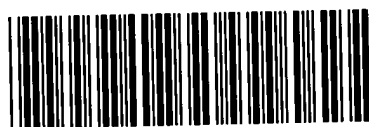


Registered number: 08380130

LIBERTY GLOBAL EUROPE 2 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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LIBERTY GLOBAL EUROPE 2 LIMITED

COMPANY INFORMATION

Directors	J L Evans C H R Bracken B H Hall
Registered number	08380130
Registered office	Griffin House 161 Hammersmith Road London W6 8BS
Independent auditor	KPMG LLP 1 Sovereign Square Sovereign Street Leeds LS1 4DA

LIBERTY GLOBAL EUROPE 2 LIMITED

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LIBERTY GLOBAL EUROPE 2 LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

Principal activities and business review

The principal activity of Liberty Global Europe 2 Limited (the "company") during the year was, and will continue to be, that of a holding company. The company also has significant intergroup financing arrangements with fellow Liberty Global plc group (Liberty Global group) undertakings. The investments of the company are listed in note 16.

At 31 December 2017 the company was a direct wholly owned subsidiary of Liberty Global plc (Liberty Global) and the company's principal investment is in Virgin Media Inc. (Virgin Media).

The Virgin Media Inc. consolidated group (the group) operates under the Virgin Media brand in the United Kingdom (UK) and Republic of Ireland (Ireland).

The group provides video, broadband internet, fixed-line telephony and mobile services in the UK and Ireland to both residential and business-to-business (B2B) customers. The group is one of the largest providers of video, broadband internet and fixed-line telephony services in terms of the number of customers in the UK and Ireland. The group believes its advanced, deep-fibre cable access network enables it to offer faster and higher quality broadband services than its digital subscriber line, or DSL, competitors. As a result, it provides its customers with a leading, next-generation broadband service and one of the most advanced interactive television services available in the UK and Irish markets.

The group provides mobile services to its customers using a third-party network through mobile virtual network operators (MVNO) arrangements.

In addition, through the Virgin Media Business brand, the group offers a broad portfolio of B2B voice, data, internet, broadband and managed services solutions to small businesses, medium and large enterprises and public sector organisations in the UK and Ireland.

At 31 December 2017, the group provided services to approximately 5.9 million residential cable customers on its network. The group is also one of the largest MVNO by number of customers, providing mobile telephony services to 2.5 million contract mobile customers and 0.5 million prepay mobile customers over third party networks. At 31 December 2017, 82% of residential customers on the group's cable network received multiple services and 62% were "triple-play" customers, receiving broadband internet, video and fixed-line telephony services from the group.

Liberty Global is the world's largest international TV and broadband company with operations in 12 European countries. Its substantial scale and commitment to innovation enables it to develop market-leading products delivered through next-generation networks that, as of 31 December 2017, connected over 22 million customers subscribing to 46 million television, broadband internet and telephony services. In addition at 31 December 2017, Liberty Global served over 6 million mobile subscribers and offered WiFi service across 10 million access points.

The company has received dividends of US\$421,098,000 from its subsidiaries during the year (2016 - \$nil).

Principal risks and uncertainties

Financial and operational risk management is undertaken as part of the group operations as a whole. The company's operations expose it to a variety of operational and financial risks. These are considered in more detail in the 2017 Liberty Global Annual Report which is available at www.libertyglobal.com

Key performance indicators (KPIs)

The company reported net current assets and net assets for the year ended 31 December 2017. Operations were financed through inter-company loan notes with fellow group undertakings.

LIBERTY GLOBAL EUROPE 2 LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Future outlook

The directors will continue to review management policies in light of changing trading and market conditions. Further detail of the future outlook of the group, including consideration of the impact of the UK referendum in June 2016 and the withdrawal from the European Union, is provided in the 2017 Liberty Global Annual Report which is available at www.libertyglobal.com.

This report was approved by the board and signed on its behalf on 16 November 2018.



J L Evans
Director

LIBERTY GLOBAL EUROPE 2 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Results and dividends

The loss for the year, after taxation, amounted to \$456,606,000 (2016 - profit \$694,301,000).

The directors have not recommended an ordinary dividend (2016 - £nil).

Directors

The directors who served during the year and thereafter were as follows:

J L Evans
C H R Bracken
B H Hall

The directors of the company have been indemnified against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision is in force for directors serving during the financial year and as at the date of approving the Directors' report.

Going concern

After making suitable enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

KPMG LLP will be reappointed under section 487(2) of the Company Act 2006.

This report was approved by the board and signed on its behalf on 16 November 2018.



J L Evans
Director

LIBERTY GLOBAL EUROPE 2 LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they intend to liquidate the company or cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

LIBERTY GLOBAL EUROPE 2 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIBERTY GLOBAL EUROPE 2 LIMITED

Opinion

We have audited the financial statements of Liberty Global Europe 2 Limited ("the company") for the year ended 31 December 2017 which comprise the Strategic report, the Directors' report, Profit and loss account and statement of comprehensive income, Balance sheet, Statement of changes in equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the Strategic report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic report and the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

LIBERTY GLOBAL EUROPE 2 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIBERTY GLOBAL EUROPE 2 LIMITED (CONTINUED)

Directors' responsibilities

As explained more fully in their statement 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

The purpose of our audit work and to whom we owe our responsibilities

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.



Katharine L'Estrange (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

23 November 2018

LIBERTY GLOBAL EUROPE 2 LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$000	2016 \$000
Administrative (expenses)/income	4	(629,658)	963,881
Operating (loss)/profit	4	(629,658)	963,881
Income from other fixed asset investments		421,098	-
Interest receivable and similar income	6	185,097	124,204
Interest payable and similar expenses	7	(433,143)	(393,784)
(Loss)/profit before tax		(456,606)	694,301
Tax on (loss)/profit	8	-	-
(Loss)/profit for the financial year		(456,606)	694,301

The notes on pages 10 to 25 form part of these financial statements.

There was no other comprehensive income or expenditure for 2017 or 2016 other than that included in the profit and loss account .

All results were derived from continuing operations.

LIBERTY GLOBAL EUROPE 2 LIMITED
REGISTERED NUMBER: 08380130

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 \$000	2016 \$000
Fixed assets			
Investments	9	14,413,817	14,847,359
Current assets			
Debtors due after more than one year	10	854,528	808,934
Debtors due within one year	10	2,930,335	1,960,576
Cash at bank and in hand		773	-
		<u>3,785,636</u>	<u>2,769,510</u>
Creditors: amounts falling due within one year	11	<u>(78,823)</u>	<u>(124,117)</u>
Net current assets		<u>3,706,813</u>	<u>2,645,393</u>
Total assets less current liabilities		<u>18,120,630</u>	<u>17,492,752</u>
Creditors: amounts falling due after more than one year	12	<u>(6,851,084)</u>	<u>(5,766,600)</u>
Net assets		<u><u>11,269,546</u></u>	<u><u>11,726,152</u></u>
Capital and reserves			
Share capital	13	2	2
Share premium account	14	11,130,485	11,130,485
Other reserves	14	68,583	68,583
Profit and loss account	14	70,476	527,082
Shareholder's funds		<u><u>11,269,546</u></u>	<u><u>11,726,152</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 November 2018.



J L Evans
Director

The notes on pages 10 to 25 form part of these financial statements.

LIBERTY GLOBAL EUROPE 2 LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Share capital	Share premium account	Other reserves	Profit and loss account	Shareholder's funds
	\$000	\$000	\$000	\$000	\$000
At 1 January 2017	2	11,130,485	68,583	527,082	11,726,152
Comprehensive income for the year					
Loss for the year	-	-	-	(456,606)	(456,606)
Total comprehensive income for the year	-	-	-	(456,606)	(456,606)
At 31 December 2017	2	11,130,485	68,583	70,476	11,269,546

The notes on pages 10 to 25 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Share capital	Share premium account	Other reserves	Profit and loss account	Shareholder's funds
	\$000	\$000	\$000	\$000	\$000
At 1 January 2016	2	11,130,485	68,583	(167,219)	11,031,851
Comprehensive income for the year					
Profit for the year	-	-	-	694,301	694,301
Total comprehensive income for the year	-	-	-	694,301	694,301
At 31 December 2016	2	11,130,485	68,583	527,082	11,726,152

The notes on pages 10 to 25 form part of these financial statements.

LIBERTY GLOBAL EUROPE 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Company information

Liberty Global Europe 2 Limited (the "company") is a private company incorporated, domiciled and registered in the UK. The registered number is 08380130. The registered address is Griffin House, 161 Hammersmith Road, London, W6 8BS.

The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

2. Accounting policies

A summary of the principal accounting policies is set out below. All accounting policies have been applied consistently, unless noted below.

2.1 Basis of accounting

These financial statements were prepared on a going concern basis, and under the historical cost basis in accordance with the Companies Act 2006 and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 have been applied.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements are presented in Euros ('€') and rounded to the nearest thousand.

The company's ultimate parent undertaking, Liberty Global plc, includes the company in its consolidated financial statements. The consolidated financial statements of Liberty Global plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Liberty Global's website at www.libertyglobal.com.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital;
- disclosures in respect of related party transactions with fellow group undertakings;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of the compensation of key management personnel; and
- disclosures of transactions with a management entity that provides key management personnel services to the company.

The financial statements are presented in US dollars ("US\$") and rounded to the nearest thousand.

2.2 Dividend income

Income is recognised when the company's right to receive payment is established.

2.3 Investments

Investments are recorded at cost, less provision for impairment as appropriate. The company assesses at each reporting date whether there is an indication that an investment may be impaired. If any such indication exists, the company makes an estimate of the investment's recoverable amount. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount. A previously recognised impairment loss is reversed only if there was an event not foreseen in the original impairment calculations, such as a change in use of the investment or a change in economic conditions. The reversal of impairment loss would be to the extent of the lower of the recoverable amount and the carrying amount that would have been determined had no impairment loss been recognised for the investment in prior years.

LIBERTY GLOBAL EUROPE 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.4 Trade and other debtors

Trade and other debtors are stated at their recoverable amount. Provision is made when the amount receivable is not considered recoverable and the amount is fully written off when the probability for recovery of a balance is assessed as being remote.

2.5 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside of profit or loss.

Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

LIBERTY GLOBAL EUROPE 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.6 Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. The resulting exchange differences are taken to the profit and loss account.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the process of applying the company's accounting policies which are described above, management has not made any critical judgements that have a significant effect on the amounts recognised in the financial statements, except for:

Carrying value of investments

Investments are held at cost less any necessary provision for impairment. Where the impairment assessment did not provide any indication of impairment, no provision is required. If any such indications exist, the carrying value of an investment is written down to its recoverable amount.

Recoverability of intercompany debtors

Intercompany debtors are stated at their recoverable amount less any necessary provision. Recoverability of intercompany debtors is assessed annually and a provision is recognised if any indications exist that the debtor is not considered recoverable.

4. Operating (loss)/profit

The operating (loss)/profit is stated after (charging)/crediting:

	2017 \$000	2016 \$000
Net (loss)/gain on foreign exchange transactions	(544,440)	964,429
Loss on disposal on investment	(83,736)	-

Loss on disposal of investments of £83,736,000 is disclosed in note 9.

The directors received no remuneration for qualifying services as directors of this company. All directors' remuneration is paid by and disclosed in the financial statements of Liberty Global plc.

Certain expenses are specifically attributable to the company. Where costs are incurred by other group companies on behalf of the company, expenses are allocated to the company on a basis that, in the opinion of the directors, is reasonable.

Auditor's remuneration of £10,000 (2016 - £10,000) represents costs attributed to the company, all of which is borne by a fellow Liberty Global plc undertaking that pays all auditor's remuneration on behalf of the group.

5. Staff costs

The company does not have any directly employed staff and is not charged an allocation of staff costs by the group.

LIBERTY GLOBAL EUROPE 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

6. Interest receivable and similar income

	2017 \$000	2016 \$000
Interest receivable on loan notes due from group undertakings	183,034	123,063
Interest receivable on loan note due from associated undertakings	2,044	1,141
Other finance income	19	-
	<u>185,097</u>	<u>124,204</u>

7. Interest payable and similar expenses

	2017 \$000	2016 \$000
Interest payable on loan notes due to group undertakings	433,136	393,784
Other finance charges	7	-
	<u>433,143</u>	<u>393,784</u>

LIBERTY GLOBAL EUROPE 2 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

8. Tax on (loss)/profit

	2017 \$000	2016 \$000
Current tax		
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Tax on (loss)/profit	-	-

The tax assessed for the year is higher than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%). The differences are explained below:

	2017 \$000	2016 \$000
(Loss)/profit/ before tax	(456,606)	694,301
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%)	(87,897)	138,860
Effects of:		
Expenses not deductible for tax purposes	41,828	-
Non-taxable income	-	(197,895)
Group relief surrendered	46,069	59,035
Total tax charge for the year	-	-

Factors affecting current and future tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2016) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

LIBERTY GLOBAL EUROPE 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

9. Investments

	Investments in subsidiary undertakings \$000
Cost	
At 1 January 2017	14,847,359
Additions	-
Disposals	(433,542)
At 31 December 2017	14,413,817
Net book value	
At 31 December 2017	14,413,817
At 31 December 2016	14,847,359

On 17 November 2017, the company acquired 50% of the share capital of MXLG Acquisitions Limited, a company incorporated in England for a consideration of \$3.

During the year, as part of a wider group restructure, the company disposed of its investment in VM Ireland Group Limited (previously LG Ireland Group Limited) for a consideration of \$349,806,000 and made a loss on disposal of investments of \$83,736,000.

In the opinion of the directors the aggregated value of the investments in subsidiary undertakings is not less than the amount at which they are stated in the financial statements.

The investments in which the company holds at least 20% of the nominal value of any class of share capital, all of which are unlisted, are shown in note 16.

LIBERTY GLOBAL EUROPE 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

10. Debtors

	2017 \$000	2016 \$000
Due after one year		
Amounts owed by group undertakings	854,528	808,934
	2017 \$000	2016 \$000
Due within one year		
Amounts owed by group undertakings	2,847,357	1,913,975
Amounts owed by affiliates	51,854	15,477
Other debtors	31,124	31,124
	2,930,335	1,960,576

The analysis of amounts owed by group undertakings is:

Other amounts are unsecured and repayable on demand.

Loans advanced by group undertakings due after one year represent notes receivable from:

Counterparty	Currency	Interest	Maturity	Currency Value		Carrying value	
				2017 £000	2016 £000	2017 \$000	2016 \$000
Liberty Global Europe Financing BV	USD	7.30%	December 2024			\$ 777,543	\$ 804,146
Virgin Media Mobile Finance	GBP	5.26%	December 2017	£ 56,925	£ 45,739	\$ 76,986	\$ 56,465
Liberty Global plc	USD	5.68%	Repayable on demand			\$ 2,834,653	\$ 1,856,304
						<u>\$ 3,689,182</u>	<u>\$ 2,716,915</u>

LIBERTY GLOBAL EUROPE 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

10. Debtors (continued)

The analysis of amounts owed by affiliates is:

	2017 \$000	2016 \$000
Loans advanced to affiliates	49,724	15,477
Other amounts owed by affiliates	2,130	-
	<u>51,854</u>	<u>15,477</u>

Other amounts represent amounts due in the normal course of business which are unsecured and repayable on demand.

Loans advanced by group undertakings due after one year represent notes receivable from:

Counterparty	Currency	Interest	Maturity	2017 £000	2016 £000	2017 \$000	2016 \$000
DLGA Limited	GBP	6.61%	November 2018	£ 13,367	£ 12,800	\$ 18,078	\$ 15,477
DLGA Limited	GBP	4.62%	November 2018	£ 18,300	£ -	\$ 24,749	\$ -
DLGA Limited	GBP	4.62%	November 2018	£ 4,100	£ -	\$ 5,545	\$ -
DLGA Limited	GBP	5.68%	November 2018	£ 1,000	£ -	\$ 1,352	\$ -
						<u>\$ 49,724</u>	<u>\$ 15,477</u>

Other debtors due within one year represents a secured subordinated loan note due from Wananchi Group Holdings Limited. This note matures on 1 October 2021 and bears interest at 8%. At 31 December 2017 the total amount outstanding was \$31,124,000 (2016 - \$31,124,000).

LIBERTY GLOBAL EUROPE 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

11. Creditors: amounts falling due within one year

	2017 \$000	2016 \$000
Amounts owed to group undertakings	78,494	121,103
Bank overdrafts	-	3,014
Accruals and deferred income	329	-
	<u>78,823</u>	<u>124,117</u>

Amounts owed to group undertakings falling due within one year represents:

Sterling denominated loan note with a principal balance of £16,799,000 / US\$22,720,000 (2016 - £16,341,000 / US\$20,173,000) and interest of £724,000 / US\$979,000 (2016 - £458,000 / US\$566,000) due to Liberty Global Insurance Company Limited, a Liberty Global group company. The note matures on 15 April 2023 however Liberty Global Insurance Company Limited can demand repayment with 3 business days written notice until this maturity date. The note bears interest at 3.25% over LIBOR. At 31 December 2017 the total balance due within one year was £17,523,000 / US\$23,699,000 (2016 - £16,799,000 / US\$20,739,000).

Interest of £38,508,000 (2016 - £38,508,000) due to Virgin Media Finco Limited on a sterling denominated loan note with a principal balance of £2,174,570,000 (2016 - £2,174,570,000). The note matures on 15 April 2023 and bears interest at 8.5%. At 31 December 2017 the interest balance due within one year was \$52,078,000 (2016 - \$47,538,000).

Interest of £1,240,000 (2016 - £705,000) due to Virgin Media Finco Limited on a sterling denominated loan note with a principal of £2,891,288,000 (2016 - £2,387,667,000). The interest rate on this note, which is subject to adjustment, was 5.145% as of 31 December 2017 (2016 - 5.561%). The interest balance due within one year was US\$1,677,000 (2016 - \$886,000).

	2017 \$000	2016 \$000
Loans advanced by group undertakings	22,720	20,173
Other amounts owed to group undertakings	1,040	51,874
Interest on loan notes	54,734	49,056
	<u>78,494</u>	<u>121,103</u>

Other amounts owed to group undertakings are unsecured and repayable on demand.

LIBERTY GLOBAL EUROPE 2 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

12. Creditors: amounts falling due after more than one year

	2017 \$000	2016 \$000
Amounts owed to group undertakings	<u>6,851,084</u>	<u>5,766,600</u>

Amounts owed to group undertakings falling due within more than one year represent:

Sterling denominated loan notes payable to Virgin Media Finco Limited. These notes mature on April 15, 2023 and bear interest at a rate of 8.5%. At 31 December 2017 and 2016, the principal amount outstanding under these notes was £2,174,600,000 for those years. At 31 December 2017 the balance due within more than one year was \$2,940,888,000 (2016 - \$2,684,507,000).

Sterling denominated loan notes payable to Virgin Media Finco Limited. At 31 December 2017 the principal amount outstanding under this note was £2,891,288,000 (2016 - £2,387,667,000). Pursuant to the loan agreement, the maturity date is July 16, 2023, however Virgin Media Finco Limited may agree to advance additional amounts to LG Europe 2 at any time and LG Europe 2 may, with agreement from Virgin Media Finco Limited, repay all or part of the outstanding principal at any time prior to the maturity date. The note receivable is subject to further borrowings and repayments. The interest rate on this loan, which is subject to adjustment, was 5.145% as of 31 December 2017 (2016 - 5.561%). At 31 December 2017 the balance due within more than one year was \$3,910,196,000 (2016 - \$3,082,093,000).

13. Share capital

	2017 \$000	2016 \$000
Allotted, called up and fully paid		
123 Ordinary shares of £10 each	<u>2</u>	<u>2</u>

14. Reserves

Share premium account

Includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Other reserves

Other reserves represents capital contributions received from parent undertakings.

Profit and loss account

Includes all current and prior period retained profits and losses, net of dividends paid.

15. Controlling party

The company's immediate parent undertaking and controlling party is Liberty Global Plc, a company incorporated in England and Wales.

The smallest and largest group of which the company is a member and in to which the company's accounts were consolidated at 31 December 2017 is Liberty Global plc.

Copies of the consolidated Liberty Global plc accounts which include the results of the company are available on Liberty Global's website at www.libertyglobal.com.

LIBERTY GLOBAL EUROPE 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

16. List of investments

The investments in which the company holds at least 20% of the nominal value of any class of share capital, all of which are unlisted, are as follows:

Name of company		Holdings	Proportion held	Nature of business
Direct shareholdings				
Virgin Media Inc.		Ordinary	100%	Telecoms
Liberty Global Holding Company Limited		Ordinary	99.99%	Holding
MXLG Acquisitions Limited		Ordinary	50%	Holding
Indirect shareholdings				
Avon Cable Investments Limited		Ordinary	100%	Dormant
BCMV Leasing Limited	Φ	Ordinary	100%	Leasing
BCMV Limited		Ordinary	100%	Telecoms
Birmingham Cable Corporation Limited		Ordinary	100%	Dormant
Birmingham Cable Limited		Ordinary	100%	Telecoms
Bitbuzz UK Limited		Ordinary	100%	Telecoms
Blue Yonder Workwise Limited		Ordinary	100%	Telecoms
Cable Adnet Limited	Φ	Ordinary	100%	Dormant
Cable London Limited		Ordinary	100%	Holding
CableTel Herts and Beds Limited		Ordinary	100%	Dormant
Cable on Demand Limited		Ordinary	100%	Telecoms
Cable Internet Limited		Ordinary	100%	Dormant
CableTel Northern Ireland Limited	β	Ordinary	100%	Dormant
CableTel Scotland Limited	Σ	Ordinary	100%	Telecoms
CableTel Surrey and Hampshire Limited		Ordinary	100%	Dormant
CableTel West Riding Limited		Ordinary	100%	Telecoms
Channel 6 Broadcasting Limited	ψ	Ordinary	100%	Telecoms
Crystal Palace Radio Limited		Ordinary	100%	Dormant
Cullen Broadcasting Limited	ψ	Ordinary	100%	Telecoms
Diamond Cable Communications Limited		Ordinary	100%	Holding
Eurobell (Holdings) Limited		Ordinary	100%	Holding
Filegale Limited		Ordinary	100%	Dormant
Flextech (1992) Limited	Γ	Ordinary	100%	Dormant
Flextech Broadband Limited		Ordinary	100%	Holding
Flextech Interactive Limited		Ordinary	100%	Holding
Flextech Limited		Ordinary	100%	Holding

LIBERTY GLOBAL EUROPE 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Name of company		Holdings	Proportion held	Nature of business
Indirect shareholdings (continued)				
General Cable Programming Limited		Ordinary	100%	Telecoms
General Cable Limited		Ordinary	100%	Telecoms
Imminus (Ireland) Limited	ψ	Ordinary	100%	Telecoms
Jewel Holdings	φ	Ordinary	100%	Dormant
Kish Media Limited	ψ	Ordinary	100%	Telecoms
M&NW Network II Limited	φ	Ordinary	100%	Telecoms
M&NW Network Limited	φ	Ordinary	100%	Telecoms
Matchco Limited		Ordinary	76%	Dormant
ntl (Aylesbury and Chiltern) Limited		Ordinary	100%	Dormant
ntl (B) Limited		Ordinary	100%	Holding
ntl (Broadland) Limited		Ordinary	100%	Dormant
ntl (CWC) Corporation Limited		Ordinary	100%	Dormant
ntl (CWC) Limited		Ordinary	100%	Holding
ntl Cambridge Limited		Ordinary	100%	Telecoms
ntl (South East) Limited		Ordinary	100%	Dormant
NTL (Triangle) LLC	≡	Common Stock	100%	Holding
ntl (V)	.	Ordinary	100%	Dormant
ntl (YorCan) Limited	φ	Ordinary	100%	Dormant
ntl (York) Limited	φ	Ordinary	100%	Dormant
ntl Bolton Cablevision Holding Company	φ	Ordinary	100%	Holding
ntl Business Limited		Ordinary	100%	Holding
ntl CableComms Bolton	Γ	Ordinary	100%	Telecoms
ntl CableComms Bolton Leasing Limited	φ	Ordinary	100%	Leasing
ntl CableComms Bromley	Γ	Ordinary	100%	Telecoms
ntl CableComms Bromley Leasing Limited	φ	Ordinary	100%	Leasing
ntl CableComms Cheshire		Ordinary	100%	Telecoms
ntl CableComms Derby	Γ	Ordinary	100%	Telecoms
ntl CableComms Derby Leasing Limited	φ	Ordinary	100%	Leasing
ntl CableComms East Lancashire		Ordinary	100%	Telecoms
ntl CableComms Greater Manchester		Ordinary	100%	Telecoms
ntl CableComms Greater Manchester Leasing Limited	φ	Ordinary	100%	Leasing
ntl CableComms Group Limited		Ordinary	100%	Holding
NTL CableComms Group, LLC	≡	Common stock	100%	Telecoms
ntl CableComms Holdings No 1 Limited		Ordinary	100%	Holding
ntl CableComms Holdings No 2 Limited		Ordinary	100%	Holding
ntl CableComms Limited	φ	Ordinary	100%	Telecoms

LIBERTY GLOBAL EUROPE 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Name of company		Holdings	Proportion held	Nature of business
Indirect shareholdings (continued)				
ntl CableComms Solent		Ordinary	100%	Telecoms
ntl CableComms Surrey		Ordinary	100%	Telecoms
ntl CableComms Surrey Leasing Limited	Φ	Ordinary	100%	Leasing
ntl CableComms Sussex	Γ	Ordinary	100%	Telecoms
ntl CableComms Sussex Leasing Limited	Φ	Ordinary	100%	Leasing
ntl CableComms Wessex	Γ	Ordinary	100%	Telecoms
ntl CableComms Wessex Leasing Limited	Φ	Ordinary	100%	Leasing
ntl CableComms Wirral		Ordinary	100%	Telecoms
ntl CableComms Wirral Leasing Limited	Φ	Ordinary	100%	Leasing
ntl Communications Services Limited		Ordinary	100%	Telecoms
ntl Digital Ventures Limited	Φ	Ordinary	100%	Telecoms
ntl Derby Cablevision Holding Company	Φ	Ordinary	100%	Holding
ntl Glasgow	Σ	Ordinary	100%	Telecoms
ntl Glasgow Holdings Limited		Ordinary	100%	Holding
ntl Kirklees		Ordinary	100%	Telecoms
ntl Kirklees Holdings Limited		Ordinary	100%	Holding
ntl Manchester Cablevision Holding Company		Ordinary	100%	Holding
ntl Midlands Leasing Limited	Φ	Ordinary	100%	Leasing
ntl Midlands Limited		Ordinary	100%	Telecoms
ntl Midlands Holdings Limited		Ordinary	100%	Holdings
ntl National Networks Limited		Ordinary	100%	Telecoms
ntl Pension Trustees Limited		Ordinary	100%	Dormant
ntl Rectangle Limited		Ordinary	100%	Telecoms
ntl South Central Limited		Ordinary	100%	Dormant
ntl South Wales Limited	Φ	Ordinary	100%	Dormant
ntl Telecom Services Limited		Ordinary	100%	Dormant
ntl Trustees Limited		Ordinary	100%	Dormant
ntl UK Telephone and Cable TV Holding Company Limited		Ordinary	100%	Holding
ntl Victoria Limited		Ordinary	100%	Telecoms
ntl Wirral Telephone and Cable TV Company		Ordinary	100%	Telecoms
ntl Wirral Telephone and Cable TV Company Leasing Limited	Φ	Ordinary	100%	Leasing
Sheffield Cable Communications Limited	Γ	Ordinary	100%	Telecoms
Smallworld Cable Limited	Γ	Ordinary	100%	Telecoms
Smashedatom Limited		Ordinary	60%	Dormant
Telewest Communications (Central Lancashire) Limited	Φ	Ordinary	100%	Dormant
Telewest Communications (Cotswolds) Limited		Ordinary	100%	Telecoms

LIBERTY GLOBAL EUROPE 2 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

Name of company		Holdings	Proportion held	Nature of business
Indirect shareholdings (continued)				
Telewest Communications (Cumbernauld) Limited	Σ Γ	Ordinary	100%	Dormant
Telewest Communications (Dumbarton) Limited	Σ Γ	Ordinary	100%	Telecoms
Telewest Communications (Dundee & Perth) Limited	Σ	Ordinary	100%	Telecoms
Telewest Communications (Falkirk) Limited	Σ Γ	Ordinary	100%	Dormant
Telewest Communications (Fylde & Wyre) Limited	Φ	Ordinary	100%	Dormant
Telewest Communications (Glenrothes) Limited	Σ	Ordinary	100%	Dormant
Telewest Communications (Liverpool) Limited	Φ	Ordinary	100%	Dormant
Telewest Communications (London South) Limited		Ordinary	100%	Telecoms
Telewest Communications (Midlands and North West) Limited		Ordinary	100%	Telecoms
Telewest Communications (Midlands and North West) Leasing Limited	Φ	Ordinary	100%	Dormant
Telewest Communications (Midlands) Limited	Φ	Ordinary	100%	Dormant
Telewest Communications (Motherwell) Limited	Σ Γ	Ordinary	100%	Telecoms
Telewest Communications (North East) Limited		Ordinary	100%	Investment
Telewest Communications (Scotland) Limited	Σ	Ordinary	100%	Telecoms
Telewest Communications (Scotland Holdings) Limited	Σ	Ordinary	100%	Dormant
Telewest Communications (South East) Limited		Ordinary	50%	Investment
Telewest Communications (South Thames Estuary) Limited		Ordinary	50%	Telecoms
Telewest Communications (South West) Limited		Ordinary	100%	Dormant
Telewest Communications (Southport) Limited	Φ	Ordinary	100%	Dormant
Telewest Communications (St Helens & Knowsley) Limited	Φ	Ordinary	100%	Telecoms
Telewest Communications (Telford) Limited	Φ	Ordinary	100%	Dormant
Telewest Communications (Tyneside) Limited		Ordinary	100%	Telecoms
Telewest Communications (Wigan) Limited	Φ	Ordinary	100%	Dormant
Telewest Communications Cable Limited		Ordinary	100%	Dormant
Telewest Communications Holdco Limited		Ordinary	100%	Holding
Telewest Communications Holdings Limited		Ordinary	100%	Holding
Telewest Communications Networks Limited		Ordinary	100%	Holding
Telewest Limited		Ordinary	100%	Holding
Telewest Workwise Limited		Ordinary	100%	Dormant
The Cable Corporation Limited	Φ	Ordinary	100%	Holding
The Yorkshire Cable Group Limited		Ordinary	100%	Holding

LIBERTY GLOBAL EUROPE 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Name of company		Holdings	Proportion held	Nature of business
Indirect shareholdings (continued)				
Theseus No.1 Limited		Ordinary	100%	Telecoms
Theseus No.2 Limited		Ordinary	100%	Telecoms
Tullamore Beta Limited	ψ	Ordinary	100%	Telecoms
TV Three Enterprises Limited	ψ	Ordinary	100%	Telecoms
TV Three Sales Limited	ψ	Ordinary	100%	Telecoms
TV3 Television Network Limited	ψ	Ordinary	100%	Telecoms
UPC Broadband Ireland Limited	ψ	Ordinary	100%	Trading
Virgin Media Limited		Ordinary	100%	Telecoms
Virgin Media Bristol LLC	≡	Common stock	100%	Holding
Virgin Media Business Limited		Ordinary	100%	Telecoms
Virgin Media Communications Limited		Ordinary	100%	Telecoms
Virgin Media Communications Networks Limited	φ	Ordinary	100%	Telecoms
Virgin Media Employee Medical Trust Limited		Ordinary	100%	Dormant
Virgin Media Finance Holdings Inc.	Ω	Common stock	100%	Telecoms
Virgin Media Finance PLC		Ordinary	100%	Holding
Virgin Media Finco Limited		Ordinary	100%	Finance
Virgin Media Group LLC		Ordinary	100%	Telecoms
Virgin Media Investment Holdings Limited		Ordinary	100%	Holding
Virgin Media Investments Limited		Ordinary	100%	Telecoms
Virgin Media Ireland Limited	ψ	Ordinary	100%	Trading
VM Ireland Group Limited (Previously LG Ireland Group Limited)	ψ	Ordinary	100%	Holding
Virgin Media Mobile Finance Limited		Ordinary	100%	Telecoms
Virgin Media Payments Limited		Ordinary	100%	Collections
Virgin Media PCHC Limited (Previously Flextech T Limited)		Ordinary	100%	Properties
Virgin Media PCHC II Limited (Previously CableTel (UK) Limited)		Ordinary	100%	Properties
Virgin Media Properties Limited		Ordinary	100%	Properties
Virgin Media Properties II Limited		Ordinary	100%	Properties
Virgin Media Secretaries Limited		Ordinary	100%	Finance
Virgin Media Secured Finance PLC		Ordinary	100%	Finance
Virgin Media SFA Finance Limited		Ordinary	100%	Finance
Virgin Media Wholesale Limited		Ordinary	100%	Holding
Virgin Mobile Group (UK) Limited		Ordinary	100%	Dormant
Virgin Mobile Holdings (UK) Limited		Ordinary	100%	Dormant
Virgin Mobile Telecoms Limited		Ordinary	100%	Telecoms

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Name of company		Holdings	Proportion held	Nature of business
Virgin Net Limited	Γ	Ordinary	100%	Dormant
VM Sundial Limited	σ	Ordinary	100%	Dormant
VM Telewest Holdings Limited	Φ	Ordinary	100%	Holdings
Virgin Media Senior Secured Notes Issuer Plc		Ordinary	100%	Finance
Virgin WiFi Limited		Ordinary	100%	Telecoms
VMFH Limited		Ordinary	100%	Dormant
VM Transfers (No 4) Limited		Ordinary	100%	Dormant
VM Transfers (No 5) Limited		Ordinary	100%	Holding
Virgin Media Senior Investments Limited		Ordinary	100%	Trading
VMIH Sub Limited		Ordinary	100%	Holding
VMWH Limited		Ordinary	100%	Holding
W Television Leasing Limited	Φ	Ordinary	100%	Leasing
Windsor Television Limited		Ordinary	100%	Telecoms
X-TANT Limited	Γ	Ordinary	100%	Telecoms
Yorkshire Cable Communications Limited		Ordinary	100%	Telecoms

All companies are registered at Bartley Wood Business Park, Hook, Hampshire, RG27 9UP, unless otherwise noted below:

β Unit 3, Blackstaff Road, Kennedy Way Industrial Estate, Belfast, BT11 9AP

π 2711 Centerville Road, Suite 400, Wilmington, DE 19808

ψ Building P2, EastPoint Business Park, Clontarf, Dublin 3

Σ 1 South Gyle Crescent Lane, Edinburgh, EH12 9EG

σ 1 More London Place, London SE1 2AF

Ξ 251 Little Falls Drive, Wilmington, DE 19808. These entities are registered in the USA.

Φ Application made for strike off subsequent to the year end

Γ Placed in Members Voluntary Liquidation subsequent to the year end