

Liberty Global Europe Limited
(Registered number 3422231)

Directors' report and financial statements
31 December 2009

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2009

Principal activities

The principal activity of the company is to provide assistance and services in respect of financial, strategic, organisational, personnel, marketing and administrative matters to UPC Broadband Operations B V , an indirectly wholly owned subsidiary of UPC Holding B V ("UPC") UPC Broadband Operations BV is a wholly owned subsidiary of UPC Broadband Holding BV which is a wholly owned subsidiary of UPC Holding BV

UPC is an indirectly wholly owned subsidiary of Liberty Global Europe Inc ("LGE Inc"), which is a subsidiary of UnitedGlobalCom Inc ("UGC") The ultimate parent company is Liberty Global Inc ("LGI")

The company is an integral part of the LGI group and during the year provided services exclusively to the group The company is currently reliant on its parent company, UPC Broadband Holding BV , for financial support for its working capital and capital expenditure requirements The directors believe that these funds will continue to be available for the foreseeable future and consequently have prepared the financial statements on a going concern basis

Business review and future developments

As described above, the principal activity of the company is providing corporate services to the UPC Broadband division of LGI, which operates in eleven countries in Europe UPC Broadband provides video, high speed internet access and telephony services and operates cable networks in Western Europe and Central and Eastern Europe

As such, the level of the company's activities is principally driven by the requirements and activities of the UPC Broadband division

Turnover increased by 17%, increasing from £22,050,000 in the year ended 31 December 2008 to £25,808,000 in the year ended 31 December 2009

Administrative expenses increased by 13.6% from £20,489,000 to £23,273,000

Operating profit grew by 62.4% from £1,561,000 in 2008 to £2,535,000 in 2009

The directors are satisfied with the performance of the company and the results that have been achieved The future growth of the company is dependent on the requirements of the UPC Broadband division, but the directors anticipate an increase in the company's operations over the next year

Results and dividends

The results of the company are set out on page 6

The directors do not recommend the payment of a dividend (2008 £nil)

Directors

The directors who served on the Board during the year and up to the date of this report were as follows

CHR Bracken
AM Tuijten

Directors' report *(continued)*

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employee consultation

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through regular information bulletins, which seek to achieve a common awareness of the financial and economic factors affecting the performance of the business.

Political and charitable contributions

The company made no political or charitable contributions during the year (2008 £nil).

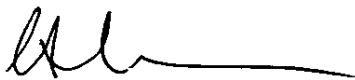
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution for the re-appointment of KPMG LLP, as auditors of the company, is to be proposed at the forthcoming AGM.

By order of the board



CHR Bracken
Director

Michelin House
81 Fulham Road
London
SW3 6RD

29 September 2010

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK general accepted accounting practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Independent auditor's report to the members of Liberty Global Europe Limited

We have audited the financial statements of Liberty Global Europe Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members as a body in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body for our audit work for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit the financial statements in accordance with relevant law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of the profit for the year then ended
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006

Independent auditor's report to the members of Liberty Global Europe Limited
(continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if in our opinion

- adequate accounting records have not been kept or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Mike Harper, Senior Statutory Auditor
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

30 September 2010

Profit and loss account

for the year ended 31 December 2009

	Note	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Turnover	2	25,808	22,050
Administrative expenses		(23,273)	(20,489)
Operating profit		2,535	1,561
Interest receivable and similar income	6	478	-
Interest payable and similar charges	7	(89)	(224)
Profit on ordinary activities before taxation	3	2,924	1,337
Tax charge on profit on ordinary activities	8	(345)	(507)
Profit for the financial year		2,579	830

The company has no recognised gains or losses other than those included in the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented

All results of the company have arisen from continuing activities

The historical cost profits in the current and prior year are the same as those stated above

The accompanying notes on pages 8 to 21 are an integral part of these financial statements

Balance sheet

at 31 December 2009

	Note	31 December 2009 £'000	31 December 2008 £'000
Fixed assets			
Tangible assets	9	<u>29</u>	<u>35</u>
Current assets			
Debtors	10	15,198	11,526
Cash at bank and in hand		1	2
		<u>15,199</u>	<u>11,528</u>
Creditors.			
Amounts falling due within one year	11	<u>(13,046)</u>	<u>(11,960)</u>
Net current assets/(liabilities)		<u>2,153</u>	<u>(432)</u>
Total assets less current liabilities and net assets/(liabilities)		<u>2,182</u>	<u>(397)</u>
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account	14	<u>2,182</u>	<u>(397)</u>
Equity shareholders' funds/(deficit)	15	<u>2,182</u>	<u>(397)</u>

These financial statements were approved by the board of directors on ~~29 September~~ 2010 and were signed on its behalf by



CHR Bracken
Director

The accompanying notes on pages 8 to 21 are an integral part of these financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items, which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that its intermediate parent undertaking, UPC Holding B V ("UPC"), includes the company in its own published consolidated financial statements

As the company is a wholly owned subsidiary of UPC Broadband Holding B V, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties)

Turnover

Turnover represents the value of services provided to group companies, net of trade discounts, VAT and other sales related taxes

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives at the following annual rates

Computer equipment	-	33%
Fixtures, fittings and office equipment	-	33%

Notes (continued)

1 Accounting policies (continued)

Taxation

The charge for tax is based on the result for the year and takes into account tax deferred due to timing differences between the treatment of certain items for tax and accounting purposes

Deferred tax assets are recognised to the extent that they are regarded as recoverable. Deferred tax assets are regarded as recoverable to the extent that on the basis of all available evidence, it can be regarded more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Except where otherwise required by accounting standards, full provision without discounting is made for all timing differences that have arisen but not reversed at the balance sheet date.

Pension costs and other post-retirement benefits

The company participates in a defined contribution pension scheme structured as a Group Personal Pension operated by a UK insurance company. Pension contributions payable in the year are expensed in the profit and loss account. Any difference between cash paid and amounts charged is either a prepayment or accrual.

Share-based remuneration

LGI provides share-based remuneration to certain key employees within the LGI group, some of which are employed by the company, including performance plans, stock options, stock appreciation rights ("SARS"), restricted stock and restricted stock units (together "share-based remuneration").

It is currently LGI's intention to equity settle this share-based remuneration, however the value of amounts exercised by employees of the company pertaining to these awards is recharged by the group to the company.

Share-based remuneration for performance plans is accounted for as a liability-based plan given that it is intended that a variable number of shares will be issued to settle the fixed obligation that was determined at the end of the performance period. Share-based remuneration is recognized using the accelerated attribution method based on an assessment of the awards that are probable to be earned and is recorded as share-based remuneration, notwithstanding the fact that LGI could elect at a future date to cash settle all or any portion of vested awards under these plans.

Other share-based remuneration is measured at fair value and recognised as an expense in the profit and loss account. The excess of the charge to the profit and loss account for all share-based remuneration over amounts recharged by the group in respect of exercises is recorded in accruals and deferred income.

The fair value is measured at the date of grant using option-pricing models, taking into account the terms and conditions upon which awards are granted.

The fair value is recognised over the period in which employees become unconditionally entitled to the awards, subject to LGI's estimate of the number of awards which will lapse, either due to employees leaving the group prior to vesting or due to non-market based performance conditions not being met. Where an award has market-based performance conditions, the fair value of the amount reflects the probability of achieving these via the option pricing model. The total amount recognised in the profit and loss account as an expense is adjusted to reflect the actual number of awards that vest, except where forfeiture is due to the failure to meet market-based performance measures.

Notes (continued)

1 Accounting policies (continued)

Share-based remuneration (continued)

Share-based remuneration charges are recharged with other administrative expenses to UPC Broadband Operations B V under a Service Agreement

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of transaction or, if appropriate, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at the date or, if appropriate, at the forward contract rate. All exchange rate differences are included in the profit and loss account.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

2 Segmental information

The company has a single class of business, which is providing services to UPC Broadband Operations B V under a Service Agreement. UPC Broadband Operations B V in turn provides services to LGE group companies. Turnover is generated in the United Kingdom (2008: United Kingdom).

3 Profit on ordinary activities before taxation

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Auditors' remuneration – audit of these financial statements	15	18
Depreciation - owned assets	13	935
	<u> </u>	<u> </u>

Notes (continued)

4 Remuneration of directors

The remuneration of directors was as follows

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Directors' emoluments	1,024	1,044
Share-based remuneration (see note 17)	5,092	1,095
Pensions	30	30
	<u>6,146</u>	<u>2,169</u>

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was as follows

	Number of employees Year ended 31 December 2009	Year ended 31 December 2008
Administration	<u>44</u>	<u>42</u>
The aggregate payroll costs of these persons were as follows	£'000	£'000
Wages and salaries	6,496	5,727
Share-based remuneration	13,393	10,437
Social security costs	606	459
Other pension costs (see note 16)	268	257
	<u>20,763</u>	<u>16,880</u>

Notes *(continued)*

6 Interest receivable and similar income

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Interest receivable - other	38	-
Interest receivable to group undertakings	440	-
	<hr/>	<hr/>
	478	-
	<hr/>	<hr/>

7 Interest payable and similar charges

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Interest payable - other	89	-
Interest payable to group undertakings	-	184
Exchange loss	-	40
	<hr/>	<hr/>
	89	224
	<hr/>	<hr/>

Notes *(continued)*

8 Taxation

Analysis of tax charge for the year

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
<i>UK corporation tax charge:</i>		
Current tax for the year – group relief payable	29	2,547
Adjustment in respect of prior years	(66)	80
	<hr/>	<hr/>
Total current tax (credit)/charge	(37)	2,627
<i>Deferred tax</i>		
Current year	352	(2,120)
Adjustment in respect of prior years	30	-
	<hr/>	<hr/>
Total deferred tax	382	(2,120)
	<hr/>	<hr/>
Tax charge on profit on ordinary activities	345	507

Notes (continued)

8 Taxation (continued)

The current tax credit for the year is lower (2008 higher) than the standard rate of corporation tax in the UK of 28% (2008 28.5%). The differences are explained below

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Profit on ordinary activities before tax	<u>2,924</u>	<u>1,338</u>
Current tax at 28% (2008 28.5%)	819	381
Effects of		
Fixed asset timing differences	4	172
Other short term timing differences	(808)	1,984
Expenses not deductible for tax	14	10
Adjustment in respect of prior years	(66)	80
	<u> </u>	<u> </u>
Total current tax (credit)/charge	<u>(37)</u>	<u>2,627</u>

Notes (continued)

9 Tangible fixed assets

	Computer Equipment £'000	Fixtures and Fittings £'000	Total £'000
<i>Cost</i>			
At 1 January 2009	374	13	387
Additions	7	-	7
At 31 December 2009	381	13	394
<i>Depreciation</i>			
At 1 January 2009	345	7	352
Depreciation charge for the year	11	2	13
At 31 December 2009	356	9	365
<i>Net Book Value</i>			
At 31 December 2009	25	4	29
At 1 January 2009	29	6	35

10 Debtors

	31 December 2009 £'000	31 December 2008 £'000
Prepayments and accrued income	63	58
Amounts owed by group undertakings	7,787	8,665
Other debtors	33	6
VAT repayment	9	16
Corporation tax	-	208
Deferred tax asset (see note 12)	7,306	2,573
	15,198	11,526

Notes (continued)

11 Creditors: amounts falling due within one year

	31 December 2009 £'000	31 December 2008 £'000
Trade creditors	50	96
Amounts due to group undertakings	2,520	3,913
Other taxation and social security	199	193
Share-based remuneration accrual	10,144	7,525
Other accruals and deferred income	133	233
	<u>13,046</u>	<u>11,960</u>

12 Deferred taxation

	31 December 2009 £'000	31 December 2008 £'000
The amounts recognised for deferred taxation are comprised of		
Fixed asset timing differences	900	412
Other timing differences	25	-
Share-based remuneration timing differences	6,381	2,161
	<u>7,306</u>	<u>2,573</u>

There are no unrecognised deferred tax assets

Notes *(continued)*

13 Called up share capital

	31 December 2009 £	31 December 2008 £
<i>Allotted, called up and fully paid</i>		
2 (2008 2) ordinary shares of £1 each	<u>2</u>	<u>2</u>

14 Profit and loss account

	2009 £'000	2008 £'000
At start of year	(397)	(1,227)
Profit for the financial year	<u>2,579</u>	<u>830</u>
At end of year	<u>2,182</u>	<u>(397)</u>

15 Reconciliation of movements in equity shareholders' funds/(deficit)

	2009 £'000	2008 £'000
Opening equity shareholders' deficit	(397)	(1,227)
Profit for the financial year	<u>2,579</u>	<u>830</u>
Closing equity shareholders' funds/(deficit)	<u>2,182</u>	<u>(397)</u>

16 Pension scheme

The company participates in a defined contribution pension scheme structured as a Group Pension Plan, operated by a UK insurance company. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £267,708 (2008 £257,470).

Notes (continued)

17 Share-based remuneration

LGI provides share-based remuneration to certain key employees within the LGI group, some of which are employed by the company, including performance plans, stock options, stock appreciation rights ("SARS"), restricted stock and restricted stock units (together "share-based remuneration"). Information with respect to these share-based remuneration awards is provided below. Further details are available and are disclosed in the LGI consolidated financial statements (see note 18).

	31 December 2009 £'000	31 December 2008 £'000
<i>Share-based remuneration comprises:</i>		
LGI Series A and Series C common stock		
LGI Performance Plans	7,143	7,153
Stock options, SARS, restricted stock and restricted stock units (see LGI Incentive Plan below)	3,907	2,545
	<u>11,049</u>	<u>9,698</u>

LGI Performance Plans

LGI operates two performance-based incentive plans – the LGI Senior Executive Performance Incentive Plan, for certain senior executives, and the LGI Management Incentive Plan, for certain senior management-level employees not participating in the LGI Senior Executive Performance Incentive Plan.

Certain employees of the company are participants of either the LGI Senior Executive Performance Incentive Plan or the LGI Management Incentive Plan (together "the LGI Performance Plans").

The LGI Performance Plans are five year plans, with a two year performance period commencing on 1 January 2007 and a three year service period commencing on 1 January 2009. At the end of the two year performance period, each participant may become eligible to receive varying percentages of the maximum achievable award specified for such participant based on achievement of specified compound annual growth rates in LGI consolidated operating cash flow, as adjusted for events such as acquisitions, disposals and changes in foreign currency exchange rates that affect comparability ("OCF CAGR").

At OCF CAGRs ranging from 12% to 17%, the percentages of the maximum achievable awards participants become eligible to receive range from 50% to 100%, subject to the other requirements of the LGI Performance Plans. On 18 February 2009, the LGI compensation committee determined that an OCF CAGR of approximately 15.5% had been achieved during the performance period. Accordingly, subject to adjustment based on the LGI compensation committee's final determination as to each participant's individual performance, a maximum of 87.4% of the allocated maximum achievable awards could be earned.

Earned awards will be paid or will vest during the following three year period and will be subject to forfeiture upon certain events of termination of employment or acceleration in certain circumstances. The unpaid balance of an award may also be reduced based on assessment of the participant's individual job performance during the service period.

Notes (continued)

17 Share-based remuneration (continued)

LGI Performance Plans (continued)

Awards may be settled in cash, unrestricted LGI Series A and Series C common stock, or any combination of the foregoing, or restricted stock units may be issued at any time in respect of all or any portion of the remaining balance of an earned award, in each case at the discretion of the LGI compensation committee. It is currently the LGI intention to settle using unrestricted shares or restricted stock units.

Earned awards will be paid or will vest in six equal semi-annual instalments on 31 March and 30 September commencing on 31 March 2009. Participants in the LGI Senior Executive Performance Incentive Plan were generally not eligible to receive any other share-based remuneration awards that would otherwise be granted in 2008 and 2009.

On 18 February 2009, the compensation committee determined the method of payment for the 31 March 2009 and 30 September 2009 instalments of the earned awards. In accordance with the compensation committee's determination and in satisfaction of the first instalment of the earned awards, cash aggregating \$56.2 million was paid and 9,464 and 9,094 restricted share units of LGI Series A and B common stock, respectively, were issued on 18 February 2009. The restricted share units representing partial satisfaction of instalment one of the earned awards vested on 31 March 2009. With respect to the second instalment of the earned awards, 2,002,597 and 1,924,050 restricted share units of LGI Series A and B common stock, respectively, were issued on 18 February 2009. Restricted share units representing instalment two vested on 30 September 2009. For purposes of determining the number of restricted share units to be granted, the compensation committee assigned a value of \$13.50 to each restricted share unit, which represented a premium of approximately 13.5% to the closing price of LGI Series A common stock on 18 February 2009. As required by the terms of the LGI Performance Plans, the restricted share units were allocated between LGI Series A and Series C common stock in the same relative proportions as the then outstanding LGI Series A and Series C common stock (51%/49%).

LGI Incentive Plan

Participants of the LGI Incentive Plan ("LGI IP") include certain employees of the company. The LGI IP is designed to provide additional remuneration to certain employees and independent contractors for exceptional service and to encourage their investment in LGI. Non-qualified stock options, SARS and restricted stock/units have been granted to employees of the company under this plan.

The following table summarizes certain information related to awards granted and exercised under the LGI IP. No new grants were or will be made under the UGC incentive plan, which in the past had provided for the grant of options, restricted stock and SARS to employees and directors of UnitedGlobalCom Inc ("UGC") (together "Incentive Plans") - prior to the merger transaction with LGI on 15 June 2005 ("LGI Combination"). The information provided is in respect of the consolidated LGI plan and is not specific to awards granted to or exercised by participants who are employed by the company.

Notes (continued)

17 Share-based remuneration (continued)

LGI Incentive Plan (continued)

LGI Series A, Series B and Series C common stock:

Assumptions used to estimate fair value of awards granted

	Year ended 31 December 2009	Year ended 31 December 2008
LGI Series A, Series B and Series C common stock:		
<i>Assumptions used to estimate fair value of awards granted</i>		
Risk-free interest rate	1.42 – 3.81%	2.48 - 3.96%
Expected life	3.2 – 8.2 years	4.5 - 6.0 years
Expected volatility	43.0 – 56.80%	24.0 - 43.0%
Expected dividend yield	None	None

Weighted average grant-date fair value per share of awards granted

Options	8.08	\$10.23
SARS	6.26	\$9.84
Restricted stock	12.71	\$35.42

Total intrinsic value of awards exercised

Options	15.2	\$12.1
SARS	4.4	\$28.2

With limited exceptions, no person may be granted in any calendar year awards covering more than four million shares of LGI common stock. In addition, no person may receive payment for cash awards during any calendar year in excess of \$10 million. Shares of LGI common stock to be issued pursuant to awards made under Incentive Plans are made available from either authorized but un-issued shares or shares that have been issued but reacquired by LGI. Options and SARS under the LGI IP issued prior to the LGI Combination generally vest at a rate of 20% per year on each anniversary of the grant date and expire 10 years after the grant date.

Options and SARS under the LGI IP issued after the LGI Combination generally (i) vest 12.5% on the six month anniversary of the grant date and then vest at a rate of 6.25% per quarter thereafter and (ii) expire seven years after the grant date.

The following tables summarize the activity during 2009 in LGI stock awards under the Incentive Plans. The number of shares represents the number of shares in respect of the company's employees only, whereas the weighted average exercise price and weighted average remaining contractual term is in respect of the consolidated LGI plan.

Notes (continued)

17. Share-based remuneration (continued)

LGI Incentive Plan (continued)

	Number of Shares	Weighted average exercise price	Weighted average remaining contractual term in years
Options – LGI Series A and C common stock:			
Outstanding at 1 January 2009	22,606	\$20 72	
Granted	-	-	
Exercised	-	-	
Outstanding at 31 December 2009	<u>22,606</u>	<u>\$19 09</u>	<u>3 1</u>
SARS – LGI Series A and C common stock:			
Outstanding at 1 January 2009	1,409,870	\$24 51	
Granted	627,700	\$15 74	
Exercised	(5,594)	\$12 86	
Cancelled or forfeited	(531,600)	\$34 84	
Outstanding at 31 December 2009	<u>1,500,376</u>	<u>\$16 78</u>	<u>4 7</u>
Restricted stock and restricted stock units – LGI Series A and C common stock			
Outstanding at 1 January 2009	182,257	\$30 78	
Granted	130,176	\$12 71	
Released from restrictions	(102,978)	\$13 92	
Outstanding at 31 December 2009	<u>209,455</u>	<u>\$23 87</u>	<u>2 6</u>

18. Parent undertaking and controlling party

The results of the company are consolidated by UPC Holding B V , its intermediate parent company, incorporated in The Netherlands, whose principal business is at Boeing Avenue 53, 1119 PE Schiphol Rijk, Amsterdam, The Netherlands. Consolidated financial statements of UPC are available to the public on the LGI website, at www.lgi.com

The immediate parent company is UPC Broadband Holding BV. The ultimate parent company is LGI , whose headquarters are in the USA and whose consolidated financial statements are publicly available through the company's filings with the US Securities and Exchange Commission and on the LGI's website at www.lgi.com