

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 §368(a)(1)(E), §354 and §358

18 Can any resulting loss be recognized? ▶ No loss can be recognized in connection with the shares received. Cash received in lieu of fractional shares is taxable and depending on the taxpayer's individual circumstances may create a loss.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶
The company cannot offer tax advice. The US federal income tax rules are very complex and we urge you to consult your own tax advisors regarding the application of these rules to your particular circumstances. The reportable tax year is 2015 with respect to calendar year shareholders.

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 ▶  SHAWN PENNE Date ▶ 7/6/15

Print your name ▶ Shawn Penne Title ▶ VP - 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 ▶		Phone no.	
Firm's address ▶				

Form 8937, Part I: Questions 10 and 12, CUSIP and Ticker Symbols

Description	CUSIP Number	Ticker Symbol
class A ordinary shares of Liberty Global plc	G5480U 104	LBTYA
class B ordinary shares of Liberty Global plc	G5480U 112	LBTYB
class C ordinary shares of Liberty Global plc	G5480U 120	LBTYK

Form 8937, Part II: Question 14, Organizational Action

Liberty Global’s Board of Directors approved the creation of tracking stock for its operations in Latin America and the Caribbean (the “LiLAC Group”). At the close of trading on July 1, 2015 (the “distribution date”), Liberty Global plc made a share distribution, as a recapitalization to holders of its Class A, Class B and Class C ordinary shares as of the record date of June 24, 2015 (the “Recapitalization”). Shareholders of record received one-twentieth of a share of the corresponding class of LiLAC Group ordinary shares for each Liberty Global ordinary share held by each shareholder as of the record date. Cash was issued in lieu of fractional LiLAC Group ordinary shares.

Form 8937, Part II: Question 15, Quantitative Effect

For U.S. federal income tax purposes, Liberty Global shareholders should not recognize income, gain or loss on the receipt of the LiLAC Group ordinary shares received in the Recapitalization due to being treated as a reorganization within the meaning of Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended (the “IRC”). However, cash received in lieu of fractional LiLAC Group ordinary shares is taxable.

The allocation of your existing tax basis in your shares to the shares resulting from the Recapitalization is governed by IRC Section 358 and the regulations thereunder which, as discussed below, provide that the U.S. federal income tax basis in the pre-Recapitalization shares shall be allocated to the post-Recapitalization shares based on the relative fair market values of these shares. Under IRC Section 358, the aggregate basis of the shares received by the shareholder in the Recapitalization (including any fractional share that is deemed to be received and then exchanged for cash) should be the same as the aggregate basis of the pre-Recapitalization shares. The holding period for determining capital gain or loss with respect to a subsequent taxable disposition by you of a LiLAC Group ordinary share received in the Recapitalization will include the holding period of the pre-Recapitalization share on which the LiLAC Group ordinary share was distributed.

Your U.S. federal income tax basis in the LiLAC Group ordinary share you received in the Recapitalization depends upon the tax basis you had in the corresponding Liberty Global Class A ordinary share, Class B ordinary share or Class C ordinary share for which you received the distribution. In general, you must allocate the pre-Recapitalization tax basis of each share of Liberty Global held by you before the Recapitalization between such share and the LiLAC Group ordinary share received in the Recapitalization based on the relative fair market value of each of the shares. We cannot tell you what your tax basis is in your Liberty Global ordinary shares; you will need to determine your tax basis based on how and when you acquired your Liberty Global ordinary shares.

Based on the methodology described below under “Supporting Calculation,” the following chart provides an example of the ratios for allocating tax basis between the pre-Recapitalization and post-Recapitalization shares:

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Pre-Recapitalization Share	Percentage of Basis Allocated to Each Post-Recapitalization Share
LBTYA	LBTYA 95.34% LILA 4.66%
LBTYB*	
LBTYK	LBTYK 95.19% LILAK 4.81%

* As there was no trading activity for the LiLAC Class B (LILAB) ordinary shares on July 2, 2015, we are only providing an illustration of the basis allocation information regarding the LiLAC Class A (LILA) and LiLAC Class K (LILAK) ordinary shares. There are several potential methods for determining the fair market values of the LiLAC Class B shares for the purposes of allocating tax basis following the transactions. Please consult your tax advisor regarding the allocation of basis amongst your shares

Form 8937, Part II: Question 16, Supporting Calculation

The U.S. federal income tax laws do not specifically identify how to determine the fair market values of the post-Recapitalization shares for purposes of the tax basis allocation discussed above. 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 Recapitalization or the day following the Recapitalization.

Below are examples of how the tax basis allocation rules for the Recapitalization would apply if you use the closing trading prices of the shares on July 2, 2015, the day following the Recapitalization.

	Share Price	# of Shares	Adj. Value	% of Value
LBTYA	\$ 50.70	1	\$ 50.70	95.34%
LILA	\$ 49.61	0.05	\$ 2.48	4.66%
Total			\$ 53.18	

LBTYB ** See Note Below
 LILAB

LBTYK	\$ 47.60	1	\$ 47.60	95.19%
LILAK	\$ 48.10	0.05	\$ 2.41	4.81%
			\$ 50.01	

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** As there was no trading activity for the LiLAC Class B (LILAB) ordinary shares on July 2, 2015, we are only providing an illustration of the basis allocation information regarding the LiLAC Class A (LILA) and LiLAC Class K (LILAK) ordinary shares. There are several potential methods for determining the fair market values of the LiLAC Class B shares for the purposes of allocating tax basis following the transactions. Please consult your tax advisor regarding the allocation of basis amongst your shares.

If you held one Class A ordinary share with a pre-Recapitalization tax basis of \$50, your tax basis would be allocated between the post-Recapitalization shares as follows:

$$\text{LBTYA} = \$50.00 \times 95.34\% = \$47.67$$

$$\text{LILA} = \$50.00 \times 4.61\% = \$2.33$$

If you held one Class C ordinary share with a pre-Recapitalization tax basis of \$50, your tax basis would be allocated between the post-Recapitalization shares as follows:

$$\text{LBTYK} = \$50.00 \times 95.19\% = \$47.60$$

$$\text{LILAK} = \$50.00 \times 4.81\% = \$2.40$$