended and restated effective June 7, 2013) (the Liberty Global Director Incentive Plan), (iii) the Virgin Media Inc. 2010 Stock Incentive Plan (as amended and restated effective June 7, 2013) (the VM Incentive Plan) and (iv) certain other incentive plans of Virgin Media pursuant to which awards may no longer be granted. The Liberty Global Incentive Plan, the Liberty Global Director Incentive Plan and the VM Incentive Plan are described below.

(b) 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 Liberty Global ordinary shares:

	Year ended December 31,		
	2013	2012	2011
Assumptions used to estimate fair value of options, SARs and performance-based share appreciation rights (PSARs) granted:			
Risk-free interest rate	0.36 - 2.03%	0.37 - 1.68%	0.82 - 3.31%
Expected life (a)	3.2 - 7.1 years	3.3 - 7.9 years	3.4 - 8.7 years
Expected volatility (a)	26.5 - 35.8%	28.0 - 40.4%	35.5 - 45.6%
Expected dividend yield	none	none	none
Weighted average grant-date fair value per share awards granted:			
Options	\$ 27.39	\$ 20.00	\$ 21.41
SARs	\$ 16.71	\$ 14.36	\$ 15.02
PSARs	\$ 16.63	\$ —	\$ —
Restricted shares and RSUs	\$ 71.47	\$ 49.14	\$ 44.79
PSUs	\$ 69.88	\$ 50.18	\$ 39.98
Total intrinsic value of awards exercised (in millions):			
Options	\$ 175.0	\$ 43.9	\$ 93.8
SARs	\$ 73.2	\$ 52.0	\$ 39.2
Cash received from exercise of options (in millions)	\$ 81.0	\$ 25.6	\$ 32.7
Income tax benefit related to share-based compensation (in millions)	\$ 48.0	\$ 16.1	\$ 18.9

(a) The 2013 ranges shown for these assumptions exclude the awards for certain former employees of Virgin Media who were expected to exercise their awards immediately or soon after the Virgin Media Acquisition. For these awards, the assumptions used for expected life and volatility were essentially nil.

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Share Incentive Plans — Liberty Global Ordinary Shares

Incentive Plans

As of December 31, 2013, we were authorized to grant incentive awards under the Liberty Global Incentive Plan, the Liberty Global Director Incentive Plan and the VM Incentive Plan. Generally, we may grant non-qualified share options, SARs, restricted shares, RSUs, cash awards, performance awards or any combination of the foregoing under any of the incentive plans (collectively, awards). Ordinary shares issuable pursuant to awards made under these incentive plans will be made available from either authorized but unissued shares or shares that have been issued but reacquired by our company. Awards may be granted at or above fair value in any class of ordinary shares. As of December 31, 2013, the Liberty Global Incentive Plan, the Liberty Global Director Incentive Plan and the VM Incentive Plan had 238,907, 8,814,423 and 12,017,912 ordinary shares available for grant, respectively.

Awards under the Liberty Global Incentive Plan and the Liberty Global Director Incentive Plan issued prior to June 2005 are fully vested and expire 10 years after the grant date. In connection with the Virgin Media Acquisition, we assumed the VM Incentive Plan. Awards under the VM Incentive Plan issued prior to June 7, 2013 have a ten-year term and become fully exercisable within five years of continued employment. Certain performance-based awards that were granted during the first quarter of 2013 were canceled upon completion of the Virgin Media Acquisition. These canceled awards were subsequently replaced by PSUs that were granted under the VM Incentive Plan on June 24, 2013. For the remaining performance-based awards that were outstanding prior to June 7, 2013, the performance objectives lapsed upon the completion of the Virgin Media Acquisition and such awards will vest on the third anniversary of the grant date.

Awards (other than performance-based awards) under the Liberty Global Incentive Plan issued after June 2005 and under the VM Incentive Plan after June 7, 2013 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. Awards (other than restricted shares and RSUs) issued after June 2005 under the Liberty Global Director 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 RSUs vest on the date of the first annual meeting of shareholders following the grant date. These shares may be awarded at or above fair value in any class of ordinary shares.

Subsequent to December 31, 2013, our shareholders approved the Liberty Global 2014 Incentive Plan and the Liberty Global 2014 Nonemployee Director Incentive Plan (collectively, the Liberty Global 2014 Incentive Plans). Generally, we may grant non-qualified share options, SARs, restricted shares, RSUs, cash awards, performance awards or any combination of the foregoing under either of these incentive plans. Ordinary shares issuable pursuant to awards made under the Liberty Global 2014 Incentive Plans will be made available from either authorized but unissued shares or shares that have been issued but reacquired by our company. Awards may be granted at or above fair value in any series of ordinary shares. The maximum number of Liberty Global shares with respect to which awards may be issued under the Liberty Global 2014 Incentive Plan and the Liberty Global 2014 Nonemployee Director Incentive Plan is 50 million (of which no more than 25 million shares may consist of Class B ordinary shares) and five million, respectively, in each case, subject to anti-dilution and other adjustment provisions in the respective plan. As the Liberty Global 2014 Incentive Plans have now been approved by our shareholders, no further awards will be granted under the Liberty Global Incentive Plan, the Liberty Global Director Incentive Plan or the VM Incentive Plan.

Performance Awards

The following is a summary of the material terms and conditions with respect to our performance-based awards for certain executive officers and key employees, which awards were granted under the Liberty Global Incentive Plan and the VM Incentive Plan.

Liberty Global Performance Plans. The Liberty Global Senior Executive Performance Plan and the Liberty Global Management Performance Plan (collectively the Liberty Global Performance Plans) were five-year performance-based incentive plans for our senior executives and certain key employees, respectively. The Liberty Global Performance Plans had a two-year performance period, which began January 1, 2007, and a three-year service period, which began January 1, 2009. Following completion of the performance period, on February 18, 2009, participants in the Liberty Global 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,

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2009, subject to forfeiture upon certain events of termination of employment or acceleration in certain circumstances. The six installments of the awards were settled with a combination of cash and RSUs.

Liberty Global 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 Class A or Class C ordinary share, as applicable, subject to performance and vesting. Generally, the performance period for the PSUs covers a two-year period and the performance target is based on the achievement of a specified compound annual growth rate (CAGR) in a consolidated operating cash flow metric (as defined in the applicable underlying agreement), 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 two-year performance period. A performance range of 75% to 125% of the target OCF CAGR generally results in award recipients earning 50% to 150% of their respective PSUs, subject to reduction or forfeiture based on individual performance. The PSUs generally vest 50% on each of March 31 and September 30 of the year following the end of the performance period.

Liberty Global Challenge Performance Awards. Effective June 24, 2013, our compensation committee approved a challenge performance award plan for certain executive officers and key employees (the Challenge Performance Awards), which consisted solely of PSARs for our senior executive officers and a combination of PSARs and PSUs for our other executive officers and key employees. Each PSU represents the right to receive one Class A ordinary share or one Class C ordinary share, as applicable, subject to performance and vesting. The performance criteria for the Challenge Performance Awards will be based on the participant's performance and achievement of individual goals in each of the years 2013, 2014 and 2015. Subject to forfeitures and the satisfaction of performance conditions, 100% of each participant's Challenge Performance Awards will vest on June 24, 2016. The PSARs have a term of seven years and base prices equal to the respective market closing prices of the applicable class on the grant date.

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Share-Based Award Activity - Liberty Global Ordinary Shares

The following tables summarize the share-based award activity during the year ended December 31, 2013 with respect to Liberty Global ordinary shares. In the following tables, the Virgin Media Replacement Awards represent the Liberty Global awards that were added as a result of the replacement of the outstanding Virgin Media stock incentive awards as of June 7, 2013 with share-based incentive awards of Liberty Global pursuant to the terms of the Virgin Media Merger Agreement.

<u>Options — Class A ordinary shares</u>	Number of shares	Weighted average exercise price	Weighted average remaining contractual term in years	Aggregate intrinsic value in millions
Outstanding at January 1, 2013	804,617	\$ 25.90		
Virgin Media Replacement Awards	3,934,574	\$ 31.16		
Granted	62,314	\$ 73.66		
Canceled	(144,436)	\$ 52.75		
Exercised	(1,948,624)	\$ 27.47		
Outstanding at December 31, 2013	2,708,445	\$ 32.08	6.1	\$ 154.2
Exercisable at December 31, 2013	1,555,700	\$ 26.23	4.6	\$ 97.7

<u>Options — Class C ordinary shares</u>	Number of shares	Weighted average exercise price	Weighted average remaining contractual term in years	Aggregate intrinsic value in millions
Outstanding at January 1, 2013	842,771	\$ 24.59		
Virgin Media Replacement Awards	2,935,250	\$ 27.16		
Granted	67,334	\$ 68.16		
Canceled	(107,797)	\$ 48.74		
Exercised	(1,576,096)	\$ 24.06		
Outstanding at December 31, 2013	2,161,462	\$ 28.62	6.1	\$ 120.4
Exercisable at December 31, 2013	1,270,181	\$ 22.85	4.6	\$ 78.1

<u>SARs — Class A ordinary shares</u>	Number of shares	Weighted average base price	Weighted average remaining contractual term in years	Aggregate intrinsic value in millions
Outstanding at January 1, 2013	3,761,337	\$ 36.94		
Granted	1,234,736	\$ 74.38		
Forfeited	(50,749)	\$ 52.21		
Exercised	(776,566)	\$ 29.03		
Outstanding at December 31, 2013	4,168,758	\$ 49.31	4.8	\$ 165.4
Exercisable at December 31, 2013	1,862,169	\$ 36.80	3.9	\$ 97.2

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<u>SARs — Class C ordinary shares</u>	Number of shares	Weighted average base price	Weighted average remaining contractual term in years	Aggregate intrinsic value in millions
Outstanding at January 1, 2013	3,786,754	\$ 35.58		
Granted	1,234,736	\$ 69.16		
Forfeited	(50,749)	\$ 49.70		
Exercised	(836,355)	\$ 27.47		
Outstanding at December 31, 2013	4,134,386	\$ 47.07	4.8	\$ 154.0
Exercisable at December 31, 2013	1,827,797	\$ 35.74	3.9	\$ 88.8

<u>PSARs — Class A ordinary shares</u>	Number of shares	Weighted average base price	Weighted average remaining contractual term in years	Aggregate intrinsic value in millions
Outstanding at January 1, 2013	—	\$ —		
Granted	2,903,750	\$ 69.77		
Forfeited	(86,252)	\$ 69.70		
Outstanding at December 31, 2013	2,817,498	\$ 69.77	6.5	\$ 54.2
Exercisable at December 31, 2013	—	\$ —	—	\$ —

<u>PSARs — Class C ordinary shares</u>	Number of shares	Weighted average base price	Weighted average remaining contractual term in years	Aggregate intrinsic value in millions
Outstanding at January 1, 2013	—	\$ —		
Granted	2,903,750	\$ 65.63		
Forfeited	(86,252)	\$ 65.56		
Outstanding at December 31, 2013	2,817,498	\$ 65.63	6.5	\$ 52.6
Exercisable at December 31, 2013	—	\$ —	—	\$ —

<u>Restricted shares and RSUs — Class A ordinary shares</u>	Number of shares	Weighted average grant-date fair value per share	Weighted average remaining contractual term in years
Outstanding at January 1, 2013	332,008	\$ 40.53	
Virgin Media Replacement Awards (a)	900,408	\$ 76.24	
Granted	128,958	\$ 74.05	
Forfeited	(46,605)	\$ 67.64	
Released from restrictions	(589,093)	\$ 64.65	
Outstanding at December 31, 2013	725,676	\$ 69.47	5.9

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<u>Restricted shares and RSUs — Class C ordinary shares</u>	Number of shares	Weighted average grant-date fair value per share	Weighted average remaining contractual term in years
Outstanding at January 1, 2013	332,301	\$ 39.13	
Virgin Media Replacement Awards (a)	671,923	\$ 71.51	
Granted	128,958	\$ 68.89	
Forfeited	(38,726)	\$ 62.13	
Released from restrictions	(485,060)	\$ 58.64	
Outstanding at December 31, 2013	609,396	\$ 64.14	5.4

(a) The amounts shown as the grant-date fair values per share for these awards represent the June 7, 2013 market prices of the applicable LGI Series A or Series C common stock that were assigned to these awards when they were remeasured in connection with the Virgin Media Acquisition.

<u>PSUs — Class A ordinary shares</u>	Number of shares	Weighted average grant-date fair value per share	Weighted average remaining contractual term in years
Outstanding at January 1, 2013	759,585	\$ 46.54	
Granted	580,459	\$ 71.97	
Performance adjustment	(11,720)	\$ 40.75	
Forfeited	(75,273)	\$ 69.70	
Released from restrictions	(328,403)	\$ 40.75	
Outstanding at December 31, 2013	924,648	\$ 62.75	1.4

<u>PSUs — Class C ordinary shares</u>	Number of shares	Weighted average grant-date fair value per share	Weighted average remaining contractual term in years
Outstanding at January 1, 2013	759,585	\$ 44.68	
Granted	549,047	\$ 67.69	
Performance adjustment	(11,720)	\$ 39.21	
Forfeited	(58,607)	\$ 65.56	
Released from restrictions	(328,403)	\$ 39.21	
Outstanding at December 31, 2013	909,902	\$ 59.25	1.4

Share-based Incentive Plans - Telenet Ordinary Shares

Telenet Stock Option Plans

General. During the second quarters of 2013, 2012 and 2011, Telenet modified the terms of certain of its share-based incentive plans to provide for anti-dilution adjustments in connection with shareholder returns that, as further described in note 11, were

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approved by Telenet shareholders on April 24, 2013, April 25, 2012 and April 27, 2011, respectively. These anti-dilution adjustments, which were finalized in May 2013, August 2012 and July 2011, respectively, provided for increases in the number of options and warrants outstanding and proportionate reductions to the option and warrant exercise prices such that the fair value of the options and warrants outstanding before and after the distributions remained the same for all option and warrant holders. In connection with these anti-dilution adjustments, Telenet recognized share-based compensation expense of \$32.7 million, \$12.6 million and \$15.8 million during the second quarters of 2013, 2012 and 2011, respectively, and continues to recognize additional share-based compensation as the underlying options vest.

Telenet Specific Stock Option Plans. Telenet has authorized the grant of performance-based stock options to its former Chief Executive Officer pursuant to a plan that was authorized in 2010 (the Telenet 2010 SSOP) and to its current Chief Executive Officer pursuant to plans that were authorized in 2013 (the Telenet 2013 SSOP) and 2014 (the Telenet 2014 SSOP, and together, with the Telenet 2010 SSOP and Telenet 2013 SSOP, the Telenet Specific Stock Option Plans). Vesting of options granted under the Telenet Specific Stock Option Plans are subject to the achievement of relevant performance criteria. In March 2013, Telenet set the performance criteria for 256,490 options under the Telenet 2010 SSOP and vesting was subsequently accelerated for all options under the Telenet 2010 SSOP in connection with the resignation of Telenet's former Chief Executive Office during the first quarter of 2013. As a result of this accelerated vesting, Telenet recorded additional share-based compensation of \$6.2 million during the first quarter of 2013. In October 2013, Telenet granted 200,000 options under the Telenet 2013 SSOP of which 50,000 options vest on July 4, 2014, 100,000 options vest on July 4, 2015 and 50,000 options vest on July 4, 2016. On February 5, 2014, Telenet granted an additional 185,000 stock options under the Telenet 2014 SSOP, with an exercise price of €38.88 (\$53.61) per option. Under the Telenet 2014 SSOP, 138,750 options vest on June 26, 2016 and 46,250 options vest on March 1, 2017.

The following table summarizes the activity during 2013 related to the Telenet Specific Stock Option Plans:

<u>Options — Telenet ordinary shares</u>	<u>Number of shares</u>	<u>Weighted average exercise price</u>	<u>Weighted average remaining contractual term in years</u>	<u>Aggregate intrinsic value in millions</u>
Outstanding at January 1, 2013	833,594	€ 18.66		
Granted (a)	456,490	€ 26.43		
Net impact of anti-dilution adjustments (b)	252,540	€ (3.58)		
Outstanding at December 31, 2013	1,542,624	€ 17.91	3.8	€ 39.3
Exercisable at December 31, 2013 (c)	—	€ —	—	€ —

(a) Represents the number of options for which the performance criteria was set during the period. The fair value of these options was calculated on the date that the performance criteria was set using an expected volatility ranging from 20.5% to 23.3%, an expected life ranging from 3.3 years to 4.1 years, and a risk-free return ranging from 0.33% to 1.07%. The grant date fair value of these options ranged from €7.91 (\$10.91) to €18.24 (\$25.15).

(b) Amount relates to options granted under the Telenet 2010 SSOP.

(c) All of the vested options pursuant to the Telenet 2010 SSOP become exercisable during defined exercise periods following January 1, 2014 and have an expiration date of September 4, 2017. Vested options pursuant to the Telenet 2013 SSOP become exercisable during defined exercise periods following July 4, 2016 and have an expiration date of July 4, 2018.

Telenet Employee Stock Warrant Plans. Telenet has granted warrants to members of senior management under various share-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. No further warrants are authorized for issuance under the Telenet Employee Stock Warrant Plans. Warrants generally vest at a rate of 6.25% per quarter over four years and expire on dates through August 2016.

Telenet 2013 Employee Stock Option Plan. In July 2013, Telenet's board of directors authorized a new employee stock option

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plan (the Telenet 2013 Employee Stock Option Plan). The maximum aggregate number of options authorized for issuance under the Telenet 2013 Employee Stock Option Plan is 1,200,000. Options granted under the Telenet 2013 Employee Stock Option Plan (i) vest quarterly over a period of four years at a rate of 10.00% per quarter for the first four quarters and then 5.00% per quarter thereafter and (ii) expire five years after the grant date. During 2013, a total of 799,448 stock options were granted and accepted pursuant to the Telenet 2013 Employee Stock Option Plan.

The following table summarizes the activity during 2013 related to the Telenet Employee Stock Warrant Plans and the Telenet 2013 Employee Stock Option Plan:

<u>Warrants / Options— Telenet ordinary shares</u>	<u>Number of shares</u>	<u>Weighted average exercise price</u>	<u>Weighted average remaining contractual term in years</u>	<u>Aggregate intrinsic value in millions</u>
Outstanding at January 1, 2013	3,185,709	€ 13.95		
Granted	799,448	€ 34.51		
Forfeited	(9,212)	€ 17.78		
Exercised	(2,312,516)	€ 11.64		
Net impact of anti-dilution adjustments	406,378	€ (2.86)		
Outstanding at December 31, 2013	2,069,807	€ 21.71	3.6	€ 44.8
Exercisable at December 31, 2013	958,071	€ 14.39	1.6	€ 27.8

(13) Restructuring Liabilities

A summary of changes in our restructuring liabilities during 2013 is set forth in the table below:

	<u>Employee severance and termination</u>	<u>Office closures</u>	<u>Contract termination and other</u>	<u>Total</u>
	<u>in millions</u>			
Restructuring liability as of January 1, 2013	\$ 39.7	\$ 4.0	\$ 13.1	\$ 56.8
Restructuring charges	77.9	(0.1)	100.9	178.7
Cash paid	(91.5)	(14.1)	(17.6)	(123.2)
Virgin Media liability at acquisition date	0.1	23.3	—	23.4
Foreign currency translation adjustments and other	1.2	1.8	(11.4)	(8.4)
Reclassification of Chellomedia Disposal Group to discontinued operations	(0.8)	—	(13.0)	(13.8)
Restructuring liability as of December 31, 2013	\$ 26.6	\$ 14.9	\$ 72.0	\$ 113.5
Current portion	\$ 26.5	\$ 13.2	\$ 25.8	\$ 65.5
Noncurrent portion	0.1	1.7	46.2	48.0
Total	\$ 26.6	\$ 14.9	\$ 72.0	\$ 113.5

As further described in note 8, we have recorded restructuring charges totaling \$84.9 million during the third and fourth quarters of 2013 as a result of VTR Wireless' decision to cease commercial use of its mobile network. These restructuring charges include the discounted amount of (i) the remaining payments due under VTR Wireless' tower and real estate operating leases of \$71.5 million and (ii) certain other required payments associated with VTR Wireless' mobile network. In addition, our restructuring charges during 2013 include \$46.1 million, \$14.1 million and \$8.1 million of employee severance and termination costs related to reorganization and integration activities in the U.K., Germany and Chile, respectively.

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Telenet operates a digital terrestrial television (DTT) business that serves a limited number of subscribers. The DTT network is accessed by Telenet pursuant to third-party capacity contracts that are accounted for as operating agreements. During the fourth quarter of 2013, Telenet decided to discontinue the provision of DTT services. Once Telenet discontinues the provision of DTT services, which we currently estimate will occur in the first half of 2014, we expect to record a restructuring charge equal to the estimated net present value of the remaining payments due under the DTT capacity contracts. As of December 31, 2013, the remaining payments due under these capacity contracts aggregated €92.0 million (\$126.9 million).

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	51.4	1.6	—	53.0
Cash paid	(20.9)	(1.3)	(2.8)	(25.0)
Foreign currency translation adjustments	1.2	0.1	0.1	1.4
Chellomedia Disposal Group	0.8	—	(1.8)	(1.0)
Restructuring liability as of December 31, 2012	<u>\$ 39.7</u>	<u>\$ 4.0</u>	<u>\$ 13.1</u>	<u>\$ 56.8</u>
Current portion	\$ 39.6	\$ 2.1	\$ 3.2	\$ 44.9
Noncurrent portion	0.1	1.9	9.9	11.9
Total	<u>\$ 39.7</u>	<u>\$ 4.0</u>	<u>\$ 13.1</u>	<u>\$ 56.8</u>

Our 2012 restructuring charges for employee severance and termination costs relate to certain reorganization and integration activities, primarily in Germany.

(14) Defined Benefit Plans

Certain of our subsidiaries in Europe maintain various funded and unfunded defined benefit plans for their employees. Annual service cost for these employee benefit plans is determined using the projected unit credit actuarial method. The subsidiaries that maintain funded plans have established investment policies for plan assets. The investment strategies are long-term in nature and designed to meet the following objectives:

- Ensure that funds are available to pay benefits as they become due;
- Maximize the total returns on plan assets subject to prudent risk taking; and
- Preserve or improve the funded status of the trusts over time.

Our subsidiaries review the asset allocation within their respective portfolios on a regular basis. Generally, the portfolios will be rebalanced to a target allocation when an individual asset class approaches its minimum or maximum targeted level. Allocations to real estate occur over multiple time periods. Assets targeted to real estate, but not yet allocated, are invested in fixed income securities with corresponding adjustments to fixed income rebalancing guidelines.

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The following is a summary of the funded status of our defined benefit plans at December 31, 2013 (in millions):

Projected benefit obligation at beginning of period	\$ 384.6
Acquisition (a)	687.1
Service cost	25.8
Interest cost	26.8
Actuarial gain	(4.8)
Participants' contributions	11.8
Benefits paid	(28.1)
Effect of changes in exchange rates	59.8
Projected benefit obligation at end of period	\$ 1,163.0
Accumulated benefit obligation at end of period	\$ 1,144.7
Fair value of plan assets at beginning of period	\$ 310.9
Acquisition (a)	626.0
Actual earnings of plan assets	37.0
Group contributions	44.6
Participants' contributions	11.8
Benefits paid	(27.6)
Effect of changes in exchange rates	54.3
Fair value of plan assets at end of period	\$ 1,057.0
Net liability (b)	\$ 106.0

(a) Amounts relate to the Virgin Media Acquisition.

(b) The net liability related to our defined benefit plans is included in other long-term liabilities in our consolidated balance sheet.

The change in the amount of net actuarial gain (loss) not yet recognized as a component of net periodic pension costs in our consolidated statements of operations is as follows:

	Before-tax amount	Tax benefit (expense)	Net-of-tax amount
	in millions		
Balance of net actuarial loss at January 1, 2013	\$ (5.2)	\$ 1.6	\$ (3.6)
Net actuarial gain	12.7	(1.4)	11.3
Amount recognized as a component of net loss attributable to Liberty Global shareholders	(0.8)	0.1	(0.7)
Changes in ownership and other	(0.6)	0.2	(0.4)
Balance of net actuarial gain at December 31, 2013	\$ 6.1	\$ 0.5	\$ 6.6

We expect that the amount of net actuarial gain or loss to be recognized in our 2014 consolidated statement of operations will not be significant.

The measurement date used to determine our defined benefit plan assumptions was December 31, 2013. The actuarial assumptions used to compute the net periodic pension cost are based on information available as of the beginning of the period, specifically market interest rates, past experience and management's best estimate of future economic conditions. Changes in these assumptions may impact future benefit costs and obligations. In computing future costs and obligations, the subsidiaries

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must make assumptions about such items as employee mortality and turnover, expected salary and wage increases, discount rate, expected long-term rate of return on plan assets and expected future cost increases.

The expected rates of return on the assets of the funded plans are the long-term rates of return the subsidiaries expect to earn on their trust assets. The rates of return are determined by the investment composition of the plan assets and the long-term risk and return forecast for each asset category. The forecasts for each asset class are generated using historical information as well as an analysis of current and expected market conditions. The expected risk and return characteristics for each asset class are reviewed annually and revised, as necessary, to reflect changes in the financial markets. To compute the expected return on plan assets, the subsidiaries apply an expected rate of return to the fair value of the plan assets.

The weighted average assumptions used in determining benefit obligations at December 31, 2013 are as follows:

Expected rate of salary increase	3.1%
Discount rate	3.8%
Return on plan assets	5.1%

The components of net periodic pension cost recorded in our consolidated statement of operations during 2013 are as follows (in millions):

Service cost	\$ 25.8
Interest cost	26.8
Expected return on plan assets	(30.0)
Other	(1.1)
Net periodic pension cost	<u>\$ 21.5</u>

The asset allocation by asset category and by fair value hierarchy level (as further described in note 7) of our plan assets is as follows:

	December 31, 2013			
	Total	Level 1	Level 2	Level 3
	in millions			
Equity securities	\$ 344.3	\$ 344.3	\$ —	\$ —
Debt securities	275.5	275.5	—	—
Insurance contract (a)	153.4	—	—	153.4
Hedge funds	133.1	117.8	15.3	—
Guarantee investment contracts	83.0	83.0	—	—
Real estate	36.7	28.9	—	7.8
Other	31.0	31.0	—	—
Total	<u>\$ 1,057.0</u>	<u>\$ 880.5</u>	<u>\$ 15.3</u>	<u>\$ 161.2</u>

- (a) Relates to the purchase of an insurance contract by a trustee of one of our defined benefit plans. The insurance contract will pay an income stream to the plan which is expected to match all future cash outflows in respect of certain liabilities. The fair value of this insurance contract is presented as an asset of the plan and is measured based on the future cash flows to be received under the contract discounted using the same discount rate used to measure the associated liabilities.

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A reconciliation of the beginning and ending balances of our plan assets measured at fair value using Level 3 inputs is as follows (in millions):

Balance at January 1, 2013	\$	—
Acquisition (a)		147.3
Actual return on plan assets:		
Gains relating to assets still held at year-end		1.0
Purchases of investments		0.9
Foreign currency translation adjustments and other, net		12.0
Balance at December 31, 2013	\$	<u>161.2</u>

(a) Amount relates to the Virgin Media Acquisition.

The weighted average asset allocation established for the funded plans at December 31, 2013 is as follows:

Equity securities	32.6%
Debt securities	26.1%
Insurance contracts	14.5%
Hedge funds	12.6%
Guarantee investment contracts	7.9%
Real estate	3.5%
Other	2.8%
Total	<u>100.0%</u>

Our subsidiaries' contributions to their respective defined benefit plans in 2014 are currently expected to aggregate \$58.6 million.

As of December 31, 2013, the benefits that we currently expect to pay during the next ten years with respect to our defined benefit plans are as follows (in millions):

2014	\$	45.7
2015	\$	45.2
2016	\$	45.1
2017	\$	49.7
2018	\$	50.6
2019 through 2023	\$	284.6

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(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:

	Liberty Global shareholders					Non-controlling interests	Total accumulated other comprehensive earnings
	Foreign currency translation adjustments	Unrealized gains (losses) on cash flow hedges	Pension related adjustments	Accumulated other comprehensive earnings			
	in millions						
Balance at January 1, 2011	\$ 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	
Other comprehensive earnings	918.1	—	10.2	928.3	(16.9)	911.4	
Balance at December 31, 2013	\$ 2,522.2	\$ —	\$ 6.6	\$ 2,528.8	\$ 20.4	\$ 2,549.2	

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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, 2013:			
Foreign currency translation adjustments	\$ 896.4	\$ 4.4	\$ 900.8
Pension related adjustments	12.1	(1.5)	10.6
Other comprehensive earnings	908.5	2.9	911.4
Other comprehensive earnings attributable to noncontrolling interests (a)	17.3	(0.4)	16.9
Other comprehensive earnings attributable to Liberty Global shareholders	\$ 925.8	\$ 2.5	\$ 928.3
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 Liberty Global shareholders	\$ 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 Liberty Global shareholders	\$ 60.3	\$ 8.9	\$ 69.2

(a) Amounts primarily represent the noncontrolling interest owners' share of our foreign currency translation adjustments.

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(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. The U.S. dollar equivalents of such commitments as of December 31, 2013 are presented below:

	Payments due during:						Total
	2014	2015	2016	2017	2018	Thereafter	
	in millions						
Continuing operations:							
Network and connectivity commitments	\$ 398.5	\$ 338.3	\$ 283.7	\$ 267.3	\$ 145.8	\$ 1,358.6	\$ 2,792.2
Programming obligations	497.6	374.8	258.8	132.2	32.2	1.7	1,297.3
Purchase commitments	791.9	145.1	60.9	10.4	3.4	—	1,011.7
Operating leases	177.6	148.0	118.9	97.0	64.5	320.3	926.3
Other commitments	326.6	236.5	155.9	117.6	54.2	66.1	956.9
Total	<u>\$ 2,192.2</u>	<u>\$ 1,242.7</u>	<u>\$ 878.2</u>	<u>\$ 624.5</u>	<u>\$ 300.1</u>	<u>\$ 1,746.7</u>	<u>\$ 6,984.4</u>
Discontinued operation (a)	<u>\$ 87.2</u>	<u>\$ 50.4</u>	<u>\$ 17.4</u>	<u>\$ 5.5</u>	<u>\$ 1.0</u>	<u>\$ 0.3</u>	<u>\$ 161.8</u>

(a) Amounts consist primarily of programming obligations.

Network and connectivity commitments include (i) Telenet's commitments for certain operating costs associated with its leased network, (ii) commitments associated with our MVNO agreements, (iii) certain repair and maintenance, fiber capacity and energy commitments of Unitymedia KabelBW and (iv) certain commitments of Telenet to purchase broadcasting capacity on a DTT network. Subsequent to October 1, 2015, Telenet's commitments for certain operating costs 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. 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.

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 2013, 2012 and 2011, (a) the programming and copyright costs incurred by our broadband communications and DTH operations aggregated \$1,685.4 million, \$1,055.7 million and \$965.3 million, respectively (including intercompany charges that eliminate in consolidation of \$28.0 million, \$38.7 million and \$40.4 million, respectively), and (b) the third-party programming costs incurred by our programming distribution operations aggregated \$47.4 million, \$45.6 million and \$49.4 million, respectively. The ultimate amount payable in excess of the contractual minimums of our studio output contracts, which expire at various dates through 2019, is dependent upon the number of subscribers to our premium movie service and the theatrical success of the films that we exhibit.

Purchase commitments include unconditional purchase obligations associated with commitments to purchase customer premises and other equipment that are enforceable and legally binding on us.

Commitments arising from acquisition agreements (including with respect to the Ziggo Merger Agreement, as defined and described in note 19) are not reflected in the above table.

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In addition to the commitments set forth in the table above, we have significant commitments under (i) derivative instruments and (ii) defined benefit plans and similar arrangements, 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 2013, 2012 and 2011, see note 6. For information concerning our defined benefit plans, see note 14.

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 \$238.6 million, \$197.4 million and \$170.3 million in 2013, 2012 and 2011, 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 \$48.2 million, \$26.4 million and \$28.6 million in 2013, 2012 and 2011, respectively.

Guarantees and Other Credit Enhancements

In the ordinary course of business, we may provide indemnifications to our lenders, our vendors and certain other parties and 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

Signal. 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). Through the appeals process, the 2002 Cignal Action continued to be pursued by nine individual plaintiffs. 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 claimed, 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 initial public offering (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 Priority Telecom's initial public offering was not valid and did not satisfy Liberty Global Europe's obligations to the Cignal shareholders. 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 and, on October 25, 2013, the Dutch Supreme Court ultimately dismissed the plaintiffs' claims in the 2006 Cignal Action against Liberty Global Europe and the other defendants as being without merit.

We consider the October 25, 2013 Dutch Supreme Court decision to be the final resolution of the 2006 Cignal Action and the effective resolution of the 2002 Cignal Action. Accordingly, we released the entire \$146.0 million provision related to this matter during the third quarter of 2013.

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

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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-principle 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. On November 14, 2013, the European Court of Justice ruled that the reasons invoked by the PICs not to organize a market consultation were not overriding reasons of public interest to justify abolishing the PIC's duty to organize such consultation. The annulment cases will now be resumed with the Belgian Council of State, which will be required to follow the interpretation given by the European Court of Justice with respect to the points of EU law.

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 (\$27.6 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, cash flows or financial position.

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 asserts 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 fees (approximately €76 million (\$105 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 S.A. and Universal Studio (SDNY). A predecessor of Liberty Global was a subsidiary of Liberty Media Corporation (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 17, 2013, following a jury trial, the court entered a final judgment in favor of the plaintiffs in the amount of €944 million (\$1,302 million), including prejudgment interest. Vivendi S.A. and Universal Studios have filed a notice of appeal of the court's final judgment to the Second Circuit Court of Appeals. 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.

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Liberty Puerto Rico Matter. Liberty Puerto Rico, as the surviving entity in the Puerto Rico Transaction, is a party to certain claims asserted by the incumbent telephone operator against OneLink based on alleged conduct of OneLink that occurred prior to the OneLink acquisition (the PRTC Claim), 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. In December 2013, an additional claim was asserted against OneLink alleging harm to consumers based on the purported conduct of OneLink that formed the basis for the PRTC Claim. The claimant in the December 2013 action is seeking to represent the entire class of consumers who are alleged to have suffered harm as a result of the purported OneLink conduct. The former owners of OneLink have partially indemnified us for any losses we may incur up to a specified maximum amount. Although the amount of damages has not been specified, our acquisition accounting for the OneLink acquisition includes a provision and a related indemnification asset representing Liberty Puerto Rico's best estimate of the net loss that it may incur upon the ultimate resolution of these matters. While Liberty Puerto Rico expects that the net amount required to satisfy these contingencies will not materially differ from the estimated amount it has accrued, no assurance can be given that the ultimate resolution of these matters will not have an adverse impact on our results of operations, cash flows or financial position in any given period.

Netherlands Regulatory Developments. In December 2011, the Autoriteit Consument & Markt (ACM), formerly Onafhankelijke Post en Telecommunicatie Autoriteit, completed a market assessment of the television market in the Netherlands, concluding that there were no grounds for regulation of that market. On December 22, 2011, referring to its final assessment of the television market, ACM rejected previously filed requests from a number of providers to perform a new market analysis of the television market. This decision by ACM was appealed by such providers to the Dutch Supreme Administrative Court. On November 5, 2012, the Dutch Supreme Administrative Court rejected the appeals against ACM's decision.

In May 2012, the Dutch Senate adopted laws that (i) provide the power to ACM to impose an obligation for the mandatory resale of television services and to the Commissariaat voor de Media (CvdM) to supervise the resale obligation introduced by these new laws 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. The Dutch government responded to the infringement proceedings on June 25, 2013 and the European Commission is currently reviewing the response. If such response is deemed to be unsatisfactory to the European Commission, it may refer the matter to the European Court of Justice. 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. On January 29, 2014, a Dutch civil court, in a proceeding initiated by UPC Netherlands, declared the resale obligation laws non-binding because they infringe EU law. The Dutch government has three months from January 29, 2014 to appeal the decision. The infringement proceeding at the European Commission against the Dutch government is still pending. We cannot predict the outcome of any appeal by the Dutch government of the civil court decision or, if the decision was overturned, the effect on our results of operations, cash flows or financial position from any implementation of a resale regime, which would likely take several months or more.

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).

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After Telenet submitted draft reference offers regarding the obligations described above in February 2012, to which the Belgium Regulatory Authorities subsequently made their observations, launched a national consultation process and consulted with the European Commission. Although the European Commission expressed doubts regarding the analog resale offers on August 8, 2013, the European Commission did not object to the decision on the reference offers. The Belgium Regulatory Authorities published the final decision on September 9, 2013. The regulated wholesale services must be available approximately six months after a third-party operator files a letter of intent and pays an advance payment to each cable operator. On December 27, 2013, wireless operator Mobistar submitted a letter of intent and paid the advance payment on January 10, 2013. Accordingly, the reference offers could be operational as soon as the third quarter of 2014.

On April 2, 2013, the Belgium Regulatory Authorities issued a draft decision regarding the “retail-minus” tariffs of minus 35% for basic TV (basic analog and digital video package) and minus 30% for the bundle of basic TV and broadband internet services. 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 costs for billing, franchise, consumer service, marketing, and sales). On October 4, 2013, the Belgium Regulatory Authorities notified a draft quantitative decision to the European Commission in which they changed the “retail-minus” tariffs to minus 30% for basic TV (basic analog and digital video package) and to minus 23% for the bundle of basic TV and broadband internet services. Even though the European Commission made a number of comments regarding the appropriateness of certain assumptions in the proposed costing methodology, the Belgian Regulatory Authorities adopted such retail-minus tariffs on December 11, 2013.

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 and the approval of the reference offers by the Belgium Regulatory Authorities, Telenet is now required to begin the process of implementing its reference offers. A final ruling on the merits can be expected during the second or third quarter of 2014. Telenet also filed an appeal with the Brussels Court of Appeal against the decision regarding the qualitative aspects of the reference offer. A decision in this appeal should not be expected before the fourth quarter of 2014. There can be no certainty that Telenet’s appeals will be successful.

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 the extent that competitors take advantage of the resale access ultimately afforded to Telenet’s network and other competitive factors or market developments.

FCO Regulatory Issues. Our KBW Acquisition was subject to the approval of the FCO in Germany, which approval was received in December 2011. In January 2012, two of our competitors, including the incumbent telecommunications operator, each filed an appeal against the FCO regarding its decision to approve our KBW Acquisition. On August 14, 2013, the Düsseldorf Court of Appeal issued a ruling that set aside the FCO’s clearance decision. Although the Düsseldorf Court of Appeal did not grant the right to appeal against its ruling to the Federal Supreme Court, on September 16, 2013, we filed a formal request to appeal to the Federal Court of Justice seeking permission to appeal the Düsseldorf Court of Appeal’s decision and our reasoned submission was filed on December 16, 2013. Third parties have been given until March 21, 2014 to comment on our submission. The Düsseldorf Court of Appeal’s ruling is not legally binding until all appeals have been rejected. If we are not granted the right to appeal, or if any appeal is unsuccessful and the Düsseldorf Court of Appeal’s ruling to overturn the FCO clearance becomes final and binding, our KBW Acquisition would be remitted to the FCO for a new phase II review. The FCO would have the power to clear the deal subject to additional remedies or, although we do not expect either to be the outcome, to refuse clearance of the transaction or clear the transaction unconditionally. We will continue to pursue any available opportunity to appeal the Düsseldorf Court of Appeal’s ruling. We do not expect that the continued proceedings relating to these appeals will have any impact on the integration and development of our operations in Germany or the day-to-day running of our business. We cannot predict the final outcome of this appeal process, however, any new decision by the FCO with respect to our KBW Acquisition as a result of the Düsseldorf Court of Appeal’s ruling, including any decision that increases the existing conditions we are subject to in connection with the FCO’s initial approval of our KBW Acquisition or imposes additional conditions, could have a material adverse impact on our results of operations, cash flows or financial position.

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FCO Communication. 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 our results of operations, cash flows or financial position.

Financial Transactions Tax. Eleven countries in the EU, including Belgium, Germany, Austria and Slovakia, are participating in an enhanced cooperation procedure to introduce a financial transactions tax (FTT). Under the draft language of the FTT proposal, a wide range of financial transactions could be taxed at rates of at least 0.01% for derivative transactions based on the notional amount and 0.1% for other covered financial transactions based on the underlying transaction price. Each of the individual countries would be permitted to determine an exact rate, which could be higher than the proposed rates of 0.01% and 0.1%. Any implementation of the FTT could have a global impact because it would apply to all financial transactions where a financial institution is involved (including unregulated entities that engage in certain types of covered activity) and either of the parties (whether the financial institution or its counterparty) is in one of the eleven participating countries. We currently believe that the likelihood of the FTT becoming effective during 2014 is remote. Although ongoing debate in the relevant countries demonstrates continued momentum around the FTT, uncertainty remains as to when the FTT would be implemented and the breadth of its application. Any imposition of the FTT could increase banking fees and introduce taxes on internal transactions that we currently perform. Due to the uncertainty regarding the FTT, we are currently unable to estimate the financial impact that the FTT could have on our results of operations, cash flows or financial position.

Virgin Media VAT Matters. Virgin Media's application of the value added tax (VAT) with respect to certain revenue generating activities has been challenged by the U.K. tax authorities. Virgin Media has estimated its maximum exposure in the event of an unfavorable outcome to be £36.1 million (\$59.8 million) as of December 31, 2013. No portion of this exposure has been accrued by Virgin Media as the likelihood of loss is not considered to be probable. An initial hearing on these matters took place during 2013 but was adjourned with no conclusion. Further hearings are expected to take place during the second half of 2014.

Other Regulatory Issues. Video distribution, broadband internet, fixed-line telephony, mobile 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 property and equipment additions. 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) issues involving VAT and wage, property 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 any 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, cash flows or financial position 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 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 (as defined below). In addition, we review non-financial measures such as subscriber growth, as appropriate.

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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 share-based compensation, depreciation and amortization, 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 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 (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 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 earnings (loss) from continuing operations before income taxes is presented below.

During the second quarter of 2013, we began presenting our Belgium (Telenet) segment within our European Operations Division as a result of our decision to change how Telenet reports into our management structure. Segment information for all periods has been retrospectively revised to reflect this change and to present the Chellomedia Disposal Group as a discontinued operation. 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:

- European Operations Division:
 - U.K. (Virgin Media)
 - Germany (Unitymedia KabelBW)
 - Belgium (Telenet)
 - The Netherlands
 - Switzerland
 - Other Western Europe
 - Central and Eastern Europe
- Chile (VTR Group)

All of the reportable segments set forth above derive their revenue primarily from broadband communications services, including video, broadband internet and fixed-line telephony services. Most of our reportable segments also provide B2B services and certain of our reportable segments provide mobile services. At December 31, 2013, our operating segments in the European Operations Division provided broadband communications services in 12 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 European Operations 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 European Operations Division. In Chile, the VTR Group includes VTR GlobalCom, which provides video, broadband internet and fixed-line telephony services, and VTR Wireless, which provides mobile services through a third-party wireless access arrangement. Our corporate and other category includes (a) less significant consolidated operating segments that provide (1) broadband communications services in Puerto Rico and (2) programming and other services primarily in Europe and Latin America and (b) our corporate category. Intersegment eliminations primarily represent the elimination of intercompany transactions between our broadband communications and programming operations, primarily in Europe.

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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,					
	2013		2012		2011	
	Revenue	Operating cash flow	Revenue	Operating cash flow	Revenue	Operating cash flow
in millions						
European Operations Division:						
U.K. (Virgin Media) (a)	\$ 3,653.7	\$ 1,524.9	\$ —	\$ —	\$ —	\$ —
Germany (Unitymedia KabelBW)	2,559.2	1,541.1	2,311.0	1,364.3	1,450.0	863.7
Belgium (Telenet)	2,185.9	1,049.4	1,918.0	940.7	1,918.5	967.0
The Netherlands	1,242.4	721.7	1,229.1	737.1	1,273.4	755.3
Switzerland	1,332.1	778.3	1,259.8	717.9	1,282.6	721.9
Other Western Europe	898.7	445.3	848.4	407.7	893.3	418.7
Total Western Europe	11,872.0	6,060.7	7,566.3	4,167.7	6,817.8	3,726.6
Central and Eastern Europe	1,141.2	548.5	1,115.7	555.1	1,122.5	548.0
Central and other	130.4	(203.1)	117.0	(161.6)	122.7	(140.5)
Total European Operations Division	13,143.6	6,406.1	8,799.0	4,561.2	8,063.0	4,134.1
Chile (VTR Group)	991.6	353.6	940.6	314.2	889.0	341.2
Corporate and other	374.3	(63.8)	224.1	(83.1)	213.6	(73.8)
Intersegment eliminations (b)	(35.3)	44.8	(32.9)	38.6	(47.3)	39.1
Total	<u>\$ 14,474.2</u>	<u>\$ 6,740.7</u>	<u>\$ 9,930.8</u>	<u>\$ 4,830.9</u>	<u>\$ 9,118.3</u>	<u>\$ 4,440.6</u>

- (a) The amounts presented for 2013 reflect the post-acquisition revenue and operating cash flow of Virgin Media from June 8, 2013 through December 31, 2013.
- (b) The intersegment eliminations that are applicable to revenue are related primarily to transactions between our European Operations Division and our continuing programming operations. The intersegment eliminations that are applicable to operating cash flow are related to transactions between our European Operations Division and the Chellomedia Disposal Group, which eliminations will no longer be recorded following the completion of the Chellomedia Transaction on January 31, 2014.

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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,		
	2013	2012	2011
	in millions		
Total segment operating cash flow from continuing operations	\$ 6,740.7	\$ 4,830.9	\$ 4,440.6
Share-based compensation expense	(300.7)	(110.1)	(129.4)
Depreciation and amortization	(4,276.4)	(2,661.5)	(2,424.3)
Release of litigation provision	146.0	—	—
Impairment, restructuring and other operating items, net	(297.5)	(76.2)	(64.0)
Operating income	2,012.1	1,983.1	1,822.9
Interest expense	(2,286.9)	(1,673.6)	(1,453.7)
Interest and dividend income	113.1	42.1	72.9
Realized and unrealized losses on derivative instruments, net	(1,020.4)	(1,070.3)	(59.9)
Foreign currency transaction gains (losses), net	349.3	438.4	(566.6)
Realized and unrealized gains (losses) due to changes in fair values of certain investments and debt, net	524.1	(10.2)	(151.7)
Losses on debt modification, extinguishment and conversion, net	(212.2)	(213.8)	(218.4)
Other expense, net	(5.6)	(4.6)	(5.9)
Loss from continuing operations before income taxes	<u>\$ (526.5)</u>	<u>\$ (508.9)</u>	<u>\$ (560.4)</u>

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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,	
	2013	2012	2013	2012
in millions				
European Operations Division:				
U.K. (Virgin Media)	\$ 23,570.6	\$ —	\$ 29,788.3	\$ —
Germany (Unitymedia KabelBW)	10,754.7	10,626.4	11,968.2	10,960.2
Belgium (Telenet)	4,737.4	4,617.8	5,909.2	6,243.1
The Netherlands	2,496.5	2,378.3	2,845.3	2,676.6
Switzerland	4,745.7	4,685.6	5,173.5	5,032.9
Other Western Europe	1,967.6	1,886.9	2,121.8	1,952.7
Total Western Europe	48,272.5	24,195.0	57,806.3	26,865.5
Central and Eastern Europe	2,839.4	2,866.1	3,057.4	3,002.5
Central and other	522.8	365.3	1,709.1	1,420.9
Total European Operations Division	51,634.7	27,426.4	62,572.8	31,288.9
Chile (VTR Group)	1,139.7	1,363.3	1,628.9	1,680.3
Corporate and other	1,214.9	1,232.1	2,760.3	4,550.2
Total - continuing operations	53,989.3	30,021.8	66,962.0	37,519.4
Discontinued operation (a)	513.6	432.9	752.3	788.3
Total	\$ 54,502.9	\$ 30,454.7	\$ 67,714.3	\$ 38,307.7

- (a) At December 31, 2013, the long-lived assets and total assets of the Chellomedia Disposal Group are presented in long-term assets of discontinued operation in our consolidated balance sheet.

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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,		
	2013	2012	2011
	in millions		
European Operations Division:			
U.K. (Virgin Media) (a)	\$ 755.4	\$ —	\$ —
Germany (Unitymedia KabelBW)	543.4	559.5	371.0
Belgium (Telenet)	453.7	440.0	413.3
The Netherlands	242.4	221.8	231.8
Switzerland	230.9	222.2	235.2
Other Western Europe	147.6	145.1	193.7
Total Western Europe	2,373.4	1,588.6	1,445.0
Central and Eastern Europe	250.8	227.6	201.2
Central and other	276.8	165.4	177.8
Total European Operations Division	2,901.0	1,981.6	1,824.0
Chile (VTR Group)	188.5	243.4	270.8
Corporate and other	72.1	33.6	30.6
Property and equipment additions	3,161.6	2,258.6	2,125.4
Assets acquired under capital-related vendor financing arrangements	(573.5)	(246.5)	(101.4)
Assets acquired under capital leases	(143.0)	(63.1)	(38.2)
Changes in current liabilities related to capital expenditures	36.4	(80.7)	(65.0)
Total capital expenditures	<u>\$ 2,481.5</u>	<u>\$ 1,868.3</u>	<u>\$ 1,920.8</u>

(a) The amount presented for 2013 reflects the post-acquisition property and equipment additions of Virgin Media from June 8, 2013 through December 31, 2013.

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Revenue by Major Category

Our revenue by major category is set forth below:

	Year ended December 31,		
	2013	2012	2011
	in millions		
Subscription revenue (a):			
Video	\$ 5,724.1	\$ 4,637.6	\$ 4,397.7
Broadband internet (b)	3,536.6	2,407.0	2,203.4
Fixed-line telephony (b)	2,505.3	1,518.9	1,299.2
Cable subscription revenue	11,766.0	8,563.5	7,900.3
Mobile (c)	669.9	131.5	76.9
Total subscription revenue	12,435.9	8,695.0	7,977.2
B2B revenue (d)	992.2	467.9	495.0
Other revenue (b) (e)	1,046.1	767.9	646.1
Total revenue	\$ 14,474.2	\$ 9,930.8	\$ 9,118.3

- (a) Subscription revenue includes amounts received from subscribers for ongoing services, excluding installation fees and late fees. 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.
- (b) In connection with the Virgin Media Acquisition, we determined that we would no longer externally report digital subscriber line (DSL) subscribers as revenue generating units (RGUs). Accordingly, we have reclassified the revenue from our DSL subscribers in Austria from broadband internet and fixed-line telephony subscription revenue to other revenue for all periods presented.
- (c) Mobile subscription revenue excludes \$175.2 million, \$35.1 million and \$13.4 million, respectively, of mobile interconnect revenue. Mobile interconnect revenue and revenue from mobile handset sales are included in other revenue.
- (d) These amounts include B2B revenue from business broadband internet, video, voice, wireless and data services offered to medium to large enterprises and, on a wholesale basis, to other operators. We also provide services to certain small office and home office (SOHO) subscribers. SOHO subscribers pay a premium price to receive enhanced service levels along with video, broadband internet or fixed-line telephony services that are the same or similar to the mass marketed products offered to our residential subscribers. Revenue from SOHO subscribers, which aggregated \$147.2 million, \$59.7 million and \$50.4 million, respectively, is included in cable subscription revenue.
- (e) Other revenue includes, among other items, interconnect, installation and carriage fee revenue.

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Geographic Segments

The revenue of our geographic segments is set forth below:

	Year ended December 31,		
	2013	2012	2011
	in millions		
European Operations Division:			
U.K. (a)	\$ 3,653.7	\$ —	\$ —
Germany	2,559.2	2,311.0	1,450.0
Belgium	2,185.9	1,918.0	1,918.5
Switzerland	1,332.1	1,259.8	1,282.6
The Netherlands	1,242.4	1,229.1	1,273.4
Ireland	463.7	426.4	430.2
Poland	460.4	450.0	390.7
Austria	435.0	422.0	463.1
Hungary	257.1	248.2	270.9
The Czech Republic	219.6	226.5	251.9
Romania	140.4	130.0	143.5
Slovakia	63.7	61.0	65.5
Other (b)	130.4	117.0	122.7
Total European Operations Division	13,143.6	8,799.0	8,063.0
Chile	991.6	940.6	889.0
Puerto Rico	297.2	145.5	116.3
Other, including intersegment eliminations	41.8	45.7	50.0
Total	\$ 14,474.2	\$ 9,930.8	\$ 9,118.3

(a) The amount presented for 2013 reflects the post acquisition revenue of Virgin Media from June 8, 2013 through December 31, 2013.

(b) Primarily represents revenue of UPC DTH from customers located in Hungary, the Czech Republic, Romania and Slovakia.

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The long-lived assets of our geographic segments are set forth below:

	December 31,	
	2013	2012
	in millions	
European Operations Division:		
U.K.	\$ 23,570.6	\$ —
Germany	10,754.7	10,626.4
Switzerland	4,745.7	4,685.6
Belgium	4,737.4	4,617.8
The Netherlands	2,496.5	2,378.3
Austria	1,216.1	1,149.7
Poland	1,178.5	1,172.9
Ireland	751.5	737.2
The Czech Republic	679.7	740.7
Hungary	640.6	623.1
Romania	209.6	200.3
Slovakia	131.0	129.1
Other (a)	522.8	365.3
Total European Operations Division	51,634.7	27,426.4
Chile	1,139.7	1,363.3
Puerto Rico	1,131.9	1,155.0
U.S. (b)	42.4	32.7
Other	40.6	44.4
Total - continuing operations	53,989.3	30,021.8
Discontinued operation (c)	513.6	432.9
Total	\$ 54,502.9	\$ 30,454.7

(a) Primarily represents long-lived assets of the European Operations Division's central operations, which are located in the Netherlands.

(b) Primarily represents the assets of our corporate category.

(c) At December 31, 2013, the long-lived assets of the Chellomedia Disposal Group are presented in long-term assets of discontinued operation in our consolidated balance sheet.

LIBERTY GLOBAL PLC
Notes to Consolidated Financial Statements — (Continued)
December 31, 2013, 2012 and 2011

(18) Quarterly Financial Information (Unaudited)

	2013			
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
	in millions, except per share amounts			
Revenue:				
As previously reported	\$ 2,767.7	\$ 3,161.9	\$ 4,371.2	\$ 4,468.0
Reclassification of the Chellomedia Disposal Group to discontinued operations (note 4)	(95.8)	(104.1)	(94.7)	—
As adjusted	\$ 2,671.9	\$ 3,057.8	\$ 4,276.5	\$ 4,468.0
Operating income:				
As previously reported	\$ 525.4	\$ 445.2	\$ 521.9	\$ 517.6
Reclassification of the Chellomedia Disposal Group to discontinued operations (note 4)	2.8	(0.1)	(0.7)	—
As adjusted	\$ 528.2	\$ 445.1	\$ 521.2	\$ 517.6
Net loss attributable to Liberty Global shareholders	\$ (1.0)	\$ (11.6)	\$ (830.1)	\$ (121.2)
Basic and diluted loss attributable to Liberty Global shareholders per share (note 2)	\$ —	\$ (0.04)	\$ (2.09)	\$ (0.31)
	2012			
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
	in millions, except per share amounts			
Revenue:				
As previously reported	\$ 2,537.0	\$ 2,524.5	\$ 2,519.1	\$ 2,730.2
Reclassification of the Chellomedia Disposal Group to discontinued operations (note 4)	(86.9)	(93.9)	(88.9)	(110.3)
As adjusted	\$ 2,450.1	\$ 2,430.6	\$ 2,430.2	\$ 2,619.9
Operating income:				
As previously reported	\$ 494.3	\$ 479.0	\$ 509.1	\$ 500.7
Reclassification of the Chellomedia Disposal Group to discontinued operations (note 4)	(6.3)	(4.9)	(1.6)	12.8
As adjusted	\$ 488.0	\$ 474.1	\$ 507.5	\$ 513.5
Net earnings (loss) attributable to Liberty Global shareholders	\$ (25.1)	\$ 701.6	\$ (22.4)	\$ (331.3)
Basic and diluted earnings (loss) attributable to Liberty Global shareholders per share (note 2)	\$ (0.09)	\$ 2.60	\$ (0.08)	\$ (1.27)

LIBERTY GLOBAL PLC
Notes to Consolidated Financial Statements — (Continued)
December 31, 2013, 2012 and 2011

(19) Subsequent Events

Pending Ziggo Acquisition

Ziggo Merger Agreement

On January 27, 2014, we reached an agreement (the Ziggo Merger Agreement) on an offer to acquire all of the shares of Ziggo that we do not already own (the Ziggo Offer) in a stock and cash transaction. The supervisory and management boards of Ziggo have recommended that the shareholders of Ziggo accept the Ziggo Offer. Under the terms of the Ziggo Offer, Ziggo shareholders will receive (i) 0.2282 Class A ordinary shares of Liberty Global, (ii) 0.1674 Class C ordinary shares of Liberty Global (or 0.5630 Class C ordinary shares of Liberty Global after the completion of the 2014 Share Dividend, as defined and described below) and (iii) €11.00 (\$15.17) in cash for each Ziggo share that they own (the Ziggo Offer Price). The completion of the Ziggo Offer is subject to customary closing conditions, including a minimum tender condition and receipt of competition clearances.

In addition to customary termination provisions, Liberty Global and Ziggo may terminate the Ziggo Merger Agreement in the event that an independent third party makes an offer which, in the reasonable opinion of the Ziggo supervisory and management board, is substantially more beneficial than our offer, exceeds the Ziggo Offer Price by 8% and is launched or is committed to be launched within eight weeks (a Competing Offer). On termination of the Ziggo Merger Agreement by Ziggo due to a material breach of the Ziggo Merger Agreement by our company, we will be obligated to pay to Ziggo a €69.5 million (\$95.8 million) reverse termination fee. If the Ziggo Merger Agreement is terminated because the competition clearance is not obtained, we will be obligated to pay to Ziggo a €200.0 million (\$275.8 million) reverse termination fee. On termination of the Ziggo Merger Agreement by our company due to (i) a material breach of the Ziggo Merger Agreement by Ziggo, (ii) a Competing Offer having been made or (iii) the revocation or amendment of the recommendation of the Ziggo board, other than circumstances linked to a decline in our share price, Ziggo will be obligated to pay us a €69.5 million termination fee.

Ziggo Financing Transactions

In connection with the signing of the Ziggo Merger Agreement, certain of our subsidiaries entered into the following financing agreements.

Ziggo Acquisition Facility. On January 27, 2014, LGE HoldCo VII B.V., (LGE HoldCo VII), our wholly-owned subsidiary, entered into a new senior facilities agreement (as amended and restated, the Ziggo Acquisition Facility), pursuant to which the lenders thereunder agreed to provide LGE HoldCo VII with (i) a euro-denominated term loan facility (the Ziggo Euro Facility) with an initial commitment of €434.0 million (\$598.5 million) and a U.S. dollar-denominated term loan facility (the Ziggo USD Facility and, together with the Ziggo Euro Facility, the Ziggo Facility) with an initial commitment of zero and (iii) a multi-currency revolving facility in a total amount of €650.0 million (\$896.3 million) (the Ziggo RCF). The lenders' commitments may be increased with the prior consent of the lenders. The Ziggo Facility is repayable at maturity on January 15, 2022. The final maturity date of the Ziggo RCF is June 30, 2020.

All amounts borrowed under the Ziggo Facility shall be applied (i) towards financing a portion of the purchase price payable in relation to the acquisition of shares in Ziggo as contemplated by the Ziggo Merger Agreement and the repayment, redemption or refinancing of any financial indebtedness used directly or indirectly to acquire shares in Ziggo, (ii) towards financing any related original issue discount, fees, costs and expenses and (iii) for general corporate purposes. All amounts borrowed under the Ziggo RCF shall be applied for any of the foregoing purposes, as well as ongoing working capital requirements.

The interest rates payable are: (i) in respect of the Ziggo Euro Facility, the Margin (2.75% per annum subject to a leverage-based margin adjustment), plus EURIBOR (subject to a floor of 0.75% per annum), (ii) in respect of the Ziggo USD Facility, the Margin (2.50% per annum subject to a leverage-based margin adjustment), plus LIBOR (subject to a floor of 0.75% per annum) and (iii) in respect of the Ziggo RCF, the Margin (2.50% per annum subject to a leverage-based margin adjustment), plus EURIBOR (if euro-denominated) or LIBOR (if denominated in any other currency), in each case not subject to a floor. LGE HoldCo VII must also pay a commitment fee on any available but undrawn amounts under the Ziggo RCF at a per annum rate equal to 40% of the Margin on the Ziggo RCF.

The Ziggo Acquisition Facility will be guaranteed by each borrower and will be secured by (i) a first ranking share pledge over all of the issued and outstanding shares in LGE HoldCo VII, (ii) a pledge granted by the parent of LGE HoldCo VII in respect

LIBERTY GLOBAL PLC
Notes to Consolidated Financial Statements — (Continued)
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of any shareholder loans from such parent to LGE HoldCo VII and (iii) share security over certain subsidiaries.

The Ziggo Acquisition Facility requires the borrower group to maintain a senior net debt leverage ratio and a total net debt leverage ratio.

The Ziggo Acquisition Facility contains certain customary events of default, the occurrence of which, subject to certain exceptions and materiality qualifications, would allow the facility agent (on the instructions of the instructing group) to (among other things) (i) cancel the total commitments and/or (ii) declare that all or part of the outstanding loans be payable on demand.

The Ziggo Acquisition Facility restricts the ability of the members of the borrower group to, among other things, incur or guarantee certain financial indebtedness, make certain disposals and acquisitions or create certain security interests over their assets, in each case, subject to carve-outs from such limitations. The Ziggo Acquisition Facility also requires the borrowers to observe certain affirmative undertakings or covenants, which are subject to materiality and other customary and agreed exceptions.

Ziggo Bridge Facility. On January 27, 2014, LGE HoldCo VI B.V. (LGE HoldCo VI), our wholly-owned subsidiary and the immediate parent of LGE HoldCo VII, entered into a new bridge facility agreement (the Ziggo Bridge Facility), pursuant to which the lenders thereunder agreed to provide LGE HoldCo VI with a €934.0 million (\$1,287.9 million) term loan facility. The lenders' commitments may be increased with the prior consent of the lenders. Commitments under the Ziggo Bridge Facility are subject to cancellation in full or in part prior to the first utilization under certain circumstances.

The initial maturity date in respect of the loans under the Ziggo Bridge Facility is the first anniversary of the utilization date (the Initial Maturity Date). If certain conditions are met on the Initial Maturity Date, including the absence of any continuing default, the termination date of the loans under the Ziggo Bridge Facility will be extended to the date falling 84 months after the Initial Maturity Date.

The interest rate on each loan under the Ziggo Bridge Facility for each interest period is equal to the aggregate of (i) an increasing margin and (ii) EURIBOR (subject to a floor of 0.75% per annum). The interest rate is subject to an overall cap.

The Ziggo Bridge Facility will be secured by a first ranking pledge of shares to be granted by the immediate holding company of LGE HoldCo VI as of the first utilization date in relation to all of the issued and outstanding shares in LGE HoldCo VI.

The Ziggo Bridge Facility incorporates certain negative undertakings prior to the first utilization date. Following the initial utilization under the Ziggo Bridge Facility, the undertakings will no longer apply. The Ziggo Bridge Facility will not contain any financial maintenance covenants.

Share Dividend

On January 26, 2014, our board of directors approved a share dividend (the 2014 Share Dividend) of one Liberty Global Class C ordinary share on each outstanding Class A, Class B and Class C ordinary share as of the February 14, 2014 record date for the share dividend. The distribution date for the 2014 Share Dividend has been set as March 3, 2014. As the distribution date has not occurred as of the issuance date of these consolidated financial statements, the share and per share amounts in our consolidated financial statements have not been retroactively restated to reflect the 2014 Share Dividend.

VTR Group Financing Transactions

General. On January 24, 2014, we completed a reorganization of our credit pools. VTR GlobalCom and VTR Wireless were placed in a separate credit pool with their parent and one of our wholly-owned subsidiaries, VTR Finance B.V. (VTR Finance). In connection with the reorganization, all amounts outstanding under the VTR Wireless Bank Facility were repaid, VTR Finance and certain of its subsidiaries (including VTR GlobalCom) were extracted from the UPC Holding credit pool and VTR Finance and certain of its subsidiaries entered into the financing transactions described below. In connection with these transactions, we disclosed that we are exploring opportunities with respect to our Latin American operations (which include the VTR Group and Liberty Puerto Rico), including a possible spin-off of those operations to our shareholders. Our evaluation of such opportunities is at a preliminary stage, and any alternative pursued would be subject to approval by our board of directors. We are unable to predict the timing or terms of any spin-off or other transaction that might be pursued, or whether such a transaction will eventually occur.

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Notes to Consolidated Financial Statements — (Continued)
December 31, 2013, 2012 and 2011

VTR Senior Secured Notes. On January 24, 2014, VTR Finance issued \$1.4 billion principal amount of 6.875% senior secured notes due January 15, 2024 (the VTR Senior Secured Notes) pursuant to an indenture dated January 24, 2014 (the VTR Indenture). The net proceeds from the issuance of the VTR Senior Secured Notes were used, together with existing cash of our subsidiaries, to repay all of the outstanding indebtedness under Facilities R, S and AE of the UPC Broadband Holding Bank Facility in connection with the extraction of VTR Finance and its subsidiaries from the UPC Holding credit pool.

Taking into account the derivative contracts that we entered into in connection with the VTR Senior Secured Notes, our effective borrowing cost for the VTR Senior Secured Notes is 10.95%.

The VTR Senior Secured Notes are senior obligations of VTR Finance and rank equally with all other existing and future debt of VTR Finance that is not subordinated in right of payment to the VTR Senior Secured Notes and senior in right of payment to all existing and future subordinated debt of VTR Finance. The VTR Senior Secured Notes will be secured by a first-ranking pledge over all the shares of VTR Finance and two of VTR Finance's subsidiaries, United Chile LLC and UPC Chile Mobile Holding B.V.

At any time prior to January 15, 2019 VTR Finance may redeem some or all of the VTR Senior Secured Notes by paying a "make-whole" premium, which is the present value of all remaining scheduled interest payments to January 15, 2019 using the discount rate (as specified in the VTR Indenture) as of the applicable redemption date plus 50 basis points.

At any time prior to January 15, 2019, VTR Finance may redeem during each twelve-month period commencing on January 24, 2014 up to 10% of the principal amount of the VTR Senior Secured Notes at a redemption price equal to 103% of the principal amount thereof plus accrued and unpaid interest.

VTR Finance may redeem all or part of the VTR 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 VTR Indenture), if any, to the applicable redemption date, if redeemed during the twelve-month period commencing January 15 of the years set forth below:

Year	Redemption price
2019	103.438%
2020	102.292%
2021	101.146%
2022 and thereafter	100.000%

VTR Senior Credit Facility. On January 13, 2014, VTR GlobalCom, VTR Wireless and VTR Banda Ancha (Chile) SpA entered into a new \$200.0 million senior secured revolving credit facility agreement with certain lenders (the VTR Senior Credit Facility), made up of a U.S. dollar facility (the VTR Dollar Senior Credit Facility) and a Chilean peso facility (the VTR CLP Senior Credit Facility). The interest rate for the VTR Dollar Senior Credit Facility is LIBOR plus a margin of 2.75%. The interest rate for the VTR CLP Senior Credit Facility is the applicable interbank offered rate for Chilean pesos in the relevant interbank market plus a margin per annum as agreed between the lenders under the VTR CLP Senior Credit Facility and VTR GlobalCom. Borrowings under the VTR Dollar Senior Credit Facility and the VTR CLP Senior Credit Facility mature in January 2020 and January 2019, respectively.

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 Liberty Global (or its predecessor) or collectively to Liberty Global (or its predecessor) and its subsidiaries.

Except as indicated below, the following required information is incorporated by reference to our definitive proxy statement for our 2014 Annual Meeting of Shareholders, which we intend to hold during the second quarter of 2014.

- | | |
|----------|--|
| 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 2014 Annual Meeting of shareholders with the Securities and Exchange Commission on or before April 30, 2014.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER 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 Liberty Global (or its predecessor) or collectively to Liberty Global (or its predecessor) and its subsidiaries. The following table sets forth information as of December 31, 2013 with respect to shares of our ordinary shares authorized for issuance under our equity compensation plans.

Equity Compensation Plan Information

<u>Plan Category</u>	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) (6)
Equity compensation plans approved by security holders:			
Liberty Global Incentive Plan (3):			
Liberty Global Class A ordinary shares	6,773,421	\$ 56.98	238,907
Liberty Global Class C ordinary shares	6,740,635	\$ 54.05	
Liberty Global Director Incentive Plan (4):			
Liberty Global Class A ordinary shares	413,560	\$ 37.62	8,814,423
Liberty Global Class C ordinary shares	422,940	\$ 36.15	
VM Incentive Plan (5)			
Liberty Global Class A ordinary shares	2,278,444	\$ 36.45	12,017,912
Liberty Global Class C ordinary shares	1,728,470	\$ 33.38	
Other:			
Liberty Global Class A ordinary shares	229,276	19.59	—
Liberty Global Class C ordinary shares	221,301	18.51	
Equity compensation plans not approved by security holders:			
None	—		—
Totals:			
Liberty Global Class A ordinary shares	9,694,701		21,071,242
Liberty Global Class C ordinary shares	9,113,346		

- (1) This table includes SARs with respect to 4,168,758 and 4,134,386 shares of Liberty Global Class A and Class C ordinary shares, respectively and PSARs with respect to 2,817,498 and 2,817,498 shares of Liberty Global Class A and Class C ordinary shares, 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 Liberty Global ordinary shares or in certain cases, if lower, a specified price, may be paid in shares of the applicable series of Liberty Global ordinary shares. Based upon the respective market prices of Liberty Global Class A and Class C ordinary shares at December 31, 2013 and excluding any related tax effects, 1,858,987 and 1,826,332 shares of Liberty Global Class A and Class C ordinary shares, respectively, would have been issued if all outstanding SARs had been exercised on December 31, 2013. For further information, see note 12 to our consolidated financial statements.

- (2) In addition to the option, SAR and PSAR information included in this table, there are outstanding under the various incentive plans restricted shares and RSU awards (including PSUs) with respect to an aggregate of 1,650,324 shares of Liberty Global Class A ordinary shares and 1,519,298 shares of Liberty Global Class C ordinary shares.
- (3) The Liberty Global Incentive Plan permits grants of, or with respect to, Liberty Global Class A, Class B or Class C ordinary shares subject to a single aggregate limit of 50 million shares (of which no more than 25 million shares may consist of Class B shares), subject to anti-dilution adjustments. As of December 31, 2013, an aggregate of 238,907 ordinary shares were available for issuance pursuant to the incentive plan. For additional information, see note 7.
- (4) The non-employee Liberty Global Director Incentive Plan permits grants of, or with respect to, Liberty Global Class A, Class B or Class C ordinary shares subject to a single aggregate limit of 10 million shares (of which no more than five million shares may consist of Liberty Global Class B shares), subject to anti-dilution adjustments. As of December 31, 2013, an aggregate of 8,814,423 ordinary shares were available for issuance pursuant to the non-employee Liberty Global Director Incentive Plan. For additional information, see note 7.
- (5) The VM Incentive Plan permits grants of, or with respect to, any class of Liberty Global ordinary shares. As of December 31, 2013, an aggregate of 12,017,912 ordinary shares were available for issuance pursuant to the incentive plan. For additional information, see note 7.
- (6) Subsequent to December 31, 2013, our shareholders approved the Liberty Global 2014 Incentive Plan and the Liberty Global 2014 Nonemployee Director Incentive Plan (collectively, the Liberty Global 2014 Incentive Plans). The maximum number of Liberty Global shares with respect to which awards may be issued under the Liberty Global 2014 Incentive Plan and the Liberty Global 2014 Nonemployee Director Incentive Plan is 50 million (of which no more than 25 million shares may consist of Class B ordinary shares) and five million, respectively, in each case, subject to anti-dilution and other adjustment provisions in the respective plan. As the Liberty Global 2014 Incentive Plans have now been approved by our shareholders, no further awards will be granted under the Liberty Global Incentive Plan, the Liberty Global Director Incentive Plan or the VM Incentive Plan.

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 PLC

Dated: February 13, 2014

/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, 2014
/s/ MICHAEL T. FRIES Michael T. Fries	President, Chief Executive Officer and Director	February 13, 2014
/s/ ANDREW J. COLE Andrew J. Cole	Director	February 13, 2014
/s/ JOHN P. COLE John P. Cole	Director	February 13, 2014
/s/ MIRANDA CURTIS Miranda Curtis	Director	February 13, 2014
/s/ JOHN W. DICK John W. Dick	Director	February 13, 2014
/s/ PAUL A. GOULD Paul A. Gould	Director	February 13, 2014
/s/ RICHARD R. GREEN Richard R. Green	Director	February 13, 2014
/s/ DAVID E. RAPLEY David E. Rapley	Director	February 13, 2014
/s/ LARRY E. ROMRELL Larry E. Romrell	Director	February 13, 2014
/s/ J.C. SPARKMAN J.C. Sparkman	Director	February 13, 2014
/s/ J. DAVID WARGO J. David Wargo	Director	February 13, 2014
/s/ CHARLES H.R. BRACKEN Charles H.R. Bracken	Executive Vice President and Co-Chief Financial Officer (Principal Financial Officer)	February 13, 2014
/s/ BERNARD G. DVORAK Bernard G. Dvorak	Executive Vice President and Co-Chief Financial Officer (Principal Accounting Officer)	February 13, 2014

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) (1) FINANCIAL STATEMENT

The financial statements required under this Item begin on page II-73 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):

Liberty Global plc Condensed Balance Sheet as of December 31, 2013 (Parent Company Only)	IV-11
Liberty Global plc Condensed Statement of Operations for the period from June 8, 2013 through December 31, 2013 (Parent Company Only)	IV-12
Liberty Global plc Condensed Statement of Cash Flows for the period from June 8, 2013 through December 31, 2013 (Parent Company Only)	IV-13
Liberty Global, Inc. Condensed Balance Sheet as of December 31, 2012 (Parent Company Only)	IV-14
Liberty Global, Inc. Condensed Statements of Operations for the period from January 1, 2013 through June 7, 2013 and the years ended December 31, 2012 and 2011 (Parent Company Only)	IV-15
Liberty Global, Inc. Condensed Statements of Cash Flows for the period from January 1, 2013 through June 7, 2013 and the years ended December 31, 2012 and 2011 (Parent Company Only)	IV-16
Schedule II - Valuation and Qualifying Accounts	IV-17

Separate Financial Statements of Subsidiaries Not Consolidated or 50 Percent or Less Owned Persons:

Ziggo N.V. (Ziggo)

We use the fair value method to account for our investment in Ziggo. As a result of our equity interest in Ziggo (28.5% at December 31, 2013) and certain other factors, we exercised significant influence over Ziggo during the latter part of 2013. SEC Rule 3-09 of Regulation S-X requires that we include or incorporate by reference Ziggo financial statements in this Annual Report on Form 10-K since our investment in Ziggo is considered to be significant in the context of Rule 3-09 for the year ended December 31, 2013. Liberty Global expects to file an amendment to this Annual Report on Form 10-K on or before June 30, 2014 to include the required audited consolidated financial statements of Ziggo.

(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. (Virgin Media), Liberty Global, Inc. (LGI), 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 LGI's Current Report on Form 8-K filed February 7, 2013 (File No. 000-51360)).
- 2.2 Amendment No. 1, dated as of March 6, 2013, to the Agreement and Plan of Merger, dated as of February 5, 2013, among Liberty Global, Inc., Virgin Media Inc., Liberty Global Corporation Limited (formerly named 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 LGI's Current Report on Form 8-K filed March 8, 2013 (File No. 000-51360)).

3 -- Articles of Incorporation and Bylaws:

- 3.1 Articles of Association of Liberty Global plc, adopted by Special Resolutions passed on May 30, 2013 (incorporated by reference to Exhibit 3.1 to LGI's Current Report on Form 8-K filed June 7, 2013 (File No. 000-51360) (the June 7, 2013 8-K)).

4 -- Instruments Defining the Rights of Securities Holders, including Indentures:

- 4.1 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 LGI's Annual Report on Form 10-K filed February 22, 2012 (File No. 000-51360) (the 2011 10-K)).
- 4.2 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 LGI's Current Report on Form 8-K filed March 26, 2009 (File No. 000-51360) (the March 2009 8-K)).
- 4.3 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).
- 4.4 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 LGI's Current Report on Form 8-K/A filed April 28, 2009 (File No. 000-51360) (the April 2009 8-K/A)).
- 4.5 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).
- 4.6 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 LGI's Current Report on Form 8-K filed May 6, 2009 (File No. 000-51360)).
- 4.7 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 LGI's Current Report on Form 8-K/A filed May 26, 2009 (File No. 000-51360)).
- 4.8 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 LGI's Current Report on Form 8-K filed June 10, 2009 (File No. 000-51360)).
- 4.9 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 LGI's Current Report on Form 8-K filed September 8, 2009 (File No. 000-51360)).
- 4.10 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 LGI's Current Report on Form 8-K filed November 5, 2009 (File No. 000-51360)).
- 4.11 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 LGI's Current Report on Form 8-K filed November 24, 2009 (File No. 000-51360)).
- 4.12 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 LGI's Current Report on Form 8-K filed January 21, 2010 (File No. 000-51360) (the January 2010 8-K)).
- 4.13 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).

- 4.14 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 LGI's Current Report on Form 8-K filed April 21, 2010 (File No. 000-51360)).
- 4.15 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 LGI's Current Report on Form 8-K filed February 1, 2011 (File No. 000-51360) (the January 2011 8-K)).
- 4.16 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).
- 4.17 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 LGI's Current Report on Form 8-K filed February 17, 2011 (File No. 000-51360) (the February 2011 8-K)).
- 4.18 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).
- 4.19 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).
- 4.20 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).
- 4.21 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 LGI's Current Report on Form 8-K filed February 23, 2012 (File No. 000-51360)).
- 4.22 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 LGI's Current Report on Form 8-K filed November 21, 2012 (File No. 000-51360)).
- 4.23 Additional Facility AH Accession Agreement, dated April 19, 2013, among UPC Financing Partnership, The Bank of Nova Scotia as Facility Agent and Security Agent and Liberty Global Services B.V. as Additional Facility AH Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to LGI's Current Report on Form 8-K filed April 23, 2013) (File No. 000-51360)).
- 4.24 Additional Facility AG1 Accession Agreement, dated April 29, 2013, among UPC Financing Partnership as Borrower, The Bank of Nova Scotia as Facility Agent and Security Agent and Liberty Global Services B.V. as Additional Facility AG1 Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to LGI's Current Report on Form 8-K filed May 2, 2013 (File No. 000-51360)).
- 4.25 Additional Facility AE1 Accession Agreement, dated May 14, 2013, among UPC Financing Partnership, The Bank of Nova Scotia as Facility Agent and Security Agent and Liberty Global Services B.V. as Additional Facility AE1 Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to LGI's Current Report on Form 8-K filed May 16, 2013 (File No. 000-51360) (the May 16, 2013 8-K)).
- 4.26 Additional Facility AI Accession Agreement, dated May 14, 2013, among UPC Financing Partnership, The Bank of Nova Scotia as Facility Agent and Security Agent and each of the Additional Facility AI Lenders listed in Schedule 1 thereto, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.2 to the May 16, 2013 8-K).
- 4.27 Additional Facility AG Accession Agreement, dated March 26, 2013, among UPC Financing Partnership as Borrower, The Bank of Nova Scotia as Facility Agent and Security Agent and Liberty Global Services B.V. as Additional Facility AG Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to LGI's Current Report on Form 8-K filed March 28, 2013 (File No. 000-51360)).
- 4.28 Additional Facility AH Accession Agreement, dated April 19, 2013, among UPC Financing Partnership, The Bank of Nova Scotia as Facility Agent and Security Agent and Liberty Global Services B.V. as Additional Facility AH Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to LGI's Current Report on Form 8-K filed April 23, 2013 (File No. 000-51360)).

- 4.29 Additional Facility AG1 Accession Agreement, dated April 29, 2013, among UPC Financing Partnership as Borrower, The Bank of Nova Scotia as Facility Agent and Security Agent and Liberty Global Services B.V. as Additional Facility AG1 Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to LGI's Current Report on Form 8-K filed May 2, 2013 (File No. 000-51360)).
- 4.30 Amendment and Restatement Letter dated October 15, 2013, among The Bank of Nova Scotia, as Facility Agent, UPC Broadband Holding B.V., UPC Financing Partnership, as Borrowers, and the Guarantors listed therein (incorporated by reference to Exhibit 4.1 to LGI's Current Report on Form 8-K filed October 21, 2013 (File No. 001-35961)).
- 4.31 €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 LGI's Current Report on Form 8-K filed June 26, 2009 (File No. 000-51360) (the June 2009 8-K)).
- 4.32 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).
- 4.33 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 LGI's Current Report on Form 8-K filed October 8, 2010 (File No. 000-51360)).
- 4.34 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 LGI's Annual Report on Form 10-K filed February 24, 2011 (File No. 000-51360) (the 2010 10-K)).
- 4.35 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).
- 4.36 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).
- 4.37 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.à.r.l. as an additional Facility Q Lender, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.1 to LGI's Quarterly Report on Form 10-Q filed August 2, 2011 (File No. 000-51360)).
- 4.38 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.à.r.l. as an additional Facility Q Lender, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.1 to LGI's Current Report on Form 8-K filed July 22, 2011 (File No. 000-51360) (the July 2011 8-K)).
- 4.39 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.à.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).
- 4.40 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 LGI's Current Report on Form 8-K filed July 29, 2011) (File No. 000-51360)).
- 4.41 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 LGI's Current Report on Form 8-K filed February 17, 2012) (File No. 000-51360)).
- 4.42 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 LGI's Current Report on Form 8-K filed March 2, 2012 (File No. 000-51360) (the March 2012 8-K)).

- 4.43 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).
- 4.44 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 LGI's Quarterly Report on Form 10-Q filed November 5, 2012 (File No. 000-51360) (the November 5, 2012 10-Q)).
- 4.45 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).
- 4.46 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 LGI's Current Report on Form 8-K/A filed November 19, 2009 (File No. 000-51360)).
- 4.47 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 LGI's Current Report on Form 8-K filed May 8, 2012 (File No. 000-51360) (the May 2012 8-K)).
- 4.48 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).
- 4.49 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 LGI's Current Report on Form 8-K filed December 20, 2012 (File No. 000-51360)).
- 4.50 Indenture for 6.50% Convertible Senior Notes due 2016, dated as of April 16, 2008, between Virgin Media Inc. and The Bank of New York, as trustee (including form of 6.50% Convertible Senior Note due 2016) (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of Virgin Media Inc. filed on April 16, 2008 (File No. 000-50886) (the Virgin Media April 2008 8-K)).
- 4.51 Registration Rights Agreement for 6.50% Convertible Senior Notes due 2016, dated as of April 16, 2008, between Virgin Media Inc. and Goldman, Sachs & Co., Deutsche Bank Securities Inc. and J.P. Morgan Securities Inc. (incorporated by reference to Exhibit 4.2 to the Virgin Media April 2008 8-K).
- 4.52 Supplemental Indenture, dated as of June 7, 2013, among Liberty Global plc, Viper US MergerCo 1 Corp. (now known as Virgin Media Inc.) and The Bank of New York Mellon, as Trustee, to the Indenture dated as of April 16, 2008 for 6.50% Convertible Senior Notes due 2016 (incorporated by reference to Exhibit 4.2 to LGI's Current Report on Form 8-K filed June 12, 2013 (File No. 001-35961) (the June 12, 2013 8-K)).
- 4.53 Indenture, dated as of January 19, 2010, among Virgin Media Secured Finance PLC, the guarantors party thereto, The Bank of New York Mellon as trustee and paying agent and The Bank of New York Mellon (Luxembourg) S.A. as Luxembourg paying agent (incorporated by reference to Exhibit 4.1 to Virgin Media's Current Report on Form 8-K filed on January 20, 2010 (File No. 000-50886)).
- 4.54 First Supplemental Indenture, dated as of April 19, 2010, among Virgin Media SFA Finance Limited, Virgin Media Secured Finance PLC and The Bank of New York Mellon as trustee (incorporated by reference to Exhibit 4.6 to Virgin Media's Registration Statement on Form S-4 filed on June 15, 2010 (File No. 333-167532) (the Virgin Media June 2010 S-4)).
- 4.55 Second Supplemental Indenture, dated as of May 17, 2010, among General Cable Investments Limited, NTL Funding Limited, Telewest Communications Holdco Limited, VM Sundial Limited, Virgin Media Secured Finance PLC and The Bank of New York Mellon as trustee (incorporated by reference to Exhibit 4.7 to the Virgin Media June 2010 S-4).
- 4.56 Third Supplemental Indenture, dated as of June 10, 2010, among Telewest Communications (Cumbernauld) Limited, Telewest Communications (Dumbarton) Limited, Telewest Communications (Falkirk) Limited, Telewest Communications (Glenrothes) Limited, Barnsley Cable Communications Limited, Doncaster Cable Communications Limited, Halifax Cable Communications Limited, Wakefield Cable Communications Limited, Virgin Media Secured Finance PLC and The Bank of New York Mellon as trustee (incorporated by reference to Exhibit 4.8 to the Virgin Media June 2010 S-4).
- 4.57 Fourth Supplemental Indenture, dated as of February 18, 2011, between, among others, VMWH Limited, Virgin Media Secured Finance PLC and The Bank of New York Mellon as trustee (incorporated by reference to Exhibit 4.23 to Virgin Media's Annual Report on Form 10-K filed on February 22, 2011 (File No. 000-50886)).

- 4.58 Fifth Supplemental Indenture, dated as of February 13, 2013, between, among others, Virgin Media Secured Finance PLC, Virgin Media Inc., Virgin Media Finance PLC, Virgin Media Investment Holdings Limited, the Subsidiary Guarantors named therein, The Bank of New York Mellon as trustee and paying agent and The Bank of New York Mellon Luxembourg S.A. as Luxembourg paying agent (incorporated by reference to Exhibit 4.1 to Virgin Media's Current Report on Form 8-K filed on February 15, 2013 (File No. 000-50886)).
- 4.59 Indenture, dated as of March 3, 2011, among Virgin Media Secured Finance PLC, the guarantors party thereto, The Bank of New York Mellon as trustee and paying agent and The Bank of New York Mellon (Luxembourg) S.A. as Luxembourg paying agent (incorporated by reference to Exhibit 4.1 to Virgin Media's Current Report on Form 8-K filed on March 3, 2011 (File No. 000-50886)).
- 4.60 Indenture dated February 22, 2013, between, among others, Lynx I Corp., as issuer, The Bank of New York Mellon, London Branch, as trustee, transfer agent and principal paying agent and The Bank of New York Mellon, as paying agents and Newco security trustee (incorporated by reference to Exhibit 4.1 to LGI's Current Report on Form 8-K/A filed February 27, 2013 (File No. 000-51360)).
- 4.61 Indenture, dated as of February 22, 2013, among Lynx II Corp., as issuer, The Bank of New York Mellon, London Branch, as trustee, transfer agent and principal paying agent and The Bank of New York Mellon, as paying agents and Newco security trustee (incorporated by reference to Exhibit 4.2 to the Liberty Global February 2013 8-K/A).
- 4.62 Sixth Supplemental Indenture, dated as of June 7, 2013, between, among others, Virgin Media Secured Finance PLC, Virgin Media Inc. and The Bank of New York Mellon as trustee, to the Indenture dated as of January 19, 2010 for Virgin Media 6.50% Senior Secured Notes and 7.00% Senior Secured Notes each due 2018 (incorporated by reference to Exhibit 4.10 to the June 12, 2013 8-K).
- 4.63 First Supplemental Indenture, dated as of June 7, 2013, between, among others, Virgin Media Secured Finance PLC, Virgin Media Inc. and The Bank of New York Mellon as trustee, to the Indenture dated as of March 3, 2011 for Virgin Media 5.25% Senior Secured Notes and 5.50% Senior Secured Notes each due 2021 (incorporated by reference to Exhibit 4.12 to the June 12, 2013 8-K).
- 4.64 Accession Agreement, dated as of June 7, 2013, among Virgin Media Secured Finance PLC, as acceding issuer, Lynx I Corp. and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.13 to the June 12, 2013 8-K).
- 4.65 First Supplemental Indenture, dated as of June 7, 2013, between, among others, Virgin Media Secured Finance PLC and The Bank of New York Mellon, as trustee, to the Indenture dated as of February 22, 2013 for Lynx I Corp. 5¾% Senior Secured Notes and 6.00% Senior Secured Notes each due 2021 (incorporated by reference to Exhibit 4.15 to the June 12, 2013 8-K).
- 4.66 Accession Agreement, dated as of June 7, 2013, among Lynx II Corp., Virgin Media Finance PLC and The Bank of New York Mellon, as trustee and paying agent (incorporated by reference to Exhibit 4.16 to the June 12, 2013 8-K).
- 4.67 First Supplemental Indenture, dated June 7, 2013, between, among others, Virgin Media Finance PLC, Virgin Media Inc. and The Bank of New York Mellon, as trustee and paying agent, to the Indenture dated as of February 22, 2013 Lynx II Corp. 6¾% Senior Notes and 7.00% Senior Notes each due 2023 (incorporated by reference to Exhibit 4.19 to the June 12, 2013 8-K).
- 4.68 Senior Facilities Agreement, dated as of June 7, 2013, among, among others, Virgin Media Finance PLC, certain other subsidiaries of Virgin Media Inc. and the lenders thereto (incorporated by reference to Exhibit 4.19 to the June 12, 2013 8-K).
- 4.69 Amendment, dated June 14, 2013, to the Senior Facilities Agreement, between, among others, Virgin Media Investment Holdings Limited, certain other subsidiaries of Virgin Media Inc. and the lenders thereto (incorporated by reference to Exhibit 4.1 to LGI's Current Report on Form 8-K filed June 21, 2013 (File No. 001-35961)).
- 4.70 Indenture dated January 24, 2014, between VTR Finance B.V., the Bank of New York Mellon, London Branch, as trustee and security agent, and the Bank of New York Mellon as paying agent, registrar and transfer agent (incorporated by reference to Exhibit 4.1 to LGI's Current Report on Form 8-K filed January 24, 2014 (File No. 001-35961)).
- 4.71 Acquisition Facilities Agreement dated January 27, 2014, as amended and restated by a Supplemental Agreement dated February 10, 2014 (the Holdco VII Facilities Agreement), by and among LGE Holdco VII B.V. as Original Borrower and Original Guarantor, Bank of America Merrill Lynch International Limited and Credit Suisse AG, London Branch, as Global Coordinators, certain banks and financial institutions as Bookrunners, certain banks and financial institutions, as Mandated Lead Arrangers, The Bank of Nova Scotia as Facility Agent, ING Bank N.V. as Security Agent and the banks and financial institutions listed therein as lenders.*
- 4.72 High Yield Bridge Facilities Agreement dated January 27, 2014, by and among Holdco VI B.V. as Original Borrower, Bank of America Merrill Lynch International Limited and Credit Suisse AG, London Branch, as Global Coordinators, certain banks and financial institutions as Bookrunners, certain banks and financial institutions as Mandated Lead Arrangers, Bank of America Merrill Lynch International Limited as Facility Agent and as Security Agent and the lenders listed therein.*
- 4.73 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 Deed of Assumption of Liberty Global plc, dated June 7, 2013 (incorporated by reference to Exhibit 10.1 to the June 7, 2013 8-K).
- 10.2 Liberty Global, Inc. 2005 Incentive Plan (as amended and restated effective June 7, 2013) (the Incentive Plan) (incorporated by reference to Exhibit 10.2 to the June 7, 2013 8-K).
- 10.3 Liberty Global, Inc. 2005 Nonemployee Director Incentive Plan (as amended and restated effective June 7, 2013) (the Director Plan) (incorporated by reference to Exhibit 10.3 to the June 7, 2013 8-K).
- 10.4 Virgin Media Inc. 2010 Stock Incentive Plan (as amended and restated effective June 7, 2013) (incorporated by reference to Exhibit 10.4 to the June 7, 2013 8-K).
- 10.5 Form of Non-Qualified Stock Option Agreement under the Director Plan (incorporated by reference to Exhibit 10.7 to the Registrant's Quarterly Report on Form 10-Q filed August 1, 2013 (File No. 001-35961) (the August 1, 2013 10-Q)).
- 10.6 Liberty Global plc Compensation Policy for Nonemployee Directors effective June 7, 2013 (a successor to the Liberty Global, Inc. Compensation Policy for Nonemployee Directors) (incorporated by reference to Exhibit 10.6 to the August 1, 2013 10-Q).
- 10.7 Form of Deed of Indemnity between Liberty Global and its Directors and Executive Officers (incorporated by reference to Exhibit 10.10 to the June 7, 2013 8-K).
- 10.8 Form of the Non-Qualified Stock Option Agreement under the Incentive Plan (incorporated by reference to Exhibit 10.2 of the 2010 10-K).
- 10.9 Form of Stock Appreciation Rights Agreement under the Incentive Plan (incorporated by reference to Exhibit 10.3 to LGI's Quarterly Report on Form 10-Q filed May 7, 2008 (File No. 000-51360) (the May 7, 2008 10-Q)).
- 10.10 Form of Restricted Shares Agreement under the Incentive Plan (incorporated by reference to Exhibit 10.4 of the 2010 10-K).
- 10.11 Form of Restricted Share Units Agreement under the Incentive Plan (incorporated by reference to Exhibit 10.1 to the May 7, 2008 10-Q).
- 10.12 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).
- 10.13 Form of Restricted Shares Agreement under the Director Plan (incorporated by reference to Exhibit 10.8 to the 2011 10-K).
- 10.14 Form of Restricted Share Units Agreement under the Director Plan (incorporated by reference to Exhibit 10.2 to LGI's Quarterly Report on Form 10-Q filed August 4, 2009 (File No. 000-51360)).
- 10.15 Liberty Global Challenge 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 June 28, 2013 (File No. 000-51360)).
- 10.16 Form of Performance Stock Appreciation Rights Agreement under the Incentive Plan (incorporated by reference to Exhibit 10.5 to the August 1, 2013 10-Q).
- 10.17 Liberty Global, Inc. 2013 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 LGI's Current Report on Form 8-K filed April 4, 2013 (File No. 000-51360) (the April 4, 2013 8-K)).
- 10.18 Liberty Global, Inc. 2013 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 April 4, 2013 8-K).
- 10.19 Liberty Global, Inc. 2012 Annual Cash Performance Award Program for executive officers under the Incentive Plan (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 LGI's Current Report on Form 8-K filed January 4, 2013 (File No. 000-51630)).
- 10.20 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 LGI's Current Report on Form 8-K filed March 16, 2012 (File No. 000-51360)).
- 10.21 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)).
- 10.22 Form of Share Grant and Restricted Shares Award in Settlement of Performance Share Units Agreement under the Incentive Plan (incorporated by reference to Exhibit 10.18 to LGI's Annual Report on Form 10-K/A filed February 13, 2013 (File No. 000-51360) (the 2012 10-K)).
- 10.23 Deferred Compensation Plan (adopted effective December 15, 2008; Amended and Restated as of January 1, 2013) (incorporated by reference to Exhibit 10.19 to the 2012 10-K).

10.24	Form of Deferral Election Form under the Deferred Compensation Plan (incorporated by reference to Exhibit 10.20 to the 2012 10-K).
10.25	Nonemployee Director Deferred Compensation Plan (As Amended and Restated Effective December 14, 2013).*
10.26	Form of Deferral Election Form under the Nonemployee Director Deferred Compensation Plan.*
10.27	UnitedGlobalCom, Inc. Equity Incentive Plan (amended and restated effective October 17, 2003) (incorporated by reference to Exhibit 10.23 to the 2012 10-K).
10.28	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).
10.29	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 LGI's Annual Report on Form 10-K filed February 24, 2010 (File No. 000-51360) (the 2009 10-K)).
10.30	Personal Usage of Aircraft Policy, amended and restated (incorporated by reference to Exhibit 10.7 to the May 4, 2011 10-Q).
10.31	Form of Aircraft Time Sharing Agreement (900EX) (incorporated by reference to Exhibit 10.30 to the 2012 10-K).
10.32	Form of Aircraft Time Sharing Agreement (7X) (incorporated by reference to Exhibit 10.31 to the 2012 10-K).
10.33	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).
10.34	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).
10.35	Trade Mark Licence, dated as of April 3, 2006, between Virgin Enterprises Limited and NTL Group Limited (incorporated by reference to Exhibit 10.2 to Virgin Media's Quarterly Report on Form 10-Q filed on August 9, 2006 (File No. 000-50886)).
10.36	Amendment Letter No. 1, effective February 8, 2007, to the Trade Mark Licence between Virgin Enterprises Limited and Virgin Media Limited dated April 3, 2006 (incorporated by reference to Exhibit 10.5 to Virgin Media's Quarterly Report on Form 10-Q filed on August 8, 2007 (File No. 000-50886) (the Virgin Media November 2007 10-Q)).
10.37	Amendment Letter No. 2, dated as of October 1, 2007, to the Trade Mark Licence between Virgin Enterprises Limited and Virgin Media Limited dated April 3, 2006 (incorporated by reference to Exhibit 10.6 to the Virgin Media November 2007 10-Q).
10.38	Trade Mark Licence between Virgin Enterprises Limited and Virgin Media Limited dated December 16, 2009 (incorporated by reference to Exhibit 10.83 to Virgin Media's Annual Report on Form 10-K filed on February 26, 2010 (File No. 000-50886)).
10.39	Merger Protocol dated January 27, 2014, among LGE Holdco VII B.V., Ziggo N.V. and the Registrant (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed January 31, 2014 (File No. 001-35961)).
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*

* Filed herewith

** Furnished herewith

LIBERTY GLOBAL PLC
SCHEDULE I
(Parent Company Information - See Notes to Consolidated Financial Statements)
CONDENSED BALANCE SHEET
(Parent Company Only)

	December 31, 2013
	in millions
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 290.7
Interest receivables — related-party	247.1
Other receivables — related-party	260.4
Other current assets	9.6
Total current assets	807.8
Long-term notes receivable — related-party	9,557.6
Investments in consolidated subsidiaries, including intercompany balances	1,742.8
Other assets, net	3.0
Total assets	\$ 12,111.2
LIABILITIES AND SHAREHOLDERS' EQUITY	
Current liabilities:	
Accounts payable	\$ 11.4
Accrued liabilities and other	53.8
Total current liabilities	65.2
Long-term notes payable — related-party	18.6
Other long-term liabilities	1.6
Total liabilities	85.4
Commitments and contingencies	
Shareholders' equity:	
Class A ordinary shares, \$0.01 nominal value. Issued and outstanding 222,081,117 shares	2.2
Class B ordinary shares, \$0.01 nominal value. Issued and outstanding 10,147,184 shares	0.1
Class C ordinary shares, \$0.01 nominal value. Issued and outstanding 161,996,684 shares	1.6
Additional paid-in capital	12,813.4
Accumulated deficit	(3,312.6)
Accumulated other comprehensive earnings, net of taxes	2,528.8
Treasury shares, at cost	(7.7)
Total shareholders' equity	12,025.8
Total liabilities and shareholders' equity	\$ 12,111.2

LIBERTY GLOBAL PLC
SCHEDULE I
(Parent Company Information - See Notes to Consolidated Financial Statements)
CONDENSED STATEMENT OF OPERATIONS
(Parent Company Only)

	Period from June 8, 2013 through December 31, 2013
	<u>in millions</u>
Operating costs and expenses:	
Selling, general and administrative (including share-based compensation)	\$ 9.7
Related-party fees and allocations	54.9
Operating loss	(64.6)
Non-operating income (expense):	
Interest income, net	468.3
Other expense, net	(4.5)
	<u>463.8</u>
Earnings before income taxes and equity in losses of consolidated subsidiaries, net	399.2
Equity in losses of consolidated subsidiaries, net	(1,306.3)
Income tax expense	(105.8)
Net loss	<u>\$ (1,012.9)</u>

LIBERTY GLOBAL PLC
SCHEDULE I
(Parent Company Information - See Notes to Consolidated Financial Statements)
CONDENSED STATEMENT OF CASH FLOWS
(Parent Company Only)

	Period from June 8, 2013 through December 31, 2013
	<u>in millions</u>
Cash flows from operating activities:	
Net loss	\$ (1,012.9)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Equity in losses of consolidated subsidiaries, net	1,306.3
Share-based compensation expense	3.5
Related-party fees and allocations	54.9
Changes in operating assets and liabilities:	
Receivables and other operating assets	(104.9)
Payables and accruals	6.7
Net cash provided by operating activities	<u>253.6</u>
Cash flows from investing activities:	
Distributions and advances from subsidiaries and affiliates, net	949.0
Other investing activities, net	(11.3)
Net cash provided by investing activities	<u>937.7</u>
Cash flows from financing activities:	
Repurchase of Liberty Global shares	(971.8)
Proceeds from issuance of Liberty Global shares upon exercise of stock options	78.1
Other financing activities, net	(6.9)
Net cash used by financing activities	<u>(900.6)</u>
Net increase in cash and cash equivalents	290.7
Cash and cash equivalents:	
Beginning of period	—
End of period	<u>\$ 290.7</u>

LIBERTY GLOBAL, INC.
SCHEDULE I
(Parent Company Information - See Notes to Consolidated Financial Statements)
CONDENSED BALANCE SHEET
(Parent Company Only)

	December 31, 2012
	in millions
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 69.4
Deferred income taxes	0.8
Other current assets	2.1
Total current assets	72.3
Investments in consolidated subsidiaries, including intercompany balances	2,202.6
Property and equipment, at cost	4.7
Accumulated depreciation	(2.8)
Property and equipment, net	1.9
Deferred income taxes	26.1
Total assets	\$ 2,302.9
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities:	
Accounts payable	\$ 19.5
Accrued liabilities and other	30.9
Total current liabilities	50.4
Other long-term liabilities	42.5
Total liabilities	92.9
Commitments and contingencies	
Stockholders' equity:	
Series A common stock, \$.01 par value. Authorized 500,000,000 shares; issued and outstanding 142,284,430 shares	1.4
Series B common stock, \$.01 par value. Authorized 50,000,000 shares; issued and outstanding 10,206,145 shares	0.1
Series C common stock, \$.01 par value. Authorized 500,000,000 shares; issued and outstanding 106,402,667 shares	1.1
Additional paid-in capital	2,955.6
Accumulated deficit	(2,348.7)
Accumulated other comprehensive earnings, net of taxes	1,600.5
Total stockholders' equity	2,210.0
Total liabilities and stockholders' equity	\$ 2,302.9

LIBERTY GLOBAL, INC.
SCHEDULE I
(Parent Company Information - See Notes to Consolidated Financial Statements)
CONDENSED STATEMENTS OF OPERATIONS
(Parent Company Only)

	Period from January 1, 2013 through June 7, 2013	Year ended December 31, 2012	2011
	in millions		
Operating costs and expenses:			
Selling, general and administrative (including stock-based compensation)	\$ 43.5	\$ 98.1	\$ 96.0
Depreciation and amortization	0.3	0.8	0.6
Other operating charges	48.1	—	—
Operating loss	(91.9)	(98.9)	(96.6)
Non-operating expense:			
Interest expense, net	(0.7)	(0.1)	(36.3)
Loss on debt conversion	—	—	(187.2)
Other expense, net	(0.1)	(0.5)	—
	(0.8)	(0.6)	(223.5)
Loss before income taxes and equity in earnings (losses) of consolidated subsidiaries, net	(92.7)	(99.5)	(320.1)
Equity in earnings (losses) of consolidated subsidiaries, net	120.0	390.7	(552.6)
Income tax benefit	21.7	31.6	100.0
Net earnings (loss)	\$ 49.0	\$ 322.8	\$ (772.7)

LIBERTY GLOBAL, INC.
SCHEDULE I
(Parent Company Information - See Notes to Consolidated Financial Statements)
CONDENSED STATEMENTS OF CASH FLOWS
(Parent Company Only)

	Period from January 1, 2013 through June 7, 2013	Year ended December 31,	
		2012	2011
	in millions		
Cash flows from operating activities:			
Net earnings (loss)	\$ 49.0	\$ 322.8	\$ (772.7)
Adjustments to reconcile net earnings (loss) to net cash used by operating activities:			
Equity in losses (earnings) of consolidated subsidiaries, net	(120.0)	(390.7)	552.6
Stock-based compensation expense	11.5	33.0	38.2
Depreciation and amortization	0.3	0.8	0.6
Other operating charges	48.1	—	—
Amortization of deferred financing costs and non-cash interest accretion	—	—	16.5
Loss on debt conversion	—	—	187.2
Deferred income tax expense (benefit)	(21.9)	111.7	(98.3)
Excess tax benefits from stock-based compensation	—	(2.6)	(38.4)
Changes in operating assets and liabilities:			
Receivables and other operating assets	(7.2)	(27.1)	(2.3)
Payables and accruals	(23.8)	(71.4)	(7.0)
Net cash used by operating activities	(64.0)	(23.5)	(123.6)
Cash flows from investing activities:			
Distributions and advances from subsidiaries and affiliates, net	163.1	855.1	447.5
Capital expenditures	(0.7)	(2.0)	(2.4)
Net cash provided by investing activities	162.4	853.1	445.1
Cash flows from financing activities:			
Repurchase of LGI common stock	(185.4)	(970.3)	(912.6)
Proceeds (payments) related to call option contracts for LGI common stock	55.5	(52.1)	—
Payment of net settled employee withholding taxes on stock incentive awards	(13.1)	(22.1)	(68.2)
Proceeds from issuance of LGI common stock upon exercise of stock options	2.9	25.6	32.7
Excess tax benefits from stock-based compensation	—	2.6	38.4
Payment of exchange offer consideration	—	—	(187.5)
Net cash used by financing activities	(140.1)	(1,016.3)	(1,097.2)
Net decrease in cash and cash equivalents	(41.7)	(186.7)	(775.7)
Cash and cash equivalents:			
Beginning of period	69.4	256.1	1,031.8
End of period	\$ 27.7	\$ 69.4	\$ 256.1

LIBERTY GLOBAL PLC
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:								
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	
2013	\$ 103.0	113.3	12.9	(98.1)	1.7	(10.2)	\$ 122.6	

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. (Virgin Media), Liberty Global, Inc. (LGI), 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 LGI's Current Report on Form 8-K filed February 7, 2013 (File No. 000-51360)).
- 2.2 Amendment No. 1, dated as of March 6, 2013, to the Agreement and Plan of Merger, dated as of February 5, 2013, among Liberty Global, Inc., Virgin Media Inc., Liberty Global Corporation Limited (formerly named 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 LGI's Current Report on Form 8-K filed March 8, 2013 (File No. 000-51360)).

3 -- Articles of Incorporation and Bylaws:

- 3.1 Articles of Association of Liberty Global plc, adopted by Special Resolutions passed on May 30, 2013 (incorporated by reference to Exhibit 3.1 to LGI's Current Report on Form 8-K filed June 7, 2013 (File No. 000-51360) (the June 7, 2013 8-K)).

4 -- Instruments Defining the Rights of Securities Holders, including Indentures:

- 4.1 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 LGI's Annual Report on Form 10-K filed February 22, 2012 (File No. 000-51360 (the 2011 10-K))).
- 4.2 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 LGI's Current Report on Form 8-K filed March 26, 2009 (File No. 000-51360) (the March 2009 8-K)).
- 4.3 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).
- 4.4 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 LGI's Current Report on Form 8-K/A filed April 28, 2009 (File No. 000-51360) (the April 2009 8-K/A)).
- 4.5 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).
- 4.6 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 LGI's Current Report on Form 8-K filed May 6, 2009 (File No. 000-51360)).
- 4.7 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 LGI's Current Report on Form 8-K/A filed May 26, 2009 (File No. 000-51360)).
- 4.8 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 LGI's Current Report on Form 8-K filed June 10, 2009 (File No. 000-51360)).
- 4.9 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 LGI's Current Report on Form 8-K filed September 8, 2009 (File No. 000-51360)).

- 4.10 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 LGI's Current Report on Form 8-K filed November 5, 2009 (File No. 000-51360)).
- 4.11 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 LGI's Current Report on Form 8-K filed November 24, 2009 (File No. 000-51360)).
- 4.12 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 LGI's Current Report on Form 8-K filed January 21, 2010 (File No. 000-51360) (the January 2010 8-K)).
- 4.13 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).
- 4.14 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 LGI's Current Report on Form 8-K filed April 21, 2010 (File No. 000-51360)).
- 4.15 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 LGI's Current Report on Form 8-K filed February 1, 2011 (File No. 000-51360) (the January 2011 8-K)).
- 4.16 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).
- 4.17 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 LGI's Current Report on Form 8-K filed February 17, 2011 (File No. 000-51360) (the February 2011 8-K)).
- 4.18 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).
- 4.19 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).
- 4.20 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).
- 4.21 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 LGI's Current Report on Form 8-K filed February 23, 2012 (File No. 000-51360)).
- 4.22 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 LGI's Current Report on Form 8-K filed November 21, 2012 (File No. 000-51360)).
- 4.23 Additional Facility AH Accession Agreement, dated April 19, 2013, among UPC Financing Partnership, The Bank of Nova Scotia as Facility Agent and Security Agent and Liberty Global Services B.V. as Additional Facility AH Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to LGI's Current Report on Form 8-K filed April 23, 2013) (File No. 000-51360)).

- 4.24 Additional Facility AG1 Accession Agreement, dated April 29, 2013, among UPC Financing Partnership as Borrower, The Bank of Nova Scotia as Facility Agent and Security Agent and Liberty Global Services B.V. as Additional Facility AG1 Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to LGI's Current Report on Form 8-K filed May 2, 2013 (File No. 000-51360)).
- 4.25 Additional Facility AE1 Accession Agreement, dated May 14, 2013, among UPC Financing Partnership, The Bank of Nova Scotia as Facility Agent and Security Agent and Liberty Global Services B.V. as Additional Facility AE1 Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to LGI's Current Report on Form 8-K filed May 16, 2013 (File No. 000-51360) (the May 16, 2013 8-K)).
- 4.26 Additional Facility AI Accession Agreement, dated May 14, 2013, among UPC Financing Partnership, The Bank of Nova Scotia as Facility Agent and Security Agent and each of the Additional Facility AI Lenders listed in Schedule 1 thereto, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.2 to the May 16, 2013 8-K).
- 4.27 Additional Facility AG Accession Agreement, dated March 26, 2013, among UPC Financing Partnership as Borrower, The Bank of Nova Scotia as Facility Agent and Security Agent and Liberty Global Services B.V. as Additional Facility AG Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to LGI's Current Report on Form 8-K filed March 28, 2013 (File No. 000-51360)).
- 4.28 Additional Facility AH Accession Agreement, dated April 19, 2013, among UPC Financing Partnership, The Bank of Nova Scotia as Facility Agent and Security Agent and Liberty Global Services B.V. as Additional Facility AH Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to LGI's Current Report on Form 8-K filed April 23, 2013 (File No. 000-51360)).
- 4.29 Additional Facility AG1 Accession Agreement, dated April 29, 2013, among UPC Financing Partnership as Borrower, The Bank of Nova Scotia as Facility Agent and Security Agent and Liberty Global Services B.V. as Additional Facility AG1 Lender, under the UPC Broadband Holding Bank Facility (incorporated by reference to Exhibit 4.1 to LGI's Current Report on Form 8-K filed May 2, 2013 (File No. 000-51360)).
- 4.30 Amendment and Restatement Letter dated October 15, 2013, among The Bank of Nova Scotia, as Facility Agent, UPC Broadband Holding B.V., UPC Financing Partnership, as Borrowers, and the Guarantors listed therein (incorporated by reference to Exhibit 4.1 to LGI's Current Report on Form 8-K filed October 21, 2013 (File No. 001-35961)).
- 4.31 €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 LGI's Current Report on Form 8-K filed June 26, 2009 (File No. 000-51360) (the June 2009 8-K)).
- 4.32 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).
- 4.33 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 LGI's Current Report on Form 8-K filed October 8, 2010 (File No. 000-51360)).
- 4.34 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 LGI's Annual Report on Form 10-K filed February 24, 2011 (File No. 000-51360) (the 2010 10-K)).
- 4.35 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).
- 4.36 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).
- 4.37 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.à.r.l. as an additional Facility Q Lender, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.1 to LGI's Quarterly Report on Form 10-Q filed August 2, 2011 (File No. 000-51360)).

- 4.38 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.à.r.l. as an additional Facility Q Lender, under the Telenet Credit Facility (incorporated by reference to Exhibit 4.1 to LGI's Current Report on Form 8-K filed July 22, 2011 (File No. 000-51360) (the July 2011 8-K)).
- 4.39 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.à.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).
- 4.40 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 LGI's Current Report on Form 8-K filed July 29, 2011) (File No. 000-51360)).
- 4.41 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 LGI's Current Report on Form 8-K filed February 17, 2012) (File No. 000-51360)).
- 4.42 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 LGI's Current Report on Form 8-K filed March 2, 2012 (File No. 000-51360) (the March 2012 8-K)).
- 4.43 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).
- 4.44 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 LGI's Quarterly Report on Form 10-Q filed November 5, 2012 (File No. 000-51360) (the November 5, 2012 10-Q)).
- 4.45 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).
- 4.46 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 LGI's Current Report on Form 8-K/A filed November 19, 2009 (File No. 000-51360)).
- 4.47 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 LGI's Current Report on Form 8-K filed May 8, 2012 (File No. 000-51360) (the May 2012 8-K)).
- 4.48 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).
- 4.49 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 LGI's Current Report on Form 8-K filed December 20, 2012 (File No. 000-51360)).
- 4.50 Indenture for 6.50% Convertible Senior Notes due 2016, dated as of April 16, 2008, between Virgin Media Inc. and The Bank of New York, as trustee (including form of 6.50% Convertible Senior Note due 2016) (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of Virgin Media Inc. filed on April 16, 2008 (File No. 000-50886) (the Virgin Media April 2008 8-K)).
- 4.51 Registration Rights Agreement for 6.50% Convertible Senior Notes due 2016, dated as of April 16, 2008, between Virgin Media Inc. and Goldman, Sachs & Co., Deutsche Bank Securities Inc. and J.P. Morgan Securities Inc. (incorporated by reference to Exhibit 4.2 to the Virgin Media April 2008 8-K).

- 4.52 Supplemental Indenture, dated as of June 7, 2013, among Liberty Global plc, Viper US MergerCo 1 Corp. (now known as Virgin Media Inc.) and The Bank of New York Mellon, as Trustee, to the Indenture dated as of April 16, 2008 for 6.50% Convertible Senior Notes due 2016 (incorporated by reference to Exhibit 4.2 to LGI's Current Report on Form 8-K filed June 12, 2013 (File No. 001-35961) (the June 12, 2013 8-K)).
- 4.53 Indenture, dated as of January 19, 2010, among Virgin Media Secured Finance PLC, the guarantors party thereto, The Bank of New York Mellon as trustee and paying agent and The Bank of New York Mellon (Luxembourg) S.A. as Luxembourg paying agent (incorporated by reference to Exhibit 4.1 to Virgin Media's Current Report on Form 8-K filed on January 20, 2010 (File No. 000-50886)).
- 4.54 First Supplemental Indenture, dated as of April 19, 2010, among Virgin Media SFA Finance Limited, Virgin Media Secured Finance PLC and The Bank of New York Mellon as trustee (incorporated by reference to Exhibit 4.6 to Virgin Media's Registration Statement on Form S-4 filed on June 15, 2010 (File No. 333-167532) (the Virgin Media June 2010 S-4)).
- 4.55 Second Supplemental Indenture, dated as of May 17, 2010, among General Cable Investments Limited, NTL Funding Limited, Telewest Communications Holdco Limited, VM Sundial Limited, Virgin Media Secured Finance PLC and The Bank of New York Mellon as trustee (incorporated by reference to Exhibit 4.7 to the Virgin Media June 2010 S-4).
- 4.56 Third Supplemental Indenture, dated as of June 10, 2010, among Telewest Communications (Cumbernauld) Limited, Telewest Communications (Dumbarton) Limited, Telewest Communications (Falkirk) Limited, Telewest Communications (Glenrothes) Limited, Barnsley Cable Communications Limited, Doncaster Cable Communications Limited, Halifax Cable Communications Limited, Wakefield Cable Communications Limited, Virgin Media Secured Finance PLC and The Bank of New York Mellon as trustee (incorporated by reference to Exhibit 4.8 to the Virgin Media June 2010 S-4).
- 4.57 Fourth Supplemental Indenture, dated as of February 18, 2011, between, among others, VMWH Limited, Virgin Media Secured Finance PLC and The Bank of New York Mellon as trustee (incorporated by reference to Exhibit 4.23 to Virgin Media's Annual Report on Form 10-K filed on February 22, 2011 (File No. 000-50886)).
- 4.58 Fifth Supplemental Indenture, dated as of February 13, 2013, between, among others, Virgin Media Secured Finance PLC, Virgin Media Inc., Virgin Media Finance PLC, Virgin Media Investment Holdings Limited, the Subsidiary Guarantors named therein, The Bank of New York Mellon as trustee and paying agent and The Bank of New York Mellon Luxembourg S.A. as Luxembourg paying agent (incorporated by reference to Exhibit 4.1 to Virgin Media's Current Report on Form 8-K filed on February 15, 2013 (File No. 000-50886)).
- 4.59 Indenture, dated as of March 3, 2011, among Virgin Media Secured Finance PLC, the guarantors party thereto, The Bank of New York Mellon as trustee and paying agent and The Bank of New York Mellon (Luxembourg) S.A. as Luxembourg paying agent (incorporated by reference to Exhibit 4.1 to Virgin Media's Current Report on Form 8-K filed on March 3, 2011 (File No. 000-50886)).
- 4.60 Indenture dated February 22, 2013, between, among others, Lynx I Corp., as issuer, The Bank of New York Mellon, London Branch, as trustee, transfer agent and principal paying agent and The Bank of New York Mellon, as paying agents and Newco security trustee (incorporated by reference to Exhibit 4.1 to LGI's Current Report on Form 8-K/A filed February 27, 2013 (File No. 000-51360)).
- 4.61 Indenture, dated as of February 22, 2013, among Lynx II Corp., as issuer, The Bank of New York Mellon, London Branch, as trustee, transfer agent and principal paying agent and The Bank of New York Mellon, as paying agents and Newco security trustee (incorporated by reference to Exhibit 4.2 to the Liberty Global February 2013 8-K/A).
- 4.62 Sixth Supplemental Indenture, dated as of June 7, 2013, between, among others, Virgin Media Secured Finance PLC, Virgin Media Inc. and The Bank of New York Mellon as trustee, to the Indenture dated as of January 19, 2010 for Virgin Media 6.50% Senior Secured Notes and 7.00% Senior Secured Notes each due 2018 (incorporated by reference to Exhibit 4.10 to the June 12, 2013 8-K).
- 4.63 First Supplemental Indenture, dated as of June 7, 2013, between, among others, Virgin Media Secured Finance PLC, Virgin Media Inc. and The Bank of New York Mellon as trustee, to the Indenture dated as of March 3, 2011 for Virgin Media 5.25% Senior Secured Notes and 5.50% Senior Secured Notes each due 2021 (incorporated by reference to Exhibit 4.12 to the June 12, 2013 8-K).
- 4.64 Accession Agreement, dated as of June 7, 2013, among Virgin Media Secured Finance PLC, as acceding issuer, Lynx I Corp. and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.13 to the June 12, 2013 8-K).
- 4.65 First Supplemental Indenture, dated as of June 7, 2013, between, among others, Virgin Media Secured Finance PLC and The Bank of New York Mellon, as trustee, to the Indenture dated as of February 22, 2013 for Lynx I Corp. 5¾% Senior Secured Notes and 6.00% Senior Secured Notes each due 2021 (incorporated by reference to Exhibit 4.15 to the June 12, 2013 8-K).
- 4.66 Accession Agreement, dated as of June 7, 2013, among Lynx II Corp., Virgin Media Finance PLC and The Bank of New York Mellon, as trustee and paying agent (incorporated by reference to Exhibit 4.16 to the June 12, 2013 8-K).

- 4.67 First Supplemental Indenture, dated June 7, 2013, between, among others, Virgin Media Finance PLC, Virgin Media Inc. and The Bank of New York Mellon, as trustee and paying agent, to the Indenture dated as of February 22, 2013 Lynx II Corp. 6¾% Senior Notes and 7.00% Senior Notes each due 2023 (incorporated by reference to Exhibit 4.19 to the June 12, 2013 8-K).
- 4.68 Senior Facilities Agreement, dated as of June 7, 2013, among, among others, Virgin Media Finance PLC, certain other subsidiaries of Virgin Media Inc. and the lenders thereto (incorporated by reference to Exhibit 4.19 to the June 12, 2013 8-K).
- 4.69 Amendment, dated June 14, 2013, to the Senior Facilities Agreement, between, among others, Virgin Media Investment Holdings Limited, certain other subsidiaries of Virgin Media Inc. and the lenders thereto (incorporated by reference to Exhibit 4.1 to LGI's Current Report on Form 8-K filed June 21, 2013 (File No. 001-35961)).
- 4.70 Indenture dated January 24, 2014, between VTR Finance B.V., the Bank of New York Mellon, London Branch, as trustee and security agent, and the Bank of New York Mellon as paying agent, registrar and transfer agent (incorporated by reference to Exhibit 4.1 to LGI's Current Report on Form 8-K filed January 24, 2014 (File No. 001-35961)).
- 4.71 Acquisition Facilities Agreement dated January 27, 2014, as amended and restated by a Supplemental Agreement dated February 10, 2014 (the Holdco VII Facilities Agreement), by and among LGE Holdco VII B.V. as Original Borrower and Original Guarantor, Bank of America Merrill Lynch International Limited and Credit Suisse AG, London Branch, as Global Coordinators, certain banks and financial institutions as Bookrunners, certain banks and financial institutions, as Mandated Lead Arrangers, The Bank of Nova Scotia as Facility Agent, ING Bank N.V. as Security Agent and the banks and financial institutions listed therein as lenders.*
- 4.72 High Yield Bridge Facilities Agreement dated January 27, 2014, by and among Holdco VI B.V. as Original Borrower, Bank of America Merrill Lynch International Limited and Credit Suisse AG, London Branch, as Global Coordinators, certain banks and financial institutions as Bookrunners, certain banks and financial institutions as Mandated Lead Arrangers, Bank of America Merrill Lynch International Limited as Facility Agent and as Security Agent and the lenders listed therein.*
- 4.73 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 Deed of Assumption of Liberty Global plc, dated June 7, 2013 (incorporated by reference to Exhibit 10.1 to the June 7, 2013 8-K).
- 10.2 Liberty Global, Inc. 2005 Incentive Plan (as amended and restated effective June 7, 2013) (the Incentive Plan) (incorporated by reference to Exhibit 10.2 to the June 7, 2013 8-K).
- 10.3 Liberty Global, Inc. 2005 Nonemployee Director Incentive Plan (as amended and restated effective June 7, 2013) (the Director Plan) (incorporated by reference to Exhibit 10.3 to the June 7, 2013 8-K).
- 10.4 Virgin Media Inc. 2010 Stock Incentive Plan (as amended and restated effective June 7, 2013) (incorporated by reference to Exhibit 10.4 to the June 7, 2013 8-K).
- 10.5 Form of Non-Qualified Stock Option Agreement under the Director Plan (incorporated by reference to Exhibit 10.7 to the Registrant's Quarterly Report on Form 10-Q filed August 1, 2013 (File No. 001-35961) (the August 1, 2013 10-Q)).
- 10.6 Liberty Global plc Compensation Policy for Nonemployee Directors effective June 7, 2013 (a successor to the Liberty Global, Inc. Compensation Policy for Nonemployee Directors) (incorporated by reference to Exhibit 10.6 to the August 1, 2013 10-Q).
- 10.7 Form of Deed of Indemnity between Liberty Global and its Directors and Executive Officers (incorporated by reference to Exhibit 10.10 to the June 7, 2013 8-K).
- 10.8 Form of the Non-Qualified Stock Option Agreement under the Incentive Plan (incorporated by reference to Exhibit 10.2 of the 2010 10-K).
- 10.9 Form of Stock Appreciation Rights Agreement under the Incentive Plan (incorporated by reference to Exhibit 10.3 to LGI's Quarterly Report on Form 10-Q filed May 7, 2008 (File No. 000-51360) (the May 7, 2008 10-Q)).
- 10.10 Form of Restricted Shares Agreement under the Incentive Plan (incorporated by reference to Exhibit 10.4 of the 2010 10-K).
- 10.11 Form of Restricted Share Units Agreement under the Incentive Plan (incorporated by reference to Exhibit 10.1 to the May 7, 2008 10-Q).
- 10.12 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).
- 10.13 Form of Restricted Shares Agreement under the Director Plan (incorporated by reference to Exhibit 10.8 to the 2011 10-K).

- 10.14 Form of Restricted Share Units Agreement under the Director Plan (incorporated by reference to Exhibit 10.2 to LGI's Quarterly Report on Form 10-Q filed August 4, 2009 (File No. 000-51360)).
- 10.15 Liberty Global Challenge 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 June 28, 2013 (File No. 000-51360)).
- 10.16 Form of Performance Stock Appreciation Rights Agreement under the Incentive Plan (incorporated by reference to Exhibit 10.5 to the August 1, 2013 10-Q).
- 10.17 Liberty Global, Inc. 2013 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 LGI's Current Report on Form 8-K filed April 4, 2013 (File No. 000-51360) (the April 4, 2013 8-K)).
- 10.18 Liberty Global, Inc. 2013 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 April 4, 2013 8-K).
- 10.19 Liberty Global, Inc. 2012 Annual Cash Performance Award Program for executive officers under the Incentive Plan (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 LGI's Current Report on Form 8-K filed January 4, 2013 (File No. 000-51630)).
- 10.20 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 LGI's Current Report on Form 8-K filed March 16, 2012 (File No. 000-51360)).
- 10.21 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)).
- 10.22 Form of Share Grant and Restricted Shares Award in Settlement of Performance Share Units Agreement under the Incentive Plan (incorporated by reference to Exhibit 10.18 to LGI's Annual Report on Form 10-K/A filed February 13, 2013 (File No. 000-51360) (the 2012 10-K)).
- 10.23 Deferred Compensation Plan (adopted effective December 15, 2008; Amended and Restated as of January 1, 2013) (incorporated by reference to Exhibit 10.19 to the 2012 10-K).
- 10.24 Form of Deferral Election Form under the Deferred Compensation Plan (incorporated by reference to Exhibit 10.20 to the 2012 10-K).
- 10.25 Nonemployee Director Deferred Compensation Plan (As Amended and Restated Effective December 14, 2013).*
- 10.26 Form of Deferral Election Form under the Nonemployee Director Deferred Compensation Plan.*
- 10.27 UnitedGlobalCom, Inc. Equity Incentive Plan (amended and restated effective October 17, 2003) (incorporated by reference to Exhibit 10.23 to the 2012 10-K).
- 10.28 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).
- 10.29 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 LGI's Annual Report on Form 10-K filed February 24, 2010 (File No. 000-51360) (the 2009 10-K)).
- 10.30 Personal Usage of Aircraft Policy, amended and restated (incorporated by reference to Exhibit 10.7 to the May 4, 2011 10-Q).
- 10.31 Form of Aircraft Time Sharing Agreement (900EX) (incorporated by reference to Exhibit 10.30 to the 2012 10-K).
- 10.32 Form of Aircraft Time Sharing Agreement (7X) (incorporated by reference to Exhibit 10.31 to the 2012 10-K).
- 10.33 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).
- 10.34 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).
- 10.35 Trade Mark Licence, dated as of April 3, 2006, between Virgin Enterprises Limited and NTL Group Limited (incorporated by reference to Exhibit 10.2 to Virgin Media's Quarterly Report on Form 10-Q filed on August 9, 2006 (File No. 000-50886)).

- 10.36 Amendment Letter No. 1, effective February 8, 2007, to the Trade Mark Licence between Virgin Enterprises Limited and Virgin Media Limited dated April 3, 2006 (incorporated by reference to Exhibit 10.5 to Virgin Media's Quarterly Report on Form 10-Q filed on August 8, 2007 (File No. 000-50886) (the Virgin Media November 2007 10-Q)).
- 10.37 Amendment Letter No. 2, dated as of October 1, 2007, to the Trade Mark Licence between Virgin Enterprises Limited and Virgin Media Limited dated April 3, 2006 (incorporated by reference to Exhibit 10.6 to the Virgin Media November 2007 10-Q).
- 10.38 Trade Mark Licence between Virgin Enterprises Limited and Virgin Media Limited dated December 16, 2009 (incorporated by reference to Exhibit 10.83 to Virgin Media's Annual Report on Form 10-K filed on February 26, 2010 (File No. 000-50886)).
- 10.39 Merger Protocol dated January 27, 2014, among LGE Holdco VII B.V., Ziggo N.V. and the Registrant (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed January 31, 2014 (File No. 001-35961)).

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*

* Filed herewith

** Furnished herewith

Dated 27 January 2014

LGE HOLDCO VII B.V.

as Original Borrower and Original Guarantor

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED CREDIT SUISSE AG, LONDON BRANCH

as Global Coordinators

CERTAIN BANKS AND FINANCIAL INSTITUTIONS

as Bookrunners

CERTAIN BANKS AND FINANCIAL INSTITUTIONS

as Mandated Lead Arrangers

THE BANK OF NOVA SCOTIA

as Facility Agent

ING BANK N.V.

as Security Agent

THE LENDERS

ACQUISITION FACILITIES AGREEMENT

as amended and restated by a Supplemental Agreement dated 10 February 2014

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SCHEDULE 1185

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THIS AGREEMENT is dated 27 January 2014 as amended and restated by on 10 February 2014.

BETWEEN:

- (1) LGE HOLDCO VII B.V. (the “Original Borrower” and “Original Guarantor”);
- (1) BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED, CREDIT SUISSE AG, LONDON BRANCH. (the “Global Coordinator”);
- (2) CERTAIN BANKS AND FINANCIAL INSTITUTIONS AS SET OUT IN PART 2 OF SCHEDULE 1 (each a “Bookrunner” and together, the “Bookrunners”);
- (3) CERTAIN BANKS AND FINANCIAL INSTITUTIONS AS SET OUT IN PART 3 OF SCHEDULE 1 (each a “Mandated Lead Arranger” and together, the “Mandated Lead Arrangers”);
- (4) THE BANK OF NOVA SCOTIA (as facility agent for and on behalf of the Finance Parties, the “Facility Agent”);
- (5) ING BANK N.V. (as security agent for and on behalf of the Finance Parties, the “Security Agent”); and
- (6) THE LENDERS (as defined below).

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

“2020 Senior Secured Notes” means the €750,000,000 aggregate principal amount of 3½% senior secured notes due 2020 issued by Ziggo B.V..

“Acceding Borrower” means a member of the Group which has complied with the requirements of 22.1 (*Acceding Borrowers*).

“Acceding Group Company” means an Acceding Borrower or an Acceding Guarantor, as the context may require.

“Acceding Guarantor” means any member of the Group which has complied with the requirements of Clause 22.2 (*Acceding Guarantors*).

“Acceding Obligors” means the Acceding Borrowers and the Acceding Guarantors.

“Acceleration Date” means the date on which a written notice has been served under Clause 23.15 (*Acceleration*).

“Acceptable Bank” means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of BBB+ or higher by Standard & Poor’s Rating Services or Fitch Ratings Ltd or Baa1 or higher by Moody’s Investor Services Limited or a comparable rating from an internationally recognised credit rating agency; or
- (b) any other bank or financial institution approved by the Facility Agent (in consultation with Bidco).

“Acceptable Hedging Agreement” means a Hedging Agreement entered into on the terms of the 1992 ISDA Master Agreement (Multicurrency-Cross Border) or the 2002 ISDA Master Agreement, each as published by ISDA, under which:

- (a) if the 1992 Master Agreement is used, “Second Method” and either “Loss” or “Market Quotation” are specified as the payment method applicable;
- (b) if the 2002 Master Agreement is used, the relevant agreement provides for two way payments; and
- (c) the governing Law is English or New York Law.

“Accession Notice” means a duly completed notice of accession substantially in the form of Schedule 7 (*Form of Accession Notice*) with such changes as may be agreed between Bidco and the Facility Agent from time to time.

“Accounting Period” in relation to any person means any period of approximately three months or one year, as the context requires, for which accounts of such person are required to be delivered pursuant to this Agreement.

“Accrued Amounts” has the meaning given to such term in Clause 33.17 (*Pro Rata Interest Settlement*).

“Acquisition” means the acquisition, whether by one or a series of transactions, (including, without limitation, by purchase, subscription or otherwise) of all or any part of the share capital or equivalent of any company or other person (including, without limitation, any partnership or joint venture) or any asset or assets of any company or other person (including, without limitation, any partnership or joint venture) constituting a business or separate line of business of that company or other person.

“Acquisition Unconditional Date” means the date on which Bidco (or one of its Affiliates) publicly declares the Offer (as defined in the Ziggo Acquisition Agreement) unconditional.

“Additional Facility” has the meaning given to such term in Clause 2.6 (*Additional Facilities*).

“Additional Facility Accession Deed” means an agreement substantially in the form of Part 1 of Schedule 9 (*Form of Additional Facility Accession Deed*) with such changes as may be agreed between Bidco and the relevant Lender.

“Additional Facility Availability Period” means, in relation to an Additional Facility, the availability period specified in the Additional Facility Accession Deed for that Additional Facility.

“Additional Facility Borrower” means any Borrower which becomes a Borrower under any Additional Facility.

“Additional Facility Commencement Date” means, in relation to an Additional Facility, the effective date of that Additional Facility which shall be the later of:

(a) the date specified in the relevant Additional Facility Accession Deed; and

(b) the date on which the conditions set out in paragraph (c) of Clause 2.6 *Additional Facilities* are satisfied.

“Additional Facility Lender” means a person which becomes a Lender under any Additional Facility in accordance with the terms of this Agreement.

“Additional Facility Margin” means, in relation to any Additional Facility, the margin specified in and, if applicable, adjusted in accordance with the relevant Additional Facility Accession Deed.

“Additional Facility Outstandings” means, at any time, the aggregate principal amount of any Additional Facility Advances outstanding under this Agreement.

“Additional Senior Unsecured Notes” means any notes where the incurrence of any Financial Indebtedness under such notes would not result in the pro forma Total Net Debt to Annualised EBITDA ratio (after giving effect to such incurrence and the use of proceeds thereof) on the Quarter Date prior to such incurrence (giving pro forma effect to any movement of cash out of the Group since such date pursuant to any Permitted Payments) exceeding the Total Net Debt to Annualised EBITDA ratio set out in Clause 20.2(b) (*Financial Ratios*) for the Quarter Date following such incurrence and:

(a) that are issued by Bidco Parent after the date of this Agreement pursuant to an Additional Senior Unsecured Offering;

(b) having a final maturity (with no sinking fund payments) of no earlier than the latest Final Maturity Date then existing at the time of the issuance of such notes;

(c) in respect of which the “cross-default” event of default with respect to a default under other indebtedness shall be limited to cross-default to any payment default and cross-acceleration;

- (d)that are unsecured except that they may be secured by a pledge of the shares in the relevant issuer or, in each case, one of their parent companies;
- (e)that, if guaranteed, are not guaranteed by any member of the Group; and
- (f)that are designated as “Additional Senior Unsecured Notes” and “Bidco Parent Debt” by written notice from Bidco to the Facility Agent and the Security Agent by the date when the consolidated financial statements are due to be provided pursuant to Clause 21.2 (*Financial Information*) for the first full Financial Quarter after the issuance of the relevant notes.

“**Additional Senior Unsecured Offering**” means one or more offerings of Additional Senior Unsecured Notes on a registration statement filed with the SEC or pursuant to an exemption from registration under the United States Securities Act of 1933, as amended, including pursuant to Rule 144A and/or Regulation S under the United States Securities Act of 1933, as amended.

“**Advance**” means:

- (a)when designated “**US\$ B4 Facility**”, the principal amount of each advance made or to be made under the US\$ B4 Facility or arising in respect of the US\$ B4 Facility under Clause 12.3 (*Consolidation and Division of Term Facility Advances*);
- (b)when designated “**EUR B4 Facility**”, the principal amount of each advance made or to be made under the EUR B4 Facility or arising in respect of the EUR B4 Facility under Clause 12.3 (*Consolidation and Division of Term Facility Advances*);
- (c)when designated “**Revolving Facility**”, the principal amount of each advance made or to be made under the Revolving Facility;
- (d)when designated “**Additional Facility**”, the principal amount of each advance made or to be made under an Additional Facility or arising in respect of an Additional Facility under Clause 12.3 (*Consolidation and Division of Term Facility Advances*); or
- (e)without any such designation, the “**Additional Facility Advance**”, the “**US\$ B4 Facility Advance**”, the “**EUR B4 Facility Advance**” and/or the “**Revolving Facility Advance**”, as the context requires,

in each case as from time to time reduced by repayment or prepayment.

“**Affiliate**” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

“**Agent**” means the Facility Agent or the Security Agent (or both), as the context requires.

“**Alternative Market Disruption Event**” has the meaning given to such term in Clause 13.2(c) (*Market Disruption*).

“**Alternative Reference Bank Rate**” has the meaning given to such term in Clause 13.3(b) (*Alternative Reference Bank Rate*).

“**Alternative Reference Banks**” means, in relation to any Advance, the principal London offices of Bank of America Merrill Lynch, Deutsche Bank AG, London Branch and Société Générale, London Branch or such other banks as may be appointed by the Facility Agent with the consent of the Borrower.

“**Annualised EBITDA**” has the meaning given to it in Clause 20.1 (*Financial Definitions*).

“**Anti-Terrorism Law**” means each of:

- (a) Executive Order No. 13224 on Terrorist Financing - Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism issued 23 September 2001, as amended by Order 13268 (as so amended, the “**Executive Order**”);
- (b) the Patriot Act;
- (c) the Money Laundering Control Act of 1986 18 U.S.C, section 1956; and
- (d) any updates or replacements to the laws listed above in paragraphs (a) to (c) which are enacted in the United States subsequent to the date of this Agreement.

“**Arrangers**” means the Global Coordinator and the Mandated Lead Arrangers and “**Arranger**” means any of them.

“**Asset Securitisation Subsidiary**” means any Subsidiary of the Ziggo Parent or any other member of the Bank Group, as applicable engaged solely in the business of effecting or facilitating any asset securitisation programme or programmes or one or more receivables factoring transactions.

“**Associated Company**” of a person means:

- (a) any other person which is directly or indirectly Controlled by, under common Control with or Controlling such person; or
- (b) any other person owning beneficially and/or legally directly or indirectly 10 per cent. or more of the equity interest in such person or 10 per cent. of whose equity is owned beneficially and/or legally directly or indirectly by such person.

In this definition:

“**Control**” means the power of a person:

(a)by means of the holding of shares or the possession of voting power in or in relation to any other person; or

(b)by virtue of any powers conferred by the articles of association or other documents regulating any other person,

to direct or cause the direction of the management and policies of that other person, and “**Controlled**” and “**Controlling**” have a corresponding meaning.

“**Auditors**” means a leading firm of independent and internationally recognised accountants appointed by the Ziggo Parent as its auditors for the purposes of preparing the accounts of the Ziggo Parent (delivered under this Agreement).

“**Authorisation**” means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

“**Availability Period**” means:

(a)in respect of the US\$ B4 Facility and the EUR B4 Facility, the period from and including the Acquisition Unconditional Date to and including the earlier to occur of: (i) the date falling 15 months and two weeks from the Signing Date; and (ii) 60 Business Days from the Closing Date; and

(b)in respect of the Revolving Facility, the period from and including the Acquisition Unconditional Date to and including the date falling one month prior to the Final Maturity Date.

“**Available Additional Facility Commitment**” means, in relation to a Lender and an Additional Facility, at any time and save as otherwise provided in this Agreement, its Additional Facility Commitment in relation to that Additional Facility at such time less the amount of its share of the Additional Facility Advances made under that Additional Facility (converted into the currency of that Additional Facility Commitment at the Facility Agent’s Spot Rate of Exchange at that time if required), adjusted to take account of:

(a)any cancellation or reduction of, or any transfer by such Lender or any transfer to it of, any Additional Facility Commitment in relation to that Additional Facility, in each case, pursuant to the terms of this Agreement; and

(b)in the case of any proposed Advance under that Additional Facility, the amount of its share of (i) such Additional Facility Advance (converted into the currency of that Additional Facility Commitment at the Facility Agent’s Spot Rate of Exchange at that time if required) which, pursuant to any other Utilisation Request is to be made on or before the proposed Utilisation Date and (ii) any Additional Facility Advance (converted into the currency of that Additional Facility Commitment at the Facility Agent’s Spot Rate of Exchange at that time if

required) in respect of any Additional Facility which is a revolving facility which is due to be repaid or expire (as the case may be), in each case, on or before the proposed Utilisation Date,

provided always that such amount shall not be less than zero.

“Available Commitment” means, in relation to a Lender, its Available Additional Facility Commitments, its Available US\$ B4 Facility Commitments, its Available EUR B4 Facility Commitments, its Available Revolving Facility Commitments or, in the context of a particular Facility, its Available Additional Facility Commitments, its Available US\$ B4 Facility Commitments, its Available EUR B4 Facility Commitments, its Available Revolving Facility Commitments, as the context may require.

“Available EUR B4 Facility Commitment” means, in relation to a Lender, at any time and save as otherwise provided in this Agreement, its EUR B4 Facility Commitment at such time less the Euro Amount of its share of the EUR B4 Facility Advances made under this Agreement, adjusted to take account of any cancellation or reduction of, or any transfer by such Lender or any transfer to it of, any EUR B4 Facility Commitment, in each case, pursuant to the terms of this Agreement provided always that such amount shall not be less than zero.

“Available Facility” means, in relation to a Facility, at any time, the aggregate amount of the Available Commitments in respect of that Facility at that time.

“Available Revolving Facility” means, at any time, the aggregate amount of the Available Revolving Facility Commitments.

“Available Revolving Facility Commitment” means, in relation to a Lender, at any time and save as otherwise provided in this Agreement, its Revolving Facility Commitment at such time, less the Euro Amount of its share of the Revolving Facility Outstandings, adjusted to take account of:

- (a) any cancellation or reduction of, or any transfer by such Lender or any transfer to it of, any Revolving Facility Commitment, in each case, pursuant to the terms of this Agreement; and
- (b) in the case of any proposed Utilisation, the Euro Amount of its share of (i) such Revolving Facility Advance which pursuant to any other Utilisation Request is to be made, and (ii) any Revolving Facility Advance which is due to be repaid or prepaid on or before the proposed Utilisation Date,

subject to paragraph (h) of Clause 4.1 (*Conditions to Utilisation*) and provided always that such amount shall not be less than zero.

“Available US\$ B4 Facility Commitment” means, in relation to a Lender, at any time and save as otherwise provided in this Agreement, its US\$ B4 Facility Commitment at

such time less the amount of its share of the US\$ B4 Facility Advances made under this Agreement, adjusted to take account of any cancellation or reduction of, or any transfer by such Lender or any transfer to it of, any US\$ B4 Facility Commitment, in each case, pursuant to the terms of this Agreement provided always that such amount shall not be less than zero.

“Bank Group” shall have the meaning given to such term in the Refinancing Facilities Agreement (as amended from time to time). For information purposes only, the members of the Bank Group as at the Signing Date are listed in Part 2 of Schedule 2 (*Members of the Bank Group*).

“Bank Group Excluded Subsidiary” shall have the meaning given to such term in the Refinancing Facilities Agreement.

“Bank Levy” means the bank levy which is imposed under section 73 of, and schedule 19 to, the Finance Act 2011 (the **“UK Bank Levy”**) and any levy or Tax of an equivalent nature imposed in any jurisdiction in a similar context or for a similar reason to that in and/or which the UK Bank Levy has been imposed by reference to the equity and liability of a financial institution or other person carrying out financial transactions, including the Dutch *bankenbelasting* as set out in the Dutch bank levy act (*Wet bankenbelasting*).

“Bidco” means LGE HoldCo VII B.V..

“Bidco Group” means the Group other than: (i) a member of the Bank Group; and (ii) any Bank Group Excluded Subsidiary.

“Bidco Affiliate” means each of the Affiliates of Bidco, any trust of which Bidco or any of its Affiliates is a trustee, any partnership of which Bidco or any of its Affiliates is a partner and any trust, fund or other entity which is managed by, or is under the control of, Bidco or any of its Affiliates.

“Bidco Intercreditor Agreement” means the intercreditor agreement dated on or about the Closing Date between, among others, Bidco, the Finance Parties and the Hedge Counterparties in relation to, inter alia, the liabilities of the Borrower under the Finance Documents and the liabilities under any Hedging Agreements (as amended from time to time).

“Bidco Proceeds Loans” means any loans advanced by Bidco Parent (other than any Replacement Issuer) to Bidco as set out in the Structure Memorandum, made in connection with the Ziggo Acquisition or as a Permitted Transaction or any other loan advanced by Bidco Parent (other than any Replacement Issuer) to Bidco.

“Bidco Proceeds Loans Pledge” means each of the Dutch law pledge agreements granted by Bidco Parent (other than any Replacement Issuer) in favour of the Security Agent in respect of any Bidco Proceeds Loan.

“Bidco Parent” means LGE HoldCo VI B.V. or any Replacement Issuer.

“Bidco Parent Debt” means any Financial Indebtedness of Bidco Parent or any Replacement Issuer in the form of:

(a) Senior Unsecured Notes;

(b) the Subordinated Bridge Facility Agreement; and/or

(c) any Financial Indebtedness incurred after the Signing Date where the incurrence of such Financial Indebtedness would not result in the pro forma ratio (giving effect to such incurrence and the ultimate use of proceeds thereof) on the Quarter Date prior to such incurrence (giving pro forma effect to any movement of cash out of the Group since such date pursuant to any Permitted Payments) exceeding the ratio set out in Clause 20.2(b) (*Financial Ratios*) for the Quarter Date following such incurrence,

provided that, in respect of any such Financial Indebtedness incurred after the Signing Date, such Financial Indebtedness is designated as “Bidco Parent Debt” by written notice from Bidco to the Facility Agent and the Security Agent by the date when the consolidated financial statements are due to be provided pursuant to Clause 21.2 (*Financial Information*) for the first full Financial Quarter after such incurrence.

“Bidco Parent Equity Equivalent Funding” means a loan made to, or any Financial Indebtedness owed by, any person where the Financial Indebtedness incurred thereby:

(a) may not be required to be repaid at any time prior to the repayment in full of all Outstandings and cancellation of all Available Commitments;

(b) carries no interest or carries interest which is not required to be cash paid or is paid following repayment in full of all Outstandings and cancellation of all Available Commitments;

(c) is either (i) structurally and contractually subordinated to the Facilities or (ii) contractually subordinated to the Facilities, in each case, pursuant to the Bidco Intercreditor Agreement; and

if not already subject to Security created under the Bidco Security Documents, Security in favour of the Security Agent on terms satisfactory to the Security Agent is promptly granted by the relevant creditor over its rights with respect to any such Financial Indebtedness.

“Bidco Parent Intercompany Debt” means any Financial Indebtedness owed by any member of the Group to the Ultimate Holdco or to its Subsidiaries (other than another member of the Group) from time to time and:

- (a) which is subordinated to the Facilities pursuant to the terms of the Bidco Intercreditor Agreement; and
- (b) if not already subject to Security created under the Bidco Security Documents, Security in favour of the Security Agent on terms satisfactory to the Security Agent is promptly granted by the relevant creditor over its rights.

“Bidco Security Documents” means:

- (a) the Bidco Share Pledge and the Bidco Proceeds Loan Pledge;
- (b) any security documents required to be delivered in respect of an Acceding Obligor pursuant to Clause 22 (*Acceding Group Companies*);
- (c) any other document executed at any time by Bidco Parent, a Borrower or any other person conferring or evidencing any Security Interest for or in respect of any of the obligations of the Borrower under this Agreement in favour of the Security Agent whether or not specifically required by this Agreement; and
- (d) any other document executed at any time pursuant to paragraph (b) of Clause 21.14 (*Further Assurance*),

in each case, to the extent the Security in relation to any Bidco Security Document has not been released.

“Bidco Share Pledge” means the first ranking deed of pledge of shares to be entered into by Bidco Parent (other than any Replacement Issuer) as security provider, ING Bank N.V. as security agent and Bidco in relation to all of the issued shares in Bidco.

“Borrower” means the Original Borrower and any Acceding Borrower.

“Break Costs” means:

- (a) the amount (if any) by which:
 - (i) the interest (excluding the Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in an Advance or Unpaid Sum to the last day of the current Interest Period or Term in respect of that Advance or Unpaid Sum, had the amount so received been paid on the last day of that Interest Period or Term;

exceeds:

- (ii) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount of such Advance or Unpaid Sum received or recovered by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following

such receipt or recovery and ending on the last day of the current Interest Period or Term; or

(b)for the purposes of Clause 9.5 (*Notice of Prepayment or Cancellation*), the loss suffered by any Lender as a result of having to unwind any funding contract for reinvestment of proceeds which it had entered into or initiated upon receipt of the notice of prepayment and/or cancellation referred to in Clause 9.5 (*Notice of Prepayment or Cancellation*).

“**Business Day**” means a day (other than a Saturday or Sunday):

(a)on which banks generally are open for business in London and Amsterdam;

(b)if such reference relates to a date for the payment or purchase of any sum denominated in euro, which is a TARGET Day;

(c)if such reference relates to a date for the payment or purchase of any sum denominated in US\$, on which banks generally are open for business in New York; and

(d)if such reference relates to a date for the payment or purchase of any sum denominated in an Optional Currency (other than euro or US\$), the principal financial centre of the country of that currency.

“**Cash**” means, at any time, without double counting:

(a)all Cash Equivalent Investments; and

(b)cash (in cleared balances) denominated in euro (or any other currency freely convertible into euro) and credited to an account in the name of a member of the Group or Bidco Parent with an Acceptable Bank and to which such member of the Group or Bidco Parent is alone (or together with other members of the Group) beneficially entitled and for so long as:

(i)such cash is repayable on demand (including any cash held on time deposit which is capable of being broken and the balance received within 2 Business Days of notice provided that any such cash shall only be taken into account net of any penalties or costs which would be incurred in breaking the relevant time deposit); or

(ii)such cash has been deposited with an Acceptable Bank as security for any performance bond, guarantee, standby letter of credit or similar facility the contingent liabilities relating to such having been included in the calculation of Total Net Debt,

and, in any such case:

- (A) repayment of that cash is not contingent on the prior discharge of any other indebtedness of any member of the Group or Bidco Parent or of any other person whatsoever or on the satisfaction of any other condition;
- (B) there is no encumbrance over that cash except for the Security or any encumbrance constituted by a netting or set-off arrangement entered into by members of the Group or Bidco Parent in the ordinary course of their banking arrangements and any security interest granted in connection therewith; and
- (C) the cash is freely and (except as mentioned in paragraph (ii) above) immediately available to be applied in repayment or prepayment of the Facilities or Financial Indebtedness of the Group or Bidco Parent (as applicable).

“Cash Equivalent Investment” means, without double counting:

(a) debt securities which are freely negotiable and marketable:

(iii) which mature not more than 12 months from the relevant date of calculation; and

(iv) which are rated at least A 1 by Standard & Poor’s or Fitch or P 1 by Moody’s;

(b) certificates of deposit of, or time deposits or overnight bank deposits with, any Acceptable Bank or commercial bank whose short-term securities are rated at least A 2 by Standard and Poor’s or Fitch or P 2 by Moody’s and having maturities of 12 months or less from the date of acquisition;

(c) commercial paper of, or money market accounts or funds with or issued by, an issuer rated at least A 2 by Standard & Poor’s or Fitch or P 2 by Moody’s (or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating) and having an original tenor of 12 months or less;

(d) medium term fixed or floating rate notes of an issuer rated at least A 1 by Standard & Poor’s or Fitch or P 1 by Moody’s at the time of acquisition and having a remaining term of 12 months or less from the date of acquisition;

(e) any investment in a money market fund or enhanced yield fund (i) whose aggregate assets exceed €250,000,000 and (ii) at least 90% of whose assets constitute Cash Equivalent Investments of the type described in paragraphs (a) to (d) of this definition;

- (f) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, any member state of the European Economic Area, any Participating Member State or any country in which a member of the Group or Bidco Parent is incorporated and/or carries out its business, or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;
- (g) marketable general obligations issued by any political subdivision of the United States of America, the United Kingdom, any member state of the European Economic Area, any Participating Member State or any country in which a member of the Group or Bidco Parent is incorporated and/or carries out its business, or by an instrumentality thereof maturing within one year from the date of acquisition (provided that the full faith and credit of the United States of America, the United Kingdom, any member state of the European Economic Area, any Participating Member State or such country is pledged in support thereof) and, at the time of acquisition, having a credit rating of A- or higher from either Standard & Poor's Rating Services or Fitch Ratings Ltd or A3 or higher by Moody's Investors Service Limited;
- (h) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);
- (i) repurchase obligations with a term of not more than seven days from underlying securities of the types described in (e), (f) and (g) entered into with an Acceptable Bank; or
- (j) any other debt security approved by the Instructing Group,

in each case, to which any member of the Group or Bidco Parent is alone (or, in the case of a member of the Group or Bidco Parent, together with other members of the Group or Bidco Parent) beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any security (other than Security arising under the Security Documents (as defined in the Refinancing Facilities Agreement)).

For the purposes of the above calculation no item shall be effectively deducted or credited more than once.

“Centre of Main Interests” has the meaning given to such term in Article 3(1) of Council Regulation (EC) NO 1346/2000 of 29 May 2000 on Insolvency Proceedings.

“Certain Funds Period” means, in respect of the Revolving Facility, the US\$ B4 Facility and the EUR B4 Facility, the period from and including the Acquisition Unconditional Date to and including the earlier of:

- (a) the date falling 60 Business Days from the Closing Date; or

(b) the date falling 15 months and two weeks from the Signing Date.

“**Certain Funds Utilisation**” means any EUR B4 Facility Advance, any US\$ B4 Facility Advance or any Revolving Facility Advance made or to be made under Clause 3.3 (*Utilisations during the Certain Funds Period*), in each case made during the Certain Funds Period.

“**Change of Control**” has the meaning given to it in Clause 10.1 (*Change of Control*).

“**Closing Date**” means the date on which the shares tendered under the offer in relation to the Ziggo Acquisition are first settled after Bidco has declared the offer in relation to the Ziggo Acquisition unconditional (*gestand gedaan*) in accordance with the Dutch Decree on Public Bids pursuant to the Dutch Financial Supervision Act (*Besluit openbare biedingen Wft*) and the documents in relation to the offer in relation to the Ziggo Acquisition.

“**Code**” means the US Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder. Section references to the Code are to the Code, as in effect at the Signing Date and any subsequent provisions of the Code, amendatory of it, supplemental to it or substituted therefor.

“**Commitments**” means:

(a) when designated “**Additional Facility**” in relation to a Lender and an Additional Facility at any time and save as otherwise provided in this Agreement:

(i) the amount set out opposite its name in the Additional Facility Accession Deed in relation to that Additional Facility and the amount of any other Additional Facility Commitment in relation to that Additional Facility transferred to it under this Agreement;

(ii) the amount specified in the Transfer Deed or the Transfer Agreement pursuant to which such Lender becomes a Party; and

(iii) any amount of that Additional Facility assumed by it in accordance with Clause 2.2 (*Increase*);

(b) when designated “**US\$ B4 Facility**” in relation to a Lender and a US\$ B1 Facility at any time and save as otherwise provided in this Agreement:

(i) in relation to an Original Lender, the amount set out opposite its name in the relevant column of Schedule 1 (*Lenders and Commitments*) and any amount of any other US\$ B4 Facility Commitment transferred to it under this Agreement or the amount assumed by it in accordance with Clause 2.2 (*Increase*); and

(ii)in relation to any other Lender, the amount specified in the Transfer Deed or the Transfer Agreement pursuant to which such Lender becomes a Party and any amount of any other US\$ B4 Facility Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*);

(c)when designated “**EUR B4 Facility**” in relation to a Lender and a EUR B4 Facility at any time and save as otherwise provided in this Agreement:

(i)in relation to an Original Lender, the amount set out opposite its name in the relevant column of Schedule 1 (*Lenders and Commitments*) and any amount of any other EUR B4 Facility Commitment transferred to it under this Agreement or the amount assumed by it in accordance with Clause 2.2 (*Increase*); and

(ii)in relation to any other Lender, the amount specified in the Transfer Deed or the Transfer Agreement pursuant to which such Lender becomes a Party and any amount of any other EUR B4 Facility Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*);

(d)when designated “**Revolving Facility**” save as otherwise provided in this Agreement:

(i)in relation to an Original Lender, the amount set out opposite its name in the relevant column of Schedule 1 (*Lenders and Commitments*) and any amount of any other Revolving Facility Commitment transferred to it under this Agreement or the amount assumed by it in accordance with Clause 2.2 (*Increase*); and

(ii)in relation to any other Lender, as specified in the Transfer Deed or the Transfer Agreement pursuant to which such Lender becomes a Party and any amount of any other Revolving Facility Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*),

in each case to the extent:

(a)not cancelled, reduced or transferred by it under this Agreement; and

(b)without any such designation, means “**Additional Facility Commitment**”, “**US\$ B4 Facility Commitment**”, “**EUR B4 Facility Commitment**” and “**Revolving Facility Commitment**”, as the context requires, and any “**Commitment**” means either each or any of the foregoing, as the context requires.

“**Confidentiality Undertaking**” means a confidentiality undertaking substantially in the recommended form of either the LMA or the LSTA or in any other form agreed between Bidco and the Facility Agent.

“**Content**” means any rights to broadcast, transmit, distribute or otherwise make available for viewing, exhibition or reception (whether in analogue or digital format and whether as a channel or an Internet service, a teletext-type service, an interactive service, or an enhanced television service or any part of any of the foregoing, or on a pay-per-view basis, or near video-on-demand, or video-on-demand basis or otherwise) any one or more of audio and/or visual images, audio content, or interactive content (including hyperlinks, re-purposed web-site content, database content plus associated templates, formatting information and other data including any interactive applications or functionality), text, data, graphics, or other content, by means of any means of distribution, transmission or delivery system or technology (whether now known or herein after invented).

“**Debt Pushdown**” shall have the meaning given to such term in Clause 21.20 (*Debt Pushdown*).

“**Debt Pushdown Date**” means the date on which the Debt Pushdown occurs.

“**Default**” means an Event of Default or any event or circumstance specified in Clause 23 (*Events of Default*) which would (with the expiry of a grace period or the giving of notice) be an Event of Default.

“**Defaulting Lender**” means any Lender (other than a Lender which is or becomes a member of the Wider Group):

(a) which has failed to make its participation in an Advance available or has notified the Facility Agent that it will not make its participation in an Advance available by the Utilisation Date of that Advance in accordance with Clause 4.2 (*Lenders’ Participations*);

(b) which has otherwise rescinded or repudiated a Finance Document; or

(c) with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Disruption Event,

and payment is made within two Business Days of its due date; or

(ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

“Designated Party” means any person listed:

- (a) in the Annex to the Executive Order;
- (b) on the “Specially Designated Nationals and Blocked Persons” list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury; or
- (c) in any successor list to either of the foregoing.

“Designated Website” has the meaning given to such term in Clause 36.3(a) (*Use of Websites/E-mail*).

“Disputes” has the meaning given to such term in Clause 43.1 (*Courts*).

“Disruption Event” means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facilities (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (b) the occurrence of any other event which results in a material disruption (of a technical or systems-related nature) to the treasury or payments operations of a Finance Party to this Agreement preventing that, or any other Finance Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other parties in accordance with the terms of the Finance Documents,and which (in either such case) is not caused by, and is beyond the control of, the party whose operations are disrupted.

“Dutch Civil Code” means the *Burgerlijk Wetboek*.

“Dutch Newco” means Finco Partner 1 B.V..

“EBITDA” has the meaning given to it in Clause 20 (*Financial Covenants*).

“ERISA” means the United States Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” means each person, entity, trade or business, whether or not incorporated, that would be treated as a single employer with any member of the Group under section 414 of the Code. When any provision of this Agreement relates to a past event, the term **“ERISA Affiliate”** includes any person that was an ERISA Affiliate of a member of the Group at the time of that past event.

“EUR B4 Facility” means a term loan facility granted to the Borrower pursuant to Clause 1.10 (*The Facilities*).

“EUR B4 Facility Margin” means, subject to the Margin Ratchet, 2.75 per cent. per annum.

“EUR B4 Facility Outstandings” means, at any time, the aggregate principal amount of the EUR B4 Facility Advances outstanding under this Agreement.

“EURIBOR” means, in relation to any amount to be advanced to or owed by an Obligor under this Agreement in euro on which interest for a given period is to accrue:

- (a) the rate per annum for deposits in euro which appears on the Relevant Page for such period at or about 11.00 a.m. (Brussels time) on the Quotation Date for such period;
- (b) if no such rate is displayed and the Facility Agent shall not have selected an alternative service on which such rate is displayed as contemplated by the definition of “Screen Rate”, the Interpolated Screen Rate; or
- (c) if no such rate is displayed and the Facility Agent shall not have selected an alternative service on which such rate is displayed as contemplated by the definition of “Screen Rate” and it is not possible to calculate an Interpolated Screen Rate, the arithmetic mean (rounded upwards, if not already such a multiple, to 4 decimal places) of the rates (as notified to the Facility Agent) at which each of the Reference Banks was offering to prime banks in the European Interbank Market deposits in euro for such period at or about 11.00 a.m. (Brussels time) on the Quotation Date for such period,

provided that, in relation to the EUR B4 Facility, the rate shall not be less than the EURIBOR Floor Percentage.

“EURIBOR Floor Percentage” means, in relation to the EUR B4 Facility, 0.75 per cent. per annum.

“Euro Amount” means at any time:

- (a) in relation to an Advance denominated in euro, the amount thereof, and in relation to any other Advance, the euro equivalent of the amount specified in the Utilisation Request (as at the date thereof) for that Advance, in each case, as

adjusted, if necessary, in accordance with the terms of this Agreement and to reflect any repayment, consolidation or division of that Advance;

(b) in relation to any Outstandings, the aggregate of the Euro Amounts (calculated in accordance with paragraphs (a) above) of each outstanding Advance, made under the relevant Facility or Facilities (as the case may be).

“European Interbank Market” means the interbank market for euro operating in Participating Member States.

“Event of Default” means any of the events or circumstances described as such in Clause 23 (*Events of Default*).

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Facilities” means any Additional Facility, the US\$ B4 Facility, the EUR B4 Facility and the Revolving Facility granted to the Borrower under this Agreement, and **“Facility”** means any of them, as the context may require.

“Facility Agent’s Spot Rate of Exchange” means, in relation to two currencies, the Facility Agent’s spot rate of exchange for the purchase of the first-mentioned currency with the second-mentioned currency in the London foreign exchange market at the Specified Time on a particular day.

“Facility Office” means the office(s) notified by a Lender to the Facility Agent:

- (a) on or before the date it becomes a Lender; or
- (b) by not less than five Business Days’ notice,

as the office(s) through which it will perform all or any of its obligations under this Agreement or in respect of any other Finance Party, the office in the jurisdiction in which it is resident for tax purposes.

“FATCA” means:

- (a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or
- (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

“FATCA Deduction” means a deduction or withholding from a payment under a Finance Document required by FATCA.

“Fee Letter” means the fee letter dated on or around the date of this Agreement entered into between, among others, LGE Holdco VI B.V., LGE Holdco VII B.V. or one of its Affiliates and the Mandated Lead Arrangers and any other letter signed by a Borrower which sets out any of the fees payable under Clause 14 (*Commission and Fees*).

“Final Maturity Date” means:

(a) in respect of the Revolving Facility, 30 June 2020;

(b) in respect of the EUR B4 Facility and the US\$ B4 Facility, 15 January 2022; and

(c) in respect of an Additional Facility, as agreed by Bidco and the relevant Additional Facility Lenders in the relevant Additional Facility Accession Deed, but subject to Clause 2.6 (*Additional Facilities*).

“Finance Documents” means:

(a) this Agreement and any Accession Notice;

(b) the Fee Letter;

(c) the Bidco Intercreditor Agreement;

(d) the Bidco Security Documents;

(e) each Additional Facility Accession Deed;

(f) each Utilisation Request; and

(g) any Selection Notice.

any other agreement or document designated a **“Finance Document”** in writing by the Facility Agent and Bidco.

“Finance Lease” means a lease treated as a capital or finance lease pursuant to IFRS provided that, upon a change in IFRS eliminating the difference in treatment of operating leases and capital leases, “Finance Lease” shall be deemed to be a leasing arrangement where the net present value of the payments (using an interest rate determined with reference to yield to maturity in the trading markets for the issue at the date of the lease of Ziggo Holdco’s or, if applicable, Bidco Parent’s unsecured senior notes with the longest maturity date at the date of the lease) exceeds 90% of the fair value of the asset.

“Finance Parties” means the Facility Agent, the Arrangers, the Bookrunners, the Security Agent and the Lenders and **“Finance Party”** means any of them.

“Financial Indebtedness” means, without double counting, indebtedness in respect of:

- (a) money borrowed or raised and debit balances at banks or other financial institutions;
- (b) any bond, note, loan stock, debenture or similar debt instrument;
- (c) acceptance or documentary credit facilities;
- (d) receivables sold or discounted (otherwise than on a non-recourse basis and other than in the normal course of business for collection);
- (e) payments for assets acquired or services supplied deferred for a period of over 180 days (or 360 days if such deferral is in accordance with the terms pursuant to which the relevant assets were or are to be acquired or services were or are to be supplied) after the relevant assets were or are to be acquired or the relevant services were or are to be supplied, or after the relevant invoice date;
- (f) any other transaction (including without limitation forward sale or purchase agreements) having the commercial effect of a borrowing or raising of money or any of (a) to (e) above;
- (g) guarantees in respect of indebtedness of any person falling within any of paragraphs (a) to (f) above (including for the avoidance of doubt, without double counting, guarantees given by a member of the Group for the indebtedness of the type falling within (a) to (f) above of another member of the Group);
- (h) (for the purposes of Clause 23.5 (*Cross Default*) only) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked-to-market value (or, if any actual amount is due as a result of the termination or close-out of all or part of that derivative transaction, that amount together with the marked-to-market value of any part of that derivative transaction in respect of which no amount is due as a result of a termination or close-out) shall be taken into account);

provided that the following shall not be regarded as Financial Indebtedness:

- (i) any indebtedness which has been cash-collateralised, to the extent so cash-collateralised;
- (ii) any deposits or prepayments received by any member of the Group from a customer or subscriber for its service;
- (iii) indebtedness which is in the nature of equity (other than redeemable shares);

(iv) obligations under Finance Leases;

(v) any indebtedness in respect of any transaction or series of transactions that may be entered into by any member of the Bank Group pursuant to which any member of the Bank Group may sell, convey or otherwise transfer to (1) an Asset Securitisation Subsidiary (in the case of a transfer by any member of the Bank Group) and (2) any other person (in the case of a transfer by an Asset Securitisation Subsidiary) may grant a security interest in, any receivables (whether now existing or arising in the future) of any member of the Bank Group, and any assets related thereto including, without limitation, all collateral securing such receivables, all contracts and all guarantees or other obligations in respect of such accounts receivable, the proceeds of such receivables and other assets which are customarily transferred, or in respect of which security interests are customarily granted, in connection with asset securitisation involving receivables; and

(vi) any “parallel debt” obligations to the extent such obligations mirror other Financial Indebtedness.

“**Financial Quarter**” means the period commencing on the day immediately following any Quarter Date in each year, and ending on the next succeeding Quarter Date.

“**Fitch**” means Fitch Ratings or any successor thereof.

“**Full Ownership Date**” means the date on which Bidco owns, directly or indirectly, an aggregate amount of 100% of the shares in Ziggo N.V. or 100% of the shares in the direct Subsidiary of Ziggo N.V.

“**Funds Flow Memorandum**” means the funds flow memorandum which is in a form consistent with the Structure Memorandum and identified as being delivered in a final form by Bidco to the Facility Agent pursuant to this Agreement.

“**GAAP**” means accounting principles generally accepted in the United States.

“**Group**” means Bidco and its direct and indirect Subsidiaries from time to time other than any Bank Group Excluded Subsidiaries.

“**Group Reconciliation**” means an unaudited schedule to the financial statements of the Reporting Entity delivered in accordance with Clause 21.2 (*Financial Information*), demonstrating the necessary adjustments to the financial statements of the Reporting Entity to derive financial information applicable to the Group prepared in accordance with IFRS.

“**Group Structure Chart**” means the structure chart showing the proposed structure of the Group following the Ziggo Acquisition in the form delivered to the Facility Agent

pursuant to this Agreement on or prior to the Signing Date as supplemented or replaced by any new structure chart delivered by Bidco in any way which reflects the Structure Memorandum.

“Guarantors” means the Original Guarantor and any Acceding Guarantors and **“Guarantor”** means any one of them as the context requires, provided that in either case, such person has not been released from its rights and obligations as a Guarantor hereunder pursuant to Clause 39.8 (*Release of Guarantees and Security*).

“Hedge Counterparty” means any counterparty which is a party to a Hedging Agreement entered into for the purposes of Clause 21.13 (*Hedging*) and has acceded to the Bidco Intercreditor Agreement and the Loss Sharing Deed and **“Hedge Counterparties”** means all such counterparties.

“Hedging Agreement” means any agreement in respect of an interest rate swap, currency swap, commodity hedging transaction, forward foreign exchange transaction, cap, floor, collar or option transaction or any other treasury transaction or any combination of it or any other transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

“Holding Company” of a company means a company of which the first-mentioned company is a Subsidiary.

“Holding Company Expenses” means:

- (a) costs (including all professional fees and expenses) incurred by any Holding Company of Bidco from time to time in connection with reporting obligations under or otherwise incurred in connection with compliance with applicable laws, applicable rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, this Agreement or any other agreement or instrument relating to Financial Indebtedness of Bidco or any member of the Bank Group;
- (b) indemnification obligations of any Holding Company of Bidco from time to time owing to directors, officers, employees or other persons under its charter or by-laws or pursuant to written agreements with any such person with respect to its ownership of Bidco or the conduct of the business of the Group and the Bank Group;
- (c) obligations of any Holding Company of Bidco from time to time in respect of director and officer insurance (including premiums therefor) with respect to its ownership of Bidco or the conduct of the business of the Group and the Bank Group;
- (d) general corporate overhead expenses, including professional fees and expenses and other operational expenses of any Holding Company of Bidco from time to time related to the ownership or operation of the business of Bidco (or its Holding

Company) or any member of the Group or the Bank Group, including acquisitions or dispositions by a member of the Group or the Bank Group permitted hereunder (whether or not successful) in each case, to the extent such costs, obligations and/or expenses are not paid by another Subsidiary of such Holding Company;

(e) fees and expenses payable by any Holding Company of Bidco in connection with any transactions to effect or consummate the Ziggo Acquisition, including transactions to consolidate the holding of share capital in Ziggo N.V., which may include the contribution of an Affiliate entity by a Holding Company of Bidco (“**Contributed Entity**”) which Contributed Entity holds share capital in Ziggo N.V., (2) intercompany indebtedness (A) by LGE HoldCo VI B.V., the Contributed Entity or a Restricted Subsidiary to an Affiliate or (B) by an Affiliate to the Contributed Entity or a Restricted Subsidiary, in each case, to effect or consummate the Ziggo Acquisition, including transactions to consolidate the holding of share capital in Ziggo N.V., (3) any intercompany Financial Indebtedness by LGE HoldCo VI B.V. to any of its Affiliates as part of any pushdown of LGE HoldCo VI B.V.’s notes (provided that such Financial Indebtedness is extinguished upon, or shortly after, completion such pushdown, (4) the other transactions contemplated by such pushdown, (5) any transaction to effect or consummate the Post-Closing Reorganisation and (6) payment of fees, costs and expenses in connection with the Ziggo Acquisition (including transactions to consolidate the holding of share capital in Ziggo N.V.), such pushdown and the Post-Closing Reorganisation; and

(f) to the extent that it would not constitute unlawful financial assistance within the meaning of sections 2:98c of the Dutch Civil Code (provided that this limitation shall cease to be applicable to a Dutch limited liability company upon the abolishment of sections 2:98c of the Dutch Civil Code), all costs, liabilities and expenses of Bidco and Bidco Parent in relation to the Ziggo Acquisition.

“**IFRS**” means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

“**Impaired Agent**” means the Facility Agent at any time when:

(a) it has failed to make (or has notified a Finance Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;

(b) the Facility Agent otherwise rescinds or repudiates a Finance Document;

(c) (if the Facility Agent is also a Lender) it is a Defaulting Lender under paragraph (a) or (b) of the definition of “Defaulting Lender”; or

(d) an Insolvency Event has occurred and is continuing with respect to the Facility Agent,

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Disruption Event,

and payment is made within 3 Business Days of its due date; or

(ii) the Facility Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

“Increase Confirmation” means a confirmation substantially in the form set out in Schedule 10 (*Form of Increase Confirmation*).

“Increase Lender” has the meaning set out in Clause 2.2 (*Increase*).

“Increased Cost” means:

(a) any reduction in the rate of return from a Facility or on a Finance Party’s (or an Affiliate’s) overall capital;

(b) any additional or increased cost; or

(c) any reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having agreed to make available its Commitment or having funded or performed its obligations under any Finance Document.

“Indebtedness” means any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent (including interest and other charges relating to it).

“Information Memorandum” means the information memorandum dated on or about the date hereof and delivered to the Facility Agent on or prior to the Signing Date.

“Insolvency Event” in relation to a Finance Party means that the Finance Party:

(a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

(b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;

(c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;

- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
 - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
 - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (d) above);
- (h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; or
- (i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above.

“Investment Company” has the meaning given to it in the United State Investment Company Act of 1940.

“Instructing Group” means at any time, Lenders the aggregate of whose Available Commitments and participations in outstanding Advances exceeds 50.00 per cent. of the aggregate Available Commitments and outstanding Advances of all of the Lenders (not

taking into account any Available Commitments or Advances in relation to which a cancellation or prepayment notice (as applicable) has been served in accordance with Clause 8.1 (*Voluntary Cancellation*) or Clause 9.1 (*Voluntary Prepayment*)) provided that, in relation to a Facility, the “**Instructing Group**” means at any time, Lenders the aggregate of whose Available Commitments under that Facility and participations in outstanding Advances under that Facility exceeds 50.00 per cent. of the aggregate Available Commitments under that Facility and outstanding Advances under that Facility of all of the Lenders (not taking into account any Available Commitments or Advances under that Facility in relation to which a cancellation or prepayment notice (as applicable) has been served in accordance with Clause 8.1 (*Voluntary Cancellation*) or Clause 9.1 (*Voluntary Prepayment*)).

“**Interest Date**” means the last day of an Interest Period.

“**Interest Period**” means, save as otherwise provided in this Agreement, any of those periods mentioned in Clause 12.1(*Interest Periods for Term Facility Advances*).

“**Interpolated Screen Rate**” means, in relation to LIBOR or EURIBOR, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the relevant period on which interest is to accrue; and
- (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the relevant period on which interest is to accrue,

each as of 11.00 am in respect of LIBOR (and as of 11.00 a.m. (Brussels time) in respect of EURIBOR) on the Quotation Date for such period.

“**ISDA**” means the International Swaps & Derivatives Association, Inc.

“**Law**” means:

- (a) common or customary law;
- (b) any constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure in any jurisdiction; and
- (c) any directive, regulation, practice, requirement which has the force of law and which is issued by any governmental body or any central bank or other fiscal, monetary, regulatory or administrative authority.

“**Legal Opinions**” means any of the legal opinions referred to in paragraph 6 of Part 1 of Schedule 3 (*Conditions Precedent*) and paragraph 2 of Schedule 8 (*Accession*)

Documents), delivered pursuant to Clause 3 (*Conditions*) and Clause 22 (*Acceding Group Companies*) respectively.

“Lender” means:

(a) an Original Lender;

(b) a person which has become a Party as a Lender in accordance with the provisions of Clause 33 (*Assignments and Transfers*); and

(c) a person which has become a party to this Agreement as a Lender by executing an Additional Facility Accession Deed, which in each case has not ceased to be a Lender in accordance with the terms of this Agreement.

“LIBOR” means, in relation to any amount to be advanced to or owed by an Obligor under this Agreement in a currency (other than euro) on which interest for a given period is to accrue:

(a) the rate per annum which appears on the Relevant Page for such period at the Specified Time on the Quotation Date for such period;

(b) if no such rate is displayed and the Facility Agent shall not have selected an alternative service on which such rate is displayed as contemplated by the definition of “Screen Rate”, the Interpolated Screen Rate; or

(c) if no such rate is displayed and the Facility Agent shall not have selected an alternative service on which such rate is displayed as contemplated by the definition of “Screen Rate” and it is not possible to calculate an Interpolated Screen Rate, the arithmetic mean (rounded upwards, if not already such a multiple, to the nearest 4 decimal places) of the rates (as notified to the Facility Agent) at which each of the Reference Banks was offering to prime banks in the London interbank market deposits in the relevant currency for such period at or about 11.00 a.m. on the Quotation Date for such period,

provided that, in relation to the US\$ B4 Facility, the rate shall not be less than the LIBOR Floor Percentage.

“LIBOR Floor Percentage” means, in relation to the US\$ B4 Facility only, 0.75 per cent. per annum.

“Loss Sharing Deed” means the loss sharing deed dated on or around the date of this Agreement (as amended from time to time) between, amongst others, certain Finance Parties.

“**Management Fees**” means any management, consultancy or similar fees payable by any member of the Group to any Restricted Person.

“**Margin**” means the EUR B4 Facility Margin, the US\$ B4 Facility Margin, the Additional Facility Margin and the Revolving Facility Margin, as applicable and, if applicable, adjusted in accordance with the Additional Facility Accession Deed.

“**Margin Ratchet**” means, in relation to any Margin applicable to an Advance (other than an Additional Facility Advance), following receipt by the Facility Agent of any certificate delivered under Clause 4.1(b) (*Conditions to Utilisation*), Clause 21.2(c)(ii) (*Financial Information*), Clause 21.3(c) (*Information – Miscellaneous*) or Clause 21.3(d) (*Information – Miscellaneous*), the Margin for that Advance, with effect on the first day of the first Interest Period or Term for that Advance (in the case of a certificate delivered under Clause 4.1(b) (*Conditions to Utilisation*) or under Clause 21.3(c) (*Information – Miscellaneous*)) or, as applicable, the first day of the immediately succeeding Interest Period or Term for that Advance will be the percentage per annum set out below in the column for the relevant Facility in relation to that Advance opposite the relevant leverage range as determined from the calculations in the relevant certificate:

Leverage	US\$ B4 Facility % p.a.	EUR B4 Facility % p.a.	Revolving Facility Margin % p.a.
Either (i) Total Net Debt to Annualised EBITDA for the Latest Ratio Period is less than or equal to 3.75:1 or (ii) the ratio of Senior Net Debt to Annualised EBITDA for the Latest Ratio Period is less than or equal to 3.00:1 and the ratio of Total Net Debt to Annualised EBITDA is less than or equal to 4.00:1	2.50	2.75	2.50
Total Net Debt to Annualised EBITDA for the Latest Ratio Period is greater than 3.75:1 unless the ratio of Senior Net Debt to Annualised EBITDA for the Latest Ratio Period is less than or equal to 3.00:1 and the ratio of Total Net Debt to Annualised EBITDA is less than or equal to 4.00:1	2.75	3.00	2.75

If Bidco has failed to deliver a certificate in accordance with Clause 21.2(c)(ii) (*Financial Information*), then until such time as the certificate is delivered (when each Margin will again be determined in accordance with this definition of “Margin Ratchet”), each Margin shall be the higher percentage per annum set out above in the column for the relevant Facility to which that Margin relates.

“**Margin Regulations**” means Regulation T, Regulation U and Regulation X.

“Margin Stock” means “margin stock” or “margin securities” as defined in the Margin Regulations.

“Market Disruption Event” has the meaning given to such term in Clause 13.2(c) (*Market Disruption*).

“Marketable Securities” means any security which is listed on any publicly recognised stock exchange and which has, or is issued by a company which has, a capitalisation of not less than €1,000,000,000 (or its equivalent in other currencies) as at the time such marketable securities are acquired by any member of the Group by way of consideration for any disposal permitted under Clause 21.24 (*Disposals*).

“Material Adverse Effect” means any event or circumstance which has a material adverse effect on the ability of the Obligors (taken as a whole) to perform their payment obligations under the Finance Documents.

“Maturing Advance” has the meaning given to such term in Clause 6.2 (*Rollover Advances*).

“Moody’s” means Moody’s Investor Services, Inc. or any successor thereof.

“Multiemployer Plan” shall mean any multiemployer plan as defined in Section 4001(a)(3) of ERISA, which is maintained or contributed to by (or to which there is an obligation to contribute of) any member of the Group or an ERISA Affiliate, and each such plan for the five year period immediately following the latest date on which any member of the Group or an ERISA Affiliate maintained, contributed to or had an obligation to contribute to such plan.

“Necessary Authorisations” means all material approvals, consents, authorisations and licences from, all rights granted by and all filings, registrations and agreements with, any government or other regulatory authority necessary in order to enable each member of the Group to carry on its business as may be permitted by the terms of this Agreement as carried on by it at the relevant time.

“New Lender” has the meaning given to such term in Clause 33.4 (*Assignments or Transfers by Lenders*).

“Non-Consenting Lender” is a Lender which does not agree to a consent to an amendment to, or a waiver of, any provision of the Finance Documents where:

- (a) Bidco or the Facility Agent has requested the Lenders to consent to an amendment to, or waiver, of any provision of the Finance Documents;
- (b) the consent or amendment in question requires the agreement of the Lenders affected thereby pursuant to Clause 39.2 (*Consents*) (and such Lender is one of the Lenders affected thereby);

(c)Lenders representing not less than 80% of the Commitments or Outstandings, as the case may be, of the Lenders affected thereby have agreed to such consent or amendment; and

(d)Bidco has notified the Lender it will treat it as a Non-Consenting Lender.

“Non-Funding Lender” is either:

(a)a Lender which fails to comply with its obligation to participate in any Advance where:

(i)all conditions to the relevant Utilisation (including without limitation, delivery of a Utilisation Request) have been satisfied or waived by the Instructing Group in accordance with the terms of this Agreement;

(ii)Lenders representing not less than 80% of the relevant Commitments have agreed to comply with their obligations to participate in such Advance; and

(iii)Bidco has notified the Lender that it will treat it as a Non-Funding Lender;

(b)a Lender which has given notice to a Borrower or the Facility Agent that it will not make, or it has disaffirmed or repudiated any obligation to participate in, an Advance; or

(c)a Defaulting Lender.

“Obligors” means the Borrowers and the Guarantors and **“Obligor”** means any of them.

“Obligors’ Agent” means Bidco in its capacity as agent for the Obligors pursuant to Clause 26.17 (*Obligors’ Agent*).

“Optional Currency” means, in relation to any Advance, any currency other than euro or Dollars which:

(a)is readily available to banks in the London interbank market, and is freely convertible into euro on the Quotation Date and the Utilisation Date for the relevant Advance; and

(b)has been approved by the Facility Agent (acting on the instructions of all the Lenders) on or prior to receipt by the Facility Agent of the relevant Utilisation Request.

“Original Financial Statements” means the audited consolidated financial statements of the Ziggo Parent prepared in accordance with IFRS for the financial year ended 31 December 2012.

“Original Guarantor” means LGE Holdco VII B.V..

“Original Lender” means a person which is named in Schedule 1 (*Lenders and Commitments*).

“Original Senior Unsecured Notes” means the €1,208,850,000 aggregate principal amount of 8% senior notes due 2018 issued by Ziggo Bond Company B.V., including, as the context requires, any exchange notes issued by Ziggo Bond Company B.V. in relation to such senior notes in connection with the Ziggo Acquisition.

“Original Senior Unsecured Notes Guarantor” means the Ziggo Parent, Torensplits II B.V., Ziggo B.V., Ziggo Netwerk B.V. and Ziggo Netwerk II B.V..

“Outstandings” means, at any time, the Term Facility Outstandings, the Revolving Facility Outstandings and any Additional Facility Outstandings.

“Paper Form Lender” has the meaning given to such term in Clause 36.3(b) (*Use of Websites/E-mail*).

“Participating Member State” means any member state of the European Union that at the relevant time has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“Party” means a party to this Agreement.

“Patriot Act” has the meaning given to such term in Clause 36.7 (*Patriot Act*).

“Permitted Payment” has the meaning given to it in Clause 21.9 (*Restricted Payments*).

“Permitted Transaction” means:

- (a) any disposal required, Financial Indebtedness incurred, guarantee, indemnity or Security given, or other transaction arising, under the Finance Documents;
- (b) transactions (other than (i) any sale or acquisition, lease, license, transfer or other disposal and (ii) the granting or creation of Security or the incurring or permitting to subsist of Financial Indebtedness) conducted in the ordinary course of trading on arm’s length terms;
- (c) any payments, loans, guarantees, indemnities, acquisitions, disposals, Financial Indebtedness, liabilities or other transactions contemplated by or required to achieve the Ziggo Acquisition, or any of the steps set out in the Structure Memorandum or the Funds Flow Memorandum;
- (d) the Post-Closing Reorganisation;
- (e) the Debt Pushdown;
- (f) the Spin-Off; and

(g) any transaction with the prior consent of the Instructing Group.

“Plan” means an employee benefit plan as defined in section 3(3) of ERISA, which is maintained or contributed to by (or to which there is an obligation to contribute by) any member of the Group or an ERISA Affiliate, and each such plan for the 5 year period immediately following the latest date on which any member of the Group or an ERISA Affiliate maintained, contributed to or had an obligation to contribute to such plan.

“Post-Closing Reorganisation” has the meaning given to such term in Clause 10.1 (*Change of Control*).

“Proceedings” has the meaning given to such term in Clause 43.1 (*Courts*).

“Proportion” in relation to a Lender, means:

- (a) in relation to an Advance to be made under this Agreement, the proportion borne by such Lender’s Available Commitment in respect of the relevant Facility, the relevant Borrower and the relevant currency to the relevant Available Facility;
- (b) in relation to an Advance or Advances outstanding under this Agreement, the proportion borne by such Lender’s share of the Euro Amount of such Advance or Advances to the total Euro Amount thereof;
- (c) if paragraph (a) above does not apply and there are no Outstandings, the proportion borne by the aggregate of such Lender’s Available Commitment to the Available Facilities (or if the Available Facilities are then zero, by its Available Commitment to the Available Facilities immediately prior to their reduction to zero); and
- (d) if paragraph (b) above does not apply and there are any Outstandings, the proportion borne by such Lender’s share of the Euro Amount of the Outstandings to the Euro Amount of all the Outstandings for the time being.

“Quarter Date” means each of 31 March, 30 June, 30 September and 31 December in each financial year of the Reporting Entity.

“Quotation Date” means, in relation to any currency and any period for which an interest rate is to be determined:

- (a) if the relevant currency is USD, the first day of that period;
- (b) if the relevant currency is euro, 2 TARGET Days before the first day of that period; or
- (c) in relation to any other currency, 2 Business Days before the first day of that period,

provided that if market practice differs in the Relevant Interbank Market for a currency, the Quotation Date for that currency will be determined by the Facility Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Date will be the last of those days).

“Ratio Period” has the meaning given to it in Clause 20.1 (*Financial Definitions*).

“RCF1 Facility” has the meaning given to the term “Revolving Facility” in the Refinancing Facilities Agreement.

“RCF1 Facility Commitments” has the meaning given to the term “Revolving Facility Commitments” in the Refinancing Facilities Agreement.

“RCF1 Outstandings” has the meaning given to the term “Revolving Facility Outstandings” in the Refinancing Facilities Agreement.

“Recipient” has the meaning given to it in Clause 15.6 (*Value Added Tax*).

“Recovering Finance Party” has the meaning given to such term in Clause 31.1 (*Payments to Finance Parties*).

“Reference Banks” means, subject to Clause 30.2 (Reference Banks), the principal London offices of Credit Suisse AG, London Branch, ING Bank N.V. and The Bank of Nova Scotia.

“Refinancing Facilities Agreement” means the credit facilities agreement dated on or about the date of this Agreement between Ziggo Bond Company B.V. as the Ziggo Parent, certain members of the Bank Group and certain financial institutions as mandated lead arrangers and lenders and ING Bank N.V. as security agent and facility agent in relation to the refinancing of the Financial Indebtedness of the Bank Group and Ziggo Holdco.

“Regulation T” means Regulation T of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or any portion thereof.

“Regulation U” means Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or any portion thereof.

“Regulation X” means Regulation X of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or any portion thereof.

“Regulatory Authority Disposal” means any direct or indirect sale, lease, transfer, issuance or distribution of any part of a present or future undertaking, shares, property, rights, remedies or other assets by one or a series of transactions related or not (each referred to for the purposes of this definition as a **“disposal”**) by any member of the Bank Group to another member of the Bank Group or any other person, provided that such disposal is required by a regulatory authority or court of competent jurisdiction.

“Relevant Event” means a Default in relation to Clause 23.2 (*Non-Payment*).

“Relevant Interbank Market” means, in relation to euro, the European Interbank Market and in relation to any other currency, the London interbank market therefor.

“Relevant Page” means the page or service on which the Screen Rate is displayed.

“Repayment Date” means:

(a) in relation to any Revolving Facility Advance or Additional Facility Advance in relation to a revolving facility, the last day of its Term;

(b) in respect of any Additional Facility Outstandings (other than in relation any Additional Facility that is a revolving facility), the EUR B4 Facility Outstandings and the US\$ B4 Facility Outstandings, on the relevant Final Maturity Date,

provided that if any such day is not a Business Day in the relevant jurisdiction for payment, the Repayment Date will be the next succeeding Business Day in the then current calendar month (if there is one) or the preceding Business Day (if there is not).

“Repeating Representations” means the representations and warranties which are repeated as set out in Clause 19.23 (*Times for Making Representations and Warranties*).

“Replacement Issuer” means, following any transaction whereby Bidco Parent is no longer the issuer of any Senior Unsecured Notes including the exchange notes issued in relation to the Original Senior Unsecured Notes, the new or acceding issuer of such notes (provided such issuer is a Holding Company of Bidco) or any Holding Company of that new or acceding issuer of such notes, as notified by Bidco to the Facility Agent from time to time.

“Reportable Event” means:

- (a) an event specified as such in section 4043 of ERISA or any regulation, other than an event in relation to which the requirement to give notice of that event is waived by any regulation; or
- (b) a failure to meet the minimum funding standard under section 412 of the Code or section 302 of ERISA, whether or not there has been any waiver of notice or waiver of the minimum funding standard under section 412 of the Code.

“Reporting Entity” means Bidco Parent or any Replacement Issuer.

“Restricted Guarantor” means any Borrower that accedes to this Agreement pursuant to Clause 22.2 (*Acceding Guarantors*), which is (i) incorporated, created or organised under the laws of the United States or any State of the United States (including the District of Columbia) and is a “United States person” (as defined in Section 7701(a)(30))

of the Code); or (ii) treated for US federal income tax purposes as a disregarded entity that is a branch of such Guarantor.

“Restricted Person” means the Ultimate Holdco (or any successor thereof), any other company (not being a member of the Group) which is a Subsidiary of, or an Associated Company of, the Ultimate Holdco (or any successor thereof) (other than Associated Companies of the Ultimate Holdco which are its Associated Companies by virtue of controlling the Ultimate Holdco (or any successor thereof) or owning beneficially and/or legally directly or indirectly 10 per cent. or more of the equity interests in the Ultimate Holdco (or any successor thereof)).

“Restricted Subsidiary” means any Subsidiary of the Ziggo Parent other than an Unrestricted Subsidiary.

“Revised Definitions” has the meaning given to it in Clause 21.4 (*Change in Accounting Practices*).

“Revised Ratios” has the meaning given to it in Clause 21.4 (*Change in Accounting Practices*).

“Revolving Facility” means the revolving loan facility granted to Bidco pursuant to Clause 2.1(c) (*The Facilities*).

“Revolving Facility Excluded Amount” means 0.25 multiplied by Annualised EBITDA for the Latest Ratio Period.

“Revolving Facility Instructing Group” means:

- (a) before any Utilisation of the Revolving Facility under this Agreement, a Lender or group of Lenders whose Available Revolving Facility Commitments amount in aggregate to more than 50% of the Available Revolving Facility; and
- (b) thereafter, a Lender or group of Lenders to whom in aggregate more than 50% of the aggregate amount of the Revolving Facility Outstandings are (or if there are no Revolving Facility Outstandings at such time, immediately prior to their repayment, were then) owed,

in each case calculated in accordance with the provisions of Clause 39.10 (*Calculation of Consent*) and provided that the “Revolving Facility Instructing Group” as used in paragraph (g)(i) of Clause 4.1 (*Conditions to Utilisation*) in relation to a Rollover Advance in respect of an Additional Facility Advance in relation to a revolving facility shall mean a Lender or group of Lenders to whom in aggregate more than 50% of the aggregate amount of that Additional Facility Advance is owed calculated in accordance with the provisions of Clause 39.10 (*Calculation of Consent*), and, in each case, not taking into account any Available Revolving Facility Commitments or Revolving Facility Outstandings in relation to which a cancellation or prepayment notice (as

applicable) has been served in accordance with Clause 8.1 (*Voluntary Cancellation*) or Clause 9.1 (*Voluntary Prepayment*).

“Revolving Facility Margin” means, subject to the Margin Ratchet, 2.50 per cent. per annum.

“Revolving Facility Outstandings” means, at any time, the aggregate outstanding amount of each Revolving Facility Advance.

“Revolving Facility Refinancing Advance” means a cashless Advance under the Revolving Facility under (and as such terms are defined in) the Refinancing Facilities Agreement the proceeds of which are deemed to be distributed, loaned or otherwise transferred, by any means whatsoever, to Bidco at any time after the Closing Date for the purposes of a repayment of the Revolving Facility in accordance with its terms.

“Rollover Advance” has the meaning given to such term in Clause 6.2 (*Rollover Advances*).

“Screen Rate” means:

(a) in relation to LIBOR, the London interbank offered rate administered by the British Bankers Association (or any other person which takes over the administration of that rate) for the relevant currency and period displayed on pages LIBOR01 or LIBOR02 of the Reuters screen (or any replacement Reuters page which displays that rate); and

(b) in relation to EURIBOR, the euro interbank offered rate administered by the Banking Federation of the European Union (or any other person which takes over the administration of that rate) for the relevant period displayed on page EURIBOR01 of the Reuters screen (or any replacement Reuters page which displays that rate),

or, in each case, on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters. If such page or service ceases to be available, the Facility Agent may (following consultation with Bidco and the Lenders) specify another page or service displaying the relevant rate.

“SEC” means the United States Securities and Exchange Commission.

“Security” means the Security Interests created or purported to be created pursuant to the Bidco Security Documents.

“Security Interest” means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment by way of security, trust arrangement for the purpose of providing security or other security interest of any kind securing any obligation of any person or any other arrangement having the effect of conferring rights of retention or other disposal rights over an asset (including without limitation title transfer and/or

retention arrangements having a similar effect or a deposit of money with the primary intention of affording a right of set-off) and includes any agreement to create any of the foregoing but does not include (a) liens arising in the ordinary course of business by operation of law and not by way of contract and (b) any grant of indefeasible rights of use or equivalent arrangements with respect to network capacity, communications, fibre capacity or conduit.

“Senior Net Debt” has the meaning given to it in Clause 20.1 (*Financial Definitions*).

“Senior Secured Notes” shall have the meaning given to such term in the Refinancing Facilities Agreement.

“Senior Unsecured Notes” means high yield debt securities or other instruments not mandatorily convertible into equity, in each case issued by Bidco Parent or any Replacement Issuer including the Original Senior Unsecured Notes, Additional Senior Unsecured Notes and any Senior Unsecured Refinancing provided that such high yield debt securities or other instruments not mandatorily convertible into equity are designated as “Bidco Parent Debt” by written notice from Bidco to the Facility Agent and the Security Agent by the date when the consolidated financial statements are due to be provided pursuant to Clause 21.2 (*Financial Information*) for the first full Financial Quarter after their issuance.

“Senior Unsecured Refinancing” means any Financial Indebtedness incurred by Bidco Parent or any Replacement Issuer for the purposes of refinancing all or a portion of any Additional Senior Unsecured Notes and/or any Senior Unsecured Refinancing and/or any Senior Secured Notes and/or the Subordinated Bridge Facility Agreement and/or any Financial Indebtedness permitted to be incurred or outstanding pursuant to Clause 21.27 (*Restrictions on Financial Indebtedness*), in each case, including any Financial Indebtedness incurred for the purpose of the payment of all principal, interest, fees, expenses, commissions, make-whole and any other contractual premium payable under such Financial Indebtedness being refinanced and any reasonable fees, costs and expenses incurred in connection with such refinancing, in respect of which the following terms apply:

- (a) the principal amount of any such Financial Indebtedness shall not exceed the principal amount of, and any outstanding interest on, the Financial Indebtedness being refinanced (plus all fees, expenses, commissions, make-whole or other contractual premium payable in connection with such refinancing) unless any excess principal amount constitutes Additional Senior Unsecured Notes;
- (b) it is unsecured, except that where such Financial Indebtedness is issued by Bidco Parent, it may be secured by a pledge of the shares in Bidco Parent or one of its Holding Companies; and
- (c) if such Financial Indebtedness is guaranteed, it is not guaranteed by any member of the Group,

provided that such Financial Indebtedness is designated as (i) “Senior Unsecured Refinancing” and “Bidco Parent Debt” by written notice from Bidco to the Facility Agent and the Security Agent and (ii) “Senior Unsecured Notes” in accordance with the Bidco Intercreditor Agreement including by written notice from Bidco to each Agent (as defined in the Bidco Intercreditor Agreement), in each case, by the date when the consolidated financial statements are due to be provided pursuant to Clause 21.2 (*Financial Information*) for the first full Financial Quarter after the incurrence of the relevant Financial Indebtedness.

“**Sharing Payment**” has the meaning given to such term in Clause 31.1(c) (*Payments to Finance Parties*).

“**Signing Date**” means the date of this Agreement.

“**Specified Time**” means a time determined in accordance with Schedule 11 (*Timetable*).

“**Standard & Poor’s**” means Standard & Poor’s Ratings Group or any successor thereof.

“**Structure Memorandum**” means the structure paper entitled “Zanzibar Structuring Offer and Refinancing” describing the proposed structure for the Ziggo Acquisition and delivered by Bidco to the Facility Agent pursuant to this Agreement on or prior to the Signing Date as amended, supplemented or replaced by any new structure paper delivered by Bidco to the Facility Agent from time to time provided that such amended, supplemented or replaced structure paper is not materially adverse to the interests of the Lenders unless the Instructing Group has provided consent to such amendment, supplement or replacement.

“**Subject Party**” has the meaning given to it in Clause 15.6 (*Value Added Tax*).

“**Subordinated Bridge Facility Agreement**” means the bridge facility agreement dated on or about the Signing Date between, among others, Bidco Parent (other than any Replacement Issuer) as borrower.

“**Subordinated Funding**” means any Financial Indebtedness made available to Bidco Parent (and on lent by Bidco Parent to Bidco) or directly to a member of the Group by any member of the Wider Group that is not a member of the Group which:

(a) constitutes Bidco Parent Intercompany Debt; or

(b) constitutes Bidco Parent Equity Equivalent Funding,

provided that:

- (i) an on-loan from Bidco Parent to Bidco is subordinated pursuant to the Bidco Intercreditor Agreement and the rights of Bidco Parent in respect of the on loan (or the rights of the relevant member of the Wider Group in respect of the loan to the Group) are secured pursuant to the Bidco

Proceeds Loan Pledge (or any other Bidco Security Document on substantially the same terms); and

- (ii) in respect of any loan advanced directly to a member of the Group that is a member of the Bidco Group, the creditor of such loan promptly provides Security in respect of its rights in relation to the loan in favour of the Security Agent on substantially similar terms as the Bidco Proceeds Loan Pledge.

“Subsidiary” of a person means any company or entity directly or indirectly controlled by such person, for which purpose control means ownership of more than 50 per cent. of the economic and/or voting share capital (or equivalent right of ownership of such company or entity).

For the purposes of Clause 20 (*Financial Covenants*) and Clause 21.2 (*Financial Information*) any provision of this Agreement where the financial terms defined in Clause 20 (*Financial Covenants*) are used, “Subsidiary” of a person includes any legal entity which is accounted for under applicable IFRS as a Subsidiary of that person.

“Successful Syndication” has the meaning given to that term in the Fee Letter.

“Supplemental Agreement” means the supplemental agreement dated 10 February 2014 between, among others, Bidco and the Facility Agent.

“Syndication End Date” means the earlier of Successful Syndication and the date falling 30 days from the Signing Date.

“TARGET2” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilise a single shared platform and which was launched on 19 November 2007.

“TARGET Day” means any day on which TARGET2 is open for the settlement of payments in euro.

“Tax” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“Term” means in relation to a Revolving Facility Advance or an Additional Facility Advance in relation to a revolving facility, the period for which such Advance is borrowed as specified in the relevant Utilisation Request.

“Term Facilities” means each Additional Facility (other than any Additional Facility which by its terms is a revolving loan facility), the EUR B4 Facility and the US\$ B4 Facility and **“Term Facility”** means any of them, as the context requires.

“**Term Facility Advance**” means any Additional Facility Advance (other than any Additional Facility Advance under any Additional Facility which by its terms is a revolving loan facility), any EUR B4 Facility Advance and any US\$ B4 Facility Advance and “**Term Facility Advances**” shall be construed accordingly.

“**Term Facility Outstandings**” means, at any time, the aggregate of the Additional Facility Outstandings (other than any Additional Facility Outstandings under any Additional Facility which by its terms is a revolving loan facility), the EUR B4 Facility Outstandings and the US\$ B4 Facility Outstandings at such time.

“**Termination Date**” means:

- (a) in relation to the Revolving Facility, the date which is 15 days prior to the Final Maturity Date in respect of the Revolving Facility;
- (b) in relation to the EUR B4 Facility and the US\$ B4 Facility, the date which is 15 days prior to the Final Maturity Date in respect of the EUR B4 Facility and the US\$ B4 Facility (as applicable); and
- (c) in relation to each Additional Facility, the Additional Facility Termination Date specified in the relevant Additional Facility Accession Deed.

“**Testing Time**” has the meaning given to such term in Clause 21.14 (*Further Assurance*).

“**Total Commitments**” means the aggregate of the Commitments as the same may be increased in accordance with Clause 2.2 (*Increase*) or Clause 2.6 (*Additional Facilities*) or reduced in accordance with this Agreement.

“**Total Net Debt**” has the meaning given to it in Clause 20.1 (*Financial Definitions*).

“**Transfer Agreement**” means a duly completed assignment and assumption substantially in the form set out in Schedule 6 (*Form of Transfer Agreement*).

“**Transfer Date**” means, in relation to any Transfer Deed or any Transfer Agreement, the effective date of such transfer as specified in such Transfer Deed or such Transfer Agreement.

“**Transfer Deed**” means a duly completed deed of transfer and accession substantially in the form set out in Schedule 5 (*Form of Transfer Deed*) whereby an existing Lender seeks to transfer to a New Lender all or a part of such existing Lender’s rights, benefits and obligations under this Agreement as contemplated in Clause 33 (*Assignments and Transfers*) and such New Lender agrees to accept such transfer and to be bound by this Agreement and to accede to the Bidco Intercreditor Agreement and the Loss Sharing Deed.

“**Transferor**” has the meaning given to such term in Clause 33.7 (*Transfer Agreements*).

“Ultimate Holdco” means, at any time on and from the Closing Date, Liberty Global plc, together with its successors.

“United States” or **“US”** means the United States of America, its territories, possessions and other areas subject to the jurisdiction of the United States of America.

“Unpaid Sum” means any sum due and payable by an Obligor under any Finance Document but unpaid.

“Unrestricted Subsidiary” shall have the meaning given to such term in the Refinancing Facilities Agreement (as amended from time to time).

“US Bidco” means any member of the Group which is a partnership, or a partner of any partnership, that is incorporated or formed under the laws of the United States or any State of the United States (including the District of Columbia) in the United States and that first accedes to this Agreement as a Borrower pursuant to Clause 22.1 (*Acceding Borrowers*).

“US Borrower” means a member of the Group that is a Borrower incorporated or formed under the laws of the United States or any State of the United States (including the District of Columbia) or that resides or has a domicile in the United States.

“US Guarantor” means any Guarantor that is a US Obligor.

“US Obligor” means any Obligor or any member of the Group which is a partnership, or a partner of any partnership, that is incorporated or formed under the laws of the United States or any State of the United States (including the District of Columbia) in the United States.

“US\$ B4 Facility” means a term loan facility granted to the Borrower pursuant to Clause 2.1(a) (*The Facilities*).

“US\$ B4 Facility Margin” means, subject to the Margin Ratchet, 2.50 per cent. per annum.

“US\$ B4 Facility Outstandings” means, at any time, the aggregate principal amount of the US\$ B4 Facility Advances outstanding under this Agreement.

“Utilisation” means the utilisation of a Facility under this Agreement.

“Utilisation Date” means in relation to an Advance, the date on which such Advance is (or is requested) to be made in accordance with the terms of this Agreement.

“Utilisation Request” means in relation to an Advance a duly completed notice substantially in the form set out in Schedule 4 (*Form of Utilisation Request*).

“VAT” means

(a) value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature imposed in compliance with the Council Directive 2006/112/EC on the common system of value added tax as implemented by a member state of the European Union; and

(b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

“Website Lenders” has the meaning given to such term in Clause 36.3(a) (*Use of Websites/E-mail*).

“Wider Group” means the Ultimate Holdco and its Subsidiaries from time to time (other than a member of the Group).

“Ziggo Acquisition” means the acquisition by Bidco directly or indirectly of:

(a) shares in Ziggo N.V. pursuant to the Ziggo Acquisition Agreement that together with any other shares in Ziggo N.V. held by Affiliates of Liberty Global plc, represent at least 65 per cent. of the outstanding shares in Ziggo N.V. (the **“Initial Acquisition”**); and

(b) after the Initial Acquisition, any additional shares in Ziggo N.V. from minority shareholders in that entity and the acquisition of any other related assets to facilitate the occurrence of the Full Ownership Date.

“Ziggo Acquisition Agreement” means the merger protocol agreement dated on or about the date of this Agreement between among others, Bidco and Ziggo N.V. in relation to the Ziggo Acquisition and delivered to the Facility Agent on or prior to the Signing Date.

“Ziggo Borrower” means a “Borrower” as such term is defined in the Refinancing Facilities Agreement (as amended from time to time).

“Ziggo Facilities” means the “Facilities” as such term is defined in the Refinancing Facilities Agreement (as amended from time to time).

“Ziggo Facility Agent” means the “Facility Agent” as such term is defined in the Refinancing Facilities Agreement (as amended from time to time).

“Ziggo Finance Documents” means the “Finance Documents” as such term is defined in the Refinancing Facilities Agreement (as amended from time to time).

“Ziggo Holdco” means “Holdco” as such term is defined in the Refinancing Facilities Agreement (as amended from time to time).

“Ziggo Holdco Debt” shall have the meaning given to the term “Holdco Debt” in the Refinancing Facilities Agreement.

“Ziggo Intercreditor Agreement” means the priority agreement dated 12 September 2006, as amended and restated on 6 October 2006, 17 November 2006 and 28 March 2013 and otherwise amended from time to time between, among others, certain of the Ziggo Obligors, other members of the Bank Group and the applicable finance parties (as amended from time to time).

“Ziggo Obligors” means the “Obligors” as such term is defined in the Refinancing Facilities Agreement (as amended from time to time).

“Ziggo Parent” means Amsterdamse Beheer-En Consultingmaatschappij B.V..

1.2 Accounting Expressions

Unless a contrary indication appears, any reference in this Agreement to “audited consolidated accounts” or “audited consolidated financial statements” or any analogous terms shall be construed as a reference to the financial statements and such other information provided in accordance with Clause 21.2 (*Financial Information*) as the context so requires.

1.3 Construction

Unless a contrary indication appears, any reference in this Agreement to:

- (a) **“Bidco”, “Bidco Parent”, the “Facility Agent”, the “Ziggo Facility Agent”, the “Global Coordinator”, a “Mandated Lead Arranger”, a “Bookrunner”, the “Security Agent”, a “Hedge Counterparty” or a “Lender”** shall be construed so as to include their respective and any subsequent successors, transferees and permitted assigns in accordance with their respective interests;
- (b) **“agreed form”** means, in relation to any document, in the form agreed by or on behalf of the Facility Agent and Bidco on or prior to the Signing Date;
- (c) **“assets”** includes present and future properties, revenues and rights of every description;
- (d) **“company”** includes any body corporate;
- (e) **“determines” or “determined”** means, save as otherwise provided herein, a determination made in the absolute discretion of the person making the determination;
- (f) the **“equivalent”** on any given date in one currency (the **“first currency”**) of an amount denominated in another currency (the **“second currency”**) is a reference to the amount of the first currency which could be purchased with the second currency at the Facility Agent’s Spot Rate of Exchange at the Specified Time on the relevant date for the purchase of the first currency with the second currency

or for the purposes of determining any amounts testing any covenant or determining whether an Event of Default has occurred under this Agreement:

- (i) in the case of any basket or threshold amount qualifying a covenant:
 - (A) in order to determine how much of such basket or threshold has been used at any time, for each transaction entered into in reliance upon the utilisation of such basket or in reliance upon such threshold not being reached prior to such time, the date upon which such transaction was entered into; and
 - (B) in order to determine the permissibility of a proposed transaction, on the date upon which the permissibility of that transaction is being tested for the purposes of determining compliance with that covenant; and
- (ii) in the case of any basket or threshold amount relating to an Event of Default, the date on which the relevant event is being assessed for the purposes of determining whether such Event of Default has occurred,

provided that in the case of Financial Indebtedness proposed to be incurred to refinance other Financial Indebtedness denominated in a currency other than euro or other than the currency in which such refinanced Financial Indebtedness is denominated, if such refinancing would cause any applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro denominated restriction shall be deemed not to be exceeded so long as the principal amount of such refinancing Financial Indebtedness does not exceed the principal amount of such Financial Indebtedness being refinanced in the applicable currency at the then current exchange rate;

- (g) “**guarantee**” means (other than in Clause 25 (*Guarantee and Indemnity*)) any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
- (h) “**month**” is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next succeeding calendar month save that, where any such period would otherwise end on a day which is not a Business Day, it shall end on the next succeeding Business Day, unless that day falls in the calendar month succeeding that in which it would otherwise have ended, in which case it shall end on the immediately preceding Business Day provided that, if a period starts on the last Business Day in a calendar month or if there is no numerically corresponding day in the month in which that period

ends, that period shall end on the last Business Day in that later month (provided that in any reference to “months” only the last month in a period shall be construed in the aforementioned manner);

- (i) a “**person**” includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- (j) a “**regulation**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, department or of any regulatory or other authority;
- (k) a “**repayment**” shall include a “**prepayment**” and references to “**repay**” or “**prepay**” shall be construed accordingly;
- (l) “**wholly-owned Subsidiary**” of a company shall be construed as a reference to any company which has no other members except that other company and that other company’s wholly-owned Subsidiaries or nominees for that other company or its wholly-owned Subsidiaries;
- (m) the “**winding-up**”, “**dissolution**” or “**administration**” of a company shall be construed so as to include any equivalent or analogous proceedings under the Law of the jurisdiction in which such company is incorporated, established or organised or any jurisdiction in which such company carries on business, including the seeking of liquidation, winding up, reorganisation, dissolution, administration, arrangement, adjustment, protection from creditors or relief of debtors;
- (n) a Default (other than an Event of Default) is “**continuing**” if it has not been remedied or waived and an Event of Default is “continuing” if it has not been remedied or waived;
- (o) when determining the euro equivalent amount for the purposes of the “**Instructing Group**” and/or “**Non-Consenting Lender**” and for all other purposes other than under Clause 20 (*Financial Covenants*), the Facility Agent shall determine the amount of:
 - (i) any undrawn commitments denominated in Dollars or any other Optional Currency on the basis of the Facility Agent’s Spot Rate of Exchange on the date of this Agreement (in the case of the EUR B4 Facility and the US\$ B4 Facility or the Revolving Facility) or on the date of the relevant Additional Facility Accession Deed (in the case of an Additional Facility); and

- (ii) any participations in Utilisations denominated in euro or Dollars or any other Optional Currency on the basis of the Facility Agent's Spot Rate of Exchange on the date of receipt by the Facility Agent of the Utilisation Request for the relevant Advance.

1.4 Currency

“EUR”, “€” and “euro” denote the lawful currency of each Participating Member State and “US\$”, “\$” and “Dollars” denote the lawful currency of the United States.

1.5 Statutes

Any reference in this Agreement to a statute or a statutory provision shall, save where a contrary intention is specified, be construed as a reference to such statute or statutory provision as the same shall have been, or may be, amended or re-enacted.

1.6 Time

Any reference in this Agreement to a time shall, unless otherwise specified, be construed as a reference to London time.

1.7 References to Agreements

Unless otherwise stated, any reference in this Agreement to any agreement, indenture or any other document (including any reference to this Agreement) shall be construed as a reference to:

- (a) such agreement, indenture or any other document as amended, varied, novated or supplemented from time to time;
- (b) any other agreement, indenture or any other document whereby such agreement or document is so amended, varied, supplemented or novated; and
- (c) any other agreement, indenture or any other document entered into pursuant to or in accordance with any such agreement or document.

1.8 Borrowers

Following the accession of a Borrower to this Agreement in accordance with Clause 22.1 (*Acceding Borrowers*), references herein to the “**Borrower**” shall be construed as references to the “**Borrowers**”, “**each Borrower**” or the “**relevant Borrower**”, as the context requires.

1.9 No Personal Liability

No personal liability shall attach to any director, officer or employee of any Borrower or any member of the Group or Wider Group for any representation or statement made

by a Borrower or that member of the Group or Wider Group in a certificate signed by such director, officer or employee.

1.10 Bidco Intercreditor Agreement

- (a) This Agreement is entered into subject to, and with the benefit of, the terms of the Bidco Intercreditor Agreement.
- (b) Notwithstanding anything to the contrary in this Agreement, the terms of the Bidco Intercreditor Agreement will prevail if there is a conflict between the terms of this Agreement and the terms of the Bidco Intercreditor Agreement.

1.11 Dutch Terms

In this Agreement, where it relates to a Dutch entity, a reference to:

- (a) a **“necessary actions to authorise”** where applicable, includes without limitation:
 - (i) any action required to comply with the Works Councils Act of The Netherlands (*Wet op de ondernemingsraden*); and
 - (ii) obtaining an unconditional positive or neutral advice (*advies*) from the competent works council(s).
- (b) **“financial assistance”** means any act not permitted by Article 2:98c of the Dutch Civil Code;
- (c) a **“Security Interest”** includes any mortgage (*hypothek*), pledge (*pandrecht*), retention of title arrangement (*eigendomsvoorbehoud*), right of retention (*recht van retentie*), right to reclaim goods (*recht van reclame*), and, in general, any right in rem (*beperkt recht*), created for the purpose of granting security (*goederenrechtelijk zekerheidsrecht*);
- (d) a **“winding-up”**, **“administration”** or **“dissolution”** includes a Dutch entity being declared bankrupt (*failliet verklaard*) or dissolved (*ontbonden*);
- (e) a **“moratorium”** includes surseance van betaling and **“granted a moratorium”** includes *surseance verleend*;
- (f) any step or procedure taken in connection with insolvency proceedings includes a Dutch entity having filed a notice under Section 36 of the Tax Collection Act of The Netherlands (*Invorderingswet 1990*);
- (g) a **“trustee in bankruptcy”** includes a *curator*;
- (h) an **“administrator”** includes a *bewindvoerder*;

- (i) an “**attachment**” includes a *beslag*;
- (j) “**gross negligence**” means *grote schuld*;
- (k) “**negligence**” means *schuld*;
- (l) “**wilful misconduct**” means *opzet*; and
- (m) a “**merger**” means a *fusie*.

2. THE FACILITIES

2.1 The Facilities

The Lenders grant upon the terms and subject to the conditions of this Agreement:

- (a) **US\$ B4 Facility:** to the US Borrower only, a Dollar term loan facility in a maximum amount of the aggregate US\$ B4 Facility Commitments (being an amount of US\$ 0 (nil) on the date of this Agreement) (“**US\$ B4 Facility**”);
- (b) **EUR B4 Facility:** to the Borrower (other than to the US Borrower), a euro term loan facility in a maximum amount of the aggregate EUR B4 Facility Commitments (being an amount of €434,000,000 on the date of this Agreement) (“**EUR B4 Facility**”); and
- (c) to the Borrower (other than to the US Borrower), a multi-currency revolving loan facility, as may be incurred pursuant to Clause 2.2(a) (*Increase*) below up to a maximum aggregate principal amount of the Revolving Facility Commitment (being an amount of €650,000,000 on the date of this Agreement) (the “**Revolving Facility**”), which shall be available for drawing in euro, Dollars or any Optional Currency.

2.2 Increase

- (a) Notwithstanding Clause 2.1 (*The Facilities*) above, and in addition to paragraph (b) below, Bidco may with the prior consent of a Lender, any bank, financial institution, trust, fund or any other entity selected by Bidco (each an “**Increase Lender**”) and by giving 10 Business Days prior notice to the Facility Agent, increase the Commitments under any Facility by including any new Commitments of any Increase Lender provided that:
 - (i) no Event of Default is continuing;
 - (ii) it shall be a condition to any Utilisation of any new Commitment that Bidco shall certify in the relevant Utilisation Request that the ratio of Senior Net Debt to Annualised EBITDA shall be no greater than 4.50:1 on a pro forma basis (taking into account such drawing and the use of proceeds of such drawing);
 - (iii) the provisions of Clause 21.21 (*Debt Incurrence Pre-Debt Pushdown Date*) would be complied with; and
 - (iv) each Increase Lender provides its prior consent and confirms its willingness to assume and does assume all the obligations of a Lender corresponding to that part of the increased Commitments which it is to assume as if it had been an Original Lender by executing an Increase Confirmation.

- (b) Bidco may by giving prior notice to the Facility Agent by no later than the date falling 30 Business Days after the effective date of a cancellation of:
 - (i) the Available Commitments of a Defaulting Lender in accordance with Clause 8.6 (*Right of Cancellation in relation to a Defaulting Lender*); or
 - (ii) the Commitments of a Lender in accordance with Clause 17 (*Illegality*),

request that the Commitments relating to any Facility be increased (and the Commitments under that Facility shall be so increased) in an aggregate amount in the relevant currency of up to the amount of the Available Commitments or Commitments relating to that Facility so cancelled and the increased Commitments will be assumed by one or more Increase Lenders each of which confirms its willingness to assume and does assume all the obligations of a Lender corresponding to that part of the increased Commitments which it is to assume as if it had been an Original Lender by executing an Increase Confirmation.

- (c) Bidco may pay to any Increase Lender a fee in the amount and at the times agreed between Bidco and the Increase Lender.
- (d) Each Increase Lender shall become a Party as a “Lender” and any Increase Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Increase Lender and those Finance Parties would have assumed and/or acquired had the Increase Lender been an Original Lender.
- (e) The Commitments of the other Lenders shall continue in full force and effect.
- (f) An increase in the Commitments relating to a Facility shall take effect on the date specified by Bidco in any relevant notice referred to in paragraph (a) or (b) above (as applicable) or any later date on which the conditions set out in paragraph (f) below are satisfied.
- (g) An increase in the Commitments relating to a Facility will only be effective on:
 - (i) the execution by the Facility Agent of an Increase Confirmation from the relevant Increase Lender; and
 - (ii) in relation to an Increase Lender which is not a Lender immediately prior to the relevant increase:
 - (A) the Increase Lender entering into the documentation required for it to accede as a party to the Bidco Intercreditor Agreement and the Loss Sharing Deed; and
 - (B) the performance by the Facility Agent of all necessary “know your client” or other similar checks under all applicable laws and

regulations in relation to the assumption of the increased Commitments by that Increase Lender, the completion of which the Facility Agent shall promptly notify Bidco and the Increase Lender.

- (h) Each Increase Lender, by executing an Increase Confirmation, confirms (for the avoidance of doubt) that the Facility Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the increase becomes effective.
- (i) The execution by Bidco of an Increase Confirmation constitutes confirmation by each Guarantor that its obligations under Clause 25 (*Guarantee and Indemnity*) shall continue unaffected except that those obligations shall extend to the Total Commitments as increased by the addition of the new Commitments of any Increase Lender and shall be owed to each Finance Party including the relevant Lender.
- (j) Clause 33.8 (*Limitation of Responsibility of Transferor*) shall apply *mutatis mutandis* in this Clause 2.2 (*Increase*) in relation to any Increase Lender as if references in that Clause to:
 - (i) a “Transferor” were references to all the Lenders immediately prior to the relevant increase;
 - (ii) the “New Lender” were references to that “Increase Lender”; and
 - (iii) a “re-transfer” and “re-assignment” were references to respectively a “**transfer**” and “**assignment**”.

2.3 Purpose

- (a) The US\$ B4 Facility and the EUR B4 Facility shall be applied:
 - (i) towards financing:
 - (A) a portion of the purchase price payable in relation to the Ziggo Acquisition (including, without limitation, the acquisition of any shares in Ziggo N.V. from its minority shareholders after the Closing Date for the purposes of the acquisition of any additional shares in Ziggo N.V. following the Closing Date and the acquisition of assets to facilitate the occurrence of the Full Ownership Date); and
 - (B) directly or indirectly the repayment, redemption or refinancing of any other Financial Indebtedness used directly or indirectly to acquire shares in Ziggo N.V.;

- (ii) towards financing any original issue discount, fees, costs and expenses (including, without limitation, legal fees, interest payments, make-whole or other premiums and any other redemption amounts) due and payable in connection with (a)(i) above and any other fees, costs and expenses (including, without limitation, legal fees) incurred by the Obligors or Bidco Parent or any of their Affiliates in connection with the negotiation and preparation of the Finance Documents; and
 - (iii) for the general corporate purposes of the Group.
- (b) The Revolving Facility shall be applied for the purposes of financing any original issue discount, towards any purpose set out in paragraph (a) above, the ongoing working capital requirements and the general corporate purposes of the Group and may be utilised by way of Revolving Facility Advances.
 - (c) The Borrower shall apply all amounts borrowed under this Agreement in or towards satisfaction of the purposes referred to in paragraphs (a) to (b) above (as applicable) and none of the Finance Parties shall be obliged to concern themselves with such application.

2.4 Refinancing Rollover

- (a) Each Lender under the Term Facilities shall, promptly and in accordance with a timetable specified in writing by Bidco:
 - (i) (if the Ziggo Parent has notified the Ziggo Facility Agent that it wishes to establish an Additional Facility under (and as defined in) the Refinancing Facilities Agreement for the purposes of refinancing the Term Facilities) accede to the Refinancing Facilities Agreement as an Additional Facility Lender thereunder by the execution of an Additional Facility Accession Deed (substantially in the form set out in part 1 of schedule 9 of the Refinancing Facilities Agreement with such amendments as may be agreed between the Ziggo Parent and such Lender). Immediately upon such accession, the Commitments of each Lender will be rolled over (on a cashless basis) into Commitments (as defined in the Refinancing Facilities Agreement) in respect of an Additional Facility (as defined in the Refinancing Facilities Agreement) made available under the Refinancing Facilities Agreement (the “**Additional Refinancing Facilities**”), whereupon the Term Facilities will be deemed to be cancelled and repaid up to the amount notified by the Ziggo Parent to the Ziggo Facility Agent in accordance with clause 2.6 (*Acquisition Facilities Refinancing*) of the Acquisition Facilities Agreement by a simultaneous deemed borrowing in that amount under the Additional Refinancing Facilities pursuant to terms of the Refinancing Facilities Agreement (the “**Additional Refinancing Rollover**”); and

- (ii) (if the Ziggo Parent has notified the Facility Agent that it wishes to increase the commitments under clause 2.2 (*Increase*) of the Refinancing Facilities Agreement for the purposes of refinancing the Term Facilities) accede to the Refinancing Facilities Agreement as an Increase Lender thereunder by the execution of an Increase Confirmation (substantially in the form set out in, schedule 16 of (and as defined in) the Refinancing Facilities Agreement). Immediately upon the execution of such Increase Confirmation, the Commitments of each Lender under the Term Facilities will be rolled over (on a cashless basis) into new Commitments under (and as defined in) the Refinancing Facilities Agreement (the “**Increase Refinancing Facilities**” and together with the Additional Refinancing Facilities, the “**Refinancing Facilities**”), whereupon the Term Facilities will be deemed to be cancelled and repaid up to the amount notified by the Ziggo Parent to the Ziggo Facility Agent in accordance with clause 2.2(a)(iv) (*Increase*) of the Acquisition Facilities Agreement by a simultaneous deemed borrowing in that amount under the Increase Financing Facilities pursuant to terms of, the Refinancing Facilities Agreement (the “**Increase Refinancing Rollover**”, and together with the Additional Refinancing Rollover, the “**Refinancing Rollover**”);
 - (iii) if not already a party thereto in that capacity, accede to the Ziggo Intercreditor Agreement as a Senior Secured Creditor (as defined in the Ziggo Intercreditor Agreement) by the execution of a Creditor/Agent Accession Undertaking (substantially in the form set out in schedule 4 of (and as defined in) the Ziggo Intercreditor Agreement).
- (b) The notice provisions of Clause 8.1 (*Voluntary Cancellation*) and Clause 9.1 (*Voluntary Prepayment*) shall not apply to any cancellation or prepayment effected pursuant to the operations of this Clause 2.4. For the avoidance of doubt, following the completion of a Refinancing Rollover, the terms applicable to the Commitments will be replaced by the terms set out in the Refinancing Facilities Agreement and the Additional Refinancing Facilities or the Increase Refinancing Facilities, as applicable
- (c) A Refinancing Rollover shall not be subject to any conditionality other than as set out in this Clause 2.4 and in the Refinancing Facilities Agreement and for the avoidance of doubt, there shall be no requirement to meet any incurrence test or to certify compliance with any financial covenants contained in this Agreement (or the Refinancing Facilities Agreement).
- (d) Each Lender hereby acknowledges and agrees that the Facility Agent shall, and shall be permitted to, execute and deliver on behalf of such Lender all documentation (including accession agreements), and each other notice, certificate or document necessary to give effect to the Refinancing Rollover without additional notice to or consent by the Lenders. Each Lender hereby agrees

to be bound by any such document, accession agreements or other documents executed by the Facility Agent in accordance with this paragraph. Each Lender and the Facility Agent agree to execute and deliver each additional accession agreement, additional facility agreement, increase confirmation, notice or other document reasonably requested by Bidco in order to give full effect to the Refinancing Rollover.

- (e) On the occurrence of a Refinancing Rollover:
 - (i) accrued interest on each relevant Advance will be carried forward into the Additional Refinancing Facilities or the Increase Refinancing Facility, in each case, under the Refinancing Facilities Agreement. The first interest period payment date under the Additional Refinancing Facility or the Increase Refinancing Facility shall correspond with the end of the Interest Period or Term selected in the relevant Utilisation Request for that Advance under this Agreement;
 - (ii) each borrower under the Refinancing Facilities shall be, or become, a Ziggo Borrower in accordance with the Refinancing Facilities Agreement and the Borrower shall be released from any further obligations under the Finance Documents, including any guarantee obligations whether or not any claims have been made against the Borrower;
 - (iii) provided that all amounts outstanding under the Facilities have been repaid or prepaid in full at such time, all Security under the Finance Documents shall automatically, without any further action or notice, be released and cancelled and security shall be granted over assets of the Bank Group to the rolled Lenders in accordance with the terms and conditions of the Ziggo Intercreditor Agreement upon their accession thereto. The Facility Agent or the Security Agent shall promptly execute and deliver any documents and certificates that are necessary or desirable to evidence such releases and cancellations; and
 - (iv) each Lender that has acceded (or is otherwise party) to the Refinancing Facilities Agreement and the Ziggo Intercreditor Agreement in accordance with this Clause 2.4 shall acquire and assume the same rights and obligations in respect of any Transaction Security (as defined in the Ziggo Intercreditor Agreement) as the other lenders under the Refinancing Facilities Agreement in accordance with the Ziggo Intercreditor Agreement.
- (f) To the extent that a Refinancing Rollover is effected in respect of only part of the outstanding Term Facilities, the Borrower shall procure that any amounts that remain outstanding under the Term Facilities shall, on the Debt Push Down Date, be immediately prepaid or repaid in full.

2.5 Finance Parties' Rights and Obligations

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor shall be a separate and independent debt.
- (c) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

2.6 Additional Facilities

- (a) The execution by Bidco and any Additional Facility Borrower of an Additional Facility Accession Deed constitutes confirmation by each Guarantor that its obligations under Clause 25 (*Guarantee and Indemnity*) shall continue unaffected except that those obligations shall extend to the Total Commitments as increased by the addition of the relevant Lender's Commitment and shall be owed to each Finance Party including the relevant Lender.
- (b) Bidco may notify the Facility Agent by no less than 2 Business Days' notice that it wishes to establish one or more additional facilities (each an "**Additional Facility**") by delivery to the Facility Agent of a duly completed Additional Facility Accession Deed, duly executed by Bidco, each Additional Facility Lender for the Additional Facility and each Additional Facility Borrower for the relevant Additional Facility, provided, in respect of each Additional Facility, that:
 - (iii) no Event of Default is continuing;
 - (iv) the terms of that Additional Facility, provide that no Utilisation may be made if, at the time of such Utilisation, an Event of Default is continuing or would result from such Utilisation;
 - (v) it shall be a condition to any Utilisation of any Additional Facility that Bidco (or from the Closing Date Bidco shall procure that Ziggo Parent) shall certify in the relevant Utilisation Request that the ratio of Senior Net Debt to Annualised EBITDA shall be no greater than 4.50:1 on a pro forma basis (taking into account such drawing and the use of proceeds of such drawing);

- (vi) the provisions of Clause 21.21 (*Debt Incurrence Pre-Debt Pushdown Date*) would be complied with;
 - (vii) each Additional Facility Borrower for that Additional Facility is an Obligor;
 - (viii) the principal amount, interest rate, interest periods, Final Maturity Date, use of proceeds, repayment schedule, availability, fees, incorporation of relevant clauses relating to, or in connection with, any Additional Facility which is a revolving facility and related provisions and the currency of that Additional Facility shall be agreed by the relevant Additional Facility Borrower and the relevant Additional Facility Lenders (and, in the case of currency and incorporation of the relevant clauses relating to, or in connection with, any Additional Facility which is a revolving facility, the Facility Agent) and set out in the relevant Additional Facility Accession Deed;
 - (ix) the relevant Additional Facility Accession Deed shall specify whether that Additional Facility is in form of a term loan or a revolving loan; and
 - (x) subject to paragraph (vi) above, the general terms of that Additional Facility shall be consistent in all material respects with the terms of this Agreement.
- (c) An increase in the Total Commitments pursuant to an Additional Facility under this Clause 2.6 (*Additional Facilities*) will only be effective on:
- (i) the execution by the Facility Agent of an Additional Facility Accession Deed which has been duly executed by each other relevant party thereto; and
 - (ii) in relation to an Additional Facility Lender which is not a Lender immediately prior to the relevant Additional Facility becoming effective:
 - (A) the Additional Facility Lender entering into the documentation required for it to accede as a party to the Bidco Intercreditor Agreement and, prior to the Debt Pushdown Date, the Loss Sharing Deed; and
 - (B) the performance by the Facility Agent of all necessary “know your client” or other similar checks under all applicable laws and regulations in relation to the Additional Facility Commitments, the completion of which the Facility Agent shall promptly notify to Bidco and the Additional Facility Lender.

- (d) Subject to the conditions in this Clause 2.6 (*Additional Facilities*) being met, from the relevant Additional Facility Commencement Date for an Additional Facility, the Additional Facility Lenders for that Additional Facility shall make available the Additional Facility in a maximum aggregate amount not exceeding the aggregate Additional Facility Commitments in respect of that Additional Facility as set out in the relevant Additional Facility Accession Deed.
- (e) Each Additional Facility Lender, by executing an Additional Facility Accession Deed, confirms (for the avoidance of doubt) that the Facility Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the Additional Facility becomes effective.
- (f) Bidco may pay to any Additional Facility Lender a fee in the amount and at the times agreed between Bidco and that Additional Facility Lender.
- (g) Each Additional Facility Lender shall become a Party and be entitled to share in the Security in accordance with the terms of the Bidco Intercreditor Agreement and the Bidco Security Documents *pari passu* with the Lenders under the other Facilities provided that the Additional Facility Borrower and the relevant Additional Facility Lender may agree that an Additional Facility shares in the Security on a junior basis to the other Facilities which, if so agreed, shall be set out in the relevant Additional Facility Accession Deed.
- (h) Each Party (other than each proposed Additional Facility Lender, Bidco and each Additional Facility Borrower) irrevocably authorises and instructs the Facility Agent to execute on its behalf any Additional Facility Accession Deed which has been duly completed and signed on behalf of each proposed Additional Facility Lender, Bidco and each proposed Additional Facility Borrower and each Obligor agrees to be bound by such accession.
- (i) On the Additional Facility Commencement Date:
 - (v) each Additional Facility Lender party to that Additional Facility Accession Deed, each other Finance Party and the Obligors shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had each Additional Facility Lender been an Original Lender, with the rights and/or obligations assumed by it as a result of that accession and with the Commitment specified by it as its Additional Facility Commitment; and
 - (vi) each Additional Facility Lender shall become a party to this Agreement as an “**Additional Facility Lender**”.
- (j) With the prior written consent of Bidco, the Facility Agent is authorised and instructed to enter into such documentation as is reasonably required to amend

this Agreement and any other Finance Document (in accordance with the terms of this Clause 2.6 (*Additional Facilities*)) to reflect the terms of each Additional Facility without the consent of any Lender other than each applicable Additional Facility Lender.

- (k) Clause 33.8 (*Limitation of Responsibility of Transferor*) shall apply *mutatis mutandis* in this Clause 2.6 (*Additional Facilities*) in relation to any Additional Facility Lender as if references in that Clause to:
 - (i) a “Transferor” were references to all the Lenders immediately prior to the relevant Additional Facility becoming effective ;
 - (ii) the “New Lender” were references to that “Additional Facility Lender”; and
- (l) a “re-transfer” and “re-assignment” were references to respectively a “**transfer**” and “**assignment**”.

2.7 Re-allocation of Commitments

- (a) If requested by Bidco and agreed by a Lender (with a written notice of such agreement to the Facility Agent) on such date as Bidco and such Lender and Facility Agent agree, all or part of that Lender’s unfunded Commitments under the EUR B4 Facility (the “**Reduced Facility**”) may be cancelled and immediately re-allocated to the US\$ B4 Facility (the “**Redenominated Facility**”).
- (b) On the date agreed by Bidco and the Lender under Clause 2.7(a), the relevant Lender’s Commitments in respect of the Reduced Facility will be reduced by the agreed Euro Amount (the “**Re-allocated Commitments**”), and the Re-allocated Commitments will be added to the Redenominated Facility in Dollars at the Facility Agent’s Spot Rate of Exchange (or such other rate as agreed between the Borrower and the relevant Lender).

3. CONDITIONS

3.1 Initial Conditions Precedent

The obligations of the Lenders to make the US\$ B4 Facility, the EUR B4 Facility and the Revolving Facility available shall be conditional upon:

- (a) the Facility Agent having confirmed to Bidco that it has received the documents and evidence listed in Part 1 of Schedule 3 (*Conditions Precedent*) and that each is, unless otherwise indicated in that Schedule, satisfactory, in form and substance, to the Facility Agent, (acting reasonably) or the requirement to provide such documents and evidence has been waived by the Instructing Group;

- (b) Bidco having confirmed to the Facility Agent that the offer in relation to the Ziggo Acquisition has been declared unconditional; and
- (c) Bidco having confirmed to the Facility Agent that the Structure Memorandum has not been amended, supplemented or replaced in a manner that is materially adverse to the interests of the Lenders (unless the Instructing Group has consented to such amendment, supplement or replacement).

The Facility Agent shall notify the Lenders promptly upon being so satisfied.

3.2 Further Conditions Precedent

Subject to Clause 3.1 (*Initial Conditions Precedent*), the Lenders will only be obliged to comply with Clause 4.2 (*Lenders' Participations*) in relation to any Utilisation if, on the date of the Utilisation Request and on the proposed Utilisation Date:

- (a) other than in the case of a Rollover Advance and/or any Utilisation to which Clause 3.3 (*Utilisations during the Certain Funds Period*) applies, no Default is continuing or would result from the proposed Utilisation;
- (b) in relation to a Utilisation to which Clause 3.3 (*Utilisations during the Certain Funds Period*) applies, the representations and warranties in Clause 19.1 (*Status*) to Clause 19.4 (*Non-violation*) (inclusive) to be made by each Obligor for itself are true in all material respects in each case by reference to the facts and circumstances then subsisting; and
- (c) in relation to a Utilisation under the Term Facilities only, Bidco has confirmed to the Facility Agent that the Structure Memorandum has not been amended, supplemented or replaced in a manner that is materially adverse to the interests of the Lenders (unless the Instructing Group has consented to such amendment, supplement or replacement).

3.3 Utilisations during the Certain Funds Period

- (a) Subject to Clause 3.1 (*Initial Conditions Precedent*), during the Certain Funds Period, a Lender will only be obliged to comply with Clause 4.2 (*Lenders' Participations*) in relation to a Certain Funds Utilisation if, on the date of the Utilisation Request and on the proposed Utilisation Date:
 - (xi) the Facility Agent has made the notifications contemplated by Clause 3.1 (*Initial Conditions Precedent*);
 - (xii) it is not unlawful in any applicable jurisdiction for that Lender to perform any of its obligations to lend or participate or maintain its participation in any Loan.

- (b) During the Certain Funds Period (save in respect of a Lender in circumstances where, pursuant to paragraph (a)(ii), that Lender is not obliged to comply with Clause 4.2 (*Lenders' Participations*)) none of the Finance Parties shall be entitled to:
- (iii) cancel any of its Commitments;
 - (iv) rescind, terminate or cancel this Agreement or the Facilities or exercise any similar right or remedy or make or enforce any claim under the Finance Documents it may have to the extent to do so would prevent or limit the making of a Certain Funds Utilisation;
 - (v) save in respect of a Lender in circumstances where, pursuant to paragraph (a)(i), that Lender is not obliged to comply with Clause 4.2 (*Lenders' Participations*), refuse to participate in the making of a Certain Funds Utilisation;
 - (vi) exercise any right of set off or counterclaim in respect of a Utilisation to the extent to do so would prevent or limit the making of a Certain Funds Utilisation;
 - (vii) cancel, accelerate or cause repayment or prepayment of any amounts owing under this Agreement or under any other Finance Document or exercise any enforcement rights under any Bidco Security Document to the extent to do so would prevent or limit the making of a Certain Funds Utilisation; or
 - (viii) take any other action or make or enforce any claim (in its capacity as a Lender) to the extent that such action, claim or enforcement would directly or indirectly prevent or limit the making of a Certain Funds Utilisation;

provided that immediately upon the expiry of the Certain Funds Period all such rights, remedies and entitlements shall be available to the Finance Parties notwithstanding that they may not have been used or been available for use during the Certain Funds Period.

4. UTILISATION

4.1 Conditions to Utilisation

Save as otherwise provided in this Agreement, an Advance will be made by the Lenders to a Borrower if:

- (a) the Facility Agent has received from such Borrower a duly completed Utilisation Request in the relevant form no later than the Specified Time, receipt of which shall oblige such Borrower to utilise the amount requested on the Utilisation Date

stated therein upon the terms and subject to the conditions contained in this Agreement;

- (b) in the case of an Advance (other than an Additional Facility Advance) to be made following the Closing Date, for the purposes of a Margin Ratchet calculation the Facility Agent has received from Bidco a certificate signed by an authorised officer of Bidco establishing at the date of such certificate the ratios of: (i) Senior Net Debt to Annualised EBITDA and (ii) Total Net Debt to Annualised EBITDA, in each case, for the immediately preceding Ratio Period but after giving pro forma effect to such Advance and the use of any proceeds of such Advance;
- (c) the proposed Utilisation Date is a Business Day for the proposed currency of the Advance, as the case may be, which is within the Availability Period and is or precedes the relevant Termination Date;
- (d) as a result of the proposed Utilisation:
 - (i) in the case of a Utilisation by way of a US\$ B4 Facility Advance, immediately after the making of such Advance there will be no more than 10 US\$ B4 Facility Loans outstanding;
 - (ii) in the case of a Utilisation by way of a EUR B4 Facility Advance, immediately after the making of such Advance there will be no more than 10 EUR B4 Facility Loans outstanding;
 - (iii) in the case of a Utilisation by way of a Revolving Facility Advance, immediately after the making of such Advance there will be no more than 25 Revolving Facility Advances then outstanding;
- (e) in the case of a Utilisation by way of a Revolving Facility Advance, the proposed Euro Amount (or its equivalent) of such Revolving Facility Advance is: (i) a minimum of €5,000,000 or an integral multiple of €1,000,000 or (ii) if less, equal to the amount of the Available Revolving Facility Commitment at such time;
- (f) the Utilisation Date for a Revolving Facility Advance is on a date not earlier than the first Utilisation Date under a Term Facility;
- (g) in the case of any Utilisation, on the date of the Utilisation Request and the proposed Utilisation Date:
 - (i) in the case of a Rollover Advance, the Facility Agent shall not have received instructions from a Revolving Facility Instructing Group, requiring the Facility Agent to refuse such rollover; or
 - (ii) in the case of any Utilisation other than that referred to in sub-paragraph (i) above or a Utilisation during the Certain Funds Period, the Repeating Representations made by the persons identified as making those

representations are true in all material respects by reference to the circumstances then existing and no Default is continuing or would result from the proposed Utilisation;

- (h) in the case of any Utilisation of the Revolving Facility:
 - (i) the aggregate amount of the Revolving Facility Outstandings and the RCF1 Outstandings as a result of the proposed Utilisation will not exceed the amount of the RCF1 Facility Commitments; and
 - (ii) the aggregate amount of the Revolving Facility Outstandings as a result of the proposed Utilisation will not exceed EUR 450,000,000; and
- (i) unless the Ziggo Acquisition Agreement has terminated in accordance with its terms, in relation to the first Utilisation under this Agreement Bidco has delivered to the Facility Agent a copy of any amendments to schedule 5 of the Ziggo Acquisition Agreement made since a copy of the Ziggo Acquisition Agreement was last delivered to the Facility Agent (provided that no Lender shall be under an obligation to make available any Advances under Clause 4.2 (*Lenders' Participations*) if any such amendments are materially adverse to the interests of the Lenders, other than where such amendments have been consented to by the Instructing Group).

4.2 Lenders' Participations

- (a) Each Lender will participate through its Facility Office in each Advance made pursuant to Clause 4.1 (*Conditions to Utilisation*) in its respective Proportion.
- (b) The Agent shall determine the Euro Amount of each Revolving Facility Advance which is to be made in an Optional Currency and notify each Lender of the amount, currency and the Euro Amount of each Loan, the amount of its participation in that Loan and, if different, the amount of that participation to be made available in accordance with Clause 29.1 (*Payment to the Facility Agent*) by the Specified Time.

5. OPTIONAL CURRENCIES

5.1 Selection of Currency

Each Borrower under the Revolving Facility or an Additional Facility shall select the currency of a Revolving Facility Advance or an Additional Facility Advance made to it (which shall be Dollars, euro or an Optional Currency) in the Utilisation Request relating to the relevant Revolving Facility Advance or an Additional Facility Advance.

5.2 Unavailability of Optional Currency

- (a) If before the Specified Time on the Quotation Date for the relevant Revolving Facility Advance or an Additional Facility Advance:
- (i) a Lender notifies the Facility Agent that the relevant Optional Currency is not readily available to it in the amount required; or
 - (ii) a Lender notifies the Facility Agent that compliance with its obligation to participate in the Revolving Facility Advance or Additional Facility Advance in the proposed Optional Currency would contravene a Law or regulation applicable to it,

the Facility Agent will give notice to the relevant Borrower to that effect by the Specified Time. In this event, any Lender that gives notice pursuant to this Clause 5.2 will be required to participate in the relevant Revolving Facility Advance in euro (in an amount equal to that Lender's Proportion of the Euro Amount of the relevant Revolving Facility Advance or, in respect of a Rollover Advance, an amount equal to that Lender's Proportion of the Euro Amount of any amount that the Lenders are actually required to advance in accordance with Clause 6.2 (*Rollover Advances*)), and its participation will be treated as a separate Advance denominated in euro during that Term.

- (b) Any part of a Revolving Facility Advance or Additional Facility Advance treated as a separate Advance under this Clause 5 (*Optional Currencies*) will not be taken into account for the purposes of any limit on the number of Advances or currencies outstanding at any one time.

6. REPAYMENT OF REVOLVING FACILITY OUTSTANDINGS

6.1 Repayment of Revolving Facility Advances

The Borrower shall (subject to Clause 6.2 (*Rollover Advances*) and Clause 6.3 (*Repayment on Refinancing Rollover*)) repay the full amount of each Revolving Facility Advance and each Additional Facility Advance in relation to a revolving facility drawn by it on its Repayment Date.

6.2 Rollover Advances

Without prejudice to each Borrower's obligation to repay the full amount of each Revolving Facility Advance and each Additional Facility Advance in relation to a revolving facility made to it on the applicable Repayment Date, where, on the same day on which such Borrower is due to repay a Revolving Facility Advance or an applicable Additional Facility Advance (a "**Maturing Advance**") such Borrower has also requested that one or more Revolving Facility Advances or an applicable Additional Facility Advances in the same currency as and in an amount which is equal to or less than the Maturing Advance be made to it (a "**Rollover Advance**"), subject to the Lenders being obliged to make such Rollover Advance under Clause 4.1 (*Conditions to Utilisation*),

the aggregate amount of the Rollover Advance shall be treated as if applied in or towards repayment of the Maturing Advance so that:

- (a) if the amount of the Maturing Advance exceeds the aggregate amount of the Rollover Advance:
 - (i) the relevant Borrower will only be required to pay an amount in cash in the relevant currency equal to that excess; and
 - (ii) each Lender's participation (if any) in the Rollover Advance shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation (if any) in the Maturing Advance and that Lender will not be required to make its participation in the Rollover Advance available in cash; and
- (b) if the amount of the Maturing Advance is equal to or less than the aggregate amount of the Rollover Advance:
 - (i) the relevant Borrower will not be required to make any payment in cash; and
 - (ii) each Lender will be required to make its participation in the Rollover Advance available in cash only to the extent that its participation (if any) in the Rollover Advance exceeds that Lender's participation (if any) in the Maturing Advance and the remainder of that Lender's participation in the Rollover Advance shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the Maturing Advance.

6.3 Repayment on Refinancing Rollover

Immediately following the completion of a Refinancing Rollover, the Borrower shall repay all amounts outstanding under the Revolving Facility in full provided that the Revolving Facility will be deemed to have been repaid in the amount of any Revolving Facility Refinancing Advance.

6.4 Final Repayment

Bidco shall procure that all amounts outstanding under the Revolving Facility shall be repaid in full on its Final Maturity Date.

7. REPAYMENT OF TERM FACILITY OUTSTANDINGS

7.1 Repayment of US\$ B4 Facility Outstandings and EUR B4 Facility Outstandings

The Borrower shall repay the aggregate outstanding principal amount of the US\$ B4 Facility Advance and the EUR B4 Facility Advance respectively, in full in one instalment

on the applicable Final Maturity Date (or such earlier date as contemplated in paragraph (a) of Clause 2.4 (*Refinancing Rollover*)).

7.2 No Reborrowing of Facility Advances

No Borrower may reborrow any part of any US\$ B4 Facility Advance or EUR B4 which is repaid.

7.3 Repayment of Additional Facility Outstandings

The Borrowers under each Additional Facility shall repay (or procure the repayment of) the aggregate outstanding principal amount of the Additional Facility Advances under that Additional Facility on the Final Maturity Date applicable to such Additional Facility (or such earlier date as contemplated in paragraph (a) of Clause 2.4 (*Refinancing Rollover*)).

8. CANCELLATION

8.1 Voluntary Cancellation

Bidco may, by giving to the Facility Agent not less than 3 Business Days prior written notice to that effect (unless the Instructing Group under the relevant Facility has given its prior consent to a shorter period) cancel any Available Facility in whole or any part (but if in part, in an amount that reduces the Euro Amount of such Facility by a minimum amount of €5,000,000 and an integral multiple of €1,000,000) and any such cancellation shall, reduce the relevant Available Commitments of the Lenders rateably.

8.2 Automatic Cancellation on Refinancing Rollover

Immediately following the occurrence of a Refinancing Rollover in respect of all amounts outstanding, any Available Commitments shall be automatically cancelled and the Commitment of each Lender shall automatically be reduced to zero.

8.3 Notice of Cancellation

Any notice of cancellation given by Bidco pursuant to Clause 8.1 (*Voluntary Cancellation*) shall specify the date upon which such cancellation is to be made and the amount of such cancellation.

8.4 Cancellation of Available Commitments

- (a) At the end of the Availability Period, any Available Commitments in respect of the US\$ B4 Facility shall automatically be cancelled and the Available US\$ B4 Facility Commitment of each Lender shall automatically be reduced to zero.

- (b) At the end of the Availability Period, any Available Commitments in respect of EUR B4 Facility shall automatically be cancelled and the Available EUR B4 Facility Commitment of each Lender shall automatically be reduced to zero.
- (c) On each Termination Date any Available Commitments in respect of the Facility to which such Termination Date relates shall automatically be cancelled and the Commitment of each Lender in relation to such Facility shall automatically be reduced to zero.
- (d) No Available Commitments which have been cancelled under this Agreement may thereafter be reinstated.

8.5 Right of Repayment and Cancellation in relation to a Single Lender

- (a) If:
 - (i) any sum payable to any Lender or by an Obligor is required to be increased under Clause 15.2 (*Tax Gross-up*);
 - (ii) any Lender claims indemnification from a Borrower under Clause 15.3 (*Tax Indemnity*) or Clause 16 (*Increased Costs*); or
 - (iii) any Lender, invokes Clause 13.2 (*Market Disruption*),

then, subject to paragraph (c) below a Borrower may:

- (A) arrange for the transfer or assignment in accordance with this Agreement of the whole (but at par only) of that Lender's Commitment and participation in the Utilisations to a new or existing Lender willing to accept that transfer or assignment; or
 - (B) give the Facility Agent notice of cancellation of that Lender's Commitment and that Borrower's intention to procure the repayment of that Lender's participation in the Utilisation, whereupon the Commitment of that Lender shall immediately be reduced to zero;
- (b) On the last day of each Interest Period or Term which ends after a Borrower has given notice under paragraph (a)(iii) (B) above (or, if earlier, the date specified by a Borrower in that notice), the Borrower to which a Utilisation is outstanding shall repay that Lender's participation in that Utilisation (together with all interest and other amounts accrued under the Finance Documents).
- (c) A Borrower may only exercise its rights under paragraph (a) above if:
 - (i) in the case of paragraphs (a)(i) and (a)(ii) above, the circumstance giving rise to the requirement or indemnification continues or, in the case of (a)

- (iii) no more than 90 days have elapsed since the relevant invoking of Clause 13.2 (*Market Disruption*); and
- (ii) it gives the Facility Agent and the relevant Lender not less than 5 Business Days prior notice.
- (d) The replacement of a Lender pursuant to paragraph (a)(iii)(A)(1) above shall be subject to the following conditions:
 - (i) no Finance Party shall have any obligation to find a replacement Lender;
 - (ii) any replaced Lender shall not be required to refund, or to pay or surrender to any other Lender, any of the fees or other amounts received by that replaced Lender under any Finance Document; and
 - (iii) any replacement of a Lender which is the Facility Agent shall not affect its role as the Facility Agent.
- (e) Prepayments made pursuant to this Clause 8.5 (*Right of Repayment and Cancellation in relation to a Single Lender*) shall be applied against the outstanding Advances pro rata.

8.6 Right of Cancellation in relation to a Defaulting Lender

Without prejudice to the Borrower's rights under Clause 2.2 (*Increase*):

- (a) If any Lender becomes a Defaulting Lender, the Borrower may, at any time whilst the Lender continues to be a Defaulting Lender, give the Facility Agent 3 Business Days' notice of cancellation of each Available Commitment of that Lender.
- (b) On the notice referred to in paragraph (a) above becoming effective, each Available Commitment of the Defaulting Lender shall immediately be reduced to zero.
- (c) The Facility Agent shall as soon as practicable after receipt of a notice referred to in paragraph (a) above, notify all the Lenders.

9. VOLUNTARY PREPAYMENT

9.1 Voluntary Prepayment

- (a) Any Borrower may, by giving to the Facility Agent not less than 5 Business Days prior written notice to that effect (unless the Instructing Group under the relevant Facility has given its prior consent to a shorter period):
 - (i) repay any US\$ B4 Facility Advance drawn by it under the US\$ B4 Facilities in whole or in part (but if in part, in an amount that reduces the Euro Amount of the US\$ B4 Facility Advance by a minimum amount of

€5,000,000 and an integral multiple of €1,000,000), together with accrued interest on the amount repaid without premium or penalty but subject to the payment of any Break Costs (if applicable); and

- (ii) repay any EUR B4 Facility Advance drawn by it under the EUR B4 Facilities in whole or in part (but if in part, in an amount that reduces the Euro Amount of the EUR B4 Facility Advance by a minimum amount of €5,000,000 and an integral multiple of €1,000,000), together with accrued interest on the amount repaid without premium or penalty but subject to the payment of any Break Costs (if applicable).
- (b) Any Additional Facility Borrower may, by giving to the Facility Agent not less than 5 Business Days prior written notice to that effect (unless the Instructing Group under the relevant Facility has given its prior consent to a shorter period), repay any Additional Facility Advance by such minimum amount as is agreed by Bidco and the relevant Additional Facility Lender.
- (c) Any Borrower may, by giving to the Facility Agent not less than 3 Business Days prior written notice to that effect (unless the Revolving Facility Instructing Group has given its prior consent to a shorter period) repay a Revolving Facility Advance drawn by it in whole or in part (but if in part, in an amount that reduces the Euro Amount of the Revolving Facility Advance by a minimum amount of €5,000,000 and an integral multiple of €1,000,000 together with accrued interest on the amount repaid without premium or penalty but subject to the payment of any Break Costs (if applicable).

9.2 Prepayment on Refinancing Rollover

The requirements to provide notice or to prepay in minimum amounts under Clause 9.1 (*Voluntary Prepayment*) shall not apply to a prepayment pursuant to the occurrence of a Refinancing Rollover and the Facilities shall be prepaid as contemplated in Clause 2.4 (*Refinancing Rollover*).

9.3 Application of Repayments

Any voluntary prepayment made under Clause 9.1 (*Voluntary Prepayment*) or pursuant to Clause 9.2 (*Prepayment on Refinancing Rollover*) shall be applied in repayment of any of the Term Facility Outstandings or any Revolving Facility Outstandings or any outstandings in relation to any Additional Facility that is a revolving facility, in whole or in part, as selected by Bidco at its discretion.

9.4 Release from Obligation to Make Advances

A Lender for whose account a repayment is to be made under Clause 8.5 (*Right of Repayment and Cancellation in relation to a Single Lender*) shall not be obliged to participate in the making of Advances (including Revolving Facility Advances) on or

after the date upon which the Facility Agent receives the relevant notice of intention to repay such Lender's share of the Outstandings, on which date all of such Lender's Available Commitments shall be cancelled and all of its Commitments shall be reduced to zero.

9.5 Notice of Prepayment or Cancellation

Any notice of prepayment given by a Borrower pursuant to Clause 9.1 (*Voluntary Prepayment*) or Clause 8.5 (*Right of Repayment and Cancellation in relation to a Single Lender*) and notice of cancellation pursuant to Clause 8.3 (*Notice of Cancellation*) shall be irrevocable, shall specify the date upon which such prepayment is to be made and the amount of such prepayment and shall oblige that Borrower to make such prepayment on such date provided that a notice or prepayment or cancellation may be conditional and not irrevocable provided that Bidco or a Borrower shall within 10 Business Days' notice from the Facility Agent indemnify any Lender in respect, and in the amount, of such Lender's Break Costs as specified in such notice should cancellation or prepayment not occur on the date specified in the notice of cancellation or prepayment.

9.6 Restrictions on Repayment

No Borrower may repay all or any part of any Advance (including, at any time, a Revolving Facility Advance) except at the times and in the manner expressly provided for in this Agreement.

9.7 Cancellation upon Repayment

No amount repaid under this Agreement may subsequently be reborrowed other than any amount of a Revolving Facility Advance or Additional Facility Advance in relation to a revolving facility repaid in accordance with Clauses 6.1 (*Repayment of Revolving Facility Advances*) or 9.1(b) (*Voluntary Prepayment*) on or prior to the Final Maturity Date in respect of the Revolving Facility and upon any repayment (other than in respect of a Revolving Facility Advance or an Additional Facility that is a revolving facility, as aforesaid) the Commitment of each Lender in relation to the relevant Facility shall be cancelled in an amount equal to each Lender's Proportion of the amount repaid.

10. MANDATORY PREPAYMENT AND CANCELLATION

10.1 Change of Control

(a) "Change of Control" means:

- (i) at any time, the Controlling Company ceases to be the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of 100% of the total voting power of the Voting Stock of, and ceases, by virtue of any powers conferred by the articles of association or other documents regulating:

- (A) the Borrower; or
 - (B) after the HoldCo V Accession Date and only for so long as LGE HoldCo V B.V. holds directly or indirectly any Voting Stock in the Ziggo Parent, LGE HoldCo V B.V.;
 - (C) after the Full Ownership Date, Ziggo N.V. (or its successor);
- (ii) at any time, the sale, lease, transfer, conveyance or other disposition (other than by way of a merger or consolidation) in one or a series of related transactions, of all or substantially all of the assets of (I) the Borrowers or the Restricted Subsidiaries or (II) the Ziggo Parent and the Restricted Subsidiaries (as such term is defined under the Refinancing Facilities Agreement) (taken as a whole) to any “person” (as such term is used in sections 13(d) and 14(d) of the Exchange Act) other than a Permitted Holder;
 - (iii) on or prior to the Closing Date, Ziggo N.V. ceases to be the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of 100% of the total voting power of the Voting Stock of the Ziggo Parent;
 - (iv) after the Closing Date, the Controlling Company (I) ceases to be the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Ziggo Parent; and (B) ceases, by virtue of any powers conferred by the articles of association or other documents regulating the Ziggo Parent, to, directly or indirectly, direct or cause the direction of management and policies of the Ziggo Parent;

provided that a Change of Control shall not be deemed to have occurred pursuant to clause (i) of this definition upon the consummation of the Ziggo Acquisition, a Post-Closing Reorganisation or a Spin-Off.

- (b) Notwithstanding the foregoing, upon consummation of (i) the Post-Closing Reorganisation, “Controlling Company” will mean New Intermediate Holdco and its successors or (ii) a Spin-Off, “Controlling Company” will mean the Spin Holdco and its successors.
- (c) For the purpose of this Clause 10 (*Mandatory Prepayment and Cancellation*) only:
 - (i) “**Capital Stock**” of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of interests in (howsoever designated) equity of such Person, including any

- Preferred Stock, but excluding any debt securities convertible into such equity;
- (ii) **“Controlling Company”** means, subject to paragraph (b) above, the immediate Holding Company of Bidco Parent;
 - (iii) **“Exchange Act”** means the United States Securities Exchange Act of 1934, as amended;
 - (iv) **“HoldCo V Accession Date”** means on and from the date that LGE HoldCo V B.V. becomes a wholly-owned Subsidiary of Bidco;
 - (v) **“New Intermediate Holdco”** means the direct Subsidiary of the Ultimate Holdco following a Post-Closing Reorganisation;
 - (vi) **“Permitted Holder”** means, collectively:
 - (A) the Ultimate Holdco;
 - (B) in the event of a Spin-Off, the Spin Holdco and any Subsidiary of the Spin Holdco; and
 - (C) each Affiliate or Related Person of a Permitted Holder described in (A) above, and any successor to such Permitted Holder, Affiliate or Related Person;
 - (D) any Person who is acting as an underwriter in connection with any public or private offering of Capital Stock of Bidco Parent, acting in such capacity; and
 - (E) any “person” or “group” of related persons (as such terms are used in sections 13(d) and 14(d) of the Exchange Act) whose acquisition of “beneficial ownership” (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) of Voting Stock or all or substantially all of the assets of Bidco Parent and the Restricted Subsidiaries (taken as a whole) would constitute a Change of Control in respect of which Bidco has provided a notice to the Facility Agent under Clause (d)(i) (*Change of Control*) and the Facility Agent has not, within sixty Business Days of receipt of such notice, provided a notice to Bidco under Clause (d)(ii) (*Change of Control*) cancelling the Facilities and/or declaring all outstanding Advances to be immediately due and payable;
 - (vii) **“Person”** means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organisation, limited liability company, government or any agency of political subdivision hereof or any other entity;

- (viii) **“Post-Closing Reorganisation”** means, at any time after the Closing Date (A) a distribution or other transfer of the Controlling Company and its Subsidiaries or a Holding Company of Controlling Company and its Subsidiaries to the Ultimate Holdco or another direct Subsidiary of the Ultimate Holdco through one or more mergers, transfers, consolidations or other similar transactions such that Controlling Company or such Holding Company will become the direct Subsidiary of the Ultimate Holdco or such other direct Subsidiary of the Ultimate Holdco; and/or (B) the issuance by the Controlling Company of Capital Stock to the Ultimate Holdco or another direct Subsidiary of the Ultimate Holdco and, as consideration therefor, the assignment or transfer by the Ultimate Holdco or a direct Subsidiary of the Ultimate Holdco of assets to the Controlling Company, as the case may be;
- (ix) **“Preferred Stock”**, as applied to the Capital Stock of any corporation, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such corporation, over shares of Capital Stock of any other class of such corporation;

“Related Person” with respect to any Permitted Holder, means:

- (A) any controlling equity holder or majority (or more) owned Subsidiary of such Permitted Holder; or
- (B) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or
- (C) any trust, corporation, partnership or other person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein;
- (x) **“Spin-Off”** means, at any time after the Closing Date, a transaction by which all outstanding ordinary shares of the Controlling Company or any of its Holding Companies directly or indirectly owned by the Ultimate Holdco are distributed to all of the Ultimate Holdco’s shareholders in proportion to such shareholders’ holdings in the Ultimate Holdco at the time of such transaction either directly or indirectly through the

distribution of shares in a company holding the Controlling Company's shares or such Holding Company's shares;

- (xi) **"Spin Holdco"** means the company the shares of which are distributed to the shareholders of the Ultimate Holdco pursuant to the Spin-Off;
- (xii) **"Ziggo Bond Company Holding"** means Ziggo Bond Company Holding B.V. (a company registered in The Netherlands), together with its successors (by merger, consolidation, transfer, conversion of legal form or otherwise); and
- (xiii) **"Voting Stock"** of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

(d) Upon becoming aware of a Change of Control:

- (i) Bidco shall promptly notify the Facility Agent; and
- (ii) if the Instructing Group so require, the Facility Agent shall, by not less than 30 Business Days' notice to Bidco, cancel each Facility and declare all outstanding Advances, together with accrued interest and all other relevant amounts accrued under the Finance Documents immediately due and payable, whereupon each Facility will be cancelled and all such outstanding amounts will become immediately due and payable.

10.2 Miscellaneous Provisions

- (a) All prepayments under this Agreement shall be made together with accrued interest on the amount prepaid and any other amounts due under this Agreement in respect of that prepayment and, subject to Clause 27.2 (*Break Costs*), without premium or penalty.
- (b) No prepayment or cancellation is permitted except in accordance with the express terms of this Agreement.
- (c) Any prepayment in part of any Advance shall be applied against the participations of the Lenders in that Advance *pro rata*.

11. INTEREST ON REVOLVING FACILITY ADVANCES

11.1 Duration

The duration of the Term for each Revolving Facility Advance shall, save as otherwise provided in this Agreement, be a period of any number of days from and including 1 day to and including 30 days or 1, 2, 3 or 6 months or such other period of up to 12 months as all the Lenders having a Revolving Facility Commitment may agree with the

Borrower prior to submission of the relevant Utilisation Request provided that such period shall end on or before the Final Maturity Date in respect of the Revolving Facility, in each case, as the Borrower may select in the relevant Utilisation Request.

11.2 Interest Payment Date for Revolving Facility Advances

On each Repayment Date (and, if the Term of any Revolving Facility Advance or Additional Facility Advance in relation to a revolving facility exceeds 6 months, on the expiry of each period of 6 months during such Term), the relevant Borrowers shall pay accrued interest on each Revolving Facility Advance and Additional Facility Advance in relation to a revolving facility made to it.

11.3 Interest Rate for Revolving Facility Advances

The rate of interest applicable to each Revolving Facility Advance during its Term shall be the rate per annum which is the sum of the Revolving Facility Margin and, in relation to any Revolving Facility Advance denominated in euro, EURIBOR, or in relation to any Revolving Facility Advance denominated in any other currency, LIBOR, for the relevant Term.

11.4 Interest on Additional Facilities

The rate of interest on any Additional Facility and the timing of payment of such interest shall be regulated by the relevant Additional Facility Accession Deed.

12. INTEREST ON TERM FACILITY ADVANCES

12.1 Interest Periods for Term Facility Advances

The period for which a Term Facility Advance is outstanding shall be divided into successive periods (each an “**Interest Period**”) each of which (other than the first) shall start on the last day of the preceding such period.

12.2 Duration

The duration of each Interest Period shall, save as otherwise provided in this Agreement, be 1, 2, 3 or 6 months in respect of each Term Facility, or, in each case, such other period of up to 12 months as all the Lenders holding Commitments (in the case of the first Interest Period for a Term Facility Advance, and thereafter, Outstandings) under the relevant Facility may agree with the Borrower, in each case, as the Borrower may select by no later than 9:30a.m. on the date falling 3 Business Days before the first day of the relevant Interest Period, provided that:

- (a) if such Borrower fails to give such notice of selection in relation to an Interest Period, the duration of that Interest Period shall, subject to the other provisions of this Clause 12 (*Interest on Term Facility Advances*), be 3 months; and

- (b) any Interest Period that would otherwise end during the month preceding or extend beyond a Repayment Date relating to the Term Facility Outstandings shall be of such duration that it shall end on that Repayment Date if necessary to ensure that there are Advances under the relevant Term Facility with Interest Periods ending on the relevant Repayment Date in a sufficient aggregate amount to make the repayment due on that Repayment Date.

12.3 Consolidation and Division of Term Facility Advances

- (a) Subject to paragraph (b) below, if two or more Interest Periods:
 - (i) relate to Term Facility Advances under the same Term Facility made to the same Borrower in the same currency; and
 - (ii) end on the same date,

those Term Facility Advances will, unless that Borrower (or Bidco on its behalf) specifies to the contrary for the next Interest Period, be consolidated into, and treated as, a single Term Facility Advance on the last day of the Interest Period.

- (b) Subject to the requirements of Clause 12.2 (*Duration*), a Borrower (or Bidco on its behalf) may, by no later than 9:30a.m. on the date falling 3 Business Days before the first day of the relevant Interest Period, direct that any Term Facility Advance borrowed by it shall, at the beginning of the next Interest Period relating to it, be divided into (and thereafter, save as otherwise provided in this Agreement, be treated in all respects as) 2 or more Advances in such amounts (equal in aggregate to the Euro Amount of the Term Facility Advance being so divided) as shall be specified by that Borrower or Bidco in such notice provided that no such direction may be made if:
 - (i) as a result of so doing, there would be more than 10 Advances outstanding under the relevant Term Facility; or
 - (ii) any Term Facility Advance thereby coming into existence would have a Euro Amount of less than €25,000,000.

12.4 Payment of Interest for Term Facility Advances

On the last day of each Interest Period (or if such day is not a Business Day, on the immediately succeeding Business Day in the then current month (if there is one) or the preceding Business Day (if there is not)), and if the relevant Interest Period exceeds 6 months, on the expiry of each 6 month period during that Interest Period, the relevant Borrower shall pay accrued interest on the Term Facility Advance to which such Interest Period relates.

12.5 Interest Rate for Term Facility Advances

The rate of interest applicable to a Term Facility Advance at any time during an Interest Period relating to it shall be the rate per annum which is the sum of the Margin and, in relation to any relevant Advance denominated in euro, EURIBOR, or in relation to any relevant Advance denominated in any other currency, LIBOR, for such Interest Period.

12.6 Notification

The Facility Agent shall promptly notify the relevant Borrowers and the Lenders of each determination of LIBOR, EURIBOR, and any change to the proposed length of a Term or Interest Period or any interest rate occasioned by the operation of Clause 13 (*Market Disruption and Alternative Interest Rates*).

13. MARKET DISRUPTION AND ALTERNATIVE INTEREST RATES

13.1 Absence of Quotations

Subject to Clause 13.2 (*Market Disruption*):

- (a) if LIBOR or, if applicable, EURIBOR is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation on the Quotation Date in accordance with Clause 13.2 (*Market Disruption*), the applicable LIBOR or EURIBOR shall be determined on the basis of the quotations of the remaining Reference Banks; or
- (b) if Clause 13.3 (*Alternative Reference Bank Rate*) applies but an Alternative Reference Bank does not supply a quotation in accordance with Clause 13.3 (*Alternative Reference Bank Rate*), the applicable Alternative Reference Bank Rate shall be determined on the basis of the quotations of the remaining Alternative Reference Banks.

13.2 Market Disruption

- (a) If a Market Disruption Event occurs in relation to an Advance for any Interest Period or Term, then the rate of interest applicable to each Lender's portion of such Advance during the relevant Interest Period or Term shall (subject to any agreement reached pursuant to Clause 13.4 (*Alternative Rate*)) be the rate per annum which is the sum of
 - (i) the Margin; and
 - (ii) the Alternative Reference Bank Rate or (if an Alternative Market Disruption Event has occurred with respect to an Advance for the relevant Interest Period or Term of that Advance) the rate per annum notified to the Facility Agent by such Lender before the last day of such Interest Period or Term to be that which expresses as a percentage rate per annum the cost to such Lender of funding from whatever sources it may reasonably select its portion of such Advance during such Interest Period

or Term provided that if more than one such rate is notified to the Facility Agent pursuant to this Clause 13.2(a)(ii), the rate shall be the average of those rates so notified.

(b) If:

- (i) the percentage rate per annum notified by a Lender pursuant to paragraph (a)(ii) above is less than the Alternative Reference Bank Rate; or
- (ii) a Lender has not notified the Facility Agent of a percentage rate per annum pursuant to paragraph (a)(ii) above,

the cost to that Lender of funding its participation in that Advance for that Interest Period or Term shall be deemed, for the purposes of paragraph (a) above, to be the Alternative Reference Bank Rate.

(c) In this Agreement:

“Alternative Market Disruption Event” means:

- (i) before close of business in London on the date falling one Business Day after the Quotation Date for the relevant Interest Period or Term, none or only one of the Alternative Reference Banks supply a rate to the Facility Agent to determine the Alternative Reference Bank Rate for the relevant Interest Period or Term; or
- (i) before close of business in London on the Quotation Date for the relevant Interest Period or Term, the Facility Agent receives notifications from a Lender or Lenders to whom in aggregate 40% or more of the relevant Advance is owed (or, in the case of an undrawn Advance, if made would be owed) that the cost to it of funding its participation from whatever source it may reasonably select would be in excess of the Alternative Reference Bank Rate; and

“Market Disruption Event” means:

- (iii) at or about noon on the Quotation Date for the relevant Interest Period or Term none or only one of the Reference Banks supplies a rate to the Facility Agent to determine LIBOR or, if applicable, EURIBOR for the relevant currency and Interest Period or Term; or
- (iv) before close of business in London on the Quotation Date for the relevant Interest Period or Term, the Facility Agent receives notifications from a Lender or Lenders to whom in aggregate 40% or more of the relevant Advance is owed (or, in the case of an undrawn Advance, if made would be owed) that the cost to it of funding its participation from whatever

source it may reasonably select would be in excess of LIBOR or, if applicable, EURIBOR.

13.3 Alternative Reference Bank Rate

- (a) If a Market Disruption Event occurs, the Facility Agent shall as soon as is practicable request each of the Alternative Reference Banks to supply to it the rate at which that Alternative Reference Bank could have borrowed funds in the relevant currency and for the relevant period in the London interbank market or, in relation to an Advance in euro, the European interbank market at or about 11:00 a.m. or, in relation to an Advance in euro, at or about 11:00 a.m. (Brussels time) on the Quotation Date for the Interest Period or Term of that Advance, were it to have done so by asking for and then accepting interbank offers for deposits in reasonable market size in the currency of that Advance and for a period comparable to the Interest Period or Term of that Advance.
- (b) As soon as is practicable after receipt of the rates supplied by the Alternative Reference Banks, the Facility Agent will notify Bidco and the Lenders of the arithmetic mean of the rates supplied to it in accordance with paragraph (a) above (the “**Alternative Reference Bank Rate**”).

13.4 Alternative Rate

If Clause 13.2 (*Market Disruption*) applies and the Facility Agent or Bidco so requires, the Facility Agent and Bidco shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing an alternative basis:

- (a) for determining the rate of interest from time to time applicable to such Advances; and/or
- (b) upon which such Advances may be maintained (whether in euro or some other currency) thereafter,

and any such alternative basis that is agreed shall take effect in accordance with its terms and be binding on each Party, provided that the Facility Agent may not agree any such alternative basis without the prior consent of each Lender holding Outstandings under each applicable Facility, acting reasonably.

14. COMMISSION AND FEES

14.1 Commitment Fees

- (a) Bidco shall pay (or procure the payment of) to the Facility Agent for the account of each relevant Lender (other than any Additional Facility Lender) a commitment fee on the aggregate amount of such Lender’s Available Revolving Facility Commitment made available by it (other than in relation to Additional Facility) from day to day during the period beginning on the Signing Date and

ending on the Termination Date for the Revolving Facility. Such commitment fee shall be calculated at the rate of 40 per cent. of the Revolving Facility Margin and shall be payable in arrears on the last day of each successive period of 3 months which ends during such period and on the Termination Date for the Revolving Facility.

- (b) No commitment fee is payable to the Facility Agent (for the account of a Lender) on any Available Revolving Facility Commitment of that Lender for any day on which that Lender is a Defaulting Lender.

14.2 Arrangement, Ticking and Underwriting Fee

- (a) Bidco shall pay (or procure the payment of) to the Bookrunners and Mandated Lead Arrangers, as applicable, the fees specified in the Fee Letter at the times and in the amounts specified in such letter.
- (b) Bidco shall pay (or procure the payment of) to any Additional Facility Lenders the fees specified in the relevant Additional Facility Accession Deed at the times and in the amounts specified in such Additional Facility Accession Deed.

14.3 Agency Fee

Bidco shall pay (or procure the payment of) to the Facility Agent and the Security Agent for their own account the fees specified in the letter dated on or about the date of this Agreement between the Facility Agent, the Security Agent and Bidco at the times and in the amounts specified in such letter.

14.4 Prepayment Fee

Other than if a prepayment is made in accordance with Clause 2.4 (*Refinancing Rollover*), if on or prior to the date falling 6 months after the first Utilisation Date in relation to each of the US\$ B4 Facility or the EUR B4 Facility (but not otherwise) any Borrower:

- (a) makes any prepayment of a US\$ B4 Facility Advance or EUR B4 Facility Advance (each or together a “**TL Facility Advance**”) in connection with any Repricing Transaction; or
- (b) effects any amendment of this Agreement resulting in a Repricing Transaction,

such Borrower shall, in each case, pay to the Facility Agent, for the account of each applicable Lender,

- (c) in the case of paragraph (a) above, a prepayment fee equal to 1.00 per cent. flat on the amount of that Lender’s TL Facility Advance which is prepaid; and
- (d) in the case of paragraph (b) above, a prepayment equal to 1.00 per cent. flat on the aggregate amount of the TL Facility Advances of each Lender that shall have

been the subject of a mandatory assignment under the circumstances described in Clause 39.12 (*Replacement of Lenders*) following the failure of such Lender to consent to such amendment and on or prior to the date falling 6 months after the relevant Utilisation Date.

In this Clause:

“Repricing Transaction” means the prepayment or refinancing of all or a portion of the TL Facility Advances with any long term bank debt financing incurred for the primary purpose of repaying, refinancing, substituting or replacing the TL Facility Advances and having an effective interest cost or weighted average yield (as determined by the Facility Agent consistent with generally accepted financial practice and, in any event, excluding any arrangement or commitment fees in connection therewith) that is less than the interest rate for or weighted average yield (as determined by the Facility Agent (acting reasonably) on the same basis) of the TL Facility Advances, including without limitation, as may be effected through any amendment to this Agreement relating to the interest rate for, or weighted average yield of, the TL Facility Advances.

15. TAX GROSS-UP AND INDEMNITIES

15.1 Definitions

In this Agreement:

“Protected Party” means a Finance Party which is or will be subject to any liability or required to make any payment for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

“Tax Deduction” means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than (i) a FATCA Deduction or (ii) a deduction or withholding for or on account of any Bank Levy (or otherwise attributable to, or arising as a consequence of, a Bank Levy).

“Tax Payment” means either the increase in a payment made by a Borrower to a Finance Party under Clause 15.2 (*Tax Gross-up*) or a payment under Clause 15.3 (*Tax Indemnity*).

Unless a contrary indication appears, in this Clause 15 a reference to **“determines”** or **“determined”** means a determination made in the discretion of the person making the determination acting reasonably and in good faith.

15.2 Tax Gross-up

- (a) Each Borrower shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law or by a binding decision of a tax authority or court.

- (b) Each Borrower shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Facility Agent accordingly. Similarly, a Lender shall notify the Facility Agent on becoming so aware in respect of a payment payable to that Lender. If the Facility Agent receives such notification from a Lender it shall notify the relevant Borrower.
- (c) If a Tax Deduction is required by law to be made by a Borrower, the amount of the payment due from that Borrower shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) If a Borrower is required to make a Tax Deduction, that Borrower shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (e) In the case of a Tax Deduction made by a Borrower, that Borrower shall furnish, if reasonably possible, to the Facility Agent on behalf of the Finance Party concerned, within the period for payment permitted by the relevant law, either:
 - (i) an official receipt of the relevant taxation or other authorities involved in respect of Tax Deduction; or
 - (ii) if such receipts are not issued by the taxation or other authorities concerned on payment to them in respect of the Tax Deduction, a certificate of deduction or equivalent evidence of the relevant Tax Deduction.
- (f) Each party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FACTA Deduction.

15.3 Tax Indemnity

- (a) A Borrower shall (within ten Business Days of written demand by the Facility Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party reasonably determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a payment of that Borrower under the Finance Documents. The Protected Party shall within five Business Days' of request by that Borrower provide to that Borrower reasonable written details explaining the loss, liability or cost and the calculation of the amount claimed by the Protected Party.
- (b) Paragraph (a) above shall not apply:

- (i) with respect to any Tax assessed on a Finance Party:
 - (A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or
 - (B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or
- (ii) to the extent a loss, liability or cost:
 - (A) is compensated for by an increased payment under Clause 15.2 (*Tax Gross-up*);
 - (B) relates to a FATCA Deduction required to be made by a Party; or
 - (C) is suffered or incurred by a Finance Party in respect of a Bank Levy.
- (c) A Protected Party making, or intending to make a claim under paragraph (a) above shall promptly notify the Facility Agent of the event which will give, or has given, rise to the claim, following which the Facility Agent shall notify the Borrower.
- (d) A Protected Party shall, on receiving a payment from a Borrower under this Clause 15.3, notify the Facility Agent.

15.4 Tax Credit

- (a) If and to the extent that a Borrower pays any additional amount under Clause 15.2 (*Tax Gross-up*) or makes a payment under Clause 15.3 (*Tax Indemnity*) and any Finance Party receives and retains the benefit of a refund of Tax or credit against Tax, including any relief, remission for, or repayment of any Tax which is identified by the Finance Party determines as attributable to the tax that was withheld or deducted (a "**Tax Credit**"), then that Finance Party shall reimburse to that Borrower such amount as it shall determine so as to leave that Finance Party after that reimbursement, in the same after-Tax position as in no better or worse position than it would have been in if payment of the relevant additional amount or payment had not been required.. Each Finance Party shall have absolute discretion as to whether to claim any Tax Credit and, if it does so claim, the extent, order and manner in which it does so and which reliefs and credits

are to be regarded as used for these purposes. Such reimbursement shall be made as soon as reasonably practicable after such Finance Party shall have made any such determination. No Finance Party shall be obliged to disclose any information regarding its tax affairs or computations to the Borrowers.

- (b) If a Finance Party has made a payment to the an Obligor pursuant to this Clause 15.4 on account of a Tax Credit and it subsequently transpires that that Finance Party did not receive that Tax Credit, or received a reduced Tax Credit, either such Obligor, as the case may be, shall, on demand, pay to that Finance Party the amount which that Finance Party determines, acting reasonably and in good faith, will put it (after that payment is received) in the same after-tax position as it would have been in had no such payment or a reduced payment been made to such Obligor.
- (c) No Finance Party shall be obliged to make any payment under this Clause 15.4 if, by doing so, it would contravene the terms of any applicable Law or any notice, direction or requirement of any governmental or regulatory authority (whether or not having the force of law).

15.5 Stamp Taxes

The Borrowers shall pay and, within 10 Business Days of demand, indemnify each Secured Party and Mandated Lead Arranger against any cost, loss or liability that Secured Party or Mandated Lead Arranger incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document save for any such Taxes payable in respect of an assignment, transfer or sub-participation of a Lender's interests in respect of a Finance Document.

15.6 Value Added Tax

- (a) All consideration expressed to be payable under a Finance Document by any Party to a Finance Party shall be deemed to be exclusive of any VAT and no Party shall exercise any potential option for waiving a VAT exemption. Subject to paragraph (b) below, if VAT is chargeable on any supply made by any Finance Party to any Party in connection with a Finance Document, that Party shall pay to the Finance Party (in addition to and at the same time as paying the consideration) an amount equal to the amount of the VAT, unless the VAT charge is caused by the Finance Party's option to waive a VAT exemption, and in either case concurrently against the issue of an appropriate invoice.
- (b) If VAT is or becomes chargeable on any supply made by any Finance Party (the "**Supplier**") to any other Finance Party (the "**Recipient**") in connection with a Finance Document, and any Party other than the Recipient (the "**Subject Party**") is required by the terms of any Finance Document to pay an amount equal to the consideration for such supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration), (i) if the

Supplier is required to account to the relevant tax authority for the VAT, the Subject Party must also pay to the Supplier and, (ii) if the Recipient is required to account to the relevant tax authority for the VAT the Subject Party must pay to the Recipient, (in addition to and at the same time as paying such amount) an amount equal to the amount of such VAT. Where paragraph (i) applies, the Recipient must promptly pay to the Subject Party an amount equal to any credit or repayment obtained by the Recipient from the relevant tax authority which the Recipient reasonably determines is in respect of the VAT chargeable on that supply. Where paragraph (ii) applies, the Subject Party must only pay to the Recipient an amount equal to the amount of such VAT to the extent that the Recipient reasonably determines that it is not entitled to a credit or repayment from the relevant tax authority in respect of that VAT.

- (c) Where a Finance Document requires any Party to reimburse a Finance Party for any costs or expenses, that Party shall also at the same time pay and indemnify the Finance Party for the full amount of such costs and expenses including such costs that represent VAT incurred by the Finance Party in respect of the costs or expenses to the extent that the Finance Party reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of the VAT.
- (d) Any reference in this Clause 15.6 to any Party shall, at any time when such Party is treated as a member of a group including but not limited to any fiscal unities for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term “**representative member**” to have the same meaning as in the Value Added Tax Act 1994 or in the relevant legislation of any jurisdiction having implemented Council Directive 2006/112/EC on the common system of value added tax).
- (e) If VAT is chargeable on any supply made by a Finance Party to any Party under a Finance Document and if reasonably requested by such Finance Party, that Party must give the Finance Party details of its VAT registration number and any other information as is reasonably requested in connection with the Finance Party’s reporting requirements for the supply and at such time that the Finance Party may reasonably request it.

Where a Borrower is required to make a payment under paragraph (b) above, such amount shall not become due until the relevant Borrower has received a formal invoice detailing the amount to be paid. .

15.7 Tax Administration Formalities

- (a) The Finance Parties and the Borrowers shall co-operate in good faith in completing any procedural steps (including, but not limited to, giving any

required confirmation or providing any relevant information) necessary for the Borrowers to make payments to the Finance Party without any withholding or deduction for any Taxes. In particular, the Borrowers agree to provide such information in respect of itself as may be reasonably requested by the Finance Parties in writing in order for the Finance Parties to comply with any administrative formalities required for the Finance Parties to be exempt from withholding or deduction for any Taxes under any applicable international treaty.

- (b) Similarly, each Finance Party undertakes to provide any tax certificate or other document as may be reasonably requested by the Borrower in writing in order for the Borrowers to be exempt from withholding or deduction for any Taxes under any applicable international treaty.
- (c) Each Finance Party shall confirm whether it is entitled to receive payments under the Finance Documents free from withholding under FATCA and shall provide any documentation, forms and other information relating to its status under FATCA reasonably requested by the Facility Agent or a Borrower sufficient for the Facility Agent and the Borrowers to comply with their obligations under FATCA and to determine whether such Finance Party has complied with such applicable reporting requirements.

16. INCREASED COSTS

16.1 Increased Costs

Subject to Clause 16.3 (*Exceptions*), Bidco shall, within 3 Business Days of a demand by the Facility Agent, pay (or procure the payment of) for the account of a Finance Party the amount of any Increased Cost incurred by that Finance Party or any of its Affiliates as a result (direct or indirect) of:

- (a) the introduction or implementation of or any change in (or any change in the interpretation, administration or application of) any Law, regulation, practice or concession or any directive, requirement, request or guideline (whether or not having the force of law but where such law, regulation, practice, concession, directive, requirement, request or guideline does not have the force of law, it is one with which banks or financial institutions subject to the same are generally accustomed to comply) of any central bank, including the European Central Bank, the Financial Services Authority or any other fiscal, monetary, regulatory or other authority after the date of this Agreement; or
- (b) compliance with any Law, regulation, practice, concession or any such directive, requirement, request or guideline made after the date of this Agreement.

16.2 Increased Costs Claims

- (a) A Finance Party intending to make a claim pursuant to Clause 16.1 (*Increased Costs*) shall notify the Facility Agent of the event giving rise to the claim, following which the Facility Agent shall promptly notify Bidco.
- (b) Each Finance Party shall, as soon as practicable after a demand by the Facility Agent, provide a certificate confirming the amount of its, or if applicable, its Affiliate's Increased Costs and setting out in reasonable detail the circumstances giving rise to such claim and its calculations in relation to such Increased Costs.

16.3 Exceptions

Clause 16.1 (*Increased Costs*) does not apply to the extent any Increased Cost is:

- (a) attributable to a Tax Deduction required by Law to be made by a Borrower;
- (b) compensated for by Clause 15.3 (*Tax Indemnity*) (or would have been compensated for under Clause 15.3 (*Tax Indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 15.3 (*Tax Indemnity*) applied);
- (c) attributable to the gross negligence of or wilful breach by, the Finance Party or, if applicable, any of its Affiliates of any law, regulation, practice, concession, directive, requirement, request or guideline, to which the imposition of such Increased Cost relates;
- (d) suffered by a Finance Party and in respect of which that Finance Party intends to make a claim pursuant to paragraph (a) of Clause 16.2 (*Increased Costs Claims*), is not (and its claim under paragraph (a) of Clause 16.2 (*Increased Costs Claims*) is not) notified by that Finance Party to the Facility Agent within 30 days of that Finance Party becoming aware that it had suffered the relevant Increased Cost;
- (e) is attributable to the implementation of or compliance with the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the Signing Date ("**Basel II**") or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, relevant Finance Party or any of its Affiliates);
- (f) attributable to a FATCA Deduction required to be made by a Party; or
- (g) attributable to any Bank Levy but only to the extent that such Bank Levy is no more onerous than in respect of:
 - (i) a Bank Levy not yet enacted into law, any draft of such proposed Bank Levy as at the date of this Agreement; or

- (ii) any other Bank Levy, as set out under existing law as at the date of this Agreement.

In this Clause 16.3 reference to a “Tax Deduction” has the same meaning given to the term in Clause 15.1 (*Definitions*).

17. ILLEGALITY

17.1 Illegality of a Lender

If at any time after a Lender becomes a Party it becomes unlawful in any applicable jurisdiction for such Lender to perform any of its obligations as contemplated by this Agreement respectively or to make, fund, issue or maintain its participation in any Utilisation:

- (a) that Lender shall promptly notify the Facility Agent upon becoming aware of that event;
- (b) upon the Facility Agent notifying Bidco, the Commitments of that Lender shall immediately be reduced to zero and cancelled or, if required by Bidco, on such date transferred to another bank or institution willing to accept that transfer; and
- (c) upon the Facility Agent notifying Bidco, Bidco shall procure that each Borrower will, on such date as the Facility Agent shall have specified (being no earlier than the last day permitted by law) repay that Lender’s participation in the Utilisations utilised by that Borrower (together with accrued interest on and all other amounts owing to that Lender under the Finance Documents) or, if required by Bidco, that Lender’s participations shall on such date be transferred at par to another bank or institution willing to accept that transfer (to the extent it is lawful for such Lender to undertake such transfer).

18. MITIGATION

18.1 Mitigation

- (a) Each Finance Party shall in consultation with Bidco, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under, or pursuant to, or cancelled pursuant to, any of Clause 15 (*Tax Gross-up and Indemnity*), Clause 16 (*Increased Costs*) or Clause 17 (*Illegality*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office or financial institution acceptable to Bidco which is willing to participate in any Facility in which such Lender has participated.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

18.2 Limitation of Liability

- (a) With effect from the Signing Date, each of the Borrowers agrees to indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 18.1 (*Mitigation*).
- (b) A Finance Party is not obliged to take any steps under Clause 18.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might in any way be prejudicial to it.

19. REPRESENTATIONS AND WARRANTIES

Each Obligor in relation to itself and Bidco in relation to each other member of the Group, in each case to the extent expressed to be applicable to them, makes the representations and warranties set out in this Clause 19 (*Representations and Warranties*), other than Clauses 19.7 (*Accounts*) which shall only be made by Bidco.

19.1 Status

- (a) It is a company duly organised or a partnership duly formed, in either case, validly existing under the laws of its jurisdiction of incorporation or establishment.
- (b) It has the power to own its assets and carry on its business as it is being conducted.

19.2 Powers and Authority

It has the power:

- (a) to enter into and comply with all obligations expressed on its part under the Finance Documents to which it is expressed to be a party;
- (b) (in the case of a Borrower) to borrow under this Agreement; and
- (c) (in the case of a Guarantor) to give the guarantee in Clause 25 (*Guarantee and Indemnity*),

and has taken all necessary actions to authorise the execution, delivery and performance of the Finance Documents to which it is a party.

19.3 Legal Validity

- (a) Each Finance Document to which it is or will be a party constitutes, or when executed in accordance with its terms will constitute, its legal, valid and binding obligations enforceable, subject to any relevant reservations or qualifications as to matters of law contained in any legal opinion delivered under this Agreement in accordance with its terms.

- (b) The choice of English law as the governing law of the Finance Documents and its irrevocable submission to the jurisdiction of the courts of England in respect of any proceedings relating to the Finance Documents (in each case other than any Finance Document which is expressly to be governed by a law other than English law) will be recognised and enforced in its jurisdiction of incorporation, subject to any relevant reservation or qualification as to matters of law contained in any legal opinion referred to in paragraph (a) above.
- (c) Any judgment obtained in England in relation to a Finance Document (in each case other than any Bidco Security Document which is expressed to be governed by a law other than English law) will be recognised and enforced in its jurisdiction of incorporation, subject to any relevant reservation or qualification as to matters of law contained in any legal opinion referred to in paragraph (a) above.

19.4 Non-violation

The execution and delivery by it of the Finance Documents to which it is a party, and its performance of the transactions contemplated thereby, will not violate:

- (a) in any material respect, any law or regulation or official judgment or decree applicable to it;
- (b) in any material respect, its constitutional documents; or
- (c) any agreement or instrument to which it is a party or binding on any of its assets or binding upon any other member of the Group or any other member of the Group's assets, where such violation would or is reasonably likely to have a Material Adverse Effect.

19.5 Consents

- (a) Subject to any relevant reservations or qualifications contained in any legal opinion referred to in Clause 19.3(a) (*Legal Validity*) above, all material and necessary authorisations, registrations, consents, approvals, licences, and filings required by it in connection with the execution, validity or enforceability of the Finance Documents to which it is a party and performance of the transactions contemplated by the Finance Documents have been obtained (or, if applicable, will be obtained within the required time period) and are validly existing.
- (b) All the Necessary Authorisations are in full force and effect, each member of the Bidco Group is in compliance in all material respects with all provisions thereof and the Necessary Authorisations are not the subject of any pending or, to the best of its knowledge, threatened attack or revocation by any competent authority except, in each case, to the extent that any lack of effect, non-compliance or attack or revocation of a Necessary Authorisation would not have or not be reasonably likely to have a Material Adverse Effect.

19.6 Event of Default

No Event of Default has occurred and is continuing or will result from the making of any Advance.

19.7 Accounts

- (a) The consolidated financial statements of the Reporting Entity most recently delivered to the Facility Agent:
 - (i) present fairly in all material respects the financial position of Reporting Entity and the consolidated financial position of the Reporting Entity as at the date to which they were drawn up; and
 - (ii) have been prepared in all material respects in accordance with IFRS or GAAP if at the relevant time the Reporting Entity has adopted GAAP in accordance with Clause 21.4 (*Change in Accounting Practices*) (except that such consolidated financial statements do not include all consolidated Subsidiaries to the extent they are Unrestricted Subsidiaries).
- (b) The consolidated financial statements and other information related to the financial position of the Reporting Entity and the Group provided under this Agreement and most recently delivered to the Facility Agent are correct in all material respects.

19.8 Security Interests

Its execution and delivery of this Agreement does not necessitate and will not result in the creation or imposition of any Security Interest over any of its material assets or those of any member of the Group (except for any Security Interest created pursuant to the Bidco Security Documents).

19.9 Litigation and Insolvency Proceedings

- (a) No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency have been started against any Obligor and, to its knowledge, no such proceedings are threatened, where in any such case, there is a reasonable likelihood of an adverse outcome to any Obligor where that outcome is of a nature which would or is reasonably likely to have a Material Adverse Effect.
- (b) None of the circumstances referred to in Clause 23.7 (*Insolvency Proceedings*) have been commenced against any Obligor.

19.10 No Filing or Stamp Taxes

Under the laws of its jurisdiction of incorporation, it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction, other than the registration with the Dutch tax authorities or the Royal Netherlands Notarial Organisation (*Koninklijke Notariële Beroepsorganisatie*) of Dutch deeds of pledge or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents except any filing, recording, notarising or enrolling or any tax or fee payable in relation to a Finance Document that is referred to in any Legal Opinion which will be made or paid promptly after the date of a Finance Document.

19.11 Taxation

- (a) No claims are being asserted against it or any member of the Bidco Group with respect to Tax liabilities which are reasonably likely to be determined adversely to it or to such member and which, if so adversely determined, would or is reasonably likely to have a Material Adverse Effect.
- (b) It is not materially overdue in the filing of any Tax returns required to be filed by it (where such late filing might result in any material fine or penalty on it) and it has paid within any period required by law all Taxes shown to be due on any Tax returns required to be filed by it or on any assessments made against it (other than Tax liabilities being contested by it in good faith and where it has made adequate reserves for such liabilities or where such overdue filing, or non-payment, or a claim for payment, in each such case would not have or not be reasonably likely to have a Material Adverse Effect).

19.12 Ownership of Assets

Save to the extent disposed of in a manner permitted by the terms of any of the Finance Documents with effect from and after the Signing Date, it has good title to or valid leases or licences of or is otherwise entitled to use all material assets necessary to conduct its business taken as a whole to the extent that the failure to have such title, leases or licences or to be so entitled has or is reasonably likely to have a Material Adverse Effect.

19.13 Group Structure Chart

The Group Structure Chart sets out a description which will (giving effect to the transactions to occur substantially simultaneously with the Closing Date) be true and complete in all material respects as at the Closing Date in respect of the corporate ownership structure of the Group and Bidco Parent (other than any Replacement Issuer).

19.14 ERISA

- (a) Neither it nor any member of the Bidco Group or any ERISA Affiliate maintains, contributes to or has any obligation to contribute to or any liability under, any

Plan, or in the past five years has maintained or contributed to or had any obligation to, or liability under, any Plan.

- (b) Neither it nor any ERISA Affiliate has, at any time, maintained or contributed to, and is not obliged to maintain or contribute to, any Plan that is subject to Title IV or Section 302 of ERISA and/or Section 412 of the Code or any Multiemployer Plan.

19.15 Anti-Terrorism Laws

- (a) Neither it nor any member of the Bidco Group:
 - (i) is, or is controlled by, a Designated Party;
 - (ii) to its knowledge, has received funds or other property from a Designated Party; or
 - (iii) to its knowledge, is in breach of any Anti-Terrorism Law.
- (b) It has taken commercially reasonable measures to ensure compliance with the Anti-Terrorism Laws.

19.16 Margin Stock

No Obligor is engaged, nor will it engage, principally or as one of its important activities, in the business of purchasing or carrying any Margin Stock, or extending credit for the purpose of purchasing or carrying Margin Stock, in each case in violation of any Margin Regulations, and no proceeds of any Advance will be used for any purpose that violates any Margin Regulations.

19.17 Investment Company Act

It is not required to register as an “investment company” or a company “controlled” by such an “investment company”, as such terms are defined in the United States Investment Company Act of 1940, as amended.

19.18 Claims Pari Passu

Subject to any relevant reservations or qualifications contained in any legal opinion referred to in Clause 19.3 (*Legal Validity*), the claims of the Finance Parties against it under the Finance Documents to which it is party rank and will rank at least pari passu with the claims of all its unsecured and unsubordinated creditors save those whose claims are preferred by any bankruptcy, insolvency, liquidation or similar laws of general application.

19.19 No Immunity

In any legal proceedings taken in its jurisdiction of incorporation or establishment and, if different, England in relation to any of the Finance Documents to which it is party it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

19.20 Centre of Main Interests

Its Centre of Main Interests is the place in which its registered office is situated or, if different, another place in the country in which its registered office is situated, or The Netherlands.

19.21 No Material Misstatements

No information or financial statement furnished by or on behalf of any Obligor to the Facility Agent or any Lender in connection with the negotiation of any Finance Document or included therein or delivered pursuant thereto contained any material misstatement of fact or omitted any material fact necessary to make the statements therein, taken as a whole and in the light of the circumstances under which they were made, not misleading, in each case as at the date of the document containing such information or the date of such financial statement; provided that, to the extent any such information or financial statement was based on or constitutes a forecast or projection, the relevant Obligor represents only that it acted in good faith and utilized assumptions believed to be reasonable at the time in the preparation of such information or financial statement, it being understood that such forecasts and projections may vary from actual results and that such variances may be material.

19.22 Solvency

On the Signing Date, and immediately following the making of each Advance, and after giving effect to the application of the proceeds of each Advance and after taking into account all rights of indemnity, subrogation and contributions available to the US Obligors under the terms of the Finance Documents and applicable law, (a) the fair value of the assets of each US Obligor, at a fair valuation, will exceed its debts and other liabilities, subordinated, contingent or otherwise; (b) the present fair saleable value of the property of each US Obligor will be greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (c) each US Obligor will be able to pay its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; and (d) each US Obligor will not have unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted following the Signing Date.

19.23 Sanctions

- (a) At any time prior to the Closing Date, no Obligor to the best of its, its directors, its officers or its employees knowledge has caused Bidco or any Obligor to be in violation of any applicable law, directive, national statute or administrative regulation relating to money-laundering, unlawful financial activities or unlawful use or appropriation of corporate funds including international economic sanctions or trade embargoes imposed by the US administered by the Office of Foreign Assets Control of the US Department of Treasury (“**OFAC**”) or equivalent European Union measure).
- (b) At any time on or after the Closing Date, no Obligor or any of its respective Subsidiaries or any other member of the Bidco Group, has to the best knowledge of the Borrowers and the Obligors, any director, officer, agent, employee or other person acting on behalf of any member of a Borrower and/or any Obligor or any other member of the Bidco Group or any of their respective subsidiaries has caused Bidco or any Obligor or any other member of the Bidco Group or any of their respective subsidiaries to be in violation of any applicable law, directive, national statute or administrative regulation relating to money-laundering, unlawful financial activities or unlawful use or appropriation of corporate funds including economic or financial sanctions or trade embargoes imposed by the US (including those administered by OFAC or equivalent European Union measure).

19.24 Times for Making Representations and Warranties

- (a) The representations and warranties set out in this Clause 19 are made by each Obligor regarding itself (other than those contained in Clauses 19.7 (*Accounts*)) on the Signing Date, the representations and warranties set out in Clause 19.21 (*No Material Misstatements*) are also deemed to be made by each Obligor on the Syndication End Date and the representations and warranties set out in Clauses 19.1 (*Status*), 19.2 (*Powers and Authority*), 19.3 (*Legal Validity*), 19.16 (*Margin Stock*), 19.19 (*No Immunity*), 19.20 (*Centre of Main Interests*) and 19.22 (*Solvency*) are deemed to be made again by each relevant Obligor, security provider or Bidco (as applicable), on the date of each Utilisation Request, on the first date of each Interest Period in relation to an Advance under a Term Facility and on each Utilisation Date with reference to the facts and circumstances then existing.
- (b) The representations and warranties set out in Clause 19.7 (*Accounts*), are, in each case, made by Bidco on the date of each Utilisation Request, on the first date of each Interest Period in relation to an Advance under a Term Facility and on each Utilisation Date with reference to the facts and circumstances then existing, in each case, following the Closing Date.
- (c) The representations and warranties set out in this Clause 19 (except 19.7 (*Accounts*), 19.13 (*Group Structure Chart*), 21.11 (*Taxation*), 19.13 (*Group*

Structure Chart) and 19.18 (*Claims Pari Passu*)) are repeated by each Additional Obligor with respect to itself only on the date of the Obligor Accession Agreement relating to that Additional Obligor, with reference to the facts and circumstances then subsisting.

20. FINANCIAL COVENANTS

20.1 Financial Definitions

In this Clause 20 (*Financial Covenants*):

“**Annualised EBITDA**” means in respect of any Ratio Period, two times EBITDA of the Group for that Ratio Period.

“**EBITDA**” means, in relation to any Ratio Period, operating income (expense) plus:

- (a) depreciation;
- (b) amortisation;
- (c) all stock based compensation expenses;
- (d) (at Bidco’s option) other non cash impairment charges;
- (e) any extraordinary, one-off, non-recurring, exceptional or unusual gain, loss, expense or charge including any one off reorganisation or restructuring charges;
- (f) direct acquisition, disposition, recapitalisation, debt incurrence or equity offering costs;
- (g) losses (gains) on the sale of operating assets;
- (h) (at Bidco’s option) the effects of adjustments pursuant to IFRS or GAAP attributable to the application of recapitalization accounting or acquisition accounting, as the case may be, in relation to any consummated merger or acquisition or joint venture investment or the amortisation or write-off or write-down of amounts thereof, net of taxes;
- (i) (at Bidco’s option) any adjustments to reduce the impact of the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies;
- (j) Specified Legal Expenses;
- (k) the amount of loss on sale of assets in connection with an asset securitisation programme or receivables factoring transaction;

- (l) accrued Management Fees (whether or not paid) and any Holding Company Expenses paid to the extent that they were permitted to be paid under this Agreement for such Ratio Period;
- (m) any net earnings or losses attributable to non-controlling interests;
- (n) any share of income or loss on equity investments; and
- (o) any realized and unrealized gains or losses due to changes in fair value of equity investments,

as reflected in the pro forma statement of operations identified as such in the financial statements delivered to the Facility Agent pursuant to Clauses 21.2(a)(ii) and 21.2(a)(iii) (*Financial Information*) and all as determined in accordance with IFRS (or GAAP if the Reporting Entity has adopted GAAP at the relevant time in accordance with Clause 21.4 (*Change in Accounting Practices*)) and as shown in the relevant financial statements prepared and delivered to the Facility Agent pursuant to Clause 21.2 (*Financial Information*).

“Interest” means:

- (a) interest and amounts in the nature of interest (including without limitation, the interest element of Finance Leases) accrued;
- (b) discounts suffered and repayment premiums payable in respect of Financial Indebtedness (other than repayment premiums in respect of the Senior Unsecured Notes and Senior Secured Notes), in each case to the extent applicable IFRS requires that such discounts and premiums be treated as or in like manner to interest;
- (c) discount fees and acceptance fees payable or deducted in respect of any Financial Indebtedness (including all commissions payable in connection with any letters of credit); and
- (d) any net payment (or, if appropriate in the context, receipt) under any interest rate hedging agreement or instrument (including without limitation under the Hedging Agreements), taking into account any premiums payable.

“Ratio Period” means each period of approximately 6 months covering two quarterly Accounting Periods of the Reporting Entity ending on each date to which each set of financial statements required to be delivered under Clause 21.2 (*Financial Information*) are prepared.

“Senior Debt” means, at any time (and in each case, without double counting (as would be set forth in accordance with IFRS on the balance sheet of the Group prepared and delivered to the Facility Agent (as part of the Group Reconciliation) pursuant to Clause 21.2 (*Financial Information*))) the aggregate principal, capital or nominal amounts

(including any Interest capitalised as principal) of Financial Indebtedness (calculated on the same basis as for the Bank Group under the Refinancing Facilities Agreement) of the Group (including, without limitation, Financial Indebtedness arising under or pursuant to the Ziggo Finance Documents) excluding (i) any Financial Indebtedness of any member of the Group to another member of the Group (including contingent obligations) or under any Subordinated Funding, to the extent not prohibited under this Agreement, (ii) any Financial Indebtedness arising by reason only of mark to market fluctuations in respect of interest rate and foreign exchange hedging arrangements since the original date on which such interest rate hedging arrangements were consummated, (iii) any Financial Indebtedness referred to in clauses 24.13(b)(viii) (for a period of 6 months following the date of completion of the acquisition referred to in such clause only and to the extent outstanding at the relevant time), 24.13(b)(xi), 24.13(b)(xii), 24.13(b)(xiii) and 24.13(b)(xvii) (*Restrictions on Financial Indebtedness*) of the Refinancing Facilities Agreement, (iv) any Financial Indebtedness up to a maximum amount equal to the Revolving Facility Excluded Amount (or its equivalent in other currencies) incurred at the relevant time under the Revolving Facility (as defined in the Refinancing Facilities Agreement), pursuant to any Additional Facility that is a revolving credit facility (as defined in the Refinancing Facilities Agreement) and incurred under the Revolving Facility and under any Additional Facility that is a revolving credit facility, and (v) any Financial Indebtedness which is a contingent obligation.

“Senior Net Debt” means, at any time, Senior Debt less Cash of the Group (but without double counting).

“Specified Legal Expenses” means, to the extent not constituting an extraordinary, non-recurring or unusual loss, charge or expense, all attorneys’ and experts’ fees and expenses and all other costs, liabilities (including all damages, penalties, fines and indemnification and settlement payments) and expenses paid or payable in connection with any threatened, pending, completed or future claim, demand, action, suit, proceeding, inquiry or investigation (whether civil, criminal, administrative, governmental or investigative).

“Total Debt” means, at any time (and in each case, without double counting (as would be set forth in accordance with IFRS on the balance sheet of the Group prepared and delivered to the Facility Agent (as part of the Group Reconciliation) pursuant to Clause 21.2 (*Financial Information*))) the aggregate principal, capital or nominal amounts (including any Interest capitalised as principal) of Financial Indebtedness (calculated on the same basis as for the Bank Group under the Refinancing Facilities Agreement) of the Group (including, without limitation, Financial Indebtedness arising under or pursuant to the Ziggo Finance Documents), excluding (i) any Financial Indebtedness of any member of the Group to another member of the Group (including contingent obligations) or under any Subordinated Funding, to the extent not prohibited under this Agreement, (ii) any Financial Indebtedness arising by reason only of mark to market fluctuations in respect of interest rate and foreign exchange hedging arrangements since the original date on which such interest rate hedging arrangements were consummated,

(iii) any Financial Indebtedness referred to in clauses 24.13(b)(viii) (for a period of 6 months following the date of completion of the acquisition referred to in such clause only and to the extent outstanding at the relevant time), 24.13(b)(xi), 24.13(b)(xii), 24.13(b)(xiii) and 24.13(b)(xvii) (*Restrictions on Financial Indebtedness*) of the Refinancing Facilities Agreement, (iv) any Financial Indebtedness up to a maximum amount equal to the Revolving Facility Excluded Amount (or its equivalent in other currencies) incurred at the relevant time under the Revolving Facility (as defined in the Refinancing Facilities Agreement), pursuant to any Additional Facility that is a revolving credit facility (as defined in the Refinancing Facilities Agreement) and incurred under the Revolving Facility and under any Additional Facility that is a revolving credit facility, and (v) any Financial Indebtedness which is a contingent obligation plus any Bidco Parent Debt and Ziggo Holdco Debt (without double counting) outstanding from time to time (excluding any Financial Indebtedness arising by reason only of mark to market fluctuations in respect of interest rate and foreign exchange hedging arrangements since the original date on which such interest rate hedging arrangements were consummated).

“**Total Net Debt**” means, at any time, Total Debt less Cash of the Group and Bidco Parent (but without double counting).

20.2 Financial Ratios

Bidco will procure that from the Closing Date:

- (a) the ratio of Senior Net Debt to Annualised EBITDA for each Ratio Period shall not exceed 4.50:1; and
- (b) the ratio of Total Net Debt to Annualised EBITDA for each Ratio Period shall not exceed 5.50:1.

20.3 Calculations

For the purposes of Clause 20.2 (*Financial Ratios*), Senior Net Debt or Total Net Debt for any Ratio Period will be calculated on the basis of Senior Net Debt or Total Net Debt, as applicable, outstanding on the last day of that Ratio Period.

20.4 Cure Provisions

- (a) Bidco may cure a breach of the financial ratios set out in Clause 20.2 (*Financial Ratios*) by procuring that additional equity is injected into Bidco Parent (and on-lent to Bidco) or directly to a member of the Group by one or more Restricted Persons and/or additional Subordinated Funding are/is provided to Bidco Parent (and on lent to Bidco) or directly to a member of the Group in an aggregate amount equal to the amount which:

- (i) if it had been deducted from Senior Net Debt or Total Net Debt (as applicable) for the Ratio Period in respect of which the breach arose, would have avoided the breach; or
 - (ii) if it had been added to EBITDA for the Ratio Period in respect of which the breach arose, would have avoided the breach.
- (b) A cure under this Clause 20.4 (*Cure Provisions*) will not be effective unless the required amount of additional equity or the proceeds of any Subordinated Funding is/are received by Bidco Parent (and on lent to Bidco) or directly by a member of the Group within 15 Business Days of delivery of the financial statements delivered under Clause 21.2 (*Financial Information*) which show that Clause 20.2 (*Financial Ratios*) has been breached.
- (c) No cure may be made under this Clause 20.4 (*Cure Provisions*):
 - (iii) in respect of more than five Ratio Periods during the life of the Facilities; or
 - (iv) in respect of consecutive Ratio Periods.
- (d) Neither Bidco (nor any other party) shall be under any obligation to apply (or procure the application of) any equity injected or the proceeds of any Subordinated Funding under Clause 20.2(a) (*Financial Ratios*) in prepayment of the Ziggo Facilities or the Facilities and to the extent not applied such amount will be deemed to be deducted from Senior Net Debt and Total Net Debt or added to EBITDA for the purposes of Clause 20.2 (*Financial Ratios*).
- (e) For the purpose of ascertaining compliance with Clause 20.2 (*Financial Ratios*), the ratios set out in Clause 20.2 (*Financial Ratios*) will be tested or retested, as applicable, giving effect to the adjustment referred to in paragraph (d) above. If, after giving effect to the adjustment, the requirements of Clause 20.2 (*Financial Ratios*) are met, then the requirements under Clause 20.2 (*Financial Ratios*) shall be deemed to have been satisfied as at the relevant original date of determination.

20.5 Determinations

- (a) Financial Indebtedness of the Group and Bidco Parent originally denominated in any currency other than euro that has been swapped, directly or indirectly through one or more foreign exchange hedging transactions, into euro, will be taken into account at its euro equivalent using the effective exchange rate in the relevant foreign exchange hedging transactions.
- (b) Subject to Clause 1.2 (*Accounting Expressions*), all the terms used above are to be calculated in accordance with the IFRS on which the preparation of the Original Financial Statements was based.

- (c) Notwithstanding paragraphs (a) and (b) above, Hedged Debt (as defined below) will be taken into account at its euro equivalent calculated using the same weighted average exchange rates for the relevant ratio period used in the profit and loss statements of the relevant accounts of the Reporting Entity for calculating the euro equivalent of EBITDA denominated in the same currency as the currency in which that Hedged Debt is denominated or into which it has been swapped, as described below:

“Hedged Debt” means:

- (i) Financial Indebtedness of the Group or Bidco Parent originally denominated in any currency other than euro in which any member of the Group or Bidco Parent earns EBITDA (a **“functional currency”**) and that has not been swapped, directly or indirectly through one or more foreign exchange hedging transactions, into euro; and
 - (ii) Financial Indebtedness of the Group or Bidco Parent that has been swapped, directly or indirectly through one or more foreign exchange hedging transactions, into a functional currency.
- (d) If there is a dispute as to any interpretation of or computation for Clause 20.1 (*Financial Definitions*), the interpretation or computation of the auditors of the Reporting Entity shall prevail.

20.6 Pro Forma Calculations

For the purposes of testing compliance with the financial ratios set out in this Clause 20 (*Financial Covenants*) and any other ratios in this Agreement, the calculation of such ratios shall be made on a pro forma basis giving effect to all material acquisitions and disposals made by the Group during the relevant period of calculation based on historical financial results of the items being acquired or disposed of, including reasonably identifiable and supportable net cost savings and any reasonably identifiable projected future savings in relation to synergies in connection with acquisitions or additional net costs, as the case may be, realisable as a result of such acquisitions and/or disposals, as projected by the Reporting Entity in good faith and confirmed in writing by Bidco. EBITDA for such period will be calculated after giving pro forma effect thereto as if such disposal or acquisition occurred on the first day of such period.

21. UNDERTAKINGS

21.1 Duration

The undertakings in this Clause 21 (*Undertakings*) shall:

- (a) in relation to an undertaking of an Obligor (other than a procurement obligation of Bidco), remain in force from the Signing Date for so long as any amount is

or may be outstanding under any Finance Document or any Commitment is in force; and

- (b) in relation to a procurement obligation of Bidco in respect of any other member of the Bidco Group, only commence on, and remain in force from, the Closing Date for so long as any amount is or may be outstanding under any Finance Document or any Commitment is in force.

21.2 Financial Information

- (a) On and from the Closing Date, Bidco shall only provide to the Facility Agent in sufficient copies for all the Lenders the following financial information relating to the Reporting Entity, as the case may be, (provided however, that to the extent any reports are filed on the SEC's website, the Dutch stock exchange website or the Reporting Entity's website, such reports shall be deemed supplied to the Facility Agent in sufficient copies for all the Lenders):
 - (i) as soon as they become available but in any event within 150 days after the end of each of the Reporting Entity's financial years, the audited consolidated financial statements for such financial year for the Reporting Entity;
 - (ii) as soon as they become available but in any event within 150 days after the end of each of the Reporting Entity's financial years, the unaudited consolidated balance sheet, statement of cash flows and statement of operations for such financial year in respect of the Reporting Entity and the Group, together with a commentary from the management in relation to the key drivers for the financial performance of the Reporting Entity and the Group for such financial year and a Group Reconciliation; and
 - (iii) as soon as they become available but in any event within 60 days after the end of each of the first three Financial Quarters of each financial year (and within 150 days after the end of the last Financial Quarter), the unaudited consolidated balance sheet, statement of cash flows and statement of operations for such Financial Quarter in respect of the Reporting Entity and the Group and a Group Reconciliation.
- (b) On and from the Closing Date, together with any financial statements provided in accordance with paragraph (a) above, Bidco shall provide to the Facility Agent a certificate signed by an authorised officer of Bidco:
 - (i) confirming that no Default is outstanding or if a Default is outstanding, specifying the Default and the steps, if any, being taken to remedy it; and
 - (ii) setting out in reasonable detail computations establishing as at the date of such financial statements, compliance (or detailing any non-

compliance) with the relevant financial covenants set out in Clause 20 (*Financial Covenants*) (if applicable) and showing figures representing the actual financial ratios then in effect, together with a schedule containing the components and amounts of Bidco Parent Debt.

- (c) Without prejudice to Clause 21.4 (*Change in Accounting Practices*) the financial information of the Group delivered pursuant to paragraphs (a)(ii) and (a)(iii) above shall be prepared in good faith using the same methodologies applied in preparing the audited consolidated financial statements of the Reporting Entity.

21.3 Information – Miscellaneous

- (a) Bidco shall supply promptly or procure that there shall be supplied (in electronic form and; if requested, hard copy) promptly to the Facility Agent:
 - (i) all notices, reports or other documents despatched by or on behalf of any Obligor to its creditors (in their capacity as creditors) generally in relation to it or any member of the Group;
 - (ii) a copy of any material report or other notice, statement or circular, sent or delivered by an Obligor or to the Security Agent pursuant to any Bidco Security Document to any person in its capacity as shareholder of an Obligor, which materially adversely affects the interest of the Finance Parties under such Bidco Security Document;
 - (iii) such other material information regarding an Obligor and which is in the possession or control of an Obligor as the Facility Agent may from time to time reasonably request; and
 - (iv) from the Closing Date, any information provided to the Ziggo Facility Agent under the Ziggo Finance Documents.
- (b) Bidco shall provide the Facility Agent with a copy of any amendment made to, or waiver granted in respect of, the Ziggo Acquisition Agreement after the Signing Date.
- (c) In the case of an Advance (other than an Additional Facility Advance) made prior to the Closing Date, Bidco shall, within 5 Business Days of the Closing Date, for the purposes of a Margin Ratchet calculation deliver to the Facility Agent a certificate signed by an authorised officer of Bidco establishing at the date of such certificate the ratios of (i) Senior Net Debt to Annualised EBITDA and (ii) Total Net Debt to Annualised EBITDA, in each case, for the immediately preceding Ratio Period but after giving pro forma effect to such Advance and the use of any proceeds of such Advance.

- (d) Bidco shall procure that the Facility Agent is provided with a copy of any certificate delivered as a condition precedent to the utilisation of any Facility under (and as defined in) the Refinancing Facilities Agreement for the purposes of determining the margins under that agreement within 5 Business Days of the date on which such certificate is delivered to the Ziggo Facility Agent under the Refinancing Facilities Agreement.

21.4 Change in Accounting Practices

- (a) At any time after the date of this Agreement, Bidco may elect to apply for all purposes of this Agreement, in lieu of IFRS, GAAP. Thereafter, Bidco may re-elect to apply for all purposes of this Agreement, in lieu of GAAP, IFRS.
- (b) Subject to the provisions of this Clause 21.4, after any such election in accordance with paragraph (a) above all:
 - (i) accounting expressions not otherwise defined in this Agreement shall be construed in accordance with; and
 - (ii) ratios, computations, and other determinations based on IFRS contained in this Agreement shall be computed in conformity with,
 - (iii) at Bidco's election, IFRS or GAAP.
- (c) Bidco shall ensure that, on and from the Closing Date, each set of financial information delivered to the Facility Agent pursuant to paragraph (a) of Clause 21.2 (*Financial Information*) is prepared using accounting policies, practices and procedures consistent with that applied in the preparation of the Original Financial Statements, unless in relation to any such set of financial information, Bidco elects to notify the Facility Agent that there have been one or more changes in any such accounting policies, practices or procedures (including, without limitation, any change in the basis upon which costs are capitalised or any changes resulting from Bidco's decision at any time to adopt GAAP) and:
 - (i) in respect of any change in the basis upon which the information required to be delivered pursuant to Clause 21.2 (*Financial Information*) is prepared, Bidco provides either a statement (providing reasonable detail) confirming the changes would have no material effect on the operation of the ratios set out in Clause 20.2 (*Financial Ratios*) or:
 - (A) a description of the changes and the adjustments which would be required to be made to that financial information in order to cause them to reflect the accounting policies, practices or procedures upon which the Original Financial Statements were prepared; and

- (B) sufficient information, in such detail and format as may be reasonably required by the Facility Agent, to enable the Lenders to make an accurate comparison between the financial positions indicated by that financial information and by the Original Financial Statements,

and any reference in this Agreement to that financial information shall be construed as a reference to that financial information as adjusted to reflect the basis upon which the Original Financial Statements were prepared;

- (ii) in the event of any changes to such accounting policies, practices or procedures other than resulting from the Reporting Entity's decision at any time to adopt GAAP, if Bidco notifies the Facility Agent that it is no longer practicable to test compliance with the financial covenants set out in Clause 20 (*Financial Covenants*) against the financial information required to be delivered pursuant to this Clause 21 (*Undertakings*) or that it wishes to cease preparing the additional information required by paragraph (b) above, in which case:
 - (A) the Facility Agent and Bidco shall enter into negotiations with a view to agreeing alternative financial covenants to replace those contained in Clause 20 (*Financial Covenants*) in order to maintain a consistent basis for such financial covenants (and for approval by the Instructing Group); and
 - (B) if the Facility Agent and Bidco agree alternative financial covenants to replace those contained in Clause 20 (*Financial Covenants*) which are acceptable to the Instructing Group, such alternative financial covenants shall be binding on all parties hereto; and
 - (C) if, after three months following the date of the notice given to the Facility Agent pursuant to this paragraph (b), the Facility Agent and Bidco cannot agree alternative financial covenants which are acceptable to the Instructing Group, the Facility Agent shall refer the matter to any of the auditors as may be agreed between the Facility Agent and Bidco for determination of the adjustments required to be made to such financial information or the calculation of such ratios to take account of such change, such determination to be binding on the parties hereto, provided that pending such determination (but not thereafter) Bidco shall continue to deliver financial information and calculate such covenants in accordance with paragraph (b) above; or

- (iii) in the event of any changes to such accounting policies, practices or procedures resulting from the Reporting Entity's decision at any time to adopt GAAP, if Bidco notifies the Facility Agent that it is no longer practicable to test compliance with the financial covenants set out in Clause 20 (*Financial Covenants*) against the financial information required to be delivered pursuant to this Clause 21 (*Undertakings*) or that it wishes to cease preparing the additional information required by paragraph (b) above, in which case:
 - (A) Bidco shall, on and from the Closing Date, provide the Facility Agent with a revised set of (i) financial covenant ratio levels to replace those contained in Clause 20.2 (*Financial Ratios*) (the "**Revised Ratios**") and (ii) financial covenant definitions to replace those contained in Clause 20.1 (*Financial Definitions*) (the "**Revised Definitions**"), in each case resulting from the adoption of GAAP by the Reporting Entity and that are substantially equivalent to the financial covenant ratio levels and definitions in existence at such time on the basis of IFRS, as confirmed by a report of a reputable accounting firm; and
 - (B) the Revised Ratios and Revised Definitions shall become effective, and this Agreement be amended accordingly to reflect such amendments without any further consents from any Lender, if the Facility Agent (acting on the instructions of the Instructing Group) has not objected (acting reasonably) to the implementation of the Revised Ratios and Revised Definitions within 60 days after receipt thereof,

provided that, if at any time after the Reporting Entity has adopted GAAP, it then elects to adopt IFRS, this Agreement shall, upon such election, be amended to reflect such amendments without any further consents by any Finance Party to implement a deletion of the Revised Ratios and Revised Definitions and to reinstate the financial covenant ratio levels contained in Clause 20.2 (*Financial Ratios*) to contained in Clause 20.1 (*Financial Definitions*), in each case, as at the Signing Date (updated to reflect any other amendments made since the Signing Date) subject to any amendments in accordance with paragraphs (i) and (ii) above and provided that the reconciliation required under paragraph (i) above is also provided by Bidco.

21.5 Notification of Default and Inspection Rights

- (a) Each Obligor shall notify the Facility Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of it (unless that Obligor is aware that such a notification has already been provided by another Obligor).

- (b) Each Obligor shall if required by the Facility Agent (acting on the instructions of the Instructing Group), at any time whilst an Event of Default is continuing or the Facility Agent has reasonable grounds to believe that an Event of Default may exist and at other times if the Facility Agent has reasonable grounds for such request,, permit representatives of the Facility Agent upon reasonable prior written notice to Bidco to:
 - (i) visit and inspect the properties of any Obligor during normal business hours;
 - (ii) inspect its books and records other than records which the Obligor is prohibited by law, regulation or contract from disclosing to the Facility Agent; and
 - (iii) on and from the Closing Date, discuss with its principal officers and Auditors its business, assets, liabilities, financial position, results of operations and business prospects provided that (A) any such discussion with the Auditors shall only be on the basis of the audited financial statements of the Group and any compliance certificates issued by the Auditors and (B) representatives of Bidco (and the Ziggo Parent) shall be entitled to be present at any such discussion with the Auditors.
- (c) Each Obligor shall promptly upon becoming aware of it notify the Facility Agent of:
 - (i) any Reportable Event;
 - (ii) the termination of or withdrawal from, or any circumstances reasonably likely to result in the termination of or withdrawal from, any Plan subject to Title IV of ERISA; and
 - (iii) material non-compliance with any law or regulation relating to any Plan which would or is reasonably likely to have a Material Adverse Effect.

21.6 Authorisations

Each Obligor will obtain or cause to be obtained, maintain and comply with the terms of:

- (a) every material consent, authorisation, licence or approval of, or filing or registration with or declaration to, governmental or public bodies or authorities or courts; and
- (b) every material notarisation, filing, recording, registration or enrolment in any court or public office,

in each case required under any law or regulation to enable it to perform its obligations under, or for the validity, enforceability or admissibility in evidence of the Finance Document to which it is a party; and obtain or cause to be obtained every Necessary Authorisation and ensure that (i) none of the Necessary Authorisations is revoked, cancelled, suspended, withdrawn, terminated, expires and is not renewed or otherwise ceases to be in full force and effect and (ii) no Necessary Authorisation is modified and no member of the Bidco Group commits any breach of the terms or conditions of any Necessary Authorisation which, in the case of each of (i) and (ii) would or is reasonably likely to have a Material Adverse Effect.

21.7 Pari Passu Ranking

Each Obligor will procure that its payment obligations under the Finance Documents do and will rank at least pari passu with all the claims of its other present and future unsecured and unsubordinated creditors (save for those obligations mandatorily preferred by applicable law applying to companies generally).

21.8 Compliance with Laws

Each Obligor will comply in all material respects with all applicable laws, rules, regulations and orders of any governmental authority, having jurisdiction over it or any of its assets, except where failure to comply therewith would not have or be reasonably likely to have a Material Adverse Effect.

21.9 Restricted Payments

No Obligor shall (and Bidco shall procure that no member of the Group) will make any Restricted Payments other than:

- (a) Permitted Payments or enter into any transaction involving aggregate consideration in excess of €15,000,000 with a Restricted Person other than Permitted Affiliate Transactions or on bona fide arm's length commercial terms or on terms which are fair and reasonable and in the best interests of the Group, provided that no Restricted Payment shall be permitted to be made to either Holdco or Bidco Parent or a Replacement Issuer for the purpose of funding any payment or refinancing in respect of any Bidco Parent Debt issued by such entity following the occurrence of: (i) an Event of Default that has occurred and is continuing under Clause 23.2 (*Non-payment*), Clause 23.3(a) (*Breach of other obligations*) arising as a result of a breach of Clause 20.2 (*Financial Covenants*), Clause 23.6 (*Insolvency*), Clause 23.7 (*Insolvency proceedings*), 23.8 (*United States Bankruptcy Laws*), 23.9 (*Execution or Distress*) or 23.10 (*Similar Events*) or (ii) if an Event of Default has occurred in respect of which any notice has been served by the Facility Agent in accordance with Clause 23.16 (*Acceleration*) or (iii) an automatic acceleration has occurred in accordance with Clause 23.17 (*Automatic Acceleration*), other than where:

- (i) such payment is permitted under paragraph (c)(vi) below; or
 - (ii) the relevant Bidco Parent Debt is subject to the terms of the Bidco Intercreditor Agreement.
- (b) As used herein, a “**Restricted Payment**” means, in each case whether in cash, securities, property or otherwise:
- (i) any direct or indirect distribution, dividend or other payment on account of any class of its share capital or capital stock or other securities;
 - (ii) any payment of principal of, or interest on, any loan; or
 - (iii) any transfer of assets, loan or other payment,
- in the case of each of (i), (ii) and (iii), to a Restricted Person.
- (c) As used herein, a “**Permitted Payment**” means any distribution, dividend, transfer of assets, loan or other payment:
- (i) in respect of a Permitted Transaction, a Permitted Acquisition, a Permitted Disposal, as permitted by Clause 21.24 (*Disposals*) or Clause 21.26 (*Acquisitions*);
 - (ii) to any Restricted Person in relation to transactions carried out on bona fide arm’s length commercial terms in the ordinary course of business or on terms which are fair and reasonable and in the best interest of the Group;
 - (iii) by way of payment of Management Fees (A) which are paid on bona fide arm’s length terms in the ordinary course of business to a Restricted Person or (B) of up to the greater of €15,000,000 and 0.5% of Total Assets in any financial year provided that, at the time of payment, no Default is outstanding or would occur as a result of such payment;
 - (iv) by way of payment of principal or interest on Subordinated Funding or by way of loan, distributions, dividends, repayment of a loan, redemption of loan stock or payments in respect of share capital paid by the Ziggo Parent provided that:
 - (A) the applicable ratio for the purposes of Clause 20.2(a) (*Financial Ratios*) is 4.00:1 or less prior to making the relevant payment and will be 4.00:1 or less after such payment has been made and after giving effect to the transactions, if any to be completed using the proceeds of such payment and not including, for the avoidance of doubt, any outstanding revolving facility utilisations up to the Revolving Facility Excluded Amount in the

calculation of Senior Net Debt for the purposes of testing such ratio; and

- (B) no Default has occurred and is continuing or would occur as a result of such payment;
- (v) by way of payment to any Restricted Person of consideration for an acquisition, merger or consolidation permitted by clause 24.12 (*Acquisitions and Mergers*) of the Refinancing Facilities Agreement;
- (vi) to the extent required for the purpose of making payments:
 - (A) to the indenture trustee for the Original Senior Unsecured Notes in respect of Senior Unsecured Notes Trustee Amounts (as such term is defined in the Ziggo Intercreditor Agreement); or
 - (B) in respect of any similar amounts to the indenture trustee in respect of any Senior Unsecured Refinancing or any Additional Senior Unsecured Notes;
- (vii) at any time after the occurrence of an Event of Default, to the extent required to fund Permitted Payments not otherwise prohibited by the Bidco Intercreditor Agreement, the Ziggo Intercreditor Agreement or a Supplemental Intercreditor Agreement (as defined in the Refinancing Facility Agreement);
- (viii) to the extent such distribution, dividend, transfer of assets, loan or other payment is in respect of a nominal amount;
- (ix) for payment of any dividend, payment, loan or other distribution, or the repayment of a loan, or the redemption of loan stock or redeemable equity, in each case, which is required in order to facilitate the making of payments by any person and to the extent required:
 - (A) by the terms of the Finance Documents or the Ziggo Finance Documents;
 - (B) by the terms of the Senior Secured Notes Documents;
 - (C) by the terms of any Bidco Parent Debt (or, in each case, any guarantee of the obligations thereunder) provided that (i) no Event of Default has occurred and is continuing under Clause 23.2 (*Non-payment*), Clause 23.3(a) (*Breach of other obligations*) arising as a result of a breach of Clause 20.2 (*Financial Covenants*), Clause 23.6 (*Insolvency*), Clause 23.7 (*Insolvency proceedings*), 23.8 (*United States Bankruptcy Laws*), 23.9 (*Execution or Distress*) or 23.10 (*Similar Events*),

or (ii) no Event of Default has occurred in respect of which any notice has been served by the Facility Agent in accordance with Clause 23.16 (*Acceleration*) or (iii) no automatic acceleration has occurred in accordance with Clause 23.17 (*Automatic Acceleration*), other than where:

- (1) such payment is permitted under paragraph (c)(vi) above; or
- (2) such Bidco Parent Debt is subject to the terms of the Bidco Intercreditor Agreement;
- (D) by the terms of any Hedging Agreement to which either Bidco Parent or a member of the Group is a party and to the extent such payment is not prohibited by this Agreement, the Bidco Intercreditor Agreement, the Ziggo Intercreditor Agreement or a Supplemental Intercreditor Agreement (as defined in the Refinancing Facility Agreement); or
- (E) for the purposes of implementing any Content Transaction or Business Division Transaction;
- (x) made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a person or entity that is not a member of the Group in connection with, an asset securitisation programme or receivables factoring transaction otherwise permitted by clause 24.11(b)(xvi) (*Disposals*) of the Refinancing Facility Agreement;
- (xi) or other distribution, or the repayment of a loan, or the redemption of loan stock or redeemable equity made pursuant to an Asset Passthrough or a Funding Passthrough (each as defined in the Refinancing Facility Agreement), in each case, funded solely from cash generated by entities outside of the Group;
- (xii) or other distribution, or the repayment of a loan, or the redemption of loan stock or redeemable equity made to any member of the Wider Group, provided that:
 - (A) an amount equal to such payment is reinvested by such member of the Wider Group into a member of the Group within 3 days of receipt thereof;
 - (B) the aggregate principal amount of such payments and reinvested amounts at any one time does not exceed an amount equal to €300,000,000; and

- (C) to the extent any such payments are made in cash, any re-invested amounts are also made in cash provided that any such re-invested amounts shall be in the form of Subordinated Funding, equity or the repayment of an intercompany loan or advance;
- (xiii) in an amount to enable any Holding Company of a member of the Group to pay taxes that are formally due by such Holding Company but which are allocable to (i) the Group and are due by such Holding Company as a result of the Group being included in a fiscal unity (for corporate income and/or VAT purposes) with such Holding Company or (ii) to acting as a holding and/or financing company of the Group;
- (xiv) in an amount of up to €200,000,000 from the cash proceeds of a Content Transaction provided always that no Event of Default has occurred or is continuing or would result following such payment;
- (xv) by way of payment to Ziggo Holdco and any amounts outstanding in relation to Subordinated Funding the proceeds of which are used by such person in connection with the refinancing of Ziggo Holdco Debt provided that concurrently with such payment such person advances directly or indirectly new Subordinated Funding to a Ziggo Obligor in an amount equal to or greater than the outstanding amount of the Subordinated Funding discharged;
- (xvi) or the repayment of a loan, the redemption of loan stock or redeemable equity, in each case, which is required in order to facilitate the making of repayments of amounts outstanding by a Borrower in accordance with Clause 21.20 (*Debt Pushdown*) or otherwise;
- (xvii) contemplated by Clause 2.3 (*Purpose*) or clause 2.3 (*Purpose*) of the Refinancing Facilities Agreement (in each case, other than for the general corporate purposes of the Group);
- (xviii) contemplated by a Regulatory Authority Disposal;
- (xix) by way of payment to any direct or indirect shareholder of Bidco for all of its out-of-pocket expenses incurred in connection with its direct or indirect investment in Bidco and any of its Subsidiaries;
- (xx) to fund the payment of Holding Company Expenses;
- (xxi) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including without limitation in connection with acquisitions or divestitures, which payments are approved by a majority of the members of the board of directors of Ziggo Holdco;

(xxii) in an amount of up to the Revolving Facility Excluded Amount provided that:

- (A) no breach of this Clause 21.9 (*Restricted Payments*) shall occur as a result of a decrease in Annualised EBITDA after any such distribution, dividend, transfer of assets, loan or other payment has been made; and
- (B) if an amount equal to the Revolving Facility Excluded Amount in respect of any prior Ratio Period has been the subject of a distribution, dividend, transfer of assets, loan or other payment under this paragraph (xxii), no further distribution, dividend, transfer of assets, loan or other payment may be made under this paragraph (xxii) until there is an increase in Annualised EBITDA in respect of any subsequent Ratio Period (the “**Incremental EBITDA Amount**”) such that it is above the level of Annualised EBITDA at the time when the most recent distribution, dividend, transfer of assets, loan or other payment was made under this paragraph (xxii), in which case an amount equal to 0.25 multiplied by the Incremental EBITDA Amount for such Ratio Period may be the subject of a distribution, dividend, transfer of assets loan or other payment under this paragraph (xxii) provided that if at any time after a Permitted Payment is made under paragraph (xxii) the Revolving Facility is prepaid or repaid in full, a distribution, dividend, transfer of assets, loan or other payment may be made under this paragraph (xxii) in an amount equal to the Revolving Facility Excluded Amount at any time after the date of such repayment and notwithstanding any further Revolving Facility Utilisation is made (including by way of Rollover Loan at the time of such repayment);

(xxiii) made with the prior consent of the Instructing Group; and

(xxiv) any other distribution, dividend, transfer of assets, loan or other payment not falling within paragraphs (i) to (xxiii) above and not exceeding at any time, in an aggregate amount, more than the greater of:

- (A) €250,000,000 in aggregate (or its equivalent); and
- (B) three per cent. of Total Assets.

(d) In the event that a Permitted Payment meets the criteria of more than one of the categories described in paragraphs (c)(i) to (c)(xxiv) Bidco will be entitled to classify such Permitted Payment (or portion thereof) on the date of its payment or later reclassify such Permitted Payment (or portion thereof) in any manner that complies with the covenant in this Clause.

- (e) As used herein, a “**Permitted Affiliate Transaction**” means:
- (i) transactions expressly permitted by the Finance Documents or the Ziggo Finance Documents;
 - (ii) transactions in the ordinary course of business and either on no worse than arm’s length terms or, where there is no available market by which to assess whether such a transaction is on no worse than arm’s length terms, on terms such that the transaction is financially fair to the relevant member of the Group;
 - (iii) transactions with any member of the Wider Group in relation to management services conducted at not less than Cost on behalf of such member of the Wider Group;
 - (iv) payments or other transactions pursuant to tax sharing agreements, arrangements to surrender tax losses or any tax advantageous group contribution made pursuant to applicable legislation and payments made pursuant thereto, to the extent such transactions are not prohibited by this Agreement or the Refinancing Facilities Agreement;
 - (v) transactions relating to the provision of Intra-Group Services; or
 - (vi) transactions to effect either an Asset Passthrough or a Funding Passthrough;
 - (vii) any transaction to which one or more Ziggo Obligors and one or more members of the Wider Group who are not Ziggo Obligors are party where the sole purpose of such transaction is for such Ziggo Obligors and members of the Wider Group to effect a transaction (including any Vendor Financing Arrangements permitted under clause 24.13(b)(xviii) (*Restrictions on Financial Indebtedness*) of the Refinancing Facilities Agreement) with a person who is not a member of the Wider Group and which transaction is otherwise permitted by the terms of this Agreement;
 - (viii) insurance arrangements entered into in the ordinary course of business with a Captive Insurance Company;
 - (ix) transactions relating to capital contributions between members of the Wider Group or the amendment of the terms of any loans made by or any convertible unsecured loan stock or other securities issued by any member of the Wider Group to any other member of the Wider Group (whether by way of conversion of loans to convertible unsecured loan stock or vice versa or otherwise) or the capitalisation of, or the waiver of or the repayment of, loans made by or any convertible unsecured loan stock issued by any member of the Wider Group to any other member of the

Wider Group, provided in each case that such transaction is otherwise permitted by the terms of this Agreement;

- (x) transactions relating to Excess Capacity Network Services provided that the price payable by any member of the Wider Group in relation to such Excess Capacity Network Services is no less than the Cost incurred by the relevant member of the Bank Group in providing such Excess Capacity Network Services;
 - (xi) transactions contemplated by a Regulatory Authority Disposal;
 - (xii) the performance of obligations of any member of the Bank Group under (A) the terms of any agreement to which any member of the Bank Group is a party as of or on the Signing Date or (B) any agreement entered into after the Signing Date on substantially similar terms to an agreement under sub-paragraph (A) above, in each case, as these agreements may be amended, modified, supplemented, extended or renewed from time to time provided that any such agreement or amendment, modification, supplement, extension or renewal to such agreement, in each case, entered into after the Signing Date will be permitted to the extent that its terms are not materially more disadvantageous to the lenders under the Refinancing Facilities Agreement than the terms of the agreements in effect on the Signing Date;
 - (xiii) any transaction in the ordinary course of business between or among the Ziggo Parent or any member of the Bank Group and any Unrestricted Subsidiary or a joint venture or similar entity that would constitute a transaction restricted by this Clause 21.9 solely because the Ziggo Parent or any member of the Bank Group owns an equity interest in or otherwise controls such Unrestricted Subsidiary, joint venture or similar entity;
 - (xiv) the issuance of shares, securities or any options, warrants or other rights to acquire shares or securities of the Ziggo Parent;
 - (xv) transactions constituting Subordinated Funding; or
 - (xvi) transactions constituting Permitted Transactions or Permitted Payments.
- (f) The restriction contained in paragraph (a) on the payment by any member of the Group of Management Fees shall cease to apply during such period as the applicable ratio for the purposes of Clause 20.2(a) (*Financial Ratios*) is 4.00:1 (or less), provided that no Management Fees may be paid by any member of the Group at any time after a Relevant Event has occurred or if a Relevant Event would result from such payment.

- (g) Capitalised terms used in this Clause but not defined shall have the meanings given to such terms in the Refinancing Facilities Agreement.

21.10 Share Capital

No Obligor will reduce its capital or purchase or redeem any class of its shares or any other ownership interest in it, except: (i) to the extent the same constitutes a Permitted Transaction; (ii) in respect of a nominal amount; (iii) to the extent the same constitutes a Permitted Payment.

21.11 Financial Year End

Each Obligor will maintain a financial year end of 31 December save with the prior written consent of the Facility Agent (acting on the instructions of the Instructing Group in each case (not to be unreasonably withheld).

21.12 “Know Your Client” Checks

- (a) If:
- (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
 - (ii) any change in the status of an Obligor or the composition of the shareholders of an Obligor after the date of this Agreement; or
 - (iii) a proposed assignment or transfer by a Lender of any of its rights and/or obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Facility Agent or any Lender (or, in the case of paragraph (iii) above, any prospective New Lender) to comply with “know your client” or similar reasonable identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Facility Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Facility Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective New Lender) in order for the Facility Agent, such Lender or, in the case of the event described in paragraph (iii) above, any prospective New Lender to carry out and be satisfied it has complied with all necessary “know your client” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

- (b) Each Lender shall promptly upon the request of the Facility Agent supply, or procure the supply of, such documentation and other evidence as is reasonably

requested by the Facility Agent (for itself) in order for the Facility Agent to carry out and be satisfied it has complied with all necessary “know your client” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

- (c) Bidco shall, by not less than 5 Business Days prior written notice to the Facility Agent, notify the Facility Agent (which shall promptly notify the Lenders) of its intention to request that one of its Subsidiaries becomes an Acceding Obligor pursuant to Clause 22 (*Acceding Group Companies*).
- (d) Following the giving of any notice pursuant to paragraph (c) above, if the accession of such Acceding Obligor obliges the Facility Agent or any Lender to comply with “know your client” or similar identification procedures in circumstances where the necessary information is not already available to it, Bidco shall promptly upon the request of the Facility Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Facility Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective New Lender) in order for the Facility Agent or such Lender or any prospective New Lender to carry out and be satisfied it has complied with all necessary “know your client” or other similar checks under all applicable laws and regulations pursuant to the accession of such Subsidiary to this Agreement as an Acceding Obligor.

21.13 Hedging

- (a) Bidco shall:
 - (i) ensure that any Hedging Agreements entered into are entered into in the form of Acceptable Hedging Agreements;
 - (ii) as soon as reasonably practicable following request by the Facility Agent provide the Facility Agent with copies of each such Hedging Agreement entered into; and
 - (iii) not enter into any Hedging Agreements other than to hedge interest rate and exchange rate exposures in respect of the liabilities of Bidco (to the extent such liabilities are permitted to be incurred under this Agreement) and Bidco Parent Debt incurred by Bidco Parent from time to time.
- (b) Liabilities owed to a Hedge Counterparty under Hedging Agreements entered into by Bidco or Bidco Parent in connection with this Agreement shall be capable of being secured on a pro rata basis with the liabilities of the Finance Parties as contemplated by the Bidco Intercreditor Agreement provided that such Hedge Counterparty has acceded to the Bidco Intercreditor Agreement and the Loss Sharing Deed.

21.14 Further Assurance

- (a) Each Obligor shall at its own expense, promptly take all such reasonable action as the Facility Agent or the Security Agent may require for the purpose of complying with the provisions of paragraphs (b) to (g) inclusive below and for the registration or filing of any Bidco Security Documents delivered pursuant thereto with all appropriate authorities to the extent necessary for the purposes of perfecting the Security created thereunder.
- (b) Within 10 Business Days of the Closing Date, Bidco shall:
 - (i) provide Security over all of the shares held by it in each of its direct Subsidiaries; and
 - (ii) procure that each direct and indirect shareholder of Ziggo N.V. (which is a Subsidiary of Bidco) provides first-ranking Security over all of the shares (and for the avoidance of doubt such shares are not secured in favour of any other creditor of any Affiliate of Liberty Global plc.) that it holds in any other direct and indirect shareholder of Ziggo N.V. (which is a Subsidiary of Bidco) and over all of the shares of Ziggo N.V. held directly or indirectly by Bidco,

in each case, in form and substance satisfactory to the Facility Agent (acting reasonably), executed by each provider of the Security so as to ensure that such Security secures the liabilities of the Obligors under this Agreement and provided further that the documents and evidence set out in Schedule 8 (*Accession Documents*) have been provided.

- (c) Bidco shall procure that all the shares it holds directly or indirectly in Ziggo N.V. from time to time are subject to Security in favour of the Security Agent in form and substance satisfactory to the Facility Agent (acting reasonably).
- (d) Bidco shall procure that in relation to any member of the Group which becomes a Borrower for the purposes of this Agreement, any Holding Company of that Borrower that is a member of the Group shall also become a Guarantor hereunder.
- (e) At any time after an Event of Default has occurred and whilst such Event of Default is continuing, each Obligor shall, at its own expense, take any and all action as the Security Agent may deem necessary for the purposes of perfecting or otherwise protecting the Lenders' interests in the Security constituted by the Bidco Security Documents.
- (f) Bidco shall procure that, as long as US Bidco shall remain a Borrower, the members of the Group together owning 100% of the ownership interests in US Bidco (as at the date of the accession of US Bidco as a Borrower) shall continue

to together own directly or indirectly 100% of the ownership interests in the US Borrower at all times.

(g) Bidco shall procure that:

- (i) any shares that Affiliates of Liberty Global plc hold directly or indirectly in Ziggo N.V. at the Closing Date, shall be held directly or indirectly by Bidco within 10 Business Days following the Closing Date; and
- (ii) any additional shares acquired by the Group or any Affiliate of Liberty Global plc in Ziggo N.V. shall be held by Bidco (or any of its wholly-owned Subsidiaries).

21.15 No Amendments

No Obligor shall (and Bidco shall procure that no member of the Group will) amend its constitutional documents in a manner which could reasonably be expected to have a Material Adverse Effect.

21.16 Undertakings in Respect of the Bidco Intercreditor Agreement

Bidco shall not, without the consent of the Facility Agent (acting on the instructions of the Instructing Group) designate or otherwise create or increase the amount of Senior Secured Liabilities or Pari Passu Debt Liabilities (as defined in the Bidco Intercreditor Agreement), other than Hedging Liabilities (as defined in the Bidco Intercreditor Agreement) or in respect of any other Financial Indebtedness permitted to be incurred under Clause 21.27 (*Restrictions on Financial Indebtedness*) as “Senior Secured Liabilities” or “Pari Passu Debt Liabilities” under the Bidco Intercreditor Agreement. Other than in connection with a refinancing or repayment of amounts outstanding under and cancellation in full of the Commitments under this Agreement, no additional Senior Facilities Agreement (as defined in the Bidco Intercreditor Agreement) shall be designated as a Senior Facilities Agreement under the Bidco Intercreditor Agreement without the consent of the Facility Agent (acting on the instructions of the Instructing Group).

21.17 United States laws

No Obligor may:

- (a) extend credit for the purpose, directly or indirectly, of buying or carrying Margin Stock in violation of the Margin Regulations; or
- (b) use the proceeds of any Loan, in each case, directly or indirectly, to buy or carry Margin Stock or for any other purpose in violation of the Margin Regulations.

21.18 Taxation

Each Obligor shall pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:

- (a) such payment is being contested in good faith; and
- (b) such failure to pay those Taxes does not have or is not reasonably likely to have a Material Adverse Effect.

21.19 Management Input

- (a) The Parties agree to negotiate in good faith any amendments reasonably requested during the Ziggo Acquisition Clean Up Period (as defined in the Refinancing Facilities Agreement) to the extent reasonably requested by either the Mandated Lead Arrangers or Bidco (to the extent that such amendments are not materially adverse to the interests of either the Mandated Lead Arrangers or Bidco). Each Party agrees that they will not unreasonably withhold consent to any request to amend or supplement this Agreement, in particular any amendments that are:
 - (i) designed to correct any ambiguity, omission, defect, error or inconsistency in the documentation (including without limitation to correct any inconsistencies between the term sheets and the long form documentation);
 - (ii) of an administrative nature; or
 - (iii) designed to take into account operational or technical factors that affect the Group and/or the Bank Group,provided that the Mandated Lead Arrangers shall not be required to consent to any amendment to the financial covenant ratio levels or related definitions to the tranching of such debt, to any pricing levels, to the security and guarantee package, the repayment and mandatory prepayment provisions, the Intercreditor and ranking arrangements, majority voting arrangements, transfers and assignments by the Lenders, amendments and waivers or to any amendment to the provision relating to the incurrence of Financial Indebtedness by the Bidco Group.
- (b) If any such requested amendments are agreed to by the Parties, the Parties agree to promptly enter into any amendments, variations or supplements to this Agreement or any other Finance Document to effect such amendments prior to the Closing Date. This Clause is without prejudice to paragraph (a)(ii) of Clause 39.6 (*Technical, Operational and OID Amendments*).

21.20 Debt Pushdown

- (a) Bidco shall procure that any outstandings under the:
- (i) Term Facilities are repaid pursuant to:
- (A) an increase in Commitments (as defined in and) in accordance with clause 2.2 (*Increase*) of the Refinancing Facilities Agreement; or
- (B) an Additional Facility (as defined in and) in accordance with clause 2.4 (*Additional Facilities*) and clause 2.6 (*Acquisition Facilities Refinancing*), in each case, of the Refinancing Facilities Agreement,
- and that all of the commitments in relation to such facilities are cancelled in full; and
- (ii) the Revolving Facility (or an Additional Facility which is a revolving facility) are repaid pursuant to an Revolving Facility Refinancing Advance and that all of the Available Commitments in relation to the Revolving Facility are cancelled in full,
- (together, the “**Debt Pushdown**”) in each case, as soon as reasonably practicable following the Full Ownership Date provided that the completion of the Debt Pushdown shall be subject to obtaining positive or neutral works council advice (*advies*) (unconditional or with conditions acceptable to Bidco).
- (b) If following the Settlement Date and Post Acceptance Period (as each such term is defined in the Ziggo Acquisition Agreement) Liberty Global plc directly or indirectly owns shares in Ziggo N.V. representing at least 80 per cent. of the outstanding shares in Ziggo N.V., Bidco shall use commercially reasonable endeavours to implement and complete the Asset Sale and Liquidation, a statutory squeeze out or any other method to procure that the Full Ownership Date occurs as soon as reasonably practicable following the expiry of the Settlement Date and Post Acceptance Period (as each such terms are defined in the Ziggo Acquisition Agreement) provided that Bidco shall not have any obligation under this Clause if:
- (i) any minority shareholder in Ziggo N.V. has commenced or threatened to commence any litigation or other proceedings before any court, arbitral body, agency or other administrative body (“**Proceedings**”) in relation to the Asset Sale and Liquidation, a statutory squeeze out or any other method used or proposed to be used to procure that the Full Ownership Date occurs or any other matters referred to in this paragraph (b);
- (ii) Bidco is of the opinion that a minority shareholder in Ziggo N.V. or any other person may commence Proceedings in relation to the matters

referred to the Asset Sale and Liquidation, a statutory squeeze out or any other method used or proposed to be used to procure that the Full Ownership Date occurs or any other matters referred to in this paragraph (b);

- (iii) there are material legal risks in complying with any such obligation or if complying with any such obligation would result in a breach of any fiduciary duty applicable to the management of Bidco or Ziggo Parent; or
 - (iv) the Asset Sale (as defined in the Ziggo Acquisition Agreement) is terminated in accordance with its terms.
- (c) If and to the extent that Bidco believes that the Asset Sale and Liquidation cannot be implemented, it will notify the Facility Agent accordingly.
- (d) The Parties acknowledge that Bidco may implement any method to procure that the Full Ownership Date occurs (irrespective of the amount of time that such method may take, and notwithstanding that another method may take less time, to cause the Full Ownership Date to occur) in its absolute discretion and that such obligations may take a significant amount of time as indicated in the Structure Memorandum.
- (e) In this Clause “**Asset Sale and Liquidation**” has the meaning given to that term in the original form of the Ziggo Acquisition Agreement.

21.21 Debt Incurrence Pre-Debt Pushdown Date

From the Signing Date until the earlier of (i) the date that the Ziggo Acquisition Agreement terminates in accordance with its terms (except if the Closing Date occurs) and (ii) the Debt Pushdown Date:

- (a) Bidco shall not (and shall procure that no member of the Group will) incur any Financial Indebtedness or enter into any:
- (i) Hedging Agreement (as defined in the Ziggo Intercreditor Agreement) in respect of which liabilities may arise that rank pari passu under the Ziggo Intercreditor Agreement with the liabilities under the Refinancing Facilities Agreement unless each creditor in relation to that Financial Indebtedness or Hedge Counterparty (as defined in the Ziggo Intercreditor Agreement) in relation to that Hedging Agreement (as defined in the Ziggo Intercreditor Agreement) has acceded to the Loss Sharing Deed in the appropriate capacity; or
 - (ii) Hedging Agreement (as defined in the Bidco Intercreditor Agreement) in respect of which liabilities may arise that rank pari passu under the Bidco

Intercreditor Agreement with the liabilities under this Agreement or Hedge Counterparty (as defined in the Bidco Intercreditor Agreement) in relation to that Hedging Agreement (as defined in the Bidco Intercreditor Agreement) unless each creditor in relation to that Financial Indebtedness has acceded to the Loss Sharing Deed as a Refinancing Facilities Lender as defined therein; and

- (b) Bidco shall not (and shall procure that no member of the Group will) incur any Financial Indebtedness (including under this Agreement or under the Refinancing Facilities Agreement) if (after giving pro forma effect to the incurrence of any such Financial Indebtedness and the ultimate use of proceeds thereof provided that prior to the Closing Date this shall not include the proceeds of any intercompany loans from Ziggo N.V. or any of its Subsidiaries that are not members of the Bank Group to any member of the Bank Group):
 - (i) if the 2020 Senior Secured Notes have not been redeemed in full (or the debt incurrence covenants under the 2020 Senior Secured Notes have not been removed), it would cause a breach of the debt incurrence covenants under the terms of the 2020 Senior Secured Notes; or
 - (ii) if the 2020 Senior Secured Notes have been redeemed in full (or the debt incurrence covenants under the 2020 Senior Secured Notes have been removed):
 - (A) the financial ratio of Senior Net Debt to Annualised EBITDA for the immediately preceding Ratio Period would have exceeded 4.50:1; and
 - (B) the financial ratio of Total Net Debt to Annualised EBITDA for the immediately preceding Ratio Period would have exceeded 5.50:1.

provided that for this purpose:

- (C) prior to the Closing Date, the calculations will be determined as if Ziggo N.V. and each of its Subsidiaries are members of the Group; and
- (D) any committed but undrawn funding available to the Ziggo Obligors under the Refinancing Facilities Agreement and available to the Obligors under this Agreement shall be included as drawn Financial Indebtedness in calculating compliance with such financial ratios.

21.22 Holding Companies

- (a) Without the consent of the Instructing Group, no Obligor shall (and Bidco shall procure that no member of the Bidco Group will) trade, carry on any business, own any assets or incur any liabilities except in respect of:
- (i) the provision of administrative, managerial, legal and accounting services of a type customarily provided by a Holding Company to its Subsidiaries;
 - (ii) the ownership of shares, membership interests or other equity interests in its Subsidiaries (or as set out in the Structure Memorandum);
 - (iii) any business, assets or liabilities arising in connection with a Permitted Transaction or a Permitted Payment or any Subordinated Funding, as permitted under Clauses 21.23 (*Negative Pledge*), 21.24 (*Disposals*), 21.25 (*Loans and Guarantees*), 21.26 (*Acquisitions*) or 21.27 (*Restrictions on Financial Indebtedness*);
 - (iv) ownership and maintenance of credit balances in bank accounts, and of Cash and Cash Equivalent Investments;
 - (v) any liabilities for Taxes; or
 - (vi) any liabilities under the Finance Documents.

21.23 Negative Pledge

- (a) Without the consent of the Instructing Group, no Obligor shall (and Bidco shall procure that no member of the Bidco Group will) permit any Security Interest to subsist, arise or be created or extended over all or any part of its respective present or future undertakings, assets, rights or revenues to secure or prefer any present or future indebtedness of an Obligor, any other member of the Bidco Group or any other person except for any Security Interest:
- (i) arising under the Finance Documents or in respect of liabilities under any Hedging Agreements;
 - (ii) arising in respect of netting or set off arrangements contained in any Hedging Agreement or other contract permitted under Clause 21.13 (*Hedging*);
 - (iii) entered into by an Obligor or any other member of the Bidco Group in the normal course of its banking arrangements for the purpose of netting debit and credit balances on bank accounts of an Obligor or any other member of the Bidco Group operated on a net balance basis (and any Security Interests over bank accounts granted in connection therewith) and including, without limitation, any Security, including any netting or set-off, arising by operation of law as a result of the existence of a fiscal unity for Dutch tax purposes (*fiscale eenheid*) or analogous arrangement

in any other jurisdiction, in each case, of which an Obligor or any other member of the Bidco Group is or has been a member;

- (iv) which is a lien arising in the ordinary course of business or by operation of law; and
- (v) arising under clause 24 or clause 25 of the general terms and conditions (*algemene bankvoorwaarden*) of any member of the Dutch Bankers' Association (*Nederlandse Vereniging van Banken*) or any similar term applied by a financial institution in The Netherlands pursuant to its general terms and conditions and provided that Bidco or the relevant member of the Bidco Group has used its reasonable endeavours to ensure such security interests are released.

21.24 Disposals

Without the consent of the Instructing Group, no Obligor shall (and Bidco shall procure that no other member of the Bidco Group will), sell, transfer, lend (subject to Clause 21.25 (*Loans and Guarantees*)) or otherwise dispose of or cease to exercise direct control over (each a disposal) any part of its present or future undertaking, assets, rights or revenues whether by one or a series of transactions related or not, other than in relation to:

- (a) any Permitted Transaction;
- (b) disposals on arm's length commercial terms in the ordinary course of business;
- (c) disposals (or the payment of management, consultancy or similar fees) by an Obligor to another Obligor or, on and from the Closing Date, to any other member of the Group provided that if the assets disposed of were subject to security immediately prior to such disposal, Bidco shall procure that equivalent Security is granted in favour of the Security Agent promptly following such disposal; or
- (d) the payment, transfer or other disposal of consideration for any Acquisition, merger or consolidation permitted by Clause 21.26 (*Acquisitions*).

21.25 Loans and Guarantees

Without the consent of the Instructing Group, no Obligor shall (and Bidco shall procure that no other member of the Bidco Group will), make any loans, grant any credit or give any guarantee, to or for the benefit of, or enter into any transaction having the effect of lending money to, any person, other than:

- (a) in respect of a Permitted Transaction;
- (b) loans from one Obligor to another Obligor or to a member of the Bidco Group;

- (c) following the Closing Date, loans from one member of the Bidco Group to another member of the Bidco Group;
- (d) following the Closing Date, loans from an Obligor or from a member of the Bidco Group to a member of the Bank Group;
- (e) as permitted by Clause 21.27 (*Restrictions on Financial Indebtedness*);
- (f) to the extent that the same constitute or are used to fund Permitted Payments or are permitted under Clause 21.24 (*Disposals*); or
- (g) any liability under a statement or referred to in Section 2:4.3(1)(f) of the Dutch Civil Code.

21.26 Acquisitions

- (a) Without the consent of the Instructing Group, no Obligor shall (and Bidco shall procure that no other member of the Bidco Group will) make any Acquisition other than:
 - (i) in respect of a Permitted Transaction;
 - (ii) the purchase of or investment in Cash, Cash Equivalent Investments or Marketable Securities (including without limitation by way of consideration in respect of any disposal as contemplated in the proviso to Clause 21.24 (*Disposals*) and subject to the conditions set out therein);
 - (iii) any acquisition by an Obligor in connection with a disposal permitted by the provisions of Clause 21.24 (*Disposals*) and any acquisition or subscription by an Obligor of shares issued by a Subsidiary of the Obligor which will, after the acquisition of such shares become a wholly-owned direct or indirect Subsidiary of an Obligor provided that: (i) such newly issued shares shall also be subject to Security (in form and substance substantially similar to any existing Security or otherwise in such form and substance as may be reasonably required by the Facility Agent) upon their issue or (ii) such shares shall be made subject to Security (in form and substance substantially similar to any existing Security or otherwise in such form and substance as may be reasonably required by the Facility Agent) within 20 Business Days of their issue;
 - (iv) arising from the conversion of any company (the “**Bidco Original Company**”) from one form of organisation into another form of organisation provided that (i) if, prior to the time of such conversion, the Security Agent has the benefit of Security over the shares of such Bidco Original Company or such Bidco Original Company is an Obligor, then Bidco shall ensure that the Security Agent is provided with Security over

the equivalent ownership interests in, and substantially all of the assets of, the converted organisation, of at least an equivalent nature and ranking to the Security previously provided by the Bidco Original Company and (ii) the Security Agent is satisfied that any possibility of the additional Security referred to in this paragraph (h) being challenged or set aside is not greater than any such possibility in relation to the Security entered into by or in respect of the share capital of the Bidco Original Company; or

- (v) any purchase or acquisition of any assets in the ordinary course of business.

21.27 Restrictions on Financial Indebtedness

- (a) Without the consent of the Instructing Group, no Obligor shall (and Bidco shall procure that no other member of the Bidco Group will) create, incur or otherwise permit to be outstanding any Financial Indebtedness other than:
 - (i) in respect of a Permitted Transaction;
 - (ii) any Financial Indebtedness arising under the Finance Documents;
 - (iii) any Financial Indebtedness or guarantees permitted pursuant to Clause 21.25 (*Loans and Guarantees*);
 - (iv) any Financial Indebtedness incurred in connection with the Hedging Agreements and any other hedging arrangements permitted by Clause 21.13 (*Hedging*);
 - (v) any Financial Indebtedness arising as a result of any cash pooling arrangements in the ordinary course of the Bidco Group's banking business provided that no cash pooling may be entered into under this limb by any member of the Bidco Group with a member of the Wider Group;
 - (vi) any Financial Indebtedness arising in relation to an Acquisition permitted under Clause 21.26 (*Acquisitions*) in respect of which payment has been deferred;
 - (vii) any Financial Indebtedness, provided that the ratios (after giving effect to the incurrence of any such Financial Indebtedness pursuant to this paragraph (vii) and the ultimate use of proceeds thereof and giving pro forma effect to any movement of cash out of the Group since such date pursuant to any Permitted Payments) on the Quarter Date prior to any such incurrence would not exceed the ratios set out in Clause 20.2 (*Financial Ratios*) for the Quarter Date following the date of any such

incurrence, provided further that such Financial Indebtedness is subject to the terms of the Bidco Intercreditor Agreement;

- (viii) any liability arising under a declaration of joint and several liability (*hoofdelijke aansprakelijkheid*) as referred to in Article 2:403 of the Dutch Civil Code provided that such liabilities may not be shared with a member of the Wider Group;
- (ix) any liability arising by operation of law as a result of the existence of a fiscal unity (*fiscal eenheid*) of which Bidco is a member provided that such liabilities may not be shared with a member of the Wider Group; and
- (x) in respect of Ziggo Holdco, any Financial Indebtedness under the Original Senior Unsecured Notes provided that prior to the Closing Date an irrevocable redemption notice has been issued in respect of the redemption of all of such Financial Indebtedness in accordance with the terms of the indenture governing the Original Senior Unsecured Notes.

21.28 ERISA

- (a) Each Obligor will give the Facility Agent prompt notice of the adoption of, participation in or contribution to any Plan by it or any ERISA Affiliate, or any action by any of these to adopt, participate in or contribute to any Plan, or the incurrence by any of them of any liability or obligation to any Plan.
- (b) Each Obligor shall promptly upon becoming aware of it notify the Facility Agent of:
 - (i) any Reportable Event;
 - (ii) the termination of or withdrawal from, or any circumstances reasonably likely to result in the termination of or withdrawal from, any Plan subject to Title IV of ERISA; and
 - (iii) a claim or other communication alleging material non-compliance with any law or regulation relating to any Plan.
- (c) No Obligor or any of its ERISA Affiliates may or is required to make any payment or contribution with respect to any Plan.
- (d) Each Obligor and its ERISA Affiliates must be, and remain, in compliance in all material respects with all laws and regulations relating to each of its Plans.
- (e) Each of the Obligors and its ERISA Affiliates must ensure that no event or condition exists at any time in relation to a Plan which is reasonably likely to

result in the imposition of a lien or other encumbrance on any of its assets or which is reasonably likely to have a Material Adverse Effect.

21.29 No Permitted Affiliates prior to Debt Pushdown Date

Bidco may not (and shall procure that no member of the Group will), at any time prior to a Debt Pushdown Date, provide the Facility Agent with notice that it wishes to include a Permitted Affiliate Parent (as such term is defined in the Refinancing Facilities Agreement) and the Subsidiaries of any such Permitted Affiliate Parent as members of the Group for the purposes of this Agreement and the Refinancing Facilities Agreement.

22. ACCEDING GROUP COMPANIES

22.1 Acceding Borrowers

- (a) Subject to paragraph (b) below, Bidco may, upon not less than 5 Business Days prior written notice to the Facility Agent, request that any member of the Group which is a directly or indirectly wholly-owned Subsidiary of Bidco becomes an Acceding Borrower under this Agreement.
- (b) Such member of the Group may become an Acceding Borrower to a Facility if:
 - (i) it is a US Borrower or it is incorporated in the same jurisdiction as an existing Borrower (other than the US Borrower) for that Facility or the Instructing Group has approved the addition of that member of the Group as an Acceding Borrower;
 - (ii) such member of the Group and Bidco delivers to the Facility Agent a duly completed and executed Accession Notice pursuant to which such member of the Group agrees to become a party to this Agreement as an Acceding Borrower and (subject to any provision of law prohibiting the same) an Acceding Guarantor;
 - (iii) (other than in the case of an accession of the US Borrower), Bidco confirms that no Event of Default is continuing or would occur as a result of that member of the Group becoming an Acceding Borrower and (if applicable) an Acceding Guarantor; and
 - (iv) the Facility Agent has received all of the documents and other evidence listed in Schedule 8 (*Accession Documents*) in relation to that member of the Group, each in form and substance satisfactory to the Facility Agent, acting reasonably; and
 - (v) in the case of the proposed US Borrower, any person which holds ownership interests in the US Borrower (to the extent not already a Guarantor) accedes to this Agreement as an Acceding Guarantor in

accordance with Clause 22.2 (*Acceding Guarantors*) on or prior to the accession of the US Borrower as an Acceding Borrower.

- (c) The Facility Agent shall notify Bidco and the Lenders promptly upon being satisfied that the conditions specified in paragraph (b) above have been satisfied.

22.2 Acceding Guarantors

- (a) Subject to paragraph (b) below, Bidco may, upon not less than 5 Business Days prior written notice (a 1 Business Day's prior written notice in relation to the proposed Dutch Newco) to the Facility Agent, request that any member of the Group become an Acceding Guarantor under this Agreement.
- (b) Such member of the Group may become an Acceding Guarantor if:
 - (i) such member of the Group or Bidco deliver to the Facility Agent a duly completed and executed Accession Notice;
 - (ii) Bidco confirms that no Event of Default is continuing or would occur as a result of that member of the Group becoming an Acceding Guarantor; and
 - (iii) the Facility Agent has received all of the documents and other evidence listed in Schedule 8 (*Accession Documents*) in relation to that member of the Group, each in form and substance satisfactory to the Facility Agent, acting reasonably.
- (c) The Facility Agent shall notify Bidco and the Lenders promptly upon being satisfied that the conditions specified in paragraph (b) above have been satisfied.

22.3 Assumption of Rights and Obligations

Upon satisfactory delivery of a duly executed Accession Notice to the Facility Agent, together with the other documents required to be delivered under Clause 22.1 (*Acceding Borrowers*) or Clause 22.2 (*Acceding Guarantors*), the relevant member of the Group, the Obligors and the Finance Parties, will assume such obligations towards one another and/or acquire such rights against each other as they would each have assumed or acquired had such member of the Group been an original party to this Agreement as a Borrower or a Guarantor as the case may be and such member of the Group shall become a party to this Agreement as an Acceding Borrower and/or an Acceding Guarantor as the case may be.

23. EVENTS OF DEFAULT

23.1 Events of Default

Each of the events set out in Clauses 23.2 (*Non-payment*) to Clause 23.15 (*ERISA*) is an Event of Default (whether or not caused by any reason whatsoever outside the control of any Obligor or any other person).

23.2 Non-payment

Any Obligor does not pay on the due date any amount payable by it under the Finance Documents at the place at, and in the currency in, which it is expressed to be payable, unless the relevant amount is paid in full within three Business Day (in the case of principal amounts) or five Business Days (in the case of other amounts) of the due date.

23.3 Breach of Other Obligations

- (a) At any time an Obligor fails to comply with (or Bidco fails to procure any other member of the Bidco Group's compliance with) Clauses 21.7 (*Pari Passu Ranking*), 21.9 (*Restricted Payments*), 21.22 (*Holding Companies*), 21.23 (*Negative Pledge*), 21.24 (*Disposals*), 21.25 (*Loans and Guarantees*), 21.26 (*Acquisitions*) or 21.10 (*Share Capital*) or, subject to the expiry of the cure period in Clause 20.4 (*Cure Provisions*), 20 (*Financial Covenants*).
- (b) Following the Closing Date, Bidco fails to procure a member of the Bidco Group's compliance with Clauses 21.22 (*Holding Companies*), 21.23 (*Negative Pledge*), 21.24 (*Disposals*), 21.25 (*Loans and Guarantees*) or 21.26 (*Acquisitions*).
- (c) An Obligor fails to comply (or Bidco fails to procure any other member of the Bidco Group's compliance), or (following the Closing Date) Bidco fails to procure a member of the Bidco Group's compliance, with the provisions of the Finance Documents (other than those referred to in paragraphs (a) and (b) above or Clause 23.2 (*Non-payment*)) and such failure (if capable of remedy before the expiry of such period) continues unremedied for a period of 28 days from the earlier of the date on which (i) such Obligor has become aware of the failure to comply or (ii) the Facility Agent gives notice to Bidco requiring the same to be remedied.

23.4 Misrepresentation

A representation or warranty made or repeated by any Obligor in or in connection with any Finance Document or in any certificate or statement delivered by or on behalf of any Obligor under or in connection with any Finance Document is incorrect in any material respect when made or deemed to have been made or repeated and, in the event that any representation or warranty is capable of remedy, the misrepresentation is not remedied within 28 days of the earlier of the date on which (i) such Obligor has become aware of the misrepresentation or (ii) the Facility Agent gives notice to Bidco requiring the same to be remedied.

23.5 Cross Default

- (a) Subject to paragraph (e) below, any Financial Indebtedness of a member of the Group is not paid when due or within any originally applicable grace period.
- (b) Subject to paragraph (e) below, any Financial Indebtedness of a member of the Group becomes prematurely due and payable or is placed on demand, in each case as a result of an event of default (howsoever described) under the document relating to that Financial Indebtedness.
- (c) Subject to paragraph (e) below, any Financial Indebtedness of a member of the Group becomes capable of being declared prematurely due and payable or placed on demand, in each case as a result of an event of default (howsoever described) under the document relating to that Financial Indebtedness.
- (d) Subject to paragraph (e) below, any Bidco Parent Debt becomes prematurely due and payable or is placed on demand, in each case as a result of an event of default (howsoever described) under the document relating to that Financial Indebtedness.
- (e) It shall not be an Event of Default under this Clause 23.5 (*Cross Default*):
 - (i) where the aggregate principal amount (or, if the relevant Financial Indebtedness relates to a Hedging Agreement, the amount or value (as applicable)) of all Financial Indebtedness to which any event specified in paragraphs (a), (b), (c) or (d) relates is less than €75,000,000 or the equivalent in other currencies; or
 - (ii) if the circumstance which would otherwise have caused an Event of Default under this Clause 23.5 (*Cross Default*) is being contested in good faith by appropriate action; or
 - (iii) if the relevant Financial Indebtedness is cash-collateralised and such cash is available for application in satisfaction of such Financial Indebtedness; or
 - (iv) if the relevant Financial Indebtedness relates to Hedging Agreements in respect of which a termination event occurs as a result of the refinancing or redemption of any Financial Indebtedness of Bidco Parent or the Group at any time during the Availability Period; or
 - (v) if such Financial Indebtedness is owed by one member of the Group to another member of the Group; or Borrower.

23.6 Insolvency

- (a) Proceedings have been commenced in respect of any Obligor in relation to its inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, or it ceases or suspends or threatens to suspend making

payments on any of its debts or, by reason of actual or anticipated financial difficulties, it commences negotiations with one or more of its creditors (excluding any Finance Party in its capacity as such) with a view to rescheduling any of its material indebtedness.

- (b) A moratorium is declared in respect of the Financial Indebtedness in respect of any Obligor. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

23.7 Insolvency Proceedings

After the date of this Agreement, any Obligor takes any corporate action or formal legal proceedings are commenced (not being actions or proceedings which can be demonstrated to the satisfaction of the Facility Agent by providing an opinion of a leading firm of London solicitors (within 30 days of any such action or proceedings having commenced) to that effect as a frivolous, vexatious or an abuse of the process of the court or related to a claim to which such person has a good defence and which is being vigorously contested by such body) for its winding-up, dissolution, administration or reorganisation or for the appointment of a liquidator, receiver, administrator, administrative receiver, conservator, custodian, trustee, trustee in bankruptcy or similar officer of it or of any or all of its revenues and assets other than where any such legal proceedings in respect of an Obligor:

- (a) do not relate to the appointment of an administrator and are stayed or discharged within 30 days from their commencement; or
- (b) in connection with a reconstruction, amalgamation, solvent liquidation or dissolution on terms approved by the Facility Agent (acting on the instructions of the Instructing Group).

23.8 United States Bankruptcy Laws

- (a) In this Clause:

“U.S. Bankruptcy Law” means the United States Bankruptcy Code or any other United States Federal or State bankruptcy, insolvency or similar law.

- (b) Any of the following occurs in respect of a US Obligor:
 - (i) it makes a general assignment for the benefit of creditors;
 - (ii) it commences a voluntary case or proceeding under any U.S. Bankruptcy Law;
 - (iii) an involuntary case under any U.S. Bankruptcy Law is commenced against it and is not dismissed or stayed within 60 days after commencement of the case; or

- (iv) an order for relief or other order approving any case or proceeding is entered under any U.S. Bankruptcy Law.

23.9 Execution or Distress

A distress, execution, attachment or other legal process is levied, enforced or sued out upon or against all or any part of the assets of any Obligor which: (a) is material in the context of the Group (taken as a whole); and (b) has an aggregate value of more than €75,000,000 (or its equivalent in other currencies), except where the same is being contested in good faith or is removed, discharged or paid within 45 days.

23.10 Similar Events

Anything which has an equivalent effect to any of the events specified in Clauses 23.6 (*Insolvency*) to 23.9 (*Execution or Distress*) (inclusive) shall occur under the laws of any applicable jurisdiction.

23.11 Unlawfulness

It is or becomes unlawful for any Obligor or “Intra-Group Lender” (as defined in the Bidco Intercreditor Agreement) to perform any of its payments or other material obligations under the Finance Documents to which it is a party.

23.12 Repudiation

Any Obligor, a security provider under a Security Document or an “Intra-Group Lender” (as defined in the Bidco Intercreditor Agreement) repudiates any Finance Document to which it is a party.

23.13 Bidco Intercreditor Default

Any member of the Wider Group fails to comply with any of its material obligations under the Bidco Intercreditor Agreement and such failure, if capable of remedy, is not remedied within 30 days of the earlier of such member of the Wider Group becoming aware of the relevant failure to comply and the Facility Agent having given notice of the same to Bidco.

23.14 Material Adverse Change

Any event or series of events occurs which would or is reasonably likely to have a Material Adverse Effect.

23.15 ERISA

The occurrence of any event or condition that presents a material risk that any member of the Group or any ERISA Affiliate may incur a material liability to a Plan or to the

United States Internal Revenue Service or to the United States Pension Benefit Guaranty Corporation.

23.16 Acceleration

On and at any time after the occurrence of an Event of Default while such event is continuing the Facility Agent may, and if so directed by the Instructing Group will, by notice to the Obligor declare that an Event of Default has occurred and:

- (a) cancel the Total Commitments; and/or
- (b) declare that all or part of the Outstandings be payable on demand, whereupon they shall immediately become payable on demand by the Facility Agent on the instructions of the Instructing Group; and/or
- (c) demand that all or part of the Outstandings be immediately due and payable, whereupon they shall become immediately due and payable together with all interest accrued on those Outstandings and all other amounts payable by the Obligor under the Finance Documents, cancel the Total Commitments at which time they shall immediately be cancelled;
- (d) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

23.17 Automatic Acceleration

If an Event of Default described in Clause 23.8 (*United States Bankruptcy Laws*) occurs, or upon the entry of an order for relief in a voluntary or involuntary bankruptcy of a US Borrower, all Outstandings drawn by such US Borrower under this Agreement will be immediately and automatically due and payable and the Total Commitments (to the extent they relate to such Outstandings) will, if not already cancelled under this Agreement, be immediately and automatically cancelled.

23.18 Repayment on Demand

If, pursuant to paragraph (b) of Clause 23.15 (*Acceleration*), the Facility Agent declares all or any part of the Outstandings to be due and payable on demand of the Facility Agent, then, and at any time thereafter, the Facility Agent may (and, if so instructed by an Instructing Group, shall) by written notice to Bidco:

- (a) require repayment of all or the relevant part of the Outstandings on such date as it may specify in such notice (whereupon the same shall become due and payable on such date together with accrued interest thereon and any other sums then owed by an Obligor under the Finance Documents) or withdraw its declaration with effect from such date as it may specify in such notice; and/or

- (b) select as the duration of any Interest Period or Term which begins whilst such declaration remains in effect a period of 6 months or less.

24. DEFAULT INTEREST

24.1 Consequences of Non-Payment

If any sum due and payable by any Obligor under this Agreement is not paid on the due date therefor in accordance with the provisions of Clause 29 (*Payments*) or if any sum due and payable by any Obligor pursuant to a judgment of any court in connection with this Agreement is not paid on the date of such judgment, the period beginning on such due date or, as the case may be, the date of such judgment and ending on the Business Day on which the obligation of an Obligor to pay the Unpaid Sum is discharged shall be divided into successive periods, each of which (other than the first) shall start on the last day of the preceding such period (which shall be a Business Day) and the duration of each of which shall (except as otherwise provided in this Clause 24 (*Default Interest*)) be selected by the Facility Agent.

24.2 Default Rate

During each such period relating thereto as is mentioned in Clause 24.1 (*Consequences of Non-Payment*) an Unpaid Sum shall bear interest at the rate per annum which is the sum from time to time of 1%, the Margin (provided that if any Unpaid Sum is not directly referable to a particular Facility the Margin shall be the Revolving Facility Margin) and EURIBOR or LIBOR, as the case may be, on the Quotation Date therefor, provided that:

- (d) if, for any such period, EURIBOR or LIBOR, as the case may be, cannot be determined, the rate of interest applicable to each Lender's portion of such Unpaid Sum shall be the rate per annum which is the sum of 1%, the Margin, (as aforesaid) and the rate per annum that shall be notified to the Facility Agent by such Lender as soon as practicable after the beginning of such period as being that which expresses as a percentage rate per annum the cost to such Lender of funding from whatever sources it may reasonably select its portion of such Unpaid Sum during such period; and
- (e) if such Unpaid Sum is all or part of an Advance which became due and payable on a day other than the last day of an Interest Period or Term relating thereto, the first Interest Period or Term applicable to it shall be of a duration equal to the unexpired portion of that Interest Period or Term and the rate of interest applicable thereto from time to time during such Interest Period or Term shall be that which exceeds by 1% the rate which would have been applicable to it had it not so fallen due.

24.3 Maturity of Default Interest

Any interest which shall have accrued under Clause 24.2 (*Default Rate*) in respect of an Unpaid Sum shall be due and payable and shall be paid by the Obligor owing such sum at the end of the period by reference to which it is calculated or on such other dates as the Facility Agent may specify by written notice to such Obligor.

24.4 Construction of Unpaid Sum

Any Unpaid Sum shall (for the purposes of this Clause 24 (*Default Interest*), Clause 16 (*Increased Costs*) and Clause 26.19 (*Borrower's Indemnities*)) be treated as an advance and accordingly in those provisions the term “**Advance**” includes any Unpaid Sum and the term “**Interest Period**” and “**Term**”, in relation to an Unpaid Sum, includes each such period relating thereto as is mentioned in Clause 24.1 (*Consequences of Non-Payment*).

25. GUARANTEE AND INDEMNITY

25.1 Guarantee

With effect from the Signing Date or if later, the date on which it accedes to this Agreement in such capacity, each Guarantor irrevocably and unconditionally guarantees, jointly and severally, to each of the Finance Parties the due and punctual payment by each Borrower of all sums payable by such Borrower under each of the Finance Documents and agrees that promptly on demand it will pay to the Facility Agent each and every sum of money which each Borrower is at any time liable to pay to any Finance Party under or pursuant to any Finance Document and which has become due and payable but has not been paid at the time such demand is made and provided that before any such demand is made on a Restricted Guarantor, demand for payment of the relevant sum shall first have been made on the relevant Borrower.

25.2 Indemnity

With effect from the Signing Date, or if later, the date upon which it accedes to this Agreement in such capacity, each Guarantor (other than a Restricted Guarantor) irrevocably and unconditionally agrees, jointly and severally, as primary obligor and not only as surety, to indemnify and hold harmless each Finance Party on demand by the Facility Agent from and against any loss incurred by such Finance Party as a result of any of the obligations of each Borrower under or pursuant to any Finance Document being or becoming void, voidable, unenforceable or ineffective as against any Borrower for any reason whatsoever (whether or not known to that Finance Party or any other person) the amount of such loss being the amount which the Finance Party suffering it would otherwise have been entitled to recover from the relevant Borrower and provided that the amount payable by a Guarantor under this Clause 25.2 (*Indemnity*) shall not exceed the amount such Guarantor would have had to pay under Clause 25.1 (*Guarantee*) if the amount claimed had been recoverable on the basis of a guarantee.

25.3 Continuing and Independent Obligations

The obligations of each Guarantor under this Agreement shall constitute and be continuing obligations which shall not be released or discharged by any intermediate payment or settlement of all or any of the obligations of each Borrower under the Finance Documents, shall continue in full force and effect until the unconditional and irrevocable payment and discharge in full of all amounts owing by each Borrower under each of the Finance Documents and are in addition to and independent of, and shall not prejudice or merge with, any other security (or right of set off) which any Finance Party may at any time hold in respect of such obligations or any of them.

25.4 Avoidance of Payments

Where any release, discharge or other arrangement in respect of any obligation of any Borrower, or any Security held by any Finance Party therefor, is given or made in reliance on any payment or other disposition which is avoided or must be repaid (whether in whole or in part) in an insolvency, liquidation or otherwise and whether or not any Finance Party has conceded or compromised any claim that any such payment or other disposition will or should be avoided or repaid (in whole or in part), the provisions of this Clause 25.4 (*Avoidance of Payments*) shall continue as if such release, discharge or other arrangement had not been given or made.

25.5 Immediate Recourse

None of the Finance Parties shall be obliged, before exercising or enforcing any of the rights conferred upon them in respect of the Guarantors by this Agreement or by Law, to seek to recover amounts due from any Borrower or to exercise or enforce any other rights or Security any of them may have or hold in respect of any of the obligations of any Borrower under any of the Finance Documents save that no demand for any payment may be made on any Restricted Guarantor unless such demand has first been made on the relevant Borrower.

25.6 Waiver of Defences

Neither the obligations of the Guarantors contained in this Agreement nor the rights, powers and remedies conferred on the Finance Parties in respect of the Guarantors by this Agreement or by Law shall be discharged, impaired or otherwise affected by:

- (a) the winding-up, dissolution, administration or reorganisation of any Borrower or any other person or any change in the status, function, control or ownership of any Borrower or any such person;
- (b) any of the obligations of any Borrower or any other person under any Finance Document or any Security held by any Finance Party therefor being or becoming illegal, invalid, unenforceable or ineffective in any respect;

- (c) any time or other indulgence being granted to or agreed (i) to or with any Borrower or any other person in respect of its obligations or (ii) in respect of any security granted under any Finance Documents;
- (d) unless otherwise agreed, any amendment to, or any variation, waiver or release of, any obligation of, or any Security granted by, any Borrower or any other person under any Finance Document;
- (e) any total or partial failure to take, or perfect, any Security proposed to be taken in respect of the obligations of any Borrower or any other person under the Finance Documents;
- (f) any total or partial failure to realise the value of, or any release, discharge, exchange or substitution of, any security held by any Finance Party in respect of any Borrower's obligations under any Finance Document;
- (g) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (h) any amendment, novation, supplement, extension restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Finance Document or other document or security; or
- (i) any other act, event or omission which might operate to discharge, impair or otherwise affect any of the obligations of any of the Guarantors under this Agreement or any of the rights, powers or remedies conferred upon the Finance Parties or any of them by this Agreement or by Law.

25.7 No Competition

Until all amounts which may become payable by each Borrower under or in connection with the Finance Documents have been paid in full, no Guarantor will exercise any rights:

- (a) to claim by way of contribution or indemnity in relation to any of the obligations of each Borrower under any of the Finance Documents;
- (b) to claim or prove as a creditor of any Borrower or any other person or its estate in competition with the Finance Parties or any of them;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;

- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Guarantor has given a guarantee, undertaking or indemnity under Clause 25.1 (*Guarantee*); or
- (e) to exercise any right of set-off against any Obligor,

except to the extent that the Facility Agent so requires and in such manner and upon such terms as the Facility Agent may specify and each Guarantor shall hold any moneys, rights or security held or received by it as a result of the exercise of any such rights on trust for the Facility Agent for application in or towards payment of any sums at any time owed by each Borrower under any of the Finance Documents as if such moneys, rights or security were held or received by the Facility Agent under this Agreement.

25.8 Appropriation

To the extent any Finance Party receives any sum from any Obligor in respect of the obligations of any other Obligor under any of the Finance Documents which is insufficient to discharge all sums which are then due and payable in respect of such obligations of such other Obligor, such Finance Party shall not be obliged to apply any such sum in or towards payment of amounts owing by such other Obligor under any of the Finance Documents, and any such sum may, in the relevant Finance Party's discretion, be credited to a suspense or impersonal account and held in such account pending the application from time to time (as the relevant Finance Party may think fit) of such sums in or towards the discharge of such liabilities owed to it by such other Obligor under the Finance Documents as such Finance Party may select provided that such Finance Party shall promptly make such application upon receiving sums sufficient to discharge all sums then due and payable to it by such other Obligor under the Finance Documents.

25.9 Guarantee Limitations - Dutch

This guarantee does not apply to any liability to the extent that it would constitute unlawful financial assistance within the meaning of section 2:98c of the Dutch Civil Code or any equivalent provisions. This limitation shall cease to be applicable to a Dutch limited liability company upon the abolishment of section 2:98c of the Dutch Civil Code and any equivalent provisions.

25.10 Limitation of Liabilities of US Guarantors

Each Restricted Guarantor and each of the Finance Parties (by its acceptance of the benefits of the guarantee under this Clause 25 (*Guarantee and Indemnity*)) hereby confirms its intention that this guarantee should not constitute a fraudulent transfer or fraudulent conveyance or unlawful financial assistance for the purposes of any bankruptcy, insolvency or similar law, the United States Uniform Fraudulent Conveyance Act or any similar Federal, state or foreign law. To effectuate the foregoing intention, each Restricted Guarantor and each of the Finance Parties (by its acceptance of the benefits of the guarantee under this Clause 25 (*Guarantee and Indemnity*)) hereby

irrevocably agrees that its obligations under this Clause 25 (*Guarantee and Indemnity*)) shall be limited to the maximum amount as will, after giving effect to such maximum amount and all other (contingent or otherwise) liabilities of such Restricted Guarantor that are relevant under such laws, and after giving effect to any rights to contribution pursuant to any agreement providing for an equitable contribution among such Restricted Guarantor and the other Guarantors, result in the obligations of such Restricted Guarantor in respect of such maximum amount not constituting a fraudulent transfer or conveyance.

25.11 US Guarantors

Each US Guarantor acknowledges that:

- (a) it will receive valuable direct or indirect benefits as a result of the transactions financed by the Finance Documents;
- (b) those benefits will constitute reasonably equivalent value and fair consideration for the purpose of any fraudulent transfer law; and
- (c) each Finance Party has acted in good faith in connection with the guarantee given by that US Guarantor and the transactions contemplated by the Finance Documents.

26. ROLE OF THE FACILITY AGENT, THE ARRANGERS AND OTHERS

26.1 Appointment of the Facility Agent

Each of the other Finance Parties under the Facilities appoints the Facility Agent to act as its agent under and in connection with the Finance Documents and authorises the Facility Agent to exercise the rights, powers, authorities and discretions specifically delegated to it under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

26.2 Duties of the Facility Agent

- (a) Subject to paragraph (b) below, the Facility Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Facility Agent for that Party by any other Party.
- (b) Without prejudice to Clause 33.14 (*Copy of Transfer Deed, Transfer Agreement or Increase Confirmation*), paragraph (a) above shall not apply to any Transfer Deed, Transfer Agreement or any Increase Confirmation.
- (c) Except where a Finance Document specifically provides otherwise, the Facility Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to any Party.

- (d) If the Facility Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Facility Agent, the Arranger or the Security Agent) under this Agreement it shall promptly notify the other Finance Parties.
- (e) The Facility Agent shall promptly inform each Lender of the contents of any notice or document received by it in its capacity as Facility Agent from any of the Obligor under the Finance Documents.
- (f) The Facility Agent is not obliged to monitor or enquire as to whether or not a Default has occurred. The Facility Agent shall not be deemed to have knowledge of the occurrence of a Default. However, if the Facility Agent receives notice from a Party referring to this Agreement, describing the Default and stating that the event is a Default, it shall promptly notify the Lenders of such notice.
- (g) If so instructed by the Instructing Group, the Facility Agent shall refrain from exercising any power or discretion vested in it as agent under any Finance Document.
- (h) The duties of the Facility Agent under the Finance Documents are, save to the extent otherwise expressly provided, solely mechanical and administrative in nature.
- (i) The Facility Agent shall provide to Bidco within 5 Business Days of request (but no more frequently than once per calendar month), a list (which may be in electronic form) setting out the names of the Lenders as at the date of that request, their respective Commitments, the address and fax number (and the department or officer, if any, for whose attention any communication is to be made) of each Lender for any communication to be made or document to be delivered under or in connection with the Finance Documents, the electronic mail address and/or any other information required to enable the sending and receipt of information by electronic mail or other electronic means to and by each Lender to whom any communication under or in connection with the Finance Documents may be made by that means and the account details of each Lender for any payment to be distributed by the Facility Agent to that Lender under the Finance Documents.

26.3 Role of the Bookrunners and the Arrangers

Except as specifically provided in the Finance Documents, none of the Bookrunners or the Arrangers shall have any obligations of any kind to any other party under or in connection with any Finance Document.

26.4 No Fiduciary Duties

- (a) Nothing in the Finance Documents constitutes the Facility Agent or any of the Arrangers as a trustee or fiduciary of any other person.

- (b) None of the Facility Agent, the Security Agent or the Arrangers, shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

26.5 Business with the Wider Group

Any of the Facility Agent, the Arrangers or the Security Agent may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Wider Group.

26.6 Discretion of the Facility Agent

- (a) The Facility Agent may rely on:
 - (i) any representation, notice or document believed by it to be genuine, correct and appropriately authorised; and
 - (ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.
- (b) The Facility Agent may assume, unless it has received notice to the contrary in its capacity as agent for the Lenders, that:
 - (i) no Default has occurred (unless the Facility Agent has actual knowledge of a Default arising under Clause 23.2 (*Non-payment*));
 - (ii) any right, power, authority or discretion vested in this Agreement upon any party, the Lenders or the Instructing Group has not been exercised; and
 - (iii) any notice or request made by the Obligors' Agent is made on behalf of and with the consent and knowledge of all the Obligors.
- (c) The Facility Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.
- (d) The Facility Agent may act in relation to the Finance Documents through its personnel and agents.
- (e) The Facility Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
- (f) Without prejudice to the generality of paragraph (f) above, the Facility Agent may disclose the identity of a Defaulting Lender to the other relevant Finance Parties and Bidco and shall disclose the same upon the written request of Bidco or the Instructing Group.

- (g) Notwithstanding any other provision of any Finance Document to the contrary, none of the Facility Agent, the Arranger or the bank is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

26.7 Instructing Group Instructions

- (a) Unless a contrary indication appears in a Finance Document, the Facility Agent shall (i) act in accordance with any instructions given to it by the Instructing Group or the Revolving Facility Instructing Group, as applicable (or, if so instructed by the Instructing Group or the Revolving Facility Instructing Group, as applicable, refrain from acting or exercising any right, power, authority or discretion vested in it as Facility Agent) and (ii) shall not be liable to any relevant Finance Party for any act (or omission) if it acts (or refrains from taking any action) in accordance with such an instruction of the Instructing Group.
- (b) Unless a contrary indication appears in a Finance Document, any instructions given by (i) the Instructing Group will be binding on all the Finance Parties (provided that where Instructing Group refers only to more than 50% of Lenders under a single Facility, such instructions should only be binding on the Lenders under that Facility) or (ii) a Revolving Facility Instructing Group will be binding on all the Lenders under the Revolving Facility.
- (c) The Facility Agent may refrain from acting in accordance with the instructions of the Instructing Group, a Revolving Facility Instructing Group, or, if appropriate, the Lenders until it has received such security or collateral as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with such instructions.
- (d) In the absence of instructions from the Instructing Group, a Revolving Facility Instructing Group, or, if appropriate, the Lenders, the Facility Agent may act (or refrain from taking action) as it considers to be in the best interests of the Lenders.
- (e) The Facility Agent shall not be authorised to act on behalf of a Lender in any legal or arbitration proceedings relating to any Finance Document without first obtaining the Lender's consent to do so. This paragraph (e) shall not apply to any legal or arbitration proceeding relating to the perfection, presentation or protection of rights under the Bidco Security Documents or enforcement of the Security or Bidco Security Documents.

26.8 No Responsibility

None of the Facility Agent or any Arranger shall be:

- (a) responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by any Finance Party or an Obligor or any other person in or in connection with any Finance Document;
- (b) responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document; or
- (c) responsible for any determination as to whether any information provided or to be provided to any Finance Party is non public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

26.9 Exclusion of Liability

- (a) Without limiting paragraph (b) below (and without prejudice to the provisions of paragraph (e) of Clause 29.8 (*Disruption to Payment Systems*), the Facility Agent will not be liable to any Finance Party for any action taken by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct.
- (b) No Party may take any proceedings, or assert or seek to assert any claim, against any officer, employee or agent of any Agent in respect of any claim it might have against such Agent, or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and agrees that any such officer, employee or agent may enforce this provision.
- (c) The Facility Agent will not be liable for any failure to notify any person of any matter referred to in Clause 12.6 (*Notification*) or any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by it if it has taken all reasonable steps to comply with Clause 12.6 (*Notification*) and taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by it for that purpose.

26.10 Lender's Indemnity

Each Lender shall in (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Facility Agent from time to time within three Business Days of demand by any Agent against any cost, loss or liability incurred by such Agent (otherwise than by reason of its negligence or wilful misconduct or, in the case of any cost, loss or liability pursuant to Clause 29.8 (*Disruption to Payment Systems*) notwithstanding the Facility Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Facility

Agent) in acting as a Facility Agent under the Finance Documents (unless it has been reimbursed therefor by an Obligor pursuant to the terms of the Finance Documents).

26.11 Resignation

- (a) The Facility Agent may resign and appoint one of its Affiliates acting through an office in the United Kingdom or The Netherlands as successor Facility Agent by giving notice to the Lenders and Bidco.
- (b) The Facility Agent may resign without having designated a successor as agent under paragraph (a) above (and shall do so if so required by the Instructing Group) by giving 30 days' notice to the Lenders and Bidco, in which case the Instructing Group may appoint a successor Facility Agent (acting through an office in the United Kingdom or The Netherlands), approved by Bidco, acting reasonably. If the Instructing Group has not appointed a successor Facility Agent in accordance with this paragraph (b) within 30 days after notice of resignation was given, the Facility Agent may appoint a successor Facility Agent (acting through an office in the United Kingdom or The Netherlands), approved by Bidco, acting reasonably.
- (c) Provided no Default is outstanding, Bidco may, by notice to the Facility Agent, require the Facility Agent to resign by giving five Business Days' notice. In this event, the Facility Agent shall resign and Bidco shall appoint a successor Facility Agent acting through an office in the United Kingdom or The Netherlands (without requiring consent from any Finance Party). Bidco may exercise such right to replace the Facility Agent twice during the life of the Facilities.
- (d) The retiring Facility Agent shall, at the Borrowers' cost, make available to its successor such documents and records and provide such assistance as its successor may reasonably request for the purposes of performing its functions as Facility Agent under the Finance Documents.
- (e) The resignation notice of the Facility Agent shall only take effect upon the appointment of a successor Facility Agent.
- (f) Upon the appointment of a successor, the retiring Facility Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 25 (*Role of the Facility Agent, the Arrangers and others*). The Facility Agent's successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor Facility Agent had been an original party as Facility Agent.

26.12 Replacement

- (a) The Instructing Group may, with the prior written consent of Bidco, by giving 30 days' notice to the Facility Agent (or, at any time the Facility Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Lenders) replace the Facility Agent by appointing a successor Facility Agent.
- (b) The retiring Facility Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders) make available to the successor Facility Agent such documents and records and provide such assistance as the successor Facility Agent may reasonably request for the purposes of performing its functions as Facility Agent under the Finance Documents.
- (c) The appointment of the successor Facility Agent shall take effect on the date specified in the notice from the Instructing Group to the retiring Facility Agent. As from this date, the retiring Facility Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) above) but shall remain entitled to the benefit of Clause 34.6 (*Indemnity to the Facility Agent*) and this Clause (and any agency fees for the account of the retiring Facility Agent shall cease to accrue from (and shall be payable on) that date).
- (d) Any successor Facility Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

26.13 Confidentiality

- (a) The Facility Agent (in acting as agent for the Finance Parties) shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the Facility Agent it may be treated as confidential to that division or department and the Facility Agent shall not be deemed to have notice of it.
- (c) Notwithstanding any other provision of any Finance Document to the contrary, the Finance Parties are not obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would, or might in its reasonable opinion, constitute a breach of any Law.

26.14 Facility Office

The Facility Agent may treat each Lender as a Lender, entitled to payments under this Agreement and acting through its Facility Office unless it has received not less than 5 Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

26.15 Credit Appraisal by the Lenders

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to each of the Facility Agent, the Bookrunners and the Arrangers that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Bank Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (c) whether that Lender has recourse, and the nature and extent of that recourse, against any party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (d) the adequacy, accuracy and/or completeness of any information provided by the Facility Agent, the Bookrunners, the Arrangers or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (e) the right or title of any person in or to, or the value or sufficiency of any part of the Security, the priority of any of the Security or the existence of any Security Interests affecting the Security.

26.16 Deduction from Amounts Payable by the Facility Agent

If any amount is due and payable by any party to the Facility Agent under any Finance Document the Facility Agent may, after giving notice to that party, deduct an amount not exceeding that amount from any payment to that party which the Facility Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that party shall be regarded as having received such payment without any such deduction.

26.17 Obligors' Agent

- (a) Each Obligor (other than Bidco) irrevocably authorises Bidco to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:

- (i) Bidco on its behalf to supply all information concerning itself, its financial condition and otherwise to the relevant persons contemplated under this Agreement and to give all notices and instructions, (including, in the case of a Borrower, Utilisation Requests) to execute on its behalf any Finance Document and to enter into any agreement in connection with the Finance Documents notwithstanding that the same may affect such Obligor, without further reference to or the consent of such Obligor; and
- (ii) each Finance Party to give any notice, demand or other communication to be given to or served on such Obligor pursuant to the Finance Documents to Bidco on its behalf,

and in each such case such Obligor will be bound thereby as though such Obligor itself had supplied such information, given such notice and instructions, executed such Finance Document and agreement or received any such notice, demand or other communication and each Finance Party may rely on any action purported to be taken by Bidco on behalf of that Obligor.

- (b) Every act, omission, agreement, undertaking, settlement, waiver, notice or other communication given or made by the Obligors' Agent under any Finance Document, or in connection with this Agreement (whether or not known to any other Obligor, as the case may be, and whether occurring before or after such person became party to this Agreement), shall be binding for all purposes on all other Obligors as if the other Obligors had expressly made, given or concurred with the same. In the event of any conflict between any notices or other communications of the Obligors' Agent or any other Obligor, those of the Obligors' Agent shall prevail.

26.18 Co-operation with the Facility Agent

- (a) Each Lender and each Obligor will co-operate with the Facility Agent to complete any legal requirements imposed on the Facility Agent in connection with the performance of its duties under this Agreement and shall supply any information requested by the Facility Agent in connection with the proper performance of those duties provided that no Obligor shall be under any obligation to provide any information the supply of which would be contrary to any confidentiality obligation binding on any member of the Group or prejudice the retention of legal privilege in such information and provided further that no Obligor shall (and Bidco shall procure that no member of the Group shall) be able to deny the Facility Agent any such information by reason of it having entered into a confidentiality undertaking which would prevent it from disclosing, or be able to claim any legal privilege in respect of, any financial information relating to itself or the Bank Group.

- (b) Any Lender may by notice to the Facility Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 36.5 (*Electronic Communication*) electronic mail address and/or any other information required to enable the sending and receipt of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address, department and officer by that Lender for the purposes of Clause 36.2 (*Giving of Notice*) and Clause 36.5(a)(iii) (*Electronic Communication*) and the Facility Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

26.19 Accession documents

The Facility Agent will promptly countersign each Creditor/Agent Accession Undertaking (as defined in the Bidco Intercreditor Agreement) required for accession of the relevant parties to the Bidco Intercreditor Agreement.

27. BORROWERS' INDEMNITIES

27.1 General Indemnities

The Borrower undertakes, on a joint and several basis, to indemnify:

- (a) each of the Finance Parties against any out-of-pocket cost, claim, loss, expense (including legal fees) or liability, which any of them may sustain or incur as a consequence of the occurrence of any Default; and
- (b) each Lender against any out-of-pocket loss it may suffer or incur as a result of its funding or making arrangements to fund its portion of an Advance requested by any Borrower under this Agreement but not made by reason of the operation of any one or more of the provisions of this Agreement (save as a result of such Lender's own gross negligence or wilful default).

27.2 Break Costs

- (a) A Borrower shall, within 10 Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of any Advance or Unpaid Sum being paid by that Borrower on a day other than the last day of an Interest Period or Term for that Advance or Unpaid Sum.

- (b) Each Lender shall, as soon as reasonably practicable after a demand by the Facility Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period or Term in which they accrue.

28. CURRENCY OF ACCOUNT

28.1 Currency

Euro is the currency of account and payment for each and every sum at any time due from any Obligor under this Agreement provided that:

- (a) each repayment of any Outstandings or Unpaid Sum (or part of it) shall be made in the currency in which those Outstandings or Unpaid Sum are denominated on their due date;
- (b) interest shall be payable in the currency in which the sum in respect of which such interest is payable was denominated when that interest accrued;
- (c) each payment in respect of costs and expenses shall be made in the currency in which the same were incurred; and
- (d) each payment pursuant to Clause 15.3 (*Tax Indemnity*) or Clause 16.1 (*Increased Costs*) shall be made in the currency specified by the Finance Party claiming under it, acting reasonably.

28.2 Currency Indemnity

- (a) If any sum due from an Obligor under the Finance Documents (a “**Sum**”), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the “**First Currency**”) in which that Sum is payable into another currency (the “**Second Currency**”) for the purpose of:
 - (i) making or filing a claim or proof against that Obligor;
 - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,that Obligor shall as an independent obligation, within ten Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.
- (b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

29. PAYMENTS

29.1 Payment to the Facility Agent

On each date on which this Agreement requires an amount to be paid by any Obligor or any of the Lenders under this Agreement, such Obligor or, as the case may be, such Lender shall make the same available to the Facility Agent by payment in same day funds (or such other funds as may for the time being be customary for the settlement of transactions in the relevant currency) to such account or bank as the Facility Agent (acting reasonably) may have specified for this purpose and any such payment which is made for the account of another person shall be made in time to enable the Facility Agent to make available such person's portion of it to such other person in accordance with Clause 29.2 (*Distributions by the Facility Agent*).

29.2 Distributions by the Facility Agent

Save as otherwise provided in this Agreement, each payment received by the Facility Agent for the account of another person shall be made available by the Facility Agent to such other person (in the case of a Lender, for the account of its Facility Office) for value the same day by transfer to such account of such person with such bank in a Participating Member State or London (or for payments in Dollars or any Optional Currency, in the applicable financial centre) as such person shall have previously notified to the Facility Agent by not less than 5 Business Days' notice for this purpose.

29.3 Clear Payments

Save to the extent contemplated in Clause 6 (*Repayment of Revolving Facility Outstandings*), any payment required to be made by any Obligor under this Agreement shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of, and without any deduction for or on account of, any set-off or counterclaim.

29.4 Impaired Agent

- (a) If, at any time, the Facility Agent becomes an Impaired Agent, a Obligor or a Lender which is required to make a payment under the Finance Documents to the Facility Agent in accordance with Clause 29.1 (*Payment to the Facility Agent*) may instead either pay that amount direct to the required recipient or pay that amount to an interest-bearing account (the "**Trust Account**") held with an Acceptable Bank within the meaning of paragraph (a) of the definition of "Acceptable Bank" and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Obligor or the Lender making the payment and designated as a trust account for the benefit of the Finance Party beneficially entitled to that payment under the Finance Documents. In each case such payments must be made within 5 Business Days of the due date for payment under the Finance Documents.

- (b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the beneficiaries of that trust account *pro rata* to their respective entitlements.
- (c) A party which has made a payment in accordance with this Clause 29.4 (*Impaired Agent*) shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.
- (d) Promptly upon the appointment of a successor Facility Agent in accordance with Clause 26.11 (*Resignation*), each Party which has made a payment to a trust account in accordance with this Clause 29.4 (*Impaired Agent*) shall give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Facility Agent for distribution in accordance with this Agreement.

29.5 Partial Payments

If the Facility Agent receives a payment that is insufficient to discharge all the amounts then due and payable by any Obligor under the Finance Documents, the Facility Agent shall, unless otherwise instructed by the Instructing Group, apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:

- (a) first, in payment in or towards payment *pro rata* of any unpaid fees, costs and expenses incurred by the Facility Agent and the Security Agent under the Finance Documents;
- (b) secondly, in or towards payment *pro rata* of any accrued interest or commission due but unpaid under any Finance Document;
- (c) thirdly, in or towards payment *pro rata* of any principal due but unpaid under any Finance Document; and
- (d) fourthly, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents,

and such application shall override any appropriation made by an Obligor.

29.6 Indemnity

Where a sum is to be paid under the Finance Documents to the Facility Agent for the account of another person, the Facility Agent shall not be obliged to make the same available to that other person (or to enter into or perform any exchange contract in connection therewith) until it has been able to establish to its satisfaction that it has actually received such sum, but if it does so and it proves to be the case that it had not actually received such sum, then the person to whom such sum (or the proceeds of such exchange contract) was (or were) so made available shall on request refund the same to

the Facility Agent together with an amount sufficient to indemnify and hold harmless the Facility Agent from and against any cost or loss it may have suffered or incurred by reason of its having paid out such sum (or the proceeds of such exchange contract) prior to its having received such sum. This indemnity shall only apply to the Obligor with effect from the Signing Date.

29.7 Notification of Payment

Without prejudice to the liability of each Party to pay each amount owing by it under this Agreement on the due date therefor, whenever a payment is expected to be made by any of the Finance Parties, the Facility Agent shall give notice prior to the expected date for such payment, notify all such Finance Parties of the amount, currency and timing of such payment.

29.8 Disruption to Payment Systems

If either the Facility Agent determines (in its discretion) that a Disruption Event has occurred or the Facility Agent is notified by Bidco that a Disruption Event has occurred:

- (a) the Facility Agent may, and shall if requested to do so by Bidco, consult with Bidco with a view to agreeing with Bidco such changes to the operation or administration of the Facilities as the Facility Agent may deem reasonably necessary in the circumstances;
- (b) the Facility Agent shall not be obliged to consult with Bidco in relation to any changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
- (c) the Facility Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) above but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;
- (d) any such changes agreed upon by the Facility Agent and Bidco shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Finance Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 39 (*Amendments*);
- (e) the Facility Agent shall not be liable for any damages, costs or losses whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Facility Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 29.8 (*Disruption to Payment Systems*); and

- (f) the Facility Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

29.9 Business Days

- (a) Any payment which is due to be made on a day that is not a Business Day shall be made on the immediately succeeding Business Day in the same calendar month (if there is one) or the immediately preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal or an Unpaid Sum under this Agreement, interest is payable on such amount at the rate payable on the original due date.

30. SET-OFF

30.1 Right to Set-off

A Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

30.2 No Obligation

No Lender shall be obliged to exercise any right given to it by Clause 30.1 (*Right to Set-off*).

31. SHARING AMONG THE FINANCE PARTIES

31.1 Payments to Finance Parties

If a Finance Party (a “**Recovering Finance Party**”) receives or recovers any amount from any Obligor other than in accordance with Clause 29 (*Payments*) and applies that amount to a payment due under the Finance Documents then:

- (a) the Recovering Finance Party shall, within 3 Business Days, notify details of the receipt or recovery to the Facility Agent;
- (b) the Facility Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Facility Agent and distributed in accordance with Clause 29.5 (*Partial Payments*), without taking account of any tax which would be imposed on the Facility Agent in relation to the receipt, recovery or distribution; and

- (c) the Recovering Finance Party shall, within 3 Business Days of demand by the Facility Agent, pay to the Facility Agent an amount (the “**Sharing Payment**”) equal to such receipt or recovery less any amount which the Facility Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 29.5 (*Partial Payments*).

31.2 Redistribution of Payments

The Facility Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and shall distribute it between the Finance Parties (other than the Recovering Finance Party) in accordance with Clause 29.5 (*Partial Payments*).

31.3 Recovering Finance Party’s Rights

On a distribution by the Facility Agent under Clause 31.2 (*Redistribution of Payments*), of a payment received by a Recovering Finance Party from an Obligor, as between the relevant Obligor and the Recovering Finance Party, an amount of the sum recovered equal to the Sharing Payment will be treated as not having been paid by that Obligor.

31.4 Reversal of Redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Finance Party which has received a share of the relevant Sharing Payment pursuant to Clause 31.2 (*Redistribution of Payments*) shall, upon the request of the Facility Agent, pay to the Facility Agent for account of that Recovering Finance Party an amount equal to its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its share of any interest on the Sharing Payment which that Recovering Finance Party is required to pay); and
- (b) that Recovering Finance Party’s rights of subrogation in respect of any reimbursement shall be cancelled and the relevant Obligor will be liable to the reimbursing Finance Party for the amount so reimbursed.

31.5 Exceptions

- (a) This Clause 31 (*Sharing among the Finance Parties*) shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause 31 (*Sharing among the Finance Parties*), have a valid and enforceable claim against the relevant Obligor.
- (b) A Recovering Finance Party is not obliged to share with any other Finance Party under this Clause 31 (*Sharing among the Finance Parties*), any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:

- (i) it notified such other Finance Party of the legal or arbitration proceedings; and
- (ii) such other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice of it or did not take separate legal or arbitration proceedings.

32. CALCULATIONS AND ACCOUNTS

32.1 Day Count Convention

Interest and commitment commission shall accrue from day to day and shall be calculated on the basis of a year of 360 days or, in any case where market practice differs, in accordance with market practice, and the actual number of days elapsed and any Tax Deductions required to be made from any payment of interest shall be computed and paid accordingly.

32.2 Reductions

Any repayment of any Advance denominated in an Optional Currency shall reduce the amount of such Advance by the amount of such Optional Currency repaid and shall reduce the Euro Amount of such Advance proportionately.

32.3 Reference Banks

Save as otherwise provided in this Agreement, on any occasion a Reference Bank, Alternative Reference Bank or Lender fails to supply the Facility Agent with an interest rate quotation required of it under the foregoing provisions of this Agreement, the rate for which such quotation was required shall be determined from those quotations which are supplied to the Facility Agent.

32.4 Maintain Accounts

Each Lender shall maintain in accordance with its usual practice accounts evidencing the amounts from time to time lent by and owing to it under this Agreement.

32.5 Control Accounts

The Facility Agent shall maintain on its books a control account or accounts in which shall be recorded:

- (a) the amount and the Euro Amount of any Advance or Unpaid Sum and the face amount, and each Lender's share in it;

- (b) the amount of all principal, interest and other sums due or to become due from the Obligors to any of the Lenders under the Finance Documents and each Lender's share in it; and
- (c) the amount of any sum received or recovered by the Facility Agent under this Agreement and each Lender's share in it.

32.6 Prima Facie Evidence

In any legal action or proceeding arising out of or in connection with this Agreement, the entries made in the accounts maintained pursuant to Clause 32.4 (*Maintain Accounts*) and Clause 32.5 (*Control Accounts*) shall, in the absence of manifest error, be prima facie evidence of the existence and amounts of the specified obligations of the Obligors.

32.7 Certificate of Finance Party

A certificate of a Finance Party as to the amount for the time being required to indemnify it against any Tax pursuant to Clause 15.3 (*Tax Indemnity*) or any Increased Cost pursuant to Clause 16.1 (*Increased Costs*) shall, in the absence of manifest error, be prima facie evidence of the existence and amounts of the specified obligations of the Borrower.

32.8 Certificate of the Facility Agent

A certificate of the Facility Agent as to the amount at any time due from any Borrower under this Agreement (or the amount which, but for any of the obligations of any Borrower under this Agreement being or becoming void, unenforceable or ineffective, at any time, would have been due from the Borrower under this Agreement) shall, in the absence of manifest error, be prima facie evidence for the purposes of Clause 25 (*Guarantee and Indemnity*).

33. ASSIGNMENTS AND TRANSFERS

33.1 Successors and Assignees

This Agreement shall be binding upon and enure to the benefit of each Party and its or any subsequent successors, permitted assignees and transferees.

33.2 Resignation of a Borrower

- (a) With the prior consent of the Instructing Group, Bidco may request that a Borrower ceases to be a Borrower by delivering to the Facility Agent a Resignation Letter.
- (b) The Facility Agent shall accept a Resignation Letter and notify Bidco and the other Finance Parties of its acceptance if:

- (i) Bidco has confirmed that no Event of Default is continuing or would result from the acceptance of the Resignation Letter;
 - (ii) the relevant Borrower is under no actual or contingent obligations as a Borrower under any Finance Documents; and
 - (iii) where the relevant Borrower is also a Guarantor, its obligations in its capacity as Guarantor continue to be legal, valid, binding and enforceable and in full force and effect (subject to any relevant reservations or qualifications contained in any legal opinion referred to in Clause 19.3(a) (*Legal Validity*)) and the amount guaranteed by it as a Guarantor is not decreased, subject to Clause 39.8 (*Release of Guarantees and Security*).
- (c) Upon notification by the Facility Agent to Bidco of its acceptance of the resignation of the relevant Borrower, that company shall cease to be a Borrower and shall have no further rights or obligations under the Finance Documents as a Borrower.
 - (d) The Facility Agent may, at the cost and expense of Bidco, require a legal opinion from counsel confirmed the matters set out in paragraph (b)(iii) above and the Facility Agent shall be under no obligation to accept a Resignation Letter until it has obtained such opinion in form and substance reasonably satisfactory to it.

33.3 Assignment or Transfers by the Obligors

None of the rights, benefits and obligations of the Borrower under this Agreement shall be capable of being assigned or transferred and the Borrower undertakes not to seek to assign or transfer any of its rights, benefits and obligations under this Agreement provided that a Borrower (a “**Novating Borrower**”) may assign or transfer any of its rights, benefits and obligations under this Agreement to another Borrower incorporated in the same jurisdiction as that Novating Borrower and which is a directly or indirectly wholly-owned Subsidiary of Bidco if Bidco delivers to the Facility Agent:

- (a) a solvency opinion, in form and substance reasonably satisfactory to the Facility Agent, from an independent financial advisor confirming the solvency of the Bank Group, taken as a whole, after giving effect to any transactions related to such assignment or transfer; and
- (b) legal opinions, in form and substance reasonably satisfactory to the Facility Agent, confirming that, after giving effect to any transactions related to such assignment or transfer, the Security as amended, extended, renewed, restated, supplemented, modified or replaced represents valid and perfected Security Interests not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Security Interests were not otherwise subject to immediately prior to such assignment or transfer.

33.4 Assignments or Transfers by Lenders

- (a) Subject to the other provisions of this Clause 33.4 (*Assignments or Transfers by Lenders*), any Lender may, at any time, assign all or any of its rights and benefits under the Finance Documents in accordance with Clause 33.5 (*Assignments*) or transfer all or any of its rights, benefits and obligations under the Finance Documents to any person (a “**New Lender**”) in accordance with Clause 33.6 (*Transfer Deed*) provided that the prior written consent of Bidco is received in respect of any assignment or transfer, such consent not to be unreasonably withheld, provided that:
 - (i) such consent shall be deemed to have been given if not declined in writing within 5 Business Days of a written request by any Lender to Bidco;
 - (ii) no consent shall be required in the case of any assignment or transfer by a Lender to another Lender and/or to its Affiliate (or in the case of any Lender which constitutes a fund advised and/or managed by a common entity or an Affiliate thereof, to any other fund managed by such common entity or Affiliate);
 - (iii) no consent shall be required in the case of any assignment or transfer to any New Lender at any time after the occurrence of an Event of Default which is continuing.
- (b) Notwithstanding any other provision of this Agreement, no Lender shall be entitled to assign or transfer any of its rights benefits or obligations under the Finance Documents in relation to the Revolving Facility without the prior written consent of Bidco, provided that no such consent shall be required in the case of any assignment or transfer:
 - (i) by a Lender to another Lender and/or to its Affiliate (or in the case of any Lender which constitutes a fund advised and/or managed by a common entity or an Affiliate thereof, to any other fund managed by such common entity or Affiliate); and
 - (ii) to any New Lender at any time after the occurrence of an Event of Default which is continuing.
- (c) No Lender shall be entitled to:
 - (i) effect any assignment or transfer:
 - (A) in respect of any portion of its Commitment and/or Outstandings under any individual Facility in an amount of less than \$1,000,000 or €1,000,000 (in the case of participations in Advances denominated in Dollars or euro respectively) (or its equivalent as

at the date of such assignment or transfer) or such higher amount as may be required from time to time for the party assuming the commitment to be deemed a professional market party within the meaning of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) unless its Commitment and Outstandings under any Facility is less than such amount, in which case it shall be permitted to transfer its entire Commitment and Outstandings for such Facility;

- (B) which would result in it or the proposed assignee or transferee holding an aggregate participation of more than zero but less than €1,000,000 (or its equivalent as at the date of such assignment or transfer) or such higher amount as may be required from time to time for the party assuming the commitment to be deemed a professional market party within the meaning of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) in the Facilities; or
 - (C) in relation to its participation in the Revolving Facility or an Additional Facility that is a revolving facility other than to the extent such transfers and assignments are on a pro rata basis as between the relevant Lender's Commitment under and participation in Outstandings under the Revolving Facility or the Additional Facility that is a revolving facility (as applicable); or
- (ii) in relation to any sub-participation of its rights and obligations under the Facilities, relinquish some or all of its voting rights in respect of the Facilities to any person in respect of any such sub-participation other than voting rights in respect of the matters referred to in paragraphs (b), (c), (d) or (e) of Clause 39.2 (*Consents*).
- (d) For the purposes of satisfying the minimum hold requirement set out in paragraph (c) (i) above, any participations held by funds advised and/or managed by a common entity or an Affiliate thereof may be aggregated.
 - (e) Notwithstanding any other provision of this Clause 33.4 (*Assignments or Transfers by Lenders*), no assignment or transfer shall be permitted to settle or otherwise become effective within the period of five Business Days prior to (i) the end of any Interest Period or Term or (ii) any Repayment Date.
 - (f) Each New Lender, by executing the relevant Transfer Deed or Transfer Agreement, confirms, for the avoidance of doubt, that the Facility Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment

becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the transferring Lender would have been had it remained a Lender.

- (g) No Lender may assign all or any of its rights and benefits or transfer all or any of its rights, benefits and obligations, in each case, under the Finance Documents in relation to the Revolving Facility to any person unless at the same time it assigns a pro rata share of its rights and benefits or transfers a pro rata share of its rights, benefits and obligations to that person, in each case, under the Refinancing Facilities Agreement in relation to the RCF1 Facility.

33.5 Assignments

- (a) Unless such assignment or transfer is effected by a Transfer Agreement pursuant to Clause 33.7 (*Transfer Agreements*), if any Lender wishes to assign all or any of its rights and benefits under the Finance Documents, unless and until the relevant assignee has agreed with the other Finance Parties that it shall be under the same obligations towards each of them as it would have been under if it had been an original party to the Finance Documents as a Lender, such assignment shall not become effective and the other Finance Parties shall not be obliged to recognise such assignee as having the rights against each of them which it would have had if it had been such a Party.
- (b) Without limiting any right or discretion of the Facility Agent under the Finance Documents, the Facility Agent may in its discretion stop processing assignments or transfers under this Clause 33 (*Assignments and Transfers*) when a notice of prepayment has been received by it under this Agreement, for a period of five Business Days prior to the date the prepayment is required or expected to be made.

33.6 Transfer Deed

- (a) If any Lender wishes to transfer all or any of its rights, benefits and/or obligations under the Finance Documents, such transfer may be effected by novation through the delivery to the Facility Agent of a duly completed and duly executed Transfer Deed. Any assignment or transfer of rights, benefits and/or obligations under the Finance Documents may also be effected through the delivery to the Facility Agent of a duly completed and duly executed Transfer Agreement in accordance with Clause 33.7 (*Transfer Agreements*).
- (b) The Facility Agent shall only be obliged to execute a Transfer Deed or Transfer Agreement delivered to it pursuant to paragraph (a) above, upon its satisfaction with the results of all “know your client” or other applicable anti-money laundering checks relating to the identity of any person that it is required to carry out in relation to such New Lender.

- (c) Upon its execution of the Transfer Deed or Transfer Agreement pursuant to paragraph (b) above on the later of the Transfer Date specified in such Transfer Deed or Transfer Agreement and the fifth Business Day after (or such earlier Business Day endorsed by the Facility Agent on such Transfer Deed or Transfer Agreement falling on or after) the date of execution of such Transfer Deed or Transfer Agreement by the Facility Agent:
- (i) to the extent that in such Transfer Deed or Transfer Agreement the Lender party to it seeks to transfer its rights, benefits and obligations under the Finance Documents, the Borrower and such Lender shall be released from further obligations towards one another under the Finance Documents to that extent and their respective rights against one another shall be cancelled to that extent (such rights and obligations being referred to in this Clause 33.6 (*Transfer Deed*) as “**discharged rights and obligations**”);
 - (ii) The Borrower and the New Lender party to it shall assume obligations towards one another and/or acquire rights against one another which differ from the discharged rights and obligations only insofar as such Borrower and such New Lender have assumed and/or acquired the same in place of Borrower and such Lender;
 - (iii) the other Finance Parties and the New Lender shall acquire the same rights and benefits and assume the same obligations between themselves as they would have acquired and assumed had such New Lender been an original party to the Finance Documents as a Lender with the rights, benefits and obligations acquired or assumed by it as a result of such transfer and to that extent the Facility Agent, the Arranger and the Security Agent and the Lender which has transferred its rights, benefits and obligations shall each be released from further obligations to each other under the Finance Documents; and
 - (v) all payments due hereunder from any Obligor shall be due and payable to such New Lender and not to the transferring Lender; and
 - (xv) such New Lender shall become a Party as a Lender.

33.7 Transfer Agreements

- (a) Subject to the other provisions of this Clause 33 (*Assignments and Transfers*), a Lender may effect an assignment or transfer of an interest in any Facility by (A) executing and delivering to the Facility Agent a Transfer Agreement via an electronic settlement system acceptable to the Facility Agent or (B) if previously agreed with the Facility Agent, manually execute and deliver to the Facility Agent a Transfer Agreement, and the assignee shall provide to the Facility Agent such information as may be required by the Facility Agent for the purposes of this

Agreement (including any applicable tax forms) in which the assignee shall designate one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Obligor and their Affiliates or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including U.S. federal and state securities laws.

- (b) By executing and delivering a Transfer Agreement, the assigning Lender thereunder and the assignee thereunder shall be deemed to confirm to and agree with each other and the other parties hereto the representations set out in paragraph 1 of Annex 1 to the Transfer Agreement.
- (c) Upon its receipt of a duly completed Transfer Agreement executed by an assigning Lender and an assignee, the transfer fee referred to in Clause 33.9 (*Assignment or Transfer Fee*) and, if required, the written consent of Bidco to such assignment and any applicable tax forms, the Facility Agent shall (i) accept such Transfer Agreement and (ii) record the information contained therein in the Register. No assignment intended to be effected pursuant to a Transfer Agreement shall be effective unless it has been recorded in the Register as provided in Clause 33.15 (*The Register*).

33.8 Limitation of Responsibility of Transferor

- (a) Unless expressly agreed to the contrary, a Lender which assigns or transfers its rights and/or obligations under any Finance Document (a “**Transferor**”) makes no representation or warranty and assumes no responsibility to a New Lender for:
 - (i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents, the Security or any other documents;
 - (ii) the financial condition of any Obligor;
 - (iii) the performance and observance by any Obligor or any other member of the Bank Group of its obligations under the Finance Documents or any other document; or
 - (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,and any representations or warranties implied by law are excluded.
- (b) Each New Lender confirms to the Transferor and the other Finance Parties that it:
 - (i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and

its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Transferor or any other Finance Party in connection with any Finance Document or the Security; and

- (ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.
- (c) Nothing in any Finance Document obliges a Transferor to:
 - (i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 33 (*Assignments and Transfers*); or
 - (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

33.9 Assignment or Transfer Fee

On the date upon which an assignment or transfer takes effect pursuant to Clause 33.6 (*Transfer Deed*) the New Lender in respect of such assignment or transfer shall pay to the Facility Agent for its own account a fee of €2,000 (other than in relation to an assignment or a transfer in relation to the US\$ B4 Facility and any other Facility the Commitments in respect of which are denominated in US\$, in which case, the New Lender in respect of such assignment or transfer shall pay to the Facility Agent for its own account an assignment or transfer fee of US\$ 3,500).

33.10 Disclosure of Information

- (a) Each of the Facility Agent, the Security Agent, the Bookrunners, the Arrangers and each Lender agrees to maintain the confidentiality of all information received from any member of the Wider Group relating to any member of the Wider Group or its business other than any such information that:
 - (i) is or becomes public knowledge other than as a direct result of any breach of this Clause 33.10 (*Disclosure of Information*);
 - (ii) is available to the Facility Agent, the Security Agent, the Bookrunners, the Arrangers or the Lenders on a non-confidential basis prior to receipt thereof from the relevant member of the Group; or
 - (iii) is lawfully obtained by any of the Facility Agent, the Security Agent, the Bookrunners, the Arrangers and any the Lender after that date of receipt other than from a source which is connected with the Group and which,

as far as the relevant recipient thereof is aware, has not been obtained in violation of, and is not otherwise subject to, any obligation of confidentiality.

- (b) Notwithstanding paragraph (a) above, any Finance Party may disclose to any of its Affiliates, to any actual or potential assignee or New Lender, to any finance party under the Refinancing Facilities Agreement or under the Subordinated Bridge Facility Agreement to any person who may otherwise enter into contractual relations with such Lender in relation to this Agreement or any person to whom, and to the extent that, information is required to be disclosed by any applicable Law, such information about the Obligor or the Wider Group as a whole as such Lender shall consider appropriate (including any Finance Document) provided that any such Affiliate, actual or potential assignee or New Lender or other person who may otherwise enter into contractual relations in relation to this Agreement shall first have entered into a Confidentiality Undertaking.

33.11 Disclosure to Numbering Service Providers

- (a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facilities and/or one or more Obligors the following information:
- (i) name of Obligors;
 - (ii) country of domicile of Obligors;
 - (iii) place of incorporation of Obligors;
 - (iv) date of this Agreement;
 - (v) the names of the Agent and the Arranger;
 - (vi) date of each amendment and restatement of this Agreement;
 - (vii) amount of Total Commitments;
 - (viii) currencies of the Facilities;
 - (ix) type of the Facilities;
 - (x) ranking of the Facilities;
 - (xi) the Termination Date for the Facilities;
 - (xii) changes to any of the information previously supplied pursuant to paragraphs (i) to (xi) above; and

(xiii) such other information agreed between such Finance Party and Bidco, to enable such numbering service provider to provide its usual syndicated loan numbering identification service.

- (b) The Parties acknowledge and agree that such identification number assigned to this Agreement, the Facilities and/or one or more Borrower by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

33.12 Disclosure to Administration/Settlement Services Providers

Notwithstanding any other term of any Finance Document or any other agreement between the Parties to the contrary (whether express or implied), any Finance Party may disclose to any person appointed by:

- (a) that Finance Party;
- (b) a person to (or through) whom that Finance Party assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents or which succeeds (or which may potentially succeed) it as Facility Agent or as any other agent or trustee under this Agreement; and/or
- (c) a person with (or through) whom that Finance Party enters into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which payments are to be made, or may be made, by reference to one or more Finance Documents and/or one or more Obligors,

to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this Clause 33.12 (*Disclosure to Administration/Settlement Services Providers*) if the service provider to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking before such disclosure.

33.13 No Increased Obligations

If:

- (a) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and
- (b) as a result of circumstances existing at the date of the assignment, transfer or change of Facility Office, a an Obligor would be obliged to make a payment to the assignee, New Lender or the Lender acting through its new Facility Office

under Clause 15.2 (*Tax Gross-up*), Clause 15.3 (*Tax Indemnity*) or Clause 16 (*Increased Costs*),

then the assignee, New Lender or the Lender acting through its new Facility Office shall only be entitled to receive payment under those Clauses to the same extent as the assignor, transferor or the Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.

33.14 Copy of Transfer Deed, Transfer Agreement or Increase Confirmation

The Facility Agent shall, as soon as reasonably practicable after it has executed a Transfer Deed, Transfer Agreement or an Increase Confirmation, send to Bidco a copy of that Transfer Deed, Transfer Agreement or an Increase Confirmation.

33.15 The Register

- (a) The Facility Agent, acting for this purpose as the agent of the Obligors, shall maintain at its address:
 - (i) each Transfer Deed or Transfer Agreement referred to in Clause 33.6 (*Transfer Deed*) and each Increase Certificate delivered to and accepted by it; and
 - (ii) a register for the recording of the names and addresses of the Lenders and the Commitment of, and principal amount owing to, each Lender from time to time (the “**Register**”) under the Facility, which may be kept in electronic form.

The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Obligors, the Facility Agent and the Lenders shall treat each person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by any Obligor at any reasonable time and from time to time upon reasonable prior notice.

- (b) Each Party irrevocably authorises the Facility Agent to make the relevant entry in the Register (and which the Facility Agent shall do promptly) on its behalf for the purposes of this Clause 33.14 (*Copy of Transfer Deed, Transfer Agreement or Increase Confirmation*) without any further consent of, or consultation with, such Party.
- (c) The Facility Agent shall, upon request by an Existing Lender or a New Lender, confirm to that Existing Lender or New Lender whether a transfer or assignment from that Existing Lender or (as the case may be) to that New Lender has been recorded on the Register (including details of the Commitment of that Existing Lender or New Lender in the Facility).

33.16 Security Over Lenders' Rights

In addition to the other rights provided to Lenders under this Clause 33 (*Assignments and Transfers*) each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

- (a) any charge, assignment or other Security to secure obligations to a government authority, department or agency as well as a federal reserve or central bank; and
- (b) in the case of any Lender which is a fund, any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security shall:

- (i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or other Security for the Lender as a party to any of the Finance Documents; or
- (ii) require any payments to be made by an Obligor or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Finance Documents.

33.17 Pro rata Interest Settlement

If the Facility Agent has notified the Lenders that it is able to distribute interest payments on a “*pro rata basis*” to Transferors and New Lenders then (in respect of any transfer pursuant to Clause 33.6 (*Transfer Deed*) or any assignment pursuant to Clause 33.5 (*Assignments*) the date of transfer or assignment of which, in each case, is after the date of such notification and is not on the last day of an Interest Period or Term):

- (a) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Transferor up to but excluding the date of transfer (“**Accrued Amounts**”) and shall become due and payable to the Transferor (without further interest accruing on them) on the last day of the current Interest Period or Term (or, if the Interest Period or Term is longer than six months, on the next of the dates which falls at six monthly intervals after the first day of that Interest Period or Term); and
- (b) the rights assigned or transferred by the Transferor will not include the right to the Accrued Amounts so that, for the avoidance of doubt:

- (i) when the Accrued Amounts become payable, those Accrued Amounts will be payable for the account of the Transferor; and
- (ii) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 33.17 (*Pro rata Interest Settlement*), have been payable to it on that date, but after deduction of the Accrued Amounts.

33.18 Notification

The Facility Agent shall, within 10 Business Days of receiving a notice relating to an assignment pursuant to Clause 33.5 (*Assignments*) or a notice from a Lender or the giving by the Facility Agent of its consent, in each case, relating to a change in such Lender's Facility Office, notify the Borrowers of any such assignment, transfer or change in Facility Office, as the case may be.

33.19 Debt Purchase

- (a) For so long as:
 - (i) a Bidco Affiliate beneficially owns a Commitment (whether drawn or undrawn); or
 - (ii) has entered into a sub-participation agreement relating to a Commitment (whether drawn or undrawn) or other agreement or arrangement having a substantially similar economic effect and such agreement or arrangement has not been terminated,
 then:
 - (iii) in determining whether the requisite level of consent has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents such Commitment shall be deemed to be zero; and
 - (iv) for the purposes of Clause 39.2 (*Consents*), such Bidco Affiliate or the person with whom it has entered into such sub-participation, other agreement or arrangement shall be deemed not to be a Lender.

33.1 Designated Entities

- (a) A Lender (the "**Related Lender**") may designate an affiliate or substitute Facility Office (a "**Designated Entity**") as its Facility Office for the purpose of participating in Advances to a Borrower in a particular jurisdiction.
- (b) An affiliate or Facility Office of a Lender may be designated for the purposes of paragraph 33.1 by:

- (i) appearing in the list of Designated Entities in Schedule 12 (*List of Designated Entities*) of this Agreement and signing this Agreement as a Designated Entity; or
 - (ii) acceding as a Designated Entity by signing an accession agreement substantially in the form of Schedule 12 (*Form of Designated Entity Accession Agreement*).
- (c) A Designated Entity does not have any Commitment and does not have any obligations under this Agreement prior to such Designated Entity participating in an Advance.
- (d) When a Designated Entity participates in an Advance:
- (i) subject to paragraph (e) below, it shall be entitled to all the rights of a Lender and have the corresponding obligations of a Lender, in each case under the Finance Documents relating to its participation in any such Advances; and
 - (ii) the other parties to the Finance Documents shall treat the Designated Entity as a Lender for these purposes.

The Designated Entity is a party to this Agreement for these purposes.

- (e) For the purposes only of voting in connection with any Finance Document, the participation of a Designated Entity in any outstanding Advances shall be deemed to be a participation of the Related Lender.
- (f) Any notice or communication to be made to a Designated Entity shall be served directly on the Designated Entity at the address supplied to the Facility Agent by the Related Lender where the Related Lender or Designated Entity reasonably requests or, if no such request has been made, shall be delivered to the Related Lender in accordance with this Agreement.
- (g) A Designated Entity may assign or transfer any of its rights and obligations under this Agreement in respect of its participation in any Advance (and the Related Lender may assign or transfer any corresponding Commitment) in accordance with Clause 32.8 (*Assignments and Transfers*).

34. COSTS AND EXPENSES

34.1 Transaction Expenses

Bidco shall within ten Business Days of demand pay the Facility Agent the amount of all costs and expenses (including legal fees, subject to any agreed caps) reasonably incurred by any of them in connection with the negotiation, preparation, printing,

execution and perfection of the Finance Document and any other documents referred to in this Agreement.

34.2 Amendment Costs

If a Borrower requests an amendment, waiver or consent under or in connection with any Finance Document Bidco shall, within ten Business Days of demand, reimburse the Facility Agent or, as the case may be, the Security Agent, for the amount of all costs and expenses (including legal fees, subject to any agreed caps) reasonably incurred by the Facility Agent or, as the case may be, the Security Agent in responding to, evaluating, negotiating or complying with that request or requirement.

34.3 Enforcement Costs

Bidco shall, within ten Business Days of demand, pay to the Facility Agent on behalf of each Finance Party the amount of all costs and expenses (including legal fees) incurred by that Finance Party in connection with the enforcement of, or the preservation of any rights under, any Finance Document.

34.4 Stamp Duties

Bidco shall pay and, within ten Business Days of demand, indemnify each Finance Party against any cost, loss or liability which that Finance Party incurs in relation to all stamp duty, registration and other similar Tax Liabilities payable in respect of any Relevant Finance Document (other than those imposed by reason of any assignment, transfer, novation or sub-participation by any Finance Party).

34.5 Other Indemnities

Bidco shall (or shall procure that a Borrower will), within ten Business Days of demand, indemnify each Lender against any cost, loss or liability incurred by that Lender as a result of:

- (a) the occurrence of any Event of Default;
- (b) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 31 (*Sharing among the Finance Parties*);
- (c) funding, or making arrangements to fund, its participation in an Advance requested by a Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Lender alone); or
- (d) an Advance (or part of an Advance) not being prepaid in accordance with a notice of prepayment given by a Borrower.

34.6 Indemnity to the Facility Agent

Bidco shall, within ten Business Days of demand, indemnify the Facility Agent against any cost, loss or liability incurred by the Facility Agent (acting reasonably) as a result of:

- (a) investigating any event which it reasonably believes is a Default; or
- (b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised.

35. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Finance Parties or any of them, any right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by Law.

36. NOTICES AND DELIVERY OF INFORMATION

36.1 Writing

Each communication to be made under this Agreement shall be made in writing and, unless otherwise stated, shall be made by fax, telex or letter.

36.2 Giving of Notice

Any communication or document to be made or delivered by one person to another pursuant to this Agreement shall in the case of any person other than a Lender (unless that other person has by 10 Business Days written notice to the Facility Agent specified another address) be made or delivered to that other person at the address identified with its signature below or, in the case of a Lender, at the address from time to time designated by it to the Facility Agent for the purpose of this Agreement (or, in the case of a New Lender at the end of the Transfer Deed or Transfer Agreement to which it is a party as New Lender) and shall be deemed to have been made or delivered when despatched (in the case of any communication made by fax) or (in the case of any communication made by letter) when left at the address or (as the case may be) 5 Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address provided that any communication or document to be made or delivered to the Facility Agent shall be effective only when received by the Facility Agent and then only if the same is expressly marked for the attention of the department or officer identified with the Facility Agent's signature below (or such other department or officer as the relevant Agent shall from time to time specify by not less than 10 Business Days prior written notice to Bidco for this purpose).

36.3 Use of Websites/E-mail

- (a) An Obligor may (and upon request by the Facility Agent, shall) satisfy its obligations under this Agreement to deliver any information in relation to those Lenders (the “**Website Lenders**”) who have not objected to the delivery of information electronically by posting this information onto an electronic website designated by Bidco and the Facility Agent (the “**Designated Website**”) or by e-mailing such information to the Facility Agent, if:
 - (i) the Facility Agent expressly agrees that it will accept communication and delivery of any documents required to be delivered pursuant to this Agreement by this method;
 - (ii) in the case of posting to the Designated Website, Bidco and the Facility Agent are aware of the address of, and any relevant password specifications for, the Designated Website; and
 - (iii) the information is in a format previously agreed between Bidco and the Facility Agent.
- (b) If any Lender (a “**Paper Form Lender**”) objects to the delivery of information electronically then the Facility Agent shall notify Bidco accordingly and Bidco shall supply the information to the Facility Agent (in sufficient copies for each Paper Form Lender) in paper form.
- (c) The Facility Agent shall supply each Website Lender with the address of, and any relevant password specifications for, the Designated Website following designation of that website by Bidco and the Facility Agent.
- (d) Any Website Lender may request, through the Facility Agent, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website. Bidco shall comply with any such request within 10 Business Days.
- (e) Subject to the other provisions of this Clause 36.3 (*Use of Websites/E-mail*), any Obligor may discharge its obligation to supply more than one copy of a document under this Agreement by posting one copy of such document to the Designated Website or e-mailing one copy of such document to the Facility Agent.
- (f) For the purposes of paragraph (a) above, the Facility Agent hereby expressly agrees that:
 - (i) it will accept delivery of documents required to be delivered under Clause 21.2 (*Financial Information*) by the posting of such documents to the Designated Website or by email delivery to the Facility Agent; and

- (ii) it has agreed to the format of the information required to be delivered under Clause 21.2 (*Financial Information*).

36.4 Public or Private Information

Each Lender shall confirm to the Facility Agent whether it wishes to receive any information required to be provided by the Group (or any member thereof) under the Finance Documents on a public or private basis taking into account applicable securities laws and regulations applicable to such Lender.

36.5 Electronic Communication

- (a) Any communication to be made under or in connection with the Finance Documents may be made by electronic mail or other electronic means, if those two parties:
 - (i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;
 - (ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
 - (iii) notify each other of any change to their address or any other such information supplied by them.
- (b) Any electronic communication made between those two parties will be effective only when actually received in readable form and in the case of any electronic communication made by a party to the Facility Agent only if it is addressed in such a manner as the Facility Agent shall specify for this purpose.

36.6 Certificates of Officers

All certificates of officers of any company hereunder may be given on behalf of the relevant company and in no event shall personal liability attach to such an officer.

36.7 Patriot Act

Each Lender subject to the USA Patriot Act (Title 111 of Pub. L. 107-56 (signed into law October 26, 2001)) (the “**Patriot Act**”) hereby notifies Bidco that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies Bidco and the other Obligors and other information that will allow such Lender to identify the other Obligors in accordance with the Patriot Act.

36.8 Communication when Facility Agent is Impaired Agent

If the Facility Agent is an Impaired Agent the Finance Parties may, instead of communicating with each other through the Facility Agent, communicate with each other directly and (while the Facility Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Facility Agent shall be varied so that communications may be made and notices given to or by the Finance Parties directly. This provision shall not operate after a replacement Facility Agent has been appointed.

37. ENGLISH LANGUAGE

Each communication and document made or delivered by one party to another pursuant to this Agreement shall be in the English language or accompanied by a translation of it into English certified (by an officer of the person making or delivering the same) as being a true and accurate translation of it.

38. PARTIAL INVALIDITY

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the Law of any jurisdiction, such illegality, invalidity or unenforceability shall not affect:

- (a) the legality, validity or enforceability of the remaining provisions of this Agreement; or
- (b) the legality, validity or enforceability of such provision under the Law of any other jurisdiction.

39. AMENDMENTS

39.1 Amendments Generally

Except as otherwise provided in this Agreement, the Facility Agent, if it has the prior written consent of the Instructing Group, and the Obligors, may from time to time agree in writing to amend any Finance Document or to consent to or waive, prospectively or retrospectively, any of the requirements of any Finance Document and any amendments, consents or waivers so agreed shall be binding on all the Finance Parties and the Obligors. For the avoidance of doubt, any amendments relating to this Agreement shall only be made in accordance with the provisions of this Agreement and any amendments relating to a Hedging Agreement shall only be made in accordance with the provisions of such Hedging Agreement, in each case notwithstanding any other provisions of the Finance Documents.

39.2 Consents

An amendment, consent or waiver relating to the following matters (including any technical consequential amendments relating to such amendment, consent or waiver)

may be made with the prior written consent of each Lender affected thereby and without the consent of any other Lender:

- (a) without prejudice to Clause 2.2 (*Increase*), any increase in the principal amount of any Commitment of such Lender;
- (b) a reduction in the proportion of any amount received or recovered (whether by way of set-off, combination of accounts or otherwise) in respect of any amount due from any Obligor under this Agreement to which such Lender is entitled;
- (c) a decrease in any Margin for, or the principal amount of, any Advance or any interest payment, fees or other amounts due under this Agreement to such Lender from any Obligor or any other Party;
- (d) any change in the currency of payment of any amount under the Finance Documents;
- (e) unless otherwise specified the deferral of the date for payment of any principal, interest, fee or any other amount due under this Agreement to such Lender from any Obligor or any other Party;
- (f) the deferral of any Termination Date or Final Maturity Date;
- (g) any reduction to the percentages set forth in the definition of the Instructing Group; or
- (h) a change to this Clause 39.2 (*Consents*) and Clause 39.7 (*Guarantees and Security*).

39.3 Facility Agent

The Facility Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 39.

39.4 Class Exception

Any amendment or waiver which:

- (a) relates only to the rights or obligations applicable to a particular Utilisation or Facility; and
- (b) does not materially and adversely affect the rights or interests of Lenders in respect of any other Utilisation or Facility,

may be made in accordance with this Clause 39 but as if references in this Clause 39 to the specified proportion of Lenders (including, for the avoidance of doubt, each affected Lender) whose consent would, but for this Clause 39.4, be required for that amendment

or waiver were to that proportion of the Lenders participating in that particular Utilisation or Facility.

39.5 Revolving Facility Exception

Any amendment or waiver which relates to the provisions contained in paragraph (h) of Clause 4.1 (*Conditions to Utilisation*) may be made with the prior written consent of each of the Lenders participating in the Revolving Facility or any Utilisation under the Revolving Facility.

39.6 Technical, Operational and OID Amendments

- (a) Notwithstanding any other provision of this Clause 39 (*Amendments*), the Facility Agent may at any time without the consent or sanction of the Lenders, concur with Bidco in making any modifications to any Finance Document, which in the opinion of the Facility Agent would be proper to make provided that the Facility Agent is of the opinion that such modification:
- (i) would not be materially prejudicial to the position of any Lender and in the opinion of the Facility Agent such modification is of a formal, minor or technical nature or is to correct a manifest error;
 - (ii) is of a minor or technical nature; or
 - (iii) relates to the increase in the principal amount of a Commitment of a Lender in relation to any Facility and such increased Commitment has been requested by Bidco to fund any original issue discount required to be paid to that Lender in relation to that Facility under any Fee Letter.
- (b) Any such modification shall be made on such terms as the Facility Agent may determine, shall be binding upon the Lenders, and shall be notified by Bidco to the Lenders as soon as practicable thereafter.

39.7 Guarantees and Security

A waiver of issuance or the release of any Guarantor from any of its obligations under Clause 25 (*Guarantee and Indemnity*) or a release of any Security under the Bidco Security Documents, in each case, other than in accordance with the terms of any Finance Document shall require the prior written consent of affected Lenders whose Available Commitments plus Outstandings amount in aggregate to more than 90 per cent. of the Available Facilities plus aggregate Outstandings.

39.8 Release of Guarantees and Security

- (a) Subject to paragraph (b) below, at the time of completion of any disposal by the Holding Company of Bidco or of any Obligor, or any other security provider of any shares, assets or revenues, the Security Agent shall (and it is hereby authorised

by the other Finance Parties to) at the request of and cost of the relevant Obligor, execute such documents as may be required to:

- (i) release those shares, assets or revenues from Security constituted by any relevant Bidco Security Document or certify that any floating charge constituted by any relevant Bidco Security Documents over such assets, revenues or rights has not crystallised; and
- (ii) release any person which as a result of that disposal ceases to be a Subsidiary of the Holding Company of Bidco, from any guarantee, indemnity or Bidco Security Document to which it is a party and its other obligations under any other Finance Document,

provided that, for so long as the US Borrower is a Borrower, the release provisions of this paragraph (a) shall not permit any release of guarantees of or Security over the shares in, any Guarantor holding any ownership interests in the US Borrower.

- (b) The Security Agent shall only be required under paragraph (a) above to grant the release of any Security or to deliver a certificate of non-crystallisation on account of a disposal as described in that paragraph if:
 - (i) the disposal is permitted under Clause 21.24 (*Disposals*) or the consent of the Instructing Group has been obtained; and
 - (ii) to the extent that the disposal is to be in exchange for replacement assets the Security Agent has either received (or is satisfied, acting reasonably, that it will receive immediately following the disposal) one or more duly executed Bidco Security Documents granting Security over those replacement assets or is satisfied, acting reasonably, that the replacement assets will be subject to Security pursuant to any existing Bidco Security Documents.
- (c) The Security Agent shall (and it is hereby authorised by the other Finance Parties to) at the cost of the relevant Obligor, execute such documents as may be required or desirable to effect any release: (i) permitted under the Bidco Intercreditor Agreement: (ii) to which a prior written consent of the relevant Lenders has been granted in accordance with Clause 39.7 (*Guarantees and Security*); and (iii) required to permit the granting of any Security Interest permitted under Clause 21.23 (*Negative Pledge*).
- (d) Notwithstanding any other provision of this Agreement, Bidco may require the Security Agent to, and the Security Agent shall (and it is hereby authorised by the other Finance Parties to) at the cost of the relevant Obligor, execute such documents as may be required or desirable to effect the release of the Security granted over any asset of an Obligor pursuant to the Bidco Security Documents

to which it is a party to enable the relevant Obligor to grant in connection with that asset any encumbrance permitted under Clause 21.23 (*Negative Pledge*).

39.9 Amendments Affecting the Facility Agent

Notwithstanding any other provision of this Agreement, the Facility Agent shall not be obliged to agree to any amendment, consent or waiver if the same would:

- (a) amend or waive any provision of Clause 25 (*Role of the Facility Agent, the Arrangers and Others*), Clause 33.10 (*Disclosure of Information*), Clause 33.1 (*Costs and Expenses*) or this Clause 39 (*Amendments*); or
- (b) otherwise amend or waive any of the Facility Agent's rights under this Agreement or subject the Facility Agent to any additional obligations under this Agreement.

39.10 Calculation of Consent

Where a request for a waiver of, or an amendment to, any provision of any Finance Document has been sent by the Facility Agent to the Lenders at the request of an Obligor, each Lender that does not respond to such request for waiver or amendment within 10 Business Days after receipt by it of such request (or within such other period as the Facility Agent and Bidco shall specify), shall be excluded from the calculation in determining whether the requisite level of consent to such waiver or amendment was granted.

39.11 Disenfranchisement of Defaulting Lenders

- (a) For so long as a Defaulting Lender has any Available Commitments, in determining whether the requisite level of consent has been obtained for a consent, waiver, amendment or other vote under the Finance Documents, that Defaulting Lender's Commitments will be reduced by the amount of its Available Commitments.
- (b) For the purposes of this Clause 39.11 (*Disenfranchisement of Defaulting Lenders*), the Facility Agent may assume that the following Lenders are Defaulting Lenders:
 - (i) any Lender which has notified the Facility Agent that it has become a Defaulting Lender; and
 - (ii) any Lender in relation to which it is aware that any of the events or circumstances referred to in paragraphs (a), (b) or (c) of the definition of "Defaulting Lender" has occurred,

unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Facility Agent) or the

Facility Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.

39.12 Replacement of Lenders

- (a) If at any time:
 - (i) any Lender becomes a Non-Consenting Lender; or
 - (ii) any Lender becomes a Non-Funding Lender,

then Bidco may, on not less than 3 Business Days prior notice to the Facility Agent and that Lender (A), replace that Lender by requiring it to (and that Lender shall) transfer all of its rights and obligations under this Agreement to a Lender or other person selected by Bidco for a purchase price equal to the outstanding principal amount of such Lender's share in the outstanding Loans and all accrued interest and fees and other amounts payable to it under this Agreement or (B) prepay that Lender all but not part of its share in its outstanding Loans and all accrued interest and fees and other amounts payable to it under this Agreement from cash flow, permitted Subordinated Funding or New Equity received by Bidco Parent or by a member of the Bidco Group. Any notice delivered under this paragraph (a) shall be accompanied by a Transfer Deed or Transfer Agreement complying with Clause 33 (*Assignments and Transfers*), which Transfer Deed or Transfer Agreement shall be immediately executed by the relevant Non-Consenting Lender or, as the case may be, Non-Funding Lender and returned to Bidco. If a Lender does not execute and/or return a Transfer Deed or Transfer Agreement as required by this paragraph (a) within two Business Days of delivery by Bidco, the Facility Agent shall execute (and is hereby irrevocably authorised by the relevant Lender to do so) that Transfer Deed or Transfer Agreement on behalf of such Lender.

- (b) Bidco shall have no right to replace the Arrangers, the Facility Agent or the Security Agent and none of the foregoing nor shall any Lender have any obligation to Bidco to find a replacement Lender or other such entity. Bidco may only exercise its replacement or prepayment rights in respect of any relevant Lender within 90 days of becoming entitled to do so on each occasion such Lender is a Non-Consenting Lender or a Non-Funding Lender.
- (c) In no event shall the Lender being replaced be required to pay or surrender to such replacement Lender or other entity any of the fees received by such Lender being replaced pursuant to this Agreement.

40. THIRD PARTY RIGHTS

- (a) A person which is not a Party (a "**third party**") shall have no right to enforce any of its provisions except that:

- (i) a third party shall have those rights it would have had if the Contracts (Rights of Third Parties) Act 1999 had not come into effect; and
- (ii) Clause 16 (*Increased Costs*) and Clause 26.9 (*Exclusion of Liability*) shall be enforceable by any third party referred to in such clause as if such third party were a Party.

(b) The Parties may without the consent of any third party vary or rescind this Agreement.

41. COUNTERPARTS

This Agreement may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

42. GOVERNING LAW

This Agreement, including all non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with, English Law.

43. JURISDICTION

43.1 Courts

Each of the Parties (other than any US Borrower) irrevocably agrees for the benefit of each of the Finance Parties that the courts of England shall have exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this Agreement or any non-contractual obligation arising out of or in connection with this Agreement (respectively “**Proceedings**” and “**Disputes**”) and, for such purposes, irrevocably submits to the jurisdiction of such courts.

43.2 Waiver

Each of the Obligors (other than any US Borrower) irrevocably waives any objection which it might now or hereafter have to Proceedings being brought or Disputes settled in the courts of England and agrees not to claim that any such court is an inconvenient or inappropriate forum.

43.3 Service of Process

Each of the Obligors (other than any US Borrower) which is not incorporated in England agrees that the process by which any Proceedings are begun may be served on it by being delivered in connection with any Proceedings in England, to Liberty Global Europe Limited, 38 Hans Crescent, London, SW1X 0LZ. If the appointment of the person mentioned in this Clause 43.3 (*Service of Process*) ceases to be effective in respect of any of the Obligors the relevant Obligor Party shall immediately appoint a further person in England to accept service of process on its behalf in England and, failing such

appointment within 15 days, the Facility Agent shall be entitled to appoint such person by notice to the relevant Obligor. Nothing contained in this Agreement shall affect the right to serve process in any other manner permitted by Law.

43.4 Proceedings in Other Jurisdictions

Nothing in Clause 43.1 (*Courts*) shall (and shall not be construed so as to) limit the right of the Finance Parties or any of them to take Proceedings against any of the Obligors (other than any US Borrower) in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable Law.

43.5 US Borrower

Notwithstanding anything to the contrary in this Clause 43.5 (*US Borrower*), each of the Parties irrevocably submits to the exclusive jurisdiction of the courts of the State of New York and of the United States sitting in the State of New York, and of the courts of the US Borrower's corporate domicile with respect to actions or proceedings brought against the US Borrower as a defendant, for purposes of all legal proceedings relating to the US Borrower (a "**US Proceeding**") and relating to, or arising out of, this Agreement. The US Borrower irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any US Proceeding and any claim that any US Proceeding has been brought in an inconvenient forum. Any process or summons for purposes of any US Proceeding may be served on a US Borrower by mailing a copy thereof by registered mail, or a form of mail substantially equivalent thereto, addressed to it at its address as provided for notices hereunder.

43.6 General Consent

Each of the Obligors consents generally in respect of any Proceedings or US Proceedings to the giving of any relief or the issue of any process in connection with such proceedings including the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such proceedings.

43.7 Waiver of Immunity

To the extent that any Obligor may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that in any such jurisdiction there may be attributed to itself, its assets or revenues such immunity (whether or not claimed), such Obligor irrevocably agrees not to claim, and irrevocably waives, such immunity to the full extent permitted by the laws of such jurisdiction.

43.8 Waiver of Trial by Jury

EACH PARTY WAIVES ANY RIGHT IT MAY HAVE TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION IN CONNECTION WITH ANY FINANCE DOCUMENT OR ANY TRANSACTION CONTEMPLATED BY ANY FINANCE DOCUMENT. THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO TRIAL BY THE COURT.]

44. COMPLETE AGREEMENT

The Finance Documents contain the complete agreement between the Parties on the matters to which they relate and supersede all prior commitments, agreements and understandings, whether written or oral, on those matters.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1

Part 1: Lenders and Commitments

Lender	Revolving Facility Commitment (€)	US\$ B4 Facility Commitment (US\$)	EUR B4 Facility Commitment (€)
ABN Amro Bank N.V.	50,000,000	0.00	21,700,000
Bank of America, N.A., London Branch	50,000,000	0.00	86,800,000
Crédit Agricole Corporate And Investment Bank	50,000,000	0.00	21,700,000
Credit Suisse AG, London Branch	50,000,000	0.00	86,800,000
Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Trading As Rabobank International)	50,000,000	0.00	21,700,000
Deutsche Bank AG, London Branch	50,000,000	0.00	21,700,000
HSBC Bank Plc	50,000,000	0.00	21,700,000
ING Bank N.V.	50,000,000	0.00	21,700,000
JPMorgan Chase Bank, N.A., London Branch	50,000,000	0.00	43,400,000
Morgan Stanley Bank, N.A.	50,000,000	0.00	0.00
Morgan Stanley Senior Funding, Inc.	0.00	0.00	21,700,000
Nomura International Plc	50,000,000	0.00	21,700,000
Scotiabank Europe Plc	50,000,000	0.00	21,700,000
Société Générale, London Branch	50,000,000	0.00	21,700,000
Total	650,000,000	0.00	434,000,000

Part 2: Bookrunners

ABN AMRO Bank N.V.
Bank of America Merrill Lynch International Limited
Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International)
Crédit Agricole Corporate and Investment Bank
Credit Suisse AG, London Branch.
Deutsche Bank AG, London Branch
HSBC Bank plc
ING Bank N.V.
J.P. Morgan Limited
Morgan Stanley Bank International Limited
Nomura International Plc
Société Générale, London Branch
The Bank of Nova Scotia

Part 3: Mandated Lead Arrangers

ABN AMRO Bank N.V.
Bank of America Merrill Lynch International Limited
Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International)
Crédit Agricole Corporate and Investment Bank
Credit Suisse AG, London Branch.
Deutsche Bank AG, London Branch
HSBC Bank plc
ING Bank N.V.
J.P. Morgan Limited
Morgan Stanley Bank International Limited
Nomura International Plc
Société Générale, London Branch
The Bank of Nova Scotia

SCHEDULE 2 MEMBERS OF THE BANK GROUP

Name	Jurisdiction	Registration Number
Amsterdamse Beheer-En Consultingmaatschappij B.V.	The Netherlands	33195889
Ziggo B.V.	The Netherlands	37026706
Torensplits II B.V.	The Netherlands	34262281
Ziggo Netwerk B.V.	The Netherlands	37141989
Ziggo Netwerk II B.V.	The Netherlands	54158923
Esprit Telecom B.V.	The Netherlands	17177850
Breezz Nederland B.V.	The Netherlands	30213080

SCHEDULE 3

CONDITIONS PRECEDENT

Part 1A: Conditions Precedent to Signing

1. Corporate Documents

- (a) A copy of the constitutional documents of each Obligor (including without limitation an extract of registration from the Trade Register of the Chamber of Commerce in respect of Bidco).
- (b) A copy of a resolution of the board or, if applicable, a committee of the board of directors of each Obligor:
 - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute, deliver and perform the Finance Documents to which it is a party;
 - (ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf;
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party; and
 - (iv) authorising the Obligor to act as its agent in connection with the Finance Documents.
- (c) If applicable, a copy of a resolution of the board of directors of the relevant company, establishing the committee referred to in paragraph (b) above.
- (d) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above in relation to the Finance Documents and related documents.
- (e) To the extent legally necessary, a copy of a resolution signed by all the holders of the issued shares in the Obligor, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Obligor is a party.
- (f) A certificate of each Obligor (signed by a director) confirming that borrowing or guaranteeing or securing, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on such Obligor to be exceeded.

- (g) A certificate of an authorised signatory of each Obligor certifying that each copy document relating to it specified in this Part 1A of Schedule 3 (*Conditions Precedent*) is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of this Agreement.

2. **Acquisition Agreement**

A copy of the Ziggo Acquisition Agreement duly executed by each of the parties thereto (provided that it shall not be required to be satisfactory, in form and substance, to the Facility Agent).

3. **Finance Documents and other documents**

- (a) A copy of this Agreement duly executed by the parties thereto.
- (b) The Subordinated Bridge Facility Agreement, duly executed by each of the parties thereto.
- (c) A copy of the Fee Letter duly executed by LGE Holdco VI B.V., LGE Holdco VII B.V. or one of its Affiliates (as applicable).
- (d) Agreed form copy of the Bidco Proceeds Loan.

4. **Intercreditor Documents**

- (a) The Bidco Intercreditor Agreement, duly executed by each of the parties thereto.
- (b) The Loss Sharing Deed, duly executed by each of the parties thereto.

5. **Bidco Security Documents**

- (a) Agreed form copy of the Bidco Share Pledge; and
- (b) Agreed form copy of the Bidco Proceeds Loan Pledge.

6. **Legal Opinions**

- (a) A legal opinion of Allen & Overy LLP, legal advisers to the Facility Agent and the Mandated Lead Arrangers as to English law, substantially in the form distributed to the Original Lenders prior to the Signing Date.
- (b) A legal opinion of Clifford Chance LLP, legal advisers to the Facility Agent and the Mandated Lead Arrangers as to Dutch law, substantially in the form distributed to the Original Lenders prior to the Signing Date.

7. **Other documents and evidence**

- (a) A copy of the Group Structure Chart.
- (b) An executed copy of the Refinancing Facilities Agreement.
- (c) A copy of the Information Memorandum (provided that it shall not be required to be satisfactory, in form and substance, to the Facility Agent).
- (d) Confirmation from Bidco to the Facility Agent that the Structure Memorandum has not been amended, supplemented or replaced in a manner that is materially adverse to the interests of the Lenders (unless the Instructing Group has consented to such amendments, supplements or replacements).
- (e) Evidence that the process agent referred to in Clause 43.3 (*Service of Process*) has accepted its appointment.

Part 1B: Conditions Precedent to Funding

1. Corporate Documents

A certificate of an authorised signatory of the Borrower certifying that each copy document relating to it specified in Part 1B of Schedule 3 (*Conditions Precedent*) is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the first Utilisation Date

2. Finance Documents and other documents

A copy of the Bidco Proceeds Loan, duly executed by Bidco Parent (other than any Replacement Issuer) and Bidco (provided that it shall not be required to be satisfactory, in form and substance, to the Facility Agent).

3. Bidco Security Documents

- (a) A duly executed copy of the Bidco Share Pledge.
- (b) A duly executed copy of the Bidco Proceeds Loan Pledge.

4. Other documents and evidence

- (a) All “know you client” information required by law and regulation relating to the Borrower satisfactory to the Finance Parties (acting reasonably).
- (b) A copy of the Funds Flow Memorandum.
- (c) Either:
 - (i) evidence that an irrevocable redemption notice has been issued, prior to or simultaneously with the funding of the Term Loans, in respect of the redemption of all the outstanding Original Senior Unsecured Notes in accordance with the terms of the indenture governing the Original Senior Unsecured Notes;
 - (ii) a copy of the executed indenture in connection with the exchange notes relating to the Original Senior Unsecured Notes (to the extent that any such exchange notes have been issued), providing that all such exchange notes will automatically on the Closing Date be further exchanged for new notes to be issued by Bidco Parent (other than any Replacement Issuer); or

- (iii) a combination of (b)(i) and (b)(ii) above, such that no Original Senior Unsecured Notes will remain outstanding following such redemption and/or exchange.

5. **Ziggo Acquisition**

Evidence that on, or substantially contemporaneously with, the Closing Date, Bidco will directly or indirectly hold shares representing at least 65% of the outstanding shares in Ziggo N.V. and such evidence shall take the form of a notice from Bidco declaring that the Ziggo Acquisition is unconditional.

6. **Margin Loan**

Evidence that the margin loan, made available to LGE HoldCo V B.V. as borrower by Bank of America, N.A., London Branch as original lender dated 26 April 2013 (and as identified in the Structure Memorandum) will be repaid in full substantially simultaneously with the Closing Date.

7. **Collar Loan**

Evidence that the Security Interests granted over shares in Ziggo N.V. pursuant to the collar loan (made available to Liberty Global Incorporated Limited as borrower (and as identified in the Structure Memorandum)) will be released substantially simultaneously with the Closing Date as required to permit Bidco to comply with its obligations under Clause 21.14(b) (*Further Assurance*).

8. **Works Council**

- (a) It has received an unconditional positive or neutral works council advice (*advies*) with regard to the Offer.
- (b) Evidence (by way of management certificate or otherwise) that no member of the Bidco Group has a works council which has the right to render advice on the transactions contemplated by the Finance Documents (or that, if it does have such a works council, that such works council has given positive or neutral advice (*advies*) (unconditional or with conditions that are acceptable to Bidco and that can be satisfied) on those transactions).

Part 2: Form of Officer's Certificate

To: [●] as Facility Agent

We refer to the facilities agreement dated [●] (as from time to time amended, varied, novated or supplemented, the “**Facilities Agreement**”) and made between, inter alia, [●] as Original Borrower, [●] as Global Coordinator [●] as Bookrunners and Mandated Lead Arrangers, [●] as Facility Agent, [●] as Security Agent and the financial and other institutions named in it as Lenders. Terms defined in the Facilities Agreement shall have the same meanings in this Certificate.

I, [name], a [Director/General Partner/Partner/Officer] of [name of Original Borrower] of [address] (the [“**Company**”/“**Partnership**”])

CERTIFY without personal liability, that:

- (a) [attached to this Certificate marked “**A**” are true, correct, complete and up-to-date copies of all documents which contain or establish or relate to the [constitution of the Bidco]/[due formation of the Partnership]*] / [the [Company/Partnership] has not amended any of its constitutional documents in a manner which could be reasonably expected to be materially adverse to the interests of the Lenders since the date such documents were last delivered to the Facility Agent];
- (b) attached to this Certificate marked [“**A**”/“**B**”] is a true, correct and complete copy of [resolutions duly passed] at [a meeting of the Board of Directors] [a meeting of the managers] [a meeting of the partners] duly convened and held on [*] or the equivalent thereof passed as a written resolution of the [Company/Partnership] approving the Finance Documents to which the [Company/Partnership] is a party and authorising their execution, signature, delivery and performance and such resolutions have not been amended, modified or revoked and are in full force and effect;
- (c) each copy document relating to it specified in Part 1 of Schedule 3 (*Conditions Precedent*) of the Facilities Agreement is correct, complete and in full force and effect and has not been amended or superseded as at the date of this Certificate;
- (d) the entry into and performance of the Finance Documents to which it is a party by the [Company/Partnership] will not breach any borrowing, guaranteeing or other indebtedness limit to which the [Company/ Partnership] is subject; and
- (e) the following signatures are the true signatures of the persons who have been authorised to sign any necessary documents on behalf of the [Company/ Partnership] and to give notices and communications (including Utilisation Requests), under or in connection with the Finance Documents on behalf of the [Company/Partnership].

Name

[*]

Position

[*]

Signature

[*]

Signed: _____

Director/Partner/Officer

Date: [*]

I, [name], a [Director/Secretary/General Partner/Partner] of [name of Borrower] (the [**“Company”/”Partnership”**]), certify that the persons whose names and signatures are set out above are duly appointed [*] of the [Company/Partnership] and that the signatures of each of them above are their respective signatures.

Signed: _____

[Director/Secretary] [Partner]

Date: [*]

Notes:

* Including for the avoidance of doubt any partnership agreement.

SCHEDULE 4

FORM OF UTILISATION REQUEST

From: [Name of Borrower] (the “**Borrower**”)

To: [●]

as Facility Agent

Date: [●]

Dear Sirs

We refer to the facilities agreement dated [●] (as from time to time amended, varied, novated or supplemented, the “**Facilities Agreement**”) and made between, *inter alia*, [●]. Terms defined in the Facilities Agreement shall have the same meanings in this Utilisation Request.

We, being authorised signatories of the Borrower named below, give you notice that, pursuant to the Facilities Agreement, we wish the Lenders to make an Advance on the following terms:

- (a) Facility to be used: [US\$ B4/EUR B4/Revolving Facility]
- (b) Euro Amount: EUR[●]/Dollar Amount: USD [●]
- (c) Currency: [●]
- (d) Interest Period/Term: [●] month[s]
- (e) Proposed date of Advance: [●] (or if that day is not a Business Day, the next Business Day)

[We hereby inform you that as of the date of this Utilisation Request, the following Event of Default has occurred and is continuing or would result from the making of this Utilisation [insert details].] [We confirm that, at the date of this Utilisation Request, the Repeating Representations are true in all material respects and no Default is continuing or would result from the Advance to which this Utilisation Request relates.]

The proceeds of this Utilisation should be credited to [insert account details].

This Utilisation Request is made by the authorised signatories of the Borrower named below and is given without personal liability.

Yours faithfully,

.....
Authorised Signatory
for and on behalf of
[*Name of Borrower*]

.....
Authorised Signatory
for and on behalf of
[*Name of Borrower*]

SCHEDULE 5 FORM OF TRANSFER DEED

To: [●] as Facility Agent

To: [●] as Security Agent

This Deed is dated [●] and relates to:

- (i) the facilities agreement dated [●] (as from time to time amended, varied, novated or supplemented, the “**Facilities Agreement**”) whereby certain facilities were made available to the Borrowers under the guarantee of the Guarantors, by a Group of banks and other financial institutions on whose behalf [●] acts as Facility Agent in connection therewith;
 - (ii) [●].
- 1. Terms defined in the Facilities Agreement shall, subject to any contrary indication, have the same meanings in this Deed. The terms “Lender”, “New Lender”, “Lender’s Participation” and “Portion Transferred” are defined in the Schedule to this Deed.
 - 2. The Lender:
 - (a) confirms that the details in the Schedule to this Deed are an accurate summary of the Lender’s Participation in the Facilities Agreement and the Interest Periods or Terms (as the case may be) for existing Advances as at the date of this Deed; and
 - (b) requests the New Lender to accept and procure the transfer by novation to the New Lender of the Portion Transferred by countersigning and delivering this Deed to the Facility Agent at its address for the service of notices designated to the Facility Agent in accordance with the Facilities Agreement.
 - 3. The New Lender requests the Facility Agent to accept this Deed as being delivered to the Facility Agent pursuant to and for the purposes of Clause 33.6 (*Transfer Deed*) of the Facilities Agreement so as to take effect in accordance with the terms of it on the Transfer Date or on such later date as may be determined in accordance with the terms of it.
 - 4. The New Lender confirms that it has received a copy of the Facilities Agreement together with such other information as it has required in connection with this transaction and that it has not relied and will not rely on the Lender to check or enquire on its behalf into the legality, validity, effectiveness, adequacy, accuracy or completeness of any such information and further agrees that it has not relied and will not rely on the Lender to

assess or keep under review on its behalf the financial condition, creditworthiness, condition, affairs, status or nature of any Borrower.

5. The New Lender undertakes with the Lender and each of the other parties to the Facilities Agreement that it will perform in accordance with their terms all those obligations which by the terms of the Finance Documents will be assumed by it after delivery of this Deed to the Facility Agent and satisfaction of the conditions (if any) subject to which this Deed is expressed to take effect.
6. The Lender makes no representation or warranty and assumes no responsibility with respect to the legality, validity, effectiveness, adequacy or enforceability of the Facilities Agreement, any other Finance Document or other document relating to it and assumes no responsibility for the financial condition of any Obligor or for the performance and observance by any Obligor of any of its obligations under the Facilities Agreement, any Finance Document or any other document relating to it and any and all such conditions and warranties, whether express or implied by Law or otherwise, are excluded.
7. The Lender gives notice that nothing in this Deed or in the Facilities Agreement (or any Finance Document or other document relating to it) shall oblige the Lender (a) to accept a re transfer from the New Lender of the whole or any part of its rights, benefits and/or obligations under the Finance Documents transferred pursuant to this Deed or (b) to support any losses directly or indirectly sustained or incurred by the New Lender for any reason whatsoever (including the failure by any Obligor or any other party to the Finance Documents (or any document relating to them) to perform its obligations under any such document) and the New Lender acknowledges the absence of any such obligation as is referred to in (a) and (b) above.

ACCESSION TO THE BIDCO INTERCREDITOR AGREEMENT

[We further refer to clause [●] of the Bidco Intercreditor Agreement. In consideration of the New Lender being accepted as a [Pari Passu Creditor] for the purposes of the Bidco Intercreditor Agreement (and as defined therein), the New Lender confirms that, as from the date hereof, it intends to be party to the Bidco Intercreditor Agreement as a [Pari Passu Creditor], and undertakes to perform all the obligations expressed in the Bidco Intercreditor Agreement to be assumed by a [Pari Passu Creditor] and agrees that it shall be bound by all the provisions of the Bidco Intercreditor Agreement, as if it had been an original party to the Bidco Intercreditor Agreement.]

ACCESSION TO THE LOSS SHARING DEED

[We further refer to clause 6.4 (*Creditor Accession Undertaking*) of the Loss Sharing Deed. In consideration of the New Lender being accepted as a Refinancing Facilities Lender for the purposes of the Loss Sharing Deed (and as defined therein), the New Lender confirms that, as from the date hereof, it intends to be party to the Loss Sharing Deed as a Refinancing Facilities Lender, and undertakes to perform all the obligations expressed in the Loss Sharing Deed to be

assumed by a Refinancing Facilities Lender, and agrees that it shall be bound by all the provisions of the Loss Sharing Deed, as if it had been an original party to the Loss Sharing Deed.]

This Deed, including all non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with, English Law.

IN WITNESS WHEREOF this Deed has been executed as a deed by the parties hereto and is delivered on the date written above.

PLEASE SEEK DUTCH LEGAL ADVICE IF ANY AMOUNT LENT TO A DUTCH BORROWER IS TO BE TRANSFERRED AND IS LESS THAN €100,000 OR THE EQUIVALENT IN ANOTHER CURRENCY [OR IF NOVATING THE WHOLE AMOUNT OF THE OUTSTANDING LOANS].

THE SCHEDULE

1.	Lender:			
2.	New Lender:			
3.	Transfer Date:			
4.	Lender's Participation in Term Facilities	Portion Transferred		
	(a) Lender's Available US\$ B4 Facility Commitment*			
	(b) Lender's Available EUR B4 Facility Commitment*			
5.	Lender's Participation in Term Facility Outstandings	Interest Period	Portion Transferred	
	(a) US\$ B4 Facility Advances			
	(b) EUR B4 Facility Advances			
6.	[(a)] Lender's Revolving Facility Commitment	Portion Transferred		
7.	[(a)] Lender's Participation in Revolving Facility Outstandings	Term	Portion Transferred	

* Details of the Lender's Available Commitment should not be completed after the applicable Termination Date.

The Lender

EXECUTED as a DEED by for and on behalf of [●]
By:

By:

The Facility Agent

EXECUTED as a DEED by for and on behalf of [●]
By:

By:

The Transferee

EXECUTED as a DEED by for and on behalf of [●]
By:

By:

The Security Agent

EXECUTED as a DEED by for and on behalf of [●]
By:

By:

ADMINISTRATIVE AND FACILITY OFFICE DETAILS

8. Facility Office Address:

Please provide administrative details of the Transferee, to the extent such details have not been provided to the Facility Agent by way of a prior administrative form.

Administrative Office Address:

Contact Name:

Account for Payments:

Fax:

Telephone:

SCHEDULE 6
FORM OF TRANSFER AGREEMENT

1. Assignment and Assumption

This Assignment and Assumption (the “**Assignment and Assumption**”) is dated as of the Effective Date set forth below and is entered into by and between [the][each] Assignor identified in item 1 below ([the][each, an] “**Assignor**”) and [the][each] Assignee identified in item 2 below ([the][each, an] “**Assignee**”). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees] hereunder are several and not joint.] Capitalised terms used but not defined herein shall have the meanings given to them in the Senior Facilities Agreement identified below (as amended, the “**Senior Facilities Agreement**”), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns absolutely to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Senior Facilities Agreement, as of the Effective Date inserted by the Facility Agent as contemplated below (i) all of [the Assignor’s][the respective Assignors’] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Senior Facilities Agreement and any other documents or instruments delivered (including the Bidco Security Documents) pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below (including without limitation any letters of credit or guarantees included in such facilities), and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any person, whether known or unknown, arising under or in connection with the Senior Facilities Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] “**Assigned Interest**”). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided

in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]:

[Assignor [is] [is not] a Defaulting Lender]
2. Assignee[s]:
[for each Assignee, indicate [Affiliate]][other]
3. Borrower(s):
4. Facility Agent:
[●], as the facility agent under the Senior Facilities Agreement
5. Senior Facility Agreement:
[The [amount] Senior Facilities Agreement dated as of [●] among [name of Borrower(s)], the Lenders parties thereto and [name of Facility Agent], as Facility Agent]
6. Assigned Interest[s]:

Assignor[s]	Assignee[s]	Facility Assigned	Aggregate Amount of Commitment/ Loans for all Lenders	Amount of Commitment Loans Assigned	Percentage Assigned of Commitment/ Loans	CUSIP Number
			\$	\$	%	
			\$	\$	%	
			\$	\$	%	

2. Accession to the Bidco Intercreditor Agreement

[We further refer to clause [●] of the Bidco Intercreditor Agreement. In consideration of the New Lender being accepted as a [Pari Passu Creditor] for the purposes of the Bidco Intercreditor Agreement (and as defined therein), the New Lender confirms that, as from the date hereof, it intends to be party to the Bidco Intercreditor Agreement as a [Pari Passu Creditor], and undertakes to perform all the obligations expressed in the Bidco Intercreditor Agreement to be assumed by a [Pari Passu Creditor] and agrees that it shall be bound by all the provisions of the Bidco Intercreditor Agreement, as if it had been an original party to the Bidco Intercreditor Agreement.]

3. Accession to the Loss Sharing Deed

[We further refer to clause 6.4 (Creditor Accession Undertaking) of the Loss Sharing Deed. In consideration of the Assignee being accepted as a Refinancing Facilities Lender for the purposes of the Loss Sharing Deed (and as defined therein), the Assignee confirms that, as from the date of this notice, it intends to be party to the Loss Sharing Deed as a Refinancing Facilities Lender, and undertakes to perform all the obligations expressed in the Loss Sharing Deed to be assumed by a Refinancing Facilities Lender, and agrees that it shall be bound by all the provisions of the Loss Sharing Deed, as if it had been an original party to the Loss Sharing Deed.]

[4. Trade Date: _____]

Effective Date: _____, 20____ [TO BE INSERTED BY FACILITY AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S]
[NAME OF ASSIGNOR]

By: _____

Title:

[NAME OF ASSIGNOR]

By: _____

Title:

ASSIGNEE[S]
[NAME OF ASSIGNEE]

By: _____

Title:

[NAME OF ASSIGNEE]

By: ___

Title:

ADMINISTRATIVE AND FACILITY OFFICE DETAILS

Facility Office Address:

Please provide administrative details of the Assignee, to the extent such details have not been provided to the Facility Agent by way of a prior administrative form.

Administrative Office Address:

Contact Name:

Account for Payments:

Fax:

Telephone:

[Accepted:

[NAME OF FACILITY AGENT], as
Facility Agent

By: ___

Title:

[NAME OF SECURITY AGENT], as
Security Agent

By: ___

Title:

[Consented to:]

[NAME OF RELEVANT PARTY]

By: ____
Title:

PLEASE SEEK DUTCH LEGAL ADVICE IF ANY AMOUNT LENT TO A DUTCH BORROWER IS TO BE TRANSFERRED AND IS LESS THAN €100,000 OR THE EQUIVALENT IN ANOTHER CURRENCY.

ANNEX 1

[_____]

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties

- (a) **Assignor[s]**. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the] [the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Senior Facilities Agreement or any other Finance Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Finance Documents or any collateral thereunder, (iii) the financial condition of the Obligors, any of its Subsidiaries or Affiliates or any other person obligated in respect of any Finance Document, or (iv) the performance or observance by the Obligors, any of their Subsidiaries or Affiliates or any other person of any of their respective obligations under any Finance Document.
- (b) **Assignee[s]**. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Senior Facilities Agreement, (ii) it meets all the requirements to be an assignee under Clauses 33.4 (*Assignments or Transfers by Lenders*) to 33.6 (*Transfer Deed*) of the Senior Facilities Agreement (subject to such consents, if any, as may be required under Clause 33.4 (*Assignments or Transfers by Lenders*) of the Senior Facilities Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Senior Facilities Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Senior Facilities Agreement, and has received or has been accorded the

opportunity to receive copies of the most recent financial statements delivered pursuant to Clause 21.2 (*Financial information*) thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Facility Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) [if it is a Foreign Lender] attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Senior Facilities Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance on the Facility Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Finance Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Finance Documents are required to be performed by it as a Lender.

2. Payments

From and after the Effective Date, the Facility Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date. Notwithstanding the foregoing, the Facility Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the][the relevant] Assignee.

3. General Provisions

This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, English Law.

SCHEDULE 7

FORM OF ACCESSION NOTICE

THIS ACCESSION NOTICE is entered into on [●] by [*insert name of Holding Company*] (“**Shareholder**”) / [[*insert name of Subsidiary*] (the “**Subsidiary**”)] and [●] (the “**Parent**”) by way of a deed in favour of the Facility Agent, the Mandated Lead Arrangers and the Lenders (each as defined in the Facilities Agreement referred to below).

BACKGROUND

1. We refer to the facilities agreement dated [●] (as from time to time amended, varied, novated or supplemented, the “**Facilities Agreement**”) and made between, inter alia, [●].
2. [The Subsidiary is required to accede to the Facilities Agreement as an Acceding Guarantor pursuant to Clause 21.14(d) (*Further Assurance*).]

OR

[Bidco has requested that the New Obligor becomes an Acceding Borrower and an Acceding Guarantor pursuant to Clause 22.1 (*Acceding Borrowers*) of the Facilities Agreement.]

OR

[Bidco has requested that the New Obligor become an Acceding Guarantor pursuant to Clause 22.2 (*Acceding Guarantors*) of the Facilities Agreement.]

NOW THIS DEED WITNESS AS FOLLOWS:

Terms defined in the Facilities Agreement have the same meanings in this Accession Notice.

[The New Obligor] is a company [*or specify any other type of entity*] duly incorporated, established or organised under the laws of [*insert relevant jurisdiction*].

[The New Obligor] confirms that it has received from Bidco a true and up-to-date copy of the Facilities Agreement and the other Finance Documents.

[The New Obligor] undertakes, upon its becoming a [party to the Facilities Agreement/Borrower/Guarantor], to perform all the obligations expressed to be undertaken under the Facilities Agreement, the Intercreditor Agreement, and the other Finance Documents by a [Borrower] [Guarantor] and agrees that it shall be bound by the Facilities Agreement, the Intercreditor Agreement, [the Supplemental Intercreditor Agreement] and the other Finance Documents in all respects as if it had been an original party to them as [a Borrower] [a Guarantor].

Bidco:

- (a) repeats the Repeating Representations identified as being made by it under Clause 19.24 (*Times for Making Representations and Warranties*) upon the date New Obligor accedes to the Facilities Agreement; and
- (b) confirms that no Default [(other than any Default which will be remedied by the accession of the [Acceding Borrower][Acceding Guarantor] and each other person acceding as a [Borrower][Guarantor] on or about the date of this Accession Notice)] is continuing or will occur as a result of New Obligor becoming an [Acceding Borrower/an Acceding Guarantor/ a party to this Agreement].

[The Subsidiary makes, in relation to itself, the representations and warranties expressed to be made by a Guarantor in Clause 19 (*Representations and Warranties*) of the Facilities Agreement.]

OR

[The New Obligor makes, in relation to itself, the Repeating Representations expressed to be made by a Borrower in Clause 19 (*Representations and Warranties*) of the Facilities Agreement]

OR

[The New Obligor makes, in relation to itself, the Repeating Representations expressed to be made by a Guarantor in Clause 19 (*Representations and Warranties*) of the Facilities Agreement]

[The New Obligor confirms that it has appointed [] to be its process agent for the purposes of accepting service of Proceedings on it.]

[The Subsidiary/Shareholder]'s administrative details for the purposes of the Facilities Agreement are as follows:

Address:

Contact:

Telephone No:

Fax No:

This Accession Notice, including all non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with, English Law.

This Accession Notice has been executed as a Deed by Bidco and the New Obligor and signed by the Facility Agent on the date written at the beginning of this Accession Notice.

IT IS AGREED as follows:

- (a) Terms defined in the Intercreditor Agreement shall, unless otherwise defined in this Accession Notice, bear the same meaning when used in paragraphs (b) to (d).
- (a) The New Obligor and the Security Agent agree that the Security Agent shall hold:
 - (i) any Security in respect of Liabilities created or expressed to be created pursuant to the [Relevant Documents];
 - (ii) all proceeds of that Security; and
 - (iii) all obligations expressed to be undertaken by the New Obligor to pay amounts in respect of the Liabilities to the Security Agent as trustee for the Secured Parties (in the [Relevant Documents] or otherwise) and secured by the Transaction Security together with all representations and warranties expressed to be given by the New Obligor (in the Relevant Documents or otherwise) in favour of the Security Agent as trustee for the Secured Parties,to the extent permitted by applicable law on trust for the Secured Parties on the terms and conditions contained in the Intercreditor Agreement.
- (b) The New Obligor confirms that it intends to be party to the Intercreditor Agreement as a Debtor, undertakes to perform all the obligations expressed to be assumed by a Debtor under the Intercreditor Agreement and agrees that it shall be bound by all the provisions of the Intercreditor Agreement as if it had been an original party to the Intercreditor Agreement.
- (c) [In consideration of the New Obligor being accepted as an Intra-Group Lender for the purposes of the Intercreditor Agreement, the Acceding Debtor also confirms that it intends to be party to the Intercreditor Agreement as an Intra-Group Lender, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by an Intra-Group Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement].*

[THE SUBSIDIARY

EXECUTED as a DEED by

[Name of New Obligor] acting by

Director)

[insert name of director]

)

WITNESS

Witness name:

Address:

Occupation:

BIDCO

EXECUTED as a DEED by

[•]

acting by

Director)

[insert name of director]

)

WITNESS

Witness name:

Address:

Occupation:

THE FACILITY AGENT

[•]

By:

By:

THE SECURITY AGENT

[●]

By:

By:

SCHEDULE 8 ACCESSION DOCUMENTS

1. Corporate Documents

In relation to the proposed Acceding Group Company, or security provider under Clause 21.14 (*Further Assurance*), as applicable:

- (a) a copy of its up-to-date constitutional documents;
- (b) in the case of an Acceding Group Company only:
 - (i) a board resolution or a manager's resolution or a partner's resolution of such person approving the execution and delivery of the relevant Accession Notice, its accession to the Facilities Agreement as an Acceding Guarantor or Acceding Borrower, as applicable, and the performance of its obligations under the Finance Documents and authorising a person or persons identified by name or office to sign such Accession Notice and any other documents to be delivered by it pursuant thereto;
- (c) in the case of a security provider:
 - (i) a board resolution or a manager's resolution or a partner's resolution of such person approving the execution and delivery of the relevant Bidco Security Document and the performance of its obligations thereunder and authorising a person or persons identified by name or office to sign such Bidco Security Document and any other documents to be delivered by it pursuant thereto;
- (d) in the case of an Acceding Group Company only:
 - (i) to the extent legally necessary, a copy of a shareholders' resolution of all the shareholders of such person approving the execution, delivery and performance of the Finance Documents to which it is a party and the terms and conditions to it; and
 - (ii) a duly completed certificate of a duly authorised officer of such person substantially in the form of Part 2 of Schedule 3 (*Form of Officer's Certificate*).
- (e) in respect of any Acceding Group Company which is a US Obligor, a certificate of good standing from the applicable Secretary of State or other governmental

official of the jurisdiction of the organisation or formation of such Acceding Group Company.

2. Legal Opinions

- (a) Such legal opinions as the Facility Agent may reasonably require of such legal advisers as may be acceptable to the Facility Agent, as to:
 - (i) the due incorporation, capacity and authorisation of the relevant Acceding Group Company or security provider; and
 - (ii) the relevant obligations to be assumed by the relevant Acceding Group Company under the Finance Documents, or by the security provider under the Bidco Security Document, to which it is a party being legal, valid, binding and enforceable against it,

in each case, under the relevant laws of the jurisdiction of organisation or establishment of such Acceding Group Company, or security provider, as the case may be.

3. Necessary Authorisations

In the case of an Acceding Group Company, a copy of any Necessary Authorisation as is in, the reasonable opinion of counsel to the Lenders necessary to render the Finance Documents to which the relevant Acceding Group Company, is or is to be party legal, valid, binding and enforceable, to make the Finance Documents to which the relevant Acceding Group Company is or is to be party admissible in evidence in such Acceding Group Company's jurisdiction of incorporation and (if different) in England and to enable such Acceding Group Company to perform its obligations thereunder, as a matter of law save, in the case of any Acceding Guarantor or Acceding Borrower, for any registrations or recordings required for the perfection of the Bidco Security Documents and subject to the reservations referred to in Clause 19.3(a) (*Legal Validity*) (to the extent applicable).

4. Bidco Security Documents

- (a) In the case of an Acceding Guarantor, an Acceding Borrower (other than any Acceding Group Company established in the US) or a security provider, at least 2 original copies of any Bidco Security Documents required by the Facility Agent, acting reasonably in accordance with the terms of this Agreement duly executed by the proposed Acceding Guarantor, Acceding Borrower or other relevant security provider together with all documents required to be delivered pursuant to it provided the Acceding Guarantor, Acceding Borrower or security provider shall be under no obligation to procure the granting of Security over any shares,

in receivables owed by, or any other interest in any Bank Group Excluded Subsidiary or Project Company.

- (b) In the case of an Acceding Group Company established in the US which is not set up as a general partnership, at least 2 original copies of Security Documents creating security over the ownership interests in the US Borrower.

5. **Process Agent**

Written confirmation from any process agent in respect of an Acceding Guarantor, an Acceding Borrower or a security provider that it accepts its appointment as process agent.

6. **Financial Statements**

The latest annual audited financial statements of the relevant Acceding Group Company, if any.

7. **Accession Documents**

Evidence that the Acceding Group Company or security provider has acceded to the Bidco Intercreditor Agreement as an InterGroup Creditor, InterGroup Debtor and/or Obligor (as applicable).

SCHEDULE 9

Part 1: Form of Additional Facility Accession Deed

To: [●] as Facility Agent

To: [●] as Security Agent

[Date]

Dear Sirs

Additional Facility Accession Deed

This Deed is dated [●] and relates to:

- (a) the facilities agreement dated [●] (as from time to time amended, varied, novated or supplemented, the “**Facilities Agreement**”) whereby certain facilities were made available to the Borrowers under the guarantee of the Guarantors, by a Group of banks and other financial institutions on whose behalf [●] acts as Facility Agent in connection therewith;
- (b) [●]

Terms defined in the Facilities Agreement shall have the same meaning in this Additional Facility Accession Deed.

We refer to Clause 2.6 (*Additional Facilities*) of the Facilities Agreement.

[Unless otherwise indicated herein, the terms of this Additional Facility Accession Deed shall be consistent in all material respects with the terms of the Facilities Agreement including, without limitation, with respect to interest period, conditions precedent, tax gross-up provisions and indemnity provisions, representations and warranties, utilisation mechanics, cancellation and prepayment (including the treatment of this Additional Facility Accession Deed under the prepayment waterfall), fees, costs and expenses, transfers, voting, amendments and waivers, financial and non-financial covenants and events of default.]

No Utilisation may be made of the Additional Facility made available pursuant to this Additional Facility Accession Deed, if, at the time of such Utilisation, an Event of Default is continuing or would result from such Utilisation.

This Additional Facility Accession Deed is made as a [term loan/revolving loan].

[Each of] [Name of Additional Facility Lender(s)] agrees to become party to and to be bound by the terms of the Facilities Agreement as an Additional Facility Lender in accordance with Clause 2.6 (*Additional Facilities*).

The aggregate principal amount of the Additional Facility being made available under this Additional Facility Accession Deed is EUR/US\$ [●].

The Additional Facility Availability Period is [●].

Interest on the Additional Facility will accrue and be payable as follows: [●]. The Additional Facility Margin is [●] per annum.

The Final Maturity Date in respect of the Additional Facility is [●].

Use of proceeds: [●].

The Additional Facility shall be repaid as follows: [●].

The Additional Facility Commencement Date is [●].

The commitment fee in relation to this Additional Facility under Clause 14 (*Commission and Fees*) is [●] per cent. per annum.

[Add additional terms of the Additional Facility, as required, as set out in Clause 2.6 (*Additional Facilities*)]

Bidco confirms that all requirements of paragraph (b) of Clause 2.6 (*Additional Facilities*) are fulfilled as of the date of this Additional Facility Accession Deed;

[Each/The] Additional Facility Lender confirms to each other Finance Party that:

- (d) it has made its own independent investigation and assessment of the financial condition and affairs of each Borrower and such Borrower's related entities in connection with its participation in the Additional Facility being made available pursuant to this Additional Facility Accession Deed and has not relied on any information provided to it by any other Finance Party in connection with any Finance Document; and
- (e) it will continue to make its own independent appraisal of the creditworthiness of each Borrower and such Borrower's related entities while any amount is or may be outstanding under the Facilities Agreement or any Additional Facility Commitment is in force.

The Facility Office and address for notices of [each/the] Additional Facility Lender for the purposes of Clause 36 (*Notices and Delivery of Information*) is:

[]

ACCESSION TO THE BIDCO INTERCREDITOR AGREEMENT

[We further refer to clause [●] of the Bidco Intercreditor Agreement. In consideration of the New Lender being accepted as a [Pari Passu Creditor] for the purposes of the Bidco Intercreditor Agreement (and as defined therein), the New Lender confirms that, as from the date hereof, it intends to be party to the Bidco Intercreditor Agreement as a [Pari Passu Creditor], and undertakes to perform all the obligations expressed in the Bidco Intercreditor Agreement to be assumed by

a [Pari Passu Creditor] and agrees that it shall be bound by all the provisions of the Bidco Intercreditor Agreement, as if it had been an original party to the Bidco Intercreditor Agreement.]

ACCESSION TO THE LOSS SHARING DEED

[We further refer to clause 6.4 (*Creditor Accession Undertaking*) of the Loss Sharing Deed. In consideration of the New Lender being accepted as a [Creditor] for the purposes of the Loss Sharing Deed (and as defined therein), the New Lender confirms that, as from the date hereof, it intends to be party to the Loss Sharing Deed as a [Creditor], and undertakes to perform all the obligations expressed in the Loss Sharing Deed to be assumed by a [Creditor], and agrees that it shall be bound by all the provisions of the Loss Sharing Deed, as if it had been an original party to the Loss Sharing Deed.]

This Additional Facility Accession Deed, including all non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with, English Law.

IN WITNESS WHEREOF this Deed has been executed as a deed by the parties hereto and is delivered on the date written above.

[INSERT APPROPRIATE SIGNATURE BLOCK FOR EACH ADDITIONAL FACILITY LENDER(S)]

BIDCO

EXECUTED as a DEED for and on behalf of
[●] acting by

Director)
[insert name of director]
)
WITNESS
Witness name:
Address:
Occupation:

[INSERT APPROPRIATE SIGNATURE BLOCK FOR EACH ADDITIONAL FACILITY BORROWER]

THE FACILITY AGENT

EXECUTED as a **DEED** for and on behalf of

[●]

By: By:

THE SECURITY AGENT

EXECUTED as a **DEED** for and on behalf of

[●]

By: By:

Administrative Details of Additional Facility Lender and its Facility Office

Facility Office Address:

Administrative Office:

Contact Name:

Account for Payments:

Fax:

Telephone:

Part 2: Conditions Precedent to Additional Facility Utilisation

1. Corporate Documents

In relation to the Borrower in respect of the Additional Facility:

- (a) a copy of its up-to-date constitutional documents or a certificate of an authorised officer of Bidco confirming that such Borrower has not amended its constitutional documents in a manner which could reasonably be expected to be materially adverse to the interests of the Lenders since the date the officer's certificate in relation to such Borrower was last delivered to the Facility Agent.
- (b) a copy of a board resolution or a manager's or partner's resolution of such person approving the incurrence by such person of the indebtedness under the Additional Facility; and
- (c) a duly completed certificate of a duly authorised officer of such person in the form attached in Part 3 of 7 (*Form of Additional Facility Officer's Certificate*) with such amendments as the Facility Agent may agree.

2. Fees

Evidence that the agreed fees payable by Bidco or the relevant Borrower (or both) in connection with the utilisation of the Additional Facility have been or will be paid.

3. Legal Opinions

Such legal opinions as the Facility Agent may reasonably require of such legal advisers as may be acceptable to the Facility Agent, as to:

- (a) the due incorporation, capacity and authorisation of the relevant Additional Facility Borrower; and
- (b) the relevant obligations to be assumed by the relevant Acceding Facility Borrower under the Finance Documents to which it is a party being legal, valid, binding and enforceable against it,

in each case, under the relevant laws of the jurisdiction of organisation or establishment of such Additional Facility Borrower, as the case may be.

Part 3: Form of Additional Facility Officer's Certificate

To: [●] as Facility Agent

We refer to the facilities agreement dated [●] (as from time to time amended, varied, novated or supplemented, the “**Facilities Agreement**”) and made between, *inter alia*, [●]. Terms defined in the Facilities Agreement shall have the same meanings in this Certificate.

I, [name], a [Director/Partner/General Partner/Officer] of [name of Borrower] of [address] (the [“**Company**”/“**Partnership**”])

CERTIFY without personal liability, that:

- (a) [attached to this Certificate marked “**A**” are true, correct, complete and up-to-date copies of all documents which contain or establish or relate to the constitution of the [Company/Partnership];] / [the [Company/Partnership] has not amended any of its constitutional documents in a manner which could be reasonably expected to be materially adverse to the interests of the Lenders since the date such documents were last delivered to the Facility Agent];
- (b) attached to this Certificate marked [“**A**”/“**B**”] is a true, correct and complete copy of [resolutions duly passed] at [a meeting of the Board of Directors] [a meeting of the managers] [a meeting of the partners] duly convened and held on [●] or the equivalent thereof passed as a written resolution of the [Company/Partnership] approving the Finance Documents to which the [Company/Partnership] is a party and authorising their execution, signature, delivery and performance and such resolutions have not been amended, modified or revoked and are in full force and effect; and
- (c) the incurrence of the indebtedness under the Additional Facility by the [Company/Partnership] will not breach any borrowing, guaranteeing or other indebtedness limit to which the [Company/Partnership] is subject.

SCHEDULE 10
FORM OF INCREASE CONFIRMATION

To: [●] as Facility Agent, [●] as Security Agent, and [●] as Bidco (for and on behalf of the Borrower)

From: [*the Increase Lender*] (the “**Increase Lender**”)

Dated:

Senior Facilities Agreement dated [●] (as from time to time amended, varied, novated or supplemented, the “Facilities Agreement”)

We refer to the Facilities Agreement, the Bidco Intercreditor Agreement and the Security Trust Agreement (as each of those terms are defined in the Facilities Agreement). This agreement (the “**Agreement**”) shall take effect as an Increase Confirmation for the purpose of the Facilities Agreement. Terms defined in the Facilities Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.

We refer to Clause 2.2 (*Increase*) of the Facilities Agreement.

The Increase Lender agrees to assume and will assume all of the obligations corresponding to the Commitment(s) specified in the Schedule (the “**Relevant Commitment**”) as if it was an Original Lender under the Facilities Agreement.

The proposed date on which the increase in relation to the Increase Lender and the Relevant Commitment is to take effect (the “**Increase Date**”) is [●].

On the Increase Date, the Increase Lender becomes party to the Finance Documents.

The Facility Office and address, fax number and attention details for notices to the Increase Lender for the purposes of Clause 36 (*Notices and Delivery of Information*) are set out in the Schedule.

The Increase Lender expressly acknowledges the limitations on the Lenders’ obligations referred to in Clause 2.2 (*Increase*).

[We further refer to clause [●] of the Bidco Intercreditor Agreement. In consideration of the Increase Lender being accepted as a [●] for the purposes of the Bidco Intercreditor Agreement (and as defined therein), the Increase Lender confirms that, as from [●], it intends to be party to the Bidco Intercreditor Agreement as a [●], and undertakes to perform all the obligations expressed in the Bidco Intercreditor Agreement to be assumed by a [●] and agrees that it shall be bound by all the provisions of the Bidco Intercreditor Agreement, as if it had been an original party to the Bidco Intercreditor Agreement.]

[We further refer to clause 9.2 (*Change of Lender, Pari Passu Creditor*) of the Loss Sharing Deed. In consideration of the New Lender being accepted as a Lender for the purposes of the Loss Sharing Deed (and as defined therein), the New Lender confirms that, as from the date of this deed, it will be party to the Loss Sharing Deed as a Lender, and undertakes to perform all the obligations expressed in the Loss Sharing Deed to be assumed by a Lender, and agrees that it shall be bound by all the provisions of the Loss Sharing Deed, as if it had been an original party to the Loss Sharing Deed.]

This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

This Agreement, including all non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with, English Law.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 11

TIMETABLE

	Advance in Euro	Advance in Dollars	Advance in other currencies
Delivery of a duly completed Utilisation Request under Clause 4.1(a) (<i>Conditions to Utilisation</i>)	U-2 9 a.m.	U-2 9.a.m.	U-3 9 a.m.
Agent determines (in relation to a Utilisation) the Euro Amount of the Loan, if required under Clause 4.2 (<i>Lenders' Participations</i>) and notifies the Lenders of the Loan in accordance with Clause 4.2 (<i>Lenders' Participations</i>)	U-2 noon	U-2 Noon	U-3 noon
Agent receives a notification from a Lender under Clause 5.2 (<i>Unavailability of Optional Currency</i>)	-	-	Quotation Date 9.30 a.m.
Agent gives notice in accordance with Clause 5.2 (<i>Unavailability of Optional Currency</i>)	-	-	Quotation Date 5.30 p.m.
LIBOR or EURIBOR is fixed	Quotation Date 11:00 a.m. (Brussels time)	Quotation Date 11:00 a.m.	Quotation Date 11:00 a.m.

“U” = date of utilisation

“U - X” = X Business Days prior to date of utilisation

SCHEDULE 12 LIST OF DESIGNATED ENTITIES

Related Lender	Designated Entity	Jurisdictions in relation to which the Designated Entity will participate in Advances
Banc of America Merrill Lynch International Limited	Bank of America, N.A.	United States of America

Dated 27 January 2014

LGE HOLDCO VI B.V.
as Original Borrower

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED CREDIT SUISSE AG, LONDON BRANCH
as Global Coordinators

CERTAIN BANKS AND FINANCIAL INSTITUTIONS
as Bookrunners

CERTAIN BANKS AND FINANCIAL INSTITUTIONS
as Mandated Lead Arrangers

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED
as Facility Agent

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED
as Security Agent

THE LENDERS

HIGH YIELD BRIDGE FACILITIES AGREEMENT

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THIS AGREEMENT is dated 26 January 2014.

BETWEEN:

- (1) **LGE HOLDCO VI B.V.** (the “**Original Borrower**”);
- (2) **BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED, CREDIT SUISSE AG, LONDON BRANCH.** (the “**Global Coordinators**”);
- (3) **CERTAIN BANKS AND FINANCIAL INSTITUTIONS AS SET OUT IN PART 2 OF SCHEDULE 1** (each a “**Bookrunner**” and together, the “**Bookrunners**”);
- (4) **CERTAIN BANKS AND FINANCIAL INSTITUTIONS AS SET OUT IN PART 3 OF SCHEDULE 1** (each a “**Mandated Lead Arrangers**” and together, the “**Mandated Lead Arrangers**”);
- (5) **BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED** (as facility agent for and on behalf of the Finance Parties, the “**Facility Agent**”);
- (6) **BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED** (as security agent for and on behalf of the Finance Parties, the “**Security Agent**”) and
- (7) **THE LENDERS** (as defined below).

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

“**Acceptable Bank**” means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of BBB+ or higher by Standard & Poor’s Rating Services or Fitch Ratings Ltd or Baa1 or higher by Moody’s Investor Services Limited or a comparable rating from an internationally recognised credit rating agency; or
- (b) any other bank or financial institution approved by the Facility Agent (in consultation with the Borrower).

“**Accession Notice**” means a duly completed notice of accession substantially in the form of Schedule 9 (*Form of Accession Notice*) with such changes as may be agreed between the Borrower and the Facility Agent from time to time.

“**Accrued Amounts**” has the meaning given to such term in Clause 31.15 (*Pro Rata Interest Settlement*).

“**Acquisition Unconditional Date**” means the date on which Bidco (or one of its Affiliates) publicly declares the Offer (as defined in the Ziggo Acquisition Agreement) unconditional.

“**Advance**” means an Initial Loan or a Term Loan.

“**Affiliate**” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

“**Agent**” means the Facility Agent or the Security Agent (or both), as the context requires.

“**Alternative Market Disruption Event**” has the meaning given to such term in Clause 11.2(c) (*Market Disruption*).

“**Alternative Reference Bank Rate**” has the meaning given to such term in Clause 11.3(b) (*Alternative Reference Bank Rate*).

“**Alternative Reference Banks**” means, in relation to any Advance, the principal London offices of Bank of America Merrill Lynch, Deutsche Bank AG, London Branch and Société Générale, London Branch or such other banks as may be appointed by the Facility Agent with the consent of the Borrower.

“**Anti-Terrorism Law**” means each of:

- (a) Executive Order No. 13224 on Terrorist Financing - Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism issued 23 September 2001, as amended by Order 13268 (as so amended, the “**Executive Order**”);
- (b) the Patriot Act;
- (c) the Money Laundering Control Act of 1986 18 U.S.C, section 1956; and
- (d) any updates or replacements to the laws listed above in paragraphs (a) to (c) which are enacted in the United States subsequent to the date of this Agreement.

“**Arrangers**” means the Global Coordinator and the Mandated Lead Arrangers and “**Arranger**” means any of them.

“**Assignment Agreement**” means a duly completed assignment agreement substantially in the form set out in Schedule 5 (*Form of Assignment Agreement*).

“**Authorisation**” means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

“**Availability Period**” means the period from and including the Acquisition Unconditional Date to and including the earlier to occur of (i) the date falling 15 months and two weeks from the Signing Date and (ii) 60 Business Days from the Closing Date.

“**Available Commitment**” means a Lender's Commitment minus (subject as set out below):

- (a) the amount of its participation in any outstanding Advance; and

(b) in relation to any proposed Utilisation, the amount of its participation in any other Utilisations that are due to be made on or before the proposed Utilisation Date.

“Available Facility” means, at any time, the aggregate amount of each Lender's Available Commitment.

“Bank Levy” means the bank levy which is imposed under section 73 of, and schedule 19 to, the Finance Act 2011 (the **“UK Bank Levy”**) and any levy or Tax of an equivalent nature imposed in any jurisdiction in a similar context or for a similar reason to that in and/or which the UK Bank Levy has been imposed by reference to the equity and liability of a financial institution or other person carrying out financial transactions, including the Dutch *bankenbelasting* as set out in the Dutch bank levy act (*Wet bankenbelasting*).

“Basel II” means the Basel Committee’s revised rules relating to capital requirements set out in “International Convergence of Capital Measurement and Capital Standards, a Revised Framework” published by the Basel Committee on Banking Supervision in June 2004 and any other documents published by the Basel Committee in connection with these rules, or any other law or regulation which implements any of those rules or documents (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).

“Basel Committee” means the Basel Committee on Banking Supervision.

“Bidco” means LGE HoldCo VII B.V.

“Bidco Finance Documents” means the Finance Documents as defined in the Bidco Facility Agreement.

“Bidco Facility Agreement” means the facility agreement dated on or about the date of this Agreement between, among others, Bidco as borrower and ING Bank N.V. as facility agent.

“Borrower” means:

(a) prior to the Debt Pushdown Date, the Original Borrower; and

(b) on and after the Debt Pushdown Date, the Pushdown Borrower.

“Borrower Affiliate” means each of the Affiliates of the Borrower, any trust of which the Borrower or any of its Affiliates is a trustee, any partnership of which the Borrower or any of its Affiliates is a partner and any trust, fund or other entity which is managed by, or is under the control of, the Borrower or any of its Affiliates.

“Borrower Intercreditor Agreement” means the intercreditor agreement dated on or about the date of this Agreement between, among others, the Borrower, certain hedging banks, the trustee in respect of the Senior B Unsecured Exchange Notes and the Finance Parties.

“Borrower Security Documents” means:

(a) the Borrower Share Pledge; and

(b) any other document executed at any time by the Borrower or any other person conferring or evidencing any Security Interest for or in respect of any of the obligations of the Borrower under this Agreement in favour of the Security Agent whether or not specifically required by this Agreement.

“Borrower Share Pledge” means the first ranking deed of pledge of shares to be entered into by the Original Security Provider and the Security Agent in relation to all of the issued shares in the Borrower.

“Break Costs” means the amount (if any) by which:

(a) the interest (excluding the Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in an Advance or Unpaid Sum to the last day of the current Interest Period in respect of that Advance or Unpaid Sum, had the amount so received been paid on the last day of that Interest Period;

exceeds:

(b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount of such Advance or Unpaid Sum received or recovered by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following such receipt or recovery and ending on the last day of the current Interest Period.

“Business Day” means a day (other than a Saturday or Sunday):

(a) on which banks generally are open for business in London and Amsterdam; and

(b) if such reference relates to a date for the payment or purchase of any sum denominated in euro, which is a TARGET Day.

“Cash” means, at any time:

(a) all Cash Equivalent Investments; and

(b) cash (in cleared balances) denominated in euro (or any other currency freely convertible into euro) and credited to an account in the name of an Obligor or a member of the Group with an Acceptable Bank and to which such member of Obligor or member of the Group (as applicable) is alone (or, in the case of a member of the Group, together with other members of the Group) beneficially entitled and for so long as:

(i) such cash is repayable on demand (including any cash held on time deposit which is capable of being broken and the balance received within 2 Business Days of notice provided that any such cash shall only be taken into account net of any penalties or costs which would be incurred in breaking the relevant time deposit); or

(ii) such cash has been deposited with an Acceptable Bank as security for any performance bond, guarantee, standby letter of credit or similar facility,

and, in any such case,

- (A) repayment of that cash is not contingent on the prior discharge of any other indebtedness of any Obligor or member of the Group (as applicable) or of any other person whatsoever or on the satisfaction of any other condition;
- (B) there is no encumbrance over that cash except for the Security or any encumbrance constituted by a netting or set-off arrangement entered into by an Obligor or member of the Group (as applicable) in the ordinary course of their banking arrangements and any security interest granted in connection therewith; and
- (C) the cash is freely and (except as mentioned in paragraph (ii) above) immediately available to be applied in repayment or prepayment of the Facilities or Financial Indebtedness of any Obligor.

“Cash Equivalent Investment” means:

(a) debt securities which are freely negotiable and marketable:

- (i) which mature not more than 12 months from the relevant date of calculation; and
- (ii) which are rated at least A 1 by Standard & Poor’s or Fitch or P 1 by Moody’s;

(b) certificates of deposit of, or time deposits or overnight bank deposits with, any Acceptable Bank or commercial bank whose short-term securities are rated at least A 2 by Standard and Poor’s or Fitch or P 2 by Moody’s and having maturities of 12 months or less from the date of acquisition;

(c) commercial paper of, or money market accounts or funds with or issued by, an issuer rated at least A 2 by Standard & Poor’s or Fitch or P 2 by Moody’s (or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating) and having an original tenor of 12 months or less;

(d) medium term fixed or floating rate notes of an issuer rated at least A 1 by Standard & Poor’s or Fitch or P 1 by Moody’s at the time of acquisition and having a remaining term of 12 months or less from the date of acquisition;

(e) any investment in a money market fund or enhanced yield fund (i) whose aggregate assets exceed €250,000,000 and (ii) at least 90% of whose assets constitute Cash Equivalent Investments of the type described in paragraphs (a) to (d) of this definition;

- (f) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, any member state of the European Economic Area, any Participating Member State or any country in which a member of the Group is incorporated and/or carries out its business, or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;
- (g) marketable general obligations issued by any political subdivision of the United States of America, the United Kingdom, any member state of the European Economic Area, any Participating Member State or any country in which a member of the Group is incorporated and/or carries out its business, or by an instrumentality thereof maturing within one year from the date of acquisition (provided that the full faith and credit of the United States of America, the United Kingdom, any member state of the European Economic Area, any Participating Member State or such country is pledged in support thereof) and, at the time of acquisition, having a credit rating of A- or higher from either Standard & Poor's Rating Services or Fitch Ratings Ltd or A3 or higher by Moody's Investors Service Limited;
- (h) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);
- (i) repurchase obligations with a term of not more than seven days from underlying securities of the types described in (e), (f) and (g) entered into with an Acceptable Bank; or
- (j) any other debt security approved by the Instructing Group,

in each case, to which any Obligor or member of the Group is alone (or, in the case of a member of the Group, together with other members of the Group) beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any security.

For the purposes of the above calculation no item shall be effectively deducted or credited more than once.

“Centre of Main Interests” has the meaning given to such term in Article 3(1) of Council Regulation (EC) NO 1346/2000 of 29 May 2000 on Insolvency Proceedings.

“Certain Funds Period” means the period from and including the Acquisition Unconditional Date to and including the earlier of (i) the date falling 60 Business Days from the Closing Date or (ii) the date falling 15 months and two weeks from the Signing Date.

“Closing Date” means the date on which the shares tendered under the offer in relation to the Ziggo Acquisition are first settled after Bidco has declared the offer in relation to the Ziggo Acquisition unconditional (*gestand gedaan*) in accordance with the DDPB and the documents in relation to the Ziggo Acquisition offer.

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder. Section references to the Code are to the Code, as in effect at the Signing Date and any subsequent provisions of the Code, amendatory of it, supplemental to it or substituted therefor.

“**Commitments**” means:

- (a) in relation to an Original Lender, the amount set out opposite its name in Part 1 of Schedule 1 (*Lenders and Commitments*) and the amount of any other Commitment transferred to it under this Agreement or the amount assumed by it in accordance with Clause 2.3 (*Increase*); and
- (b) in relation to any other Lender, the amount specified in the Transfer Certificate or the Assignment Agreement pursuant to which such Lender becomes a Party and any amount of any other Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.3 (*Increase*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

“**Confidentiality Undertaking**” means a confidentiality undertaking substantially in the recommended form of either the LMA or the LSTA or in any other form agreed between the Borrower and the Facility Agent.

“**Conversion Date**” means the earlier of:

- (a) the Initial Maturity Date; and
- (b) the date on which a Securities Demand Failure occurs.

“**DDPB**” means the Dutch Decree on Public Bids (*Besluit openbare biedingen Wft*) pursuant to the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

“**Debt Pushdown Date**” shall have the meaning given to such term in Clause 20.2 (*Facility Pushdown*).

“**Default**” means an Event of Default or any event or circumstance (pursuant to Clause 21 (*Events of Default*)) which would (with the expiry of a grace period or the giving of notice) be an Event of Default.

“**Defaulting Lender**” means any Lender (other than a Lender which is or becomes a member of the Wider Group):

- (a) which has failed to make its participation in an Advance available or has notified the Facility Agent that it will not make its participation in an Advance available by the Utilisation Date of that Advance in accordance with Clause 4.2 (*Lenders’ Participations*);
- (b) which has otherwise rescinded or repudiated a Finance Document; or
- (c) with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

- (A) administrative or technical error; or
- (B) a Disruption Event,

and payment is made within two Business Days of its due date; or

(ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

“Description of Notes” means the description of the Senior B Unsecured Exchange Notes attached hereto as Schedule 11 (*Description of Notes*).

“Designated Party” means any person listed:

- (a) in the Annex to the Executive Order;
- (b) on the “Specially Designated Nationals and Blocked Persons” list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury; or
- (c) in any successor list to either of the foregoing.

“Designated Website” has the meaning given to such term in Clause 34.3(a) (*Use of Websites/E-mail*).

“Disputes” has the meaning given to such term in Clause 41.1 (*Courts*).

“Disruption Event” means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facilities (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (b) the occurrence of any other event which results in a material disruption (of a technical or systems-related nature) to the treasury or payments operations of a Finance Party to this Agreement preventing that, or any other Finance Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other parties in accordance with the terms of the Finance Documents,and which (in either such case) is not caused by, and is beyond the control of, the party whose operations are disrupted.

“Dutch Civil Code” means the *Burgerlijk Wetboek*.

“Equity Offering” has the meaning set forth in Schedule 11 (*Description of Notes*).

“EURIBOR” means, in relation to any amount to be advanced to or owed by a Borrower under this Agreement on which interest for a given period is to accrue:

- (a) the rate per annum for deposits in euro which appears on the Relevant Page for such period at or about 11.00 a.m. (Brussels time) on the Quotation Date for such period;
- (b) if no such rate is displayed and the Facility Agent shall not have selected an alternative service on which such rate is displayed as contemplated by the definition of “Screen Rate”, the Interpolated Screen Rate; or
- (c) if no such rate is displayed and the Facility Agent shall not have selected an alternative service on which such rate is displayed as contemplated by the definition of “Screen Rate” and it is not possible to calculate an Interpolated Screen Rate, the arithmetic mean (rounded upwards, if not already such a multiple, to 4 decimal places) of the rates (as notified to the Facility Agent) at which each of the Reference Banks was offering to prime banks in the European Interbank Market deposits in euro for such period at or about 11.00 a.m. (Brussels time) on the Quotation Date for such period,

provided that the rate shall not be less than the EURIBOR Floor Percentage.

“EURIBOR Floor Percentage” means 0.75 per cent. per annum.

“European Interbank Market” means the interbank market for euro operating in Participating Member States.

“Event of Default” means any of the events or circumstances which, pursuant to Clause 21 (*Events of Default*), constitute an Event of Default.

“Exchange” has the meaning given to it in Clause 19.2(a) (*Exchange Notes*).

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Exchange Date” means the date an Exchange occurs pursuant to this Agreement.

“Exchange Note” means the note (or, if more than one such note is outstanding, a note) issued or, as applicable, to be issued under the Exchange Note Indenture in exchange for one or more Advances.

“Exchange Note Guarantee” means a guarantee of the Exchange Notes issued by each Guarantor to the extent permitted by applicable law and attached to or incorporated in the Exchange Note Indenture.

“Exchange Note Indenture” means an indenture to be entered into between, among others, the Borrower and the Exchange Note Trustee in accordance with Clause 19.1 (*Exchange Note Indenture*).

"Exchange Note Trustee" means a trustee acceptable to the Borrower and the Facility Agent which agrees to act as trustee pursuant to the Exchange Note Indenture on the terms thereof.

"Exchange Request" means a written or telecopy notice in the form attached hereto as Schedule 6 (*Form of Exchange Request*).

"Extension Default" means:

- (a) a default in payment by the Borrower of principal or interest under this Agreement or a default in payment by the Borrower under any Fee Letter, in any such case to the extent due and payable on or before the Initial Maturity Date or if later, the date on which the Termination Date of the Initial Loans is extended pursuant to Clause 5.2(b) (*Mandatory extension of Initial Loans into Term Loans*), to the Finance Parties;
- (b) the occurrence of any Event of Default under any of Clause (7) and/or Clause (8) under Events of Default (as defined in and set out in Schedule 11 (*Description of Notes*)).

"Facility" means the term loan facility made available under this Agreement as described in Clause 2.1 (*The Facility*).

"Facility Agent's Spot Rate of Exchange" means, in relation to two currencies, the Facility Agent's spot rate of exchange for the purchase of the first-mentioned currency with the second-mentioned currency in the London foreign exchange market at the Specified Time on a particular day.

"Facility Office" means the office(s) notified by a Lender to the Facility Agent:

- (a) on or before the date it becomes a Lender; or
- (b) by not less than five Business Days' notice,

as the office(s) through which it will perform all or any of its obligations under this Agreement or in respect of any other Finance Party, the office in the jurisdiction in which it is resident for tax purposes.

"FATCA" means:

- (a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or
- (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

“FATCA Deduction” means a deduction or withholding from a payment under a Finance Document required by FATCA.

“Fee Letter” means the fee letter dated on or around the date of this Agreement between, among others, the Borrower, Bidco or one of its Affiliates and the Mandated Lead Arrangers and any other letter signed by the Borrower which sets out any of the fees payable under Clause 12 (*Commissions and Fees*).

“Final Maturity Date” means the date falling 84 Months after the Initial Maturity Date.

“Finance Documents” means:

- (a) this Agreement and any Accession Notice;
- (b) the Fee Letters;
- (c) the Borrower Intercreditor Agreement;
- (d) the Borrower Security Documents; and
- (e) each Utilisation Request.

any other agreement or document designated a **“Finance Document”** in writing by the Facility Agent and the Borrower.

“Finance Parties” means the Facility Agent, the Arrangers, the Bookrunners, the Security Agent and the Lenders and **“Finance Party”** means any of them.

“Financial Indebtedness” shall have the meaning of “Indebtedness” (as defined in the Section captioned “Certain Definitions” as set out in Schedule 11 (*Description of Notes*)).

“Fitch” means Fitch Ratings or any successor thereof.

“Full Ownership Date” means the date on which Bidco owns, directly or indirectly, an aggregate amount of 100% of the shares in Ziggo N.V. or 100% of the shares in the direct Subsidiary of Ziggo N.V.

“GAAP” means accounting principles generally accepted in the United States.

“Group” means:

- (a) prior to the Debt Pushdown Date, the Original Borrower and its Subsidiaries from time to time; and
- (b) on and after the Debt Pushdown Date, the Pushdown Borrower and its Subsidiaries from time to time.

“Group Structure Chart” means the structure chart showing the proposed structure of the Group following the Ziggo Acquisition in the form delivered to the Facility Agent prior to the Signing Date as supplemented or replaced by any new structure chart delivered by Bidco which reflects the Structure Memorandum.

“Guarantors” means any member of the Group that has acceded to this agreement as a Guarantor in accordance with Clause 20.4 (*Guarantors*).

“Holder” means each Person (as defined in Schedule 11 (*Description of Notes*)) in whose name the Exchange Notes are registered on the books of the registrar for the Exchange Notes.

“Holding Company” of a company means a company of which the first-mentioned company is a Subsidiary.

“Impaired Agent” means the Facility Agent at any time when:

(a) it has failed to make (or has notified a Finance Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;

(b) the Facility Agent otherwise rescinds or repudiates a Finance Document;

(c) (if the Facility Agent is also a Lender) it is a Defaulting Lender under paragraph (a) or (b) of the definition of “Defaulting Lender”; or

(d) an Insolvency Event has occurred and is continuing with respect to the Facility Agent,

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Disruption Event,

and payment is made within 3 Business Days of its due date; or

(ii) the Facility Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

“Increase Confirmation” means a confirmation substantially in the form set out in Schedule 7 (*Form of Increase Confirmation*).

“Increase Lender” has the meaning set out in Clause 2.3 (*Increase*).

“Increased Cost” means:

(a) any reduction in the rate of return from a Facility or on a Finance Party’s (or an Affiliate’s) overall capital;

(b) any additional or increased cost; or

(c) any reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having agreed to make available its Commitment or having funded or performed its obligations under any Finance Document.

“Information Memorandum” means the information memorandum dated on or about the date hereof and delivered to the Facility Agent on or prior to the Signing Date.

“Initial Loans” means, prior to extension in accordance with Clause 5.2 (*Mandatory extension of Initial Loans into Term Loans*), the advances made available by the Lenders to the Borrower on a Utilisation Date pursuant to a Utilisation Request.

“Initial Maturity Date” means, subject to Clause 5.2 (*Mandatory extension of Initial Loans into Term Loans*), the first anniversary of the first Utilisation Date.

“Insolvency Event” in relation to a Finance Party means that the Finance Party:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
 - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
 - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it

or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (d) above);

(h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; or

(i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above.

“Instructing Group” means at any time, Lenders the aggregate of whose Available Commitments and participations in outstanding Advances exceeds 50.00 per cent. of the aggregate Available Commitments and outstanding Advances of all of the Lenders (not taking into account any Available Commitments or Advances in relation to which a cancellation or prepayment notice (as applicable) has been served in accordance with Clause 6.1 (*Voluntary Cancellation*) or Clause 7.1 (*Voluntary Prepayment*)).

“Interest Date” means the last day of an Interest Period.

“Interest Period” means, save as otherwise provided in this Agreement, any of those periods mentioned in Clause 10 (*Interest Periods*).

“Intermediate Holding Company” means, on and from the Closing Date, any direct Subsidiary of the Borrower which is also a Holding Company of Bidco.

“Interpolated Screen Rate” means, in relation to EURIBOR, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

(a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the relevant period on which interest is to accrue; and

(b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the relevant period on which interest is to accrue,

each as of 11.00 a.m. (Brussels time) in respect of EURIBOR on the Quotation Date for such period.

“ISDA” means the International Swaps & Derivatives Association, Inc.

“Law” means:

(a) common or customary law;

(b) any constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure in any jurisdiction; and

(c) any directive, regulation, practice, requirement which has the force of law and which is issued by any governmental body or any central bank or other fiscal, monetary, regulatory or administrative authority.

“Legal Opinions” means any of the legal opinions referred to in paragraph 6 of Part 1: of Schedule 2 (*Conditions Precedent*) and delivered pursuant to Clause 3 (*Conditions*).

“Lender” means:

(a) an Original Lender; and

(b) a person which has become a Party as a Lender in accordance with the provisions of Clause 31 (*Assignments and Transfers*),

which in each case has not ceased to be a Lender in accordance with the terms of this Agreement.

“Margin” means in relation to any Initial Loan, or any Unpaid Sum:

(a) 4.75% per annum, for the period from and including the first Utilisation Date to and including the date falling 60 Business Days thereafter;

(b) 5.125% per annum, for the period from and including the date falling 61 Business Days after the first Utilisation Date to and including the date falling 120 Business Days thereafter;

(c) 5.50% per annum, for the period from and including the date falling 121 Business Days after the first Utilisation Date to and including the date falling 180 Business Days thereafter;

(d) 5.875% per annum, for the period from and including the date falling 181 Business Days after the first Utilisation Date to and including the date falling 240 Business Days thereafter; and

(e) thereafter, 6.25% per annum.

“Margin Regulations” means Regulation T, Regulation U and Regulation X.

“Margin Stock” means “margin stock” or “margin securities” as defined in the Margin Regulations.

“Market Disruption Event” has the meaning given to such term in Clause 11.2(c) (*Market Disruption*).

“Material Adverse Effect” means any event or circumstance which has a material adverse effect on the ability of the Obligors (taken as a whole) to perform their payment obligations under the Finance Documents.

“Moody’s” means Moody’s Investor Services, Inc. or any successor thereof.

“Necessary Authorisations” means all material approvals, consents, authorisations and licences from, all rights granted by and all filings, registrations and agreements with, any government or other regulatory authority necessary in order to enable each member of the Group to carry on its business as may be permitted by the terms of this Agreement as carried on by it at the relevant time.

“New Lender” has the meaning given to such term in Clause 31.2 (*Assignments or Transfers by Lenders*).

“Non-Consenting Lender” is a Lender which does not agree to a consent to an amendment to, or a waiver of, any provision of the Finance Documents where:

- (a) the Borrower or the Facility Agent has requested the Lenders to consent to an amendment to, or waiver, of any provision of the Finance Documents;
- (b) the consent or amendment in question requires the agreement of the Lenders affected thereby pursuant to Clause 37.2 (*Consents*) (and such Lender is one of the Lenders affected thereby);
- (c) Lenders representing not less than 80% of the Commitments or Outstandings, as the case may be, of the Lenders affected thereby have agreed to such consent or amendment; and
- (d) the Borrower has notified the Lender it will treat it as a Non-Consenting Lender.

“Non-Funding Lender” is either:

- (a) a Lender which fails to comply with its obligation to participate in any Advance where:
 - (i) all conditions to the relevant Utilisation (including without limitation, delivery of a Utilisation Request) have been satisfied or waived by the Instructing Group in accordance with the terms of this Agreement;
 - (ii) Lenders representing not less than 80% of the relevant Commitments have agreed to comply with their obligations to participate in such Advance; and
 - (iii) the Borrower has notified the Lender that it will treat it as a Non-Funding Lender;
- (b) a Lender which has given notice to a Borrower or the Facility Agent that it will not make, or it has disaffirmed or repudiated any obligation to participate in, an Advance; or
- (c) a Defaulting Lender.

“Obligors” means the Borrower and the Guarantors and **“Obligor”** means any of them.

“Obligors’ Agent” means the Borrower in its capacity as agent for the Obligors pursuant to Clause 24.17 (*Obligors’ Agent*).

“Original Lender” means a person which is named in Part 1 of Schedule 1 (*Lenders and Commitments*).

“Original Security Provider” means the immediate Holding Company of the Original Borrower as at the first Utilisation Date.

“Original Senior Unsecured Notes” means the €1,208,850,000 aggregate principal amount of 8% senior notes due 2018 issued by Ziggo Bond Company B.V. including as the context requires, any exchange notes issued by Ziggo Bond Company B.V. in relation to such senior notes in connection with the Ziggo Acquisition.

“Original Senior Unsecured Exchange Notes” means the number of Original Senior Unsecured Notes which are to be exchanged for Senior A Unsecured Exchange Notes pursuant to the Original Senior Unsecured Notes Exchange Offer.

“Original Senior Unsecured Exchange Notes Offer” means the offer to the holders of the Original Senior Unsecured Notes to exchange such notes for Senior A Unsecured Exchange Notes.

“Outstandings” means, at any time, the aggregate principal amount of the Advances outstanding under this Agreement.

“Paper Form Lender” has the meaning given to such term in Clause 34.3(b) (*Use of Websites/E-mail*).

“Participating Member State” means any member state of the European Union that at the relevant time has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“Party” means a party to this Agreement.

“Patriot Act” has the meaning given to such term in Clause 34.7 (*Patriot Act*).

“Proceedings” has the meaning given to such term in Clause 41.1 (*Courts*).

“Pushdown Borrower” means the member of the Group which accedes to this Agreement as the Pushdown Borrower in accordance with Clause 20.2 (*Facility Pushdown*).

“Quotation Date” means, in relation to 2 TARGET Days before the first day of that period for which an interest rate is to be determined provided that if market practice differs in the European Interbank Market for a currency, the Quotation Date will be determined by the Facility Agent in accordance with market practice in the European Interbank Market (and if quotations would normally be given by leading banks in the European Interbank Market on more than one day, the Quotation Date will be the last of those days).

“Recipient” has the meaning given to it in Clause 13.6 (*Value Added Tax*).

“Recovering Finance Party” has the meaning given to such term in Clause 29.1 (*Payments to Finance Parties*).

“Reference Banks” means, subject to Clause 30.2 (*Reference Banks*), the principal London offices of Credit Suisse AG, London Branch, ING Bank N.V. and The Bank of Nova Scotia.

“Refinancing Facilities Agreement” means the credit facilities agreement dated on or about the date of this Agreement between, among others, Ziggo Bond Company B.V. as Ziggo Holdco, the Ziggo Parent, certain members of the Bank Group (as defined therein), certain financial institutions as mandated lead arrangers and lenders and ING Bank N.V. as security agent and facility agent.

“Regulation T” means Regulation T of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or any portion thereof.

“Regulation U” means Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or any portion thereof.

“Regulation X” means Regulation X of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or any portion thereof.

“Relevant Page” means the page or service on which is displayed the Screen Rate.

“Repeating Representations” means the representations and warranties which are repeated as set out in Clause 17.23 (*Times for Making Representations and Warranties*).

“Replacement Security Provider” means the immediate Holding Company of the Pushdown Borrower.

“Screen Rate” means in relation to EURIBOR, the euro interbank offered rate administered by the Banking Federation of the European Union (or any other person which takes over the administration of that rate) for the relevant period displayed on page EURIBOR01 of the Reuters screen (or any replacement Reuters page which displays that rate), or, in each case, on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters. If such page or service ceases to be available, the Facility Agent (following consultation with the Borrower and the Lenders) may specify another page or service displaying the relevant rate after consultation with the Borrower.

“SEC” means the United States Securities and Exchange Commission.

“Security” means the Security Interests created or purported to be created pursuant to the Borrower Security Documents.

“Securities Demand Failure” has the meaning given to that term in the Fee Letter.

“Security Interest” means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment by way of security, trust arrangement for the purpose of providing security or other security interest of any kind securing any obligation of any person or any other arrangement having the effect of conferring rights of retention or other disposal rights over an asset (including without limitation title transfer and/or retention arrangements having a similar effect or a deposit of money with the primary

intention of affording a right of set-off) and includes any agreement to create any of the foregoing but does not include (a) liens arising in the ordinary course of business by operation of law and not by way of contract and (b) any grant of indefeasible rights of use or equivalent arrangements with respect to network capacity, communications, fibre capacity or conduit.

“Security Provider” means:

- (a) prior to the Debt Pushdown Date, the Original Security Provider; and
- (b) on and after the Debt Pushdown Date, the Replacement Security Provider.

“Senior A Unsecured Exchange Notes” means the senior unsecured new notes to be issued by Ziggo Bond Company N.V. on substantially the same terms as the Original Senior Unsecured Notes which will automatically exchange into Senior B Unsecured Exchange Notes on the Closing Date.

“Senior B Unsecured Exchange Notes” means, to the extent a Successful Exchange occurs, the new senior unsecured notes to be issued by the Borrower on the Closing Date together with any additional notes issued by the Borrower thereafter.

“Sharing Payment” has the meaning given to such term in Clause 29.1(c) (*Payments to Finance Parties*).

“Signing Date” means the date of this Agreement.

“Specified Time” means a time determined in accordance with Schedule 8 (*Timetables*).

“Standard & Poor’s” means Standard & Poor’s Ratings Group or any successor thereof.

“Structure Memorandum” means the structure paper entitled *“Zanzibar Structuring Offer and Refinancing”* describing the proposed structure for the Ziggo Acquisition and delivered by the Borrower to the Facility Agent pursuant to this Agreement prior to the Signing Date as amended, supplemented or replaced by any new structure paper delivered by the Borrower to the Facility Agent from time to time provided that such amended, supplemented or replaced structure paper is not materially adverse to the interests of the Lenders unless the Instructing Group has provided consent to such amendment, supplement or replacement.

“Subject Party” has the meaning given to it in Clause 13.6 (*Value Added Tax*).

“Subsidiary” of a person means any company or entity directly or indirectly controlled by such person, for which purpose control means ownership of more than 50 per cent. of the economic and/or voting share capital (or equivalent right of ownership of such company or entity).

“Successful Exchange” means the acceptance of validly tendered (and not validly withdrawn) Original Senior Unsecured Notes in the Senior Unsecured Notes Exchange Offer.

“Successful Exchange Date” means the date on which Successful Exchange is settled.

“**TARGET2**” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilise a single shared platform and which was launched on 19 November 2007.

“**TARGET Day**” means any day on which TARGET2 is open for the settlement of payments in euro.

“**Tax**” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“**Term Loan**” means a loan deemed to be made pursuant to Clause 5.2(c) (*Mandatory extension of Initial Loans into Term Loans*).

“**Termination Date**” means the Initial Maturity Date or the Final Maturity Date as the context requires.

“**Total Commitments**” means the aggregate of the Commitments, subject to any adjustment in accordance with Clause 2.2 (*Adjustment of Total Commitments*).

“**Transfer Certificate**” means a duly completed transfer certificate substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*).

“**Transfer Date**” means, in relation to any Transfer Certificate or any Assignment Agreement, the effective date of such transfer as specified in such Transfer Certificate or such Assignment Agreement.

“**Transferor**” has the meaning given to such term in 31.6 (Limitation of Responsibility of Transferor).

“**Ultimate Holdco**” means at any time on and from the Closing Date, Liberty Global plc, together with its successors.

“**Unpaid Sum**” means any sum due and payable by an Obligor under any Finance Document but unpaid.

“**Unrestricted Subsidiary**” has the meaning given to it in Schedule 11 (*Description of Notes*).

“**Utilisation**” means the utilisation of a Facility under this Agreement.

“**Utilisation Date**” means the date of a Utilisation being the date on which an Initial Loan is (or is requested) to be made in accordance with this Agreement.

“**Utilisation Request**” means in relation to an Advance a duly completed notice substantially in the form set out in Schedule 3 (*Form of Utilisation Request (Advances)*).

“**VAT**” means

(a) value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature imposed in compliance with the Council Directive

2006/112/EC on the common system of value added tax as implemented by a member state of the European Union; and

(b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

“**Website Lenders**” has the meaning given to such term in Clause 34.3(a) (*Use of Websites/E-mail*).

“**Wider Group**” means the Ultimate Holdco and its Subsidiaries from time to time.

“**Ziggo Acquisition**” means the acquisition by Bidco directly or indirectly of:

(a) shares in Ziggo N.V. pursuant to the Ziggo Acquisition Agreement that together with any other shares in Ziggo N.V. held by Affiliates of the Liberty Global plc, represent at least a 65 per cent. of the outstanding shares in Ziggo N.V. (the “**Initial Acquisition**”); and

(b) after the Initial Acquisition, any further acquisition by Bidco of shares in Ziggo N.V. from minority shareholders in that entity and the acquisition of any other related assets to facilitate the occurrence of the Full Ownership Date.

“**Ziggo Acquisition Agreement**” means the merger protocol agreement dated on or about the date of this Agreement between, among others, Bidco and Ziggo N.V. in relation to the Ziggo Acquisition and delivered to the Facility Agent prior to the Signing Date as amended, supplemented or replaced by a new agreement delivered by Bidco to the Facility Agent from time to time provided that such amendments, supplements or replacements may not be materially adverse to the interests of the Lenders unless the Instructing Group has consented to any such amendment, supplement or replacement.

“**Ziggo Offer**” means the tender offer (*openbaar bod*) to acquire some or all of the outstanding shares in Ziggo N.V.

“**Ziggo Parent**” means Amsterdamse Beheer-En Consultingmaatschappij B.V..

1.2 Construction

Unless a contrary indication appears, any reference in this Agreement to:

- (a) “the **Original Borrower**”, “the **Pushdown Borrower**”, “**Bidco**”, “the **Original Security Provider**”, “the **Replacement Security Provider**” a “**Guarantor**”; an “**Obligor**”, the “**Facility Agent**”, the “**Global Coordinator**”, a “**Mandated Lead Arranger**”, a “**Bookrunner**”, the “**Security Agent**”, or a “**Lender**” shall be construed so as to include their respective and any subsequent successors, transferees and permitted assigns in accordance with their respective interests;
- (b) “**agreed form**” means, in relation to any document, in the form agreed by or on behalf of the Facility Agent and the Borrower prior to the Signing Date;

- (c) “**assets**” includes present and future properties, revenues and rights of every description;
- (d) a “**Finance Document**” or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, supplemented, extended or novated (however fundamentally) and includes (without limiting the generality of the foregoing) any variation, increase, extension or addition of or to any facility or amount made available under any such document or any variation of the purposes for which such facility or amount may be available from time to time;
- (e) “**company**” includes any body corporate;
- (f) “**determines**” or “**determined**” means, save as otherwise provided herein, a determination made in the absolute discretion of the person making the determination;
- (g) the “**equivalent**” on any given date in one currency (the “**first currency**”) of an amount denominated in another currency (the “**second currency**”) is a reference to the amount of the first currency which could be purchased with the second currency at the Facility Agent’s Spot Rate of Exchange at the Specified Time on the relevant date for the purchase of the first currency with the second currency or for the purposes of determining any amounts testing any covenant or determining whether an Event of Default has occurred under this Agreement:
 - (i) in the case of any basket or threshold amount qualifying a covenant:
 - (A) in order to determine how much of such basket or threshold has been used at any time, for each transaction entered into in reliance upon the utilisation of such basket or in reliance upon such threshold not being reached prior to such time, the date upon which such transaction was entered into; and
 - (B) in order to determine the permissibility of a proposed transaction, on the date upon which the permissibility of that transaction is being tested for the purposes of determining compliance with that covenant; and
 - (ii) in the case of any basket or threshold amount relating to an Event of Default, the date on which the relevant event is being assessed for the purposes of determining whether such Event of Default has occurred,

provided that in the case of Financial Indebtedness proposed to be incurred to refinance other Financial Indebtedness denominated in a currency other than euro or other than the currency in which such refinanced Financial Indebtedness is denominated, if such refinancing would cause any applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro denominated restriction shall be deemed not to be exceeded so long as the principal amount of such refinancing Financial Indebtedness does not exceed the principal amount

of such Financial Indebtedness being refinanced in the applicable currency at the then current exchange rate;

- (h) “**guarantee**” means (other than in Clause 23 (*Guarantee and Indemnity*)) any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
- (i) “**indebtedness**” includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (j) “**month**” is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next succeeding calendar month save that, where any such period would otherwise end on a day which is not a Business Day, it shall end on the next succeeding Business Day, unless that day falls in the calendar month succeeding that in which it would otherwise have ended, in which case it shall end on the immediately preceding Business Day provided that, if a period starts on the last Business Day in a calendar month or if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Business Day in that later month (provided that in any reference to “months” only the last month in a period shall be construed in the aforementioned manner);
- (k) a “**person**” includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- (l) “**principal**” of a Loan or Exchange Note at any time means the principal of such Loan or Exchange Note plus (in the case of a Term Loan or an Exchange Note) the premium, if any, payable on such Exchange Note that is due or overdue or is to become due at such time;
- (m) a “**regulation**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, department or of any regulatory or other authority;
- (n) a “**repayment**” shall include a “**prepayment**” and references to “**repay**” or “**prepay**” shall be construed accordingly;
- (o) “**wholly-owned Subsidiary**” of a company shall be construed as a reference to any company which has no other members except that other company and that other company’s wholly-owned Subsidiaries or nominees for that other company or its wholly-owned Subsidiaries;
- (p) the “**winding-up**”, “**dissolution**” or “**administration**” of a company shall be construed so as to include any equivalent or analogous proceedings under the

Law of the jurisdiction in which such company is incorporated, established or organised or any jurisdiction in which such company carries on business, including the seeking of liquidation, winding up, reorganisation, dissolution, administration, arrangement, adjustment, protection from creditors or relief of debtors;

- (q) Section, Clause and Schedule headings are for ease of reference only;
- (r) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement;
- (s) a Default (other than an Event of Default) is “**continuing**” if it has not been remedied or waived and an Event of Default is “continuing” if it has not been remedied or waived; and
- (t) Whenever definitions or provisions of Schedule 11 (*Description of Notes*) are incorporated herein by reference, such definitions and provisions shall be deemed to be modified such that:
 - (i) references to the “Company” or an “Affiliate Issuer” are deemed to be references to the Borrower;
 - (ii) references to the “Issue Date” are deemed to be references to the Closing Date;
 - (iii) references to the “Notes” are deemed to be references to Initial Loans or Term Loans, in each case as the context requires;
 - (iv) references to the “Trustee” are deemed to be references to the Facility Agent;
 - (v) references to the “Holders” are deemed to be references to the Lenders;
 - (vi) references to the “Indenture” are deemed to be references to this Agreement or the Exchange Notes Indenture, as the context requires; and
 - (vii) references to the “Pushdown Issuer” are deemed to be references to the Pushdown Borrower,

and otherwise, to the extent that a defined term is used in a provision which is incorporated herein by reference, such defined term will have the meaning given in Schedule 11 (*Description of Notes*) and such term shall be incorporated herein.

1.3 Currency

“EUR”, “€” and “euro” denote the lawful currency of each Participating Member.

1.4 Statutes

Any reference in this Agreement to a statute or a statutory provision shall, save where a contrary intention is specified, be construed as a reference to such statute or statutory provision as the same shall have been, or may be, amended or re-enacted.

1.5 Time

Any reference in this Agreement to a time shall, unless otherwise specified, be construed as a reference to London time.

1.6 References to Agreements

Unless otherwise stated, any reference in this Agreement to any agreement, indenture or any other document (including any reference to this Agreement) shall be construed as a reference to:

- (a) such agreement, indenture or any other document as amended, varied, novated or supplemented from time to time;
- (b) any other agreement, indenture or any other document whereby such agreement or document is so amended, varied, supplemented or novated; and
- (c) any other agreement, indenture or any other document entered into pursuant to or in accordance with any such agreement or document.

1.7 No Personal Liability

No personal liability shall attach to any director, officer or employee of any Obligor or any member of the Wider Group for any representation or statement made by a Borrower or that member of the Wider Group in a certificate signed by such director, officer or employee.

1.8 Borrower Intercreditor Agreement

- (a) This Agreement is entered into subject to, and with the benefit of, the terms of the Borrower Intercreditor Agreement.
- (b) Notwithstanding anything to the contrary in this Agreement, the terms of the Borrower Intercreditor Agreement will prevail if there is a conflict between the terms of this Agreement and the terms of the Borrower Intercreditor Agreement.

1.9 Dutch Terms

In this Agreement, where it relates to a Dutch entity, a reference to:

- (a) a “**necessary action to authorise**” where applicable, includes without limitation:
 - (i) any action required to comply with the Works Councils Act of the Netherlands (*Wet op de ondernemingsraden*); and
 - (ii) obtaining an unconditional positive or neutral advice (*advies*) from the competent works council(s).

- (b) “**financial assistance**” means any act not permitted by Article 2:98c of the Dutch Civil Code;
- (c) a “**Security Interest**” includes any mortgage (*hypothek*), pledge (*pandrecht*), retention of title arrangement (*eigendomsvoorbehoud*), right of retention (*recht van retentie*), right to reclaim goods (*recht van reclame*), and, in general, any right in rem (*beperkt recht*), created for the purpose of granting security (*goederenrechtelijk zekerheidsrecht*);
- (d) a “**winding-up**”, “**administration**” or “**dissolution**” includes a Dutch entity being declared bankrupt (*failliet verklaard*) or dissolved (*ontbonden*);
- (e) a “**moratorium**” includes surseance van betaling and “**granted a moratorium**” includes *surseance verleend*;
- (f) any step or procedure taken in connection with insolvency proceedings includes a Dutch entity having filed a notice under Section 36 of the Tax Collection Act of the Netherlands (*Invorderingswet 1990*);
- (g) a “**trustee**” in insolvency proceedings includes a *curator*;
- (h) an “**administrator**” includes a *bewindvoerder*;
- (i) an “**attachment**” includes a *beslag*;
- (j) “**gross negligence**” means *grove schuld*;
- (k) “**negligence**” means *schuld*;
- (l) “**wilful misconduct**” means *opzet*; and
- (m) a “**merger**” means a *fusie*.

2. THE FACILITY

2.1 The Facility

The Lenders make available to the Borrower upon the terms and subject to the conditions of this Agreement a term loan facility in an amount equal to the Total Commitments.

2.2 Adjustment of Total Commitments

- (a) To the extent there has been a Successful Exchange, the Total Commitments will be immediately and automatically reduced and cancelled on the Successful Exchange Date so that the Total Commitments on the Successful Exchange Date will be adjusted as follows:

$$A = B - C$$

Where:

A= the Total Commitments

B= euros 934,000,000

C= the aggregate principal amount of the Original Senior Unsecured Exchange Notes up to a maximum amount of euros 934,000,000.

- (b) To the extent the Total Commitments are reduced and cancelled in accordance with paragraph (a) above, such reduction and cancellation shall be applied to reduce the Commitments of the Lenders rateably.

2.3 Increase

- (a) The Borrower may by giving prior notice to the Facility Agent by no later than the date falling 30 Business Days after the effective date of a cancellation of:
- (i) the Available Commitments of a Defaulting Lender in accordance with Clause 6.5 (*Right of Cancellation in Relation to a Defaulting Lender*); or
 - (ii) the Commitments of a Lender in accordance with Clause 15 (*Illegality*),

request that the Commitments be increased (and the Commitments be so increased) in an aggregate amount in the relevant currency of up to the amount of the Available Commitments or Commitments so cancelled and the increased Commitments will be assumed by one or more Lenders or other banks, financial institutions, trusts, funds or other entities (each an “**Increase Lender**”) selected by the Borrower, each of which confirms its willingness to assume and does assume all the obligations of a Lender corresponding to that part of the increased Commitments which it is to assume as if it had been an Original Lender by executing an Increase Confirmation. Each of the Obligors and any Increase Lender shall assume obligations towards one another and/or acquire rights against one another as the Obligors and the Increase Lender would have assumed and/or acquired had the Increase Lender been an Original Lender.

- (b) The Facility Agent shall promptly and no later than 5 Business Days following receipt of an Increase Confirmation duly executed by the Borrower and any Increase Lender execute that Increase Confirmation and deliver a copy of such executed Increase Confirmation to the Borrower and that Increase Lender.
- (c) The Borrower may pay to any Increase Lender a fee in the amount and at the times agreed between the Borrower and the Increase Lender.
- (d) Each Increase Lender shall become a Party as a “Lender” and any Increase Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Increase Lender and those Finance Parties would have assumed and/or acquired had the Increase Lender been an Original Lender.
- (e) The Commitments of the other Lenders shall continue in full force and effect.

- (f) An increase in the Commitments shall take effect on the date specified by the Borrower in any relevant notice referred to in paragraph (b) above or any later date on which the conditions set out in paragraph (h) below are satisfied.
- (g) An increase in the Commitments will only be effective on:
 - (i) the execution by the Facility Agent of an Increase Confirmation from the relevant Increase Lender; and
 - (ii) in relation to an Increase Lender which is not a Lender immediately prior to the relevant increase:
 - (A) the Increase Lender entering into the documentation required for it to accede as a party to the Borrower Intercreditor Agreement; and
 - (B) the performance by the Facility Agent of all necessary “know your client” or other similar checks under all applicable laws and regulations in relation to the assumption of the increased Commitments by that Increase Lender, the completion of which the Facility Agent shall promptly notify the Borrower and the Increase Lender.
- (h) Each Increase Lender, by executing an Increase Confirmation, confirms (for the avoidance of doubt) that the Facility Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the increase becomes effective.
- (i) Clause 31.6 (*Limitation of Responsibility of Transferor*) shall apply *mutatis mutandis* in this Clause 2.3 (*Increase*) in relation to any Increase Lender as if references in that Clause to:
 - (i) a “Transferor” were references to all the Lenders immediately prior to the relevant increase;
 - (ii) the “New Lender” were references to that “Increase Lender”; and
 - (iii) a “re-transfer” and “re-assignment” were references to respectively a “**transfer**” and “**assignment**”.

2.4 Purpose

The Borrower shall apply all amounts borrowed by it under the Facility:

- (a) by way of an equity contribution or intercompany loan to Bidco to be applied by Bidco towards:
 - (i) financing a portion of the purchase price payable in relation to the Ziggo Acquisition (including, without limitation, the acquisition of any shares in Ziggo N.V. from its minority shareholders after the Closing Date for

the purposes of the acquisition of any additional shares in Ziggo N.V. following the Closing Date and the acquisition of assets to facilitate the occurrence of the Full Ownership Date);

- (ii) directly or indirectly the repayment, redemption or refinancing of any other Financial Indebtedness used directly or indirectly to acquire shares in Ziggo N.V.;
- (b) towards financing any original issue discount, fees, costs and expenses (including, without limitation, legal fees, interest payments, make-whole or other premiums and any other redemption amounts) due and payable in connection with (a)(i) above and any other fees, costs and expenses (including, without limitation, legal fees) incurred by the Borrower, Bidco or any of their Affiliates in connection with the negotiation and preparation of the Finance Documents; and
- (c) for the general corporate purposes of the Borrower.

2.5 Finance Parties' Rights and Obligations

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from a Borrower shall be a separate and independent debt.
- (c) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

3. CONDITIONS

3.1 Initial Conditions Precedent

The obligations of the Lenders to make the Facility available to the Borrower shall be conditional upon:

- (a) the Facility Agent having confirmed to the Borrower that it has received all of the documents and evidence listed in Part 1: of Schedule 2 (*Conditions Precedent*) and that each is, unless otherwise indicated in that Schedule, satisfactory, in form and substance, to the Facility Agent, (acting reasonably) or the requirement to provide such document or evidence has been waived by the Instructing Group; and

- (b) The Borrower having confirmed to the Facility Agent that the offer in relation to the Ziggo Acquisition has been declared unconditional. The Facility Agent shall notify the Lenders promptly upon being so satisfied.

3.2 Utilisations during the Certain Funds Period

- (a) Subject to Clause 3.1 (*Initial Conditions Precedent*), during the Certain Funds Period, a Lender will only be obliged to comply with Clause 4.2 (*Lenders' Participations*) in relation to a Utilisation if, on the date of the Utilisation Request and on the proposed Utilisation Date:
- (i) the representations and warranties in Clause 17.2 (*Status*) to Clause 17.5 (*Non-violation*) (inclusive) to be made by the Borrower are true in all material respects in each case by reference to the facts and circumstances then subsisting; and
 - (ii) it is not unlawful in any applicable jurisdiction for that Lender to perform any of its obligations to lend or participate or maintain its participation in any Advance.
- (b) During the Certain Funds Period (save in circumstances where, pursuant to paragraph (a) above, a Lender is not obliged to comply with Clause 4.2 (*Lenders' Participations*)), none of the Finance Parties shall be entitled to:
- (i) cancel any of its Commitments;
 - (ii) rescind, terminate or cancel this Agreement or the Facility or exercise any similar right or remedy or make or enforce any claim under the Finance Documents it may have to the extent to do so would prevent or limit the making of a Utilisation;
 - (iii) refuse to participate in the making of a Utilisation;
 - (iv) exercise any right of set off or counterclaim in respect of a Utilisation to the extent to do so would prevent or limit the making of a Utilisation;
 - (v) cancel, accelerate or cause repayment or prepayment of any amounts owing under this Agreement or under any other Finance Document or exercise any enforcement rights under any Borrower Security Document to the extent to do so would prevent or limit the making of a Utilisation; or
 - (vi) take any other action or make or enforce any claim (in its capacity as a Lender) to the extent that such action, claim or enforcement would directly or indirectly prevent or limit the making of a Utilisation;

provided that immediately upon the expiry of the Certain Funds Period all such rights, remedies and entitlements shall be available to the Finance Parties notwithstanding that they may not have been used or been available for use during the Certain Funds Period.

4. UTILISATION

4.1 Conditions to Utilisation

Save as otherwise provided in this Agreement, an Initial Loan will be made by the Lenders to the Borrower if:

- (a) the Facility Agent has received from the Borrower a duly completed Utilisation Request in the relevant form no later than the Specified Time, receipt of which shall oblige the Borrower to utilise the amount requested on the Utilisation Date stated therein upon the terms and subject to the conditions contained in this Agreement;
- (b) the proposed Utilisation Date is a Business Day within the Availability Period;
- (c) the proposed Interest Period complies with Clause 10 (*Interest Periods*);
- (d) the currency specified in the Utilisation Request must be euros; and
- (e) the amount of the proposed Utilisation must be at least €500,000.

4.2 Lenders' Participations

- (a) If the conditions set out in this Agreement have been met, each Lender will participate through its Facility Office in each Initial Loan made pursuant to Clause 4.1 (*Conditions to Utilisation*).
- (b) The amount of each Lender's participation in an Advance will be equal to the proportion borne by its Available Commitments to the Available Facility immediately prior to making the Advance.

5. REPAYMENT

5.1 Repayment of Initial Loans

- (a) Subject to Clause 5.2 (*Mandatory extension of Initial Loans into Term Loans*), the Borrower shall repay to the Facility Agent for the rateable account of the Lenders the aggregate outstanding amount of the Initial Loans on the Initial Maturity Date.
- (b) The Borrower may not re-borrow any part of the Facility which is repaid.

5.2 Mandatory extension of Initial Loans into Term Loans

- (a) Each Lender shall be required to extend the Termination Date of its Initial Loans if:
 - (i) on the Initial Maturity Date no Extension Default exists and is continuing; or
 - (ii) a Securities Demand Failure has occurred.

- (b) If, on the Initial Maturity Date, an Extension Default exists and is continuing as to which a cure period is applicable under Clause 21 (*Events of Default*) but has not then expired, the Initial Maturity Date shall be automatically extended until the earlier of:
- (i) the expiration of such cure period without cure of such Extension Default (in which case the Advance shall become immediately due and payable on the last day of such cure period); or
 - (ii) the cure or waiver of such Extension Default on or before the last day of the applicable cure period.
- (c) If either:
- (i) the condition specified in paragraph (a)(i) is satisfied or a Securities Demand Failure has occurred; or
 - (ii) the requirements of Clause paragraph (b)(ii) are satisfied,
- as from the Conversion Date in the case of paragraph (c)(i) or (if applicable) the date on which the requirements in (b)(ii) are satisfied, the Termination Date of the Initial Loans shall be extended to the Final Maturity Date without requirement of any action from the Finance Parties, and such loans shall thereafter be Term Loans under and governed by this Agreement.

5.3 Repayment of Term Loans

The Borrower shall repay to the Facility Agent for the rateable account of the Lenders the aggregate outstanding amount of any Term Loans on the Final Maturity Date.

6. CANCELLATION

6.1 Voluntary Cancellation

The Borrower may, by giving to the Facility Agent not less than 3 Business Days prior written notice to that effect (unless the Instructing Group has given its prior consent to a shorter period) cancel any Available Facility in whole or any part (but if in part, in an amount that reduces the Facility by a minimum amount of €5,000,000 and an integral multiple of €1,000,000) and any such cancellation shall, reduce the relevant Available Commitments of the Lenders rateably.

6.2 Notice of Cancellation

Any notice of cancellation given by the Borrower pursuant to Clause 6.1 (*Voluntary Cancellation*) shall be irrevocable and shall specify the date upon which such cancellation is to be made and the amount of such cancellation.

6.3 Cancellation of Available Commitments

- (a) At the end of the Availability Period, any Available Commitments shall automatically be cancelled and the Available Commitment of each Lender shall automatically be reduced to zero.
- (b) No Available Commitments which have been cancelled under this Agreement may thereafter be reinstated.

6.4 Right of Repayment and Cancellation in relation to a Single Lender

- (a) If:
 - (i) any sum payable to any Lender by the Borrower is required to be increased under Clause 13.2 (*Tax Gross-up*);
 - (ii) any Lender claims indemnification from the Borrower under Clause 13.3 (*Tax Indemnity*) or Clause 14 (*Increased Costs*); or
 - (iii) any Lender, invokes Clause 11.2 (*Market Disruption*),

then, subject to paragraph (c) below the Borrower may:

- (A) arrange for the transfer or assignment in accordance with this Agreement of the whole (but at par only) of that Lender's Commitment and participation in the Utilisations to a new or existing Lender willing to accept that transfer or assignment; or
 - (B) give the Facility Agent notice of cancellation of that Lender's Commitment and the Borrower's intention to procure the repayment of that Lender's participation in the Utilisation, whereupon the Commitment of that Lender shall immediately be reduced to zero;
- (b) On the last day of each Interest Period which ends after the Borrower has given notice under paragraph (a)(iii)(B) above (or, if earlier, the date specified by the Borrower in that notice), the Borrower to which a Utilisation is outstanding shall repay that Lender's participation in that Utilisation (together with all interest and other amounts accrued under the Finance Documents).
- (c) The Borrower may only exercise its rights under paragraph (a) above if:
 - (i) in the case of paragraphs (a)(i) and (a)(ii) above, the circumstance giving rise to the requirement or indemnification continues or, in the case of (a)(iii) no more than 90 days have elapsed since the relevant invoking of Clause 11.2 (*Market Disruption*); and
 - (ii) it gives the Facility Agent and the relevant Lender not less than 5 Business Days prior notice.
- (d) The replacement of a Lender pursuant to paragraph (a)(iii)(A) above shall be subject to the following conditions:

- (i) no Finance Party shall have any obligation to find a replacement Lender;
- (ii) any replaced Lender shall not be required to refund, or to pay or surrender to any other Lender, any of the fees or other amounts received by that replaced Lender under any Finance Document; and
- (iii) any replacement of a Lender which is the Facility Agent shall not affect its role as the Facility Agent.

6.5 Right of Cancellation in Relation to a Defaulting Lender

Without prejudice to the Borrower's rights under Clause 2.3 (*Increase*):

- (a) If any Lender becomes a Defaulting Lender, the Borrower may, at any time whilst the Lender continues to be a Defaulting Lender, give the Facility Agent 3 Business Days' notice of cancellation of each Available Commitment of that Lender.
- (b) On the notice referred to in paragraph (a) above becoming effective, each Available Commitment of the Defaulting Lender shall immediately be reduced to zero.
- (c) The Facility Agent shall as soon as practicable after receipt of a notice referred to in paragraph (a) above, notify all the Lenders.

7. VOLUNTARY PREPAYMENT

7.1 Voluntary Prepayment

The Borrower may, by giving to the Facility Agent not less than 3 Business Days prior written notice to that effect (unless the Instructing Group has given its prior consent to a shorter period) repay any Advance in whole or in part (but if in part, in a minimum amount of €5,000,000 and an integral multiple of €1,000,000), together with accrued interest on the amount repaid without premium or penalty but subject to the payment of any Break Costs (if applicable).

7.2 Release from Obligation to Make Advances

A Lender for whose account a repayment is to be made under Clause 6.4 (*Right of Repayment and Cancellation in relation to a Single Lender*) shall not be obliged to participate in the making of Advances on or after the date upon which the Facility Agent receives the relevant notice of intention to repay such Lender's share of the Outstandings, on which date all of such Lender's Available Commitments shall be cancelled and all of its Commitments shall be reduced to zero.

7.3 Notice of Prepayment

Any notice of prepayment given by the Borrower pursuant to Clause 7.1 (*Voluntary Prepayment*) or Clause 6.4 (*Right of Repayment and Cancellation in relation to a Single Lender*) shall be irrevocable, shall specify the date upon which such prepayment is to be made and the amount of such prepayment and shall oblige the Borrower to make such prepayment on such date.

7.4 Restrictions on Repayment

The Borrower may not repay all or any part of any Advance except at the times and in the manner expressly provided for in this Agreement.

7.5 Cancellation upon Repayment

No amount repaid under this Agreement may subsequently be reborrowed.

8. MANDATORY PREPAYMENT AND CANCELLATION

8.1 Change of Control

(a) “Change of Control” means:

- (i) at any time prior to and including the Closing Date: (A) a Change of Control as defined in, and construed in accordance with, the Bidco Facility Agreement (as at the date of this Agreement); or (B) the Original Security Provider ceases to own 100 per cent. of the shares in the Borrower; or (C) the Borrower ceases, by virtue of any powers conferred by the articles of association or other documents regulating Bidco to, directly or indirectly, direct or cause the direction of management and policies of Bidco or ceases to own 100 per cent. of the shares in Bidco (or ceases to own 100 per cent. of the shares in an Intermediate Holding Company which owns, directly or indirectly, 100 per cent. of the shares in Bidco).
- (ii) at any time after the Closing Date, a Change of Control as defined and set out in Schedule 11 (*Description of Notes*);

(b) upon the occurrence of a Change of Control:

- (i) the Borrower must comply with the undertakings set out under the heading “Change of Control” in Schedule 11 (*Description of Notes*) as though such undertakings were set out at length in this Clause 8.1 *mutatis mutandis*; and
- (ii) all Available Commitments will be automatically cancelled.

8.2 Take Out Financing

If, after the Signing Date:

- (a) any debt or equity or convertible securities, notes or debentures of the Borrower are issued or other Financial Indebtedness incurred by the Borrower other than the Senior B Unsecured Exchanged Notes issued by the Borrower on the Closing Date; or
- (b) any debt or equity or convertible securities, notes or debentures of the Borrower or any of its Subsidiaries are issued or incurred for the purposes of refinancing all or a portion of the any Financial Indebtedness of the Borrower,

in each case an amount equal to 100% of the net cash proceeds thereof net of related fees, costs and expenses (or such lesser amount sufficient to prepay the outstanding amounts of the Advances together with interest and all other amounts due in respect thereof) shall be promptly applied towards the prepayment of the Advances, in each case, to the extent such payments are permitted under this Agreement, the Borrower Intercreditor Agreement, the Bidco Facility Agreement (and any intercreditor agreement entered into in connection therewith) and the Refinancing Facilities Agreement (and any intercreditor agreement entered into in connection therewith) and, if no such amounts are then outstanding under this Agreement such net cash proceeds shall instead be applied in permanent cancellation and reduction of the Commitments under this Agreement.

8.3 Miscellaneous Provisions

- (a) All prepayments under this Agreement shall be made together with accrued interest on the amount prepaid and any other amounts due under this Agreement in respect of that prepayment and, subject to Clause 25.2 (*Break Costs*), without premium or penalty.
- (b) No prepayment or cancellation is permitted except in accordance with the express terms of this Agreement.
- (c) Any prepayment in part of any Advance shall be applied against the participations of the Lenders in that Advance *pro rata*.

9. INTEREST

9.1 Calculation of interest

- (a) Subject to Clause 9.2 (*Interest Cap*), the rate of interest on each Initial Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:
 - (i) Margin; and
 - (ii) EURIBOR,and any increase in the Margin that occurs during an Interest Period will have immediate effect and shall apply to the Initial Loan concerned for the remainder of that Interest Period.
- (b) The rate of interest with respect to the Term Loans shall be a rate equal to the Interest Cap as defined in Clause 9.2 (*Interest Cap*) below.

9.2 Interest Cap

Notwithstanding anything contained in Clause 9.1 (*Calculation of interest*) or Clause 11 (*Market Disruption and Alternative Interest Rates*) but without prejudice to Clause 22 (*Default Interest*), in no event shall the interest rate on the Initial Loans for any Interest Period exceed a rate equal to 8.00% per cent. per annum (the “**Interest Cap**”).

9.3 Payment of interest

The Borrower shall pay accrued interest on the Advances on the last day of each Interest Period and on the date of any prepayment of the Advances.

9.4 Notification of rates of interest

The Facility Agent shall promptly notify the Lenders and the Borrower of the determination of a rate of interest under this Agreement.

10. INTEREST PERIODS

10.1 Interest Periods

- (a) Each Interest Period will, subject to paragraph (c) below and Clause 10.2 (*Non Business Days*), be 1, 2, 3 or 6 months or such other period of up to 12 months agreed between the Borrower and the Facility Agent (acting on the instructions of all the Lenders) in each case as the Borrower may select by notice to the Facility Agent no later than 9.30 am on the date falling 3 Business Days before the first day of the relevant Interest Period.
- (b) If the Borrower fails to select an Interest Period in accordance with paragraph (a) above, the duration of that Interest Period shall be three months.
- (c) An Interest Period for an Advance shall not extend beyond the Termination Date.
- (d) Each Interest Period for an Advance shall start on the Utilisation Date or (if already made) on the last day of its preceding Interest Period.

10.2 Non Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one or the preceding Business Day (if there is not).

10.3 No Division of Advances

Advances may not be divided.

11. MARKET DISRUPTION AND ALTERNATIVE INTEREST RATES

11.1 Absence of Quotations

Subject to Clause 11.2 (*Market Disruption*):

- (a) if EURIBOR is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation on the Quotation Date in accordance with Clause 11.2 (*Market Disruption*), the applicable EURIBOR shall be determined on the basis of the quotations of the remaining Reference Banks; or
- (b) if Clause 11.3 (*Alternative Reference Bank Rate*) applies but an Alternative Reference Bank does not supply a quotation in accordance with Clause 11.3 (*Alternative Reference Bank Rate*), the applicable Alternative Reference Bank

Rate shall be determined on the basis of the quotations of the remaining Alternative Reference Banks.

11.2 Market Disruption

- (a) If a Market Disruption Event occurs in relation to an Initial Loan for any Interest Period, then the rate of interest applicable to each Lender's portion of such Initial Loan during the relevant Interest Period shall (subject to any agreement reached pursuant to Clause 11.4 (*Alternative Rate*)) be the rate per annum which is the sum of
- (i) the Margin; and
 - (ii) the Alternative Reference Bank Rate or (if an Alternative Market Disruption Event has occurred with respect to an Initial Loan for the relevant Interest Period of that Initial Loan) the rate per annum notified to the Facility Agent by such Lender before the last day of such Interest Period to be that which expresses as a percentage rate per annum the cost to such Lender of funding from whatever sources it may reasonably select its portion of such Initial Loan during such Interest Period provided that if more than one such rate is notified to the Facility Agent pursuant to this Clause 11.2(a)(ii), the rate shall be the average of those rates so notified.
- (b) If:
- (i) the percentage rate per annum notified by a Lender pursuant to paragraph (a)(ii) above is less than the Alternative Reference Bank Rate; or
 - (ii) a Lender has not notified the Facility Agent of a percentage rate per annum pursuant to paragraph (a)(ii) above,
- the cost to that Lender of funding its participation in that Initial Loan for that Interest Period shall be deemed, for the purposes of paragraph (a) above, to be the Alternative Reference Bank Rate.
- (c) In this Agreement:
- "Alternative Market Disruption Event"** means:
- (i) before close of business in London on the date falling one Business Day after the Quotation Date for the relevant Interest Period, none or only one of the Alternative Reference Banks supply a rate to the Facility Agent to determine the Alternative Reference Bank Rate for the relevant Interest Period; or
 - (ii) before close of business in London on the Quotation Date for the relevant Interest Period, the Facility Agent receives notifications from a Lender or Lenders to whom in aggregate [40]% or more of the relevant Initial Loan is owed (or, in the case of an undrawn Initial Loan, if made would

be owed) that the cost to it of funding its participation from whatever source it may reasonably select would be in excess of the Alternative Reference Bank Rate; and

“**Market Disruption Event**” means:

- (i) at or about noon on the Quotation Date for the relevant Interest Period none or only one of the Reference Banks supplies a rate to the Facility Agent to determine EURIBOR for the relevant currency and Interest Period; or
- (ii) before close of business in London on the Quotation Date for the relevant Interest Period, the Facility Agent receives notifications from a Lender or Lenders to whom in aggregate [40]% or more of the relevant Initial Loan is owed (or, in the case of an undrawn Initial Loan, if made would be owed) that the cost to it of funding its participation from whatever source it may reasonably select would be in excess of EURIBOR.

11.3 Alternative Reference Bank Rate

- (a) If a Market Disruption Event occurs, the Facility Agent shall as soon as is practicable request each of the Alternative Reference Banks to supply to it the rate at which that Alternative Reference Bank could have borrowed funds in the relevant currency and for the relevant period in the European interbank market at or about 11:00 a.m. (Brussels time) on the Quotation Date for the Interest Period of that Initial Loan, were it to have done so by asking for and then accepting interbank offers for deposits in reasonable market size in the currency of that Initial Loan and for a period comparable to the Interest Period of that Initial Loan.
- (b) As soon as is practicable after receipt of the rates supplied by the Alternative Reference Banks, the Facility Agent will notify the Borrower and the Lenders of the arithmetic mean of the rates supplied to it in accordance with paragraph (a) above (the “**Alternative Reference Bank Rate**”).

11.4 Alternative Rate

If Clause 11.2 (*Market Disruption*) applies and the Facility Agent or the Borrower so requires, the Facility Agent and the Borrower shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing an alternative basis:

- (a) for determining the rate of interest from time to time applicable to such Initial Loans; and/or
- (b) upon which such Initial Loans may be maintained thereafter,

and any such alternative basis that is agreed shall take effect in accordance with its terms and be binding on each Party, provided that the Facility Agent may not agree any such alternative basis without the prior consent of each Lender holding Outstandings under each applicable Facility, acting reasonably.

12. COMMISSIONS AND FEES

12.1 Fees

The Borrower shall pay (or procure the payment of) to the Bookrunners and Mandated Lead Arrangers, as applicable, the fees specified in the relevant Fee Letter at the times and in the amounts specified in such letter.

12.2 Agency Fee

The Borrower shall pay (or procure the payment of) to the Facility Agent and the Security Agent for their own account the fees specified in the letter dated on or about the date of this Agreement between the Facility Agent, the Security Agent and the Borrower at the times and in the amounts specified in such letter.

13. TAX GROSS-UP AND INDEMNITIES

13.1 Definitions

In this Agreement:

“Protected Party” means a Finance Party which is or will be subject to any liability or required to make any payment for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

“Tax Deduction” means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than (i) a FATCA Deduction or (ii) a deduction or withholding for or on account of any Bank Levy (or otherwise attributable to, or arising as a consequence of, a Bank Levy).

“Tax Payment” means either the increase in a payment made by the Borrower to a Finance Party under Clause 13.2 (*Tax Gross-up*) or a payment under Clause 13.3 (*Tax Indemnity*).

Unless a contrary indication appears, in this Clause 13 a reference to **“determines”** or **“determined”** means a determination made in the discretion of the person making the determination acting reasonably and in good faith.

13.2 Tax Gross-up

- (a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law or by a binding decision of a tax authority or court.
- (b) Each Obligor shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Facility Agent accordingly. Similarly, a Lender shall notify the Facility Agent on becoming so aware in respect of a payment payable to that Lender. If

the Facility Agent receives such notification from a Lender it shall notify the Borrower.

- (c) If a Tax Deduction is required by law to be made by any Obligor, the amount of the payment due from the relevant Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) If an Obligor is required to make a Tax Deduction, the relevant Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (e) In the case of a Tax Deduction made by an Obligor, the relevant Obligor shall furnish, if reasonably possible, to the Facility Agent on behalf of the Finance Party concerned, within the period for payment permitted by the relevant law, either:
 - (i) an official receipt of the relevant taxation or other authorities involved in respect of the Tax Deduction; or
 - (ii) if such receipts are not issued by the taxation or other authorities concerned on payment to them in respect of a Tax Deduction, a certificate of deduction or equivalent evidence of the relevant Tax Deduction.
- (f) Each party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

13.3 Tax Indemnity

- (a) Each Obligor shall (within ten Business Days of written demand by the Facility Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party reasonably determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a payment of an Obligor under the Finance Documents. The Protected Party shall within 5 Business Days of request by the relevant Obligor provide to that Obligor reasonable written details explaining the loss, liability or cost and the calculation of the amount claimed by the Protected Party.
- (b) Paragraph (a) above shall not apply:
 - (i) with respect to any Tax assessed on a Finance Party:
 - (A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or

(B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or

(ii) to the extent a loss, liability or cost:

(A) is compensated for by an increased payment under Clause 13.2 (*Tax Gross-up*);

(B) relates to a FATCA Deduction required to be made by a Party; or

(C) is suffered or incurred by a Finance Party in respect of a Bank Levy.

(c) A Protected Party making, or intending to make a claim under paragraph (a) above shall notify the Facility Agent of the event which will give, or has given, rise to the claim, following which the Facility Agent shall notify the Borrower.

(d) A Protected Party shall, on receiving a payment from any Obligor under this Clause 13.3, notify the Facility Agent.

13.4 Tax Credit

(a) If and to the extent that an Obligor pays any additional amount under Clause 13.2 (*Tax Gross-up*) or makes a payment under Clause 13.3 (*Tax Indemnity*) and any Finance Party receives and retains the benefit of a refund of Tax or credit against Tax, including any relief, remission for, or repayment of any tax which is identified by the Finance Party determines as attributable to the tax that was withheld or deducted (a "**Tax Credit**"), then that Finance Party shall reimburse to the relevant Obligor such amount as it shall determine so as to leave that Finance Party after that reimbursement, in the same after-Tax position as in no better or worse position than it would have been in if payment of the relevant additional amount or payment had not been required. Each Finance Party shall have absolute discretion as to whether to claim any Tax Credit and, if it does so claim, the extent, order and manner in which it does so and which reliefs and credits are to be regarded as used for these purposes. Such reimbursement shall be made as soon as reasonably practicable after such Finance Party shall have made any such determination. No Finance Party shall be obliged to disclose any information regarding its tax affairs or computations to an Obligor.

(b) If a Finance Party has made a payment to an Obligor pursuant to this Clause 13.4 (Tax Credit) on account of a Tax Credit and it subsequently transpires that that Finance Party did not receive that Tax Credit, or received a reduced Tax Credit, such Obligor, as the case may be, shall on demand, pay to that Finance Party the amount which that Finance Party determines, acting reasonably and in good faith, will put it (after that payment is received) in the same after-tax position as it

would have been in had no such payment or a reduced payment been made to such Obligor.

- (c) No Finance party shall be obliged to make any payment under this Clause 13.4 (*Tax Credit*) if, by doing so, it would contravene the terms of any applicable Law or any notice, direction or requirement of any governmental or regulatory authority (whether or not having the force of law).

13.5 Stamp Taxes

Each Obligor shall pay and, within 10 Business Days of demand, indemnify each Secured Party and Mandated Lead Arranger against any cost, loss or liability that Secured Party or Mandated Lead Arranger incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document save for any such Taxes payable in respect of an assignment, transfer or sub-participation of a Lender's interests in respect of a Finance Document.

13.6 Value Added Tax

- (a) All consideration expressed to be payable under a Finance Document by any Party to a Finance Party shall be deemed to be exclusive of any VAT and no Party shall exercise any potential option for waiving a VAT exemption. Subject to paragraph (b) below, if VAT is chargeable on any supply made by any Finance Party to any Party in connection with a Finance Document, that Party shall pay to the Finance Party (in addition to and at the same time as paying the consideration) an amount equal to the amount of the VAT, unless the VAT charge is caused by the Finance Party's option to waive a VAT exemption, and in either case concurrently against the issue of an appropriate invoice.
- (b) If VAT is or becomes chargeable on any supply made by any Finance Party (the "**Supplier**") to any other Finance Party (the "**Recipient**") in connection with a Finance Document, and any Party other than the Recipient (the "**Subject Party**") is required by the terms of any Finance Document to pay an amount equal to the consideration for such supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration), (i) if the Supplier is required to account to the relevant tax authority for the VAT, the Subject Party must also pay to the Supplier and, (ii) if the Recipient is required to account to the relevant tax authority for the VAT the Subject Party must pay to the Recipient, (in addition to and at the same time as paying such amount) an amount equal to the amount of such VAT. Where paragraph (i) applies, the Recipient must promptly pay to the Subject Party an amount equal to any credit or repayment obtained by the Recipient from the relevant tax authority which the Recipient reasonably determines is in respect of the VAT chargeable on that supply. Where paragraph (ii) applies, the Subject Party must only pay to the Recipient an amount equal to the amount of such VAT to the extent that the Recipient reasonably determines that it is not entitled to a credit or repayment from the relevant tax authority in respect of that VAT.

- (c) Where a Finance Document requires any Party to reimburse a Finance Party for any costs or expenses, that Party shall also at the same time pay and indemnify the Finance Party for the full amount of such costs and expenses, including such part thereof as represents VAT incurred by the Finance Party in respect of the costs or expenses to the extent that the Finance Party reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of the VAT.
- (d) Any reference in this Clause 13.6 to any Party shall, at any time when such Party is treated as a member of a group (including but not limited to any fiscal unities) for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term “**representative member**” to have the same meaning as in the Value Added Tax Act 1994 or in the relevant legislation of any jurisdiction having implemented Council Directive 2006/112/EC on the common system of value added tax).
- (e) If VAT is chargeable on any supply made by a Finance Party to any Party under a Finance Document and if reasonably requested by such Finance Party, that Party must give the Finance Party details of its VAT registration number and any other information as is reasonably requested in connection with the Finance Party’s reporting requirements for the supply and at such time that the Finance Party may reasonably request it.

Where an Obligor is required to make a payment under paragraph (b) above, such amount shall not become due until the relevant Obligor has received a formal invoice detailing the amount to be paid.

13.7 Tax Administration Formalities

- (a) The Finance Parties and the Obligors shall co-operate in good faith in completing any procedural steps (including, but not limited to, giving any required confirmation or providing any relevant information) necessary for an Obligor to make payments to the Finance Party without any withholding or deduction for any Taxes. In particular, the Borrower agree to provide such information in respect of itself as may be reasonably requested by the Finance Parties in writing in order for the Finance Parties to comply with any administrative formalities required for the Finance Parties to be exempt from withholding or deduction for any Taxes under any applicable international treaty.
- (b) Similarly, each Finance Party undertakes to provide any tax certificate or other document as may be reasonably requested by the Borrower in writing in order for the Borrower to be exempt from withholding or deduction for any Taxes under any applicable international treaty.
- (c) Each Finance Party shall confirm whether it is entitled to receive payments under the Finance Documents free from withholding under FATCA and shall provide any documentation, forms and other information relating to its status under FATCA reasonably requested by the Facility Agent or the Borrower sufficient

for the Facility Agent and the Borrower to comply with their obligations under FATCA and to determine whether such Finance Party has complied with such applicable reporting requirements.

14. INCREASED COSTS

14.1 Increased Costs

Subject to Clause 14.3 (*Exceptions*), the Borrower shall, within 3 Business Days of a demand by the Facility Agent, pay (or procure the payment of) for the account of a Finance Party the amount of any Increased Cost incurred by that Finance Party or any of its Affiliates as a result (direct or indirect) of:

- (a) the introduction or implementation of or any change in (or any change in the interpretation, administration or application of) any Law, regulation, practice or concession or any directive, requirement, request or guideline (whether or not having the force of law but where such law, regulation, practice, concession, directive, requirement, request or guideline does not have the force of law, it is one with which banks or financial institutions subject to the same are generally accustomed to comply) of any central bank, including the European Central Bank, the Financial Services Authority or any other fiscal, monetary, regulatory or other authority after the date of this Agreement; or
- (b) compliance with any Law, regulation, practice, concession or any such directive, requirement, request or guideline made after the date of this Agreement.

14.2 Increased Costs Claims

- (a) A Finance Party intending to make a claim pursuant to Clause 14.1 (*Increased Costs*) shall notify the Facility Agent of the event giving rise to the claim, following which the Facility Agent shall promptly notify the Borrower.
- (b) Each Finance Party shall, as soon as practicable after a demand by the Facility Agent, provide a certificate confirming the amount of its, or if applicable, its Affiliate's Increased Costs and setting out in reasonable detail the circumstances giving rise to such claim and its calculations in relation to such Increased Costs.

14.3 Exceptions

Clause 14.1 (*Increased Costs*) does not apply to the extent any Increased Cost is:

- (a) attributable to a Tax Deduction required by Law to be made by the an Obligor;
- (b) compensated for by Clause 13.3 (*Tax Indemnity*) (or would have been compensated for under Clause 13.3 (*Tax Indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 13.3 (*Tax Indemnity*) applied);
- (c) attributable to the gross negligence of or wilful breach by, the Finance Party or, if applicable, any of its Affiliates of any law, regulation, practice, concession,

directive, requirement, request or guideline, to which the imposition of such Increased Cost relates;

- (d) suffered by a Finance Party and in respect of which that Finance Party intends to make a claim pursuant to paragraph (a) of Clause 14.2 (*Increased Costs Claims*), is not (and its claim under paragraph (a) of Clause 14.2 (*Increased Costs Claims*) is not) notified by that Finance Party to the Facility Agent within 30 days of that Finance Party becoming aware that it had suffered the relevant Increased Cost;
- (e) attributable to the implementation of or compliance with the “International Convergence of Capital Measurement and Capital Standards, a Revised Framework” published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the Signing Date (“**Basel II**”) or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, relevant Finance Party or any of its Affiliates);
- (f) attributable to a FATCA Deduction required to be made by a Party; or
- (g) attributable to any Bank Levy but only to the extent that such Bank Levy is no more onerous than in respect of:
 - (i) a Bank Levy not yet enacted into law, any draft of such proposed Bank Levy as at the date of this Agreement; or
 - (ii) any other Bank Levy, as set out under existing law as at the date of this Agreement.

In this Clause 14.3 reference to “Tax Deduction” has the same meaning given to the term in Clause 13.1 (*Definitions*).

15. ILLEGALITY

15.1 Illegality of a Lender

If at any time after a Lender becomes a Party it becomes unlawful in any applicable jurisdiction for such Lender to perform any of its obligations as contemplated by this Agreement respectively or to make, fund, issue or maintain its participation in any Utilisation:

- (a) that Lender shall promptly notify the Facility Agent upon becoming aware of that event;
- (b) upon the Facility Agent notifying the Borrower, the Commitments of that Lender shall immediately be reduced to zero and cancelled or, if required by the Borrower, on such date transferred to another bank or institution willing to accept that transfer; and

- (c) upon the Facility Agent notifying the Borrower, the Borrower shall, on such date as the Facility Agent shall have specified (being no earlier than the last day permitted by law) repay that Lender's participation in the Utilisations (together with accrued interest on and all other amounts owing to that Lender under the Finance Documents) or, if required by the Borrower, that Lender's participations shall on such date be transferred at par to another bank or institution willing to accept that transfer (to the extent it is lawful for such Lender to undertake such transfer).

16. MITIGATION

16.1 Mitigation

- (a) Each Finance Party shall in consultation with the Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under, or pursuant to, or cancelled pursuant to, any of Clause 13 (*Tax Gross-up and Indemnities*), Clause 14 (*Increased Costs*) or Clause 15 (*Illegality*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office or financial institution acceptable to the Borrower which is willing to participate in any Facility in which such Lender has participated.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

16.2 Limitation of Liability

- (a) With effect from the Signing Date, the Borrower agrees to indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 16.1 (*Mitigation*).
- (b) A Finance Party is not obliged to take any steps under Clause 16.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might in any way be prejudicial to it.

17. REPRESENTATIONS AND WARRANTIES

17.1 Representations and Warranties

Each Obligor makes the representations and warranties set out in this Clause 17 in each case to the Finance Parties.

17.2 Status*

- (a) It is a company duly organised or incorporated or a partnership duly formed, in either case, validly existing under the laws of its jurisdiction of incorporation or establishment.
- (b) It has the power to own its assets and carry on its business as it is being conducted.

17.3 Powers and Authority*

It has the power:

- (a) to enter into and comply with all obligations expressed on its part under the Finance Documents to which it is expressed to be a party;
- (b) (in the case of the Borrower) to borrow under this Agreement; and
- (c) (in the case of the Guarantor) to give the guarantee in Clause 23 (*Guarantee and Indemnity*),

and has taken all necessary actions to authorise the execution, delivery and performance of the Finance Documents to which it is a party.

17.4 Legal Validity*

- (a) Each Finance Document to which it is or will be a party constitutes, or when executed in accordance with its terms will constitute, its legal, valid and binding obligations enforceable, subject to any relevant reservations or qualifications as to matters of law contained in any legal opinion delivered under this Agreement, in accordance with its terms.
- (b) The choice of law set out in the Finance Documents and its irrevocable submission to jurisdiction set out therein in respect of any proceedings relating to the Finance Documents (other than any Finance Document which is expressly to be governed by a law other than English law) will be recognised and enforced in its jurisdiction of incorporation, subject to any relevant reservation or qualification as to matters of law contained in any legal opinion referred to in paragraph (a) above.
- (c) Any judgment obtained in England in relation to a Finance Document (other than any Borrower Security Document which is expressly to be governed by a law other than English law) will be recognised and enforced in its jurisdiction of incorporation, subject to any relevant reservation or qualification as to matters of law contained in any legal opinion referred to in paragraph (a) above.

17.5 Non-violation*

The execution and delivery by it of the Finance Documents to which it is a party, and its performance of the transactions contemplated thereby, will not violate:

- (a) in any material respect, any law or regulation or official judgment or decree applicable to it;
- (b) in any material respect, its constitutional documents; or
- (c) any material agreement or instrument to which it is a party or binding on any of its assets, or binding upon any of its Subsidiaries or any of its Subsidiaries' assets, where such violation would or is reasonably likely to have a Material Adverse Effect.

17.6 Consents

- (a) Subject to any relevant reservations or qualifications contained in any legal opinion referred to in Clause 17.4 (*Legal Validity*) above, all material and necessary authorisations, registrations, consents, approvals, licences, and filings required by it in connection with the execution, validity or enforceability of the Finance Documents to which it is a party and performance of the transactions contemplated by the Finance Documents have been obtained (or, if applicable, will be obtained within the required time period) and are validly existing.
- (b) All the Necessary Authorisations are in full force and effect, each member of the Group is in compliance in all material respects with all provisions thereof and the Necessary Authorisations are not the subject of any pending or, to the best of its knowledge, threatened attack or revocation by any competent authority except, in each case, to the extent that any lack of effect, non-compliance or attack or revocation of a Necessary Authorisation would not have or not be reasonably likely to have a Material Adverse Effect.

17.7 Event of Default

No Event of Default has occurred and is continuing or will result from the making of any Advance.

17.8 Security Interests

Its execution and delivery of this Agreement does not necessitate and will not result in the creation or imposition of any Security Interest over any of its material assets or those of any member of the Group (except for any Security Interest created pursuant to the Borrower Security Documents).

17.9 Litigation and Insolvency Proceedings*

- (a) No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency have been started against it and, to its knowledge, no such proceedings are threatened, where in any such case, there is a reasonable likelihood of an adverse outcome to it where that outcome is of a nature which would or is reasonably likely to have a Material Adverse Effect.
- (b) None of the circumstances referred to in the Event of Default relating to bankruptcy, insolvency or reorganisation have been commenced against it.

17.10 No Filing or Stamp Taxes*

Under the laws of its jurisdiction of incorporation, it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction, other than the registration with the Dutch tax authorities or the Royal Netherlands Notarial Organisation *Koninklijke Notariële Beroepsorganisatie*) of Dutch deeds of pledge or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents except any filing, recording, notarising or enrolling or any tax or fee payable in relation to a Finance Document that is referred to in any Legal Opinion which will be made or paid promptly after the date of a Finance Document.

17.11 Taxation

- (a) No claims are being asserted against it or any member of the Group with respect to Tax liabilities which are reasonably likely to be determined adversely to it or to such member and which, if so adversely determined, would or is reasonably likely to have a Material Adverse Effect.
- (b) It is not materially overdue in the filing of any Tax returns required to be filed by it (where such late filing might result in any material fine or penalty on it) and it has paid within any period required by law all Taxes shown to be due on any Tax returns required to be filed by it or on any assessments made against it (other than Tax liabilities being contested by it in good faith and where it has made adequate reserves for such liabilities or where such overdue filing, or non-payment, or a claim for payment, of which in each such case would not have or not be reasonably likely to have a Material Adverse Effect).

17.12 Ownership of Assets

Save to the extent disposed of in a manner permitted by the terms of any of the Finance Documents with effect from and after the Signing Date, it has good title to or valid leases or licences of or is otherwise entitled to use all material assets necessary to conduct its business taken as a whole to the extent that the failure to have such title, leases or licences or to be so entitled has or is reasonably likely to have a Material Adverse Effect.

17.13 Group Structure Chart

The Group Structure Chart sets out a description (giving effect to the transactions to occur substantially simultaneously with the Closing Date) which will be true and complete in all material respects as at the Closing Date in respect of the corporate ownership structure of the Group and of the Borrower.

17.14 ERISA

- (a) Neither it nor any member of the Group or any ERISA Affiliate maintains, contributes to or has any obligation to contribute to or any liability under, any Plan, or in the past five years has maintained or contributed to or had any obligation to, or liability under, any Plan.
- (b) Neither it nor any ERISA Affiliate has, at any time, maintained or contributed to, and is not obliged to maintain or contribute to, any Plan that is subject to Title IV or Section 302 of ERISA and/or Section 412 of the Code or any Multiemployer Plan.

17.15 Anti-Terrorism Laws*

Neither it nor any of its Subsidiaries:

- (a) is, or is controlled by, a Designated Party;

- (b) to its knowledge, has received funds or other property from a Designated Party; or
- (c) to its knowledge, is in breach of any Anti-Terrorism Law.

It and each of its Affiliates have taken commercially reasonable measures to ensure compliance with the Anti-Terrorism Laws.

17.16 Margin Stock*

It is not engaged, nor does it intend to engage, principally or as one of its important activities, in the business of purchasing or carrying any Margin Stock, or extending credit for the purpose of purchasing or carrying Margin Stock, in each case in violation of any Margin Regulations, and no proceeds of any Advance will be used for any purpose that violates any Margin Regulations.

17.17 Investment Company Act

It is not required to register as an “investment company” or a company “controlled” by such an “investment company”, as such terms are defined in the United States Investment Company Act of 1940, as amended.

17.18 Claims Pari Passu

Subject to any relevant reservations or qualifications contained in any legal opinion referred to in Clause 17.4 (*Legal Validity*), the claims of the Finance Parties against it under the Finance Documents, to which it is party rank and will rank at least pari passu with the claims of all its unsecured and unsubordinated creditors save those whose claims are preferred by any bankruptcy, insolvency, liquidation or similar laws of general application.

17.19 No Immunity*

In any legal proceedings taken in its jurisdiction of incorporation or establishment and, if different, England in relation to any of the Finance Documents to which it is party it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

17.20 Centre of Main Interests*

Its Centre of Main Interests is the place in which its registered office is situated or, if different, another place in the country in which its registered office is situated, or The Netherlands.

17.21 No Material Misstatements

No information or financial statement furnished by an Obligor or on behalf of an Obligor to the Facility Agent or any Lender in connection with the negotiation of any Finance Document or included therein or delivered pursuant thereto contained any material misstatement of fact or omitted to state any material fact necessary to make the statements therein, taken as a whole and in the light of the circumstances under which they were

made, not misleading, in each case as at the date of the document containing such information or the date of such financial statement; provided that, to the extent any such information or financial statement was based on or constitutes a forecast or projection, each Obligor represents only that it acted in good faith, and utilised assumptions believed to be reasonable at the time in the preparation of such information or financial statement, it being understood that such forecasts and projections may vary from actual results and that such variances may be material.

17.22 Sanctions*

- (a) At any time prior to the Closing Date, the Borrower has not to the best of its, its directors, its officers or its employees knowledge violated any applicable law, directive, national statute or administrative regulation relating to money-laundering, unlawful financial activities or unlawful use or appropriation of corporate funds including international economic sanctions or trade embargoes imposed by the US administered by the Office of Foreign Assets Control of the US Department of Treasury (“OFAC”) or equivalent European Union measure).
- (b) At any time on or after the Closing Date, no member of the Group, to the best knowledge of the Borrower, any director, officer, agent, employee or other person acting on behalf of the Borrower and/or any other member of the Group or any of their respective Subsidiaries has caused the Borrower or any other member of the Group or any of their respective subsidiaries to be in violation of any applicable law, directive, national statute or administrative regulation relating to money-laundering, unlawful financial activities or unlawful use or appropriation of corporate funds including economic or financial sanctions or trade embargoes imposed by the US (including those administered by OFAC or equivalent European Union measure).

17.23 Times for Making Representations and Warranties

The representations and warranties set out in this Clause 17 are made by each Obligor regarding itself on the Signing Date, the representations and warranties in Clause 17.10 (*No Filing or Stamp Taxes*), 17.21 (*No Material Misstatements*) are deemed to be made by each Obligor on the date on which the Mandated Lead Arrangers confirm to the Facility Agent that primary syndication is complete and the representations and warranties set out in Clauses 17.2 (*Status*), 17.3 (*Powers and Authority*), 17.4 (*Legal Validity*), 17.5 (*Non-violation*), 17.9 (*Litigation and Insolvency Proceedings*), 17.14 (*Anti-terrorism*), 17.16 (*Margin Stock*), 17.19 (*No Immunity*) and 17.20 (*Centre of Main Interests*) 17.22 (*Sanctions*) are deemed to be made again by each Obligor (as applicable), on the Closing Date with reference to the facts and circumstances then existing.

18. GENERAL UNDERTAKINGS

- 18.1** (a) Subject to paragraph (b) below, each of the undertakings set out in this Clause 18 (*General Undertakings*) will remain in full force and effect and apply from the Signing Date until (and including) the Closing Date.
- (b) The provisions set out in Schedule 11 (*Description of Notes*) under the headings “Limitation on Indebtedness”, “Limitation on Restricted Payments”, “Limitation

on Liens”, “Limitation on Restrictions on Distributions from Restricted Subsidiaries”, “Limitation on Sales of Assets and Subsidiary Stock”, “Limitation on Affiliate Transactions”, “Limitation on Layering”, “Limitation on Issuance of Guarantees and Indebtedness by Restricted Subsidiaries”, “Reports”, “Merger and Consolidations”, “Impairment of Liens” and “Suspension of Covenants on Achievement of Investment Grade Status” are hereby incorporated herein with effect from the Signing Date for so long as any amount is outstanding under the Finance Documents or any Commitment is in force, as if set out at length in this clause 18(b) *mutatis mutandis*.

18.2 Authorisations

Each Obligor will obtain or cause to be obtained, maintain and comply with the terms of:

- (a) every material consent, authorisation, licence or approval of, or filing or registration with or declaration to, governmental or public bodies or authorities or courts; and
- (b) every material notarisation, filing, recording, registration or enrolment in any court or public office,

in each case required under any law or regulation to enable it to perform its obligations under, or for the validity, enforceability or admissibility in evidence of the Finance Document to which it is a party; and obtain or cause to be obtained every Necessary Authorisation and ensure that (i) none of the Necessary Authorisations is revoked, cancelled, suspended, withdrawn, terminated, expires and is not renewed or otherwise ceases to be in full force and effect and (ii) no Necessary Authorisation is modified and no member of the Group commits any breach of the terms or conditions of any Necessary Authorisation which, in the case of each of (i) and (ii) would or is reasonably likely to have a Material Adverse Effect.

18.3 Pari Passu Ranking

Each Obligor will procure that its payment obligations under the Finance Documents do and will rank at least pari passu with all the claims of its other present and future unsecured and unsubordinated creditors (save for those obligations mandatorily preferred by applicable law applying to companies generally).

18.4 Compliance with Laws

Each Obligor will comply in all material respects with all applicable laws, rules, regulations and orders of any governmental authority, having jurisdiction over it or any of its assets, except where failure to comply therewith would not have or be reasonably likely to have a Material Adverse Effect.

18.5 Financial Year End

Each Obligor will maintain a financial year end of 31 December save with the prior written consent of the Facility Agent (acting on the instructions of the Instructing Group (such consent not to be unreasonably withheld)).

18.6 “Know Your Client” Checks

- (a) If:
- (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
 - (ii) any change in the status of an Obligor or the composition of the shareholders of an Obligor after the date of this Agreement; or
 - (iii) a proposed assignment or transfer by a Lender of any of its rights and/or obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,
- obliges the Facility Agent or any Lender (or, in the case of paragraph (iii) above, any prospective New Lender) to comply with “know your client” or similar reasonable identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Facility Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Facility Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective New Lender) in order for the Facility Agent, such Lender or, in the case of the event described in paragraph (iii) above, any prospective New Lender to carry out and be satisfied it has complied with all necessary “know your client” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.
- (b) Each Lender shall promptly upon the request of the Facility Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Facility Agent (for itself) in order for the Facility Agent to carry out and be satisfied it has complied with all necessary “know your client” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

18.7 Further Assurance

- (a) The Borrower shall at its own expense, promptly take all such reasonable action as the Facility Agent or the Security Agent may require for the purpose of the creation, perfection, protection or maintenance of the Security (including the registration or filing of any Borrower Security Documents with all appropriate authorities to the extent necessary for the purposes of perfecting the Security created thereunder).

- (b) At any time after an Event of Default has occurred and whilst such Event of Default is continuing, the Borrower shall, at its own expense, take any and all action as the Security Agent may deem necessary for the purposes of perfecting or otherwise protecting the Lenders' interests in the Security constituted by the Borrower Security Documents.
- (c) Each Obligor shall (and the Borrower shall procure that each member of the Group shall) at its own expense, promptly take all such reasonable action as the Facility Agent or the Security Agent may require for the purpose of complying with the provisions of paragraph (d) below.
- (d) The Borrower shall ensure that any member of the Group who gives a guarantee in respect of any Senior B Unsecured Exchange Notes shall also become a Guarantor hereunder to the extent that it is not already Party as a Guarantor.

18.8 No Amendments

No Obligor shall amend its constitutional documents in a manner which could reasonably be expected to have a Material Adverse Effect.

18.9 Taxation

Each Obligor will pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:

- (a) such payment is being contested in good faith; and
- (b) such failure to pay those Taxes does not have or is not reasonably likely to have a Material Adverse Effect.

18.10 Holding Companies

Without the consent of the Instructing Group, each Obligor will not, and will procure that each other member of the Group will not, trade, carry on any business, own any assets or incur any liabilities, except in respect of:

- (a) the provision of administrative, managerial, legal and accounting services of a type customarily provided by a Holding Company to its Subsidiaries;
- (b) the ownership of shares, membership interests or other equity interests in its Subsidiaries (or as set out in the Structure Memorandum);
- (c) any liabilities under the Finance Documents (and under the Bidco Finance Documents);
- (d) any liabilities in respect of the Senior B Unsecured Exchange Notes and the Bidco Facility Agreement;
- (e) in respect of Bidco only, any business, assets or liabilities arising in connection with any transaction permitted under the Bidco Finance Documents (as at the date of this Agreement); and

- (f) Cash and Cash Equivalent Investments.

19. EXCHANGE NOTES

19.1 Exchange Note Indenture

- (a) The Borrower shall negotiate in good faith with the Arrangers the form of an Exchange Note Indenture with respect to the Exchange Notes, which Exchange Note Indenture shall be governed by New York law. The Exchange Note Indenture will include covenants, events of default and other provisions equivalent to the covenants, events of default and other provisions set out under the heading “Certain Covenants” in Schedule 11 (*Description of Notes*) (save as set out in Schedule 12 (*Exchange Notes Summary*) or this Clause 19).
- (b) The Borrower and the Arrangers agree to negotiate and finalise the Exchange Note Indenture to be entered into pursuant to paragraph (a) above no later than (i) 30 days prior to the Initial Maturity Date and (ii) ten Business Days after any other Conversion Date; provided that the Borrower may defer only the first issuance of Exchange Notes until such time as the Borrower shall have received requests to issue an aggregate principal amount of Advances to be so exchanged that equals or exceeds the minimum amount specified in Clause 19.2 (*Exchange Notes*).
- (c) The Exchange Note Indenture shall be fully executed and delivered (including the form of Exchange Notes attached thereto), and the Exchange Notes will be fully executed and deposited into escrow, not later than (i) 30 days prior to the Initial Maturity Date and (ii) ten Business Days after any other Conversion Date or such other date as the Arrangers may agree.
- (d) In connection with the execution of the Exchange Note Indenture, the Borrower shall furnish an opinion from New York law legal counsel in form and substance satisfactory to the Exchange Note Trustee, stating that, upon issuance of Exchange Notes in consideration for an equal amount of Term Loans, the Exchange Note Indenture constitutes a legal, valid and binding obligation of the Borrower and the Guarantors, enforceable against each of the Borrower and the Guarantors in accordance with its terms.

19.2 Exchange Notes

- (a) Each Lender may from time to time on any Business Day on or after the Conversion Date elect pursuant to an Exchange Request given in accordance with Clause 19.3 (*Manner of Exchange of Term Loans*) below, to exchange all or any portion of its Term Loans (if any) then outstanding for one or more Exchange Notes (each such exchange being referred to herein as an “**Exchange**”); provided that the first issuance of Exchange Notes (whether at the election of one or multiple Lenders) shall be for at least €75,000,000 in aggregate principal amount of Exchange Notes.
- (b) The Exchange Notes shall:

- (i) rank *pari passu* with the Term Loans to the extent that any Term Loans remain outstanding;
 - (ii) have the same terms and conditions as the Senior B Unsecured Exchange Notes in their original form, *mutatis mutandis* (save as set out in Schedule 12 (*Exchange Notes Summary*) or this Clause 19) and shall be listed on the same stock exchange as the Senior B Unsecured Exchange Notes;
 - (iii) be issued pursuant to and shall be governed by and construed solely in accordance with the Exchange Note Indenture;
 - (iv) be guaranteed by the same entities that guarantee the Term Loans and will be secured by the same assets securing the Term Loans; and
 - (v) require that the Borrower submit to the non exclusive jurisdiction and venue of the U.S. Federal and state courts of the State of New York and will waive any right to trial by jury.
- (c) The principal amount of the Exchange Notes in any Exchange will equal 100% of the aggregate principal amount of the participation in the Term Loan for which they are exchanged and shall be issued at an issue price equal to such principal amount of the participation in the Term Loans for which they are exchanged.
- (d) Each Exchange Note in an Exchange shall:
- (i) be denominated in euros;
 - (ii) bear interest from and including the first day of the unexpired Interest Period applicable to the Term Loan for which the Exchange Notes are exchanged to and including the Final Maturity Date at a fixed rate per annum (calculated on the basis of actual number of days elapsed over a year of 360 days) that is 8% per annum Such interest will be payable semi-annually; and
 - (iii) be callable as set out in Schedule 12 (*Exchange Notes Summary*).
- (e) The Borrower agrees that it will, on the date of issuance of any Exchange Notes in accordance with this Clause 19.2 (*Exchange Notes*), make all designations and notifications required by the terms of the Borrower Intercreditor Agreement in order to give the Exchange Notes the full benefit of the terms of the Borrower Intercreditor Agreement.

19.3 Manner of Exchange of Term Loans

- (a) Subject to Clause 31 (*Assignments and Transfers*), in order to effect an Exchange a Lender shall provide the Facility Agent and the Borrower with a duly completed Exchange Request at least ten Business Days prior to an Exchange Date (which shall also be a Business Day) selected by such Lender for an Exchange in compliance with Clause 19.2 (*Exchange Notes*) above. Each Exchange Request under this Clause 19.3 shall specify the following:

- (i) the Lender's legal name;
- (ii) the Exchange Date selected by such Lender;
- (iii) subject to Clause 31 (*Assignments and Transfers*), the name of the proposed registered Holder of the Exchange Notes to be issued pursuant to the Exchange Request, and the address (or account, as the case may be) for delivery of the Exchange Notes to be delivered thereto;
- (iv) the principal amount of that Lender's Advance to be repaid and the corresponding principal amount of Exchange Notes to be issued pursuant to the Exchange Request, provided that the minimum denominations in which an Advance may be exchanged shall be at least €500,000 and integral multiples of €1,000;
- (v) the amount of each Exchange Note requested (which shall be at least €500,000 and integral multiples of €1,000 in excess thereof; and
- (vi) that the Exchange Request is delivered pursuant to this Clause 19.3.

In addition, such Lender shall provide such other information reasonably requested by the Facility Agent.

- (b) Upon receipt of an Exchange Request under this Clause 19.3, the Facility Agent shall send written or telecopy notice of such proposed Exchange to the Exchange Note Trustee, with a copy to the Borrower, that shall specify the information contained in such Exchange Request, and shall deliver the Exchange Note(s) to the Exchange Note Trustee for authentication and thereafter use all reasonable endeavours to deliver them to the registered Holder or Holders thereof on the date specified in the Exchange Request.
- (c) Upon delivery of the Exchange Notes pursuant to this Clause 19 the Facility Agent shall cancel each Advance so exchanged.

19.4 Not a registered security

- (a) Each Lender acknowledges that none of the Exchange Notes will be registered under the Securities Act and represents and agrees that it may only acquire Exchange Notes for its own account and that it will not, directly or indirectly, transfer, sell, assign, pledge or otherwise dispose of the Exchange Notes (or any interest therein) unless such transfer, sale, assignment, pledge or other disposition is made (i) pursuant to an effective registration statement under the Securities Act or (ii) pursuant to an available exemption from registration under, and otherwise in compliance with, the Securities Act. Each of the Lenders acknowledges that the Exchange Notes will bear a legend restricting the transfer thereof in accordance with the Securities Act.
- (b) Subject to the provisions of the previous paragraph, the Borrower and each Guarantor agrees that, with the consent of the Facility Agent, each Lender will

be able to sell or transfer all or any part of the Exchange Notes to any third party in compliance with applicable laws.

19.5 Co-operation

- (a) The Borrower agrees that it will from and after the first Utilisation of the Facility commence and proceed with (i) preparation of a preliminary offering memorandum or private placement memorandum (the “**Offering Document**”) relating to an issuance of high yield notes for the purpose of refinancing the Facility (the “**New High Yield Bonds**”) and which contains, except as otherwise agreed to by the Arrangers, all financial statements and other data relating to the Borrower and the Group customarily included in such an offering memorandum and, except as otherwise customary and reasonably agreed by such Arrangers, all other data that would be necessary for such investment banks to receive customary “comfort” from independent accountants in connection with the offering of the New High Yield Bonds; (ii) the application process for the listing of the New High Yield Bonds on the official list of the Luxembourg Stock Exchange (or such other stock exchange or agreed by the Arrangers and the Borrower) and admission to trading on the Euro MTF, and (iii) the preparation of materials for a presentation to ratings agencies for a rating on the New High Yield Bonds. The Arrangers may rely, without independent verification, upon the accuracy and completeness of the Offering Document (other than with respect to any information contained therein provided by or on behalf of the Arrangers), and none of the Arrangers assumes any responsibility therefor (other than with respect to any information contained therein provided by or on behalf of such Arranger).
- (b) The Borrower will use commercially reasonable efforts to cause senior management of the Group and of the Borrower to make themselves reasonably available for customary due diligence, rating agency presentations and one or more road shows and other meetings with potential investors for the New High Yield Bonds as reasonably required by the Arrangers.

20. ACCEDING GROUP COMPANIES

20.1 Assignment or Transfers by Obligors

Subject to Clause 20.2 (*Facility Pushdown*) below, none of the rights, benefits and obligations of the Obligors or any Security Provider under this Agreement shall be capable of being assigned or transferred and the each Obligor and the Security Provider undertakes not to seek to assign or transfer any of its rights, benefits and obligations under this Agreement.

20.2 Facility Pushdown

- (a) The Original Borrower may, at its option, effect a pushdown of its rights and obligations under the Finance Documents through one or more of a combination of methods contemplated in the definition of Debt Pushdown as defined and set out in Schedule 11 (*Description of Notes*) (a “**Facility Pushdown**”).

- (b) The Original Borrower shall ensure that, where it elects to undertake a pushdown of the Senior B Unsecured Exchange Notes in accordance with the terms thereof (a “**Note Pushdown**”), it shall at the same time and in the same manner effect a Facility Pushdown so that no Note Pushdown occurs prior to the occurrence of a Facility Pushdown and so that the Pushdown Borrower in respect of any Facility Pushdown is the same entity as the pushdown issuer in respect of the Note Pushdown.
- (c) The Original Borrower shall ensure that simultaneous with the Facility Pushdown:
 - (i) to the extent that, pursuant to a Facility Pushdown, the rights and obligations of the Original Borrower under the Finance Documents will be transferred to or assumed by another member of the Group, that member of the Group shall accede to this Agreement as the Pushdown Borrower in accordance Clause 20.3 (*Pushdown Borrower*);
 - (ii) the Replacement Security Provider grants first ranking Security Interests in favour of the Security Agent for the benefit of the Finance Parties over 100 per cent. of the shares in the Pushdown Borrower on the same terms as the equivalent Security Interests granted by the Original Borrower to the Security Agent pursuant to the Borrower Security Documents;
 - (iii) the Facility Agent has received all of the documents and evidence listed in paragraphs 1 and 2 of Schedule 10 (*Accession Documents*) in respect of the Replacement Security Provider (each in form and substance satisfactory to the Facility Agent (acting reasonably)); and
 - (iv) each of the Finance Parties has confirmed that it has completed its “know your customer” requirements in respect of the Pushdown Borrower and the Replacement Security Provider.
- (d) The Facility Agent shall notify the Original Borrower and the Lenders promptly upon being satisfied that the conditions specified in paragraph (c) above have been satisfied (the date of such notice being the “**Debt Pushdown Date**”).
- (e) Without further action by any Party, on the Debt Pushdown Date, to the extent that the rights and obligations of the Original Borrower under the Finance Documents have been transferred to or assumed by another member of the Group, the Original Borrower will be released from all of its obligations as Borrower under the Finance Documents.

20.3 Pushdown Borrower

- (a) In respect of any member of the Group which is to accede to this Agreement as the Pushdown Borrower in accordance with Clause 20.2(c) (*Facility Pushdown*), that member of the Group shall become the Pushdown Borrower for the purpose of this Agreement if:

- (i) the Original Borrower delivers to the Facility Agent a duly completed and executed Accession Notice;
 - (ii) the Original Borrower confirms that no Event of Default is continuing or would occur as a result of that member of the Group becoming the Pushdown Borrower; and
 - (iii) the Facility Agent has received all of the documents and other evidence listed in Schedule 10 (*Accession Documents*) in relation to that member of the Group, each in form and substance satisfactory to the Facility Agent (acting reasonably).
- (b) The Facility Agent shall notify the Original Borrower and the Lenders promptly upon being satisfied that the conditions specified in paragraph (a) above have been satisfied.

20.4 Guarantors

- (a) Subject to paragraph (b) below, the Borrower may, upon not less than 5 Business Days prior written notice to the Facility Agent, request that any member of the Group becomes a Guarantor under this Agreement.
- (b) Such member of the Group may become a Guarantor if:
 - (i) the Borrower delivers to the Facility Agent a duly completed and executed Accession Notice;
 - (ii) the Borrower confirms that no Event of Default is continuing or would occur as a result of that member of the Group becoming a Guarantor; and
 - (iii) the Facility Agent has received all of the documents and other evidence listed Schedule 10 (*Accession Documents*) in relation to that member of the Group, each in form and substance satisfactory to the Facility Agent, acting reasonably.
- (c) The Facility Agent shall notify the Borrower and the Lenders promptly upon being satisfied that the conditions specified in paragraph (b) above have been satisfied.

20.5 Assumption of Rights and Obligations

Upon satisfactory delivery of a duly executed Accession Notice to the Facility Agent, together with the other documents required to be delivered under Clause 20.3 (*Pushdown Borrower*) or 20.4 (*Guarantors*) (as applicable), the relevant member of the Group, the Obligors and the Finance Parties, will assume such obligations towards one another and/or acquire such rights against each other as they would each have assumed or acquired had such member of the Group been an original party to this Agreement as the Original Borrower or a Guarantor (as applicable) and such member of the Group shall become a party to this Agreement as the Pushdown Borrower or a Guarantor (as applicable).

21. EVENTS OF DEFAULT

21.1 General

The provisions set out under the heading “Events of Default” of Schedule 11 (*Description of Notes*) are hereby incorporated herein with effect on and after the Signing Date as if set out in length in this Clause 21.1 *mutatis mutandis*.

22. DEFAULT INTEREST

22.1 Consequences of Non-Payment

If any sum due and payable by an Obligor under this Agreement is not paid on the due date therefor in accordance with the provisions of Clause 27 (*Payments*) or if any sum due and payable by an Obligor pursuant to a judgment of any court in connection with this Agreement is not paid on the date of such judgment, the period beginning on such due date or, as the case may be, the date of such judgment and ending on the Business Day on which the obligation of such Obligor to pay the Unpaid Sum is discharged shall be divided into successive periods, each of which (other than the first) shall start on the last day of the preceding such period (which shall be a Business Day) and the duration of each of which shall (except as otherwise provided in this Clause 22 (*Default Interest*)) be selected by the Facility Agent.

22.2 Default Rate

During each such period relating thereto as is mentioned in Clause 22.1 (*Consequences of Non-Payment*) an Unpaid Sum shall bear interest at the rate per annum which is the sum from time to time of (x) on or prior to the Conversion Date 1%, the Margin and EURIBOR, as the case may be, on the Quotation Date therefor or (y) after the Conversion Date 1% and the Interest Cap, provided that:

- (a) if, for any such period, EURIBOR, as the case may be, cannot be determined, the rate of interest applicable to each Lender’s portion of such Unpaid Sum shall be the rate per annum which is the sum of 1%, the Margin, (as aforesaid) and the rate per annum that shall be notified to the Facility Agent by such Lender as soon as practicable after the beginning of such period as being that which expresses as a percentage rate per annum the cost to such Lender of funding from whatever sources it may reasonably select its portion of such Unpaid Sum during such period; and
- (b) if such Unpaid Sum is all or part of an Advance which became due and payable on a day other than the last day of an Interest Period relating thereto, the first Interest Period applicable to it shall be of a duration equal to the unexpired portion of that Interest Period and the rate of interest applicable thereto from time to time during such Interest Period shall be that which exceeds by 1% the rate which would have been applicable to it had it not so fallen due.

22.3 Maturity of Default Interest

Any interest which shall have accrued under Clause 22.2 (*Default Rate*) in respect of an Unpaid Sum shall be due and payable and shall be paid by the Obligor owing such sum at the end of the period by reference to which it is calculated or on such other dates as the Facility Agent may specify by written notice to the Obligor.

22.4 Construction of Unpaid Sum

Any Unpaid Sum shall (for the purposes of this Clause 22 (*Default Interest*), Clause 14 (*Increased Costs*) and Clause 25 (*Borrower's Indemnities*)) be treated as an advance and accordingly in those provisions the term “**Advance**” includes any Unpaid Sum and the term “**Interest Period**”, in relation to an Unpaid Sum, includes each such period relating thereto as is mentioned in Clause 22.1 (*Consequences of Non-Payment*).

23. GUARANTEE AND INDEMNITY

23.1 Guarantee

With effect from the Signing Date or if later, the date on which it accedes to this Agreement in such capacity, each Guarantor irrevocably and unconditionally guarantees, jointly and severally, to each of the Finance Parties the due and punctual payment by each other Obligor of all sums payable by that Obligor under each of the Finance Documents and agrees that promptly on demand it will pay to the Facility Agent each and every sum of money which each Borrower is at any time liable to pay to any Finance Party under or pursuant to any Finance Document and which has become due and payable but has not been paid at the time such demand is made and provided that before any such demand is made on a Restricted Borrower, demand for payment of the relevant sum shall first have been made on the relevant Borrower.

23.2 Indemnity

With effect from the Signing Date, or if later, the date upon which it accedes to this Agreement in such capacity, each Guarantor irrevocably and unconditionally agrees, jointly and severally, as primary obligor and not only as surety, to indemnify and hold harmless each Finance Party on demand by the Facility Agent from and against any loss incurred by such Finance Party as a result of any of the obligations of an Obligor under or pursuant to any Finance Document being or becoming void, voidable, unenforceable or ineffective as against any Obligor for any reason whatsoever (whether or not known to that Finance Party or any other person) the amount of such loss being the amount which the Finance Party suffering it would otherwise have been entitled to recover from the relevant Obligor and provided that the amount payable by a Guarantor under this Clause 23.2 (*Indemnity*) shall not exceed the amount such Guarantor would have had to pay under Clause 23.1 (*Guarantee*) if the amount claimed had been recoverable on the basis of a guarantee.

23.3 Continuing and Independent Obligations

The obligations of each Guarantor under this Agreement shall constitute and be continuing obligations which shall not be released or discharged by any intermediate payment or settlement of all or any of the obligations of each Obligor under the Finance

Documents, shall continue in full force and effect until the unconditional and irrevocable payment and discharge in full of all amounts owing by each Obligor under each of the Finance Documents and are in addition to and independent of, and shall not prejudice or merge with, any other security (or right of set off) which any Finance Party may at any time hold in respect of such obligations or any of them.

23.4 Avoidance of Payments

Where any release, discharge or other arrangement in respect of any obligation of any Obligor, or any Security held by any Finance Party therefor, is given or made in reliance on any payment or other disposition which is avoided or must be repaid (whether in whole or in part) in an insolvency, liquidation or otherwise and whether or not any Finance Party has conceded or compromised any claim that any such payment or other disposition will or should be avoided or repaid (in whole or in part), the provisions of this Clause 23.4 (*Avoidance of Payments*) shall continue as if such release, discharge or other arrangement had not been given or made.

23.5 Immediate Recourse

None of the Finance Parties shall be obliged, before exercising or enforcing any of the rights conferred upon them in respect of the Guarantors by this Agreement or by Law, to seek to recover amounts due from any other Obligor or to exercise or enforce any other rights or Security any of them may have or hold in respect of any of the obligations of any Obligor under any of the Finance Documents.

23.6 Waiver of Defences

Neither the obligations of the Guarantors contained in this Agreement nor the rights, powers and remedies conferred on the Finance Parties in respect of the Guarantors by this Agreement or by Law shall be discharged, impaired or otherwise affected by:

- (a) the winding-up, dissolution, administration or reorganisation of any Obligor or any other person or any change in the status, function, control or ownership of any Obligor or any such person;
- (b) any of the obligations of any Obligor or any other person under any Finance Document or any Security held by any Finance Party therefor being or becoming illegal, invalid, unenforceable or ineffective in any respect;
- (c) any time or other indulgence being granted to or agreed (i) to or with any Obligor or any other person in respect of its obligations or (ii) in respect of any security granted under any Finance Documents;
- (d) unless otherwise agreed, any amendment to, or any variation, waiver or release of, any obligation of, or any Security granted by, any Obligor or any other person under any Finance Document;
- (e) any total or partial failure to take, or perfect, any Security proposed to be taken in respect of the obligations of any Obligor or any other person under the Finance Documents;

- (f) any total or partial failure to realise the value of, or any release, discharge, exchange or substitution of, any security held by any Finance Party in respect of any Obligor's obligations under any Finance Document;
- (g) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Obligor or any other person;
- (h) any amendment, novation, supplement, extension restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Finance Document or other document or security; or
- (i) any other act, event or omission which might operate to discharge, impair or otherwise affect any of the obligations of any of the Guarantors under this Agreement or any of the rights, powers or remedies conferred upon the Finance Parties or any of them by this Agreement or by Law.

23.7 No Competition

Until all amounts which may become payable by each Obligor under or in connection with the Finance Documents have been paid in full, no Guarantor will exercise any rights:

- (a) to claim by way of contribution or indemnity in relation to any of the obligations of the Obligors under any of the Finance Documents;
- (b) to claim or prove as a creditor of any Obligor or any other person or its estate in competition with the Finance Parties or any of them;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;
- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Guarantor has given a guarantee, undertaking or indemnity under Clause 23.1 (*Guarantee*); or
- (e) to exercise any right of set-off against any Obligor,

except to the extent that the Facility Agent so requires and in such manner and upon such terms as the Facility Agent may specify and each Guarantor shall hold any moneys, rights or security held or received by it as a result of the exercise of any such rights on trust for the Facility Agent for application in or towards payment of any sums at any time owed by the Obligors under any of the Finance Documents as if such moneys, rights or security were held or received by the Facility Agent under this Agreement.

23.8 Appropriation

To the extent any Finance Party receives any sum from any Guarantor in respect of the obligations of any of the other Obligors under any of the Finance Documents which is insufficient to discharge all sums which are then due and payable in respect of such obligations of such other Obligors, such Finance Party shall not be obliged to apply any such sum in or towards payment of amounts owing by such other Obligor under any of the Finance Documents, and any such sum may, in the relevant Finance Party's discretion, be credited to a suspense or impersonal account and held in such account pending the application from time to time (as the relevant Finance Party may think fit) of such sums in or towards the discharge of such liabilities owed to it by such other Obligor under the Finance Documents as such Finance Party may select provided that such Finance Party shall promptly make such application upon receiving sums sufficient to discharge all sums then due and payable to it by such other Obligor under the Finance Documents.

23.9 Guarantee Limitations - Dutch

This guarantee does not apply to any liability to the extent that it would constitute unlawful financial assistance within the meaning of sections 2:98c of the Dutch Civil Code or equivalent provisions. This limitation shall cease to be applicable to a Dutch limited liability company upon the abolishment of sections 2:98c of the Dutch Civil Code and equivalent provisions.

24. ROLE OF THE FACILITY AGENT, THE ARRANGERS AND OTHERS

24.1 Appointment of the Facility Agent

Each of the other Finance Parties under the Facility appoints Bank of America Merrill Lynch International Limited as the Facility Agent to act as its agent under and in connection with the Finance Documents and authorises the Facility Agent to exercise the rights, powers, authorities and discretions specifically delegated to it under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

24.2 Duties of the Facility Agent

- (a) Subject to paragraph (b) below, the Facility Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Facility Agent for that Party by any other Party.
- (b) Without prejudice to Clause 31.12 (*Copy of Transfer Deed, Transfer Agreement or Increase Confirmation*), paragraph (a) above shall not apply to any Transfer Certificate, Assignment Agreement or any Increase Confirmation.
- (c) Except where a Finance Document specifically provides otherwise, the Facility Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to any Party.
- (d) If the Facility Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Facility Agent, the Arranger or the Security Agent) under this Agreement it shall promptly notify the other Finance Parties.

- (e) The Facility Agent shall promptly inform each Lender of the contents of any notice or document received by it in its capacity as Facility Agent from a an Obligor under the Finance Documents.
- (f) The Facility Agent is not obliged to monitor or enquire as to whether or not a Default has occurred. The Facility Agent shall not be deemed to have knowledge of the occurrence of a Default. However, if the Facility Agent receives notice from a Party referring to this Agreement, describing the Default and stating that the event is a Default, it shall promptly notify the Lenders of such notice.
- (g) If so instructed by the Instructing Group, the Facility Agent shall refrain from exercising any power or discretion vested in it as agent under any Finance Document.
- (h) The duties of the Facility Agent under the Finance Documents are, save to the extent otherwise expressly provided, solely mechanical and administrative in nature.
- (i) The Facility Agent shall provide to the Borrower within 5 Business Days of request (but no more frequently than once per calendar month), a list (which may be in electronic form) setting out the names of the Lenders as at the date of that request, their respective Commitments, the address and fax number (and the department or officer, if any, for whose attention any communication is to be made) of each Lender for any communication to be made or document to be delivered under or in connection with the Finance Documents, the electronic mail address and/or any other information required to enable the sending and receipt of information by electronic mail or other electronic means to and by each Lender to whom any communication under or in connection with the Finance Documents may be made by that means and the account details of each Lender for any payment to be distributed by the Facility Agent to that Lender under the Finance Documents.

24.3 Role of the Bookrunners and the Arrangers

Except as specifically provided in the Finance Documents, none of the Bookrunners or the Arrangers shall have any obligations of any kind to any other party under or in connection with any Finance Document.

24.4 No Fiduciary Duties

- (a) Nothing in the Finance Documents constitutes the Facility Agent or any of the Arrangers as a trustee or fiduciary of any other person.
- (b) None of the Facility Agent, the Security Agent or the Arrangers, shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

24.5 Business with the Wider Group

Any of the Facility Agent, the Arrangers [or the Security Agent] may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Wider Group.

24.6 Discretion of the Facility Agent

- (a) The Facility Agent may rely on:
 - (i) any representation, notice or document believed by it to be genuine, correct and appropriately authorised; and
 - (ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.
- (b) The Facility Agent may assume, unless it has received notice to the contrary in its capacity as agent for the Lenders, that:
 - (i) no Default has occurred (unless the Facility Agent has actual knowledge of such Default).
 - (ii) any right, power, authority or discretion vested in this Agreement upon any party, the Lenders or the Instructing Group has not been exercised; and
 - (iii) any notice or request made by the Obligors' Agent is made on behalf of and with the consent and knowledge of all the Obligors.
- (c) The Facility Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.
- (d) The Facility Agent may act in relation to the Finance Documents through its personnel and agents.
- (e) The Facility Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
- (f) Without prejudice to the generality of paragraph (e) above, the Facility Agent may disclose the identity of a Defaulting Lender to the other relevant Finance Parties and the Borrower and shall disclose the same upon the written request of the Borrower or the Instructing Group.
- (g) Notwithstanding any other provision of any Finance Document to the contrary, none of the Facility Agent, the Arranger or the bank is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

24.7 Instructing Group Instructions

- (a) Unless a contrary indication appears in a Finance Document, the Facility Agent shall act in accordance with any instructions given to it by the Instructing Group

(or, if so instructed by the Instructing Group, refrain from acting or exercising any right, power, authority or discretion vested in it as Facility Agent) and shall not be liable to any relevant Finance Party for any act (or omission) if it acts (or refrains from taking any action) in accordance with such an instruction of the Instructing Group.

- (b) Unless a contrary indication appears in a Finance Document, any instructions given by the Instructing Group will be binding on all the Finance Parties.
- (c) The Facility Agent may refrain from acting in accordance with the instructions of the Instructing Group, or, if appropriate, the Lenders until it has received such security or collateral as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with such instructions.
- (d) In the absence of instructions from the Instructing Group, or, if appropriate, the Lenders, the Facility Agent may act (or refrain from taking action) as it considers to be in the best interests of the Lenders.
- (e) The Facility Agent shall not be authorised to act on behalf of a Lender in any legal or arbitration proceedings relating to any Finance Document without first obtaining the Lender's consent to do so. This paragraph (e) shall not apply to any legal or arbitration proceeding relating to the perfection, presentation or protection of rights under the Borrower Security Documents or enforcement of the Security or Borrower Security Documents.

24.8 No Responsibility

None of the Facility Agent or any Arranger shall be:

- (a) responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by any Finance Party or an Obligor or any other person in or in connection with any Finance Document;
- (b) responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document; or
- (c) responsible for any determination as to whether any information provided or to be provided to any Finance Party is non public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

24.9 Exclusion of Liability

- (a) Without limiting paragraph (b) below (and without prejudice to the provisions of paragraph (e) of Clause 27.8 (*Disruption to Payment Systems*), the Facility Agent will not be liable to any Finance Party for any action taken by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct.

- (b) No Party may take any proceedings, or assert or seek to assert any claim, against any officer, employee or agent of any Agent in respect of any claim it might have against such Agent, or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and agrees that any such officer, employee or agent may enforce this provision.
- (c) The Facility Agent will not be liable for any failure to notify any person of any matter referred to in Clause 31.16 (*Notification*) or any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by it if it has taken all reasonable steps to comply with Clause 31.16 (*Notification*) and taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by it for that purpose.

24.10 Lender's Indemnity

Each Lender shall (in proportion to its share of the Total Commitments, or if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Facility Agent from time to time within three Business Days of demand by the Facility Agent against any cost, loss or liability incurred by the Facility Agent (otherwise than by reason of its negligence or wilful misconduct or, in the case of any cost, loss or liability pursuant to Clause 27.8 (*Disruption to Payment Systems*) notwithstanding the Facility Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Facility Agent) in acting as a Facility Agent under the Finance Documents (unless it has been reimbursed therefor by an Obligor pursuant to the terms of the Finance Documents).

24.11 Resignation

- (a) The Facility Agent may resign and appoint one of its Affiliates acting through an office in the United Kingdom or the Netherlands as successor Facility Agent by giving notice to the Lenders and the Borrower.
- (b) The Facility Agent may resign without having designated a successor as agent under paragraph (a) above (and shall do so if so required by the Instructing Group) by giving 30 days notice to the Lenders and the Borrower, in which case the Instructing Group may appoint a successor Facility Agent (acting through an office in the United Kingdom or the Netherlands), approved by the Borrower, acting reasonably. If the Instructing Group has not appointed a successor Facility Agent in accordance with this paragraph (b) within 30 days after notice of resignation was given, the Facility Agent may appoint a successor Facility Agent (acting through an office in the United Kingdom or the Netherlands), approved by the Borrower, acting reasonably.
- (c) Provided no Default is outstanding, the Borrower may, by notice to the Facility Agent, require the Facility Agent to resign by giving five Business Days' notice. In this event, the Facility Agent shall resign and the Borrower shall appoint a successor Facility Agent acting through an office in the United Kingdom or the Netherlands (without requiring consent from any Finance Party). The Borrower

may exercise such right to replace the Facility Agent once during the life of the Facilities.

- (d) The retiring Facility Agent shall, at the Borrowers' cost, make available to its successor such documents and records and provide such assistance as its successor may reasonably request for the purposes of performing its functions as Facility Agent under the Finance Documents.
- (e) The resignation notice of the Facility Agent shall only take effect upon the appointment of a successor Facility Agent.
- (f) Upon the appointment of a successor, the retiring Facility Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 24 (*Role of the Facility Agent and the Arrangers and others*). The Facility Agent's successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor Facility Agent had been an original party as Facility Agent.

24.12 Replacement

- (a) The Instructing Group may, with the prior written consent of Bidco, by giving 30 days' notice to the Facility Agent (or, at any time the Facility Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Lenders) replace the Facility Agent by appointing a successor Facility Agent.
- (b) The retiring Facility Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders) make available to the successor Facility Agent such documents and records and provide such assistance as the successor Facility Agent may reasonably request for the purposes of performing its functions as Facility Agent under the Finance Documents.
- (c) The appointment of the successor Facility Agent shall take effect on the date specified in the notice from the Instructing Group to the retiring Facility Agent. As from this date, the retiring Facility Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) above) but shall remain entitled to the benefit of Clause 34.5 (*Indemnity to the Facility Agent*) and this Clause (and any agency fees for the account of the retiring Facility Agent shall cease to accrue from (and shall be payable on) that date).
- (d) Any successor Facility Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

24.13 Confidentiality

- (a) The Facility Agent (in acting as agent for the Finance Parties) shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

- (b) If information is received by another division or department of the Facility Agent it may be treated as confidential to that division or department and the Facility Agent shall not be deemed to have notice of it.
- (c) Notwithstanding any other provision of any Finance Document to the contrary, the Finance Parties are not obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would, or might in its reasonable opinion, constitute a breach of any Law.

24.14 Facility Office

The Facility Agent may treat each Lender as a Lender, entitled to payments under this Agreement and acting through its Facility Office unless it has received not less than 5 Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

24.15 Credit Appraisal by the Lenders

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to each of the Facility Agent, the Bookrunners and the Arrangers that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (c) whether that Lender has recourse, and the nature and extent of that recourse, against any party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (d) the adequacy, accuracy and/or completeness of any information provided by the Facility Agent, the Bookrunners, the Arrangers or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (e) the right or title of any person in or to, or the value or sufficiency of any part of the Security, the priority of any of the Security or the existence of any Security Interests affecting the Security.

24.16 Deduction from Amounts Payable by the Facility Agent

If any amount is due and payable by any party to the Facility Agent under any Finance Document the Facility Agent may, after giving notice to that party, deduct an amount not exceeding that amount from any payment to that party which the Facility Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that party shall be regarded as having received such payment without any such deduction.

24.17 Obligor's Agent

- (a) Each Obligor (other than the Borrower) irrevocably authorises the Borrower to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:
 - (i) the Borrower on its behalf to supply all information concerning itself, its financial condition and otherwise to the relevant persons contemplated under this Agreement and to give all notices and instructions to execute on its behalf any Finance Document and to enter into any agreement in connection with the Finance Documents notwithstanding that the same may affect such Obligor, without further reference to or the consent of such Obligor; and
 - (ii) each Finance Party to give any notice, demand or other communication to be given to or served on such Obligor pursuant to the Finance Documents to the Borrower on its behalf,

and in each such case such Obligor will be bound thereby as though such Obligor itself had supplied such information, given such notice and instructions, executed such Finance Document and agreement or received any such notice, demand or other communication and each Finance Party may rely on any action purported to be taken by the Borrower on behalf of that Obligor.

- (b) Every act, omission, agreement, undertaking, settlement, waiver, notice or other communication given or made by the Obligor's Agent under any Finance Document, or in connection with this Agreement (whether or not known to any other Obligor, as the case may be, and whether occurring before or after such person became Party), shall be binding for all purposes on all other Obligors as if the other Obligor had expressly made, given or concurred with the same. In the event of any conflict between any notices or other communications of the Obligor's Agent or any other Obligor, those of the Obligor's Agent shall prevail.

24.18 Co-operation with the Facility Agent

- (a) Each Lender and each Obligor will co-operate with the Facility Agent to complete any legal requirements imposed on the Facility Agent in connection with the performance of its duties under this Agreement and shall supply any information requested by the Facility Agent in connection with the proper performance of those duties provided that no Obligor shall be under any obligation to provide any information the supply of which would be contrary to any confidentiality obligation binding on the Borrower or any member of the Group or prejudice

the retention of legal privilege in such information and provided further that no Obligor shall (and the Borrower shall procure that no member of the Group shall) shall be able to deny the Facility Agent any such information by reason of it having entered into a confidentiality undertaking which would prevent it from disclosing, or be able to claim any legal privilege in respect of, any financial information relating to itself or the Group.

- (b) Any Lender may by notice to the Facility Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 34.5 (*Electronic Communication*) electronic mail address and/or any other information required to enable the sending and receipt of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address, department and officer by that Lender for the purposes of Clause 34.2 (*Giving of Notice*) and Clause 34.5(a)(iii) (*Electronic Communication*) and the Facility Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

24.19 Accession documents

The Facility Agent will promptly countersign each relevant accession document which is required for accession of the relevant parties to the Borrower Intercreditor Agreement.

25. BORROWER'S INDEMNITIES

25.1 General Indemnities

The Borrower undertakes, on a joint and several basis, to indemnify:

- (a) each of the Finance Parties against any out-of-pocket cost, claim, loss, expense (including legal fees) or liability, which any of them may sustain or incur as a consequence of the occurrence of any Default; and
- (b) each Lender against any out-of-pocket loss it may suffer or incur as a result of its funding or making arrangements to fund its portion of an Advance requested by the Borrower under this Agreement (save as a result of such Lender's own gross negligence or wilful default).

25.2 Break Costs

- (a) A Borrower shall, within 10 Business Days of demand by the Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of any Advance or Unpaid Sum being paid by that Borrower on a day other than the last day of an Interest Period for that Advance or Unpaid Sum.

- (b) Each Lender shall, as soon as reasonably practicable after a demand by the Facility Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

26. CURRENCY OF ACCOUNT

26.1 Currency

Euros is the currency of account and payment for each and every sum at any time due from any Obligor under this Agreement provided that:

- (a) each repayment of any Outstandings or Unpaid Sum (or part of it) shall be made in the currency in which those Outstandings or Unpaid Sum are denominated on their due date;
- (b) interest shall be payable in the currency in which the sum in respect of which such interest is payable was denominated when that interest accrued;
- (c) each payment in respect of costs and expenses shall be made in the currency in which the same were incurred; and
- (d) each payment pursuant to Clause 13.3 (*Tax Indemnity*) or Clause 14.1 (*Increased Costs*) shall be made in the currency specified by the Finance Party claiming under it, acting reasonably.

26.2 Currency Indemnity

- (a) If any sum due from an Obligor under the Finance Documents (a “**Sum**”), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the “**First Currency**”) in which that Sum is payable into another currency (the “**Second Currency**”) for the purpose of:
 - (i) making or filing a claim or proof against that Obligor;
 - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,that Obligor shall as an independent obligation, within ten Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.
- (b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

27. PAYMENTS

27.1 Payment to the Facility Agent

On each date on which this Agreement requires an amount to be paid by any Obligor or any of the Lenders under this Agreement, such Obligor or, as the case may be, such Lender shall make the same available to the Facility Agent by payment in same day funds (or such other funds as may for the time being be customary for the settlement of transactions in the relevant currency) to such account or bank as the Facility Agent (acting reasonably) may have specified for this purpose and any such payment which is made for the account of another person shall be made in time to enable the Facility Agent to make available such person's portion of it to such other person in accordance with Clause 27.2 (*Distributions by the Facility Agent*).

27.2 Distributions by the Facility Agent

Save as otherwise provided in this Agreement, each payment received by the Facility Agent for the account of another person shall be made available by the Facility Agent to such other person (in the case of a Lender, for the account of its Facility Office) for value the same day by transfer to such account of such person with such bank in a Participating Member State or London as such person shall have previously notified to the Facility Agent by not less than 5 Business Days' notice for this purpose.

27.3 Clear Payments

Any payment required to be made by any Obligor under this Agreement shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of, and without any deduction for or on account of, any set-off or counterclaim.

27.4 Impaired Agent

- (a) If, at any time, the Facility Agent becomes an Impaired Agent, an Obligor or a Lender which is required to make a payment under the Finance Documents to the Facility Agent in accordance with Clause 27.1 (*Payment to the Facility Agent*) may instead either pay that amount direct to the required recipient or pay that amount to an interest-bearing account (the "**Trust Account**") held with an Acceptable Bank within the meaning of paragraph (a) of the definition of "Acceptable Bank" and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Obligor or the Lender making the payment and designated as a trust account for the benefit of the Finance Party beneficially entitled to that payment under the Finance Documents. In each case such payments must be made within 5 Business Days of the due date for payment under the Finance Documents.
- (b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the beneficiaries of that trust account *pro rata* to their respective entitlements.
- (c) A party which has made a payment in accordance with this Clause 27.4 (*Impaired Agent*) shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.

- (d) Promptly upon the appointment of a successor Facility Agent in accordance with Clause 24.11 (*Resignation*), each Party which has made a payment to a trust account in accordance with this Clause 27.4 (*Impaired Agent*) shall give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Facility Agent for distribution in accordance with this Agreement.

27.5 Partial Payments

If the Facility Agent receives a payment that is insufficient to discharge all the amounts then due and payable by any Obligor under the Finance Documents, the Facility Agent shall, unless otherwise instructed by the Instructing Group, apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:

- (a) first, in payment in or towards payment *pro rata* of any unpaid fees, costs and expenses incurred by the Facility Agent and the Security Agent under the Finance Documents;
- (b) secondly, in or towards payment *pro rata* of any accrued interest or commission due but unpaid under any Finance Document;
- (c) thirdly, in or towards payment *pro rata* of any principal due but unpaid under any Finance Document; and
- (d) fourthly, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents,

and such application shall override any appropriation made by an Obligor.

27.6 Indemnity

Where a sum is to be paid under the Finance Documents to the Facility Agent for the account of another person, the Facility Agent shall not be obliged to make the same available to that other person (or to enter into or perform any exchange contract in connection therewith) until it has been able to establish to its satisfaction that it has actually received such sum, but if it does so and it proves to be the case that it had not actually received such sum, then the person to whom such sum (or the proceeds of such exchange contract) was (or were) so made available shall on request refund the same to the Facility Agent together with an amount sufficient to indemnify and hold harmless the Facility Agent from and against any cost or loss it may have suffered or incurred by reason of its having paid out such sum (or the proceeds of such exchange contract) prior to its having received such sum. This indemnity shall only apply to the Obligors with effect from the Signing Date.

27.7 Notification of Payment

Without prejudice to the liability of each Party to pay each amount owing by it under this Agreement on the due date therefor, whenever a payment is expected to be made by any of the Finance Parties, the Facility Agent shall give notice prior to the expected date

for such payment, notify all such Finance Parties of the amount, currency and timing of such payment.

27.8 Disruption to Payment Systems

If either the Facility Agent determines (in its discretion) that a Disruption Event has occurred or the Facility Agent is notified by the Borrower that a Disruption Event has occurred:

- (a) the Facility Agent may, and shall if requested to do so by the Borrower, consult with the Borrower with a view to agreeing with the Borrower such changes to the operation or administration of the Facilities as the Facility Agent may deem reasonably necessary in the circumstances;
- (b) the Facility Agent shall not be obliged to consult with the Borrower in relation to any changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
- (c) the Facility Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) above but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;
- (d) any such changes agreed upon by the Facility Agent and the Borrower shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Finance Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 37 (*Amendments*);
- (e) the Facility Agent shall not be liable for any damages, costs or losses whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Facility Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 27.8 (*Disruption to Payment Systems*); and
- (f) the Facility Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

27.9 Business Days

- (a) Any payment which is due to be made on a day that is not a Business Day shall be made on the immediately succeeding Business Day in the same calendar month (if there is one) or the immediately preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal or an Unpaid Sum under this Agreement, interest is payable on such amount at the rate payable on the original due date.

28. SET-OFF

28.1 Right to Set-off

A Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

28.2 No Obligation

No Lender shall be obliged to exercise any right given to it by Clause 28.1 (*Right to Set-off*).

29. SHARING AMONG THE FINANCE PARTIES

29.1 Payments to Finance Parties

If a Finance Party (a “**Recovering Finance Party**”) receives or recovers any amount from any Obligor other than in accordance with Clause 27 (*Payments*) and applies that amount to a payment due under the Finance Documents then:

- (a) the Recovering Finance Party shall, within 3 Business Days, notify details of the receipt or recovery to the Facility Agent;
- (b) the Facility Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Facility Agent and distributed in accordance with Clause 27.5 (*Partial Payments*), without taking account of any tax which would be imposed on the Facility Agent in relation to the receipt, recovery or distribution; and
- (c) the Recovering Finance Party shall, within 3 Business Days of demand by the Facility Agent, pay to the Facility Agent an amount (the “**Sharing Payment**”) equal to such receipt or recovery less any amount which the Facility Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 27.5 (*Partial Payments*).

29.2 Redistribution of Payments

The Facility Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and shall distribute it between the Finance Parties (other than the Recovering Finance Party) in accordance with Clause 27.5 (*Partial Payments*).

29.3 Recovering Finance Party’s Rights

On a distribution by the Facility Agent under Clause 29.2 (*Redistribution of Payments*), of a payment received by a Recovering Finance Party from an Obligor, as between the relevant Obligor and the Recovering Finance Party, an amount of the sum recovered equal to the Sharing Payment will be treated as not having been paid by that Obligor.

29.4 Reversal of Redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Finance Party which has received a share of the relevant Sharing Payment pursuant to Clause 29.2 (*Redistribution of Payments*) shall, upon the request of the Facility Agent, pay to the Facility Agent for account of that Recovering Finance Party an amount equal to its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its share of any interest on the Sharing Payment which that Recovering Finance Party is required to pay); and
- (b) that Recovering Finance Party's rights of subrogation in respect of any reimbursement shall be cancelled and the relevant Obligor will be liable to the reimbursing Finance Party for the amount so reimbursed.

29.5 Exceptions

- (a) This Clause 29 (*Sharing among the Finance Parties*) shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause 29 (*Sharing among the Finance Parties*), have a valid and enforceable claim against the relevant Obligor.
- (b) A Recovering Finance Party is not obliged to share with any other Finance Party under this Clause 29 (*Sharing among the Finance Parties*), any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:
 - (i) it notified such other Finance Party of the legal or arbitration proceedings; and
 - (ii) such other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice of it or did not take separate legal or arbitration proceedings.

30. CALCULATIONS AND ACCOUNTS

30.1 Day Count Convention

Interest and commitment commission shall accrue from day to day and shall be calculated on the basis of a year of 365 days (in the case of amounts denominated in euro) or 360 days (in the case of amounts denominated in any other currency) (as appropriate or, in any case where market practice differs, in accordance with market practice) and the actual number of days elapsed and any Tax Deductions required to be made from any payment of interest shall be computed and paid accordingly.

30.2 Reference Banks

Save as otherwise provided in this Agreement, on any occasion a Reference Bank, Alternative Reference Bank or Lender fails to supply the Facility Agent with an interest rate quotation required of it under the foregoing provisions of this Agreement, the rate for which such quotation was required shall be determined from those quotations which are supplied to the Facility Agent.

30.3 Maintain Accounts

Each Lender shall maintain in accordance with its usual practice accounts evidencing the amounts from time to time lent by and owing to it under this Agreement.

30.4 Control Accounts

The Facility Agent shall maintain on its books a control account or accounts in which shall be recorded:

- (a) the amount any Advance or Unpaid Sum and the face amount, and each Lender's share in it;
- (b) the amount of all principal, interest and other sums due or to become due from each of the Obligor to any of the Lenders under the Finance Documents and each Lender's share in it; and
- (c) the amount of any sum received or recovered by the Facility Agent under this Agreement and each Lender's share in it.

30.5 Prima Facie Evidence

In any legal action or proceeding arising out of or in connection with this Agreement, the entries made in the accounts maintained pursuant to Clause 30.3 (*Maintain Accounts*) and Clause 30.4 (*Control Accounts*) shall, in the absence of manifest error, be prima facie evidence of the existence and amounts of the specified obligations of the Obligor.

30.6 Certificate of Finance Party

A certificate of a Finance Party as to the amount for the time being required to indemnify it against any Tax pursuant to Clause 13.3 (*Tax Indemnity*) or any Increased Cost pursuant to Clause 14.1 (*Increased Costs*) shall, in the absence of manifest error, be prima facie evidence of the existence and amounts of the specified obligations of the Borrower.

30.7 Certificate of the Facility Agent

A certificate of the Facility Agent as to the amount at any time due from the Borrower under this Agreement (or the amount which, but for any of the obligations of the Borrower under this Agreement being or becoming void, unenforceable or ineffective, at any time, would have been due from the Borrower under this Agreement) shall, in the absence of manifest error, be prima facie evidence for the purposes of Clause 23 (*Guarantee and Indemnity*).

31. ASSIGNMENTS AND TRANSFERS

31.1 Successors and Assignees

This Agreement shall be binding upon and enure to the benefit of each Party and its or any subsequent successors, permitted assignees and transferees.

31.2 Assignments or Transfers by Lenders

- (a) Subject to this Clause 31, a Lender (the "**Existing Lender**") may:
 - (i) assign any of its rights; or
 - (ii) transfer by novation any of its rights and obligations,under any Finance Document to any person (the "**New Lender**").

31.3 Conditions of assignment or transfer

- (a) An Existing Lender must obtain the prior written consent of the Borrower (such consent not to be unreasonably withheld or delayed) before it may make an assignment or transfer in accordance with Clause 31.2 (*Assignments and Transfers by the Lenders*) unless the assignment or transfer is:
 - (i) to another Lender or an Affiliate of a Lender;
 - (ii) if the Existing Lender is a fund advised and/or managed by a common entity or an Affiliate thereof, to any other fund managed by such common entity or Affiliate; or
 - (iii) made at a time when an Event of Default is continuing.
- (b) it shall not be unreasonable for the Borrower to withhold consent under paragraph (a) above to an assignment or transfer to a person which is not a lender under any existing facility that has been made available to any member of the Wider Group.
- (c) No Lender shall be entitled to effect any assignment or transfer:
 - (i) in respect of any portion of its Commitment and/or Outstandings in an amount of less than €1,000,000 unless its Commitment and Outstandings is less than such amount, in which case it shall be permitted to transfer its entire Commitment and Outstandings; or
 - (ii) which would result in it or the proposed assignee or transferee holding an aggregate participation of more than zero but less than €1,000,000 in the Facilities, [save that an assignment or transfer may be made to or by a trust, fund or other non-bank entity which customarily participates in the institutional market which would result in such entity holding an aggregate participation of less than €1,000,000.

- (d) For the purposes of satisfying the minimum hold requirement set out in paragraph (c) (i) above, any participations held by funds advised and/or managed by a common entity or an Affiliate thereof may be aggregated.
- (e) Notwithstanding any other provision of this Clause 31.331.2 (*Conditions of Assignments or Transfers*), no assignment or transfer shall be permitted to settle or otherwise become effective within the period of five Business Days prior to (i) the end of any Interest Period or (ii) any Termination Date.
- (f) Each New Lender, by executing the relevant Transfer Certificate or Assignment Agreement, confirms, for the avoidance of doubt, that the Facility Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the transferring Lender would have been had it remained a Lender.
- (g) Without limiting any right or discretion of the Facility Agent under the Finance Documents, the Facility Agent may in its discretion stop processing assignments or transfers under this Clause 31.3 (*Conditions of assignment or transfer*) when a notice of prepayment has been received by it under this Agreement, for a period of five Business Days prior to the date the prepayment is required or expected to be made.
- (h) An assignment will only be effective on:
 - (i) receipt by the Facility Agent (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Facility Agent) that the New Lender will assume the same obligations to the other Finance Parties as it would have been under if it was an Original Lender;
 - (ii) the New Lender entering into the documentation required for it to accede as a party to the Borrower Intercreditor Agreement; and
 - (iii) the performance by the Facility Agent of all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Facility Agent shall promptly notify to the Existing Lender and the New Lender.
- (i) A transfer will only be effective if the New Lender enters into the documentation required for it to accede as a party to the Intercreditor Agreement and if the procedure set out in Clause 31.4 (*Procedure for transfer*) is complied with.

31.4 Procedure for transfer

- (a) Subject to the conditions set out in Clause 31.3 (*Conditions of assignment or transfer*) a transfer is effected in accordance with paragraph (c) below when the

Facility Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Facility Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.

- (b) The Facility Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.
- (c) Subject to Clause 31.15 (*Pro rata interest settlement*), on the Transfer Date:
 - (i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents and in respect of the Security each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and in respect of the Security and their respective rights against one another under the Finance Documents and in respect of the Security shall be cancelled (being the "**Discharged Rights and Obligations**");
 - (ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor or other member of the Group and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;
 - (iii) the Facility Agent, the Arranger, the Security Agent, the New Lender and the other Lenders shall acquire the same rights and assume the same obligations between themselves and in respect of the Security as they would have acquired and assumed had the New Lender been an Original Lender with the rights, and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Facility Agent, the Arranger, the Security Agent and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and
 - (iv) the New Lender shall become a Party as a "Lender".

31.5 Procedure for assignment

- (a) Subject to the conditions set out in Clause 31.3 (*Conditions of assignment or transfer*) an assignment may be effected in accordance with paragraph (c) below when the Facility Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender. The Facility Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered

in accordance with the terms of this Agreement, execute that Assignment Agreement.

- (b) The Agent shall only be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.
- (c) Subject to Clause 31.15 (*Pro rata interest settlement*), on the Transfer Date:
 - (i) the Existing Lender will assign absolutely to the New Lender its rights under the Finance Documents and in respect of the Security expressed to be the subject of the assignment in the Assignment Agreement;
 - (ii) the Existing Lender will be released from the obligations (the "**Relevant Obligations**") expressed to be the subject of the release in the Assignment Agreement (and any corresponding obligations by which it is bound in respect of the Security); and
 - (iii) the New Lender shall become a Party as a "Lender" and will be bound by obligations equivalent to the Relevant Obligations.
- (d) Lenders may utilise procedures other than those set out in this Clause 31.5 to assign their rights under the Finance Documents (but not, without the consent of the relevant Obligor or unless in accordance with Clause 31.4 (*Procedure for transfer*), to obtain a release by that Obligor from the obligations owed to that Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) **provided that** they comply with the conditions set out in Clause 31.3 (*Conditions of assignment or transfer*).

31.6 Limitation of Responsibility of Transferor

- (a) Unless expressly agreed to the contrary, a Lender which assigns or transfers its rights and/or obligations under any Finance Document (a "**Transferor**") makes no representation or warranty and assumes no responsibility to a New Lender for:
 - (i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents, the Security or any other documents;
 - (ii) the financial condition of any Obligor;
 - (iii) the performance and observance by any Obligor or any other member of the Group of its obligations under the Finance Documents or any other document; or
 - (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,

and any representations or warranties implied by law are excluded.

- (b) Each New Lender confirms to the Transferor and the other Finance Parties that it:
 - (i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Transferor or any other Finance Party in connection with any Finance Document or the Security; and
 - (ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.
- (c) Nothing in any Finance Document obliges a Transferor to:
 - (i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 31 (*Assignments and Transfers*); or
 - (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

31.7 Transfer Fee

On the date upon which an assignment or transfer takes effect pursuant to Clause 31.4 (*Procedure for transfer*) the New Lender in respect of such transfer shall pay to the Facility Agent for its own account a transfer fee of €2,000.

31.8 Disclosure of Information

- (a) Each of the Facility Agent, the Security Agent, the Bookrunners, the Arrangers and each Lender agrees to maintain the confidentiality of all information received from any member of the Wider Group relating to any member of the Wider Group or its business other than any such information that:
 - (i) is or becomes public knowledge other than as a direct result of any breach of this Clause 31.8 (*Disclosure of Information*);
 - (ii) is available to the Facility Agent, the Security Agent, the Bookrunners, the Arrangers or the Lenders on a non-confidential basis prior to receipt thereof from the relevant member of the Group or Borrower; or
 - (iii) is lawfully obtained by any of the Facility Agent, the Security Agent, the Bookrunners, the Arrangers and any the Lender after that date of receipt other than from a source which is connected with the Group and which, as far as the relevant recipient thereof is aware, has not been obtained in

violation of, and is not otherwise subject to, any obligation of confidentiality.

- (b) Notwithstanding paragraph (a) above, any Lender may disclose to any of its Affiliates, to any actual or potential assignee or New Lender, to any person who may otherwise enter into contractual relations with such Lender in relation to this Agreement or any person to whom, and to the extent that, information is required to be disclosed by any applicable Law, such information about the Obligors or the Wider Group as a whole as such Lender shall consider appropriate (including any Finance Document) provided that any such Affiliate, actual or potential assignee or New Lender or other person who may otherwise enter into contractual relations in relation to this Agreement shall first have entered into a Confidentiality Undertaking.

31.9 Disclosure to Numbering Service Providers

- (a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facility and/or one or more Obligor the following information:
 - (i) name of the Obligor;
 - (ii) country of domicile of the Obligor;
 - (iii) place of incorporation of the Obligor;
 - (iv) date of this Agreement;
 - (v) the names of the Agent and the Arranger;
 - (vi) date of each amendment and restatement of this Agreement;
 - (vii) amount of Total Commitments;
 - (viii) currencies of the Facility;
 - (ix) type of Facility;
 - (x) ranking of Facility;
 - (xi) Termination Date for Facility;
 - (xii) changes to any of the information previously supplied pursuant to paragraphs (i) to (xi) above; and
 - (xiii) such other information agreed between such Finance Party and the Borrower, to enable such numbering service provider to provide its usual syndicated loan numbering identification service.

- (b) The Parties acknowledge and agree that such identification number assigned to this Agreement, the Facilities and/or one or more Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

31.10 Disclosure to Administration/Settlement Services Providers

Notwithstanding any other term of any Finance Document or any other agreement between the Parties to the contrary (whether express or implied), any Finance Party may disclose to any person appointed by:

- (a) that Finance Party;
- (b) a person to (or through) whom that Finance Party assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents or which succeeds (or which may potentially succeed) it as Facility Agent or as any other agent or trustee under this Agreement; and/or
- (c) a person with (or through) whom that Finance Party enters into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which payments are to be made, or may be made, by reference to one or more Finance Documents and/or one or more the Borrower,

to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this Clause 31.10 (*Disclosure to Administration/Settlement Services Providers*) if the service provider to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking before such disclosure.

31.11 No Increased Obligations

If:

- (a) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and
- (b) as a result of circumstances existing at the date of the assignment, transfer or change of Facility Office, an Obligor would be obliged to make a payment to the assignee, New Lender or the Lender acting through its new Facility Office under Clause 13.2 (*Tax Gross-up*), Clause 13.3 (*Tax Indemnity*) or Clause 14 (*Increased Costs*),

then the assignee, New Lender or the Lender acting through its new Facility Office shall only be entitled to receive payment under those Clauses to the same extent as the assignor, transferor or the Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.

31.12 Copy of Transfer Certificate, Assignment Agreement or Increase Confirmation to Company

The Facility Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate, Assignment Agreement or an Increase Confirmation, send to the Borrower a copy of that Transfer Certificate, Assignment Agreement or an Increase Confirmation.

31.13 The Register

- (a) The Facility Agent, acting for this purpose as the agent of the Obligor, shall maintain at its address:
 - (i) each Transfer Certificate or Assignment Agreement and each Increase Certificate delivered to and accepted by it; and
 - (ii) a register for the recording of the names and addresses of the Lenders and the Commitment of, and principal amount owing to, each Lender from time to time (the “**Register**”) under the Facility, which may be kept in electronic form.

The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Obligors, the Facility Agent and the Lenders shall treat each person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Obligors at any reasonable time and from time to time upon reasonable prior notice.

- (b) Each Party irrevocably authorises the Facility Agent to make the relevant entry in the Register (and which the Facility Agent shall do promptly) on its behalf for the purposes of this Clause 31.13 (*The Register*) without any further consent of, or consultation with, such Party.
- (c) The Facility Agent shall, upon request by an Existing Lender or a New Lender, confirm to that Existing Lender or New Lender whether a transfer or assignment from that Existing Lender or (as the case may be) to that New Lender has been recorded on the Register (including details of the Commitment of that Existing Lender or New Lender in the Facility).

31.14 Security Over Lenders’ Rights

In addition to the other rights provided to Lenders under this Clause 31 (*Assignments and Transfers*) each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

- (a) any charge, assignment or other Security to secure obligations to a government authority, department or agency as well as a federal reserve or central bank; and

- (b) in the case of any Lender which is a fund, any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security shall:

- (i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or other Security for the Lender as a party to any of the Finance Documents; or
- (ii) require any payments to be made by an Obligor or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Finance Documents.

31.15 Pro rata Interest Settlement

If the Facility Agent has notified the Lenders that it is able to distribute interest payments on a “*pro rata basis*” to Transferors and New Lenders then (in respect of any transfer or assignment pursuant to this Clause 31 the date of transfer or assignment of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):

- (a) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Transferor up to but excluding the date of transfer (“**Accrued Amounts**”) and shall become due and payable to the Transferor (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than six months, on the next of the dates which falls at six monthly intervals after the first day of that Interest Period); and
- (b) the rights assigned or transferred by the Transferor will not include the right to the Accrued Amounts so that, for the avoidance of doubt:
 - (i) when the Accrued Amounts become payable, those Accrued Amounts will be payable for the account of the Transferor; and
 - (ii) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 31.15 (*Pro rata Interest Settlement*), have been payable to it on that date, but after deduction of the Accrued Amounts.

31.16 Notification

The Facility Agent shall, within 10 Business Days of receiving a notice relating to an assignment pursuant to Clause 31.5 (*Procedure for assignment*) or a notice from a Lender or the giving by the Facility Agent of its consent, in each case, relating to a change in such Lender’s Facility Office, notify the Borrower of any such assignment, transfer or change in Facility Office, as the case may be.

31.17 Debt Purchase

(a) For so long as:

- (i) a Borrower Affiliate beneficially owns a Commitment (whether drawn or undrawn); or
- (ii) has entered into a sub-participation agreement relating to a Commitment (whether drawn or undrawn) or other agreement or arrangement having a substantially similar economic effect and such agreement or arrangement has not been terminated,

then:

- (iii) in determining whether the requisite level of consent has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents such Commitment shall be deemed to be zero; and
- (iv) for the purposes of Clause 37.2 (*Consents*), such Borrower Affiliate or the person with whom it has entered into such sub-participation, other agreement or arrangement shall be deemed not to be a Lender.

32. COSTS AND EXPENSES

32.1 Transaction Expenses

The Borrower shall within ten Business Days of demand pay the Facility Agent the amount of all costs and expenses (including legal fees, subject to any agreed caps) reasonably incurred by any of them in connection with the negotiation, preparation, printing, execution and perfection of the Finance Documents and any other documents referred to in this Agreement.

32.2 Amendment Costs

If an Obligor requests an amendment, waiver or consent under or in connection with any Finance Document the Borrower shall, within ten Business Days of demand, reimburse the Facility Agent or, as the case may be, the Security Agent, for the amount of all costs and expenses (including legal fees) reasonably incurred by the Facility Agent or, as the case may be, the Security Agent in responding to, evaluating, negotiating or complying with that request or requirement.

32.3 Enforcement Costs

The Borrower shall, within ten Business Days of demand, pay to the Facility Agent on behalf of each Finance Party the amount of all costs and expenses (including legal fees) incurred by that Finance Party in connection with the enforcement of, or the preservation of any rights under, any Finance Document.

32.4 Stamp Duties

The Borrower shall pay and, within ten Business Days of demand, indemnify each Finance Party against any cost, loss or liability which that Finance Party incurs in relation to all stamp duty, registration and other similar Tax Liabilities payable in respect of any relevant Finance Document (other than those imposed by reason of any assignment, transfer, novation or sub-participation by any Finance Party).

32.5 Other Indemnities

The Borrower shall (or shall procure that an Obligor will), within ten Business Days of demand, indemnify each Lender against any cost, loss or liability incurred by that Lender as a result of:

- (a) the occurrence of any Event of Default;
- (b) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 29 (*Sharing among the Finance Parties*);
- (c) funding, or making arrangements to fund, its participation in an Advance requested by a Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Lender alone); or
- (d) an Advance (or part of an Advance) not being prepaid in accordance with a notice of prepayment given by a Borrower.

32.6 Indemnity to the Facility Agent

The Borrower shall, within ten Business Days of demand, indemnify the Facility Agent against any cost, loss or liability incurred by the Facility Agent (acting reasonably) as a result of:

- (a) investigating any event which it reasonably believes is a Default; or
- (b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised.

33. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Finance Parties or any of them, any right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by Law.

34. NOTICES AND DELIVERY OF INFORMATION

34.1 Writing

Each communication to be made under this Agreement shall be made in writing and, unless otherwise stated, shall be made by fax, telex or letter.

34.2 Giving of Notice

Any communication or document to be made or delivered by one person to another pursuant to this Agreement shall in the case of any person other than a Lender (unless that other person has by 10 Business Days written notice to the Facility Agent specified another address) be made or delivered to that other person at the address identified with its signature below or, in the case of a Lender, at the address from time to time designated by it to the Facility Agent for the purpose of this Agreement (or, in the case of a New Lender at the end of the Transfer Certificate or Assignment Agreement to which it is a party as New Lender) and shall be deemed to have been made or delivered when despatched (in the case of any communication made by fax) or (in the case of any communication made by letter) when left at the address or (as the case may be) 5 Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address provided that any communication or document to be made or delivered to the Facility Agent shall be effective only when received by the Facility Agent and then only if the same is expressly marked for the attention of the department or officer identified with the Facility Agent's signature below (or such other department or officer as the relevant Agent shall from time to time specify by not less than 10 Business Days prior written notice to the Borrower for this purpose).

34.3 Use of Websites/E-mail

- (a) An Obligor may (and upon request by the Facility Agent, shall) satisfy its obligations under this Agreement to deliver any information in relation to those Lenders (the “**Website Lenders**”) who have not objected to the delivery of information electronically by posting this information onto an electronic website designated by the Borrower and the Facility Agent (the “**Designated Website**”) or by e-mailing such information to the Facility Agent, if:
 - (i) the Facility Agent expressly agrees that it will accept communication and delivery of any documents required to be delivered pursuant to this Agreement by this method;
 - (ii) in the case of posting to the Designated Website, the Borrower and the Facility Agent are aware of the address of, and any relevant password specifications for, the Designated Website; and
 - (iii) the information is in a format previously agreed between the Borrower and the Facility Agent.
- (b) If any Lender (a “**Paper Form Lender**”) objects to the delivery of information electronically then the Facility Agent shall notify the Borrower accordingly and the Borrower shall supply the information to the Facility Agent (in sufficient copies for each Paper Form Lender) in paper form.

- (c) The Facility Agent shall supply each Website Lender with the address of, and any relevant password specifications for, the Designated Website following designation of that website by the Borrower and the Facility Agent.
- (d) Any Website Lender may request, through the Facility Agent, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website. The Borrower shall comply with any such request within 10 Business Days.
- (e) Subject to the other provisions of this Clause 34.3 (*Use of Websites/E-mail*), any Obligor may discharge its obligation to supply more than one copy of a document under this Agreement by posting one copy of such document to the Designated Website or e-mailing one copy of such document to the Facility Agent.
- (f) For the purposes of paragraph (a) above, the Facility Agent hereby expressly agrees that:
 - (i) it will accept delivery of documents required to be delivered under the paragraph entitled “Reports” of Schedule 11 by the posting of such documents to the Designated Website or by email delivery to the Facility Agent; and
 - (ii) it has agreed to the format of the information required to be delivered under the paragraph entitled “Reports” (*Financial information*) of Schedule 11.

34.4 Public or Private Information

Each Lender shall confirm to the Facility Agent whether it wishes to receive any information required to be provided by the group (or any member thereof) under the Finance Documents on a public or private basis taking into account applicable securities laws and regulations applicable to such Lender.

34.5 Electronic Communication

- (a) Any communication to be made under or in connection with the Finance Documents may be made by electronic mail or other electronic means, if those two parties:
 - (i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;
 - (ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
 - (iii) notify each other of any change to their address or any other such information supplied by them.

- (b) Any electronic communication made between those two parties will be effective only when actually received in readable form and in the case of any electronic communication made by a Lender to the Facility Agent only if it is addressed in such a manner as the Facility Agent shall specify for this purpose.

34.6 Certificates of Officers

All certificates of officers of any company hereunder may be given on behalf of the relevant company and in no event shall personal liability attach to such an officer.

34.7 Patriot Act

Each Lender subject to the USA Patriot Act (Title 111 of Pub. L. 107-56 (signed into law October 26, 2001)) (the “**Patriot Act**”) hereby notifies the Borrower that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Borrower and the other Obligor and other information that will allow such Lender to identify the Obligor and the other Borrower in accordance with the Patriot Act.

34.8 Communication when Facility Agent is Impaired Agent

If the Facility Agent is an Impaired Agent the Finance Parties may, instead of communicating with each other through the Facility Agent, communicate with each other directly and (while the Facility Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Facility Agent shall be varied so that communications may be made and notices given to or by the Finance Parties directly. This provision shall not operate after a replacement Facility Agent has been appointed.

35. ENGLISH LANGUAGE

Each communication and document made or delivered by one party to another pursuant to this Agreement shall be in the English language or accompanied by a translation of it into English certified (by an officer of the person making or delivering the same) as being a true and accurate translation of it.

36. PARTIAL INVALIDITY

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the Law of any jurisdiction, such illegality, invalidity or unenforceability shall not affect:

- (a) the legality, validity or enforceability of the remaining provisions of this Agreement; or
- (b) the legality, validity or enforceability of such provision under the Law of any other jurisdiction.

37. AMENDMENTS

37.1 Amendments Generally

Except as otherwise provided in this Agreement, the Facility Agent, if it has the prior written consent of the Instructing Group and the Obligors, may from time to time agree in writing to amend any Finance Document or to consent to or waive, prospectively or retrospectively, any of the requirements of any Finance Document and any amendments, consents or waivers so agreed shall be binding on all the Finance Parties and the Obligors. For the avoidance of doubt, any amendments relating to this Agreement shall only be made in accordance with the provisions of this Agreement notwithstanding any other provisions of the Finance Documents.

37.2 Consents

An amendment, consent or waiver relating to the following matters (including any technical consequential amendments relating to such amendment, consent or waiver) may be made with the prior written consent of each Lender affected thereby and without the consent of any other Lender:

- (a) without prejudice to Clause 2.3 (*Increase*) any increase in the principal amount of any Commitment of a Lender;
- (b) a reduction in the proportion of any amount received or recovered (whether by way of set-off, combination of accounts or otherwise) in respect of any amount due from any Obligors under this Agreement to which such Lender is entitled;
- (c) a decrease in any Margin for, or the principal amount of, any Advance or any interest payment, fees or other amounts due under this Agreement to such Lender from any Obligors or any other Party;
- (d) any change in the currency of payment of any amount under the Finance Documents;
- (e) any reduction in the Interest Cap (as defined in Clause 9.2 (*Interest Cap*));
- (f) unless otherwise specified the deferral of the date for payment of any principal, interest, fee or any other amount due under this Agreement to such Lender from any Obligors or any other Party;
- (g) the deferral of the Initial Maturity Date, any Termination Date or Final Maturity Date;
- (h) amendment or waiver that amends the order of priority or subordination of a Lender's claim under the Finance Documents as set out in the Borrower Intercreditor Agreement;
- (i) any reduction to the percentages set forth in the definition of the Instructing Group; or
- (j) a change to this Clause 37.2 (*Consents*) and Clause 37.6 (*Guarantees and Security*).

37.3 Facility Agent

The Facility Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 37.

37.4 Technical, Operational and OID Amendments

- (a) Notwithstanding any other provision of this Clause 37, the Facility Agent may at any time without the consent or sanction of the Lenders, concur with the Borrower in making any modifications to any Finance Document, which in the opinion of the Facility Agent would be proper to make provided that the Facility Agent is of the opinion that such modification:
 - (i) would not be materially prejudicial to the position of any Lender and in the opinion of the Facility Agent such modification is of a formal, minor or technical nature or is to correct a manifest error; or
 - (ii) relates to the increase in the principal amount of a Commitment of a Lender in relation to any Facility and such increased Commitment has been requested by the Borrower to fund any original issue discount required to be paid to that Lender in relation to that Facility under any Fee Letter.
- (b) Any such modification shall be made on such terms as the Facility Agent may determine, shall be binding upon the Lenders, and shall be notified by the Borrower to the Lenders as soon as practicable thereafter.

37.5 Post-Signing Amendments

- (a) The Parties agree to negotiate in good faith any amendments, variations or supplements to this Agreement (and/or the Borrower Intercreditor Agreement) to the extent reasonably requested by the Lenders, the Mandated Lead Arrangers or the Borrower (in each case to the extent that such amendments, variations or supplements are not materially adverse to the interests of the Lenders, the Mandated Lead Arrangers or the Borrower). Each Party agrees that they will not unreasonably withhold consent to any request to amend, vary or supplement this Agreement, in particular any amendments, supplements or variations that are:
 - (i) designed to correct any ambiguity, omission, defect, error or inconsistency in the documentation; or
 - (ii) of an administrative nature; or
 - (iii) designed to make conforming or clarificatory amendments or variations which are necessary as a result of amendments or variations being or having been made to equivalent provisions of the Bidco Facility Agreement, or to take into account operational or technical factors that affect the Group,

provided that the Mandated Lead Arrangers, the Lenders or Facility Agent shall not be required to consent to any amendment to the financial covenant ratio levels or related definitions to the tranching of such debt, to any pricing levels, to the security and guarantee package, the repayment and mandatory prepayment provisions, the Intercreditor and ranking arrangements, majority voting arrangements, transfers and assignments by the Lenders, amendments and waivers.

- (b) If any such requested amendments are agreed to by the Parties, the Parties agree to promptly enter into any amendments, variations or supplements to this Agreement or any other Finance Document to effect such amendments prior to the Closing Date. This Clause is without prejudice to paragraph (a)(ii) of Clause 37.4 (*Technical, Operational and OID Amendments*).

37.6 Guarantees and Security

A waiver of issuance or the release of any Guarantor from its obligations under Clause 23 (*Guarantee and Indemnity*), a release of any Security under the Borrower Security Documents or any change in the nature or scope of the assets subject the of any Security in each case, other than as permitted in accordance with the terms of any Finance Document shall require the prior written consent of the Lenders whose Available Commitments plus Outstandings amount in aggregate to more than 90 per cent. of the Available Facilities plus aggregate Outstandings.

37.7 Release of Guarantees and Security

- (a) Subject to paragraph (b) below, at the time of completion of any disposal by the Borrower or of any Obligor, or any other security provider of any shares, assets or revenues, the Security Agent shall (and it is hereby authorised by the other Finance Parties to) at the request of and cost of the relevant Obligor, execute such documents as may be required to:
 - (i) release those shares, assets or revenues from Security constituted by any relevant Borrower Security Document or certify that any floating charge constituted by any relevant Borrower Security Documents over such assets, revenues or rights has not crystallised; and
 - (ii) release any person which as a result of that disposal ceases to be a Subsidiary of the Borrower, from any guarantee, indemnity or Borrower Security Document to which it is a party and its other obligations under any other Finance Document.
- (b) The Security Agent shall only be required under paragraph (a) above to grant the release of any Security or to deliver a certificate of non-crystallisation on account of a disposal as described in that paragraph if:
 - (i) the disposal is permitted (i) under the terms of the Borrower Intercreditor Agreement, (ii) under the section entitled “Limitation on Sales of Assets and Subsidiary Stock” of Schedule 11 (*Description of Notes*) or (iii) if the consent of the Instructing Group has been obtained; and

- (ii) to the extent that the disposal is to be in exchange for replacement assets the Security Agent has either received (or is satisfied, acting reasonably, that it will receive immediately following the disposal) one or more duly executed Borrower Security Documents granting Security over those replacement assets or is satisfied, acting reasonably, that the replacement assets will be subject to Security pursuant to any existing Borrower Security Documents.
- (c) The Security Agent shall (and it is hereby authorised by the other Finance Parties to) at the cost of the relevant Obligor, execute such documents as may be required or desirable to effect any release: (i) permitted under the Borrower Intercreditor Agreement; (ii) to which a prior written consent of the relevant Lenders has been granted in accordance with Clause 37.6 (*Guarantees and Security*); and (iii) required to permit the granting of any Security Interest permitted under the section entitled “Limitation on Liens” of Schedule 11 (*Description of Notes*).
- (d) Notwithstanding any other provision of this Agreement, the Borrower may require the Security Agent to, and the Security Agent shall (and it is hereby authorised by the other Finance Parties to) at the cost of the relevant Obligor, execute such documents as may be required or desirable to effect the release of the Security granted over any asset of an Obligor pursuant to the Borrower Security Documents to which it is a party to enable the relevant Obligor to grant in connection with that asset any encumbrance permitted under the section entitled “Limitation on Liens” of Schedule 11 (*Description of Notes*).

37.8 Amendments Affecting the Facility Agent

Notwithstanding any other provision of this Agreement, the Facility Agent shall not be obliged to agree to any amendment, consent or waiver if the same would:

- (a) amend or waive any provision of Clause 24 (*Role of the Facility Agent, the Arrangers and Others*), Clause 31.8 (*Disclosure of Information*), Clause 32 (*Costs and Expenses*) or this Clause 37 (*Amendments*); or
- (b) otherwise amend or waive any of the Facility Agent’s rights under this Agreement or subject the Facility Agent to any additional obligations under this Agreement.

37.9 Calculation of Consent

Where a request for a waiver of, or an amendment to, any provision of any Finance Document has been sent by the Facility Agent to the Lenders at the request of an Obligor, each Lender that does not respond to such request for waiver or amendment within 10 Business Days after receipt by it of such request (or within such other period as the Facility Agent and the Borrower shall specify), shall be excluded from the calculation in determining whether the requisite level of consent to such waiver or amendment was granted.

37.10 Disenfranchisement of Defaulting Lenders

- (a) For so long as a Defaulting Lender has any Available Commitments, in determining whether the requisite level of consent has been obtained for a consent, waiver, amendment or other vote under the Finance Documents, that Defaulting Lender's Commitments will be reduced by the amount of its Available Commitments.
- (b) For the purposes of this Clause 37.10 (*Disenfranchisement of Defaulting Lenders*), the Facility Agent may assume that the following Lenders are Defaulting Lenders:
 - (i) any Lender which has notified the Facility Agent that it has become a Defaulting Lender; and
 - (ii) any Lender in relation to which it is aware that any of the events or circumstances referred to in paragraphs (a), (b) or (c) of the definition of "Defaulting Lender" has occurred,

unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Facility Agent) or the Facility Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.

37.11 Replacement of Lenders

- (a) If at any time:
 - (i) any Lender becomes a Non-Consenting Lender; or
 - (ii) any Lender becomes a Non-Funding Lender,

then the Borrower may, on not less than 3 Business Days prior notice to the Facility Agent and that Lender (A), replace that Lender by requiring it to (and that Lender shall) transfer all of its rights and obligations under this Agreement to a Lender or other person selected by the Borrower for a purchase price equal to the outstanding principal amount of such Lender's share in the outstanding Advances and all accrued interest and fees and other amounts payable to it under this Agreement or (B) prepay that Lender all but not part of its share in its outstanding Advances and all accrued interest and fees and other amounts payable to it under this Agreement. Any notice delivered under this paragraph (a) shall be accompanied by a Transfer Certificate or Assignment Agreement complying with Clause 31 (*Assignments and Transfers*), which Transfer Certificate or Assignment Agreement shall be immediately executed by the relevant Non-Consenting Lender or, as the case may be, Non-Funding Lender and returned to the Borrower. If a Lender does not execute and/or return a Transfer Certificate or Assignment Agreement as required by this paragraph (a) within two Business Days of delivery by the Borrower, the Facility Agent shall execute (and is hereby irrevocably authorised by the relevant Lender to do so) that Transfer Certificate or Assignment Agreement on behalf of such Lender.

- (b) the Borrower shall have no right to replace the Arrangers, the Facility Agent or the Security Agent and none of the foregoing nor shall any Lender have any obligation to the Borrower to find a replacement Lender or other such entity. The Borrower may only exercise its replacement or prepayment rights in respect of any relevant Lender within 90 days of becoming entitled to do so on each occasion such Lender is a Non-Consenting Lender or a Non-Funding Lender.
- (c) In no event shall the Lender being replaced be required to pay or surrender to such replacement Lender or other entity any of the fees received by such Lender being replaced pursuant to this Agreement.

37.12 Amendments – Schedules

The Borrower shall notify the Facility Agent if, upon the occurrence of a Successful Exchange, between the date of this Agreement and the Closing Date, the terms of the Senior B Unsecured Exchange Notes differ in any material respect from the Description of Notes, in which case the Parties acknowledge and agree that on and from the Successful Exchange Date, Schedule 11 (*Description of Notes*) shall be replaced in its entirety with the final description of notes in respect of the Senior B Unsecured Exchange Notes without any requirement to obtain any consent under this Agreement or any other Finance Document.

38. THIRD PARTY RIGHTS

- (a) A person which is not a Party (a “**third party**”) shall have no right to enforce any of its provisions except that:
 - (i) a third party shall have those rights it would have had if the Contracts (Rights of Third Parties) Act 1999 had not come into effect; and
 - (ii) each of Clause 13.3 (*Tax Indemnity*), Clause 14 (*Increased Costs*) and Clause 24.9 (*Exclusion of Liability*) shall be enforceable by any third party referred to in such clause as if such third party were a Party.
- (b) The Parties may without the consent of any third party vary or rescind this Agreement.

39. COUNTERPARTS

This Agreement may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

40. GOVERNING LAW

This Agreement, including all non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with, English Law, provided however that the provisions of Schedule 11 (*Description of Notes*), to the extent incorporated in this Agreement, shall be interpreted in accordance with the laws of the State of New York.

41. JURISDICTION

41.1 Courts

Each of the Parties irrevocably agrees for the benefit of each of the Finance Parties that the courts of England shall have exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this Agreement or any non-contractual obligation arising out of or in connection with this Agreement (respectively “**Proceedings**” and “**Disputes**”) and, for such purposes, irrevocably submits to the jurisdiction of such courts.

41.2 Waiver

Each of the Obligors irrevocably waives any objection which it might now or hereafter have to Proceedings being brought or Disputes settled in the courts of England and agrees not to claim that any such court is an inconvenient or inappropriate forum.

41.3 Service of Process

Each Obligor which is not incorporated in England agrees that the process by which any Proceedings are begun may be served on it by being delivered in connection with any Proceedings in England, to Liberty Global Europe Limited, 38 Hans Crescent, London, SW1X 0LZ. If the appointment of the person mentioned in this Clause 41.3 (*Service of Process*) ceases to be effective in respect of such Party shall immediately appoint a further person in England to accept service of process on its behalf in England and, failing such appointment within 15 days, the Facility Agent shall be entitled to appoint such person by notice to the relevant Obligor. Nothing contained in this Agreement shall affect the right to serve process in any other manner permitted by Law.

41.4 Proceedings in Other Jurisdictions

Nothing in Clause 41.1 (*Courts*) shall (and shall not be construed so as to) limit the right of the Finance Parties or any of them to take Proceedings against any of the Obligors in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable Law.

41.5 General Consent

Each Obligor consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such proceedings including the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such proceedings.

41.6 Waiver of Immunity

To the extent that any Obligor may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that in any such jurisdiction there may be attributed to itself, its assets or revenues such immunity (whether or not

claimed), such Borrower irrevocably agrees not to claim, and irrevocably waives, such immunity to the full extent permitted by the laws of such jurisdiction.

42. COMPLETE AGREEMENT

The Finance Documents contain the complete agreement between the Parties on the matters to which they relate and supersede all prior commitments, agreements and understandings, whether written or oral, on those matters.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Schedule 1

Part 1: Lenders and Commitments

Lender	Commitment (€)
ABN AMRO Bank N.V.	46,700,000
Bank of American, N.A., London Branch	186,800,000
Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International)	46,700,000
Crédit Agricole Corporate and Investment Bank	46,700,000
Credit Suisse AG, London Branch	186,800,000
Deutsche Bank AG, London Branch	46,700,000
HSBC Bank plc	46,700,000
ING Bank N.V.	46,700,000
JPMorgan Chase Bank, N.A., London Branch	93,400,000
Morgan Stanley Senior Funding, Inc.	46,700,000
Nomura International Plc	46,700,000
Scotiabank Europe PLC	46,700,000
Société Générale, London Branch	46,700,000
Total	934,000,000

Part 2: Bookrunners

ABN AMRO Bank N.V.
Bank of America Merrill Lynch International Limited
Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International)
Crédit Agricole Corporate and Investment Bank
Credit Suisse AG, London Branch.
Deutsche Bank AG, London Branch
HSBC Bank plc
ING Bank N.V.
J.P. Morgan Limited
Morgan Stanley Bank International Limited
Nomura International Plc
Société Générale, London Branch
The Bank of Nova Scotia

Part 3: Mandated Lead Arrangers

ABN AMRO Bank N.V.

Bank of America Merrill Lynch International Limited

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International)

Crédit Agricole Corporate and Investment Bank

Credit Suisse AG, London Branch.

Deutsche Bank AG, London Branch

HSBC Bank plc

ING Bank N.V.

J.P. Morgan Limited

Morgan Stanley Bank International Limited

Nomura International Plc

Société Générale, London Branch

The Bank of Nova Scotia

Schedule 2

CONDITIONS PRECEDENT

Part 1: (A) Conditions Precedent to Signing

1. Corporate Documents

- (a) A copy of the constitutional documents of the Borrower (including without limitation an extract of registration from the Trade Register of the Chamber of Commerce in respect of the Borrower).
- (b) A copy of a resolution of the board or, if applicable, a committee of the board of directors of the Borrower:
 - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute, deliver and perform the Finance Documents to which it is a party;
 - (ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.
- (c) If applicable, a copy of a resolution of the board of directors of the Borrower, establishing the committee referred to in paragraph (b) above.
- (d) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above in relation to the relevant Finance Documents and related documents.
- (e) A certificate of the Borrower (signed by a director) confirming that borrowing the Total Commitments would not cause any borrowing or similar limit binding on the Borrower (as applicable) to be exceeded.
- (f) A certificate of an authorised signatory of the Borrower certifying that each copy document relating to it specified in this Part 1(A) of Schedule 2 (*Conditions Precedent*) is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of this Agreement.

2. Ziggo Acquisition Agreement

A copy of the duly executed Ziggo Acquisition Agreement together with any amendments thereto provided that any amendments to Clause 5 (*Financing*) thereto shall not be materially adverse to the interests of the Lenders without the prior consent of the Instructing Group).

3. **Finance Documents and other documents**

- (a) A copy of this Agreement duly executed by the Borrower.
- (b) A copy of each Fee Letter duly executed by the Borrower or its Affiliates (as applicable).
- (c) The Bidco Facility Agreement, duly executed by each of the parties thereto.
- (d) A copy of the Borrower Intercreditor Agreement, duly executed by each of the parties thereto.

4. **Security Documents**

The Borrower Share Pledge in substantially agreed form.

5. **Legal Opinions**

- (a) A legal opinion of Allen & Overy LLP, legal advisers to the Facility Agent and the Mandated Lead Arrangers as to English law, substantially in the form distributed to the Original Lenders prior to the Signing Date.
- (b) A legal opinion of Clifford Chance LLP, legal advisers to the Facility Agent and the Mandated Lead Arrangers as to Dutch law, substantially in the form distributed to the Original Lenders prior to the Signing Date.

6. **Other documents and evidence**

- (a) An executed copy of the Refinancing Facilities Agreement.
- (b) A copy of the Information Memorandum (provided that it shall not be required to be satisfactory in form and substance, to the Facility Agent).
- (c) A copy of the Group Structure Chart.
- (d) The Structure Memorandum (provided that it shall not be required to be satisfactory, in form and substance, to the Facility Agent).
- (e) Evidence that the process agent referred to in Clause 41.3 (*Service of Process*) has accepted its appointment.

Part 1 (B) Conditions Precedent to Funding

1. Security

A copy of the Borrower Share Pledge duly executed by the parties thereto.

2. Other Documents and Evidence

(a) A certificate of the Original Security Provider (signed by a director) confirming that securing the Total Commitments would not cause any security or similar limit binding on the Original Security Provider to be exceeded.

(b) A copy of the constitutional or other organisational documents of the Original Security Provider.

(c) A copy of a resolution of the board or, if applicable, a committee of the board of directors of the Original Security Provider:

- (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute, deliver and perform the Finance Documents to which it is a party;
- (ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
- (iii) authorising a specified person or persons on its behalf to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.

(d) A certificate of an authorised signatory of the Original Security Provider certifying that each copy document relating to it specified in this Part 1(B) of Schedule 2 (*Conditions Precedent*) is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of Utilisation.

(e) Either:

- (i) evidence that an irrevocable redemption notice has been issued in respect of the Original Senior Unsecured Notes; and/or
- (ii) a copy of the executed indenture in connection with the exchange notes relating to the Original Senior Unsecured Notes (to the extent that any such exchange notes have been issued) providing that such exchange notes will automatically on the Closing Date be further exchanged for new notes to be issued by the Borrower,

such that a combination of (e)(i) and (e)(ii) above, shall result in no Original Senior Unsecured Notes remaining outstanding at the end of the redemption period.

(f) All "know your client" information required by law and regulation relating to the Original Borrower satisfactory to the Finance Parties (acting reasonably).

(g) A copy of the public announcement in respect of the Ziggo Acquisition (provided that it shall not be required to be satisfactory, in form and substance, to the Facility Agent).

7. **Ziggo Acquisition**

Evidence that on, or substantially contemporaneously with, the Closing Date, Bidco will directly or indirectly hold shares representing at least 65% of the outstanding shares in Ziggo N.V. and such evidence shall take the form of a notice from Bidco declaring that the Ziggo Acquisition is unconditional.

8. **Works Council**

It has received an unconditional positive or neutral works council advice (*advies*) with regard to the Offer.

Schedule 3

FORM OF UTILISATION REQUEST (ADVANCES)

From: [Name of Borrower] (the “**Borrower**”)

To: [●]

as Facility Agent

Date: [●]

Dear Sirs

We refer to the facility agreement dated [●] (as from time to time amended, varied, novated or supplemented, the “**Facility Agreement**”) and made between, *inter alia*, [●]. Terms defined in the Facility Agreement shall have the same meanings in this Utilisation Request.

We, being authorised signatories of the Borrower named below, give you notice that, pursuant to the Facility Agreement, we wish the Lenders to make an Advance on the following terms:

- (a) Amount: EUR[●]
- (b) Interest Period: [●] month[s]
- (c) Proposed date of Advance: [●] (or if that day is not a Business Day, the next Business Day)

We confirm that, at the date of this Utilisation Request, Repeating Representations are true in all material respects and no Default is continuing or would result from the Advance to which this Utilisation Request relates. The proceeds of this Utilisation should be credited to [insert account details].

This Utilisation Request is made by the authorised signatories of the Borrower named below and is given without personal liability.

Yours faithfully,

.....

Authorised Signatory
for and on behalf of
[Name of Borrower]

.....

Authorised Signatory
for and on behalf of
[Name of Borrower]

Schedule 4

FORM OF TRANSFER CERTIFICATE

To: [] as Facility Agent and [] as Security Agent

From: [The Existing Lender] (the "**Existing Lender**") and [The New Lender] (the "**New Lender**")

Dated:

Facility Agreement
dated [] (the "Facility Agreement")

1. We refer to the Facility Agreement and to the Borrower Intercreditor Agreement (as defined in the Facility Agreement). This agreement (the "Agreement") shall take effect as a Transfer Certificate for the purpose of the Facility Agreement and as a [Creditor Accession Undertaking] for the purposes of the Borrower Agreement (and as defined in the Borrower Intercreditor Agreement). Terms defined in the Facility Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.
2. We refer to Clause [1] (*Procedure for transfer*) of the Facility Agreement:
 - (a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation and in accordance with Clause [1] (*Procedure for transfer*) all of the Existing Lender's rights and obligations under the Facility Agreement and the other Finance Documents which relate to that portion of the Existing Lender's Commitment(s) and participations in Utilisations under the Facility Agreement as specified in the Schedule.
 - (b) The proposed Transfer Date is [].
 - (c) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause [1] (*Addresses*) are set out in the Schedule.
3. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause [1] (*Limitation of responsibility of Existing Lenders*).
- [3/4]. We refer to clause [1] ([1]) of the Borrower Intercreditor Agreement. In consideration of the New Lender being accepted as a [Senior] Lender for the purposes of the Borrower Intercreditor Agreement (and as defined therein), the New Lender confirms that, as from the Transfer Date, it intends to be party to the Borrower Intercreditor Agreement as a [Senior] Lender, and undertakes to perform all the obligations expressed in the Borrower Intercreditor Agreement to be assumed by a [Senior] Lender and agrees that it shall be bound by all the provisions of the Borrower Intercreditor Agreement, as if it had been an original party to the Borrower Intercreditor Agreement.

- [4/5]. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.
- [5/6]. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.
- [6/7]. This Agreement has been entered into on the date stated at the beginning of this Agreement.

Note: The execution of this Transfer Certificate may not transfer a proportionate share of the Existing Lender's interest in the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender's Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

THE SCHEDULE

Commitment/rights and obligations to be transferred

[insert relevant details]

[Facility Office address, fax number and attention details for notices and account details for payments]

[Existing Lender]

[New Lender]

By:

By:

This Agreement is accepted as a Transfer Certificate for the purposes of the Facility Agreement by the Facility Agent, and as a [Creditor Accession Undertaking] for the purposes of the Borrower Intercreditor Agreement by the Security Agent, and the Transfer Date is confirmed as [].

[Facility Agent]

By:

[Security Agent]

By:

Schedule 5

To: [] as Facility Agent and [], [] as Security Agent, [] as Parent, for and on behalf of each Obligor

From: [the *Existing Lender*] (the "**Existing Lender**") and [the *New Lender*] (the "**New Lender**")

Dated:

Facility Agreement dated [] (the "**Facility Agreement**")

1. We refer to the Facility Agreement and to the Borrower Intercreditor Agreement (as defined in the Facility Agreement). This is an Assignment Agreement. This agreement (the "**Agreement**") shall take effect as an Assignment Agreement for the purpose of the Facility Agreement and as a [Creditor Accession Undertaking] for the purposes of the Borrower Intercreditor Agreement (and as defined in the Borrower Intercreditor Agreement). Terms defined in the Facility Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.
2. We refer to Clause [●] (*Procedure for assignment*) of the Facility Agreement:
 - (a) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Facility Agreement, the other Finance Documents and in respect of the Transaction Security which correspond to that portion of the Existing Lender's Commitment(s) and participations in Utilisations under the Facility Agreement as specified in the Schedule.
 - (b) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender's Commitment(s) and participations in Utilisations under the Facility Agreement specified in the Schedule.
 - (c) The New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.¹
3. The proposed Transfer Date is [].
4. On the Transfer Date the New Lender becomes:
 - (a) Party to the relevant Finance Documents (other than the Borrower Intercreditor Agreement) as a Lender; and

¹ If the Assignment Agreement is used in place of a Transfer Certificate in order to avoid a novation of rights/obligations for reasons relevant to a civil jurisdiction, local law advice should be sought to check the suitability of the Assignment Agreement due to the assumption of obligations contained in paragraph 2(c). this issue should be addressed at Primary documentation stage. This footnote is not intended to be included in the scheduled form of Assignment Agreement in the signed Facilities Agreement.

(b)Party to the Borrower Intercreditor Agreement as a [Senior] Lender (as defined in the Borrower Intercreditor Agreement).

5. The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause [1] (*Addresses*) are set out in the Schedule.

6. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause [1] (*Limitation of responsibility of Existing Lenders*).

[7/8] We refer to clause [1] ([1]) of the Borrower Intercreditor Agreement. In consideration of the New Lender being accepted as a Senior Lender for the purposes of the Borrower Intercreditor Agreement (and as defined in the Borrower Intercreditor Agreement), the New Lender confirms that, as from the Transfer Date, it intends to be party to the Borrower Intercreditor Agreement as a Senior Lender, and undertakes to perform all the obligations expressed in the Borrower Intercreditor Agreement to be assumed by a Senior Lender and agrees that it shall be bound by all the provisions of the Borrower Intercreditor Agreement, as if it had been an original party to the Borrower Intercreditor Agreement.

[8/9] This Agreement acts as notice to the Facility Agent (on behalf of each Finance Party) and, upon delivery in accordance with Clause [1] (*Copy of Transfer Certificate, Assignment Agreement or Increase Confirmation to the Borrower*), to the Borrower (on behalf of each Obligor) of the assignment referred to in this Agreement.

[9/10] This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

[11/12] This Agreement and any non-contractual obligations arising out of or in connection with it, are governed by English law.

[12/13] This Agreement has been entered into on the date stated at the beginning of this Agreement.

Note: The execution of this Assignment Agreement may not transfer a proportionate share of the Existing Lender's interest in the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender's Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

THE SCHEDULE

Commitment/rights and obligations to be transferred by assignment, release and accession

[insert relevant details]

[Facility office address, fax number and attention details for notices and account details for payments]

[Existing Lender]

[New Lender]

By:

By:

This Agreement is accepted as an Assignment Agreement for the purposes of the Facility Agreement by the Agent, and as a [Creditor Accession Undertaking] for the purposes of the Borrower Intercreditor Agreement by the Security Agent, and the Transfer Date is confirmed as [].

Signature of this Agreement by the Facility Agent constitutes confirmation by the Agent of receipt of notice of the assignment referred to in this Agreement, which notice the Agent receives on behalf of each Finance Party.

[Facility Agent]

By:

[Security Agent]

By:

Schedule 6

Form of Exchange Request pursuant to Clause 19.3 (*Manner of Exchange of Term Loans*)

To: [●] as Facility Agent

From: [**The Lender**]

[Date]

Facility Agreement dated [●] (the “Facility Agreement”)

1. We refer to the Facility Agreement. This is an Exchange Request pursuant to Clause 19.3 (*Manner of Exchange of Term Loans*) of the Facility Agreement. Terms defined in the Facility Agreement have the same meaning in this notice unless given a different meaning in this notice.
2. We confirm as follows:
 - (a) our legal name is [●];
 - (b) the Exchange Date for this Exchange Request is [●], a Business Day not fewer than ten Business Days after the date of this Exchange Request;
 - (c) the name of the proposed registered Holder of the Exchange Notes to be issued pursuant to this Exchange Request is [●];
 - (d) the principal amount of our participation in the Advances to be exchanged for Exchange Notes pursuant to this Exchange Request is [●], which amount complies with the requirements of Clause 19.3 (*Manner of Exchange of Term Loans*) of the Facility Agreement; and
 - (e) the amount of each Exchange Note requested hereunder is [●], which complies with the requirements of Clause 19.3 (*Manner of Exchange of Term Loans*) of the Facility Agreement.
3. We confirm that:
 - (a) we are either (i) an institutional “**accredited investor**” within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act), that we are engaged in the business of purchasing and selling securities of entities such as the Borrower or (ii) are not a U.S. person (and are not acquiring any Exchange Notes for the account or benefit of a U.S. person) and are acquiring any Exchange Notes pursuant to an offshore transaction pursuant to Regulation S under the Securities Act. We are requesting any Exchange Notes hereunder for our own account or for one or more accounts (each of which is an institutional “**accredited investor**” as defined above) as to each of which we exercise sole investment discretion. We are acquiring Exchange Notes solely for investment purposes and not with

a view to the resale or distribution of Exchange Notes, except in accordance with U.S. securities laws.

- (b) we have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of investing in the Exchange Notes, and we are experienced in investing in capital markets and are able to bear the economic risk of investing in the Exchange Notes.
- (c) an investment in the Exchange Notes involves a high degree of risk, and the Exchange Notes are, therefore, a speculative investment.
- (d) none of the Obligors, the Arrangers, the Facility Agent or any of their respective agents or affiliates has given any investment advice or rendered any opinion to us as to whether an investment in the Exchange Notes is prudent or suitable, and we are not relying on any representation or warranty by the Obligors, the Arrangers, the Facility Agent or any of their respective agents or affiliates.
- (e) we acknowledge that none of the Obligors, the Arrangers, the Facility Agent or any of their respective agents or affiliates has provided, and will not be providing, us with any material regarding the Exchange Notes or the Borrower. We acknowledge that neither the Arrangers nor the Facility Agent are responsible for the contents of any document. We have not requested the Obligors, the Arrangers, the Facility Agent or any of their respective agents or affiliates to provide us with any other information. In addition, we acknowledge that the Facility Agent may facilitate the exchange of information between us and the Borrower, but that such information is not being provided by the Facility Agent. We also acknowledge that, prior to the date hereof, the Borrower has (i) offered us the opportunity to ask questions and receive answers from the Borrower or persons acting on behalf of the Borrower, (ii) offered to furnish us with all other materials that we consider relevant to an investment in the Exchange Notes and (iii) offered to give us the opportunity fully to perform our own due diligence.
- (f) we have access to all information that we believe is necessary, sufficient or appropriate in connection with our receipt and investment in the Exchange Notes. We have made an independent decision to invest in the Exchange Notes from the Borrower based on the information concerning the business and financial condition of the Borrower and other information available to us, which we have determined is adequate for that purpose, and we have not relied on any information (in any form, whether written or oral) furnished by the Facility Agent or on their behalf in making that decision.
- (g) in making our decision to invest in the Exchange Notes, (i) we have not relied on any investigation that the Facility Agent, or any person acting on their behalf, may have conducted with respect to the Borrower or the Exchange Notes and (ii) we have made our own investment decision regarding the Exchange Notes (including, without limitation, the income tax consequences of purchasing, owning or disposing of the Exchange Notes in light of our particular situation and tax residence(s) as well as any consequences arising under the laws of any taxing jurisdiction) based on our own knowledge (and information we may have

or which is publicly available) with respect to the Borrower and the Exchange Notes.

- (h) we acknowledge that the Facility Agent, the Borrower and their respective agents and affiliates may possess material non public information not known to us regarding or relating to the Borrower or the Exchange Notes, including, but not limited to, information concerning the business, financial condition, results of operations, prospects or restructuring plans of the Borrower. We acknowledge that none of the Facility Agent, the Borrower or any of their respective agents or affiliates has disclosed any material, non public information to us and we have not requested that any such information be disclosed.
- (i) we understand that the Exchange Notes have not been registered under the Securities Act and we are receiving the Exchange Notes in accordance with a valid exemption from the registration requirements under the Securities Act. We will not reoffer, resell, pledge or otherwise transfer any Exchange Notes except (a) pursuant to Rule 144A under the Securities Act (if available) to qualified institutional buyers (as defined in Rule 144A), (b) in an offshore transaction complying with Rule 903 or 904 of Regulation S under the Securities Act, (c) pursuant to Rule 144 under the Securities Act (if available) or (d) pursuant to another applicable exemption under the Securities Act, and that, in each case, such offer, sale, pledge or transfer must be made in accordance with any applicable securities laws of any state of the United States or any other relevant jurisdiction.
- (j) we understand that none of the Obligors, the Arrangers, the Facility Agent or any of their agents or affiliates make any representation as to the availability of Rule 144A, Regulation S or Rule 144 under the Securities Act for the reoffer, resale, pledge or transfer of the Exchange Notes.

[Lender]

By: [●]

Schedule 7
FORM OF INCREASE CONFIRMATION

To: [●] as Facility Agent, [●] as Security Agent, and [●] as Borrower

From: [the Increase Lender] (the “**Increase Lender**”)

Dated:

Facility Agreement dated [●] (as from time to time amended, varied, novated or supplemented, the “Facility Agreement”)

We refer to the Facility Agreement and the Borrower Intercreditor Agreement (as each of those terms are defined in the Facility Agreement). This agreement (the “**Agreement**”) shall take effect as an Increase Confirmation for the purpose of the Facility Agreement. Terms defined in the Facility Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.

We refer to Clause 2.3 (*Increase*) of the Facility Agreement.

The Increase Lender agrees to assume and will assume all of the obligations corresponding to the Commitment(s) specified in the Schedule (the “**Relevant Commitment**”) as if it was an Original Lender under the Facility Agreement.

The proposed date on which the increase in relation to the Increase Lender and the Relevant Commitment is to take effect (the “**Increase Date**”) is [●].

On the Increase Date, the Increase Lender becomes party to the Finance Documents.

The Facility Office and address, fax number and attention details for notices to the Increase Lender for the purposes of Clause 34 (*Notices and Delivery of Information*) are set out in the Schedule.

The Increase Lender expressly acknowledges the limitations on the Lenders’ obligations referred to in Clause 2.3 (*Increase*).

[We further refer to clause [●] of the Borrower Intercreditor Agreement. In consideration of the Increase Lender being accepted as a [●] for the purposes of the Borrower Intercreditor Agreement (and as defined therein), the Increase Lender confirms that, as from [●], it intends to be party to the Borrower Intercreditor Agreement as a [●], and undertakes to perform all the obligations expressed in the Borrower Intercreditor Agreement to be assumed by a [●] and agrees that it shall be bound by all the provisions of the Borrower Intercreditor Agreement, as if it had been an original party to the Borrower Intercreditor Agreement.]

This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

This Agreement, including all non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with, English Law.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

THE SCHEDULE

Relevant Commitment/rights and obligations to be assumed by the Increase Lender

[insert relevant details]

[Facility office address, fax number and attention details for notices and account details for payments]

[Increase Lender]

By:

This Agreement is accepted as an Increase Confirmation for the purposes of the Facility Agreement by the Facility Agent, and the Increase Date is confirmed as [●].

Facility Agent

By:

Schedule 8
TIMETABLES

	Advance in euro
Delivery of a duly completed Utilisation Request under Clause 4.1(a) (<i>Conditions to Utilisation</i>)	U-2 9 a.m.
Agent determines notifies the Lenders of the Advance in accordance with Clause 4.2 (<i>Lenders' Participation</i>)	U-2 noon
EURIBOR is fixed	Quotation Date 11:00 a.m. (Brussels time)

“U” = date of utilisation

“U - X” = X Business Days prior to date of utilisation

Schedule 9
FORM OF ACCESSION NOTICE

THIS ACCESSION NOTICE is entered into on [●] by [*insert name of Subsidiary*] (the “**Subsidiary**”) and [●] (the “**Borrower**”) by way of a deed in favour of the Facility Agent, the Mandated Lead Arrangers and the Lenders (each as defined in the Facility Agreement referred to below).

BACKGROUND

1. We refer to the facility agreement dated [●] (as from time to time amended, varied, novated or supplemented, the “**Facility Agreement**”) and made between, *inter alia*, [●].
2. The Borrower has requested that the Subsidiary become a [Pushdown Borrower]/[Guarantor] pursuant to Clause [[●] (Pushdown Borrower)]/[●](Guarantors)] of the Facility Agreement.

NOW THIS DEED WITNESS AS FOLLOWS:

1. Terms defined in the Facility Agreement have the same meanings in this Accession Notice.
2. The Subsidiary is a company [*or specify any other type of entity*] duly incorporated, established or organised under the laws of [*insert relevant jurisdiction*].
3. The Subsidiary confirms that it has received from the Borrower a true and up-to-date copy of the Facility Agreement and the other Finance Documents.
4. The Subsidiary agrees to perform all the obligations expressed to be undertaken by [the Pushdown Borrower]/[a Guarantor] under and as defined in the Facility Agreement, the Borrower Intercreditor Agreement and the other Finance Documents and agrees that it shall be bound by the Facility Agreement, the Borrower Intercreditor Agreement and the other Finance Documents in all respects as if it had been an original party to them as a [Borrower]/[Guarantor] or, in the case of the Borrower Intercreditor Agreement, a Debtor (as defined therein) .
5. The Borrower confirms that no Event of Default is continuing or will occur as a result of the Subsidiary becoming the [Pushdown Borrower]/[a Guarantor].
6. The Subsidiary makes, in relation to itself, the Repeating Representations expressed to be made by an Obligor in Clause 19 (*Representations and Warranties*) of the Facility Agreement.
7. [The Subsidiary confirms that it has appointed to be its process agent for the purposes of accepting service of Proceedings on it.]
8. The Subsidiary's administrative details for the purposes of the Facility Agreement are as follows:

² Accession Notice to be amended to contemplate accession of the Debt Pushdown Borrower

Address:

Contact:

Telephone No:

Fax No:

9. This Accession Notice, including all non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with, English Law.
10. This Accession Notice has been executed as a Deed by the Borrower and the Subsidiary and signed by the Facility Agent on the date written at the beginning of this Accession Notice.

[THE SUBSIDIARY]

EXECUTED as a **DEED** by
[*Name of Subsidiary*] acting by

Director)
[insert name of director]
)
WITNESS
Witness name:
Address:
Occupation:

THE BORROWER

EXECUTED as a **DEED** by
[●]

acting by

Director)
[insert name of director]
)
WITNESS
Witness name:
Address:
Occupation:

THE FACILITY AGENT

[●]

By:

By:

Schedule 10
ACCESSION DOCUMENTS

1. Corporate Documents

In relation to each proposed acceding Obligor:

- (a) a copy of its up-to-date constitutional documents;
- (b) a board resolution or a manager's resolution or a partner's resolution of such person approving the execution and delivery of the relevant Accession Notice, its accession to the this Agreement as a Obligor and the performance of its obligations under the Finance Documents and authorising a person or persons identified by name or office to sign such Accession Notice and any other documents to be delivered by it pursuant thereto;
- (c) to the extent legally necessary, a copy of a shareholders' resolution of all the shareholders of such person approving the execution, delivery and performance of the Finance Documents to which it is a party and the terms and conditions to it; and
- (d) a duly completed certificate of a duly authorised officer of such person substantially in the form provided under paragraph (g) of Part 1 of Schedule 2.

2. Legal Opinions

Such legal opinions as the Facility Agent may reasonably require of such legal advisers as may be acceptable to the Facility Agent, as to:

- (a) the due incorporation, capacity and authorisation of the relevant acceding Obligor; and
- (b) the relevant obligations to be assumed by the relevant acceding Obligor under the Finance Documents to which it is a party being legal, valid, binding and enforceable against it,

in each case, under the relevant laws of the jurisdiction of organisation or establishment of such acceding Obligor, as the case may be.

3. Miscellaneous

Subject to Clause 18.7 (*Further Assurance*) a copy of any other authorisation or other document, opinion or assurance which the Facility Agent reasonably considers to be necessary in connection with the entry into and performance of, and the transactions contemplated by, the Accession Notice or any Borrower Security Document.

4. Security Documents

- (a) At least 2 original copies of any Borrower Security Documents required by the Facility Agent, acting reasonably in accordance with the terms of this Agreement

duly executed by the proposed acceding Obligor together with all documents required to be delivered pursuant to it.

(b) To the extent necessary, confirmatory security in respect of the Borrower Security Documents referred to at (a) above.

5. **Process Agent**

Written confirmation from any process agent referred to in the relevant Accession Notice that it accepts its appointment as process agent.

6. **Financial Statements**

The latest annual audited financial statements of the relevant acceding Obligor, if any.

Schedule 11

DESCRIPTION OF NOTES

Pursuant to the Acquisition Exchange (as defined herein), LGE HoldCo VI B.V. (the “Company”) will issue the Notes (as defined below) under an indenture (the “Indenture”) to be dated as of the Issue Date, between, among others, the Company and Deutsche Trustee Company Limited, as trustee (the “Trustee”) and security trustee (the “Security Trustee”). The Indenture will not be qualified under, incorporate provisions by reference to, or be subject to, the U.S. Trust Indenture Act of 1939, as amended. You will find the definitions of capitalized terms used in this Description of the New 2024 Notes under the heading “—*Certain Definitions*”. Certain capitalized terms used in this “Description of the New 2024 Notes” may have different definitions that the same terms used in other sections of this Offering Memorandum, including “Description of the New 2018 Note” and “Description of the Exchanged Original Notes”. For purposes of this “Description of the New 2024 Notes”, prior to the Debt Pushdown Date (as defined below), references to the “Company”, “we”, “our” and “us” refer only to LGE HoldCo VI B.V. and not to its Subsidiaries. After the Debt Pushdown Date, references to the “Company”, “we”, “our” and “us” refer to the Pushdown Issuer (as defined below) and not to its Subsidiaries.

The Indenture will be unlimited in aggregate principal amount, but the issuance in the Acquisition Exchange will be up to €934 million of senior notes due 2024 (the “Notes”). Thereafter, we may issue an unlimited amount of additional notes having identical terms and conditions to the Notes (the “Additional Notes”). We will only be permitted to issue such Additional Notes if, at the time of such issuance, we are in compliance with the covenants contained in the Indenture. Any Additional Notes will be part of the same issue as the Notes to be issued in the Acquisition Exchange and will vote on all matters with the holders of the Notes. Unless expressly stated otherwise, in this Description of the New 2024 Notes, when we refer to the Notes, the reference includes any Additional Notes.

The Company will apply to list the Notes on the Official List of the Luxembourg Stock Exchange and to trade on the Euro MTF of the Luxembourg Stock Exchange (the “Euro MTF”).

This Description of the New 2024 Notes is intended to be a useful overview of the material provisions of the Notes, the Indenture and the Security Documents and refers to the Intercreditor Agreement. Since this Description of the New 2024 Notes is only a summary, you should refer to the forms of the Indenture and the Security Documents and the Intercreditor Agreement for a complete description of the obligations of the Company and your rights. Copies of the forms of the Indenture and the Security Documents and the Intercreditor Agreement are available as set forth under “*Listing and General Information*”.

Debt Pushdown

Following the issuance of the Notes in connection with the Acquisition Exchange on the Issue Date, the Company may, at its option, effect a pushdown of the Notes and obligations thereunder through its corporate structure through one or a combination of the following methods (the “Debt Pushdown”): (i) the assumption by Ziggo Bond Company B.V. or another Restricted Subsidiary of the Company of the obligations of the Company under the Notes, provided that such Restricted Subsidiary (the applicable entity, the “Parent Issuer”) (A) is still a Parent of the Ziggo Group operating Subsidiaries, (B) is not an obligor under the Senior Secured Credit Facility or any other Indebtedness secured by the same assets as the Senior Secured Credit Facility (other than any Hedging Obligations related to the Notes or other Indebtedness incurred by such Restricted Subsidiary) and (C) is a first-tier or second-tier Parent of any obligor under the Senior Secured Credit Facility or any other Indebtedness secured by the same assets as the Senior Secured Credit Facility (other than any Hedging Obligations related to the Notes or other Indebtedness incurred by such Restricted Subsidiary), (ii) the merger of the Company with the Parent Issuer, (iii) the combination or other transfer of the Company into the Ziggo Group structure (together with the Notes), as a result of which the Company (or its successor) will be the first tier or second tier Parent of the Ziggo Group operating Subsidiaries (provided that the Company (or its successor) will not be an obligor under the Senior Secured Credit Facility or any other Indebtedness secured by the same assets as the Senior Secured Credit Facility (other than any Hedging Obligations related to the Notes or other Indebtedness incurred by such Restricted Subsidiary), through the transfer of the Capital Stock of the Company in one or more intermediate steps into the Ziggo Group, or otherwise, or (iv) any similar transaction.

The date of the consummation of the Debt Pushdown is referred to herein as the “Debt Pushdown Date”. Following the consummation of the Debt Pushdown, the new or acceding issuer is referred to as the “Pushdown Issuer”.

Post-Closing Reorganization and Other Restructuring Transactions

Following the issuance of the Notes and consummation of the Acquisition, Liberty Global may effect a reorganization of its group (the “Post-Closing Reorganizations”). The Post-Closing Reorganizations are expected to include (i) a distribution or other transfer of the Company and its Subsidiaries or a Parent of the Company to Liberty Global or a first-tier or second-tier Subsidiary of Liberty Global through one or more mergers, transfers, consolidations or other similar transactions, and/or (ii) the issuance by the Company of Capital Stock to Liberty Global or a first-tier or second-tier Subsidiary of Liberty Global and, as consideration therefor, the assignment or transfer by Liberty Global or such first-tier or second-tier Subsidiary of Liberty Global of assets to the Company, provided that any new holder of Capital Stock of the Company grants a pledge over such Capital Stock (having the same ranking as prior to the transfer taking the Intercreditor Agreement into account) for the benefit of the holders of the Notes substantially concurrently with the consummation of such transfer.

Following the consummation of the Acquisition, Liberty Global may effect further restructuring transactions that could result in the combination of the Issuer and its subsidiaries with the UPC NL Group and one or more other groups of companies, or otherwise in the creation of a separate credit pool that includes the Issuer and its subsidiaries, as well as the UPC NL Group and one or more other groups of companies. The provisions related to the UPC Exchange Transaction and the Majority Exchange Transaction described below are intended to facilitate any such restructuring transactions (subject to participation by a majority in aggregate principal amount of the Notes as provided in the definitions of UPC Exchange Transaction and Majority Exchange Transaction). However, there can be no assurance that any such restructuring transaction will be consummated.

General

The Notes

The Notes will mature on May 15, 2024 and will initially be secured as described below under “—*Ranking of the Notes and Security*”.

The Company will issue the Notes in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

Interest

Interest on the Notes will accrue at the rate of % per annum and will be payable semi-annually in arrears on May 15 and November 15, commencing on the first interest payment date following the Issue Date. Interest on the Notes will accrue from the date of original issuance of the Notes. The Company will make each interest payment to the holders of record of the Notes on the immediately preceding May 1 and November 1. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Payments on the Notes

Principal, premium, if any, interest, and Additional Amounts (as defined below under “—*Withholding Taxes*”), if any, on the Global Notes (defined below) will be payable, at the corporate trust office or agency of the Trustee in London, England, provided that, such payments with respect to any Global Notes will be made to the common depository as the registered holder of the Global Notes. The rights of holders to receive any payment in respect of any Global Notes are subject to applicable procedures of Euroclear and Clearstream (in each case as defined below under “—*Form of Notes and Transfer and Exchange*”).

Principal, premium, if any, interest, and Additional Amounts, if any, on the Notes issued in certificated non-global form (“Definitive Registered Notes”) will be payable at the corporate trust office or agency of the Trustee in London, England, except that, at the option of the Company, payment of interest may be made by check mailed to the address of the holders of Definitive Registered Notes as such address appears in the register for Definitive Registered Notes. The Company will pay interest on Definitive Registered Notes to Persons who are

registered holders at the close of business on the record date immediately preceding the interest payment date for such interest. Such holders must surrender their Definitive Registered Notes to a Paying Agent to collect principal payments.

If the due date for any payment in respect of any Notes is not a Business Day at the place at which such payment is due to be paid, the holders thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

Paying Agent and Registrar

The Company will maintain one or more paying agents (each, a “Paying Agent”) for the Notes in the City of London (the “Principal Paying Agent”). Deutsche Bank AG, London Branch in London, will initially act as Paying Agent in London.

The Company will also maintain one or more registrars (each, a “Registrar”) for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require. The Company will also maintain a transfer agent. The initial Registrar will be Deutsche Bank Luxembourg S.A. in Luxembourg. The initial transfer agent will be Deutsche Bank Luxembourg S.A. The Registrar and the transfer agent will maintain a register on behalf of the Company for so long as the Notes remain outstanding reflecting ownership of Definitive Registered Notes outstanding from time to time and will make payments on and facilitate transfer of Definitive Registered Notes on behalf of the Company. In the event that the Notes are no longer listed, the Company or its agent will maintain a register reflecting ownership of the Notes.

The Company may change a Paying Agent, Registrar or transfer agent for the Notes without prior notice to the holders of Notes, and the Company may act as Paying Agent, Registrar or transfer agent for the Notes. In the event that a Paying Agent, Registrar or transfer agent is replaced, the Company will provide notice thereof in accordance with the procedures described under “*Notices*.”

In addition, the Company undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the European Council of Economics and Finance Ministers (“ECOFIN”) meeting of November 26-27, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

Form of Notes and Transfer and Exchange

The Notes will be represented initially by one or more global notes in registered form. Each series of Notes exchanged for 2018 Notes represented by one or more Rule 144A global Notes will be represented by one or more global Notes (the “Rule 144A Global Notes”), and each series of Notes exchanged for 2018 Notes represented by one or more Regulation S global notes will be represented by one or more global Notes (the “Regulation S Global Notes”). The combined principal amounts of the Rule 144A Global Notes and the Regulation S Global Notes (together, the “Global Notes”) will at all times equal the outstanding principal amount of the Notes represented thereby.

The Global Notes will, on the Issue Date, be deposited with a common depository (the “Common Depository” for the accounts of Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking, *société anonyme* (“Clearstream”). Interests in the Global Notes will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream. Such beneficial interests in the Notes are referred to as “Book-Entry Interests”.

Book-Entry Interests in the Rule 144A Global Notes may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Notes denominated in the same currency only upon delivery by the transferor of a written certification (in the form provided in the indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of Rule 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under “*Transfer Restrictions*” and in accordance with any applicable securities law of any other jurisdiction.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

Holders of Book-Entry Interests will be entitled to receive Definitive Registered Notes in exchange for their holdings of Book-Entry Interests only in the limited circumstances set forth in “*Book-Entry, Delivery and Form*”. Title to the Definitive Registered Notes will pass upon registration of transfer in accordance with the provisions of the Indenture. In no event will Definitive Registered Notes in bearer form be issued.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of €100,000 principal amount and integral multiples of €1,000 in excess thereof upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant which owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Company to be in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under “*Transfer Restrictions*”.

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of €100,000 in principal amount and integral multiples of €1,000 in excess thereof. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at Euroclear or Clearstream where appropriate, to furnish certain certificates and opinions, and to pay any taxes, duties and governmental charges in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the holder, other than any taxes, duties and governmental charges payable in connection with such transfer.

Notwithstanding the foregoing, the Company is not required to register the transfer of any Definitive Registered Note:

- (1) for a period of 15 calendar days prior to any date fixed for the redemption of the Notes;
- (2) for a period of 15 calendar days immediately prior to the date fixed for selection of Notes to be redeemed in part;
- (3) for a payment period of 15 calendar days prior to the record date with respect to any interest payment date; or
- (4) that the registered holder of Notes has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Disposition Offer.

The Company, the Trustee and the Paying Agents will be entitled to treat the registered holder of a Note as the owner of it for all purposes.

Ranking of the Notes and Security

General

The Notes:

- will be general senior obligations of the Company;
- will mature on May 15, 2024;
- will be secured as described below under the caption “—*Security*”;
- will rank equally in right of payment with all existing and future unsubordinated Indebtedness of the Company and senior in right of payment to any existing and future Subordinated Obligations of the Company;
- be effectively subordinated to any existing and future secured Indebtedness of the Company and its Subsidiaries to the extent of the value of the assets securing such Indebtedness (unless such assets also secure the Notes on an equal and ratable or prior basis); and
- will be effectively subordinated to any existing and future Indebtedness of the Company’s Subsidiaries.

The Company conducts all of its operations through its Subsidiaries and, therefore, the Company depends on the cash flow of its Subsidiaries to meet its obligations, including its obligations under the Notes. The Notes will be effectively subordinated in right of payment to all Indebtedness and other liabilities and commitments (including trade payables and lease obligations) of the Company’s Subsidiaries. Any right of the Company to receive assets of any of its Subsidiaries upon that Subsidiary’s liquidation or reorganization (and the consequent right of the holders of the Notes to participate in those assets) will be effectively subordinated to the claims of that Subsidiary’s creditors, except to the extent that the Company is itself recognized as a creditor of the Subsidiary, in which case the claims of the Company would still be subordinated in right of payment to any security in the assets of the Subsidiary and any Indebtedness of the Subsidiary senior to that held by the Company.

Although the Indenture will limit the Incurrence of Indebtedness by the Company and the Restricted Subsidiaries, such limitation is subject to a number of significant qualifications. The Company and its Subsidiaries may be able to incur substantial amounts of indebtedness in certain circumstances. See “—*Certain Covenants—Limitation on Indebtedness*” below.

Security

Upon the Acquisition Exchange, the Notes will be secured by a first-ranking pledge of all of the issued Capital Stock of the Company (the “Share Pledge” and together with any future security, the “Collateral”). The Company, the Trustee and the Security Trustee will enter into the Share Pledge which defines the terms of the Lien that secure the Notes. The Share Pledge will secure the payment and performance when due of all of the obligations of the Company under the Indenture and the Notes as provided in the Security Documents.

The Indenture will provide that the Security Documents may be enforced only upon an acceleration of the amounts due under the Notes following an Event of Default. The Security Trustee will enter into the Security Documents in its own name for the benefit of the Trustee and the holders of the Notes. The rights of the Trustee and the holders of the Notes will not be directly secured by the Security Documents, but through the parallel debt claim acknowledged by the Company by way of an independent acknowledgement of Indebtedness to the Security Trustee that is equal to the total amounts payable by the Company under the Indenture and the Notes. Neither the Trustee nor the holders of the Notes may, individually or collectively, take any direct action to enforce any rights in their favor under the Security Documents. The holders of the Notes may only take action through the Security Trustee.

The Collateral will be automatically and unconditionally released and discharged:

- (1) upon repayment in full of the Notes;
- (2) as described under “—*Amendments and Waivers*”;
- (3) following a Default under the Indenture or a default under any other Indebtedness secured by the Collateral, pursuant to an Enforcement Sale (see “[*Description of Other Indebtedness — Intercreditor Agreement — Limitations on Enforcement*]”);
- (4) in connection with any transfer of the Capital Stock of the Company, or issuance of new Capital Stock of the Company, pursuant to the Post-Closing Reorganizations or a Spin-Off; *provided that* the transferee of the Capital Stock of the Company grants a pledge over the Capital Stock

of the Company (having the same ranking as prior to such transfer taking the Intercreditor Agreement into account) held by such transferee for the benefit of the holders of the Notes substantially concurrently with the consummation of such transfer;

- (5) in connection with the Debt Pushdown; *provided* that following the Debt Pushdown Date, the Parent of the Pushdown Issuer grants a pledge over the Capital Stock of the Pushdown Issuer (having the same ranking as prior to such transfer taking the Intercreditor Agreement into account) held by such Parent for the benefit of the holders of the Notes substantially concurrently with the Debt Pushdown Date;
- (6) if such Collateral is the Capital Stock of a Restricted Subsidiary, in connection with any sale or other disposition of Capital Stock of that Restricted Subsidiary to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary that is in compliance with the Indenture, including but not limited to the provisions described under “—*Certain Covenants — Limitation on Sales of Assets and Subsidiary Stock*”;
- (7) if the applicable Subsidiary of which such Capital Stock or assets are pledged or assigned is designated as an Unrestricted Subsidiary in compliance with the covenant entitled “— *Certain Covenants — Limitation on Restricted Payments*”;
- (8) to release and/or re-take any Lien under the Security Documents to the extent otherwise permitted by the terms of the Indenture, the Security Documents or the Intercreditor Agreement; or
- (9) with the consent of holders of at least seventy-five percent (75%) in aggregate principal amount of the Notes (including, without limitation, consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes).

In addition, the Liens created by the Security Documents will be released in accordance with the Security Documents and the Intercreditor Agreement. The Liens will also be released upon the defeasance or discharge of the Notes as provided in “— *Certain Covenants — Defeasance*” or “— *Certain Covenants — Satisfaction and Discharge*”, in each case, in accordance with the terms and conditions of the Indenture.

Upon certification by the Company, the Trustee and the Security Trustee shall take all necessary actions, including the granting of releases or waivers under the Intercreditor Agreement, to effectuate any release in accordance with these provisions, subject to customary protections and indemnifications. The Security Trustee and/or Trustee (as applicable) will agree to any release of the Liens created by the Security Documents that is in accordance with the Indenture, the Security Documents and the Intercreditor Agreement without requiring any consent of the holders.

The Trustee, acting on behalf of the holders of the Notes, will enter into the Intercreditor Agreement on the Issue Date, which will effectively provide that all Additional Notes, *Pari Passu* Indebtedness and Hedging Obligations may be secured by a pledge of the Collateral to the extent permitted by the applicable provisions of the Indenture.

For the purposes of calculating the amount of Indebtedness secured by the security documents denominated in a currency other than euro, the principal amount of any such Indebtedness shall be determined based on the euro equivalent thereof as of the date of incurrence of such Indebtedness. See “[*Description of Other Indebtedness — Intercreditor Agreement — Limitations on Enforcement*]”

Affiliate Issuer and Affiliate Subsidiaries

The Company may designate an Affiliate as an Affiliate issuer (the “Affiliate Issuer”) by causing it to execute and deliver to the Trustee a supplemental indenture to the Indenture whereby the Affiliate Issuer will provide a Note Guarantee (as defined below) (the “Affiliate Issuer Guarantee”) and accede as an Affiliate Issuer (the “Affiliate Issuer Accession”), subject to the Trustee’s completion of customary client identification processes for any such Affiliate Issuer in compliance with applicable money laundering regulations and internal policies, *provided* that, prior to or immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing.

Concurrently with the Affiliate Issuer Accession, the Parent of the Affiliate Issuer will enter into a pledge of all of the issued Capital Stock of the Affiliate Issuer (which will rank *pari passu* with the Share Pledge taking into account the Intercreditor Agreement) as security for the Affiliate Issuer Guarantee (the “Affiliate Issuer Share Pledge”). The Security Trustee will not be required to accept any security or its perfection over collateral if it is of a type or in a jurisdiction which the Security Trustee reasonably determines does not meet or comply with its internal regulations or policies or with any law or regulation, or which might impose liabilities on the Security Trustee, in which case the Trustee and/or the Company will appoint a delegate to hold such security.

The Company may designate an Affiliate as an Affiliate Subsidiary by causing it to execute and deliver to the Trustee a supplemental indenture to the Indenture whereby the Affiliate Subsidiary will provide a Note Guarantee (as defined below), subject to the Trustee's completion of customary client identification processes for any such Affiliate Subsidiary in compliance with applicable money laundering regulations and internal policies, *provided* that, prior to or immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing.

Future Guarantees

The Company may from time to time designate a Restricted Subsidiary or an Affiliate as a guarantor of the Notes (the “**Guarantors**”) by causing it to execute and deliver to the Trustee a supplemental indenture to the Indenture, subject to the Trustee's completion of customary client identification processes for any such Guarantor in compliance with applicable money laundering regulations and internal policies. Each Guarantor will, jointly and severally, with the other Guarantors, if applicable, irrevocably guarantee (each guarantee, an “**Note Guarantee**”), as primary obligor and not merely as surety, on a senior or senior subordinated basis the full and punctual payment when due, whether at Stated Maturity, by acceleration or otherwise, of all payment obligations of the Company under the Indenture and the Notes, whether for payment of principal of or interest on or in respect of the Notes, fees, expenses, indemnification or otherwise. The obligations of any Guarantor will be contractually limited under its Note Guarantee to prevent the relevant Note Guarantee from constituting a fraudulent conveyance under applicable law, or otherwise to reflect limitations under applicable law.

A Note Guarantee will be released:

- upon the sale or other disposition (including through merger or consolidation) in compliance with the Indenture of the Capital Stock of the relevant Guarantor (other than the Affiliate Issuer, if any) (whether directly or through the disposition of a parent thereof), following which such Guarantor is no longer a Restricted Subsidiary or Affiliate Subsidiary (other than a sale or other disposition to the Company or any of the Restricted Subsidiaries);
- in the case of a Guarantor that is prohibited or restricted by applicable Law from guaranteeing the Notes (other than customary legal and contractual limitations on the Note Guarantee of such Guarantor); provided that such Note Guarantee will be released as a whole or in part to the extent it is necessary to achieve compliance with such prohibition or restriction;
- upon the legal defeasance, covenant defeasance or satisfaction and discharge of the Notes and the Indenture as provided in “— *Certain Covenants – Defeasance*” or “— *Certain Covenants – Satisfaction and Discharge*”, in each case in accordance with the terms and conditions of the Indenture;
- with respect to a Note Guarantee given under the covenant captioned “— *Certain Covenants – Limitation on Issuances of Guarantees of Indebtedness by Restricted Subsidiaries*”, upon release of the guarantee that gave rise to the requirement to issue such Note Guarantee so long as no Event of Default would arise as a result and no other Indebtedness that would give rise to an obligation to give a Note Guarantee is at that time guaranteed by the relevant Guarantor;
- if such Guarantor is designated as an Unrestricted Subsidiary in compliance with the covenant entitled “— *Certain Covenants— Limitation on Restricted Payments*”;
- if such Guarantor is an Affiliate Subsidiary and such Affiliate Subsidiary becomes a Subsidiary of or is merged into or with the Company, another Restricted Subsidiary of the Company which is not an Affiliate Subsidiary, the Affiliate Issuer or a Guarantor;
- as a result of a transaction permitted by, and in compliance with, the covenant entitled “— *Certain Covenants – Merger and Consolidation*”;

- as described under “— *Certain Covenants — Amendments and Waivers*”; or
- upon the full and final payment and performance of all obligations of the Company and the Guarantors under the Indenture and the Notes.

Optional Redemption

Special Optional Redemption

At any time on or prior to the date that is three months from the Issue Date, the Company may, at its option, elect to redeem all or a portion of the Notes (the “Special Optional Redemption”) at a redemption price (the “Special Optional Redemption Price”) equal to 104% of the principal amount of the Notes, plus accrued but unpaid interest and Additional Amounts, if any, to the date of the Special Optional Redemption (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date). Notice of the Special Optional Redemption will be mailed or delivered to the Trustee (with an instruction to the Trustee to deliver the same to each holder of the Notes) by the Company, and will provide that the Notes shall be redeemed on a date that is no later than the tenth Business Day after such notice is mailed or delivered (the “Special Optional Redemption Date”). On the Special Optional Redemption Date, the Company shall pay to the Principal Paying Agent for payment to each holder the Special Optional Redemption Price for such holder’s Notes. Any such Special Optional Redemption and notice may, in the Company’s discretion, be subject to satisfaction of one or more conditions precedent.

If the Special Optional Redemption Date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest, if any, will be paid to the Person in whose name the Note is registered at the close of business on such record date and no additional interest will be payable to holders whose Notes will be subject to redemption by the Company.

Optional Redemption on or after May 15, 2019

Except as described below and under “—*Redemption for Taxation Reasons*”, the Notes are not redeemable until May 15, 2019. On or after May 15, 2019, the Company may redeem all, or from time to time a part, of the Notes upon not less than 10 nor more than 60 days’ notice, at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest and Additional Amounts, if any, to the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period commencing on May 15 of the years set out below:

Year	Percentage
2019	%
2020	%
2021	%
2022; and thereafter	100.000%

In each case above, any such redemption and notice may, in the Company’s discretion, be subject to satisfaction of one or more conditions precedent.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest, if any, will be paid to the Person in whose name the Note is registered at the close of business on such record date and no additional interest will be payable to holders whose Notes will be subject to redemption by the Company.

Optional Redemption prior to May 15, 2019

At any time prior to May 15, 2019, the Company may redeem all, or from time to time a part, of the Notes upon not less than 10 nor more than 60 days' notice, at a price equal to 100% of the principal amount thereof plus the Applicable Premium as of, and accrued but unpaid interest and Additional Amounts, if any, to, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

In each case above, any such redemption and notice may, in the Company's discretion, be subject to satisfaction of one or more conditions precedent.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest, if any, will be paid to the Person in whose name the Note is registered at the close of business on such record date and no additional interest will be payable to holders whose Notes will be subject to redemption by the Company.

Optional Redemption upon Equity Offerings

At any time, or from time to time, prior to May 15, 2017, the Company may, at its option, use the Net Cash Proceeds of one or more Equity Offerings (except for sales of Capital Stock of a Parent the proceeds of which are contributed as Subordinated Shareholder Loans) to redeem, upon not less than 10 nor more than 60 days' notice, up to 40% of the principal amount of the Notes issued under the Indenture (including the principal amount of any Additional Notes) at a redemption price of _____ % of the principal amount of the Notes, plus accrued and unpaid interest and Additional Amounts, if any, to the date of redemption (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided that:

- (1) at least 60% of the principal amount of the Notes (which includes Additional Notes, if any) issued under the Indenture remains outstanding immediately after any such redemption; and
- (2) the Company makes such redemption not more than 90 days after the consummation of any such Equity Offering.

In each case above, any such redemption and notice may, in the Company's discretion, be subject to satisfaction of one or more conditions precedent.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest, if any, will be paid to the Person in whose name the Note is registered at the close of business on such record date and no additional interest will be payable to holders whose Notes will be subject to redemption by the Company.

Special Optional Redemption upon UPC Exchange Transaction

At any time after the Issue Date, the Company may, at its option, following completion of a UPC Exchange Transaction, redeem all, but not less than all, of the Notes issued under the Indenture upon not less than 10 nor more than 60 days' notice (which notice of redemption shall be given no later than 10 business days following the completion of such UPC Exchange Transaction), at a redemption price (expressed as a percentage of the principal amount thereof) of 102% plus accrued and unpaid interest and Additional Amounts, if any, to the date of redemption (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date). Any such redemption and notice may, in the Company's discretion, be subject to satisfaction of one or more conditions precedent.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest, if any, will be paid to the Person

in whose name the Note is registered at the close of business on such record date and no additional interest will be payable to holders whose Notes will be subject to redemption by the Company.

Special Optional Redemption upon Majority Exchange Transaction

At any time after the Issue Date, the Company may, at its option, following completion of a Majority Exchange Transaction, redeem all, but not less than all, of the Notes issued under the Indenture upon not less than 10 nor more than 60 days' notice (which notice of redemption shall be given no later than 10 business days following the completion of such Majority Exchange Transaction), at a redemption price (expressed as a percentage of the principal amount thereof) of 102% plus accrued and unpaid interest and Additional Amounts, if any, to the date of redemption (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date). Any such redemption and notice may, in the Company's discretion, be subject to satisfaction of one or more conditions precedent.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest, if any, will be paid to the Person in whose name the Note is registered at the close of business on such record date and no additional interest will be payable to holders whose Notes will be subject to redemption by the Company.

Selection and Notice

In the case of any partial redemption, selection of the Notes for redemption will be made by the Trustee on a pro rata basis (or, in the case of Notes issued in global form, based on a method that most nearly approximates a pro rata selection as the Trustee deems fair and appropriate) unless otherwise required by law or applicable stock exchange or depository requirements, although no Notes of €100,000 or less can be redeemed in part. The Trustee will not be liable for selections made by it in accordance with this paragraph. If any Note is to be redeemed in part only, the notice of redemption relating to such Note will state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original Note.

For Notes which are represented by Global Notes held on behalf of Euroclear or Clearstream, notices may be given by delivery of the relevant notices to Euroclear or Clearstream for communication to entitled account holders in substitution for the aforesaid mailing.

Redemption for Taxation Reasons

The Company may redeem the Notes in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days' notice to the holders of the Notes (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed for redemption (a "Tax Redemption Date") (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), and Additional Amounts (as defined below under "*—Withholding Taxes*"), if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if the Company determines that, as a result of:

- (1) any change in, or amendment to, the law or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined below under "*—Withholding Taxes*") affecting taxation; or
- (2) any change in position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) (each of the foregoing in clauses (1) and (2), a "Change in Tax Law"),

the relevant Payor (as defined below under "*—Withholding Taxes*") is, or on the next interest payment date in respect of the Notes or the Note Guarantees would be, required to pay more than de minimis Additional Amounts

(but if the relevant Payor is a Guarantor, then only if the payment giving rise to such requirement cannot be made by the Company or another Guarantor without the obligation to pay Additional Amounts), and such obligation cannot be avoided by taking reasonable measures available to it (including, without limitation, by appointing a new or additional paying agent in another jurisdiction). The Change in Tax Law must become effective on or after the date of this Offering Memorandum. In the case of a successor to the Company or a relevant Guarantor, the Change in Tax Law must become effective after the date that such entity first makes payment in respect of the Notes or the Note Guarantee. Notice of redemption for taxation reasons will be published in accordance with the procedures described in the Indenture as described under “Notices”. Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the relevant Payor would be obliged to make such payment of Additional Amounts and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of the Notes pursuant to the foregoing, the Company will deliver to the Trustee (a) an Officers’ Certificate stating that the Company is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right to so redeem have been satisfied and that the relevant Payor cannot avoid the obligations to pay Additional Amounts by taking reasonable measures available to it; and (b) an opinion of an independent tax counsel reasonably satisfactory to the Trustee to the effect that the circumstances referred to above exist. The Trustee will accept and shall be entitled to rely on such Officers’ Certificate and opinion as sufficient evidence of the existence of satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the holders of the Notes.

The foregoing provisions will apply mutatis mutandis to any successor to a Payor after such successor person becomes a party to the Indenture.

Redemption at Maturity

On May 15, 2024, the Company will redeem the Notes that have not been previously redeemed or purchased and cancelled at 100% of their principal amount plus accrued and unpaid interest thereon, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Withholding Taxes

All payments made by the Company or any Guarantor or, in each case, any successor thereto (a “Payor”) on or with respect to the Notes or the Note Guarantees will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, including any penalties, interest and other similar liabilities related thereto (“Taxes”) unless the withholding or deduction of such Taxes is then required by law or by the official interpretation or administration thereof. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

- (1) The Netherlands or any political subdivision or governmental authority thereof or therein having power to tax;
- (2) any jurisdiction from or through which payment on the Notes or the Note Guarantees is made, or any political subdivision or governmental authority thereof or therein having the power to tax; or
- (3) any other jurisdiction in which a Payor is organized or otherwise considered to be a resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax (each of clause (1), (2) and (3), a “Relevant Taxing Jurisdiction”),

will at any time be required from any payments made with respect to the Notes or the Note Guarantees, including payments of principal, redemption price, interest or premium, the relevant Payor will pay (together with such payments) such additional amounts (the “Additional Amounts”) as may be necessary in order that the net amounts received in respect of such payments by each holder of the Notes, as the case may be, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts) equal the amounts which would have been received in respect of such payments in the absence of such withholding or deduction; provided, however, that no such Additional Amounts will be payable with respect to:

- (a) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant holder or beneficial owner and the Relevant Taxing Jurisdiction imposing such Taxes (other than the mere ownership or holding of such Note, enforcement of rights thereunder or under any Note Guarantee or the Indenture, or the receipt of payments in respect thereof);
- (b) any Taxes that would not have been so imposed if the holder had made a declaration of non-residence or any other claim or filing for exemption to which it is entitled (provided that (A) such declaration of non-residence or other claim or filing for exemption is required by the applicable law of the Relevant Taxing Jurisdiction as a precondition to exemption from the requirement to deduct or withhold all or a part of any such Taxes and (B) at least 30 days prior to the first payment date with respect to which such declaration of non-residence or other claim or filing for exemption is required under the applicable law of the Relevant Taxing Jurisdiction, the relevant holder at that time has been notified (in accordance with the procedures set forth in the Indenture) by the relevant Payor or any other Person through whom payment may be made that a declaration of non-residence or other claim or filing for exemption is required to be made);
- (c) any Note presented for payment (where presentation is required) more than 30 days after the relevant payment is first made available for payment to the holder (except to the extent that the holder would have been entitled to Additional Amounts had the Note been presented during such 30-day period);
- (d) any Taxes that are payable otherwise than by withholding from a payment of the principal of, premium, if any, or interest on the Notes or any Note Guarantee;
- (e) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;
- (f) any withholding or deduction imposed on a payment to an individual and required to be made pursuant to the European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such directive;
- (g) any Taxes which could have been avoided by the presentation (where presentation is required) of the relevant Note to another Paying Agent in a member state of the European Union;
- (h) all United States backup withholding taxes;
- (i) any withholding or deduction imposed pursuant to (a) Sections 1471 through 1474 of the United States Internal Revenue Code of 1986 (as amended), as of the date of the Indenture (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof, (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States and any other jurisdiction, which (in either case) facilitates the implementation of (a) above or (c) any agreement pursuant to the implementation of (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction; or
- (j) any combination of items (a) through (i) above.

Such Additional Amounts will also not be payable where, had the beneficial owner of the Note been the holder of the Note, it would not have been entitled to payment of Additional Amounts by reason of any of clauses (a) to (j) inclusive above.

The relevant Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The relevant Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes and will provide such certified copies (or, if certified copies are not available despite reasonable efforts of the relevant Payor, other evidence of payment reasonably satisfactory to the Trustee) to each holder. The relevant Payor will attach to each certified copy (or other evidence) a certificate stating (x) that the amount of withholding Taxes evidenced by the certified copy was paid in connection with payments in respect of the principal amount of Notes then outstanding and (y) the

amount of such withholding Taxes paid per €1,000 principal amount of the Notes. Copies of such documentation will be available for inspection during ordinary business hours at the office of the Trustee by the holders of the Notes upon request and will be made available at the offices of the Paying Agent if the Notes are then listed on the Luxembourg Stock Exchange.

At least 30 days prior to each date on which any payment under or with respect to the Notes or the Note Gurantees is due and payable (unless such obligation to pay Additional Amounts arises shortly before or after the 30th day prior to such date, in which case it shall be promptly thereafter), if the relevant Payor will be obligated to pay Additional Amounts with respect to such payment, the relevant Payor will deliver to the Trustee an Officers' Certificate stating the fact that such Additional Amounts will be payable, the amounts so payable and will set forth such other information necessary to enable the Trustee to pay such Additional Amounts to holders on the payment date. Each such Officers' Certificate shall be relied upon until receipt of a further Officers' Certificate addressing such matters. The Trustee shall be entitled to rely solely on each such Officers' Certificate as conclusive proof that such payments are necessary.

Wherever mentioned in the Indenture, the Notes or this Description of the New 2024 Notes, in any context: (1) the payment of principal, (2) purchase prices in connection with a purchase of Notes, (3) interest, or (4) any other amount payable on or with respect to the Notes or the Note Gurantees, such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Company and the Guarantors will pay and indemnify the holders of any present or future stamp, court or documentary taxes or any other excise or property taxes, charges or similar levies which arise in any jurisdiction from the execution, delivery or registration of any Notes, any Note Gurantees or any other document or instrument referred to therein (other than a transfer of the Notes), or the receipt of any payments with respect thereto, excluding any such taxes, charges or similar levies imposed by any jurisdiction outside the United Kingdom, Grand Dutchy of Luxembourg, the Netherlands or any jurisdiction in which a Paying Agent is located, other than those resulting from, or required to be paid in connection with, the enforcement of the Notes, the Note Gurantees, the Collateral or any other such document or instrument following the occurrence of any Event of Default with respect to the Notes.

The foregoing obligations will survive any termination, defeasance or discharge of the Indenture and will apply *mutatis mutandis* to any jurisdiction in which any successor to a Payor is organized or any political subdivision or taxing authority or agency thereof or therein.

Certain Covenants

Change of Control

If a Change of Control shall occur at any time, the Company shall, pursuant to the procedures described below and in the Indenture, offer (the "Change of Control Offer") to purchase all Notes in whole or in part in denominations of €100,000 and in integral multiples of €1,000 in excess thereof at a purchase price (the "Change of Control Purchase Price") in cash in an amount equal to 101% of the principal amount of such Notes, plus any Additional Amounts and accrued and unpaid interest, if any, to the date of purchase (the "Change of Control Purchase Date") (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date) provided, however, that the Company shall not be obliged to repurchase Notes as described under this subsection "*—Change of Control*" in the event and to the extent that it has unconditionally exercised its right to redeem all of the Notes as described under "*—Optional Redemption*" or all conditions to such redemption have been satisfied or waived. No such purchase in part shall reduce the principal amount at maturity of the Notes held by any holder to below €100,000.

Unless the Company has unconditionally exercised its right to redeem all the Notes as described under "*—Optional Redemption*" or all conditions to such redemption have been satisfied or waived, within 30 days of any Change of Control, the Company shall notify the Trustee thereof and give written notice of such Change of Control to each holder of Notes stating, among other things:

- that a Change of Control has occurred or may occur and the date, or expected date, of such event;

- the circumstances and relevant facts regarding such Change of Control;
- the purchase price and the purchase date which shall be fixed by the Company on a Business Day no earlier than 10 days nor later than 60 days from the date such notice is mailed or delivered, or such later date as is necessary to comply with requirements under the Exchange Act;
- that any Note not tendered will continue to accrue interest and unless the Company defaults in payment of the Change of Control Purchase Price, any Notes accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest after the Change of Control Purchase Date; and
- certain other procedures that a holder of Notes must follow to accept a Change of Control Offer or to withdraw such acceptance.

If and for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF and the rules of such Stock Exchange so require, the Company will publish a public announcement with respect to the results of any Change of Control Offer in a leading newspaper of general circulation in Luxembourg or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Luxembourg Stock Exchange. The ability of the Company to repurchase Notes pursuant to a Change of Control Offer may be limited by a number of factors. See “*Risk Factors—Risks Relating to the Notes and our Capital Structure—We may not be able to obtain enough funds necessary to finance an offer to repurchase your New 2024 Notes upon the occurrence of certain events constituting a change of control (as defined in the New 2024 Notes Indenture) as required by the New 2024 Notes Indenture*”.

The Trustee or its authenticating agent will promptly authenticate and deliver a new note or notes equal in principal amount to any unpurchased portion of Notes surrendered, if any, to the holder of Notes in global form or to each holder of certificated notes; *provided* that each such new note will be in a principal amount of €100,000 and in integral multiples of €1,000 in excess thereof. The Company will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Purchase Date.

The Company will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by us and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control, conditional upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

If holders of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes in a Change of Control Offer and the Company, or any third party making a Change of Control Offer in lieu of the Company as described above, purchases all of the Notes validly tendered and not withdrawn by such holders, the Company or such third party will have the right, upon not less than 10 nor more than 60 days’ prior notice, given not more than 30 days following such purchase pursuant to the Change of Control Offer described above, to redeem all Notes that remain outstanding following such purchase at a price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest to but excluding the date of the delivery of the notice for such redemption.

The term “all or substantially all” as used in the definition of “Change of Control” has not been interpreted under New York law (which is the governing law of the Indenture) to represent a specific quantitative test. As a consequence, in the event the holders of the Notes elect to exercise their rights under the Indenture and the Company elects to contest such election, there could be no assurance as to how a court interpreting New York law would interpret the phrase.

The provisions of the Indenture will not afford holders of the Notes the right to require the Company to repurchase the Notes in the event of a highly leveraged transaction or certain transactions with the Company’s management or its Affiliates or certain other sale transactions, including a reorganization, restructuring, merger or similar transaction (including, in certain circumstances, an acquisition of the Company by management or its affiliates) involving the Company that may adversely affect holders of the Notes, if such transaction is not a transaction defined as a Change of Control.

The provisions under the Indenture related to the Company's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the written consent of the holders of a majority in principal amount of the Notes prior to the occurrence of a Change of Control.

The Company will comply with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws or regulations in connection with a Change of Control Offer. To the extent that the provisions of any applicable securities laws or regulations conflict with the provisions of this covenant (other than the obligation to make an offer pursuant to this covenant), the Company will comply with the securities laws and regulations and will not be deemed to have breached its obligations described in this covenant by virtue thereof.

Limitation on Indebtedness

The Company and the Affiliate Issuer will not, and will not permit any of the Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); provided, however, that:

- (1) the Restricted Subsidiaries may Incur Indebtedness (including Acquired Indebtedness) if on the date of such Incurrence and after giving effect thereto on a pro forma basis (a) the Consolidated Net Leverage Ratio for the Company and its Restricted Subsidiaries would not exceed 4.00 to 1.00 and (b) the Consolidated Net Leverage Ratio would not exceed 5.00 to 1.00; and
- (2) the Company and/or the Affiliate Issuer may Incur Pari Passu Indebtedness (including Acquired Indebtedness constituting Pari Passu Indebtedness) if on the date of such Incurrence and after giving effect thereto on a pro forma basis the Consolidated Net Leverage Ratio would not exceed 5.00 to 1.00.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness:

- (1) Pari Passu Indebtedness of the Company and the Affiliate Issuer and Indebtedness of the Restricted Subsidiaries under Credit Facilities in the aggregate principal amount at any one time outstanding not to exceed (A) an amount equal to the greater of (i) (a) €[4,385.0] million plus (b) the amount of any Credit Facilities incurred under the first paragraph of this covenant or any other provision of the second paragraph of this covenant to acquire any property, other assets or shares of Capital Stock of a Person (other than the Bridge Facility or any Take-Out Financing) and (ii) 5.0% of Total Assets, plus (B) any accrual or accretion of interest that increases the principal amount of Indebtedness under Credit Facilities and (C) in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;
- (2) Indebtedness of the Company or the Affiliate Issuer owing to and held by any Restricted Subsidiary (other than a Receivables Entity) or Indebtedness of a Restricted Subsidiary owing to and held by the Company, the Affiliate Issuer or any other Restricted Subsidiary (other than a Receivables Entity); provided, however, that:
 - (a) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Company, the Affiliate Issuer or a Restricted Subsidiary (other than a Receivables Entity); and
 - (b) any sale or other transfer of any such Indebtedness to a Person other than the Company, the Affiliate Issuer or a Restricted Subsidiary (other than a Receivables Entity),

shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Company, the Affiliate Issuer or such Restricted Subsidiary, as the case may be and provided, further, that if the Company or the Affiliate Issuer is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations with respect to the Notes or the Note Guarantee by the Affiliate Issuer, as applicable;

- (3) (a) Indebtedness represented by the Notes (other than any Additional Notes issued after the Issue Date) and (b) Indebtedness of the Guarantors represented by the Note Guarantees;

- (4) any Indebtedness (other than the Indebtedness described in clauses (1), (2) and (3)) outstanding on the Issue Date after giving effect to the Acquisition and Related Transactions, including Indebtedness under the Senior Bridge Facility or any Take-Out Financing;
- (5) any Refinancing Indebtedness Incurred in respect of any Indebtedness described in clause (3), clause (4), this clause (5), clause (6), clause (8), clause (15) or clause (16) or Incurred pursuant to the first paragraph of this covenant;
- (6) Indebtedness of the Company, the Affiliate Issuer or a Restricted Subsidiary Incurred after the Issue Date (a) Incurred and outstanding on the date on which such Restricted Subsidiary was acquired by the Company or the Affiliate Issuer or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Company, the Affiliate Issuer or any Restricted Subsidiary or was designated the Affiliate Issuer or an Affiliate Subsidiary, (b) Incurred to provide all or a portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or the Affiliate Issuer or was otherwise acquired by the Company, the Affiliate Issuer or a Restricted Subsidiary or was designated the Affiliate Issuer or an Affiliate Subsidiary or (c) Incurred and outstanding on the date on which such Restricted Subsidiary was acquired by the Company or the Affiliate Issuer or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Company, the Affiliate Issuer or any Restricted Subsidiary (other than Indebtedness Incurred in contemplation of the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Company, the Affiliate Issuer or a Restricted Subsidiary); *provided, however*, that with respect to (a) and (b) of this clause (6) only, immediately following the consummation of the acquisition of such Restricted Subsidiary by the Company or the Affiliate Issuer or such other transaction, (x) the Company, the Affiliate Issuer and Restricted Subsidiaries would have been able to incur €1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving pro forma effect to the relevant acquisition or other transaction and the Incurrence of such Indebtedness pursuant to this clause (6) or (y) the Consolidated Net Leverage Ratio would not be greater than immediately prior to such acquisition or such other transaction;
- (7) Indebtedness under Currency Agreements, Commodity Agreements and Interest Rate Agreements entered into for bona fide hedging purposes of the Company, the Affiliate Issuer or the Restricted Subsidiaries and not for speculative purposes (as determined in good faith by the Board of Directors or senior management of the Company);
- (8) Indebtedness consisting of (a) mortgage financings, Purchase Money Obligations or other financings, Incurred for the purpose of financing all or any part of the purchase price or cost of design, construction, installation or improvement of property, plant or equipment used or useful in the business of the Company, the Affiliate Issuer or such Restricted Subsidiary or (b) Indebtedness otherwise Incurred to finance the purchase, lease, rental or cost of design, construction, installation or improvement of property (real or personal) or equipment that is used or useful in the business of the Company, the Affiliate Issuer or such Restricted Subsidiary, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, and any Refinancing Indebtedness which refinances, replaces or refunds such Indebtedness, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (8) will not exceed the greater of (i) €250.0 million and (ii) 5.0% of Total Assets at any time outstanding so long as such Indebtedness exists on the date of such purchase, design, construction, installation or improvement, or is created within 270 days thereafter;
- (9) Indebtedness in respect of (a) workers' compensation claims, self-insurance obligations, performance, bid, indemnity, surety, judgment, appeal, performance or appeal bonds, completion guarantees, advance payment, customs, VAT or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Company, the Affiliate Issuer or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business or in respect of any government requirement, (b) letters of credit, bankers' acceptances, guarantees or other similar instruments

or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business including letters of credit or similar instruments in respect of self-insurance and workers compensation obligations, (c) the financing of insurance premiums in the ordinary course of business and (d) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;

- (10) Indebtedness arising from agreements of the Company, the Affiliate Issuer or a Restricted Subsidiary providing for indemnification, obligations in respect of earn-outs or adjustment of purchase price or similar obligations, in each case, Incurred or assumed in connection with the disposition of any business, assets or Capital Stock of a Restricted Subsidiary, provided that the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds (including the fair market value of non-cash proceeds) actually received by the Company, the Affiliate Issuer and the Restricted Subsidiaries in connection with such disposition;
- (11) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business, provided, however, that such Indebtedness is extinguished within thirty Business Days of Incurrence;
- (12) guarantees by the Company, the Affiliate Issuer or any Restricted Subsidiary of Indebtedness or any other obligation or liability of the Company, the Affiliate Issuer or any Restricted Subsidiary (other than of any Indebtedness Incurred by such Restricted Subsidiary in violation of this covenant);
- (13) [Reserved];
- (14) Subordinated Shareholder Loans Incurred by the Company or the Affiliate Issuer;
- (15) Pari Passu Indebtedness of the Company or the Affiliate Issuer and Indebtedness of the Restricted Subsidiaries in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (15) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Company or the Affiliate Issuer from the issuance or sale (other than to the Company, the Affiliate Issuer or a Restricted Subsidiary) of its Capital Stock or otherwise contributed to the equity of the Company, in each case, subsequent to the Issue Date (and in each case, other than through the issuance of Disqualified Stock, Preferred Stock or an Excluded Contribution); provided, however, that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under clauses 4(c)(ii) and 4(c)(iii) of the first paragraph and clause (1) of the third paragraph of the covenant described below under “*Certain Covenants—Limitation on Restricted Payments*” to the extent the Company, the Affiliate Issuer or any Restricted Subsidiary incurs Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause (15) to the extent the Company, the Affiliate Issuer or any Restricted Subsidiary makes a Restricted Payment under clauses 4(c)(ii) and 4(c)(iii) of the first paragraph and clauses (1) of the third paragraph of the covenant described below under “*Certain Covenants—Limitation on Restricted Payments*” in reliance thereon;
- (16) in addition to the items referred to in clauses (1) through (15) above, Pari Passu Indebtedness of the Company or the Affiliate Issuer and Indebtedness of the Restricted Subsidiaries in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (16) and then outstanding, will not exceed the greater of (i) €250.0 million and (ii) 5.0% of Total Assets at any time outstanding; and
- (17) intra-group Indebtedness with Affiliates reasonably required to effect or consummate the Acquisition and any Related Transaction, including transactions to consolidate the holding of Share Capital in Ziggo N.V.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

- (1) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, the Company, in its sole discretion, will classify such item of Indebtedness on the date of its incurrence and only be required to include the amount and type of such Indebtedness in one of such clauses and will be permitted on the date of such incurrence to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, and, from time to time, may reclassify all or a portion of such Indebtedness, in any manner that complies with this covenant;
- (2) guarantees of, or obligations in respect of letters of credit relating to, Indebtedness which is otherwise included in the determination of a particular amount of Indebtedness shall not be included;
- (3) if obligations in respect of letters of credit are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to clause (1) of the second paragraph above and the letters of credit relate to other Indebtedness, then such other Indebtedness shall not be included;
- (4) the principal amount of any Disqualified Stock of the Company or the Affiliate Issuer, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;
- (5) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness; and
- (6) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined in accordance with IFRS.

Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest or dividends in the form of additional Indebtedness, Preferred Stock or Disqualified Stock and increases in the amount of Indebtedness due to a change in accounting principles will not be deemed to be an Incurrence of Indebtedness for purposes of this covenant. The amount of any Indebtedness outstanding as of any date shall be (i) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (ii) the principal amount or liquidation preference thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness.

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary of the Company or the Affiliate Issuer as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under this “—*Limitation on Indebtedness*” covenant, the Company or the Affiliate Issuer shall be in Default of this covenant).

For purposes of determining compliance with any euro-denominated restriction on the Incurrence of Indebtedness, the Euro Equivalent principal amount of Indebtedness denominated in a foreign currency shall be (1) calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed, in the case of revolving credit Indebtedness; provided that if such Indebtedness is Incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable euro-dominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-dominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; and (2) if and for so long as any such Indebtedness is subject to an agreement intended to protect against fluctuations in currency exchange rates with respect to the currency in which such Indebtedness is denominated covering principal and interest on such Indebtedness, the swapped rate of such Indebtedness (if swapped into euro) as of the date of the applicable swap. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company, the Affiliate Issuer and the Restricted Subsidiaries may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

For purposes of determining compliance with the first paragraph of this covenant, the Euro Equivalent principal amount of Indebtedness denominated in a foreign currency (if such Indebtedness has not been swapped into euros, or if such Indebtedness has been swapped into a currency other than euros) shall be calculated using the same weighted average exchange rates for the relevant period used in the consolidated financial statements of the Reporting Entity for calculating the Euro Equivalent of Consolidated EBITDA denominated in the same currency as the currency in which such Indebtedness is denominated or into which it has been swapped.

Limitation on Restricted Payments

The Company and the Affiliate Issuer will not, and will not permit any of the Restricted Subsidiaries, directly or indirectly:

- (1) to declare or pay any dividend or make any distribution on or in respect of its Capital Stock (including any payment in connection with any merger or consolidation involving the Company, the Affiliate Issuer or any of the Restricted Subsidiaries) except:
 - (a) dividends or distributions payable in Capital Stock of the Company or the Affiliate Issuer (other than Disqualified Stock) or Subordinated Shareholder Loans; and
 - (b) dividends or distributions payable to the Company, the Affiliate Issuer or a Restricted Subsidiary (and if such Restricted Subsidiary is not a Wholly Owned Subsidiary, to its other holders of common Capital Stock on a pro rata basis);
 - (2) to purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Company, the Affiliate Issuer, any Affiliate Subsidiary or any Parent of the Company, the Affiliate Issuer or any Affiliate Subsidiary held by Persons other than the Company, the Affiliate Issuer or a Restricted Subsidiary;
 - (3) to purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Obligations (other than (x) the purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement or (y) Indebtedness permitted under clause (2) of the second paragraph under the covenant described under “—*Limitation on Indebtedness*”); or
 - (4) to make any Restricted Investment in any Person;
- (any such dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (4) is referred to herein as a “Restricted Payment”), if at the time the Company, the Affiliate Issuer or such Restricted Subsidiary makes such Restricted Payment:
- (a) a Default shall have occurred and be continuing (or would result therefrom); or
 - (b) the Company or the Affiliate Issuer is not able to Incur an additional €1.00 of Pari Passu Indebtedness pursuant to the first paragraph under the covenant described under “—*Limitation on Indebtedness*”, after giving effect, on a pro forma basis, to such Restricted Payment; or
 - (c) the aggregate amount of such Restricted Payment and all other Restricted Payments declared or made subsequent to May 7, 2010 and not returned or rescinded would exceed the sum of:
 - (i) 50% of Consolidated Net Income for the period (treated as one accounting period) from the beginning of the first fiscal quarter commencing after May 7, 2010 to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which financial statements are available (or, in case such Consolidated Net Income is a deficit, minus 100% of such deficit);
 - (ii) 100% of the aggregate Net Cash Proceeds and the fair market value, as determined in good faith by the Board of Directors or senior management of the Company, of marketable securities, or other property or assets, received by the Company or the Affiliate Issuer from the issue or sale of its Capital Stock (other than Disqualified Stock)

or Subordinated Shareholder Loans or other capital contributions subsequent to May 7, 2010 (other than (x) Net Cash Proceeds received from an issuance or sale of such Capital Stock to the Company, the Affiliate Issuer or a Restricted Subsidiary or an employee stock ownership plan, option plan or similar trust to the extent such sale to an employee stock ownership plan or similar trust is financed by loans from or guaranteed by the Company, the Affiliate Issuer or any Restricted Subsidiary unless such loans have been repaid with cash on or prior to the date of determination, (y) Excluded Contributions or (z) Net Cash Proceeds and fair market value of such assets received in connection with the Acquisition);

- (iii) 100% of the aggregate Net Cash Proceeds and the fair market value, as determined in good faith by the Board of Directors or senior management of the Company, of marketable securities, or other property or assets, received by the Company, the Affiliate Issuer or any Restricted Subsidiary from the issuance or sale (other than to the Company, the Affiliate Issuer or a Restricted Subsidiary) by the Company, the Affiliate Issuer or any Restricted Subsidiary subsequent to May 7, 2010 of any Indebtedness that has been converted into or exchanged for Capital Stock of the Company or the Affiliate Issuer (other than Disqualified Stock) or Subordinated Shareholder Loans;
- (iv) the amount equal to the net reduction in Restricted Investments made by the Company, the Affiliate Issuer or any of the Restricted Subsidiaries resulting from:
 - (A) repurchases, redemptions or other acquisitions or retirements of any such Restricted Investment, proceeds realized upon the sale or other disposition to a Person other than the Company, the Affiliate Issuer or a Restricted Subsidiary of any such Restricted Investment, repayments of loans or advances or other transfers of assets (including by way of dividend, distribution, interest payments or returns of capital) to the Company, the Affiliate Issuer or any Restricted Subsidiary; or
 - (B) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued in each case as provided in the definition of "Investment") not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by the Company, the Affiliate Issuer or any Restricted Subsidiary in such Unrestricted Subsidiary,

which amount in each case under this clause (iv) was included in the calculation of the amount of Restricted Payments; provided, however, that no amount will be included in Consolidated Net Income for the purposes of the preceding clause (i) to the extent that it is (at the Company's option) included under this clause (iv); and

- (v) 100% of the Net Cash Proceeds and the fair market value (as determined in accordance with the next succeeding paragraph) of marketable securities, or other property or assets, received by the Company, the Affiliate Issuer or any of the Restricted Subsidiaries in connection with: (A) the sale or other disposition (other than to the Company, the Affiliate Issuer or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company, the Affiliate Issuer or any Subsidiary of the Company or Affiliate Issuer for the benefit of its employees to the extent funded by the Company, the Affiliate Issuer or any Restricted Subsidiary) of Capital Stock of an Unrestricted Subsidiary; and (B) any dividend or distribution made by an Unrestricted Subsidiary to the Company, the Affiliate Issuer or a Restricted Subsidiary; provided however, that no amount will be included in Consolidated Net Income for the purposes of the preceding clause (i) to the extent that it is (at the Company's option) included under this clause (v).

The fair market value of property or assets other than cash covered by the preceding sentence shall be the fair market value thereof as determined in good faith by the Board of Directors or senior management of the Company.

The provisions of the preceding paragraph will not prohibit:

- (1) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock, Disqualified Stock, Subordinated Shareholder Loans or Subordinated Obligations of the Company or the Affiliate Issuer made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the sale within 90 days of, Capital Stock of the Company or the Affiliate Issuer (other than Disqualified Stock or Capital Stock issued or sold to a Subsidiary or an employee stock ownership plan or similar trust to the extent such sale to an employee stock ownership plan or similar trust is financed by loans from or guaranteed by the Company, the Affiliate Issuer or any Restricted Subsidiary unless such loans have been repaid with cash on or prior to the date of determination), Subordinated Shareholder Loans or a substantially concurrent capital contribution to the Company or the Affiliate Issuer; provided, however, that (a) such purchase, repurchase, redemption, defeasance, acquisition or retirement will be excluded in subsequent calculations of the amount of Restricted Payments and (b) the Net Cash Proceeds from such sale or issuance of Capital Stock or Subordinated Shareholder Loans or from such capital contribution will be excluded from clause (c)(ii) of the preceding paragraph;
- (2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations of the Company or the Affiliate Issuer made by exchange for, or out of the proceeds of the substantially concurrent sale of, Subordinated Obligations of the Company or the Affiliate Issuer that is permitted to be Incurred pursuant to the covenant described under “—*Limitation on Indebtedness*” and that in each case constitutes Refinancing Indebtedness; provided, however, that such purchase, repurchase, redemption, defeasance, acquisition or retirement will be excluded in subsequent calculations of the amount of Restricted Payments;
- (3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Disqualified Stock of the Company, the Affiliate Issuer or a Restricted Subsidiary made by exchange for, or out of the proceeds of the sale within 90 days of, Disqualified Stock of the Company, the Affiliate Issuer or such Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to the covenant described under “—*Limitation on Indebtedness*” and that in each case constitutes Refinancing Indebtedness; provided, however, that such purchase, repurchase, redemption, defeasance, acquisition or retirement will be excluded in subsequent calculations of the amount of Restricted Payments;
- (4) dividends paid within 60 days after the date of declaration if at such date of declaration such dividend would have complied with this provision; provided, however, that such dividends will be included in subsequent calculations of the amount of Restricted Payments;
- (5) the purchase, repurchase, defeasance, redemption or other acquisition, cancellation or retirement for value of Capital Stock, or options, warrants, equity appreciation rights or other rights to purchase or acquire Capital Stock of the Company, the Affiliate Issuer or any Restricted Subsidiary or any parent of the Company or the Affiliate Issuer held by any existing or former employees or management of the Company, the Affiliate Issuer or any Subsidiary of the Company or Affiliate Issuer or their assigns, estates or heirs, in each case in connection with the repurchase provisions under employee stock option or stock purchase agreements or other agreements to compensate management employees; *provided* that such redemptions or repurchases pursuant to this clause will not exceed an amount equal to €10.0 million in the aggregate during any calendar year (with any unused amounts in any preceding calendar year being carried over to the succeeding calendar year); provided, however, that the amount of any such repurchase or redemption will be included in subsequent calculations of the amount of Restricted Payments;
- (6) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under “—*Limitation on Indebtedness*” above; *provided*, however, that such dividends will be excluded from subsequent calculations of the amount of Restricted Payments;
- (7) purchases, repurchases, redemptions, defeasance or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other convertible securities if such Capital Stock represents a portion of the exercise price thereof; *provided*, however, that

such repurchases will be excluded from subsequent calculations of the amount of Restricted Payments;

- (8) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Obligation:
- (a) at a purchase price not greater than 101% of the principal amount of such Subordinated Obligation in the event of a Change of Control in accordance with provisions similar to the “—*Change of Control*” covenant;
 - (b) at a purchase price not greater than 100% of the principal amount thereof in accordance with provisions similar to the “—*Limitation on Sales of Assets and Subsidiary Stock*” covenant; provided that, prior to or simultaneously with such purchase, repurchase, redemption, defeasance or other acquisition or retirement, the Company has made the Change of Control Offer or Asset Disposition Offer, as applicable, as provided in such covenant with respect to the Notes and has completed the repurchase or redemption of all Notes validly tendered for payment in connection with such Change of Control Offer or Asset Disposition Offer; and provided, further, that such purchase, redemption or other acquisition will be excluded from subsequent calculations of the amount of Restricted Payments; or
 - (c) (i) consisting of Acquired Indebtedness (other than Indebtedness Incurred to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Company, the Affiliate Issuer or a Restricted Subsidiary) and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Obligation plus accrued and unpaid interest and any premium required by the terms of any Acquired Indebtedness;
- (9) dividends, loans, advances or distributions to any Parent or other payments by the Company, the Affiliate Issuer or any Restricted Subsidiary in amounts equal to:
- (i) the amounts required for any Parent to pay Parent Expenses;
 - (ii) the amounts required for any Parent to pay Public Offering Expenses or fees and expenses related to any other equity or debt offering of such Parent that are directly attributable to the operation of the Company, the Affiliate Issuer and the Restricted Subsidiaries;
 - (iii) the amounts required for any Parent to pay Related Taxes; and
 - (iv) amounts constituting payments satisfying the requirements of clauses (11) and (12) of the second paragraph of the covenant described under “—*Limitation on Affiliate Transactions*”,
- provided*, that such dividends, loans, advances, distributions or other payments will be excluded from subsequent calculations of the amount of Restricted Payments;
- (10) Investments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded Contributions, or Investments in exchange for or using as consideration Investments previously made under this clause, provided that the amount of such Investments will be excluded from subsequent calculations of the amount of Restricted Payments;
- (11) payments by the Company or the Affiliate Issuer, or loans, advances, dividends or distributions to any parent company of the Company or the Affiliate Issuer to make payments to holders of Capital Stock of the Company or the Affiliate Issuer or any parent company of the Company or Affiliate Issuer in lieu of the issuance of fractional shares of such Capital Stock; provided that the net amount of such payments will be excluded from subsequent calculations of the amount of Restricted Payments;
- (12) so long as no Default or Event of Default of the type specified in clauses (1) or (2) under “—*Events of Default*” has occurred and is continuing, Restricted Payments to be applied to scheduled cash interest payments on Indebtedness of any Parent to the extent that such Indebtedness is

guaranteed by the Company or the Affiliate Issuer pursuant to a guarantee otherwise permitted to be Incurred under the Indenture; provided, however, that the amount of such payments will be included in subsequent calculations of the amount of Restricted Payments;

- (13) so long as no Default or Event of Default of the type specified in clauses (1) or (2) under “—*Events of Default*” has occurred and is continuing, any Restricted Payment to the extent that, after giving pro forma effect to any such Restricted Payment, the Consolidated Net Leverage Ratio would not exceed 5.00 to 1.00, provided that the net amount of such payments will be included in subsequent calculations of the amount of Restricted Payments;
- (14) Restricted Payments in an aggregate amount at any time outstanding, when taken together with all other Restricted Payments made pursuant to this clause (14), not to exceed the greater of (i) €250.0 million and (ii) 5.0% of Total Assets, in the aggregate in any calendar year (with any unused amounts in any preceding calendar year being carried over to the succeeding calendar year); provided that the amount of such Restricted Payments will be included in subsequent calculations of the amount of Restricted Payments;
- (15) the distribution, as a dividend or otherwise, of shares of Capital Stock of or, Indebtedness owed to the Company, the Affiliate Issuer or a Restricted Subsidiary by, Unrestricted Subsidiaries; *provided*, however, that such distributions will be excluded from subsequent calculations of the amount of Restricted Payments;
- (16) following a Public Offering of the Company, the Affiliate Issuer or any Parent, the declaration and payment by the Company, the Affiliate Issuer or such Parent, or the making of any cash payments, advances, dividends or distributions to any Parent to pay, dividends or distributions on the Capital Stock, common stock or common equity interests of the Company, the Affiliate Issuer or any Parent; provided that the aggregate amount of all such dividends or distributions under this clause (16) shall not exceed in any fiscal year the greater of (a) 6% of the Net Cash Proceeds received from such Public Offering or subsequent Equity Offering by the Company or the Affiliate Issuer or contributed to the capital of the Company or the Affiliate Issuer by any Parent in any form other than Indebtedness or Excluded Contributions and (b) following the Initial Public Offering, an amount equal to the greater of (i) 7% of the Market Capitalization and (ii) 7% of the IPO Market Capitalization, provided that after giving pro forma effect to the payment of any such dividend or making of any such distribution, the Consolidated Net Leverage Ratio of the Company and the Affiliate Issuer would not exceed 5.00 to 1.00; *provided*, however, that such Restricted Payments will be included in subsequent calculations of the amount of Restricted Payments;
- (17) after the designation of any Restricted Subsidiary as an Unrestricted Subsidiary, distributions (including by way of dividend) consisting of cash, Capital Stock or property or other assets of such Unrestricted Subsidiary that in each case is held by the Company, the Affiliate Issuer or any Restricted Subsidiary; provided, however, that (x) such distribution or disposition shall include the concurrent transfer of all liabilities (contingent or otherwise) attributable to the property or other assets being transferred; (y) any property or other assets received from any Unrestricted Subsidiary (other than Capital Stock issued by any Unrestricted Subsidiary) may be transferred by way of distribution or disposition pursuant to this clause (17) only if such property or other assets, together with all related liabilities, is so transferred in a transaction that is substantially concurrent with the receipt of the proceeds of such distribution or disposition by the Company, the Affiliate Issuer or such Restricted Subsidiary; and (z) such distribution or disposition shall not, after giving effect to any related agreements, result nor be likely to result in any material liability, tax or other adverse consequences to the Company, the Affiliate Issuer and the Restricted Subsidiaries on a Consolidated basis; provided further, however, that such distributions will be excluded from the calculation of the amount of Restricted Payments, it being understood that proceeds from the disposition of any cash, Capital Stock or property or other assets of an Unrestricted Subsidiary that are so distributed will not increase the amount of Restricted Payments permitted under clause (c)(iv) of the preceding paragraph above; and
- (18) Restricted Payments reasonably required to consummate the Acquisition and any Related Transaction, including any Restricted Payment to any Parent in an amount equal to any loan, equity contribution or other amount made or paid to the Company to fund scheduled cash interest

payments on the Notes; provided that the amount of such Restricted Payments will be excluded in subsequent calculations of the amount of Restricted Payments.

For purposes of determining compliance with this covenant, in the event that a Restricted Payment meets the criteria of more than one of the categories described in clauses (1) through (18) above, or is permitted pursuant to the first paragraph of this covenant, the Company will be entitled to classify such Restricted Payment (or portion thereof) on the date of its payment or later reclassify such Restricted Payment (or portion thereof) in any manner that complies with this covenant.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Company, the Affiliate Issuer or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount and any non-cash Restricted Payment shall be determined in good faith by the Board of Directors or senior management of the Company.

Limitation on Liens

The Company and the Affiliate Issuer will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, create, Incur or suffer to exist any Lien (other than Permitted Liens) upon any of its property or assets (including Capital Stock of Restricted Subsidiaries), whether owned on the date of the Indenture or acquired after that date, which Lien is securing any Indebtedness (such Lien, the “Initial Lien”), unless contemporaneously with the Incurrence of such Initial Lien effective provision is made to secure the Indebtedness due under the Indenture and the Notes equally and ratably with (or prior to, in the case of Liens with respect to Subordinated Obligations) the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured.

Any such Lien thereby created in favor of the Notes will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates, (ii) any sale, exchange or transfer to any Person other than the Company, the Affiliate Issuer or any Restricted Subsidiary of the property or assets secured by such Initial Lien, (iii) the full and final payment of all amounts payable by the Company under the Notes and the Indenture, or (iv) the defeasance or discharge of the Notes in accordance with the defeasance provisions described under “—*Defeasance*”.

Notwithstanding the foregoing, the Company and the Affiliate Issuer will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, create, Incur or suffer to exist any Lien on any Collateral (other than Permitted Collateral Liens).

Limitation on Restrictions on Distributions from Restricted Subsidiaries

The Company and the Affiliate Issuer will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

- (1) pay dividends or make any other distributions on its Capital Stock or pay any Indebtedness or other obligations owed to the Company, the Affiliate Issuer or any Restricted Subsidiary;
- (2) make any loans or advances to the Company, the Affiliate Issuer or any Restricted Subsidiary; or
- (3) transfer any of its property or assets to the Company, the Affiliate Issuer or any Restricted Subsidiary;

provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on Common Stock and (y) the subordination of (including but not limited to, the application of any standstill requirements to) loans or advances made to the Company, the Affiliate Issuer or any Restricted Subsidiary to other Indebtedness Incurred by the Company, the Affiliate Issuer or any Restricted Subsidiary, shall not be deemed to constitute such an encumbrance or restriction.

The preceding provisions will not prohibit:

- (1) any encumbrance or restriction pursuant to an agreement in effect at or entered into on the date of the Indenture, including, without limitation, the Indenture, the Senior Credit Facilities, any Credit Facility, the Senior Secured Notes, the Intercreditor Agreement, the Security Documents and any related documentation, in each case, as in effect on the Issue Date;
- (2) any encumbrance or restriction pursuant to an agreement or instrument of a Person relating to any Capital Stock or Indebtedness of a Person, Incurred on or before the date on which such Person was acquired by or merged or consolidated with or into the Company, the Affiliate Issuer or any Restricted Subsidiary, or on which such agreement or instrument is assumed by the Company, the Affiliate Issuer or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Company or the Affiliate Issuer or was merged or consolidated with or into the Company, the Affiliate Issuer or any Restricted Subsidiary or in contemplation of such transaction) and outstanding on such date, provided, that any such encumbrance or restriction shall not extend to any assets or property of the Company, the Affiliate Issuer or any other Restricted Subsidiary other than the assets and property so acquired and provided, further, that for the purposes of this clause, if another Person is the Successor Company, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Company, the Affiliate Issuer or any Restricted Subsidiary when such Person becomes the Successor Company;
- (3) any encumbrance or restriction pursuant to an agreement or instrument effecting a refunding, replacement or refinancing of Indebtedness Incurred pursuant to, or that otherwise extends, renews, refunds, refinances or replaces, an agreement referred to in clause (1) or (2) of this paragraph or this clause (3) or contained in any amendment, supplement or other modification to an agreement referred to in clause (1) or (2) of this paragraph or this clause (3); provided, however, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement are no less favorable in any material respect to the holders of the Notes than the encumbrances and restrictions contained in such agreements referred to in clauses (1) or (2) of this paragraph (as determined in good faith by the Board of Directors or senior management of the Company);
- (4) in the case of clause (3) of the first paragraph of this covenant, any encumbrance or restriction:
 - (i) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any such lease, license or other contract;
 - (ii) contained in Liens permitted under the Indenture securing Indebtedness of the Company, the Affiliate Issuer or a Restricted Subsidiary to the extent such encumbrances or restrictions restrict the transfer of the property subject to such mortgages, pledges or other security agreements; or
 - (iii) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company, the Affiliate Issuer or any Restricted Subsidiary;
- (5) any encumbrance or restriction pursuant to (a) Purchase Money Obligations for property acquired in the ordinary course of business and (b) Capitalized Lease Obligations permitted under the Indenture, in each case that impose encumbrances or restrictions of the nature described in clause (3) of the first paragraph of this covenant on the property so acquired;
- (6) any Purchase Money Note or other Indebtedness or contractual requirements Incurred with respect to a Qualified Receivables Transaction relating exclusively to a Receivables Entity that, in the good faith determination of the Board of Directors or senior management of the Company, are necessary to effect such Qualified Receivables Transaction;
- (7) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

- (8) customary provisions in leases, asset sale, joint venture agreements and other agreements and instruments entered into by the Company, the Affiliate Issuer or any Restricted Subsidiary in the ordinary course of business;
- (9) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation, government license or order, or required by any regulatory authority;
- (10) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;
- (11) any encumbrance or restriction pursuant to Currency Agreements, Commodity Agreements or Interest Rate Agreements; and
- (12) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under “—*Limitation on Indebtedness*” if (a) the encumbrances and restrictions taken as a whole are not materially less favorable to the holders of the Notes than the encumbrances and restrictions contained in the Senior Credit Facilities, the Senior Secured Notes, the Intercreditor Agreement and the Security Documents, in each case, as in effect on the Issue Date (as determined in good faith by the Board of Directors or senior management of the Company) or (b) such encumbrances and restrictions taken as a whole are not materially more disadvantageous to the holders of the Notes than is customary in comparable financings (as determined in good faith by the Board of Directors or senior management of the Company) and, in each case, either (x) the Company reasonably believes that such encumbrances and restrictions will not materially affect the Company’s ability to make principal or interest payments on the Notes as and when they come due or (y) such encumbrances and restrictions apply only if a default occurs in respect of a payment or financial covenant relating to such Indebtedness.

Limitation on Sales of Assets and Subsidiary Stock

The Company and the Affiliate Issuer will not, and will not permit any of the Restricted Subsidiaries to, make any Asset Disposition unless:

- (1) the Company, the Affiliate Issuer or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposition), as determined in good faith by the Board of Directors or senior management of the Company (including as to the value of all non-cash consideration), of the shares and assets subject to such Asset Disposition;
- (2) unless the Asset Disposition is a Permitted Asset Swap, at least 75% of the consideration from such Asset Disposition (excluding any consideration by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, other than Indebtedness) received by the Company, the Affiliate Issuer or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents; and
- (3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Company, the Affiliate Issuer or such Restricted Subsidiary, as the case may be:
 - (a) to the extent the Company or any Restricted Subsidiary, as the case may be, elects (or is required by the terms of any Indebtedness), to prepay, repay or purchase Senior Indebtedness of the Company (including the Notes), Indebtedness of the Affiliate Issuer or Indebtedness of a Restricted Subsidiary (in each case other than Indebtedness owed to the Company, the Affiliate Issuer or an Affiliate of the Company) within 365 days from the later of the date of such Asset Disposition or the receipt of such Net Available Cash; provided, however, that, in connection with any prepayment, repayment or purchase of Indebtedness pursuant to this clause (a), the Company, the Affiliate Issuer or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased; or

- (b) to the extent the Company, the Affiliate Issuer or such Restricted Subsidiary elects to invest in or commit to invest in Additional Assets within 365 days from the later of the date of such Asset Disposition or the receipt of such Net Available Cash; provided, however, that any such reinvestment in Additional Assets made pursuant to a definitive agreement or a commitment approved by the Board of Directors or senior management of the Company that is executed or approved within such time will satisfy this requirement, so long as such investment is consummated within 6 months of such 365th day;

provided that pending the final application of any such Net Available Cash in accordance with clause (a) or clause (b) above, the Company, the Affiliate Issuer and the Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by the Indenture.

Any Net Available Cash from Asset Dispositions that is not applied or invested or committed to be applied as provided in the preceding paragraph will be deemed to constitute “Excess Proceeds”. On the 366th day after an Asset Disposition, if the aggregate amount of Excess Proceeds exceeds €100.0 million, the Company will be required to make an offer (“Asset Disposition Offer”) to all holders of Notes and to the extent required by the terms of other Indebtedness of the Company or the Affiliate Issuer that does not constitute Subordinated Obligations, to all holders of such other Indebtedness outstanding with similar provisions requiring the Company or the Affiliate Issuer to make an offer to purchase such Indebtedness with the proceeds from any Asset Disposition (“Other Asset Disposition Indebtedness”), to purchase the maximum principal amount of Notes and any such Other Asset Disposition Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in cash in an amount equal to 100% of the principal amount of the Notes and Other Asset Disposition Indebtedness plus accrued and unpaid interest to the date of purchase, in accordance with the procedures set forth in the Indenture or the agreements governing the Other Asset Disposition Indebtedness, as applicable, in each case in a principal amount of €100,000 and in integral multiples of €1,000 in excess thereof.

To the extent that the aggregate amount of Notes and Other Asset Disposition Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Company may use any remaining Excess Proceeds for general corporate purposes in any manner not prohibited by the Indenture. If the aggregate principal amount of Notes surrendered by holders thereof and Other Asset Disposition Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Trustee shall select the Notes and Other Asset Disposition Indebtedness to be purchased on a *pro rata* basis on the basis of the aggregate principal amount of tendered Notes and Other Asset Disposition Indebtedness. For the purposes of calculating the principal amount of any such Indebtedness not denominated in euro, such Indebtedness shall be calculated by converting any such principal amounts into their Euro Equivalent determined as of a date selected by the Company that is within the Asset Disposition Offer Period. Upon completion of such Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

The Asset Disposition Offer, insofar as it relates to the Notes, will remain open for a period of 20 Business Days following its commencement, except to the extent that a longer period is required by applicable law (the “Asset Disposition Offer Period”). No later than five Business Days after the termination of the Asset Disposition Offer Period (the “Asset Disposition Purchase Date”), the Company will purchase the principal amount of Notes and Other Asset Disposition Indebtedness required to be purchased pursuant to this covenant (the “Asset Disposition Offer Amount”) or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and Other Asset Disposition Indebtedness validly tendered in response to the Asset Disposition Offer.

To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than the currency in which the Notes are denominated, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in the currency in which such Notes are denominated that is actually received by the Company upon converting such portion into such currency.

If the Asset Disposition Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest will be paid to the Person in whose name a Note is registered at the close of business on such record date, and no additional interest will be payable to holders who tender Notes pursuant to the Asset Disposition Offer.

On or before the Asset Disposition Purchase Date, the Company will, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Asset Disposition Offer Amount of Notes and Other Asset Disposition Indebtedness or portions of Notes and Other Asset Disposition Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Other Asset Disposition Indebtedness so validly tendered and not properly withdrawn, in each case in a principal amount of €100,000 and in integral multiples of €1,000 in excess thereof. The Company will deliver to the Trustee an Officers' Certificate stating that such Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this covenant. The Company or the Paying Agent, as the case may be, will promptly (but in any case not later than five Business Days after termination of the Asset Disposition Offer Period) mail or deliver to each tendering holder of Notes or holder or lender of Other Asset Disposition Indebtedness, as the case may be, an amount equal to the purchase price of the Notes or Other Asset Disposition Indebtedness so validly tendered and not properly withdrawn by such holder or lender, as the case may be, and accepted by the Company for purchase, and the Company will promptly issue a new Note, and the Trustee (or its authenticating agent), upon delivery of an Officers' Certificate from the Company, will authenticate and mail or deliver (or cause to be transferred by book entry) such new Note to such holder, in a principal amount equal to any unpurchased portion of the Note surrendered; *provided* that each such new Note will be in a principal amount of €100,000 and in integral multiples of €1,000 in excess thereof. In addition, the Company will take any and all other actions required by the agreements governing the Other Asset Disposition Indebtedness. Any Note not so accepted will be promptly mailed or delivered by the Company to the holder thereof. The Company will publicly announce the results of the Asset Disposition Offer on the Asset Disposition Purchase Date.

For the purposes of this covenant, the following will be deemed to be cash:

- (1) the assumption by the transferee of Indebtedness (other than Subordinated Obligations) of the Company or the Affiliate Issuer or Indebtedness of a Restricted Subsidiary and the release of the Company, the Affiliate Issuer or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition (in which case the Company will, without further action, be deemed to have applied such deemed cash to Indebtedness in accordance with clause (3)(a) above);
- (2) securities, notes or other obligations received by the Company, the Affiliate Issuer or any Restricted Subsidiary from the transferee that are converted by the Company, the Affiliate Issuer or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Disposition;
- (3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Company, the Affiliate Issuer and each other Restricted Subsidiary are released from any guarantee of payment of the principal amount of such Indebtedness in connection with such Asset Disposition;
- (4) consideration consisting of Indebtedness of the Company, the Affiliate Issuer or any Restricted Subsidiary; and
- (5) any Designated Non-Cash Consideration received by the Company, the Affiliate Issuer or any Restricted Subsidiary in such Asset Dispositions having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at that time outstanding, not to exceed the greater of €120.0 million and 5% of Total Assets (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to the Indenture. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of any conflict.

Limitation on Affiliate Transactions

The Company and the Affiliate Issuer will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction (including the purchase, sale, lease or exchange of any

property or the rendering of any service) with any Affiliate of the Company or the Affiliate Issuer (an “Affiliate Transaction”) involving aggregate consideration in excess of €15.0 million for such Affiliate Transactions in any fiscal year, *unless*:

- (1) the terms of such Affiliate Transaction are not materially less favorable, taken as a whole, to the Company, the Affiliate Issuer or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction in arm’s-length dealings with a Person who is not such an Affiliate; and
- (2) in the event such Affiliate Transaction involves an aggregate consideration in excess of €100.0 million, the terms of such transaction have been approved by a majority of the members of the Board of Directors of the Company.

The preceding paragraph will not apply to:

- (1) any Restricted Payment permitted to be made pursuant to the covenant described under “—*Limitation on Restricted Payments*” or any Permitted Investment;
- (2) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Company, the Affiliate Issuer or any Parent, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultant plans (including, without limitation, valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) and/or indemnities provided on behalf of officers, employees or directors or consultants approved by the Board of Directors of the Company or the Affiliate Issuer, in each case in the ordinary course of business;
- (3) loans or advances to employees, officers or directors in the ordinary course of business of the Company, the Affiliate Issuer or any of the Restricted Subsidiaries but in any event not to exceed €15.0 million in the aggregate outstanding at any one time with respect to all loans or advances made since the Issue Date;
- (4) (a) any transaction between or among the Company, the Affiliate Issuer and a Restricted Subsidiary (or an entity that becomes a Restricted Subsidiary in connection with such transaction) or between or among Restricted Subsidiaries (or an entity that becomes a Restricted Subsidiary in connection with such transaction) and (b) any guarantees issued by the Company, the Affiliate Issuer or a Restricted Subsidiary for the benefit of the Company, the Affiliate Issuer or a Restricted Subsidiary (or an entity that becomes a Restricted Subsidiary in connection with such transaction), as the case may be, in accordance with “—*Limitation on Indebtedness*”;
- (5) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture, which, taken as a whole, are fair to the Company, the Affiliate Issuer or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors of the Company or the Affiliate Issuer or the senior management of the Company, the Affiliate Issuer or the relevant Restricted Subsidiary, as applicable, or are on terms no less materially favorable than those that could reasonably have been obtained at such time from an unaffiliated party;
- (6) [Reserved];
- (7) the payment of reasonable and customary fees paid to, and indemnity provided on behalf of, directors of the Company, the Affiliate Issuer or any Restricted Subsidiary;
- (8) the performance of obligations of the Company, the Affiliate Issuer or any of the Restricted Subsidiaries under (a) the terms of any agreement to which the Company, the Affiliate Issuer or any of the Restricted Subsidiaries is a party as of or on the Issue Date, or (b) any agreement

entered into after the Issue Date on substantially similar terms to an agreement under clause (a) of this covenant, in each case, as these agreements may be amended, modified, supplemented, extended or renewed from time to time; *provided*, however, that any such agreement or amendment, modification, supplement, extension or renewal to such agreement, in each case, entered into after the Issue Date will be permitted to the extent that its terms are not materially more disadvantageous to the holders of the Notes than the terms of the agreements in effect on the Issue Date;

- (9) sales or other transfers or dispositions of accounts receivable and other related assets customarily transferred in an asset securitization transaction involving accounts receivable to a Receivables Entity in a Qualified Receivables Transaction, and acquisitions of Permitted Investments in connection with a Qualified Receivables Transaction;
- (10) the issuance of Capital Stock or any options, warrants or other rights to acquire Capital Stock (other than Disqualified Stock) of the Company or the Affiliate Issuer to any Affiliate;
- (11) the payment to any Permitted Holder of all reasonable out-of-pocket expenses Incurred by any Permitted Holder in connection with its direct or indirect investment in the Company, the Affiliate Issuer and their Subsidiaries and unpaid amounts accrued for prior periods (but after the Issue Date);
- (12) the payment to any Parent or Permitted Holder (1) of Management Fees (a) on a bona fide arm's-length basis in the ordinary course of business, (b) of up to the greater of €15.0 million and 0.5% of Total Assets in any calendar year or (2) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including without limitation in connection with acquisitions or divestitures, which payments are approved by a majority of the members of the Board of Directors of the Company or the Affiliate Issuer or (3) Parent Expenses;
- (13) guarantees of Indebtedness and other obligations otherwise permitted under the Indenture;
- (14) if not otherwise prohibited under the Indenture, the issuance of Capital Stock (other than Disqualified Stock) or Subordinated Shareholder Loans (including the payment of cash interest thereon; *provided* that, after giving *pro forma* effect to any such cash interest payment, the Consolidated Net Leverage Ratio for the Company, the Affiliate Issuer and the Restricted Subsidiaries would not exceed 5.00 to 1.00) of the Company or the Affiliate Issuer to any direct Parent of the Company or the Affiliate Issuer or any Permitted Holder;
- (15) arrangements with customers, clients, suppliers, contractors, lessors or sellers of goods or services that are negotiated with an Affiliate, in each case, which are otherwise in compliance with the terms of the Indenture; *provided* that the terms and conditions of any such transaction or agreement as applicable to the Company, the Affiliate Issuer and the Restricted Subsidiaries, taken as a whole are fair to the Company, the Affiliate Issuer and the Restricted Subsidiaries and are on terms not materially less favorable to the Company, the Affiliate Issuer and the Restricted Subsidiaries than those that could have reasonably been obtained in respect of an analogous transaction or agreement that would not constitute an Affiliate Transaction (in each case, as determined in good faith by the Board of Directors or the senior management of the Company or the Affiliate Issuer);
- (16) (a) transactions with Affiliates in their capacity as holders of Indebtedness or Capital Stock of the Company, the Affiliate Issuer or any Restricted Subsidiary, so long as such Affiliates are treated no more favorably than holders of such Indebtedness or Capital Stock generally, and (b) transactions with Affiliates in their capacity as borrowers of Indebtedness from the Company, the Affiliate Issuer or any Restricted Subsidiary, so long as such Affiliates are treated no more favorably than holders of such Indebtedness generally;
- (17) any payments or other transactions pursuant to a tax sharing agreement between the Company or the Affiliate Issuer and any other Person or a Restricted Subsidiary and any other Person with which the Company, the Affiliate Issuer or any of the Restricted Subsidiaries files a consolidated tax return or with which the Company or the Affiliate Issuer or any of the Restricted Subsidiaries is part of a group for tax purposes (including a fiscal unity) or any tax advantageous group contribution made pursuant to applicable legislation, provided that

any such tax sharing agreement does not permit or require payments in excess of the amounts of tax that would be payable by the Company, the Affiliate Issuer and the Restricted Subsidiaries on a stand-alone basis;

(18) transactions relating to the provision of Intra-Group Services in the ordinary course of business;

(19) any transaction in the ordinary course of business between or among the Company, the Affiliate Issuer or any Restricted Subsidiary and any Affiliate of the Company or the Affiliate Issuer that is an Unrestricted Subsidiary or a joint venture or similar entity that would constitute an Affiliate Transaction solely because the Company, the Affiliate Issuer or a Restricted Subsidiary owns an equity interest in or otherwise controls such Unrestricted Subsidiary, joint venture or similar entity;

(20) commercial contracts entered into in the ordinary course of business between an Affiliate of the Company, , the Affiliate Issuer or any Restricted Subsidiary that are on arm's-length terms or on a basis which the Company or the Affiliate Issuer reasonably believes allocates costs fairly; and

(21) any Related Transaction.

Limitation on Layering

The Company and the Affiliate Issuer will not, directly or indirectly, Incur any Indebtedness that is or purports to be by its terms (or by the terms of any agreement governing such Indebtedness) subordinated in right of payment to any other Indebtedness of the Company or the Affiliate Issuer which ranks *pari passu* with the Notes or the Note Guarantee by the Affiliate Issuer, as applicable, unless such Indebtedness is also by its terms (or by the terms of any agreement governing such Indebtedness) made expressly subordinate in right of payment to the Notes or the Note Guarantee by the Affiliate Issuer, as applicable, to the same extent and in the same manner as such Indebtedness is subordinated to such other Indebtedness of the Company or the Affiliate Issuer.

Limitation on Issuances of Guarantees of Indebtedness by Restricted Subsidiaries

The Company and the Affiliate Issuer shall not permit any Restricted Subsidiary to, directly or indirectly, guarantee or otherwise become obligated under any Indebtedness of the Company or the Affiliate Issuer in an amount in excess of €50 million unless such Restricted Subsidiary simultaneously executes and delivers to the Trustee a supplemental indenture providing for the guarantee of payment of the Notes by such Restricted Subsidiary; *provided* that:

- (1) if such Restricted Subsidiary is not a Significant Subsidiary, such Significant Subsidiary shall only be obligated to guarantee the payment of the Notes if such Indebtedness is Indebtedness of the Company or the Affiliate Issuer;
- (2) if the Indebtedness is *pari passu* in right of payment to the Notes, any such guarantee of such Restricted Subsidiary with respect to such Indebtedness shall rank *pari passu* in right of payment to its guarantee of the Notes;
- (3) if the Indebtedness is subordinated in right of payment to the Notes, any such guarantee of such Restricted Subsidiary with respect to such Indebtedness shall be subordinated in right of payment to the guarantee of the Notes substantially to the same extent as such Indebtedness is subordinated in right of payment to the Notes;
- (4) a Restricted Subsidiary's guarantee may be limited in amount to the extent required by fraudulent conveyance, thin capitalization, corporate benefit, financial assistance or other similar laws (but, in such a case (a) each of the Company, the Affiliate Issuer and the Restricted Subsidiaries will use their reasonable best efforts to overcome the relevant legal limit and will procure that the relevant Restricted Subsidiary undertakes all whitewash or similar procedures which are legally available to eliminate the relevant limit and (b) the relevant guarantee shall be given on an equal and ratable basis with the guarantee of any other Indebtedness giving rise to the obligation to guarantee the Notes); and
- (5) for so long as it is not permissible under applicable law for a Restricted Subsidiary to become a guarantor, such Restricted Subsidiary need not become a guarantor (but, in such a case, each of the

Company, the Affiliate Issuer and the Restricted Subsidiaries will use their reasonable best efforts to overcome the relevant legal prohibition precluding the giving of the guarantee and will procure that the relevant Restricted Subsidiary undertakes all whitewash or similar procedures which are legally available to eliminate the relevant legal prohibition, and shall give such guarantee at such time (and to the extent) that it thereafter becomes permissible).

The preceding paragraph shall not apply to: (1) the granting by such Restricted Subsidiary of a Permitted Lien under circumstances which do not otherwise constitute the guarantee of Indebtedness of the Company or the Affiliate Issuer; or (2) the guarantee by any Restricted Subsidiary of Indebtedness that refinances Indebtedness which benefited from a guarantee by any Restricted Subsidiary Incurred in compliance with this covenant immediately prior to such refinancing.

Notwithstanding the foregoing, any guarantee of the Notes created pursuant to the provisions described in the foregoing paragraph shall provide by its terms that it shall be automatically and unconditionally released and discharged upon:

- (1) such Subsidiary ceasing to be a Restricted Subsidiary (including as a result of any sale, exchange or transfer, to any Person, of all of the Company's or Affiliate Issuer's Capital Stock in such Restricted Subsidiary) in compliance with the covenant described under "*—Limitation on Sales of Assets and Subsidiary Stock*" (including the requirements relating to the application of proceeds) and otherwise in compliance with the Indenture; or
- (2) the release by the holders or lenders of the Indebtedness of the Company or Affiliate Issuer described in the preceding paragraph of their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness (but not under the relevant guarantee)), at a time when (a) no other Indebtedness of the Company or the Affiliate Issuer has been guaranteed by such Restricted Subsidiary or (b) the holders of all such other Indebtedness which is guaranteed by such Restricted Subsidiary also release their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness (but not under the relevant guarantee)) and, in either such case, such Restricted Subsidiary is not obligated in respect of any Indebtedness incurred by such Restricted Subsidiary under the provisions described in the last sentence of the first paragraph under the caption "*—Limitation on Indebtedness*".

Reports

The Reporting Entity will provide to the Trustee and, in each case of clauses (2) and (3) below, will post on its website (or make similar disclosure); provided, however, that to the extent any reports are filed on the SEC's website or on the Reporting Entity's or Liberty Global's website, such reports shall be deemed to be provided to the Trustee:

- (1) within 150 days after the end of each fiscal year ending subsequent to the Issue Date, an annual report of the Reporting Entity, containing the following information: (a) audited combined or consolidated balance sheets of the Reporting Entity as of the end of the two most recent fiscal years and audited combined or consolidated income statements and statements of cash flow of the Reporting Entity for the three most recent fiscal years, in each case prepared in accordance with IFRS, including appropriate footnotes to such financial statements and a report of the independent public accountants on the financial statements; (b) to the extent relating to such annual periods, an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources and critical accounting policies; and (c) a description of the business, management and shareholders of the Reporting Entity, and a description of all material debt instruments; provided, however, that such reports need not (i) contain any segment data other than as required under IFRS in its financial reports with respect to the period presented, (ii) include any exhibits, or (iii) include separate financial statements for any Affiliates of the Reporting Entity or any acquired businesses;
- (2) within 60 days after each of the first three fiscal quarters in each fiscal year, a quarterly report of the Reporting Entity containing the following information: (a) unaudited combined or consolidated income statements of the Reporting Entity for such period, prepared in accordance

- with IFRS, and (b) a financial review of such period (including a comparison against the prior year's comparable period), consisting of a discussion of (i) the financial condition and results of operations of the Reporting Entity on a consolidated basis, and material changes between the current period and the period of the prior year, (ii) material developments in the business of the Reporting Entity and its Restricted Subsidiaries, (c) financial developments and trends in the business in which the Reporting Entity and its Restricted Subsidiaries is engaged and (d) information with respect to any material acquisition or disposal during the period provided, however, that such reports need not (i) contain any segment data other than as required under IFRS in its financial reports with respect to the period presented, (ii) include any exhibits, or (iii) include separate financial statements for any Affiliates of the Reporting Entity or any acquired businesses; and
- (3) within 10 days after the occurrence of such event, information with respect to (a) any change in the independent public accountants of the Reporting Entity, (b) any material acquisition or disposal, and (c) any material development in the business of the Reporting Entity and its Restricted Subsidiaries.

If the Reporting Entity has designated any of its Subsidiaries as Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries constitute Significant Subsidiaries of the Reporting Entity, then the annual and quarterly information required by the clauses (1) and (2) of the first paragraph of this covenant shall include a reasonably detailed presentation, either on the face of the financial statements, in the footnotes thereto or in a separate report delivered therewith, of the financial condition and results of operations of the Reporting Entity and its Restricted Subsidiaries separate from the financial condition and results of operations of such Unrestricted Subsidiaries.

Following any election by the Reporting Entity to change its accounting principles in accordance with the definition of IFRS set forth below under “— *Certain Definitions*”, the annual and quarterly information required by clauses (1) and (2) of the first paragraph of this covenant shall include any reconciliation presentation required by clause (2)(b) of the definition of IFRS set forth below under “— *Certain Definitions*”.

To the extent that the Company is not the Reporting Entity and material differences exist between the management, business, assets, shareholding or results of operations or financial condition of (i) the Reporting Entity and (i) the Company and Affiliate Issuer, the annual and quarterly reports shall give a reasonably detailed description of such differences and include an unaudited reconciliation of the Reporting Entity's financial statements to the Company's and Affiliate Issuer's financial statement; provided, however, that if the total revenues, Consolidated EBITDA or Total Assets of the Reporting Entity and its Subsidiaries for any applicable period (on either a historical or pro forma basis) would deviate from any such measurement of the Company, the Affiliate Issuer and the Restricted Subsidiaries by 10% or more, then a separate annual or quarterly report, as the case may be, shall be provided for the Company and the Affiliate Issuer (in which case no report need be provided for the Reporting Entity).

In addition, so long as the Notes remain outstanding and during any period during which the Reporting Entity is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b) of the Exchange Act, the Reporting Entity shall furnish to the holders of the Notes and to prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Merger and Consolidation

Neither the Company nor the Affiliate Issuer will consolidate with, or merge with or into, or convey, transfer or lease all or substantially all their assets to, any Person, unless:

- (1) the resulting, surviving or transferee Person (the “Successor Company”) will be a corporation, partnership, trust or limited liability company organized and existing under the laws of any member of the state of the European Union that is a member of the European Union on the date of the Indenture, or the United States of America, any State of the United States or the District of Columbia and the Successor Company (if not the Company or the Affiliate Issuer, as applicable) will expressly assume, by supplemental indenture, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Company under the Notes and the Indenture or the Affiliate Issuer under its Note Guarantee and the Indenture, as applicable;

- (2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;
- (3) either (a) immediately after giving effect to such transaction, the Company, the Affiliate Issuer or such Successor Company would be able to Incur at least an additional €1.00 of Indebtedness pursuant to the first paragraph of the covenant described under “—*Limitation on Indebtedness*” or (b) the Consolidated Net Leverage Ratio of the Company or such Successor Company would be no greater than that of the Company immediately prior to giving effect to such transaction; and
- (4) the Company shall have delivered to the Trustee an Officers’ Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the Indenture and that the supplemental indenture, the Indenture and the Notes are legal, valid and binding obligations of the Successor Company, enforceable (subject to customary exceptions and exclusions) in accordance with their terms.

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Company or one or more Subsidiaries of the Affiliate Issuer (as applicable), which properties and assets, if held by the Company or the Affiliate Issuer (as applicable) instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Company or the Affiliate Issuer (as applicable) on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company or the Affiliate Issuer (as applicable).

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Company or the Affiliate Issuer (as applicable) under the Indenture, and upon such substitution, the predecessor Company will be released from its obligations under the Indenture and the Notes or the Note Guarantee (as applicable), but, in the case of a lease of all or substantially all its assets, the predecessor Company will not be released from the obligation to pay the principal of and interest on the Notes.

Although there is a limited body of case law interpreting the phrase “substantially all”, there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve “all or substantially all” of the property or assets of a Person.

The provisions set forth in this “—*Merger and Consolidation*” covenant shall not restrict (and shall not apply to): (i) any merger, consolidation or transfer of assets reasonably required to effect or consummate the Acquisition or any Related Transaction, including any liquidation or other transaction to facilitate the acquisition of any remaining minority ownership interests in Ziggo N.V., (ii) any Restricted Subsidiary from consolidating with, merging or liquidating into or transferring all or substantially all of its properties and assets to the Company, the Affiliate Issuer or any other Restricted Subsidiary and (iii) the Company or the Affiliate Issuer consolidating into or merging or combining with an Affiliate incorporated or organized for the purpose of changing the legal domicile of such entity, reincorporating such entity in another jurisdiction, or changing the legal form of such entity, provided that, for the purposes of this clause (ii), clauses (1), (2) and (4) under the first paragraph of this covenant shall apply to any such transaction.

This “—*Merger and Consolidation*” covenant (other than clause (1) above) will not be applicable to the Debt Pushdown.

Impairment of Liens

The Company and the Affiliate Issuer shall not, and shall not permit any Restricted Subsidiary to, take or omit to take any action that would have the result of materially impairing any Lien in the Collateral granted under the Security Documents (it being understood, subject to the proviso below, that the Incurrence of Permitted Collateral Liens shall under no circumstances be deemed to materially impair any Lien in the Collateral granted under the Security Documents) for the benefit of the Trustee and the holders of the Notes, and the Company and the Affiliate Issuer shall not, and the Company and the Affiliate Issuer shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Trustee, for the benefit of the Trustee and the holders of the Notes and the other

beneficiaries described in the Security Documents and the Intercreditor Agreement, any interest in any of the Collateral, except that (a) the Company, the Affiliate Issuer and the Restricted Subsidiaries may Incur Permitted Collateral Liens, (b) the Collateral may be discharged and released in accordance with the Indenture, the Security Documents and the Intercreditor Agreement, and (c) the Company and the Affiliate Issuer may consummate any other transaction permitted under “—*Certain Covenants—Merger and Consolidation*”; provided however, that, except with respect to any discharge or release of Collateral in accordance with the Indenture, the Security Documents or the Intercreditor Agreement, in connection with the Incurrence of Liens for the benefit of the Trustee and holders of Notes, or the release or replacement of any Collateral in compliance with the terms of the Indenture as described under “—*Security*”, no Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified or replaced, except that, at the direction of the Company and without the consent of the holders of the Notes, the Trustee and the Security Trustee may from time to time (subject to customary protections and indemnifications from the Company) enter into one or more amendments to the Security Documents to: (i) cure any ambiguity, omission, manifest error, defect or inconsistency therein and (ii) provide for Permitted Collateral Liens; (iii) make any change necessary or desirable, in the good faith determination of the Company in order to implement transactions permitted under “—*Certain Covenants—Merger and Consolidation*”; (iv) provide for the release of any Lien on any properties and assets constituting Collateral from the Lien of the Security Documents, provided that such release is followed by the substantially concurrent re-taking of a Lien of at least equivalent priority over the same properties and assets securing the Notes; and (v) make any other change that does not adversely affect the holders of the Notes in any material respect provided that, contemporaneously with any such action in clauses (ii), (iv) and (v), the Company delivers to the Trustee either (1) a solvency opinion, in form and substance reasonably satisfactory to the Trustee, from an Independent Financial Advisor confirming the solvency of the Company, the Affiliate Issuer and their Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, or (2) a certificate from the responsible financial or accounting officer of the relevant grantor (acting in good faith) which confirms the solvency of the Person granting such Lien after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement or (3) an Opinion of Counsel, in form and substance reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, the Lien or Liens created under the Security Documents, as applicable, so amended, extended, renewed, restated, supplemented, modified or replaced are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification or replacement. In the event that the Company complies with the requirements of this covenant, the Trustee shall (subject to customary protections and indemnifications) consent to any such amendment, extension, renewal, restatement, supplement, modification or replacement without the need for instructions from holders of the Notes.

Intercreditor Agreement; Additional Intercreditor Agreements

The Trustee will become party to the Intercreditor Agreement on or about the Issue Date, and each holder of a Note, by accepting such Note, will be deemed to have (i) authorized the Trustee to enter into the Intercreditor Agreement, (ii) agreed to be bound by all the terms and provisions of the Intercreditor Agreement applicable to such holder and (iii) irrevocably appointed each of the Trustee and the Security Trustee to act on its behalf and to perform the duties and exercise the rights, powers and discretions that are specifically given to them under Intercreditor Agreement.

The Indenture will provide that, at the request of the Company, in connection with the Incurrence by the Company or the Affiliate Issuer of any Indebtedness that is permitted to share the Collateral pursuant to the definition of Permitted Collateral Lien, the Company, the Affiliate Issuer, if any, and the Trustee shall enter into with the holders of such Indebtedness (or their duly authorized Representatives) an intercreditor agreement, including a restatement, accession, amendment or other modification of an existing intercreditor agreement (an “Additional Intercreditor Agreement”), on substantially the same terms as the Intercreditor Agreement (or terms not materially less favorable to the holders); provided, that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or adversely affect the personal rights, duties, liabilities or immunities of the Trustee under the Indenture or the Additional Intercreditor Agreement.

At the direction of the Company and without the consent of the holders of the Notes, the Trustee and the Security Trustee will upon direction of the Company from time to time enter into one or more amendments to the Intercreditor Agreement or any Additional Intercreditor Agreement to: (i) cure any ambiguity, omission, manifest

error, defect or inconsistency therein; (ii) add other parties (such as representatives of new issuances of Indebtedness) thereto; (iii) further secure the Notes (including Additional Notes); (iv) make provision for equal and ratable grants of Liens on the Collateral to secure Additional Notes or to implement any Permitted Collateral Liens; (v) make any other change to the Intercreditor Agreement or such Additional Intercreditor Agreement to provide for additional Indebtedness (including with respect to any Intercreditor Agreement or Additional Intercreditor Agreement, the addition of provisions relating to new Indebtedness ranking junior in right of payment to the Notes) or other obligations that are permitted by the terms of the Indenture to be Incurred and secured by a Lien on the Collateral on a senior, pari passu or junior basis with the Liens securing the Notes, (vi) add Restricted Subsidiaries to the Intercreditor Agreement or an Additional Intercreditor Agreement, (vii) amend the Intercreditor Agreement or any Additional Intercreditor Agreement in accordance with the terms thereof or; (viii) make any change necessary or desirable, in the good faith determination of the Board of Directors or senior management of the Company, in order to implement any transaction that is subject to the covenants described under the caption “—*Merger and Consolidation*”; (ix) implement any transaction in connection with the renewal, extension, refinancing, replacement or increase of any Indebtedness that is secured by the Collateral and that is not prohibited by the Indenture; or (x) make any other change thereto that does not adversely affect the rights of the holders of the Notes in any material respect; provided that no such changes shall be permitted to the extent they affect the ranking of any Note, enforcement of Liens over the Collateral, the application of proceeds from the enforcement of Collateral or the release of any Security in a manner than would adversely affect the rights of the holders of the Notes in any material respect except as otherwise permitted by the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement immediately prior to such change. The Company will not otherwise direct the Trustee or the Security Trustee to enter into any amendment to the Intercreditor Agreement or, if applicable, any Additional Intercreditor Agreement, without the consent of the holders of a majority in principal amount of the outstanding Notes outstanding, except as described above or otherwise permitted below under “—*Amendments and Waivers*”, and the Company may only direct the Trustee and the Security Trustee to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or Security Trustee or, in the opinion of the Trustee or Security Trustee, adversely affect their respective rights, duties, liabilities or immunities under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement.

Each holder of a Note, by accepting such Note, will be deemed to have:

- (a) appointed and authorized the Trustee and the Security Trustee from time to time to give effect to such provisions;
- (b) authorized each of the Trustee and the Security Trustee from time to time to become a party to any Additional Intercreditor Agreement;
- (c) agreed to be bound by such provisions and the provisions of any Additional Intercreditor Agreement; and
- (d) irrevocably appointed the Trustee and the Security Trustee to act on its behalf from time to time to enter into and comply with such provisions and the provisions of any Additional Intercreditor Agreement,

in each case, without the need for the consent of the holders.

The Indenture will also provide that, in relation to the Intercreditor Agreement or an Additional Intercreditor Agreement, the Trustee shall consent on behalf of the holders to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Notes thereby; provided, however, that such transaction would comply with the covenant described under “—*Limitation on Restricted Payments*”.

Suspension of Covenants on Achievement of Investment Grade Status

If, during any period after the Issue Date, the Notes have achieved and continue to maintain Investment Grade Status and no Event of Default has occurred and is continuing (such period hereinafter referred to as an “Investment Grade Status Period”), then the Company will notify the Trustee of this fact and beginning on such date, the covenants in the Indenture described under “—*Limitation on Indebtedness*”, “—*Limitation on Restricted Payments*”, “—*Limitation on Restrictions on Distributions from Restricted Subsidiaries*”, “—*Limitation on Sales*”

of *Assets and Subsidiary Stock*”, “—*Limitation on Affiliate Transactions*”, and under “—*Change of Control*”, the provisions of clause (3) of the first paragraph of the covenant described under “—*Merger and Consolidation*” and any related default provisions of the Indenture will be suspended and will not, during such Investment Grade Status Period, be applicable to the Company and the Restricted Subsidiaries. As a result, during any such Investment Grade Status Period, the Notes will lose the covenant protection initially provided under the Indenture. No action taken during an Investment Grade Status Period or prior to an Investment Grade Status Period in compliance with the covenants then applicable will require reversal or constitute a default under the Notes in the event that suspended covenants are subsequently reinstated or suspended, as the case may be. An Investment Grade Status Period will terminate immediately upon the failure of the Notes to maintain Investment Grade Status. The Company will promptly notify the Trustee in writing of any failure of the Notes to maintain Investment Grade Status.

Events of Default

Each of the following is an Event of Default under the Indenture:

- (1) default in any payment of interest or Additional Amounts on any Note when due, which has continued for 30 days;
- (2) default in the payment of principal of or premium, if any, on any Note when due at its Stated Maturity, upon optional redemption, upon required repurchase or otherwise;
- (3) failure by the Company or the Affiliate Issuer to comply with its obligations under “—*Certain Covenants—Merger and Consolidation*”;
- (4) failure by the Company or the Affiliate Issuer to comply for 30 days after notice specified in the Indenture with any of its obligations under the covenants described under “—*Certain Covenants*” above (in each case, other than a failure to purchase the Notes which will constitute an Event of Default under clause (2) above and other than a failure to comply with “—*Certain Covenants—Merger and Consolidation*” which is covered by clause (3) above);
- (5) failure by the Company or the Affiliate Issuer to comply for 60 days after notice specified in the Indenture with its other agreements contained in the Notes or the Indenture;
- (6) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company, the Affiliate Issuer or any of the Restricted Subsidiaries (or the payment of which is guaranteed by the Company, the Affiliate Issuer or any of the Restricted Subsidiaries), other than Indebtedness owed to the Company, the Affiliate Issuer or a Restricted Subsidiary, whether such Indebtedness or guarantee now exists, or is created after the date of the Indenture, which default:
 - (a) is caused by a failure to pay principal of such Indebtedness at its Stated Maturity after giving effect to any applicable grace period provided in such Indebtedness (“payment default”); or
 - (b) results in the acceleration of such Indebtedness prior to its maturity (the “cross acceleration provision”);

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates €75.0 million or more;

- (7) certain events of bankruptcy, insolvency or reorganization of the Company, the Affiliate Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited Consolidated financial statements delivered to the holders of the Notes pursuant to the covenant described under “—*Reports*” for the Company, the Affiliate Issuer and the Restricted Subsidiaries), would constitute a Significant Subsidiary (the “bankruptcy provisions”) have been commenced;
- (8) failure by the Company, the Affiliate Issuer or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited Consolidated financial statements delivered to holders of the Notes pursuant to the covenant described under “—*Certain Covenants—Reports*” for the Company, the Affiliate Issuer and its Restricted Subsidiaries, would constitute

a Significant Subsidiary, to pay final judgments aggregating in excess of €75.0 million (net of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days (the “judgment default provision”); or

- (9) the Collateral having a fair market value in excess of €100.0 million shall, at any time, cease to be in full force and effect other than as a result of its release in accordance with the Indenture and the Security Documents or any Lien created thereunder for the benefit of the Trustee and holders of the Notes shall be declared invalid or unenforceable in a judicial proceeding and such Default continues for 60 days after the notice specified in the Indenture.

However, a default under clauses (4), (5) or (9) of the immediately preceding paragraph will not constitute an Event of Default until the Trustee or the holders of 25% in principal amount of the outstanding Notes notify the Company of the default and the Company does not cure such default within the time specified in clauses (4), (5) or (9) of this immediately preceding paragraph after receipt of such notice.

If an Event of Default (other than an Event of Default described in clause (7) above) occurs and is continuing, the Trustee by notice to the Company, or the holders of at least 25% in principal amount of the outstanding Notes by notice to the Company and the Trustee, may, and the Trustee at the request of such holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, if any, and Additional Amounts, if any, on all the Notes to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest and Additional Amounts, if any, will be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (6) under “Events of Default” has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (6) shall be remedied or cured by the Company, the Affiliate Issuer or a Restricted Subsidiary or waived by the holders of the relevant Indebtedness within 20 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except non-payment of principal, premium or interest and Additional Amounts, if any, on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived. If an Event of Default described in clause (7) above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest and Additional Amounts, if any, on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holders. The holders of a majority in principal amount of the outstanding Notes may waive all past defaults (except with respect to non-payment of principal, premium, interest or Additional Amounts) and rescind any such acceleration with respect to the Notes and its consequences if (1) rescission would not conflict with any judgment or decree of a court of competent jurisdiction, (2) all existing Events of Default, other than the non-payment of the principal of, premium, if any, interest and Additional Amounts, if any, on the Notes that have become due solely by such declaration of acceleration, have been cured or waived; and (3) the Company has paid the Trustee its compensation and reimbursed the Trustee for its properly incurred expenses, disbursements and advances.

Subject to the provisions of the Indenture relating to the duties of the Trustee, if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the holders unless such holders have offered to the Trustee indemnity, security or prefunding satisfactory to the Trustee against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium, if any, interest or Additional Amounts, if any, when due, no holder of Notes may pursue any remedy with respect to the Indenture or the Notes unless:

- (1) such holder of Notes has previously given the Trustee written notice that an Event of Default is continuing;
- (2) holders of at least 50% in principal amount of the outstanding Notes have requested the Trustee to pursue the remedy;
- (3) such holders of Notes have offered the Trustee security, indemnity or prefunding satisfactory to the Trustee against any loss, liability or expense;
- (4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity; and

- (5) the holders of a majority in principal amount of the outstanding Notes have not given the Trustee a direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the holders of a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Indenture provides that in the event an Event of Default has occurred and is continuing, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use under the circumstances in the conduct of its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to security or indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

The Indenture provides that if a Default occurs and is continuing and is actually known to the Trustee, the Trustee must give notice of the Default within 90 days after it occurs. Except in the case of a Default in the payment of principal of, premium, if any, interest or Additional Amounts, if any, on any Note, the Trustee may withhold notice if and so long as a committee of trust officers of the Trustee in good faith determines that withholding notice is in the interests of the holders. In addition, the Company is required to deliver to the Trustee, within 90 days after the end of each fiscal year, a certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Company also is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events of which it is aware which would constitute certain Defaults, their status and what action the Company is taking or proposing to take in respect thereof.

Amendments and Waivers

Subject to certain exceptions, the Indenture, the Notes, the Intercreditor Agreement, the Security Documents and any Additional Intercreditor Agreement may be amended or supplemented with the consent of the holders of a majority in principal amount of the Notes then outstanding (including without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes) and, subject to certain exceptions, any past default or compliance with any provisions of the Indenture, the Notes, the Intercreditor Agreement and the Security Documents may be waived with the consent of the holders of a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). However, unless consented to by the holders of at least 90% of the aggregate principal amount of then outstanding Notes, an amendment may not:

- (1) reduce the principal amount of Notes whose holders must consent to an amendment or waiver;
- (2) reduce the stated rate of or extend the stated time for payment of interest or Additional Amounts on any Note;
- (3) reduce the principal of or extend the Stated Maturity of any Note;
- (4) whether through an amendment or waiver of provisions in the covenants, definitions or otherwise (i) reduce the premium payable upon the redemption of any Note or change the time at which any Note may be redeemed as described above under “Optional Redemption” (other than the notice provisions), or (ii) reduce the premium payable upon repurchase of any Note or change the time at which any Note is to be repurchased as described under “—*Certain Covenants—Change of Control*” or “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*” at any time after the obligation to repurchase has arisen;
- (5) make any Note payable in money other than that stated in the Note (except to the extent the currency stated in the Notes has been succeeded or replaced pursuant to applicable law);
- (6) impair the right of any holder to receive payment of, premium, if any, principal of or interest or Additional Amounts, if any, on such holder’s Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such holder’s Notes; or
- (7) make any change in the amendment or waiver provisions described in this sentence.

In addition, without the consent of at least seventy-five per cent (75%) in aggregate principal amount of Notes then outstanding, no amendment or supplement may modify any Security Document or the provisions in the

Indenture dealing with Security Documents or application of trust moneys in any manner, taken as a whole, materially adverse to the holders or otherwise release all or substantially all of the Collateral other than pursuant to the terms of the Security Documents, the Intercreditor Agreement, any applicable Additional Intercreditor Agreement or as otherwise permitted by the Indenture.

Notwithstanding the foregoing, without the consent of any holder, the Company and the Trustee may amend the Indenture, the Notes, the Intercreditor Agreement, the Security Documents or any Additional Intercreditor Agreement to:

- (1) cure any ambiguity, omission, manifest error, defect or inconsistency;
- (2) provide for the assumption by a Successor Company of the obligations of the Company under the Indenture, the Notes, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents;
- (3) provide for uncertificated Notes in addition to or in place of certificated Notes;
- (4) add guarantees with respect to the Notes;
- (5) secure the Notes or enter into additional or supplemental Security Documents;
- (6) add to the covenants of the Company and the Affiliate Issuer for the benefit of the holders or surrender any right or power conferred upon the Company or the Affiliate Issuer;
- (7) in the case of the Indenture, make any change that does not adversely affect the rights of any holder;
- (8) release the Collateral as provided by the terms of the Indenture;
- (9) issue Additional Notes in accordance with the terms of the Indenture;
- (10) give effect to Permitted Collateral Liens;
- (11) allow any Guarantor to execute a supplemental indenture and/or Note Guarantee with respect to the Notes;
- (12) release any Note Guarantee in accordance with the terms of the Indenture;
- (13) to evidence and provide the acceptance of the appointment of a successor Trustee under the Indenture;
- (14) to the extent reasonable required to allow for the Affiliate Issuer Accession and the Debt Pushdown;
- (15) to the extent necessary to grant a Lien for the benefit of any Person; provided that the granting of such Lien is permitted by the Indenture and the Security Documents;
- (16) make any amendment to the provisions of the Indenture relating to the transfer and legending of Notes as permitted by the Indenture, including, without limitation to facilitate the issuance and administration of the Notes; provided, however, that (i) compliance with the Indenture as so amended would not result in Notes being transferred in violation of the Securities Act or any applicable securities law and (ii) such amendment does not materially and adversely affect the rights of holders to transfer Notes; or
- (17) to conform the text of the Indenture, the Notes, the Intercreditor Agreement and the Security Documents, to any provision of this Description of the 2024 Notes to the extent that such provision in this Description of Notes was intended to be a verbatim recitation of the Indenture, the Notes, the Intercreditor Agreement or the Security Documents.

In formulating its opinion on such matters, the Trustee shall be entitled to require and rely absolutely on such evidence as it deems appropriate, including an Opinion of Counsel and an Officers' Certificate.

The consent of the holders is not necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the Indenture by any holder of Notes given in connection with a tender of such holder's Notes will not be rendered invalid by such tender. For so long as the Notes are listed on the Luxembourg

Stock Exchange and the guidelines of such Stock Exchange so require, the Company will notify the Luxembourg Stock Exchange of any such amendment, supplement and waiver.

Defeasance

The Company at any time may terminate all its obligations under the Notes and the Indenture (“legal defeasance”), except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer or exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain a registrar and paying agent in respect of the Notes.

The Company at any time may terminate its obligations under the covenants described under “Certain Covenants” (other than clauses (1) and (2) under “—*Certain Covenants—Merger and Consolidation*”) and the default provisions relating to such covenants under “—*Events of Default*” above, the operation of the cross-default upon a payment default, the cross acceleration provisions, the bankruptcy provisions with respect to Significant Subsidiaries, the judgment default provision described under “—*Events of Default*” above and the limitations contained in clauses (3) and (4) under “—*Certain Covenants—Merger and Consolidation*” above (“covenant defeasance”).

The Company may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Company exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to the Notes. If the Company exercises its covenant defeasance option, payment of the Notes may not be accelerated because of an Event of Default specified in clauses (4), (5), (6), (7) (with respect only to Significant Subsidiaries), (8) or (9) under “—*Events of Default*” above or because of the failure of the Company to comply with clauses (3) or (4) under “—*Certain Covenants—Merger and Consolidation*” above.

In order to exercise either defeasance option, the Company must irrevocably deposit in trust (the “defeasance trust”) with the Trustee (or an agent nominated by the Trustee for such purpose) euro, euro-denominated European Government Obligations or a combination thereof for the payment of principal, premium, if any, interest and Additional Amounts, if any, on the Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including, among other things, delivery to the Trustee of an Opinion of Counsel (subject to customary exceptions and exclusions) to the effect that holders of the Notes will not recognize income, gain or loss for United States Federal income tax purposes as a result of such deposit and defeasance and will be subject to United States Federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred. In the case of legal defeasance only, such Opinion of Counsel must be based on a ruling of the Internal Revenue Service or other change in applicable United States Federal income tax law.

Satisfaction and Discharge

The Indenture, the Security Documents and the rights, duties and obligations of the Trustee and the holders under the Intercreditor Agreement or any Additional Intercreditor Agreement will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

- (1) either:
 - (a) all Notes (that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Company, have been delivered to a Paying Agent or Registrar for cancellation; or
 - (b) (i) all Notes that have not been delivered to a Paying Agent or Registrar for cancellation (x) have become due and payable by reason of the mailing or delivery of a notice of redemption or otherwise or (y) will become due and payable within one year and (ii) the Company has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the holders cash, Cash Equivalents, European Government Obligations or a combination thereof, in each case, denominated in euro or a combination thereof as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to

a Paying Agent or Registrar for cancellation for principal, premium and Additional Amounts (if any) and accrued interest to the date of maturity or redemption;

- (2) the Company has paid or caused to be paid all other amounts payable by it under the Indenture; and
- (3) the Company has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Company must deliver to the Trustee an Officer's Certificate and an Opinion of Counsel, in each case, stating that all conditions precedent to satisfaction and discharge have been satisfied.

Currency Indemnity

The sole currency of account and payment for all sums payable by the Company under the Indenture with respect to the Notes is euro. Any amount received or recovered in a currency other than euro in respect of the Notes (whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Company, any Subsidiary or otherwise) by the holder in respect of any sum expressed to be due to it from the Company will constitute a discharge of the Company only to the extent of the euro amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not possible to make that purchase on that date, on the first date on which it is possible to do so). If that euro amount is less than the euro amount expressed to be due to the recipient under any Note, the Company will indemnify the recipient against any loss sustained by it as a result. In any event the Company will indemnify the recipient against the cost of making any such purchase.

For the purposes of this indemnity, it will be sufficient for the holder to certify that it would have suffered a loss had an actual purchase of euro been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of euro on such date had not been practicable, on the first date on which it would have been practicable). These indemnities constitute a separate and independent obligation from the other obligations of the Company, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any holder and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order.

Listing

The Company will apply to list the Notes on the Official List of the Luxembourg Stock Exchange and will use all reasonable efforts to have the Notes admitted trading on the Euro MTF within a reasonable period after the Issue Date and will maintain such listing as long as the Notes are outstanding; provided, however, that if the Company can no longer maintain such listing or it becomes unduly burdensome to make or maintain such listing (for the avoidance of doubt, preparation of financial statements in accordance with GAAP (except pursuant to the definition of IFRS) or any accounting standard other than IFRS and any other standard pursuant to which the Company then prepares its financial statements shall be deemed unduly burdensome), the Company may cease to make or maintain such listing on the Luxembourg Stock Exchange provided that the Company will use its reasonable best efforts to obtain and maintain the listing of the Notes on another recognized listing exchange for high yield issuers (which may be a stock exchange that is not regulated by the European Union). There can be no assurance that the application to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes on the Euro MTF Market will be approved and settlement of the Notes is not conditioned on obtaining this listing.

So long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange shall so require, copies of the financial statements included in this Offering Memorandum may be obtained, free of charge, during normal business hours at the offices of the Paying Agent.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator, member or stockholder of the Company, any of its Parents or any of its Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Company under the Notes or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation.

Each holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver and release may not be effective to waive liabilities under the United States federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Consent to Jurisdiction and Service of Process

The Indenture will provide that the Company will irrevocably appoint Law Debenture Corporate Services Inc. as its agent for service of process in any suit, action or proceeding with respect to the Indenture, the Notes and the Security Documents, as the case may be, brought in any federal or state court located in the Borough of Manhattan in the City of New York and that each of the parties submit to the jurisdiction thereof. If for any reason Law Debenture Corporate Services Inc. is unable to serve in such capacity, the Company shall appoint another agent reasonably satisfactory to the Trustee.

Concerning the Trustee

Deutsche Trustee Company Limited will be the Trustee and Security Trustee with regard to the Notes and Deutsche Bank AG, London Branch will be the Principal Paying Agent with regard to the Notes. Deutsche Bank Luxembourg S.A. in Luxembourg will be the Registrar and Transfer Agent with regard to the Notes. The Company will indemnify the Trustee and the agents for certain claims, liabilities and expenses incurred without gross negligence, willful misconduct or fraud on its part.

Governing Law

The Indenture will provide that it and the Notes will be governed by, and construed in accordance with, the laws of the State of New York.

Notices

So long as any Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, any such notice to the holders of the relevant Notes shall also be published in a newspaper having a general circulation in Luxembourg or, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange and, in connection with any redemption, the Company will notify the Luxembourg Stock Exchange of any change in the principal amount of Notes outstanding. In addition, for so long as any Notes are represented by Global Notes, all notices to holders of the Notes will be delivered by or on behalf of the Company to Euroclear and Clearstream. Additionally, in the event the Notes are in the form of Definitive Registered Notes, notices will be sent, by first class mail, with a copy to the Trustee, to each holder of the Notes at such holder's address as it appears on the registration books of the Registrar. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. If and so long as such Notes are listed on any other securities exchange, notices will also be given in accordance with any applicable requirements of such securities exchange. Notices given by publication will be deemed given on the first date on which publication is made and notices given by first class mail, postage prepaid, will be deemed given five calendar days after mailing.

Prescription

Claims against the Company for the payment of principal or Additional Amounts, if any, on the Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Company for the payment of interest on the Notes will be prescribed five years after the applicable due date for payment of interest.

Certain Definitions

"2018 Notes" means the senior notes due 2018 issued by Ziggo Bond Company B.V. which will be exchanged for Notes in the Acquisition Exchange.

"ABC B. V." means Amsterdamse Beheer- en Consultingmaatschappij B.V. together with its successors.

“Acquisition” means the acquisition by Bidco of shares in Ziggo N.V. following a recommended public offer pursuant to a merger protocol agreement dated January 27, 2014.

“Acquisition Exchange” means the issuance and exchange of the Notes for an equal amount of 2018 Notes on or about the date of the consummation of the Acquisition.

“Acquired Indebtedness” means Indebtedness (i) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary or (ii) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Restricted Subsidiary or such acquisition. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (i) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (ii) of the preceding sentence, on the date of consummation of such acquisition of assets.

“Additional Assets” means:

- (1) any property or assets (other than Indebtedness and Capital Stock) to be used by the Company, the Affiliate Issuer or a Restricted Subsidiary in a Related Business or are otherwise useful in a Related Business (it being understood that capital expenditure on property or assets already used in a Related Business or to replace any property or assets that are the subject of such Asset Disposition or any operating expenses Incurred in the day-to-day operations of a Related Business shall be deemed an Investment in Additional Assets);
- (2) the Capital Stock of a Person that is engaged in a Related Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company, the Affiliate Issuer or a Restricted Subsidiary; or
- (3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary.

“Affiliate” of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “control” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Affiliate Subsidiary” refers to any Subsidiary of Liberty Global (other than a Subsidiary of the Company or the Affiliate Issuer) that provides a Note Guarantee of the Notes following the Issue Date.

“Applicable Premium” means with respect to a Note at any redemption date prior to May 15, 2019, the excess of (A) the present value at such redemption date of (1) the redemption price of such Note on May 15, 2019 (such redemption price being described under “*Optional Redemption — Optional Redemption on or after May 15, 2019*” exclusive of any accrued and unpaid interest) plus (2) all required remaining scheduled interest payments due on such Note through May 15, 2019 (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate plus 50 basis points over (B) the principal amount of such Note on such redemption date. For the avoidance of doubt, calculation of the Applicable Premium shall not be a duty or obligation of the Trustee, Security Trustee, Registrar or any Paying or Transfer Agent.

“Asset Disposition” means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases, (other than an operating lease entered into in the ordinary course of business), transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary (other than directors’ qualifying shares), property or other assets (each referred to for the purposes of this definition as a “disposition”) by the Company, the Affiliate Issuer or any

of the Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction.

Notwithstanding the preceding, the following items shall not be deemed to be Asset Dispositions:

- (1) a disposition by a Restricted Subsidiary to the Company or the Affiliate Issuer or by the Company, the Affiliate Issuer or a Restricted Subsidiary (other than a Receivables Entity) to a Restricted Subsidiary;
- (2) the sale or disposition of cash or Cash Equivalents or Investment Grade Securities in the ordinary course of business;
- (3) a disposition of inventory, consumer equipment, trading stock, communications capacity or other assets in the ordinary course of business;
- (4) a sale, lease, transfer or other disposition, or a series of related sales, leases, transfers, issuances or dispositions that are part of a common plan, of obsolete, surplus, or worn out equipment or other equipment and assets that are no longer useful in the conduct of the business of the Company, the Affiliate Issuer and the Restricted Subsidiaries;
- (5) transactions permitted under “—*Certain Covenants—Merger and Consolidation*” or a transaction that constitutes a Change of Control;
- (6) an issuance of Capital Stock by a Restricted Subsidiary to the Company or the Affiliate Issuer or to another Restricted Subsidiary;
- (7) for purposes of “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*” only, the making of a Permitted Investment or a disposition subject to “*Certain Covenants—Limitation on Restricted Payments*”, or, solely for purposes of clause (3) of the first paragraph under “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*,” a disposition, the proceeds of which are used to make Restricted Payments permitted to be made under the covenant described under “—*Certain Covenants—Limitation on Restricted Payments*” or Permitted Investments;
- (8) dispositions of assets in a single transaction or series of related transactions with an aggregate fair market value in any calendar year of less than the greater of €10.0 million and 1% of Total Assets (with unused amounts in any calendar year being carried over to the next succeeding year subject to a maximum of the greater of €10.0 million and 1% of Total Assets of carried over amounts for any calendar year);
- (9) dispositions in connection with Permitted Liens;
- (10) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;
- (11) the licensing or sublicensing of intellectual property or other general intangibles and licenses, sublicenses, leases or subleases of other property;
- (12) foreclosure, condemnation or similar action with respect to any property or other assets;
- (13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;
- (14) sales of accounts receivable and related assets or an interest therein of the type specified in the definition of “Qualified Receivables Transaction” to a Receivables Entity;
- (15) any disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;
- (16) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Company, the Affiliate Issuer or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such

acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

- (17) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;
- (18)(a) disposals of assets, rights or revenue not constituting part of the Distribution Business of the Company, the Affiliate Issuer and the Restricted Subsidiaries, and (b) other disposals of non-core assets acquired in connection with any acquisition permitted under the Indenture;
- (19) disposals of assets or Capital Stock acquired in an acquisition which the Company, the Affiliate Issuer or an Restricted Subsidiary is required by a regulatory authority or court of competent jurisdiction to dispose of;
- (19) disposals of other interests in other entities in an amount not to exceed €5.0 million;
- (20) any disposition of real property; provided that the fair market value of the real property disposed of in any calendar year does not exceed the greater of €50 million and 1.0% of Total Assets; and
- (21) any other disposal of assets comprising in aggregate percentage value of 10% or less of the Total Assets of the Company, the Affiliate Issuer and the Restricted Subsidiaries as set forth in the most recent audited Consolidated financial statements of the Reporting Entity delivered to the holders of the Notes pursuant to the covenant described under “—*Certain Covenants—Reports*”.

In the event that a transaction (or any portion thereof) meets the criteria of a disposition permitted under clauses (1) through (21) above and would also be a Restricted Payments permitted to be made under the covenant described under “—*Certain Covenants —Limitation on Restricted Payments*” or a Permitted Investment, the Company, in its sole discretion, will be entitled to divide and classify such transaction (or a portion thereof) as a disposition under permitted under clauses (1) through (21) above and/or one or more of the types of Restricted Payments permitted to be made under the covenant described under “—*Certain Covenants —Limitation on Restricted Payments*” or Permitted Investments.

“Bidco” refers to LGE HoldCo VII B.V., together with its successors.

“Bidco Credit Facility” means the senior facility agreement dated January 27, 2014 between, among others, Bidco and certain financial institutions as lenders thereunder, as amended or supplemented from time to time, as described above under [“*Description of Other Indebtedness—Bidco Credit Facility*”].

“Board of Directors” means, as to any Person, the board of directors of such Person or any duly authorized committee thereof, or, in the case of the Company, its managing director; provided that (i) if and for so long as the Company is a Subsidiary of Liberty Global, any action required to be taken under the Indenture by the Board of Directors of the Company can, in the alternative, at the option of the Company, be taken by the Board of Directors of Liberty Global and (ii) following consummation of a Spin-Off, any action required to be taken under the Indenture by the Board of Directors of the Company can, in the alternative, at the option of the Company, be taken by the Board of Directors of the Spin Parent.

“Bund Rate” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such redemption date, where:

- (1) “Comparable German Bund Issue” means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to May 15, 2019 and that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to May 15, 2019; provided, however, that, if the period from such redemption dated to May 15, 2019 is not equal to the fixed maturity of the German Bundesanleihe security selected by such Reference German Bund Dealer, the Bund Rate shall be determined by linear interpolation (calculated to the nearest one-twelfth of a year) from the yields of German Bundesanleihe securities for which such yields are given,

except that if the period from such redemption date to May 15, 2019, is less than one year, a fixed maturity of one year shall be used;

- (2) “Comparable German Bund Price” means, with respect to any redemption date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Company obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;
- (3) “Reference German Bund Dealer” means any dealer of German Bundesanleihe securities appointed by the Company in good faith; and
- (4) “Reference German Bund Dealer Quotations” means, with respect to each Reference German Bund Dealer and any redemption date, the average as determined by the Company in good faith of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Company by such Reference German Bund Dealer at 3.30 p.m. Frankfurt, Germany, time on the third Business Day preceding the redemption date.

“Business Day” means each day that is not a Saturday, Sunday or other day on which banking institutions in the Netherlands or London, England are authorized or required by law to close.

“Capital Stock” of any Person means any and all shares, interests, rights to purchase, warrants, options, participation or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

“Capitalized Lease Obligation” means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with IFRS. The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined in accordance with IFRS, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

“Cash Equivalents” means:

- (1) securities issued or directly and fully guaranteed or insured by the United States Government or a member state of the European Union as of January 1, 2004 (each a “Qualified Country”) or any agency or instrumentality thereof (provided that the full faith and credit of such Qualified Country is pledged in support thereof), having maturities of not more than one year from the date of acquisition;
- (2) marketable general obligations issued by any political subdivision of any Qualified Country or any public instrumentality thereof maturing within one year from the date of acquisition of the United States (provided that the full faith and credit of the Qualified Country is pledged in support thereof) and, at the time of acquisition, having a credit rating of “A2” or better from either Standard & Poor’s Ratings Services or Moody’s Investors Service, Inc.;
- (3) certificates of deposit, time deposits, eurodollar time deposits, bank deposits or bankers’ acceptances having maturities of not more than one year from the date of acquisition thereof issued by any lender party to any Credit Facility or by any bank or trust company (x) the long-term debt of which is rated at the time of acquisition thereof at least “A-” or the equivalent thereof by Standard & Poor’s Ratings Services, or “A-” or the equivalent thereof by Moody’s Investors Service, Inc. (or if at the time neither is issuing comparable ratings, then a comparable rating of another nationally recognized rating agency);
- (4) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (1), (2) and (3) entered into with any bank meeting the qualifications specified in clause (3) above;
- (5) commercial paper rated at the time of acquisition thereof at least “A-2” or the equivalent thereof by Standard & Poor’s Ratings Services or “P-2” or the equivalent thereof by Moody’s Investors Service, Inc., or carrying an equivalent rating by an internationally recognized rating agency, if

both of the two named rating agencies cease publishing ratings of investments, and in any case maturing within one year after the date of acquisition thereof; and

- (6) interests in any investment company or money market fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (5) above.

“Change of Control” means:

- (1) Parent Company (a) ceases to be the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of each of the Company and the Affiliate Issuer and (b) ceases, by virtue of any powers conferred by the articles of association or other documents regulating the Company and the Affiliate Issuer to, directly or indirectly, direct or cause the direction of management and policies of the Company and the Affiliate Issuer;
- (2) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company, the Affiliate Issuer and the Restricted Subsidiaries taken as a whole to any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) other than a Permitted Holder; or
- (3) the adoption by the stockholders of the Company or the Affiliate Issuer of a plan or proposal for the liquidation or dissolution of the Company or the Affiliate Issuer, other than a transaction complying with the covenant described under “—*Certain Covenants—Merger and Consolidation*”;

provided that a Change of Control shall not be deemed to have occurred pursuant to clause (1) of this definition upon the consummation of the Post-Closing Reorganization or a Spin-Off.

“Code” means the United States Internal Revenue Code of 1986, as amended.

“Collateral” means any assets in which a Lien has been or will be granted pursuant to any Security Document to secure the Obligations under the Indenture or the Notes, including the Share Pledge and the Affiliate Issuer Share Pledge, if any.

“Commodity Agreements” means, in respect of a Person, any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

“Common Stock” means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or nonvoting) of such Person’s common stock whether or not outstanding on the Issue Date, and includes, without limitation, all series and classes of such common stock.

“Consolidated EBITDA” means, for any period, operating income (loss) determined on the basis of IFRS of the Company, the Affiliate Issuer and the Restricted Subsidiaries on a Consolidated basis, plus the following (to the extent deducted from operating income (loss)):

- (1) Consolidated depreciation expense;
- (2) Consolidated amortization expense;
- (3) stock based compensation expense;
- (4) at the Company’s option, other non-cash charges reducing operating income (provided that if any such non-cash charge represents an accrual of or reserve for potential cash charges in any future period, the cash payment in respect thereof in such future period shall reduce operating income to such extent, and excluding

amortization of a prepaid cash item that was paid in a prior period) less other non-cash items of income increasing operating income (excluding any such non-cash item of income to the extent it represents (i) a receipt of cash payments in any future period, (ii) the reversal of an accrual or reserve for a potential cash item that reduced operating income in any prior period and (iii) any non-cash gains with respect to cash actually received in a prior period so long as such cash did not increase operating income in such prior period);

- (5) any extraordinary, one-off, non-recurring, exceptional or unusual gain, loss, expense or charge, including any charges or reserves in respect of any restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements, signing, retention or completion bonuses, transaction costs, acquisition costs, disposition costs, business optimization, information technology implementation or development costs, costs related to governmental investigations and curtailments or modifications to pension or postretirement benefits schemes, litigation or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events);
- (6) at the Company's option, effects of adjustments (including the effects of such adjustments pushed down to such Person and its Restricted Subsidiaries) in such Person's Consolidated financial statements pursuant to IFRS (including inventory, property, equipment, software, goodwill, intangible assets, in process research and development, deferred revenue and debt line items) attributable to the application of recapitalization accounting or acquisition accounting, as the case may be, in relation to any consummated acquisition or joint venture investment or the amortization or write-off or write-down of amounts thereof, net of taxes;
- (7) any net gain (or loss) realized upon the sale, held for sale or other disposition of any asset or disposed operations of the Company, the Affiliate Issuer or any Restricted Subsidiary which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by the Board of Directors or senior management of the Company);
- (8) the amount of Management Fees and other fees and related expenses paid in such period to the Permitted Holders to the extent permitted by the covenant described under "*— Certain Covenants — Limitation on Affiliate Transactions*";
- (9) any reasonable expenses, charges or other costs related to any Equity Offering, Permitted Investment, acquisition, disposition, recapitalization or the Incurrence of any Indebtedness permitted by the Indenture, in each case, as determined in good faith by an Officer of the Company;
- (10) at the Company's option, any adjustments to reduce the impact of the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies;

- (11) the amount of loss on sale of assets in connection with a Qualified Receivables Transaction; and
- (12) Specified Legal Expenses.

“Consolidated Net Income” means, for any period, the net income (loss) determined on the basis of IFRS of the Company, the Affiliate Issuer and its Restricted Subsidiaries on a combined or Consolidated basis; provided, however, that there will not be included in such Consolidated Net Income:

- (1) subject to the limitations contained in clause (2) below, any net income (loss) of any Person (other than the Company or the Affiliate Issuer) if such Person is not a Restricted Subsidiary, except that (a) the Company’s or the Affiliate Issuer’s equity in the net income (loss) of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed by such Person during such period to the Company, the Affiliate Issuer or a Restricted Subsidiary as a dividend or other distribution or return on investment (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below) and (b) the Company’s or the Affiliate Issuer’s equity in a net loss of any such Person (other than an Unrestricted Subsidiary) for such period will be included in determining such Consolidated Net Income to the extent such loss has been funded with cash from the Company, the Affiliate Issuer or a Restricted Subsidiary;
- (2) any net income (loss) of any Restricted Subsidiary if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Company or the Affiliate Issuer by operation of the terms of such Restricted Subsidiary’s charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes or the Indenture, (c) restrictions in effect on the Issue Date with respect to a Restricted Subsidiary (including pursuant to the Notes, the Senior Credit Facilities, the Senior Secured Notes or the Intercreditor Agreement) and other restrictions with respect to any Restricted Subsidiary that, taken as a whole, are not materially less favorable to the holders than restrictions in effect on the Issue Date and (d) restrictions as in effect on the Issue Date specified in clause (8), or restrictions specified in clause (10), of the second paragraph of the covenant described under “— *Certain Covenants — Limitation on Restrictions on Distributions from Restricted Subsidiaries*”), except that the net income (loss) of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Company, the Affiliate Issuer or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause);

- (3) any net gain (or loss) realized upon the sale, held for sale or other disposition of any asset or disposed operations of the Company, the Affiliate Issuer or any Restricted Subsidiary which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by the Board of Directors or senior management of the Company);
- (4) any extraordinary, one-off, non-recurring, exceptional or unusual gain, loss, expense or charge, including any charges or reserves in respect of any restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements, signing, retention or completion bonuses, transaction costs, acquisition costs, disposition costs, business optimization, information technology implementation or development costs, costs related to governmental investigations and curtailments or modifications to pension or postretirement benefits schemes, litigation or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events);
- (5) the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies;
- (6) any stock-based compensation expense;
- (7) all deferred financing costs written off and premiums paid in connection with any early extinguishment of Indebtedness and any net gain (loss), including financing costs that are expensed as incurred, from any extinguishment, modification, exchange or forgiveness of Indebtedness;
- (8) any unrealized gains or losses in respect of Hedging Obligations;
- (9) any goodwill, other intangible or tangible asset impairment charge or write-off;
- (10) the impact of capitalized interest on Subordinated Shareholder Loans;
- (11) any derivative instruments gains or losses, foreign exchange gains or losses, and gains or losses associated with fair value adjustment on financial instruments;
- (12) at the Company's option, effects of adjustments (including the effects of such adjustments pushed down to such Person and its Restricted Subsidiaries) in such Person's Consolidated financial statements pursuant to IFRS (including inventory, property, equipment, software, goodwill, intangible assets, in process research and development, deferred revenue and debt line items) attributable to the application of recapitalization accounting or purchase accounting, as the case may be, in relation to any consummated acquisition or joint venture investment or the amortization or write-off or write-down of amounts thereof, net of taxes;
- (13) accruals and reserves that are established or adjusted within twelve months after the closing date of any acquisition that are so required to be established or adjusted as a result of such acquisition that are so required to be established as a result of such acquisition in accordance with IFRS; and
- (14) any expenses, charges or losses to the extent covered by insurance or indemnity and actually reimbursed, or, so long as the Company, the Affiliate Issuer or a Restricted Subsidiary has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer or indemnifying party and only to the extent that such amount is in fact reimbursed

within 365 days of the date of the insurable or indemnifiable event (net of any amount so added back in any prior period to the extent not so reimbursed within the applicable 365-day period).

In addition, to the extent not already included in the Consolidated Net Income of such Person and its Restricted Subsidiaries, notwithstanding anything to the contrary in the foregoing, Consolidated Net Income shall include the amount of proceeds received from business interruption insurance and reimbursements of any expenses and charges that are covered by indemnification or other reimbursement provisions in connection with any acquisition, Investment or any sale, conveyance, transfer or other disposition of assets permitted under the Indenture.

“Consolidated Net Leverage Ratio”, as of any date of determination, means the ratio of:

- (1) (a) the outstanding Indebtedness (other than (i) Subordinated Shareholder Loans, (ii) Indebtedness up to a maximum amount equal to the Revolving Facility Excluded Amount (or its equivalent in other currencies) at the relevant time incurred under any Permitted Revolving Credit Facility, (iii) any Indebtedness which is a contingent obligation of the Company, the Affiliate Issuer or a Restricted Subsidiary, (iv) any Indebtedness incurred pursuant to clause (16) of the second paragraph of the covenant under the caption “— *Certain Covenants — Limitation on Indebtedness*” and (v) for the purposes of determining the Consolidated Net Leverage Ratio under clause (1)(a) of the first paragraph under “—*Certain Covenants—Limitations on Indebtedness*”, outstanding Indebtedness of the Company and the Affiliate Issuer) of the Company, the Affiliate Issuer and the Restricted Subsidiaries on a Consolidated basis, less (b) the aggregate amount of cash and Cash Equivalents of the Company, the Affiliate Issuer and the Restricted Subsidiaries on a Consolidated basis, to
- (2) the Pro forma EBITDA for the period of the most recent two consecutive fiscal quarters for which financial statements have previously been furnished to holders of the Notes pursuant to the covenant described under “—*Certain Covenants—Reports*”, multiplied by 2.0.

For the avoidance of doubt, in determining Consolidated Net Leverage Ratio, no cash or Cash Equivalents shall be included that are the proceeds of Indebtedness in respect of which the calculation of the Consolidated Net Leverage Ratio is to be made.

“Consolidation” means the consolidation of the accounts of each of the Restricted Subsidiaries (excluding the Affiliate Subsidiaries) with those of the Company in accordance with IFRS consistently applied and together with the accounts of the Affiliate Issuer and the Affiliate Subsidiaries on a combined basis; *provided, however*, that “Consolidation” will not include consolidation of the accounts of any Unrestricted Subsidiary, but the interest of the Company, the Affiliate Issuer or any Restricted Subsidiary in an Unrestricted Subsidiary will be accounted for as an investment. The term “Consolidated” has a correlative meaning.

“Credit Facility” means, one or more debt facilities or arrangements (including, without limitation, the Senior Credit Facilities) or commercial paper facilities with banks or other institutions or investors providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks or institutions or investors and whether provided under the Senior Credit Facilities or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including but not limited to any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term “Credit Facility” shall include any agreement or instrument (i) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (ii) adding Subsidiaries of the Company or the Affiliate Issuer as additional borrowers or guarantors thereunder, (iii) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (iv) otherwise altering the terms and conditions thereof.

“Currency Agreement” means, in respect of a Person, any foreign exchange contract, currency swap agreement, futures contract, option contract, derivative or other similar agreement as to which such Person is a party or a beneficiary.

“Default” means any event which is, or after notice or passage of time or both would be, an Event of Default.

“Designated Non-Cash Consideration” means the fair market value (as determined in good faith by the Board of Directors or senior management of the Company) of non-cash consideration received by the Company, the Affiliate Issuer or a Restricted Subsidiary in connection with an Asset Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officer’s Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under “— *Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock.*”

“Disqualified Stock” means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

- (1) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;
- (2) is convertible or exchangeable for Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Company, the Affiliate Issuer or a Restricted Subsidiary); or
- (3) is redeemable at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the earlier of the date (a) of the Stated Maturity of the Notes or (b) on which there are no Notes outstanding, provided that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock; provided, further that any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Company or the Affiliate Issuer to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (each defined in a substantially identical manner to the corresponding definitions in the Indenture) shall not constitute Disqualified Stock if the terms of such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable), provided that the Company and the Affiliate Issuer may not repurchase or redeem any such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) pursuant to such provision prior to compliance by the Company or the Affiliate Issuer with the provisions of the Indenture described under the captions “—*Certain Covenants—Change of Control*” and “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*” and such repurchase or redemption complies with “—*Certain Covenants—Limitation on Restricted Payments*”.

“Distribution Business” means: (1) the business of upgrading, constructing, creating, developing, acquiring, operating, owning, leasing and maintaining cable television networks (including for avoidance of doubt master antenna television, satellite master antenna television, single and multi-channel microwave single or multi-point distribution systems and direct-to-home satellite systems) for the transmission, reception and/or delivery of multi-channel television and radio programming, telephony and internet and/or data services to the residential markets; or (2) any business which is incidental to or related to and, in either case, material to such business.

“Enforcement Sale” means (1) any sale or disposition (including by way of public auction) of the Collateral pursuant to an enforcement action taken by the Security Trustee in accordance with the provisions of the Intercreditor Agreement to the extent such sale or disposition is effected in compliance with the provisions of the Intercreditor Agreement, or (2) any sale or disposition of the Collateral pursuant to the enforcement of security in favor of other Indebtedness of the Company, the Affiliate Issuer or the Restricted Subsidiaries which complies with the terms of an Additional Intercreditor Agreement (or if there is no such intercreditor agreement, would substantially comply with the requirements of clause (1) hereof).

“Equity Offering” means (1) the distribution of Capital Stock of the Spin Parent in connection with any Spin-Off, (2) a sale of Capital Stock of the Company or the Affiliate Issuer (other than Disqualified Stock), or (3) Capital Stock of a Parent the proceeds of which are contributed as equity share capital to the Company or the Affiliate Issuer or (4) Subordinated Shareholder Loans, in each case, excluding any sales to the Company, the Affiliate Issuer or any Restricted Subsidiary.

“Euro Equivalent” means, with respect to any monetary amount in a currency other than euro, at any time of determination thereof by the Company or the Trustee, the amount of euro obtained by converting such currency other than euro involved in such computation into euro at the spot rate for the purchase of euro with the applicable currency other than euro as published in The Financial Times in the “Currency Rates” section (or, if The Financial Times is no longer published, or if such information is no longer available in The Financial Times, such source as may be selected in good faith by the Board of Directors or senior management of the Company) on the date of such determination.

“European Government Obligations” means any security that is (1) a direct obligation of Ireland, Belgium, the Netherlands, France, The Federal Republic of Germany or any other country that is a member of the European Monetary Union on the date of the Indenture, for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

“Exchange Act” means the United States Securities Exchange Act of 1934, as amended.

“Exchange Issuer” means (i) the UPCNL Issuer or (ii) the SPV Issuer.

“Exchange Qualified Notes” means if the Exchange Issuer is the UPCNL Issuer, the UPCNL Qualified Notes and, if the Exchange Issuer is an SPV Issuer, the SPV Qualified Notes.

“Excluded Contribution” means Net Cash Proceeds or property or assets received by the Company or the Affiliate Issuer as capital contributions to the Company or the Affiliate Issuer after the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary) of Capital Stock (other than Disqualified Stock) of the Company or the Affiliate Issuer, in each case to the extent designated as an Excluded Contribution pursuant to an Officers’ Certificate of the Company.

“fair market value” unless otherwise specified, wherever such term is used in the Indenture (except as otherwise specifically provided in this “Description of the New 2024 Notes”), may be conclusively established by means of an Officer’s Certificate or a resolution of the Board of Directors of the Company setting out such fair market value as determined by such Officer or such Board of Directors in good faith.

“GAAP” means generally accepted accounting principles in the United States.

“guarantee” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

- (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise); or
- (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided, however, that the term “guarantee” will not include endorsements for collection or deposit in the ordinary course of business. The term “guarantee” used as a verb has a corresponding meaning.

“guarantor” means the obligor under a guarantee.

“Hedging Obligations” of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Commodity Agreement or Currency Agreement.

“holder” means a Person in whose name a Note is registered on the Registrar’s books.

“Holding Company” means, in relation to a Person, an entity of which that Person is a Subsidiary.

“IFRS” means the accounting standards issued by the International Accounting Standards Board and its predecessors as in effect on the Issue Date or, for purposes of the covenant described under “—*Certain Covenants—Reports*”, a in effect from time to time. Except as otherwise expressly provided below or in the Indenture, all ratios and calculations based on IFRS contained in the Indenture shall be computed in conformity with IFRS. At any time after the Issue Date, the Company may elect to apply for all purposes of the Indenture, in lieu of IFRS, GAAP and, upon such election, references to IFRS herein will be construed to mean GAAP as in effect at the Issue Date; provided that (1) all financial statements and reports to be provided, after such election, pursuant to the Indenture shall be prepared on the basis of GAAP as in effect from time to time (including that, upon first reporting its fiscal year results under GAAP, the Reporting Entity shall restate its financial statements on the basis of GAAP for the fiscal year ending immediately prior to the first fiscal year for which financial statements have been prepared on the basis of GAAP), and (2) from and after such election, all ratios, computations, and other determinations based on IFRS contained in the Indenture shall, at the Company’s option, (a) continue to be computed in conformity with IFRS (provided that, following such election, the annual and quarterly information required by clauses (1) and (2) of the first paragraph of the covenant described under “—*Certain Covenants — Reports*”, shall include a reconciliation, either in the footnotes thereto or in a separate report delivered therewith, of such IFRS presentation to the corresponding GAAP presentation of such financial information), or (b) be computed in conformity with GAAP with retroactive effect being given thereto assuming that such election had been made on the Issue Date. Thereafter, the Company may, at its option, elect to apply IFRS or GAAP and compute all ratios, computations and other determinations based on IFRS or GAAP, as applicable, all on the basis of the foregoing provisions of this definition of IFRS.

“Incur” means issue, create, assume, guarantee, incur or otherwise become liable for; provided, however, that any Indebtedness or Capital Stock of a Person existing at the time such person becomes a Restricted Subsidiary or the Affiliate Issuer (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary or the Affiliate Issuer, as applicable, at the time it becomes a Restricted Subsidiary or the Affiliate Issuer, as applicable; and the terms “Incurred” and “Incurrence” have meanings correlative to the foregoing.

“Indebtedness” means, with respect to any Person on any date of determination (without duplication):

- (1) money borrowed or raised and debit balances at banks;
- (2) any bond, note, loan stock, debenture or similar debt instrument;
- (3) acceptance or documentary credit facilities;
- (4) receivables sold or discounted (otherwise than on a non-recourse basis and other than in the normal course of business for collections);
- (5) payments for assets acquired or services supplied deferred for a period of over 180 days (or 360 days if such deferral is in accordance with the terms pursuant to which the relevant assets were or are to be acquired or services were or are to be supplied) after the relevant assets were or are to be acquired or the relevant services were or are to be supplied, or after the relevant invoice date;
- (6) any other transaction (including without limitation forward sale or purchase agreements) having the commercial effect of a borrowing or raising of money or any of (2) to (5) above;
- (7) the principal component or liquidation preference of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends); and

- (8) the principal component of Indebtedness of other Persons to the extent guaranteed by such Person to the extent not otherwise included in the Indebtedness of such Person.

Notwithstanding the foregoing, “Indebtedness” shall not include (i) any deposits or prepayments received by the Company, the Affiliate Issuer or a Restricted Subsidiary from a customer or subscriber for its service, (ii) Capitalized Lease Obligations, (iii) any indebtedness in respect of Qualified Receivables Transactions, (iv) any “parallel debt” obligations to the extent such obligations mirror other Indebtedness, (v) any joint and several liability (hoofdelijke aansprakelijkheid) including any netting or set-off, as a result of the existence of a fiscal unity for Dutch tax purposes (fiscal eenheid) or under any analogous arrangement in any other jurisdiction; and (vi) any Indebtedness which has been cash-collateralized to the extent so cash-collateralized. The amount of Indebtedness of any Person at any date will be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date.

“Independent Financial Advisor” means an accounting, appraisal or investment banking firm of nationally recognized standing that is, in the good faith judgment of the Board of Directors or senior management of the Company, qualified to perform the task for which it has been engaged.

“Initial Public Offering” means an Equity Offering of common stock or other common equity interests of the Company, the Affiliate Issuer, the Spin Parent or any direct or indirect parent company of the Company (the “IPO Entity”) following which there is a Public Market and, as a result of which, the shares of the common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

“Intercreditor Agreement” means the intercreditor agreement dated on or about January 27, 2014, between, among others, the Company, the Parent of the Company, the Trustee and the Security Trustee, as amended, restated or otherwise modified or varied from time to time.

“Interest Rate Agreement” means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement as to which such Person is party or a beneficiary.

“Intra-Group Services” means any of the following (provided that the terms of each such transaction are not materially less favorable, taken as a whole, to the Company, the Affiliate Issuer or a Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction in arm’s length dealings with a Person that is not an Affiliate):

- (1) the sale of programming or other content by Liberty Global, the Spin Parent or any of their respective Subsidiaries to the Company, the Affiliate Issuer or any Restricted Subsidiary;
- (2) the lease or sublease of office space, other premises or equipment by the Company, the Affiliate Issuer or the Restricted Subsidiaries to Liberty Global, the Spin Parent or any of their Subsidiaries or by Liberty Global, the Spin Parent or any of their Subsidiaries to the Company, the Affiliate Issuer or the Restricted Subsidiaries; and
- (3) the provision or receipt of other administrative services, facilities or other arrangements (in each case not constituting Indebtedness) in the ordinary course of business, by the Company, the Affiliate Issuer or the Restricted Subsidiaries to or from Liberty Global, the Spin Parent or any of their Subsidiaries, including, without limitation, (a) the employment of personnel, (b) provision of employee healthcare or other benefits, (c) acting as agent to buy equipment, other assets or services or to trade with residential or business customers, and (d) the provision of treasury, audit, accounting, banking, strategy, IT, telephony, office, administrative, compliance, payroll or other similar services; and
- (4) the extension, in the ordinary course of business and on terms not materially less favourable to the Company or the Restricted Subsidiaries than arm’s length terms, by or to the Company, the Affiliate Issuer or the Restricted Subsidiaries to or by Liberty Global or any of their Subsidiaries

of trade credit not constituting Indebtedness in relation to the provision or receipt of Intra-Group Services referred to in paragraphs (1), (2) or (3) above.

“Investment” means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan (other than advances or extensions of credit to customers in the ordinary course of business) or other extensions of credit (including by way of guarantee or similar arrangement, but excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such Person and all other items that are or would be classified as investments on a balance sheet prepared in accordance with IFRS; provided that none of the following will be deemed to be an Investment:

- (1) Hedging Obligations entered into in the ordinary course of business and in compliance with the Indenture;
- (2) endorsements of negotiable instruments and documents in the ordinary course of business; and
- (3) an acquisition of assets, Capital Stock or other securities by the Company, the Affiliate Issuer or a Subsidiary for consideration to the extent such consideration consists of Common Stock of the Company or the Affiliate Issuer.

For purposes of the definition of “Unrestricted Subsidiary” and “—*Certain Covenants—Limitation on Restricted Payments*”,

- (1) “Investment” will include the portion (proportionate to the Company’s or the Affiliate Issuer’s equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary of the Company and the Affiliate Issuer at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company or the Affiliate Issuer will be deemed to continue to have a permanent “Investment” in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Company’s or Affiliate Issuer’s “Investment” in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Company’s or the Affiliate Issuer’s equity interest in such Subsidiary) of the fair market value of the net assets (as conclusively determined by the Board of Directors of the Company in good faith) of such Subsidiary at the time that such Subsidiary is so redesignated a Restricted Subsidiary; and
- (2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors or senior management of the Company.

If the Company, the Affiliate Issuer or a Restricted Subsidiary transfers, conveys, sells, leases or otherwise disposes of Voting Stock of a Restricted Subsidiary such that such Subsidiary is no longer a Restricted Subsidiary, then the Investment of the Company or the Affiliate Issuer in such Person shall be deemed to have been made as of the date of such transfer or other disposition in an amount equal to the fair market value (as determined in good faith by the Board of Directors or senior management of the Company).

“Investment Grade Securities” means:

- (1) securities issued by the U.S. government or by any agency or instrumentality thereof (other than Cash Equivalents) or directly and fully guaranteed or insured by the U.S. government and in each case with maturities not exceeding two years from the date of the acquisition;
- (2) securities issued by or a member of the European Union as of January 1, 2004, or any agency or instrumentality thereof (other than Cash Equivalents) or directly and fully guaranteed or insured by a member of the European Union as of January 1, 2004, and in each case with maturities not exceeding two years from the date of the acquisition;
- (3) debt securities or debt instruments with a rating of A or higher by Standard & Poor’s Ratings Services or A-2 or higher by Moody’s Investors Service, Inc. or the equivalent of such rating by such rating organization, or if no rating of Standard & Poor’s Ratings Services or Moody’s

Investors Service, Inc. then exists, the equivalent of such rating by any other nationally recognized securities ratings agency, by excluding any debt securities or instruments constituting loans or advances among the Company, the Affiliate Issuer and their Subsidiaries;

- (4) investments in any fund that invests exclusively in investments of the type described in clauses (1) through (3) which fund may also hold immaterial amounts of cash and Cash Equivalents pending investment and/or distribution; and
- (5) corresponding instruments in countries other than those identified in clauses (1) and (2) above customarily utilized for high quality investments and, in each case, with maturities not exceeding two years from the date of the acquisition.

“Investment Grade Status” shall occur when the Notes receive both of the following:

- (1) a rating of “Baa3” (or the equivalent) or higher from Moody’s Investors Service, Inc. or any of its successors or assigns; and
- (2) a rating of “BBB—” (or the equivalent) or higher from Standard & Poor’s Ratings Services, or any of its successors or assigns,

in each case, with a “stable outlook” from such rating agency.

“IPO Market Capitalization” means an amount equal to (i) the total number of issued and outstanding shares of Capital Stock of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (ii) the price per share at which such shares of common stock or common equity interests are sold or distributed in such Initial Public Offering.

“Issue Date” means the date of first issuance of the Notes pursuant to the Acquisition Exchange.

“Liberty Global” means Liberty Global plc and any and all successors thereto.

“Lien” means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

“Majority Exchange Transaction” means an exchange offer by the Exchange Issuer pursuant to which one or more series of Exchange Qualified Notes are offered in exchange for all outstanding Notes issued under the Indenture; provided, that (i) no Default or Event of Default has occurred and is continuing at the time any such exchange offer is made or would result therefrom, (ii) holders of a majority in aggregate principal amount of the outstanding Notes have elected to participate in such offer, (iii) for each €1,000 in principal amount of Notes tendered and accepted, each holder tendering such Notes will receive €1,000 in principal amount of Exchange Qualified Notes, (iv) the exchange offer complies with Rule 14e-1 under the Exchange Act and any other applicable securities law or regulation, (v) the Exchange Issuer accepts for exchange all Notes tendered in such exchange offer and issues the relevant Exchange Qualified Notes in exchange therefor, (vi) the exchange offer is open to all holders of the Notes on substantially similar terms and (vii) the exchange offer is not conditioned upon holders of the Notes consenting to any amendments to the terms of the notes or the Indenture. To the extent that the provisions of any applicable securities laws or regulations conflict with the requirements set forth in this definition, each of the Company and the Exchange Issuer will comply with the securities laws and regulations and will not be deemed to have breached such requirements by virtue thereof. Notwithstanding the foregoing, the Company and the Exchange Issuer shall be permitted in the Majority Exchange Transaction to exclude holders of Notes in any jurisdiction where the Majority Exchange Transaction would require the Company and the Exchange Issuer to file a registration statement, prospectus or similar document under any applicable securities laws (including, but not limited to, United States federal securities laws and the laws of the European Union or its member states), if either the Company or the Exchange Issuer in its sole discretion determines (acting in good faith) (A) that such filing would be materially burdensome (it being understood that it would not be materially burdensome to submit the disclosure document(s) used in other jurisdictions to the securities or financial services authorities in any jurisdiction in accordance with the passporting provisions of the Prospectus Directive 2003/71/EC or similar regulations); or (B) that such solicitation would otherwise not be permitted under applicable law in such jurisdiction.

“Management Fees” means any management, consultancy or other similar fees payable by the Company, the Affiliate Issuer or any Restricted Subsidiary.

“Market Capitalization” means an amount equal to (i) the total number of issued and outstanding shares of Capital Stock of the IPO Entity on the date of the declaration of the relevant dividend, multiplied by (ii) the arithmetic mean of the closing prices per share of such Capital Stock for the 30 consecutive trading days immediately preceding the date of the declaration of such dividend.

“Net Available Cash” from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

- (1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all federal, state, provincial, foreign and local taxes required to be paid or accrued as a liability under IFRS (after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Disposition;
- (2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law be repaid out of the proceeds from such Asset Disposition;
- (3) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Disposition; and
- (4) the deduction of appropriate amounts to be provided by the seller as a reserve, in accordance with IFRS, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Company, the Affiliate Issuer or any Restricted Subsidiary after such Asset Disposition.

“Net Cash Proceeds”, with respect to any issuance or sale of Capital Stock, means the cash proceeds of such issuance or sale net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

“New Holdco” means the direct Subsidiary of Liberty Global following the Post-Closing Reorganizations, or, if the distribution or other transfer pursuant to the Post-Closing Reorganizations is to a second-tier Subsidiary of Liberty Global, such second-tier Subsidiary.

“Officer” of any Person means the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, any Managing Director, the Treasurer or the Secretary of such Person or, in the case of the Company, its Managing Director.

“Officers’ Certificate” means a certificate signed by two Officers or by an Officer and either an Assistant Treasurer or an Assistant Secretary of the Company.

“Opinion of Counsel” means a written opinion from legal counsel who is reasonably acceptable to the Trustee. The counsel may be an employee of or counsel to the Company or the Trustee.

“Parent” means Liberty Global, any Subsidiary of Liberty Global of which the Company is a Subsidiary on the Issue Date and any other Person of which the Company or the Affiliate Issuer at any time is or becomes a Subsidiary after the Issue Date.

“Parent Company” means the direct Parent of the Company on the Issue Date and its successors. Notwithstanding the foregoing, upon consummation of (i) the Post-Closing Reorganization, “Parent Company” will mean New Holdco and its successors (ii) a Spin-Off, “Parent Company” will mean the Spin Parent and its successors, (iii) the Debt Pushdown, “Parent Company” will mean the direct Parent of the Pushdown Issuer or (iv)

an Affiliate Issuer Accession, “Parent Company” will mean the Reporting Entity following the Affiliate Issuer Accession.

“Parent Expenses” means:

- (1) costs (including all professional fees and expenses) Incurred by any Parent in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, applicable rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Indenture or any other agreement or instrument relating to Indebtedness of the Company, the Affiliate Issuer or any Restricted Subsidiary;
- (2) indemnification obligations of any Parent owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person with respect to its ownership of the Company or the Affiliate Issuer or the conduct of the business of the Company, the Affiliate Issuer and the Restricted Subsidiaries;
- (3) obligations of any Parent in respect of director and officer insurance (including premiums therefor) with respect to its ownership of the Company or the Affiliate Issuer or the conduct of the business of the Company, the Affiliate Issuer and the Restricted Subsidiaries;
- (4) general corporate overhead expenses, including professional fees and expenses and other operational expenses of any Parent or Subsidiary of a Parent related to the ownership or operation of the business of the Company, the Affiliate Issuer or any of the Restricted Subsidiaries, including acquisitions or dispositions by the Company, the Affiliate Issuer or the Subsidiaries permitted hereunder (whether or not successful) in each case, to the extent such costs, obligations and/or expenses are not paid by another Subsidiary of such Parent;
- (5) fees and expenses payable by any Parent in connection with any Related Transaction.

“Pari Passu Indebtedness” means Indebtedness of the Company or the Affiliate Issuer that ranks equally or junior in right of payment with the Notes (after giving effect to any Note Guarantee by the Affiliate Issuer and the Intercreditor Agreement or any Additional Intercreditor Agreement).

“Permitted Asset Swap” means the concurrent purchase and sale or exchange of related business assets or a combination of related business assets, cash and Cash Equivalents between the Company, the Affiliate Issuer or any Restricted Subsidiaries and another Person.

“Permitted Business” means any business:

- (1) that consists of the upgrade, construction, creation, development, marketing, acquisition (to the extent permitted under the Indenture), operation, utilization and maintenance of networks that use existing or future technology for the transmission, reception and delivery of voice, video and/or other data (including networks that transmit, receive and/or deliver services such as multi channel television and radio, programming, telephony, Internet services and content, high speed data transmission, video, multi media and related activities); or
- (2) engaged in by the Company or any of its Restricted Subsidiaries on the Issue Date;
- (3) or other activities that are reasonably similar, ancillary, complementary or related to, or a reasonable extension, development or expansion of, the businesses in which the Company and its Restricted Subsidiaries are engaged on the Issue Date; or
- (4) that comprises being a Holding Company of one or more Persons engaged in any such business.

“Permitted Collateral Liens” means:

- (1) Liens on the Collateral arising by operation of law that are described in one or more of clauses (3), (4), (5), (6), (9) and (12) of clause (A) of the definition of “Permitted Liens” and that, in each case, would not materially interfere with the ability of the Security Trustee to enforce the Lien in the Collateral granted under the Security Documents; and
- (2) Liens on the Collateral to secure any Additional Notes or Pari Passu Indebtedness.

“Permitted Holders” means, collectively, (1) Liberty Global, (2) in the event of a Spin-Off, the Spin Parent and any Subsidiary of the Spin Parent, (3) any Affiliate or Related Person of a Permitted Holder described in clause (1) above, and any successor to such Permitted Holder, Affiliate, or Related Person, (4) any Person who is acting as an underwriter in connection with any public or private offering of Capital Stock of the Company or the Affiliate Issuer, acting in such capacity and (5) any “person” or “group” of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) whose acquisition of “beneficial ownership” (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) of Voting Stock or of all or substantially all of the assets of the Company and the Restricted Subsidiaries (taken as a whole) constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the covenant described under “—*Change of Control*”.

“Permitted Investment” means an Investment by the Company, the Affiliate Issuer or any Restricted Subsidiary in:

- (1) the Company, the Affiliate Issuer or a Restricted Subsidiary (other than a Receivables Entity) or a Person which will, upon the making of such Investment, become a Restricted Subsidiary (other than a Receivables Entity);
- (2) another Person if as a result of such Investment such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, the Company, the Affiliate Issuer or a Restricted Subsidiary (other than a Receivables Entity);
- (3) cash and Cash Equivalents or Investment Grade Securities;
- (4) receivables owing to the Company, the Affiliate Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; provided, however, that such trade terms may include such concessionary trade terms as the Company, the Affiliate Issuer or any such Restricted Subsidiary deems reasonable under the circumstances;
- (5) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;
- (6) loans or advances to employees made in the ordinary course of business consistent with past practices of the Company, the Affiliate Issuer or such Restricted Subsidiary;
- (7) Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Company, the Affiliate Issuer or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor;
- (8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including without limitation an Asset Disposition, in each case, that was made in compliance with “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*” and other Investments resulting from the disposition of assets in transactions excluded from the definition of “Asset Disposition” pursuant to the exclusions from such definition;
- (9) any Investment existing on the Issue Date or made pursuant to binding commitments in effect on the Issue Date or an Investment consisting of any extension, modification, replacement, renewal or reinvestment of any Investment or binding commitment existing on the Issue Date or made in compliance with the covenant entitled “—*Certain Covenants—Limitation on Restricted Payments*”; provided, that the amount of any such Investment or binding commitment may be increased (a) as required by the terms of such Investment or binding commitment as in existence on the Issue Date (including as a result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities) or (b) as otherwise permitted under the Indenture;

- (10) Currency Agreements, Commodity Agreements and Interest Rate Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with “—*Certain Covenants—Limitation on Indebtedness*”;
- (11) Investments by the Company, the Affiliate Issuer or any of the Restricted Subsidiaries, together with all other Investments pursuant to this clause (11), in an aggregate amount at the time of such Investment not to exceed the greater of €350.0 million and 5% of Total Assets at any one time; provided that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under “—*Certain Covenants—Limitation on Restricted Payments*”, such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of “Permitted Investments” and not this clause;
- (12) Investments by the Company, the Affiliate Issuer or a Restricted Subsidiary in a Receivables Entity or any Investment by a Receivables Entity in any other Person, in each case, in connection with a Qualified Receivables Transaction, *provided, however*, that any Investment in any such Person is in the form of a Purchase Money Note, or any equity interest or interests in Receivables and related assets generated by the Company, the Affiliate Issuer or a Restricted Subsidiary and transferred to any Person in connection with a Qualified Receivables Transaction or any such Person owning such Receivables;
- (13) guarantees issued in accordance with “—*Certain Covenants—Limitation on Indebtedness*” and other guarantees (and similar arrangements) of obligations not constituting Indebtedness;
- (14) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of “Permitted Liens” or made in connection with Liens permitted under the covenant described under “—*Certain Covenants—Limitation on Liens*”;
- (15) the Notes;
- (16) so long as no Default or Event of Default of the type specified in clause (1) or (2) under “—*Events of Default*” has occurred and is continuing, (a) minority Investments in any Person engaged in a Permitted Business and (b) Investments in joint ventures that conduct a Permitted Business to the extent that, after giving pro forma effect to any such Investment, the Consolidated Net Leverage Ratio for the Company, the Affiliate Issuer and its Restricted Subsidiaries would not exceed 5.00 to 1.00;
- (17) any Investment to the extent made using as consideration Capital Stock of the Company or the Affiliate Issuer (other than Disqualified Stock), Subordinated Shareholder Loans or Capital Stock of any Parent;
- (18) Investments acquired after the Issue Date as a result of the acquisition by the Company, the Affiliate Issuer or a Restricted Subsidiary, including by way of merger, amalgamation or consolidation with or into the Company, the Affiliate Issuer or any Restricted Subsidiary in a transaction that is not prohibited by the covenant described above under the caption “—*Certain Covenants—Merger and Consolidation*” after the Issue Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation; and
- (19) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Affiliate Transactions*” (except those described in clauses (1), (5), (9) and (19) of that paragraph).

“Permitted Liens” means:

- (A) with respect to any Restricted Subsidiary:

- (1) Liens securing Indebtedness Incurred by the Restricted Subsidiaries in compliance with clause (1) of the first paragraph or clauses (1), (7) and (16) under the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness*”;

- (2) Liens on Receivables and related assets of the type described in the definition of “Qualified Receivables Transaction” Incurred in connection with a Qualified Receivables Transaction;
- (3) pledges or deposits by such Person under workmen’s compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or United States government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import or customs duties or for the payment of rent, in each case Incurred in the ordinary course of business;
- (4) Liens imposed by law, including carriers’, warehousemen’s, mechanics’, landlords’, materialmen’s, repairmen’s and other like Liens, in each case for sums not yet due or being contested in good faith by appropriate proceedings if a reserve or other appropriate provisions, if any, as shall be required by IFRS shall have been made in respect thereof;
- (5) Liens for taxes, assessments or other governmental charges not yet subject to penalties for non-payment or which are being contested in good faith by appropriate proceedings provided appropriate reserves required pursuant to IFRS have been made in respect thereof;
- (6) Liens in favor of issuers of surety or performance bonds or letters of credit or bankers’ acceptances issued pursuant to the request of and for the account of such Person in the ordinary course of its business;
- (7) encumbrances, ground leases, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Company, the Affiliate Issuer and the Restricted Subsidiaries or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Company, the Affiliate Issuer and the Restricted Subsidiaries;
- (8) [Reserved];
- (9) Leases, licenses, subleases and sublicenses of assets (including, without limitation, real property and intellectual property rights) which do not materially interfere with the ordinary conduct of the business of the Company, the Affiliate Issuer or any of the Restricted Subsidiaries;
- (10) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired;
- (11) Liens for the purpose of securing the payment of all or a part of the purchase price of, or Capitalized Lease Obligations, Purchase Money Obligations or other payments Incurred to finance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business provided that such Liens do not encumber any other assets or property of the Company, the Affiliate Issuer or the Restricted Subsidiaries other than such assets or property and assets affixed or appurtenant thereto.
- (12) Liens arising solely by virtue of any statutory or common law provisions relating to banker’s Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depository institution; provided that such deposit

account is not intended by the Company, the Affiliate Issuer or any Restricted Subsidiary to provide collateral to the depository institution;

- (13) Liens arising from United States Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Company, the Affiliate Issuer and the Restricted Subsidiaries in the ordinary course of business;
- (14) Liens existing on, or provided for under written arrangements existing on, the Issue Date;
- (15) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary; provided, however, that any such Lien shall only be in respect of Indebtedness of any Restricted Subsidiary and may not extend to any other property owned by the Company, the Affiliate Issuer or any Restricted Subsidiary;
- (16) Liens on property at the time the Company, the Affiliate Issuer or a Restricted Subsidiary acquired the property, including any acquisition by means of a merger or consolidation with or into any Restricted Subsidiary; provided, however, that such Liens shall only be in respect of Indebtedness of any Restricted Subsidiary and may not extend to any other property owned by the Company, the Affiliate Issuer or such Restricted Subsidiary;
- (17) Liens securing Indebtedness or other obligations of a Restricted Subsidiary owing to the Company, the Affiliate Issuer or a Restricted Subsidiary;
- (18) Liens securing the Notes;
- (19) Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, provided that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is the security for a Permitted Lien hereunder;
- (20) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;
- (21) Liens on Capital Stock or other securities of any Unrestricted Subsidiary that secure Indebtedness or other obligations of such Unrestricted Subsidiary;
- (22) any encumbrance or restriction (including, but not limited to, put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;
- (23) Liens over rights under loan agreements relating to, or over notes or similar instruments evidencing, the on-loan of proceeds received by a Restricted Subsidiary from the issuance of Indebtedness Incurred by a Restricted Subsidiary, which Liens are created to secure payment of such Indebtedness; and
- (24) Liens Incurred with respect to obligations that do not exceed the greater of (i) €100.0 million and (ii) 2.0% of Total Assets at any time outstanding.

(B) with respect to the Company and the Affiliate Issuer:

- (1) Liens securing the Notes;
- (2) Permitted Collateral Liens;
- (3) Liens securing guarantees of Indebtedness Incurred under Credit Facilities, to the extent the underlying Indebtedness was Incurred in compliance with the first paragraph or clause (1) under the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness*”;
- (4) Liens on property at the time the Company or the Affiliate Issuer acquired the property, including any acquisition by means of a merger or consolidation with or into the Company or the Affiliate Issuer; provided, however, that such Liens are not created,

Incurred or assumed in connection with, or in contemplation of, such acquisition; provided further, that such Liens may not extend to any other property owned by the Company or the Affiliate Issuer;

- (5) Liens over (i) Capital Stock of any Restricted Subsidiary and (ii) rights under loan agreements, notes or similar instruments representing Indebtedness of any Restricted Subsidiary owing to and held by the Company, securing Indebtedness Incurred by a Restricted Subsidiary in compliance with (a) clause (1) of the first paragraph or clauses (1), (7), (15) and (16) under the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness*” and (b) any Refinancing Indebtedness in respect of Indebtedness referred to in clause (a); and
- (6) Liens of the type described in clauses (3), (4), (5), (6), (7), (9), (10), (11), (12), (17), (19), (20), (21) and (23) of clause (A) of this definition of “Permitted Liens”.

“Permitted Revolving Credit Facility” means, one or more debt facilities or arrangements that may be entered into by the Restricted Subsidiaries providing for revolving credit loans, letters of credit or other revolving indebtedness or other advances, in each case, Incurred in compliance with the covenant described under “—*Certain Covenants—Limitation on Indebtedness*”.

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision hereof or any other entity.

“Preferred Stock”, as applied to the Capital Stock of any corporation, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such corporation, over shares of Capital Stock of any other class of such corporation.

“Pro forma EBITDA” means, for any period, the Consolidated EBITDA of the Company, the Affiliate Issuer and the Restricted Subsidiaries, provided, however, that for the purposes of calculating Pro forma EBITDA for such period, if, as of such date of determination:

- (1) since the beginning of such period the Company, the Affiliate Issuer or any Restricted Subsidiary will have made any Asset Disposition or disposed of any company, any business, or any group of assets constituting an operating unit of a business (any such disposition, a “Sale”) or if the transaction giving rise to the need to calculate the Consolidated Net Leverage Ratio is such a Sale, Pro forma EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period;
- (2) since the beginning of such period the Company, the Affiliate Issuer or any Restricted Subsidiary (by merger or otherwise) will have made an Investment in any Person that thereby becomes a Restricted Subsidiary, or otherwise acquires any company, any business, or any group of assets constituting an operating unit of a business (any such Investment or acquisition, a “Purchase”) including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Purchase occurred on the first day of such period; and
- (3) since the beginning of such period any Person (that became a Restricted Subsidiary or was merged with or into the Company, the Affiliate Issuer or any Restricted Subsidiary since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to clause (1) or (2) above if made by the Company, the Affiliate Issuer or a Restricted Subsidiary since the beginning of such period, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Sale or Purchase occurred on the first day of such period.

For purposes of this definition and the definition of Consolidated Net Leverage Ratio, (i) whenever pro forma effect is to be given to any transaction or calculation under this definition, the pro forma calculations will be as determined in good faith by a responsible financial or accounting officer of the Company (including without

limitation in respect of anticipated expense and cost reductions) including, without limitation, as a result of, or that would result from any actions taken, committed to be taken or with respect to which substantial steps have been taken, by the Company, the Affiliate Issuer or any Restricted Subsidiary including, without limitation, in connection with any cost reduction synergies or cost savings plan or program or in connection with any transaction, investment, acquisition, disposition, restructuring, corporate reorganization or otherwise (regardless of whether these cost savings and cost reduction synergies could then be reflected in pro forma financial statements to the extent prepared), (ii) in determining the amount of Indebtedness outstanding on any date of determination, pro forma effect shall be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness as if such transaction had occurred on the first day of the relevant period and (iii) interest on any Indebtedness that bears interest at a floating rate and that is being given pro forma effect shall be calculated as if the rate in effect on the date of calculation had been applicable for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness).

“Public Market” means any time after an Equity Offering has been consummated, shares of common stock or other common equity interests of the IPO Entity having a market value in excess of €75 million on the date of such Equity Offering have been distributed pursuant to such Equity Offering.

“Public Offering” means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include any offering pursuant to Rule 144A and/or Regulation S under the Securities Act to professional market investors or similar persons).

“Public Offering Expenses” means expenses Incurred by any Parent in connection with any public offering of Capital Stock or Indebtedness (whether or not successful);

- (1) where the net proceeds of such offering are intended to be received by or contributed or loaned to the Company, the Affiliate Issuer or a Restricted Subsidiary; or
- (2) in a prorated amount of such expenses in proportion to the amount of such net proceeds intended to be so received, contributed or loaned; or
- (3) otherwise on an interim basis prior to completion of such offering so long as any Parent shall cause the amount of such expenses to be repaid to the Company, the Affiliate Issuer or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed, in each case, to the extent such expenses are not paid by another Subsidiary of such Parent.

“Purchase Money Note” means a promissory note of a Receivables Entity evidencing the deferred purchase price of Receivables (and related assets) and/or a line of credit, which may be irrevocable, from the Company, the Affiliate Issuer or any Restricted Subsidiary in connection with a Qualified Receivables Transaction with a Receivables Entity, which deferred purchase price or line is repayable from cash available to the Receivables Entity, other than amounts required to be established as reserves pursuant to agreements, amounts paid to investors in respect of interest, principal and other amounts owing to such investors and amounts owing to such investors and amounts paid in connection with the purchase of newly generated Receivables.

“Purchase Money Obligations” means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

“Qualified Receivables Transaction” means any transaction or series of transactions that may be entered into by the Company, the Affiliate Issuer or any of the Restricted Subsidiaries pursuant to which the Company, the Affiliate Issuer or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to (1) a Receivables Entity (in the case of a transfer by the Company, the Affiliate Issuer or any of the Restricted Subsidiaries) and (2) any other Person (in the case of a transfer by a Receivables Entity), or may grant a Lien in, any Receivables (whether now existing or arising in the future) of the Company, the Affiliate Issuer or any of the Restricted Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such Receivables, all contracts and all guarantees or other obligations in respect of such accounts receivable, the proceeds of such Receivables and

other assets which are customarily transferred, or in respect of which Liens are customarily granted, in connection with asset securitization involving Receivables.

“Receivable” means a right to receive payment arising from a sale or lease of goods or the performance of services by a Person pursuant to an arrangement with another Person pursuant to which such other Person is obligated to pay for goods or services under terms that permit the purchase of such goods and services on credit and shall include, in any event, any items of property that would be classified as an “account”, “chattel paper”, “payment intangible” or “instrument” under the Uniform Commercial Code as in effect in the State of New York and any “supporting obligations” as so defined.

“Receivables Entity” means a Wholly Owned Subsidiary (or another Person in which the Company, the Affiliate Issuer or any Restricted Subsidiary makes an Investment and to which the Company, the Affiliate Issuer or any Restricted Subsidiary transfers Receivables and related assets) which engages in no activities other than in connection with the financing of Receivables and which is designated by the Board of Directors of the Company (as provided below) as a Receivables Entity:

- (1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which:
 - (a) is guaranteed by the Company, the Affiliate Issuer or any Restricted Subsidiary (excluding guarantees of Obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings);
 - (b) is recourse to or obligates the Company, the Affiliate Issuer or any Restricted Subsidiary in any way other than pursuant to Standard Securitization Undertakings; or
 - (c) subjects any property or asset of the Company, the Affiliate Issuer or any Restricted Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;
- (2) with which neither the Company, the Affiliate Issuer nor any Restricted Subsidiary has any material contract, agreement, arrangement or understanding (except in connection with a Purchase Money Note or Qualified Receivables Transaction) other than on terms no less favorable to the Company, the Affiliate Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company or the Affiliate Issuer, other than fees payable in the ordinary course of business in connection with servicing Receivables; and
- (3) to which neither the Company, the Affiliate Issuer nor any Restricted Subsidiary has any obligation to maintain or preserve such entity’s financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by promptly filing with the Trustee a certified copy of the resolution of the Board of Directors of the Company giving effect to such designation and an Officers’ Certificate certifying that such designation complied with the foregoing conditions.

“Refinancing Indebtedness” means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) (collectively, “refinance”, “refinances”, and “refinanced” shall have a correlative meaning) any Indebtedness existing on the date of the Indenture or Incurred in compliance with the Indenture (including Indebtedness of the Company or the Affiliate Issuer that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness, including successive refinancings, provided, however, that:

- (1) if the Indebtedness being refinanced constitutes Subordinated Obligations, (a) if the Stated Maturity of the Indebtedness being refinanced is earlier than the Stated Maturity of the Notes, the Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being refinanced or (b) if the Stated Maturity of the Indebtedness being refinanced is later than the Stated Maturity of the Notes, the Refinancing Indebtedness has a Stated Maturity later than the Stated Maturity of the Notes;

- (2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced plus an amount to pay any interest, fees and expenses, premiums and defeasance costs, Incurred in connection therewith; and
- (3) in the case of the refinancing of any Subordinated Obligation, such Refinancing Indebtedness is subordinated in right of payment to the Notes on terms at least as favorable to the holders of the Notes as those contained in the documentation governing the Subordinated Obligation being extended, refinanced, renewed, replaced, defeased or refunded.

“Related Business” means any business that is the same as or related, ancillary or complementary to any of the businesses of the Company and the Restricted Subsidiaries on the Issue Date.

“Related Person” with respect to any Permitted Holder, means:

- (1) any controlling equity holder or majority (or more) owned Subsidiary of such Permitted Holder; or
- (2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or
- (3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein.

“Related Taxes” means:

- (1) any taxes, including but not limited to sales, use, transfer, rental, ad valorem, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar taxes (other than (x) taxes measured by income and (y) withholding imposed on payments made by any Parent), required to be paid by any Parent by virtue of its:
 - (a) being organized or incorporated or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than the Company, the Affiliate Issuer or any of the Company’s or Affiliate Issuer’s Subsidiaries), or
 - (b) being a holding company parent of the Company, the Affiliate Issuer or any of the Company’s or Affiliate Issuer’s Subsidiaries, or
 - (c) receiving dividends from or other distributions in respect of the Capital Stock of the Company or the Affiliate Issuer, or any of the Company’s or Affiliate Issuer’s Subsidiaries, or
 - (d) having guaranteed any obligations of the Company, the Affiliate Issuer or any Subsidiary of the Company or Affiliate Issuer, or
 - (e) having made any payment in respect to any of the items for which the Company or Affiliate Issuer is permitted to make payments to any Parent pursuant to “—*Certain Covenants—Limitation on Restricted Payments*”,

in each case, to the extent such taxes are not paid by another Subsidiary or such Parent; and

- (2) any taxes measured by income for which any Parent is liable up to an amount not to exceed with respect to such taxes the amount of any such taxes that the Company, the Affiliate Issuer and their Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis if the Company, the Affiliate Issuer and their Subsidiaries had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group

consisting only of the Company, the Affiliate Issuer and their Subsidiaries and any taxes imposed by way of withholding on payments made by one Parent to another Parent on any financing that is provided, directly or indirectly in relation to the Company, the Affiliate Issuer and their Subsidiaries (reduced by any taxes measured by income actually paid by the Company, the Affiliate Issuer and their Subsidiaries).

“Related Transaction” means (1) any transactions to effect or consummate the Acquisition, including transactions to consolidate the holding of Share Capital in Ziggo N.V., which may include the contribution of an Affiliate entity by a Parent (“Contributed Entity”) which Contributed Entity holds Share Capital in Ziggo N.V., (2) intercompany indebtedness (A) by the Company, the Contributed Entity or a Restricted Subsidiary to an Affiliate or (B) by an Affiliate to the Company, the Contributed Entity or a Restricted Subsidiary, in each case, to effect or consummate the Acquisition, including transactions to consolidate the holding of Share Capital in Ziggo N.V., (3) any intercompany Indebtedness by the Company to any Affiliate as part of the Debt Pushdown (provided that such Indebtedness is extinguished upon, or shortly after, completion of the Debt Pushdown, (4) the other transactions contemplated by the Debt Pushdown as described in this Offering Memorandum, (5) any transaction to effect or consummate the Post-Closing Reorganization and (6) payment of fees, costs and expenses in connection with the Acquisition (including transactions to consolidate the holding of Share Capital in Ziggo N.V.), the Debt Pushdown and the Post-Closing Reorganization.

“Reporting Entity” refers to (i) the Company, or (ii) following any transaction whereby the Company is no longer the issuer of the Notes (including the Debt Pushdown), the new or acceding issuer of the Notes (including the Pushdown Issuer) or any Parent of the new or acceding issuer of the Notes, or (iii) following the accession of any Affiliate Subsidiary, the Company or a common Parent of the Company and the Affiliate Subsidiary, or (iv) following an Affiliate Issuer Accession, a common Parent of the Company and the Affiliate Issuer.

“Restricted Investment” means any Investment other than a Permitted Investment.

“Restricted Subsidiary” means any Subsidiary of the Company or Affiliate Issuer together with any Affiliate Subsidiaries other than an Unrestricted Subsidiary.

“SEC” means the United States Securities and Exchange Commission.

“Securities Act” means the United States Securities Act of 1933, as amended.

“Security Documents” means the Share Pledge and other instruments and documents executed and delivered pursuant to the Indenture or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time and pursuant to which the Collateral is pledged, assigned or granted to or on behalf of the Security Trustee for the ratable benefit of the holders of the Notes and the Trustee or notice of such pledge, assignment or grant is given.

“Senior Bridge Facility” means the senior bridge facility agreement dated January 27, 2014 between, among others, the Company and certain financial institutions as lenders thereunder, as amended or supplemented from time to time, as described above under [*“Description of Other Indebtedness—Bidco Parent Bridge Facility”*].

“Senior Credit Facilities” means the Senior Secured Credit Facility, the Bidco Credit Facility and the Senior Bridge Facility.

“Senior Secured Credit Facility” means the senior facility agreement dated January 27, 2014 between, among others, ABC B.V., certain subsidiaries of ABC B.V. and certain financial institutions as lenders thereunder, as amended or supplemented from time to time, as described above under [*“Description of Other Indebtedness—New Senior Secured Credit Facility”*].

“Senior Indebtedness” means, whether outstanding on the Issue Date or thereafter Incurred, all amounts payable by, under or in respect of all other Indebtedness of the Company or the Affiliate Issuer, including premiums and accrued and unpaid interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Company or the Affiliate Issuer at the rate specified in the documentation with

respect thereto whether or not a claim for post filing interest is allowed in such proceeding) and fees relating thereto; provided, however, that Senior Indebtedness will not include:

- (1) any Indebtedness Incurred in violation of the Indenture;
- (2) any obligation of the Company or the Affiliate Issuer to any Restricted Subsidiary;
- (3) any liability for taxes owed or owing by the Company, the Affiliate Issuer or any Restricted Subsidiary;
- (4) any accounts payable or other liability to trade creditors arising in the ordinary course of business (including guarantees thereof or instruments evidencing such liabilities);
- (5) any Indebtedness, guarantee or obligation of the Company or the Affiliate Issuer that is expressly subordinate or junior in right of payment to any other Indebtedness, guarantee or obligation of the Company or the Affiliate Issuer, including, without limitation, any Subordinated Obligation; or
- (6) any Capital Stock.

“Senior Secured Notes” means the €750 million aggregate principal amount of senior secured notes due 2020 issued by Ziggo B.V.

“Significant Subsidiary” means any Restricted Subsidiary that the Company’s, the Affiliate Issuer’s and the Restricted Subsidiaries’ proportionate share of the Total Assets (after intercompany eliminations) of such Restricted Subsidiary exceeds 10% of the Total Assets of the Company, the Affiliate Issuer and their Subsidiaries on a Consolidated basis as of the end of the most recently completed fiscal year.

“Specified Legal Expenses” means, to the extent not constituting an extraordinary, non-recurring or unusual loss, charge or expense, all attorneys’ and experts’ fees and expenses and all other costs, liabilities (including all damages, penalties, fines and indemnification and settlement payments) and expenses paid or payable in connection with any threatened, pending, completed or future claim, demand, action, suit, proceeding, inquiry or investigation (whether civil, criminal, administrative, governmental or investigative).

“Spin-Off” means a transaction by which all outstanding ordinary shares of the Parent Company or a Parent of the Parent Company directly or indirectly owned by Liberty Global are distributed to all of Liberty Global’s shareholders in proportion to such shareholders’ holdings in Liberty Global at the time of such transaction either directly or indirectly through the distribution of shares in a company holding the Parent Company’s shares or such Parent’s shares.

“Spin Parent” means the company the shares of which are distributed to the shareholders of Liberty Global pursuant to the Spin-Off.

“SPV Issuer” means a special purpose entity formed for the purpose of (a) issuing SPV Qualified Notes in exchange for the Notes in a Majority Exchange Transaction and (b) issuing additional senior notes, the net cash proceeds of which will be used to provide one or more loans to the Company or any Restricted Subsidiary, or to other covenant parties related to the SPV Issuer.

“SPV Qualified Notes” means new senior notes issued by the SPV Issuer; *provided*, that (i) the Indebtedness incurred under such new senior notes is permitted to be Incurred pursuant to the terms and conditions of any other Indebtedness of the SPV Issuer and its Subsidiaries outstanding upon consummation of the Majority Exchange Transaction and (ii) the terms and conditions of such new senior notes and the indenture governing such new senior notes shall be as disclosed in the relevant offering memorandum related to the Majority Exchange Transaction.

“Standard Securitization Undertakings” means representations, warranties, covenants and indemnities entered into by the Company, the Affiliate Issuer or any Restricted Subsidiary which are reasonably customary in securitization of Receivables transactions.

“Stated Maturity” means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory

redemption provision, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

“Subordinated Obligation” means any Indebtedness of the Company or the Affiliate Issuer (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinate or junior in right of payment to the Notes or the Note Guarantee of the Affiliate Issuer pursuant to a written agreement.

“Subordinated Shareholder Loans” means Indebtedness of the Company or the Affiliate Issuer (and any security into which such Indebtedness, other than Capital Stock, is convertible or for which it is exchangeable at the option of the holder) issued to and held by any Parent that (either pursuant to its terms or pursuant to an agreement with respect thereto):

- (1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such Indebtedness into Capital Stock (other than Disqualified Stock) of the Company or the Affiliate Issuer, as applicable, or any Indebtedness meeting the requirements of this definition);
- (2) does not require, prior to the first anniversary of the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;
- (3) contains no change of control or similar provisions that are effective, and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment prior to the first anniversary of the Stated Maturity of the Notes;
- (4) does not provide for or require any Lien or encumbrance over any asset of the Company, the Affiliate Issuer or any of the Restricted Subsidiaries;
- (5) is subordinated in right of payment to the prior payment in full of the Notes or the Note Guarantee by the Affiliate Issuer, as applicable, in the event of (a) a total or partial liquidation, dissolution or winding up of the Company or the Affiliate Issuer, as applicable, (b) a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Company or its property or the Affiliate Issuer or its property, as applicable, (c) an assignment for the benefit of creditors or (d) any marshalling of the Company’s or the Affiliate Issuer’s, as applicable, assets and liabilities;
- (6) under which the Company or the Affiliate Issuer, as applicable, may not make any payment or distribution of any kind or character with respect to any obligations on, or relating to, such Subordinated Shareholder Loans if (x) a payment Default on the Notes occurs and is continuing or (y) any other Default under the Indenture occurs and is continuing on the Notes that permits the holders of the Notes to accelerate their maturity and the Company receives notice of such Default from the requisite holders of the Notes, until in each case the earliest of (a) the date on which such Default is cured or waived or (b) 180 days from the date such Default occurs (and only once such notice may be given during any 360 day period); and
- (7) under which, if the holder of such Subordinated Shareholder Loans receives a payment or distribution with respect to such Subordinated Shareholder Loan (a) other than in accordance with the Indenture or as a result of a mandatory requirement of applicable law or (b) under circumstances described under clauses (5)(a) through (d) above, such holder will forthwith pay all such amounts to the Trustee to be held in trust for application in accordance with the Indenture.

“Subsidiary” of any Person means (a) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total ordinary voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof (or Persons performing similar functions) or (b) any partnership, joint venture limited liability company or similar entity of which more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, is, in the case of clauses (a) and (b), at the time owned or controlled, directly or indirectly, by (1) such Person, (2) such Person and one or more Subsidiaries of such Person or (3) one or more Subsidiaries of such Person. Unless otherwise specified herein, each reference to a Subsidiary will refer to a Subsidiary of the Company.

“Take-Out Financing” means any facility, securities or other financing entered into and Incurred to replace or refinance Indebtedness or commitments under the Senior Bridge Facility.

“Total Assets” means the Consolidated total assets of the Company, the Affiliate Issuer and the Restricted Subsidiaries as shown on the most recent balance sheet (excluding the footnotes thereto) of the Reporting Entity (and, in the case of any determination relating to any incurrence of Indebtedness or any Investment, on a pro forma basis including any property or assets being acquired in connection therewith).

“Unrestricted Subsidiary” means:

- (1) any Subsidiary of the Company or the Affiliate Issuer that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors of the Company in the manner provided below; and
- (2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Company may designate any Subsidiary of the Company or the Affiliate Issuer (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger or consolidation or Investment therein) to be an Unrestricted Subsidiary only if:

- (1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of or have any Investment in, or own or hold any Lien on any property of, any other Subsidiary of the Company or the Affiliate Issuer which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary;
- (2) such designation and the Investment of the Company or the Affiliate Issuer in such Subsidiary complies with “—*Certain Covenants—Limitation on Restricted Payments*”; and
- (3) on the date such Subsidiary is designated an Unrestricted Subsidiary, such Subsidiary is not a party to any agreement, contract, arrangement or understanding with the Company, the Affiliate Issuer or any Restricted Subsidiary with terms substantially and materially less favorable to the Company, the Affiliate Issuer or such Restricted Subsidiary than those that might have been obtained from Persons who are not Affiliates of the Company or the Affiliate Issuer, except for any such agreement, contract, arrangement or understanding that would be permitted under “—*Certain Covenants—Limitation on Affiliate Transactions*”.

Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by promptly filing with the Trustee a resolution of the Board of Directors of the Company giving effect to such designation and an Officers’ Certificate certifying that such designation complies with the foregoing conditions. If, at any time, any Unrestricted Subsidiary would fail to meet the foregoing requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary shall be deemed to be Incurred as of such date.

The Board of Directors of the Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that immediately after giving effect to such designation, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof and either (x) the Company could Incur at least €1.00 of additional Indebtedness under the first paragraph of the covenant described under the covenant described under “—*Certain Covenants—Limitation on Indebtedness*” or (y) the Consolidated Net Leverage Ratio would be no greater than it was immediately prior to giving effect to such designation, in each case, on a pro forma basis taking into account such designation.

“UPC Exchange Transaction” means an exchange offer by UPC Holding pursuant to which one or more series of UPC Qualified Notes are offered in exchange for all outstanding Notes issued under the Indenture; provided, that (i) no Default or Event of Default has occurred and is continuing at the time any such exchange offer is made or would result therefrom, (ii) holders of a majority in aggregate principal amount of the outstanding Notes have elected to participate in such offer, (iii) for each €1,000 in principal amount of Notes tendered and accepted, each holder tendering such Notes will receive €1,000 in principal amount of UPC Qualified Notes, (iv) the exchange offer complies with Rule 14e-1 under the Exchange Act and any other applicable securities law or regulation, (v) UPC Holding accepts for exchange all Notes tendered in such exchange offer and issues the relevant UPC Qualified Notes in exchange therefor, (vi) the exchange offer is open to all holders of the notes on substantially similar terms, (vii) the exchange offer is not conditioned upon holders of the Notes consenting to any amendments to the terms

of the notes or the Indenture and (viii) in connection therewith, the Company and its Restricted Subsidiaries will become direct or indirect Subsidiaries of UPC Holding. To the extent that the provisions of any applicable securities laws or regulations conflict with the requirements set forth in this definition, each of the Company and UPC Holding will comply with the securities laws and regulations and will not be deemed to have breached such requirements by virtue thereof. Notwithstanding the foregoing, the Company and UPC Holding shall be permitted in the UPC Exchange Transaction to exclude holders of Notes in any jurisdiction where the UPC Exchange Transaction would require the Company or UPC Holding to file a registration statement, prospectus or similar document under any applicable securities laws (including, but not limited to, United States federal securities laws and the laws of the European Union or its member states), if either Issuer or UPC Holding in its sole discretion determines (acting in good faith) (A) that such filing would be materially burdensome (it being understood that it would not be materially burdensome to submit the disclosure document(s) used in other jurisdictions to the securities or financial services authorities in any jurisdiction in accordance with the passporting provisions of the Prospectus Directive 2003/71/EC or similar regulations); or (B) that such solicitation would otherwise not be permitted under applicable law in such jurisdiction.

“UPC Holding” means UPC Holding B.V, together with its successors.

“UPC Holding Group” means UPC Holding and its Subsidiaries.

“UPCNL Group” means UPC Western Europe Holding BV or UPC Nederland BV, or any Parent or successor of the foregoing, together with its Subsidiaries following the sale, contribution or other extraction of such entity and Subsidiaries from the UPC Group.

“UPCNL Issuer” means a member of the UPCNL Group which issues UPCNL Qualified Notes pursuant to a UPCNL Exchange Transaction.

“UPCNL Qualified Notes” means new senior notes issued by the UPCNL Issuer; *provided*, that (i) the Indebtedness incurred under such new senior notes is permitted to be Incurred pursuant to the terms and conditions of any other Indebtedness of the UPCNL Issuer and its Subsidiaries outstanding upon consummation of the Majority Exchange Transaction and (ii) the terms and conditions of such new senior notes and the indenture governing such new senior notes shall be as disclosed in the relevant offering memorandum related to the Majority Exchange Transaction.

“UPC Qualified Notes” means senior notes issued by UPC Holding; *provided*, that (i) the Indebtedness incurred under such new senior notes is permitted to be Incurred pursuant to the terms and conditions of any other Indebtedness of UPC Holding and its Subsidiaries outstanding upon consummation of the UPC Exchange Transaction and (ii) the terms and conditions of such new senior notes and the indenture governing such new senior notes shall be as disclosed in the relevant offering memorandum related to the UPC Exchange Transaction.

“U.S. Government Obligations” means direct obligations of, or obligations guaranteed by, the United States of America, and the payment for which the United States pledges its full faith and credit.

“Voting Stock” of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

“Wholly Owned Subsidiary” means a Restricted Subsidiary of the Company or the Affiliate Issuer, all of the Capital Stock of which (other than directors’ qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Company, the Affiliate Issuer or another Wholly Owned Subsidiary) is owned by the Company, the Affiliate Issuer or another Wholly Owned Subsidiary.

“Ziggo Group” refers to the Company and its Subsidiaries.

Schedule 12
EXCHANGE NOTES SUMMARY

This Summary of Exchange Notes outlines certain terms of the Exchange Notes referred to in this Agreement. It is not intended to be a comprehensive list or summary of all terms and conditions relating to the Exchange Notes nor is reading this summary intended to substitute a careful reading of the relevant provisions of this Agreement and related Finance Documents in their entirety.

Capitalised terms used herein have the meanings assigned to them in this Agreement.

Each Lender may from time to time on any Business Day on or after the Conversion Date elect pursuant to an Exchange Request given in accordance with Clause 19.2(a) (*Exchange Notes*), to exchange all or any portion of its Term Loans (if any) then outstanding for one or more Exchange Notes (each such exchange being referred to herein as an “**Exchange**”).

The principal amount of the Exchange Notes in any Exchange will equal 100% of the aggregate principal amount of the participation in the Term Loan for which they are exchanged and shall be issued at an issue price equal to such principal amount of the participation in the Term Loans for which they are exchanged.

Maturity	The date falling 84 Months after the Initial Maturity Date.								
Interest Rate	A percentage rate per annum equal to the Interest Cap plus default interest (if any) payable semi-annually in arrears.								
Default interest	An additional 1% per annum.								
Security	First ranking deed of pledge of shares to be entered into by the Original Security Provider and the Security Agent in relation to all of the issued shares in the Borrower.								
Optional redemption after fourth anniversary of Closing Date	<table> <tr> <th><u>Year</u></th><th><u>Redemption Prices</u></th></tr> <tr> <td>Year 5</td><td>104%</td></tr> <tr> <td>Year 6</td><td>102%</td></tr> <tr> <td>Year 7</td><td>PAR</td></tr> </table>	<u>Year</u>	<u>Redemption Prices</u>	Year 5	104%	Year 6	102%	Year 7	PAR
<u>Year</u>	<u>Redemption Prices</u>								
Year 5	104%								
Year 6	102%								
Year 7	PAR								
Equity Claw	40% at a redemption price of 108% provided 60% remains outstanding and such redemption occurs not more than 90 days after Equity Offering.								
Optional Redemption prior to fourth	Make-whole call								
Redemption for tax reasons	If obligation to pay more than de minimis Additional Amounts arising from change in law that became effective after Conversion Date, Borrower may redeem all outstanding Exchange Notes at par.								
Defeasance Provisions	Customary.								
Modification Provisions	Same as those described in the section captioned “ <i>Amendments and Waivers</i> ” in Schedule 11 (<i>Description of Notes</i>).								
Change of Control	Same as those described in the section captioned “ <i>Change of Control</i> ” as set out in Schedule 11 (<i>Description of Notes</i>).								
Covenants	Same as those described in the section captioned “ <i>Certain Covenants</i> ” as set out in in Schedule 11 (<i>Description of Notes</i>).								
Transferability	Exchange Notes may be transferred to any third party without restriction (subject to applicable laws).								
Events of Default	Same as those described in the section captioned “ <i>Events of Default</i> ” as set out in Schedule 11 (<i>Description of Notes</i>).								

THE ORIGINAL BORROWER

LGE HOLDCO VI B.V.

By:

Name: Authorized Signatory

Title:

Signature page to the High Yield Bridge Facility Agreement

**Signature pages
(other Parties)**

Signature page to the High Yield Bridge Facility Agreement

GLOBAL COORDINATOR

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED

By:
Name: Authorized Signatory
Title: MD

Signature page to the High Yield Bridge Facility Agreement

GLOBAL COORDINATOR

CREDIT SUISSE AG, LONDON BRANCH

By:
Name: Authorized Signatory
Title: Director

By:
Name: Authorized Signatory
Title: Managing Director

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MANDATED LEAD ARRANGER

HSBC BANK PLC

By:
Name: Authorized Signatory
Title: V- P-

By:
Name: Authorized Signatory
Title:

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MANDATED LEAD ARRANGER

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED

By:
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Title: MD

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SOCIÉTÉ GÉNÉRALE, LONDON BRANCH

By:
Name: Authorized Signatory
Title: Director

By:
Name: Authorized Signatory
Title:

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MANDATED LEAD ARRANGER

J.P. MORGAN LIMITED

By:
Name: Authorized Signatory
Title: MD

By:
Name: Authorized Signatory
Title:

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MANDATED LEAD ARRANGER

COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A. (trading as Rabobank International)

By:
Name: Authorized Signatory
Title: SEVP

By:
Name: Authorized Signatory
Title: EVP

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MANDATED LEAD ARRANGER

ABN AMRO BANK N.V.

By:
Name: Authorized Signatory
Title: Managing Director

By:
Name: Authorized Signatory
Title: E.D.

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ING BANK N.V.

By:
Name: Authorized Signatory
Title: Managing Director

By:
Name: Authorized Signatory
Title: Vice President

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NOMURA INTERNATIONAL PLC

By:
Name: Authorized Signatory
Title: M D

By:
Name: Authorized Signatory
Title: M D

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MANDATED LEAD ARRANGER

MORGAN STANLEY BANK INTERNATIONAL LIMITED

By:
Name: Authorized Signatory
Title: Managing Director

By:
Name: Authorized Signatory
Title:

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MANDATED LEAD ARRANGER

DEUTSCHE BANK AG, LONDON BRANCH

By:
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Title: Managing Director

By:
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Title: Director

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THE BANK OF NOVA SCOTIA

By:
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Title: Director

By:
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Title: Managing Director

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MANDATED LEAD ARRANGER

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK

By:
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Title: MD

By:
Name: Authorized Signatory
Title: MD

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Title: Director

By:
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Title: MD

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LENDER

SCOTIABANK EUROPE PLC

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Title: Managing Director

By:
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Title: Director

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LENDER

HSBC BANK PLC

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LENDER

SOCIÉTÉ GÉNÉRALE, LONDON BRANCH

By:
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Title: Director

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LENDER

JPMORGAN CHASE BANK, N.A., LONDON BRANCH

By:
Name: Authorized Signatory
Title: Vice President

By:
Name: Authorized Signatory
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MORGAN STANLEY SENIOR FUNDING, INC.

By:
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Title: Authorised Signatory

By:
Name: Authorized Signatory
Title:

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BOOKRUNNER

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Title: Director

By:
Name: Authorized Signatory
Title: MD

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FACILITY AGENT

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED

By:
Name: Authorized Signatory
Title: MD

By:
Name: Authorized Signatory
Title:

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SECURITY AGENT

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED

By:
Name: Authorized Signatory
Title: MD

By:
Name: Authorized Signatory
Title:

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LIBERTY GLOBAL plc
NONEMPLOYEE DIRECTOR DEFERRED COMPENSATION PLAN

As Amended and Restated Effective December 14, 2013

1. COVERAGE OF PLAN

The Plan is unfunded and is maintained for the purpose of providing nonemployee directors the opportunity to defer the receipt of certain compensation otherwise payable to such directors 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 serving the Company as an Eligible Director.

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. “Annual Fees” means “Annual Fees” pursuant to the Liberty Global plc Compensation Policy for Nonemployee Directors, as amended from time to time, whether paid in the form of cash or equity of the Company.

2.5. “Applicable Interest Rate” means 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, subject to Section 10.2.

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. “Code” means the Internal Revenue Code of 1986, as amended.
- 2.9. “Committee” means the Board or, if the Board so determines, a committee appointed by the Board to administer the Plan.
- 2.10. “Company” means Liberty Global plc, a public limited company organized under the laws of England and Wales, including any successor thereto by merger, consolidation, acquisition of all or substantially all the assets thereof, or otherwise.
- 2.11. “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.
- 2.12. “Deceased Participant” means:
- 2.12.1. A Participant whose Separation from Service with the Company is by reason of death; or
 - 2.12.2. An Inactive Participant who dies following his or her Separation from Service with the Company.
- 2.13. “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 Director may elect to defer all or any portion of the Eligible Director’s Annual Fees and/or Equity Awards and designate the form of payment of the deferred amounts to which the Election relates.
- 2.14. “Eligible Director” means the members of the Board who are entitled to compensation under the Liberty Global plc Compensation Policy for Nonemployee Directors, as amended from time to time.
- 2.15. “Equity Award” means the “Annual Equity Grant” pursuant to the Liberty Global plc Compensation Policy for Nonemployee Directors, as amended from time to time, in the form of “Restricted Share Units” as such term is defined in the Liberty Global, Inc. 2005 Nonemployee Director Incentive Plan (as amended and restated effective June 7, 2013).
- 2.16. “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.
- 2.17. “Inactive Participant” means each Participant (other than a Deceased Participant) who is not actively serving as a member of the Board.
- 2.18. “New Eligible Director” means a member of the Board who, during any Plan Year, first becomes an Eligible Director.

2.19. “Participant” means each individual who has made an Election, and who has an undistributed amount credited to an Account under the Plan, including an Active Participant, a Deceased Participant and an Inactive Participant.

2.20. “Person” means an individual, a corporation, a limited liability company, a partnership, an association, a trust or any other entity or organization.

2.21. “Plan” means the Liberty Global plc Nonemployee Director Deferred Compensation Plan, as set forth herein, and as may be amended from time to time.

2.22. “Plan Year” means the calendar year.

2.23. “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.

2.24. “Separation from Service” means the Participant’s ceasing to be a member of the Board for any reason other than death.

2.25. “Stock Fund” means that portion, if any, of a Participant's Account attributable to an election to defer an Equity Award or any Annual Fees 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. Nonemployee Director Incentive Plan (as amended and restated effective June 7, 2013).

2.26. “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.

2.27. “Surviving Spouse” means the widow or widower, as the case may be, of a Deceased Participant or a deceased Beneficiary (as applicable).

3. ELECTIONS TO DEFER ANNUAL FEES AND EQUITY AWARDS

3.1. Elections. An Election shall be made on the form acceptable to the Committee for the purpose of deferring Annual Fees and/or Equity Awards. Each Eligible Director, by filing an Election at the time and in the form described in this Article 3, shall have the right to defer up to 85% of the Annual Fees and/or Equity Awards that he or she otherwise would be entitled to receive. The Annual Fees and/or Equity Awards of such Eligible Director for a Plan Year shall be reduced in an amount equal to the portion of such compensation deferred by such Eligible Director for such Plan Year pursuant to the Eligible Director’s Election. Such reduction shall be effected (a) as to any portion of the Eligible Director’s Annual Fees deferred, by reducing the quarterly payment of Annual Fees by the percentage specified in the Election and (b) as to any portion of an Equity Award deferred, by reducing the amount of equity of the

Company to be paid pursuant to the Equity Award by the percentage specified in the Election, rounded up to the nearest whole share or unit, if applicable. The amount of any such reduction shall be credited to the Eligible Director's Account in accordance with Article 5.

3.2. Filing of Election. Except as provided in Section 3.3, no Election shall be effective with respect to Annual Fees and/or Equity Awards 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 Election applies. An Election described in the preceding sentence shall become irrevocable on December 31 of the Plan Year preceding the Plan Year to which the Election applies.

3.3. Filing of Election by New Eligible Directors. Notwithstanding Section 3.2, a New Eligible Director may elect to defer all or any portion of his or her Annual Fees and/or Equity Award earned for the performance of services in the Plan Year in which the New Eligible Director becomes a New Eligible Director, beginning with the next following payment of any Annual Fees and/or Equity Awards after the filing of an Election with the Company and before the close of such Plan Year by making and filing the Election with the Company within 30 days of the date on which such New Eligible Director becomes a New Eligible Director. Any Election by such New Eligible Director for succeeding Plan Years shall be made in accordance with Section 3.2.

3.4. Plan Years to which Election May Apply. A separate Election may be made for each Plan Year as to which an Eligible Director desires to defer all or any portion of such Eligible Director's Annual Fees and/or Equity Awards, or an Eligible Director may make an Election with respect to a Plan Year that will remain in effect for subsequent Plan Years unless the Eligible Director revokes such Election or timely makes a new Election with respect to a subsequent Plan Year. Any revocation of an 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 Director to make an Election for any Plan Year shall not affect such Eligible Director's right to make an Election for any other Plan Year.

3.5. Election of Form of Equity Award. If Eligible Directors are entitled to designate the form of equity to be awarded pursuant to an annual Equity Award, each Eligible Director shall, contemporaneously with an Election to defer all or a portion of an annual Equity Award, also elect such form of equity applicable to the annual Equity Award. This election as to the form of an annual Equity Award shall be subject to the same timing and revocation requirements as an Election as described in Section 3.2 and Section 3.3.

3.6. Distribution Events.

3.6.1. Separation from Service. A Participant may designate Separation from Service, or a specified number of years after the Participant's Separation from Service, as a distribution event.

3.6.2. Specified Date. A Participant may designate a specific date as a distribution event.

3.6.3. Death. The death of a Participant or an Inactive Participant prior to complete distribution of the Account shall be a distribution event.

3.6.4. Election of Distribution Event. A designation of a distribution event shall be made contemporaneously with an Election or shall be made in a Subsequent Deferral in the manner described in Section 3.7. Furthermore, a Participant may elect a distribution event that is the first to occur of a distribution event election under Section 3.6.1 or Section 3.6.2. If no distribution event is designated pursuant to Section 3.6.1 or Section 3.6.2, then the Participant's Separation from Service shall be a distribution event. Notwithstanding any provision of the Plan otherwise and notwithstanding any election of a later distribution event, a Participant's death prior to full distribution of the Participant's Account shall be a distribution event.

3.7. Subsequent Deferrals. A Participant may subsequently change a distribution election made under Section 3.6.2, may further defer a distribution event that would have occurred due to a Separation from Service and/or may change the form of distribution elected pursuant to Section 4.1 (each a "Subsequent Deferral") provided that (i) the Subsequent Deferral shall not become effective until the date that is 12 months after the most recent of the relevant Election or Subsequent Deferral, as applicable, (ii) the specified date or number of years after Separation from Service elected in the Subsequent Deferral must be 5 years or more after the date the distribution is scheduled to be made, except for a distribution event due to the Participant's death, and (iii) the Subsequent Deferral must be made at least 12 months before the date the distribution is scheduled to be made. A Subsequent Deferral shall be made on the form acceptable to the Committee.

3.8. Payment Following Occurrence of Distribution Event. Subject to any required delay under Section 3.10, the Company shall make a lump-sum payment or commence making installment payments, as applicable, of any amount to which such election applies on the applicable of the following dates (or if such date is not a business day, on the next succeeding business day): (a) the date 60 days after a distribution event due to death, (b) if the distribution event is due to Separation from Service, as soon as practicable in January of the year following the year of the Participant's Separation from Service, (c) if the distribution event is a number of years following Separation from Service, as soon as practicable in January of the year following the specified number of years after the Participant's Separation from Service, (d) if the distribution event is a specified date, on the specified date, (e) the date that is 30 days after any distribution event permitted under Section 409A as the Committee may approve and set forth in an election form.

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. Delay of Payment Under Certain Circumstances. Notwithstanding any provision of the Plan, if the Committee reasonably determines with respect to any payment under the Plan 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.

3.11. 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 Election, distribute the Account balance of each Participant in full and thereby effect the revocation of any outstanding Elections. For purposes of this Plan, "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.

4. FORMS OF DISTRIBUTION

4.1. Forms of Distribution.

4.1.1. Distribution Form. Amounts credited to an Account shall be distributed, pursuant to an Election, in one of the following forms of distribution:

4.1.1.1. A lump-sum payment; or

4.1.1.2. Substantially equal annual installments over a period of not more than 10 years.

If an Eligible Director 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, the form of distribution shall be limited to a lump-sum payment. For purposes of the Plan and Section 409A of the Code, annual installments under Section 4.1.1.2 shall be treated as the entitlement to a single payment.

4.1.2. Payment Form. A Participant who has made an election to defer Annual Fees payable in the form of equity of the Company pursuant to Section 5.1.1 or an Equity Award 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.

4.1.3. Lump-Sum Distribution for Small Accounts. To the extent permitted under Section 409A, notwithstanding any Election or any other provision of the Plan to the contrary:

4.1.3.1. 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 payment commencement date, has a value of more than \$10,000; and

4.1.3.2. following a Participant's Separation from Service for any reason, if the amount remaining credited to the Participant's Account at the time of or after giving effect to any other distribution has a value of \$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.

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 on the date of distribution and the applicable distribution period. 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 immediately preceding the date of distribution. In the event an installment form of distribution election is applicable to the Stock Fund, each installment shall be determined based on a pro rata distribution of each class, series or unit of securities included in the Participant's Account in the Stock Fund, with each determination made on the basis of the number of such securities or using such other method as the Committee may approve. Fractional shares or units will not be distributed from the Stock Fund; any distributions from the Stock Fund will be rounded to the nearest whole share or unit.

5. BOOK ACCOUNTS

5.1. Deferred Compensation Account. A deferred compensation Account shall be established for each Eligible Director when such Eligible Director becomes a Participant. Annual Fees and Equity Awards deferred pursuant to the Plan shall be credited to the Account on the date such Annual Fees or Equity Awards 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.

5.1.1. Crediting of Deferred Annual Fees. If Eligible Directors are entitled to designate the form of payment of Annual Fees, the amount of deferred Annual Fees that are designated by the Eligible Director to be paid in the form of equity in the Company shall be credited to the Stock Fund in the Eligible Director's Account. Deferred Annual Fees that are payable in the form of cash shall be credited to the Credited Interest Fund as provided in Section 5.2.

5.1.2. Crediting of Deferred Equity Awards. Deferred Equity Awards shall be credited to the Stock Fund in the Eligible Director's Account at the time of vesting, together with any related Dividend Equivalents, as defined in the Liberty Global, Inc. Nonemployee Director Incentive Plan (effective June 7, 2013).

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:

5.2.1. Credited Interest Fund. A Participant's Account attributable to Annual Fees payable in cash that are deferred on or after January 1, 2010 shall remain allocated to the Credited Interest Fund.

5.2.2. Stock Fund. Deferred Annual Fees payable in the form of equity in the Company and deferred Equity Awards 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 Credited Interest Fund.

5.2.3. Crediting or Debiting Method. Each Participant's Account allocated to the Credited Interest Fund shall be credited with interest at the Applicable Interest Rate. Credits and debits under this Section 5.2.3 shall be calculated with respect to cash amounts of Annual Fees deferred by such Participant in accordance with this Plan from the date such Annual Fees would otherwise have been payable to the Participant through the end of the day immediately preceding the date on which such deferred Annual Fees are paid to such Participant (or his or her Beneficiary) in accordance with this Plan.

5.2.4. No Actual Investment. Notwithstanding any other provision of this Plan that may be interpreted to the contrary, 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 investment, 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 Annual Fees and/or Equity Awards deferred under this Plan shall continue for all purposes to be a part of the general funds or unissued shares 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 compensation.

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. For purposes of clarity, if an Inactive Participant who has elected a distribution in the form of annual installments under Section 4.1.1.2 dies prior to receiving his or her entire Account, the remainder of the Deceased Participant's Account shall be distributed in a lump sum notwithstanding the Deceased Participant's Election of annual installments.

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. OTHER ACCELERATION EVENTS

8.1. Other Acceleration Events. To the extent permitted under Section 409A, notwithstanding the terms of an Election, distribution of all or part of a Participant's Account may be made:

8.1.5. To the extent necessary to fulfill a domestic relations order (as deemed in section 414(p)(1)(B) of the Code).

8.1.6. To the extent necessary to comply with a certificate of divestiture (as defined in section 1043(b)(2) of the Code).

8.1.7. To pay the Federal Insurance Contribution Act ("FICA") tax imposed under sections 3101 and 3121(v)(2) of the Code on amounts 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 8.1.3 shall not exceed the sum of the FICA Amount and the income tax withholding related to such FICA Amount.

8.1.8. To pay foreign tax obligations arising from participation in the Plan that apply to an amount deferred under the Plan (the "Tax Obligation Amount") plus the income tax at source on wages imposed under section 3401 of the Code with respect to the Tax Obligation 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 8.1.4 shall not exceed the sum of the Tax Obligation Amount and the income tax withholding related to such Tax Obligation 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.

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 Committee, reserves the right at any time to terminate this Plan.

10.2. Modification to Rate of Credited Earnings. Notwithstanding any other provision of this Plan, no action of the Committee shall decrease the Applicable Interest Rate with respect to the portion of a Participant's Account that is attributable to an Election made with respect to Annual Fees earned in a Plan Year which election has become irrevocable before the date of adoption of such decreased Applicable Interest Rate by the Committee.

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 foreign, 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 Service. Nothing contained herein shall be construed as conferring upon any Participant the right to remain in the service of the Company, its Subsidiaries or divisions, in any 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 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 effective date of this amendment and restatement of the Plan shall be December 14, 2013.

IN WITNESS WHEREOF, LIBERTY GLOBAL PLC has caused this Plan to be executed by its duly authorized officer as of the 13th day of December, 2013.

LIBERTY GLOBAL PLC

By: /s/ Bryan H. Hall

Name: Bryan H. Hall

Title: Executive Vice President, Secretary and General Counsel

**LIBERTY GLOBAL
NONEMPLOYEE DIRECTOR DEFERRED COMPENSATION PLAN**

DEFERRAL ELECTION FORM

Name:___

This Deferral Election is subject to all of the terms of the Liberty Global Nonemployee Director 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:

A. Annual Fees

☐ I hereby elect to defer the following percentages of my Annual Fees (not to exceed 85%):

Calendar Quarter:	<u>First Quarter</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>
Percentage Deferred:	____%	____%	____%	____%
* Annual Fees in equity form:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*You may elect to receive your Annual Fees in the form of equity. You are not required to designate the form of your Annual Fees until the time of payment. However, if you wish to act now, you may check the applicable box above to elect payment of your Annual Fees in the form of equity.

B. Equity Awards

☐ I hereby elect to defer payment of ____ % of the Class A Restricted Stock Units and ____% of the Class C Restricted Stock Units comprising my annual Equity Award. I understand and acknowledge that by making this election I am also irrevocably electing that my Annual Equity Grant pursuant to the Liberty Global Compensation Policy for Nonemployee Directors be paid in a combination of stock options and restricted stock units in accordance with the terms of such policy.

II. TIMING OF DISTRIBUTION

I elect the following distribution event(s) for the Annual Fees and/or Equity Awards that I have elected to defer under this Deferral Election (choose one of the following four options and complete, if necessary):

☐ Specified Date: I hereby elect a distribution on the specified day, month and year of _____, 20____.

- ☐ Separation from Service: I hereby elect a distribution as soon as practicable in the January following my Separation from Service.
- ☐ Specified Number of Years After Separation from Service: I hereby elect a distribution as soon as practicable in the January following _____ years after my Separation from Service.
- ☐ First to Occur: I hereby elect a distribution that is the first to occur of the following (complete both A and B below):
- A. Specified Date: _____, 20____.
- B. Separation from Service: (complete one of the following):
- ☐ As soon as practicable in the January following my Separation from Service.
- ☐ As soon as practicable in the January following _____ years after my Separation from Service.

I understand that notwithstanding the foregoing distribution event elections, in the event of my death prior to the full distribution of my account, my account will be distributed in lump sum payment on my death.

III. FORM OF DISTRIBUTION

I hereby elect the following form of payment commencing on the applicable distribution event (check one box and complete, if necessary):

- ☐ A single lump sum payment; or
- ☐ A series of _____ (specify ten or fewer) substantially equal annual installments.

IV. SINGLE YEAR OR STANDING ELECTION:

☐ **Single Year Election:** This Deferral Election is applicable for Annual Fees and/or Equity Awards, if any, that would otherwise be payable or awarded in the calendar year beginning after the date of this Deferral Election.

☐ **Standing Election:** This Deferral Election is applicable for Annual Fees and/or Equity Awards, if any, that would otherwise be payable or awarded in all future calendar years beginning after the date of this Deferral Election, unless or until I revoke this Deferral Election, in writing, for future years; provided, however, that if I have elected a distribution on a specified date, then this Deferral Election will expire and no longer be effective once the specified date no longer operates to defer my Annual Fees and/or Equity Award, as applicable, to a calendar year that is later than the calendar year in which such Annual Fees and/or Equity Awards, as applicable, would have been paid absent a Deferral Election.

V. PARTICIPANT SIGNATURE AND DATE:

I understand that this Deferral Election for 20__ will become irrevocable on December 31, 20__.

I understand that this Deferral Election may be cancelled and become obsolete, and I may need to complete another Deferral Election, if the terms of the Plan are amended.

I understand that no fractional shares will be deferred. If the percentage I elect to defer of my Equity Award or my Annual Fees payable in equity would result in deferral of a fractional share, the number of shares actually deferred will be rounded to the nearest whole share.

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, federal or foreign income tax, social security, Medicare, and other tax withholding obligations arising out of the award.

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 to:

Date Signed

Englewood, Colorado 80112

Liberty Global
Attn: Legal Department
12300 Liberty Boulevard

Liberty Global plc Subsidiaries
December 31, 2013

Name	Country
Liberty South America, S.R.L.	Argentina
Pramer S.C.A.	Argentina
Liberty Movies Australia Pty Limited	Australia
UPC Cablecom Austria GmbH	Austria
UPC Austria Services GmbH	Austria
UPC Broadband GmbH	Austria
UPC Business Austria GmbH	Austria
UPC DSL Telecom GmbH	Austria
UPC Oberösterreich GmbH	Austria
UPC Telekabel Wien GmbH	Austria
UPC Telekabel-Fernsehnitz Region Baden Betriebe GmbH	Austria
UPC Telekabel-Fernsehnitz Wiener Neustadt Neunkirchen Betriebs GmbH	Austria
Telenet Group Holding N.V.	Belgium
Telenet Mobile NV	Belgium
Telenet NV	Belgium
Telenet Service Center BV/BA	Belgium
Telenet Tecteo Bidco NV	Belgium
Telenet Vlaanderen NV	Belgium
T-VGAS NV	Belgium
Chellomedia Servicos de Televisao do Brasil Ltda	Brazil
LCPR Cayman Holding Inc.	Cayman Islands
Liberty Latin Programming Ltd.	Cayman Islands
Lynx I Ltd.	Cayman Islands
Lynx II Ltd.	Cayman Islands
United Chile Ventures, Inc.	Cayman Islands
Birmingham Cable Finance Limited	Channel Islands
Cable Finance Limited	Channel Islands
IVS Cable Holdings Limited	Channel Islands
Bazuca.com, Chile S.A.	Chile
Sociedad Televisora CBC Limitada	Chile
Southam Chile S.A.	Chile
VTR Banda Ancha S.A.	Chile
VTR Galaxy Chile S.A.	Chile
VTR Global Carrier S.A.	Chile
VTR GlobalCom S.A.	Chile
VTR Chile Holdings SpA	Chile
VTR Ingeniería S.A.	Chile
VTR Movil S.A.	Chile
VTR Wireless SA	Chile
Chellozone Movieco (Cyprus) Ltd	Cyprus
Chello Central Europe sro	Czech Republic
UPC Ceska Republica Sro	Czech Republic

Name	Country
UPC Real Estate s.r.o.	Czech Republic
UPC Broadband France S.A.S.	France
UPC Broadband France SNC	France
Arena Sport Rechte und Marketing GmbH	Germany
Chello Movieco CE Services GmbH	Germany
Kabel BW GmbH	Germany
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 Germany Financing Holding GmbH	Germany
UPC Germany NewCo GmbH	Germany
LGI China Holdings, Limited	Hong Kong
Netfront Information Technology Ltd.	Hong Kong
Sky Vision Ltd.	Hong Kong
atmedia Kft	Hungary
Chello Central Europe Zrt	Hungary
UPC Magyarorszag Kft	Hungary
MGM Programming Service India Private Ltd	India
Cable Management Ireland Ltd.	Ireland
CableTel Northern Ireland Limited	Ireland
Chorus Communications Ltd.	Ireland
Imminus (Ireland) Limited	Ireland
Independent Wireless Cable Ltd.	Ireland
LGI DTH Ireland	Ireland
NTL Communications (Ireland) Ltd.	Ireland
NTL Irish Networks Ltd.	Ireland
Suir Nore Relays Ltd.	Ireland
Tara Television Ltd.	Ireland
Ulane Business Management Ltd	Ireland
UPC Broadband Ireland Ltd	Ireland
UPC Communications Ireland Ltd	Ireland
Westward Horizon Ltd	Ireland
MGM Korea Holding LLC	Korea
Finance Center Telenet Sarl	Luxembourg
Future Entertainment Sarl	Luxembourg
Magrina Sarl	Luxembourg
Telenet International Finance Sarl	Luxembourg
Telenet Luxembourg Finance Center Sarl	Luxembourg
Telenet Solutions Luxemburg NV	Luxembourg
UPC DTH Leasing Sarl	Luxembourg
UPC DTH Sarl	Luxembourg

Name	Country
UPC DTH Slovakia Sarl	Luxembourg
Bicatobe Investments B.V.	Netherlands
Binan Investments B.V.	Netherlands
Chellomedia B.V.	Netherlands
Chellomedia CEE Holdco B.V.	Netherlands
Chellomedia Direct Programming BV	Netherlands
Chellomedia Priority B.V.	Netherlands
Chellomedia Programming B.V.	Netherlands
Chellomedia Programming Financing Holdco II B.V.	Netherlands
Chellomedia Services B.V.	Netherlands
Labesa Holding B.V.	Netherlands
LGE Holdco III BV	Netherlands
LGE Holdco V BV	Netherlands
LGE Holdco VI BV	Netherlands
LGE Holdco VII BV	Netherlands
LGI China Holdings B.V.	Netherlands
LGI Mobile BV	Netherlands
LGI Ventures B.V.	Netherlands
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 Management B.V.	Netherlands
Liberty Global Holding B.V.	Netherlands
Liberty Global Operations B.V.	Netherlands
Liberty Global Services B.V.	Netherlands
Lila Chile Holdings BV	Netherlands
Plator Holding B.V.	Netherlands
Priority Telecom N.V.	Netherlands
Priority Wireless B.V.	Netherlands
UGC Australia BV	Netherlands
UPC Belgium B.V.	Netherlands
UPC Broadband Holding B.V.	Netherlands
UPC Broadband Ireland B.V.	Netherlands
UPC Broadband N.V.	Netherlands
UPC Central Europe Holding B.V.	Netherlands
UPC Chile BV	Netherlands
UPC Chile Holding BV	Netherlands
UPC Chile Mobile Holding BV	Netherlands
UPC Czech Holding B.V.	Netherlands
UPC Direct Programming II B.V.	Netherlands
UPC Equipment BV	Netherlands
UPC Extra II B.V.	Netherlands
UPC France Holding B.V.	Netherlands
UPC Germany Holding B.V.	Netherlands

Name	Country
UPC Holding B.V.	Netherlands
UPC Holding II B.V.	Netherlands
UPC International Operations BV	Netherlands
UPC Internet Holding B.V.	Netherlands
UPC Luxembourg Holding B.V.	Netherlands
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 Poland Holding B.V.	Netherlands
UPC Romania Holding B.V.	Netherlands
UPC Southern Europe Holding BV	Netherlands
UPC Switzerland Holding BV	Netherlands
UPC Western Europe Holding B.V.	Netherlands
Zomerwind Holding B.V.	Netherlands
ZUMB B.V.	Netherlands
Aster Marketing Sp. z o.o	Poland
At Media Sp. z o.o	Poland
Chello Central Europe Sp. z o.o	Poland
UPC Polska Sp. z o.o	Poland
Liberty Cablevision of Puerto Rico LLC	Puerto Rico
Chello Central Europe Srl	Romania
Chello Networks Srl	Romania
Focus Sat Romania Srl	Romania
Romantica Television Srl	Romania
UPC Romania Srl	Romania
JimJam East LLC	Russia
Zone East 1 LLC	Russia
Zone East 2 LLC	Russia
Zone East LLC	Russia
CableTel Scotland Limited	Scotland
Capital City Cablevision Limited	Scotland
Dundee Cable and Satellite Limited	Scotland
Edinburgh Cablevision Limited	Scotland
Hieronymous Limited	Scotland
ntl Glasgow Holdings Limited	Scotland
Perth Cable Television Limited	Scotland
Prospectre Limited	Scotland
SANE Network Limited	Scotland
Telewest Communications (Cumbernauld) Limited	Scotland
Telewest Communications (Dumbarton) Limited	Scotland
Telewest Communications (Dundee & Perth) Limited	Scotland
Telewest Communications (East Lothian and Fife) Limited	Scotland
Telewest Communications (Falkirk) Limited	Scotland

Name	Country
Telewest Communications (Glenrothes) Limited	Scotland
Telewest Communications (Motherwell) Limited	Scotland
Telewest Communications (Scotland Holdings) Limited	Scotland
Telewest Communications (Scotland) Limited	Scotland
Telewest Communications (Scotland) Venture	Scotland
Chellozone Movieco Asia Pte Ltd.	Singapore
Trnavatel s.r.o.	Slovak Rep.
UPC Broadband Slovakia sro	Slovak Rep.
Multicanal (Spain) Holding SLU	Spain
Multicanal Gestion Publicitaria, SLU	Spain
Multicanal Iberia SLU	Spain
RAE Regionalantenne Ermatingen AG	Switzerland
Sitel SA	Switzerland
Stadtantenne Kreuzlingen AG	Switzerland
Telelavaux SA	Switzerland
UPC Cablecom GmbH	Switzerland
Video 2000 SA	Switzerland
Wicab GmbH	Switzerland
Action Stations (2000) Limited	United Kingdom
Action Stations (Lakeside) Limited	United Kingdom
Andover Cablevision Limited	United Kingdom
Anglia Cable Communications Limited	United Kingdom
Avon Cable Investments Limited	United Kingdom
Avon Cable Joint Venture	United Kingdom
Barnsley Cable Communications Limited	United Kingdom
BCMV Limited	United Kingdom
Berkhamsted Properties & Building Contractors Limited	United Kingdom
Birmingham Cable Corporation Limited	United Kingdom
Birmingham Cable Limited	United Kingdom
Blue Yonder Workwise Limited	United Kingdom
Bluebottle Call Limited	United Kingdom
Bradford Cable Communications Limited	United Kingdom
Cable Adnet Limited	United Kingdom
Cable Camden Limited	United Kingdom
Cable Communications (Telecom) Limited	United Kingdom
Cable Communications Limited	United Kingdom
Cable Enfield Limited	United Kingdom
Cable Hackney & Islington Limited	United Kingdom
Cable Haringey Limited	United Kingdom
Cable Interactive Limited	United Kingdom
Cable Internet Limited	United Kingdom
Cable London Limited	United Kingdom
Cable on Demand Limited	United Kingdom
Cable Television Limited	United Kingdom
Cable Thames Valley Limited	United Kingdom

Name	Country
CableTel (UK) Limited	United Kingdom
CableTel Cardiff Limited	United Kingdom
CableTel Central Hertfordshire Limited	United Kingdom
CableTel Hertfordshire Limited	United Kingdom
CableTel Herts and Beds Limited	United Kingdom
CableTel Investments Limited	United Kingdom
CableTel Newport	United Kingdom
CableTel North Bedfordshire Limited	United Kingdom
CableTel Surrey and Hampshire Limited	United Kingdom
CableTel Telecom Supplies Limited	United Kingdom
CableTel West Glamorgan Limited	United Kingdom
CableTel West Riding Limited	United Kingdom
Cambridge Cable Services Limited	United Kingdom
Cambridge Holding Company Limited	United Kingdom
CBS Chellozone EMEA Channels Partnership	United Kingdom
CBS Chellozone UK Channels Partnership	United Kingdom
CCL Corporate Communication Services Limited	United Kingdom
Central Cable Holdings Limited	United Kingdom
Central Cable Limited	United Kingdom
Central Cable Sales Limited	United Kingdom
Chariot Collection Services Limited	United Kingdom
Chello Benelux Movieco Ltd	United Kingdom
Chello Movieco Holdings Ltd	United Kingdom
Chello Zone Holdings Ltd.	United Kingdom
Chellomedia Holdings UK II Ltd.	United Kingdom
Chellomedia Services Ltd.	United Kingdom
Chellozone (UK) Ltd.	United Kingdom
Columbia Management Limited	United Kingdom
ComTel Cable Services Limited	United Kingdom
ComTel Coventry Limited	United Kingdom
Continental Shelf 16 Limited	United Kingdom
Credit-Track Debt Recovery Limited	United Kingdom
Crystal Palace Radio Limited	United Kingdom
De Facto 1159 Limited	United Kingdom
Diamond Cable Communications Limited	United Kingdom
Digital Television Network Limited	United Kingdom
Doncaster Cable Communications Limited	United Kingdom
DTELS Limited	United Kingdom
East Coast Cable Limited	United Kingdom
Ed Stone Limited	United Kingdom
EMS Investments Limited	United Kingdom
Enablis Limited	United Kingdom
Eurobell (Holdings) Limited	United Kingdom
Eurobell (IDA) Limited	United Kingdom
Eurobell (No 2) Limited	United Kingdom

Name	Country
Eurobell (No 3) Limited	United Kingdom
Eurobell (No 4) Limited	United Kingdom
Eurobell (South West) Limited	United Kingdom
Eurobell (Sussex) Limited	United Kingdom
Eurobell (West Kent) Limited	United Kingdom
Eurobell CPE Limited	United Kingdom
Eurobell Internet Services Limited	United Kingdom
Eurobell Limited	United Kingdom
European Business Network Limited	United Kingdom
Fastrak Limited	United Kingdom
Filegale Limited	United Kingdom
Fleximedia Limited	United Kingdom
Flextech (1992) Limited	United Kingdom
Flextech (Kindernet Investment) Limited	United Kingdom
Flextech (Travel Channel) Limited	United Kingdom
Flextech B Limited	United Kingdom
Flextech Broadband Holdings Limited	United Kingdom
Flextech Broadband Limited	United Kingdom
Flextech Broadcasting Limited	United Kingdom
Flextech Business News Limited	United Kingdom
Flextech C	United Kingdom
Flextech Childrens Channel Limited	United Kingdom
Flextech Communications Limited	United Kingdom
Flextech Digital Broadcasting Limited	United Kingdom
Flextech Distribution Limited	United Kingdom
Flextech Family Channel Limited	United Kingdom
Flextech Holdco Limited	United Kingdom
Flextech Homeshopping Limited	United Kingdom
Flextech Interactive Limited	United Kingdom
Flextech IVS Limited	United Kingdom
Flextech L Limited	United Kingdom
Flextech Limited	United Kingdom
Flextech Media Holdings Limited	United Kingdom
Flextech Music Publishing Limited	United Kingdom
Flextech T Limited	United Kingdom
Flextech Ventures Limited	United Kingdom
Flextech Video Games Limited	United Kingdom
Flextech-Flexinvest Limited	United Kingdom
Florida Homeshopping Limited	United Kingdom
General Cable Group Limited	United Kingdom
General Cable Holdings Limited	United Kingdom
General Cable Investments Limited	United Kingdom
General Cable Limited	United Kingdom
General Cable Programming Limited	United Kingdom
Halifax Cable Communications Limited	United Kingdom

Name	Country
Heartland Cablevision (UK) Limited	United Kingdom
Heartland Cablevision II (UK) Limited	United Kingdom
Herts Cable Limited	United Kingdom
Interactive Digital Sales Limited	United Kingdom
Jewel Holdings	United Kingdom
JimJam CEE Ltd.	United Kingdom
JimJam Television Ltd.	United Kingdom
Lanbase European Holdings Limited	United Kingdom
Lanbase Limited	United Kingdom
Lewis Reed Debt Recovery Limited	United Kingdom
Liberty Global Europe Ltd.	United Kingdom
Liberty Global Incorporated Limited	United Kingdom
Liberty Global plc	United Kingdom
Lichfield Cable Communications Limited	United Kingdom
Lynx Europe 2 Limited	United Kingdom
Lynx Europe 4 Limited	United Kingdom
M&NW Network II Limited	United Kingdom
M&NW Network Limited	United Kingdom
Matchco Directors Limited	United Kingdom
Matchco Limited	United Kingdom
Matchco Secretaries Limited	United Kingdom
Mayfair Way Management Limited	United Kingdom
Maza Limited	United Kingdom
Metro Hertfordshire Limited	United Kingdom
Metro South Wales Limited	United Kingdom
MGM Channel Poland Ltd	United Kingdom
Middlesex Cable Limited	United Kingdom
Network Gaming Consulting Limited	United Kingdom
Northampton Cable Television Limited	United Kingdom
Northern Credit Limited	United Kingdom
ntl (Aylesbury and Chiltern) Limited	United Kingdom
ntl (B) Limited	United Kingdom
ntl (BCM Plan) Pension Trustees Limited	United Kingdom
ntl (Broadland) Limited	United Kingdom
ntl (City and Westminster) Limited	United Kingdom
ntl (County Durham) Limited	United Kingdom
ntl (CRUK)	United Kingdom
ntl (CWC Holdings)	United Kingdom
ntl (CWC) Corporation Limited	United Kingdom
ntl (CWC) Limited	United Kingdom
ntl (CWC) Management Limited	United Kingdom
ntl (CWC) No 2 Limited	United Kingdom
ntl (CWC) No 3 Limited	United Kingdom
ntl (CWC) No 4 Limited	United Kingdom
ntl (CWC) Programming Limited	United Kingdom

Name	Country
ntl (CWC) UK	United Kingdom
ntl (Ealing) Limited	United Kingdom
ntl (Fenland) Limited	United Kingdom
ntl (Greenwich and Lewisham) Limited	United Kingdom
ntl (Hampshire) Limited	United Kingdom
ntl (Harrogate) Limited	United Kingdom
ntl (Harrow) Limited	United Kingdom
ntl (Kent) Limited	United Kingdom
ntl (Lambeth and Southwark Limited	United Kingdom
ntl (Leeds) Limited	United Kingdom
ntl (Norwich) Limited	United Kingdom
ntl (Peterborough) Limited	United Kingdom
ntl (South East) Limited	United Kingdom
ntl (South London) Limited	United Kingdom
ntl (Southampton and Eastleigh) Limited	United Kingdom
ntl (Sunderland) Limited	United Kingdom
ntl (Thamesmead) Limited	United Kingdom
NTL (Triangle) LLC	United Kingdom
ntl (V)	United Kingdom
ntl (V) Plan Pension Trustees Limited	United Kingdom
ntl (Wandsworth) Limited	United Kingdom
ntl (Wearside) Limited	United Kingdom
ntl (West London) Limited	United Kingdom
ntl (YorCan) Limited	United Kingdom
ntl (York) Limited	United Kingdom
ntl Acquisition Company Limited	United Kingdom
ntl Bolton Cablevision Holding Company	United Kingdom
ntl Business (Ireland) Limited	United Kingdom
ntl Business Limited	United Kingdom
ntl CableComms Bolton	United Kingdom
ntl CableComms Bromley	United Kingdom
ntl CableComms Bury and Rochdale	United Kingdom
ntl CableComms Cheshire	United Kingdom
ntl CableComms Derby	United Kingdom
ntl CableComms East Lancashire	United Kingdom
ntl CableComms Greater Manchester	United Kingdom
ntl CableComms Group Limited	United Kingdom
ntl CableComms Holdings No 1 Limited	United Kingdom
ntl CableComms Holdings No 2 Limited	United Kingdom
ntl CableComms Lancashire No 1	United Kingdom
ntl CableComms Lancashire No 2	United Kingdom
ntl CableComms Limited	United Kingdom
ntl CableComms Macclesfield	United Kingdom
ntl CableComms Manchester Limited	United Kingdom
ntl CableComms Oldham and Tameside	United Kingdom

Name	Country
ntl CableComms Solent	United Kingdom
ntl CableComms Staffordshire	United Kingdom
ntl CableComms Stockport	United Kingdom
ntl CableComms Surrey	United Kingdom
ntl CableComms Sussex	United Kingdom
ntl CableComms Wessex	United Kingdom
ntl CableComms West Surrey Limited	United Kingdom
ntl CableComms Wirral	United Kingdom
ntl Cambridge Limited	United Kingdom
ntl Chartwell Holdings Limited	United Kingdom
ntl Communications Services Limited	United Kingdom
ntl Darlington Limited	United Kingdom
ntl Derby Cablevision Holding Company	United Kingdom
ntl Digital Ventures Limited	United Kingdom
ntl Equipment No 1 Limited	United Kingdom
ntl Equipment No 2 Limited	United Kingdom
ntl Fawnspring Limited	United Kingdom
ntl Finance Limited	United Kingdom
ntl Funding Limited	United Kingdom
ntl Glasgow Holdings Limited	United Kingdom
ntl Holdings (Broadland) Limited	United Kingdom
ntl Holdings (East London) Limited	United Kingdom
ntl Holdings (Fenland) Limited	United Kingdom
ntl Holdings (Leeds) Limited	United Kingdom
ntl Holdings (Norwich) Limited	United Kingdom
ntl Holdings (Peterborough) Limited	United Kingdom
ntl Internet Limited	United Kingdom
ntl Internet Services Limited	United Kingdom
ntl Irish Holdings Limited	United Kingdom
ntl Kirklees	United Kingdom
ntl Kirklees Holdings Limited	United Kingdom
ntl Limited	United Kingdom
ntl Manchester Cablevision Holding Company	United Kingdom
ntl Microclock Services Limited	United Kingdom
ntl Midlands Limited	United Kingdom
ntl Milton Keynes Limited	United Kingdom
ntl National Limited	United Kingdom
ntl National Networks Limited	United Kingdom
ntl Networks Limited	United Kingdom
ntl Partcheer Company Limited	United Kingdom
ntl Pension Trustees Limited	United Kingdom
ntl Rectangle Limited	United Kingdom
ntl Sideoffer Limited	United Kingdom
ntl Solent Telephone and Cable TV Company Limited	United Kingdom
ntl South Central Limited	United Kingdom

Name	Country
ntl South Wales Limited	United Kingdom
ntl Streetunique Projects Limited	United Kingdom
ntl Streetunit Projects Limited	United Kingdom
ntl Streetusual Services Limited	United Kingdom
ntl Streetvision Services Limited	United Kingdom
ntl Streetvital Services Limited	United Kingdom
ntl Streetwarm Services Limited	United Kingdom
ntl Streetwide Services Limited	United Kingdom
ntl Strikeagent Trading Limited	United Kingdom
ntl Strikeamount Trading Limited	United Kingdom
ntl Strikeapart Trading Limited	United Kingdom
ntl Systems Limited	United Kingdom
ntl Technical Support Company Limited	United Kingdom
ntl Teesside Limited	United Kingdom
ntl Telecom Services Limited	United Kingdom
ntl Trustees Limited	United Kingdom
ntl UK Telephone and Cable TV Holding Company Limited	United Kingdom
ntl Victoria II Limited	United Kingdom
ntl Victoria Limited	United Kingdom
ntl Westminster Limited	United Kingdom
ntl Winston Holdings Limited	United Kingdom
ntl Wirral Telephone and Cable TV Company	United Kingdom
Outdoor TV Ltd.	United Kingdom
Oxford Cable Limited	United Kingdom
Pinnacle Debt Recovery Limited	United Kingdom
Rapid Banking Solutions Limited	United Kingdom
Rapid Business Solutions Limited	United Kingdom
Rapid Personal Digital Solutions Limited	United Kingdom
Rapid Travel Solutions Limited	United Kingdom
Reality TV USA Ltd.	United Kingdom
Romantica (East) Ltd.	United Kingdom
Rotherham Cable Communications Limited	United Kingdom
Screenshop Limited	United Kingdom
Secure Backup Systems Limited	United Kingdom
Sheffield Cable Communications Limited	United Kingdom
Smashedatom Limited	United Kingdom
Southern East Anglia Cable Limited	United Kingdom
Southwestern Bell International Holdings Limited	United Kingdom
Stafford Communications Limited	United Kingdom
Supporthaven Limited	United Kingdom
Swindon Cable Limited	United Kingdom
Tamworth Cable Communications Limited	United Kingdom
Telewest Carrier Services Limited	United Kingdom
Telewest Communications (Central Lancashire) Limited	United Kingdom
Telewest Communications (Cotswolds) Limited	United Kingdom

Name	Country
Telewest Communications (Cotswolds) Venture	United Kingdom
Telewest Communications (Fylde & Wyre) Limited	United Kingdom
Telewest Communications (Internet) Limited	United Kingdom
Telewest Communications (Liverpool) Limited	United Kingdom
Telewest Communications (London South) Joint Venture	United Kingdom
Telewest Communications (London South) Limited	United Kingdom
Telewest Communications (Midlands and North West) Limited	United Kingdom
Telewest Communications (Midlands) Limited	United Kingdom
Telewest Communications (Nominees) Limited	United Kingdom
Telewest Communications (North East) Limited	United Kingdom
Telewest Communications (North East) Partnership	United Kingdom
Telewest Communications (North West) Limited	United Kingdom
Telewest Communications (Publications) Limited	United Kingdom
Telewest Communications (South East) Limited	United Kingdom
Telewest Communications (South East) Partnership	United Kingdom
Telewest Communications (South Thames Estuary) Limited	United Kingdom
Telewest Communications (South West) Limited	United Kingdom
Telewest Communications (Southport) Limited	United Kingdom
Telewest Communications (St Helens & Knowsley) Limited	United Kingdom
Telewest Communications (Taunton & Bridgwater) Limited	United Kingdom
Telewest Communications (Telford) Limited	United Kingdom
Telewest Communications (Tyneside) Limited	United Kingdom
Telewest Communications (Wigan) Limited	United Kingdom
Telewest Communications Cable Limited	United Kingdom
Telewest Communications Holdco Limited	United Kingdom
Telewest Communications Holdings Limited	United Kingdom
Telewest Communications Networks Limited	United Kingdom
Telewest Communications Services Limited	United Kingdom
Telewest Directors Limited	United Kingdom
Telewest Health Trustees Limited	United Kingdom
Telewest Limited	United Kingdom
Telewest Parliamentary Holdings Limited	United Kingdom
Telewest Secretaries Limited	United Kingdom
Telewest Share Trust Limited	United Kingdom
Telewest Trustees Limited	United Kingdom
Telewest UK Limited	United Kingdom
Telewest Workwise Limited	United Kingdom
Telso Communications Limited	United Kingdom
The Cable Corporation Equipment Limited	United Kingdom
The Cable Corporation Limited	United Kingdom
The Cable Equipment Store Limited	United Kingdom
The North London Channel Limited	United Kingdom
The Yorkshire Cable Group Limited	United Kingdom
Theseus No. 1 Limited	United Kingdom
Theseus No.2 Limited	United Kingdom

Name	Country
TVS Pension Fund Trustees Limited	United Kingdom
TVS Television Limited	United Kingdom
Tyneside Cable Limited Partnership	United Kingdom
United Artists Investments Limited	United Kingdom
UPC Broadband UK Limited	United Kingdom
Virgin Media Business Limited	United Kingdom
Virgin Media Communications Limited	United Kingdom
Virgin Media Communications Networks Limited	United Kingdom
Virgin Media Directors Limited	United Kingdom
Virgin Media Employee Medical Trust Limited	United Kingdom
Virgin Media Finance plc	United Kingdom
Virgin Media Investment Holdings Limited	United Kingdom
Virgin Media Investments Limited	United Kingdom
Virgin Media Limited	United Kingdom
Virgin Media Payments Limited	United Kingdom
Virgin Media Sales Limited	United Kingdom
Virgin Media Secretaries Limited	United Kingdom
Virgin Media Secured Finance plc	United Kingdom
Virgin Media SFA Finance Limited	United Kingdom
Virgin Media Wholesale Limited	United Kingdom
Virgin Mobile Group (UK) Limited	United Kingdom
Virgin Mobile Holdings (UK) Limited	United Kingdom
Virgin Mobile Telecoms Limited	United Kingdom
Virgin Net Limited	United Kingdom
Vision Networks Services UK Limited	United Kingdom
VM Real Estate (No 2) Limited	United Kingdom
VM Real Estate Limited	United Kingdom
VM Sundial Limited	United Kingdom
VMIH Sub Limited	United Kingdom
Wakefield Cable Communications Limited	United Kingdom
Wessex Cable Limited	United Kingdom
Windsor Television Limited	United Kingdom
Workplace Technologies Trustees Company Limited	United Kingdom
XL Debt Recovery Agency Limited	United Kingdom
Yorkshire Cable Communications Limited	United Kingdom
Yorkshire Cable Finance Limited	United Kingdom
Yorkshire Cable Limited	United Kingdom
Yorkshire Cable Properties Limited	United Kingdom
Yorkshire Cable Telecom Limited	United Kingdom
Zone Kids Limited	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

Name	Country
LMI Programming South America S.A.	Uruguay
Reality TV Latin America S.C.A.	Uruguay
Sentino S.A.	Uruguay
Avon Cable Limited Partnership	USA-Colo
Bearsdon Nominees, Inc.	USA-Colo
CableTel Programming, Inc.	USA-Colo
CableTel Ventures Inc.	USA-Colo
Cotswolds Cable Limited Partnership	USA-Colo
Edinburgh Cable Limited Partnership	USA-Colo
Estuaries Cable Limited Partnership	USA-Colo
London South Cable Partnership	USA-Colo
TCI US West Cable Communications Group	USA-Colo
United Cable (London South) Limited Partnership	USA-Colo
Encore International LLC	USA-Colo
Interactive Television Network, Inc.	USA-Colo
LGI International Holdings, Inc.	USA-Colo
Liberty Global Management, LLC	USA-Colo
Liberty Global Services II, LLC	USA-Colo
Liberty Global Services, LLC	USA-Colo
Liberty Home Shop International, Inc.	USA-Colo
Liberty International Cable Management, Inc.	USA-Colo
Liberty Programming South America, LLC	USA-Colo
Merger Sub Inc.	USA-Colo
NTL Brighton LLC	USA-Colo
NTL Digital (US), Inc.	USA-Colo
NTL International Services, Inc.	USA-Colo
NTL Rochester Inc.	USA-Colo
UIH Philippines Holdings, LLC	USA-Colo
UIH SFCC Holdings L.P.	USA-Colo
UIH SFCC II, LLC	USA-Colo
UIH SFCC LP	USA-Colo
UIM Aircraft, LLC	USA-Colo
United AUN, LLC	USA-Colo
United Austar Partners	USA-Colo
United Chile, LLC	USA-Colo
United Latin America Programming, LLC	USA-Colo
Virgin Media Group LLC	USA-Colo
Virgin Media Holdings Inc.	USA-Colo
Virgin Media Inc.	USA-Colo
Asia Television Advertising LLC	USA-Del
Associated SMR, Inc.	USA-Del
Canal Cosmopolitan Latinoamérica, LLC	USA-Del
Chartwell Investors, LP	USA-Del
Chello Latin America LLC	USA-Del
Chello Movieco Inc.	USA-Del

Name	Country
Chellozone India LLC	USA-Del
Europe Acquisition, Inc.	USA-Del
LCPR Ventures LLC	USA-Del
Leo Cable LLC	USA-Del
Leo Cable LP	USA-Del
LGI Broadband Operations, Inc.	USA-Del
LGI International, Inc.	USA-Del
LGI Ventures Management, Inc.	USA-Del
LGJ Holdings LLC	USA-Del
Liberty FA Holdings, Inc.	USA-Del
Liberty Global Europe, Inc.	USA-Del
Liberty Global Japan, LLC	USA-Del
Liberty Global, Inc.	USA-Del
Liberty Japan MC, LLC	USA-Del
Liberty Japan V, Inc.	USA-Del
Liberty Media International Holdings, LLC	USA-Del
Liberty Programming Japan, LLC	USA-Del
Liberty Uruguay LLC	USA-Del
Liberty VIV II, Inc.	USA-Del
LMI Japan Management, Inc.	USA-Del
LMINT Holdings, LLC	USA-Del
Lynx I Corp.	USA-Del
Lynx II Corp.	USA-Del
NNS UK Holdings 1 LLC	USA-Del
NNS UK Holdings 2, Inc	USA-Del
North CableComms Holdings, Inc	USA-Del
North CableComms LLC	USA-Del
North CableComms Management, Inc	USA-Del
NTL Bromley Company	USA-Del
NTL CableComms Group, Inc	USA-Del
NTL Chartwell Holdings 2, Inc	USA-Del
NTL Chartwell Holdings, Inc	USA-Del
NTL North CableComms Holdings, Inc	USA-Del
NTL North CableComms Management, Inc	USA-Del
NTL Programming Subsidiary Company	USA-Del
NTL Solent Company	USA-Del
NTL South CableComms Holdings, Inc	USA-Del
NTL South CableComms Management, Inc	USA-Del
NTL Surrey Company	USA-Del
NTL Sussex Company	USA-Del
NTL UK CableComms Holdings, Inc	USA-Del
NTL Wessex Company	USA-Del
NTL Winston Holdings, Inc	USA-Del
NTL Wirral Company	USA-Del
Priority Telecom Service Corporation, Inc.	USA-Del

Name	Country
South CableComms Holdings, Inc	USA-Del
South CableComms LLC	USA-Del
South CableComms Management, Inc	USA-Del
Telewest Global Finance LLC	USA-Del
United Asia Communications, LLC	USA-Del
UnitedGlobalCom, Inc.	USA-Del
UPC Financing Partnership	USA-Del
Virgin Media (UK) Group, Inc.	USA-Del
Virgin Media Dover LLC	USA-Del
Winston Investors LLC	USA-Del

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Liberty Global plc:

We consent to the incorporation by reference in the registration statements (Nos. 333-189220, 333-189222, 333-189223 and 333-189224) on Form S-8 and the registration statement (No. 333-189390) on Form S-3, in each case, of Liberty Global plc of our report dated February 13, 2014, with respect to the consolidated balance sheets of Liberty Global plc and subsidiaries as of December 31, 2013 and 2012, 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, 2013, and the related financial statement schedules I and II, and our report dated February 13, 2014 on the effectiveness of internal control over financial reporting as of December 31, 2013, which reports appear in the December 31, 2013 annual report on Form 10-K of Liberty Global plc.

/s/ KPMG LLP

Denver, Colorado
February 13, 2014

CERTIFICATION

I, Michael T. Fries, certify that:

1. I have reviewed this annual report on Form 10-K of Liberty Global plc;
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, 2014

/s/ Michael T. Fries

Michael T. Fries
President and Chief Executive Officer

CERTIFICATION

I, Charles H.R. Bracken, certify that:

1. I have reviewed this annual report on Form 10-K of Liberty Global plc;
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, 2014

/s/ Charles H.R. Bracken

Charles H.R. Bracken

Executive Vice President and Co-Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION

I, Bernard G. Dvorak, certify that:

1. I have reviewed this annual report on Form 10-K of Liberty Global plc;
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, 2014

/s/ Bernard G. Dvorak

Bernard G. Dvorak

Executive Vice President and Co-Chief Financial Officer
(Principal Accounting Officer)

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 plc (the "Company"), does hereby certify, to such officer's knowledge, that:

The Annual Report on Form 10-K for the year ended December 31, 2013 (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, 2013 and December 31, 2012, and for the years ended December 31, 2013, 2012 and 2011.

Dated: February 13, 2014

/s/ Michael T. Fries

Michael T. Fries

President and Chief Executive Officer

Dated: February 13, 2014

/s/ Charles H.R. Bracken

Charles H.R. Bracken

Executive Vice President and Co-Chief Financial Officer

(Principal Financial Officer)

Dated: February 13, 2014

/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.