

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
IRC Secs. 368(a), 368(b), 354, 358, 1223

18 Can any resulting loss be recognized? ▶ No

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Statement

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶  Date ▶ 6/6/16
Print your name ▶ SHAWN PENNE Title ▶ VICE PRESIDENT - TAX

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

Liberty Global plc

EIN: 98-1112770

Form 8937: Statement Regarding Acquisition Dated May 16, 2016

Form 8937, Part I, Questions 10 and 12 (CUSIP and Ticker Symbol)

Description	CUSIP Number	Ticker Symbol
Liberty Global Group Class A Ordinary Shares	G5480U104	LBTYA
Liberty Global Group Class C Ordinary Shares	G5480U120	LBTYK
Liberty LiLAC Group Class A Ordinary Shares	G5480U138	LILA
Liberty LiLAC Group Class C Ordinary Shares	G5480U153	LILAK

Form 8937 Part II: Question 14, Organizational Action

On May 16, 2016, a scheme of arrangement (“the Acquisition”) was effective under UK law whereby the shareholders of Cable & Wireless Communications plc, a public limited company incorporated in England and Wales (“CWC”), transferred all of their CWC shares to Liberty Global plc, a public limited company incorporated in England and Wales (“Liberty Global”), in exchange for shares of Liberty Global, which based on each shareholder’s election would consist of:

- (i) Liberty Global Class A Ordinary Shares and Liberty Global Class C Ordinary Shares (collectively “Liberty Global exchanged shares”),
- (ii) Liberty LiLAC Group (“LiLAC”) Class A Ordinary Shares and LiLAC Class C Ordinary Shares (collectively “LiLAC exchanged shares”), or
- (iii) Both Liberty Global exchanged Shares and LiLAC exchanged shares.

Fractions of the relevant Liberty Global and LiLAC shares were not issued to CWC shareholders and, instead, were aggregated and sold in the market with the net proceeds distributed to the applicable CWC shareholders.

On the business day prior to the effective date of the Acquisition, CWC paid a dividend to CWC shareholders in the amount of 3.00 pence per CWC Share (“the Special Dividend”). For more information regarding the treatment of the Special Dividend for U.S. federal income tax purposes, see section entitled “Material U.S. Federal Income Tax Considerations of the Scheme of Arrangement to U.S. Holders – Treatment of the Special Dividend” of the Scheme Document filed pursuant to Rule 30.1 of the United Kingdom City Code on Takeovers and Mergers by CWC on March 23, 2016 (“the Scheme Document”).

Upon effectiveness of the Acquisition, Liberty Global owned 100 percent of the shares of CWC.

As part of the same plan that includes the Acquisition, CWC will be merged into a wholly-owned subsidiary of Liberty Global (“the Merger”). This wholly-owned subsidiary will elect to be treated as an entity disregarded as separate from its owner, Liberty Global, for US federal income tax purposes. This election should be effective at the time of the Merger based on a timely filing of an entity classification election with the Internal Revenue Service. It is intended that the Merger will comply with the procedure set out in the UK Companies Cross-Border Mergers Regulations 2007 (SI 2007/2974) and Part

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3A of Title 7 of Book 2 of the Dutch Civil Code. Liberty Global will treat the Acquisition and the Merger as a single, integrated transaction for US federal income tax purposes.

Additional details regarding the terms of the transaction, the Acquisition and the Merger can be found in the Scheme Document.

Form 8937, Part II: Question 15, Quantitative Effect

The quantitative effect of the organizational action described above is as follows:

- The exchange by CWC shareholders of CWC shares for Liberty Global exchanged shares, LiLAC exchanged shares, or both, together with the Merger, is intended to qualify as a reorganization under IRC Section 368(a)(1)(A). Assuming the Acquisition and the Merger so qualify, gain or loss should not be recognized by the shareholder in respect of the exchange of CWC shares for Liberty Global exchanged shares and / or LiLAC exchanged shares, except for any cash received in lieu of fractional Liberty Global shares and / or LiLAC shares.
- The aggregate tax basis of the Liberty Global exchanged shares and / or LiLAC exchanged shares the shareholder received in exchange for CWC shares, including fractional shares deemed received, should be the same as the aggregate tax basis of the shareholder's CWC shares. The allocation of tax basis in the various shares received in the exchange of shares, including fractional shares, is governed by IRC Section 358 (and the Treasury regulations thereunder) which provides that the tax basis shall be allocated based on the relative fair market values of the property received.
- The holding period of any Liberty Global exchanged shares and / or LiLAC exchanged shares the shareholder received in the Acquisition, including fractional shares deemed received, generally should include the shareholder's holding period of the CWC shares exchanged for such Liberty Global exchanged shares, LiLAC exchanged shares, or both.
- With respect to fractional shares, Liberty Global did not issue any fractional Liberty Global shares or LiLAC shares in the Acquisition, but instead cash was paid to those CWC shareholders who were entitled to receive a fractional Liberty Global shares or LiLAC shares. If the shareholder received cash in lieu of fractional Liberty Global exchanged shares and / or LiLAC exchanged shares, the shareholder will generally recognize gain or loss in an amount equal to the difference between the amount of cash received and the adjusted tax basis allocable to the fractional shares.
- If the CWC shareholder acquired different blocks of CWC shares at different times and at different prices, the shareholder's tax basis and holding periods in the Liberty Global shares may be determined with reference to each block of CWC shares.

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For more information regarding the material US federal income tax considerations for the Acquisition and the Merger, and qualification and limitations of the statements set forth on Form 8937, see section entitled "Material U.S. Federal Income Tax Considerations of the Scheme of Arrangement to U.S. Holders" of the Scheme Document. CWC shareholders should consult with a qualified tax advisor for questions regarding their specific tax treatment.

Form 8937, Part II: Question 16, Supporting Calculation

As set out in the recommended offer outlined in the Scheme Document, CWC shareholders were entitled to select, through an election, one of the following four consideration alternatives:

- 1) the Recommended Offer with the LiLAC Alternative
- 2) the Recommended Offer without the LiLAC Alternative
- 3) the First Dual Share Alternative
- 4) the Second Dual Share Alternative

The Exchange Ratio and the Alternative Exchange Ratio for the recommended offer and alternatives for CWC shares were calculated on April 21, 2016 and described in a press release issued by CWC dated April 22, 2016 ("the press release"). As outlined in the press release, CWC shareholders were entitled to receive the following based on the consideration alternative selected:

- Under the Recommended Offer, CWC Shareholders are entitled to receive, for each CWC Share, 0.00830064 New Liberty Global Class A Ordinary Shares and 0.02032149 New Liberty Global Class C Ordinary Shares
- With respect to the LiLAC exchanged shares for CWC shareholders electing the LiLAC alternative within the Recommended Offer, shareholders who elect for the LiLAC Alternative as part of the Recommended Offer are entitled to receive 0.84718706 New LiLAC Class A Ordinary Shares for each New Liberty Global Class A Ordinary Share and 0.84785908 New LiLAC Class C Ordinary Shares for each New Liberty Global Class C Ordinary Share, respectively, to which they are entitled under the Recommended Offer. However, CWC Shareholders' entitlement for New LiLAC Ordinary Shares under the LiLAC Alternative will be limited to their pro rata entitlement (against their holdings of CWC Shares)
- Under the First Dual Share Alternative, CWC Shareholders are entitled to receive, for each CWC Share, 0.00559304 New Liberty Global Class A Ordinary Shares, 0.01369281 New Liberty Global Class C Ordinary Shares, 0.00234250 New LiLAC Class A Ordinary Shares and 0.00573942 New LiLAC Class C Ordinary Shares
- Under the Second Dual Share Alternative, CWC Shareholders are entitled to receive, for each CWC Share, 0.00460121 New Liberty Global Class A Ordinary Shares, 0.01126461 New Liberty

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Global Class C Ordinary Shares, 0.00234250 New LiLAC Class A Ordinary Shares and 0.00573942 New LiLAC Class C Ordinary Shares

The above data may be used by CWC shareholders to determine the tax basis in Liberty Global exchanged shares and / or LiLAC exchanged shares received in the Acquisition (as described above).

The allocation of tax basis among the various shares received in the exchange of shares should be allocated based on the relative fair market values of the property received. In order to determine the allocation of tax basis among the shares received in the exchange, the closing prices of the relevant shares on the effective date of the Acquisition (May 16, 2016) were as follows:

Relevant shares	# of shares exchanged	May 16 2016 Share price
Liberty Global Group Class A Ordinary Shares	31,607,008	36.93
Liberty Global Group Class C Ordinary Shares	77,379,774	36.23
Liberty LiLAC Group Class A Ordinary Shares	3,648,513	39.5
Liberty LiLAC Group Class C Ordinary Shares	8,939,316	41.98

The US federal income tax laws do not specifically identify how to determine the fair market values of the Liberty Global for purposes of the tax basis allocation. Reasonable methods to determine the fair market value may include using either the average of the high and low trading prices of the shares, the opening trading prices, or the closing trading prices as of a consistent date, which may include either the day of the Acquisition or the day following the Acquisition.

Below are examples of tax basis allocation for one CWC exchanged share with a tax basis of 50 based on each of the four consideration elections and closing price on the effective date of May 16, 2016.

	# of Shares Per 1 CWC share	Adj. Value	% of Value	Tax Basis of 50
Recommended Offer without LiLAC Alternative				
Liberty Global Group Class A Ordinary Shares	0.00830064	\$ 0.31	29.40%	14.70
Liberty Global Group Class C Ordinary Shares	0.02032149	\$ 0.74	70.60%	35.30
		\$ 1.04		
Recommended Offer with LiLAC Alternative				
Liberty LiLAC Group Class A Ordinary Shares	0.00830064 x 0.84718706 = 0.007032195	\$ 0.28	27.75%	13.87
Liberty LiLAC Group Class C Ordinary Shares	0.02032149 x 0.84785908 = 0.01722976	\$ 0.72	72.25%	36.13
		\$ 1.00		

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	# of Shares Per 1 CWC share	Adj. Value	% of Value	Tax Basis of 50
First Dual Alternative				
Liberty Global Group Class A Ordinary Shares	0.00559304	\$ 0.21	19.94%	9.97
Liberty Global Group Class C Ordinary Shares	0.01369281	\$ 0.50	47.88%	23.94
Liberty LiLAC Group Class A Ordinary Shares	0.0023425	\$ 0.09	8.93%	4.47
Liberty LiLAC Group Class C Ordinary Shares	0.00573942	\$ 0.24	23.25%	11.63
		\$ 1.04		
Second Dual Alternative				
Liberty Global Group Class A Ordinary Shares	0.00460121	\$ 0.17	18.64%	9.32
Liberty Global Group Class C Ordinary Shares	0.01126461	\$ 0.41	44.77%	22.39
Liberty LiLAC Group Class A Ordinary Shares	0.0023425	\$ 0.09	10.15%	5.08
Liberty LiLAC Group Class C Ordinary Shares	0.00573942	\$ 0.24	26.43%	13.22
		\$ 0.91		

Form 8937, Part II: Question 19, Other Information

The Acquisition was effective on May 16, 2016. Accordingly, the reportable year for CWC shareholders for reporting of the effect of the Acquisition is the tax year which included May 16, 2016. For calendar year taxpayers, the reportable year is 2016.

As allowed under Internal Revenue Code sections noted in question 17, the Acquisition and Merger should be considered a reorganization within the meaning of IRC Section 368(a)(1)(A). Liberty Global cannot offer tax advice to its shareholders. Shareholders should consult with a qualified tax advisor for questions regarding their specific tax treatment.

For more information regarding the material US federal income tax considerations for the Acquisition and Merger, evaluation of the transaction, and qualification and limitations of the statements set forth on Form 8937 please see the following public documents:

- 1) The Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 as filed with the Securities and Exchange Commission on March 14, 2016.
- 2) The Scheme Document filed pursuant to Rule 30.1 of the United Kingdom City Code on Takeovers and Mergers by CWC on March 23, 2016.
- 3) The press release issued by CWC on the determination of Exchange Ratio, Alternative Exchange Ratio and the LiLAC exchange ratio dated April 22, 2016.