

**Liberty Global Europe Limited**  
(Registered number 3422231)

Annual report and financial statements  
31 December 2013

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## Strategic report

### Principal activities

The principal activity of the company is providing corporate services to the Liberty Global Europe division of Liberty Global, which operates in eleven countries in Europe. Liberty Global 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 Liberty Global Europe division.

### Business review and key performance indicators (KPI's)

Turnover increased by 15%, increasing from £26,534,000 in the year ended 31 December 2012 to £30,542,000 in the year ended 31 December 2013.

Administrative expenses increased by 17% from £24,675,000 to £28,908,000.

Operating profit shrunk by 12% from £1,859,000 in 2012 to £1,634,000 in 2013.

### Future outlook

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 Liberty Global Europe division, but the directors anticipate an increase in the company's operations over the next year.

By order of the board



**J.L. Evans**  
*Director*

38 Hans Crescent  
London  
SW1X 0LZ

26 September 2014

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2013.

### **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 Liberty Global Services B.V., an indirectly wholly owned subsidiary of UPC Holding B.V. ("UPC"). 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 plc. ("Liberty Global").

The company is an integral part of the Liberty Global group and during the year provided services exclusively to the group. The company is currently reliant on its parent company, Liberty Global Europe 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.

### **Results and dividends**

The results of the company are set out on page 6. The directors do not recommend the payment of a dividend (2012: nil).

### **Directors**

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

C.H.R. Bracken  
J.L. Evans

### **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 contributions during the year (2012:nil). The company made a charitable contribution of £841,418 during the year (2012:nil).

### **Disclosure of information to auditor**

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 auditor is 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 auditor is aware of that information.

## **Directors' report** *(continued)*

### **Auditor**

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

A handwritten signature in black ink, appearing to read 'J.L. Evans', is written over a faint horizontal line.

**J.L. Evans**  
*Director*

38 Hans Crescent  
London  
SW1X 0LZ

26 September 2014

## **Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements**

The directors are responsible for preparing the Strategic report, 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.

## **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 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes set out on pages 6 to 18. 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 auditor**

As explained more fully in the Statement of directors' responsibilities set out on page 4, 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 and express an opinion on 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 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 Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 2013 and of the loss 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic report, 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 returns adequate for our audit have not been received from branches not visited by us 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.



**Justin Shakespeare (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
*15 Canada Square*  
*London*  
*E14 5GL*

29 September 2014

## Profit and loss account

	Note	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
<b>Turnover</b>	2	30,542	26,534
Administrative expenses		(28,908)	(24,675)
		<hr/>	<hr/>
<b>Operating profit</b>		1,634	1,859
Interest receivable and similar income	6	500	-
Interest payable and similar charges	7	(1,704)	(1,625)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	3	430	234
Tax (charge)/credit on profit on ordinary activities	8	(1,835)	258
		<hr/>	<hr/>
<b>(Loss)/profit for the financial year</b>		<u>(1,405)</u>	<u>492</u>

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 18 are an integral part of these financial statements.



## Balance sheet

	Note	31 December 2013 £'000	31 December 2012 £'000
<b>Fixed assets</b>			
Tangible fixed assets	9	<u>1,948</u>	<u>2,308</u>
<b>Current assets</b>			
Debtors	10	<u>15,774</u>	<u>24,004</u>
		15,774	24,004
<b>Creditors:</b>			
Amounts falling due within one year	11	<u>(41,747)</u>	<u>(38,251)</u>
<b>Net current liabilities</b>		<u>(25,973)</u>	<u>(14,247)</u>
<b>Net liabilities</b>		<u>(24,025)</u>	<u>(11,939)</u>
<b>Capital and reserves</b>			
Called up share capital	13	-	-
Other reserves	14	(31,960)	(21,279)
Profit and loss account	15	<u>7,935</u>	<u>9,340</u>
<b>Equity shareholders' deficit</b>	16	<u>(24,025)</u>	<u>(11,939)</u>

These financial statements were approved by the board of directors on 26 September 2014 and were signed on its behalf by:

  
**J.L. Evans**  
Director

The accompanying notes on pages 8 to 18 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, Liberty Global plc, includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Liberty Global plc, 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). The consolidated financial statements of Liberty Global Europe Holding BV, within which this company is included, can be obtained from the address given in note 19.

#### ***Going Concern***

The company has net liabilities of £24,024,725 as at the balance sheet date. The directors consider that the Company has access to sufficient funding to meet its needs for the reasons set out below. Accordingly, the directors have prepared the financial statements on a going concern basis. The company is expected to continue to generate positive cash flows on its own account for the foreseeable future.

The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The directors, having assessed the responses of the directors of the company's parent Liberty Global Europe Holding BV to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Liberty Global Europe Holding group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Liberty Global Europe Holding BV, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### ***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	33.33%
Fixtures, fittings and office equipment	33.33%
Buildings	12.50-13.95%

## Notes (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*

Liberty Global plc provides share-based remuneration to certain key employees within the Liberty Global 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 Liberty Global'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 Liberty Global 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 Liberty Global'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. Share-based remuneration charges are recharged with other administrative expenses to Liberty Global Services B.V. under a Service Agreement.

## Notes (continued)

### 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 Liberty Global Services B.V. under a Service Agreement. Liberty Global Services B.V. in turn provides services to Liberty Global group companies. Turnover is generated in the United Kingdom (2012: United Kingdom).

## 3 Profit on ordinary activities before taxation

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Auditor's remuneration – audit of these financial statements	14	14
Other Services	1	1
Depreciation: - owned assets	712	64

## 4 Remuneration of directors

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Directors' emoluments	1,554	1,460
Share-based remuneration (see note 18)	686	3,953
Pensions	70	59
	2,310	5,472

## Notes (continued)

The total emoluments (including share-based remuneration but excluding pension contributions) of the highest paid director were £1,091,756 (2012: £4,318,445). Pension contributions of £43,920 were made on behalf of the highest paid director (2012: £34,190). Certain directors were paid by other fellow subsidiaries within the Liberty Group.

### 5 Staff numbers and costs

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

	Year ended 31 December 2013 Number of employees	Year ended 31 December 2012 Number of employees
Administration	75	52
The aggregate payroll costs of these persons were as follows:	£'000	£'000
Wages and salaries	12,560	11,283
Share-based remuneration	9,102	7,923
Social security costs	1,138	853
Other pension costs (see note 17)	552	365
	23,352	20,424

The cost of share based remuneration of £9,102,000 disclosed above includes employer's national insurance of £2,294,000.

### 6 Interest receivable and similar income

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Exchange gain from group undertakings	500	-
	500	-

## Notes (continued)

### 7 Interest payable and similar charges

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Interest payable - other	-	2
Interest payable to group undertakings	1,639	1,619
Exchange loss	65	4
	<u>1,704</u>	<u>1,625</u>

### 8 Taxation

#### *Analysis of tax credit / (charge) for the year:*

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Profit on ordinary activities before tax	<u>430</u>	<u>234</u>
Current tax at 23.25% (2012: 24.5%)	(100)	(57)
Effects of:		
Fixed asset timing differences	(166)	(16)
Other short term timing differences	-	1,230
Group relief surrendered	(1,314)	-
Expenses not deductible for tax	(258)	(6)
Other permanent differences	1,838	-
Deferred tax movement	(1,835)	(1,399)
Adjustment in respect of prior years	-	506
Total current tax credit / (charge)	<u>(1,835)</u>	<u>258</u>

The current tax for the year is higher (2012: lower) than the standard rate of corporation tax in the UK of 23.25% (2012: 24.50%). The differences are explained below.

A reduction in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) was substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2013 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

**Notes (continued)**

	<b>Year ended 31 December 2013 £'000</b>	<b>Year ended 31 December 2012 £'000</b>
At start of year	8,311	9,710
Credit/(charge) to the profit and loss for the year	<u>(1,835)</u>	<u>(1,399)</u>
At end of year	<u>6,476</u>	<u>8,311</u>
Amounts recognised for deferred tax comprise:		
Fixed asset timing differences	416	316
Losses carried forward	3,956	3,452
Share based remuneration timing differences	<u>2,104</u>	<u>4,543</u>
	<u>6,476</u>	<u>8,311</u>

**9 Tangible fixed assets**

	<b>Buildings £'000</b>	<b>Computer Equipment £'000</b>	<b>Fixtures and Fittings £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1 January 2013	1,629	623	517	2,769
Additions	38	-	314	352
Disposals	-	-	-	-
<b>At 31 December 2013</b>	<b><u>1,667</u></b>	<b><u>623</u></b>	<b><u>831</u></b>	<b><u>3,121</u></b>
<b>Depreciation</b>				
At 1 January 2013	-	450	11	461
Depreciation charge for the year	491	115	106	712
Disposals	-	-	-	-
<b>At 31 December 2013</b>	<b><u>491</u></b>	<b><u>565</u></b>	<b><u>117</u></b>	<b><u>1,173</u></b>
<b>Net Book Value</b>				
<b>At 31 December 2013</b>	<b><u>1,176</u></b>	<b><u>58</u></b>	<b><u>714</u></b>	<b><u>1,948</u></b>
At 1 January 2013	<u>1,629</u>	<u>173</u>	<u>506</u>	<u>2,308</u>

## Notes (continued)

### 10 Debtors

	31 December 2013 £'000	31 December 2012 £'000
Prepayments and accrued income	382	203
Amounts owed by group undertakings	8,718	15,422
Other debtors	122	31
VAT repayment	76	37
Deferred tax asset (see note 12)	6,476	8,311
	<u>15,774</u>	<u>24,004</u>

### 11 Creditors: amounts falling due within one year

	31 December 2013 £'000	31 December 2012 £'000
Trade creditors	16	128
Amounts due to group undertakings	38,359	34,304
Other taxation and social security	631	439
Other accruals and deferred income	2,741	3,380
	<u>41,747</u>	<u>38,251</u>

The shareholder' loan, included in the amounts due to group undertakings amounts to £26,910,402 (2012: £18,661,858). The interest on the shareholder' loan included in the amounts due to group undertakings amounts to £3,457,215 (2012: £1,818,404).

### 12 Deferred taxation

	31 December 2013 £'000	31 December 2012 £'000
Amounts recognised for deferred tax comprise:		
Fixed asset timing differences	416	316
Other timing differences	3,956	3,452
Share-based remuneration timing differences	2,104	4,543
	<u>6,476</u>	<u>8,311</u>

There are no unrecognised deferred tax assets.



## Notes (continued)

### 13 Called up share capital

	31 December 2013 £	31 December 2012 £
<i>Allotted, called up and fully paid</i>		
2 (2012:2) ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 14 Other reserves

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
At start of year	(21,279)	(15,279)
LGI Stock issued in the year	6,808	6,357
LGI Stock charges in the year	(17,489)	(12,357)
At end of year	<u>(31,960)</u>	<u>(21,279)</u>

### 15 Profit and loss account

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
At start of year	9,340	8,848
(Loss)/profit for the financial year	<u>(1,405)</u>	<u>492</u>
At end of year	<u>7,935</u>	<u>9,340</u>

### 16 Reconciliation of movements in equity shareholders' deficit

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Opening equity shareholders' deficit	(11,939)	(6,431)
Movements in other reserves	(10,681)	(6,000)
Loss for the financial year	<u>(1,405)</u>	<u>492</u>
Closing equity shareholders' deficit	<u>(24,025)</u>	<u>(11,939)</u>

## Notes (continued)

### 17 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 £552,484 (2012: £364,968).

### 18 Share-based remuneration

Liberty Global provides share-based remuneration to certain key employees within the Liberty Global 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.

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
<i>Share-based remuneration comprises:</i>		
LGI Series A and Series C common stock:		
LGI Performance Plans	-	-
Stock options, SARS, restricted stock and restricted stock units (see LGI Incentive Plan below)	6,808	6,357
	<u>6,808</u>	<u>6,357</u>

The following table summarizes certain information related to the incentive awards granted and exercised with respect to Liberty Global common stock:

#### *The Liberty Global Incentive Plan*

As of December 31, 2013, Liberty Global was authorized to grant incentive awards under the Liberty Global Incentive Plan, the Liberty Global Director Incentive Plan and the Virgin Media (VM) Incentive Plan. Generally, Liberty Global 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, Liberty Global 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 cancelled upon completion of the Virgin Media Acquisition. These cancelled 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.

## Notes (continued)

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 instalments, 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, Liberty Global's 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, Liberty Global may grant nonqualified 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 Liberty Global. 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 Liberty Global's shareholders, no further awards will be granted under the Liberty Global Incentive Plan, the Liberty Global Director Incentive Plan or the VM Incentive Plan.

Full details of the schemes and how they operate are set out in the Liberty Global consolidated financial statements which are included in the 10-K, filed with the SEC on, 13 February 2014, are set out below.

The following table summarizes certain information related to the incentive awards granted and exercised with respect to Liberty Global common stock:

	Year ended 31 December 2013	Year ended 31 December 2012
<b>LGI Series A, (Series B) and Series C common stock:</b>		
<i>Assumptions used to estimate fair value of awards granted:</i>		
Risk-free interest rate	0.36% - 0.81%	0.82 - 3.31%
Expected life	3.2 years	3.4 - 8.7 years
Expected volatility	26.5% - 26.9%	35.5 - 45.6%
Expected dividend yield	none	None
<i>Weighted average grant-date fair value per share of awards granted:</i>		
Options	-	\$21.41
SARS	\$14.03	\$15.02
Restricted stock	\$71.86	\$44.79
Performance Stock Units	\$0.00	\$39.98
<i>Total intrinsic value of awards exercised (in millions):</i>		
Options	-	\$93.80
SARS	\$0.88	\$39.20

**Notes** *(continued)*

**19 Parent undertaking and controlling party**

The results of the company are consolidated by Liberty Global plc, its ultimate parent company, incorporated in the United Kingdom, whose principal business is at 38 Hans Crescent, London, SW1X 0LZ, UK.. Consolidated financial statements of Liberty Global plc are available to the public on Liberty's website, at [www.libertyglobal.com](http://www.libertyglobal.com).

The immediate parent company is Liberty Global Europe Holding B.V.