Virgin Media Investor Day

December 2010

Forward-looking Statements

“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995

Various statements contained in this document constitute “forward-looking statements” as that term is defined under the Private Securities Litigation Reform Act of 1995. Words like “believe,” “anticipate,” “should,” “intend,” “plan,” “will,” “expects,” “estimates,” “projects,” “positioned,” “strategy,” and similar expressions identify these forward-looking statements, which involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements or industry results to be materially different from those contemplated, projected, forecasted, estimated or budgeted, whether expressed or implied, by these forward-looking statements. These factors, among others, include: (1) the ability to compete with a range of other communications and content providers; (2) the effect of technological changes on our businesses; (3) the ability to maintain and upgrade our networks in a cost-effective and timely manner; (4) possible losses of revenues or customers due to systems failures; (5) the ability to control unauthorized access to our network; (6) our reliance on third-party suppliers and contractors to provide necessary hardware, software or operational support; (7) the continued right to use the “Virgin” name and logo; (8) the ability to manage customer churn; (9) general economic conditions; (10) the ability to provide attractive programming at a reasonable cost; (11) the ability to implement our restructuring plan successfully and realize the anticipated benefits; (12) currency and interest rate fluctuations; (13) the ability to fund debt service obligations and refinance our debt obligations; (14) the ability to obtain additional financing in the future; and (15) the ability to comply with restrictive covenants in our indebtedness agreements.

These and other factors are discussed in more detail under “Risk Factors” and elsewhere in Virgin Media’s Form 10-K filed with the SEC on February 26, 2010. We assume no obligation to update our forward-looking statements to reflect actual results, changes in assumptions or changes in factors affecting these statements.

Note: Third quarter 2010 comparisons of financial and operating statistics are to the third quarter of 2009 and third quarter 2008 comparisons of financial and operating statistics are to the third quarter of 2007 unless otherwise stated. On July 12, 2010, the Company sold its VMtv operations. In these results, VMtv is treated as discontinued operations and prior periods have been adjusted accordingly unless otherwise stated.

London Agenda

09:30	Neil Berkett: Introduction and Overview
09:50	Q&A
10:00	Paul Buttery: Power of the Pipe
10:20	Q&A
10:30	Andrew Barron: Sustainable Growth
11:00	Q&A
11:15	BREAK
11:45	Eamonn O'Hare: Power of Free Cash Flow
12:05	Q&A
12:30	CLOSE

New York Agenda

13:00	Neil Berkett: Introduction and Overview
13:20	Q&A
13:30	Paul Buttery: Power of the Pipe
13:50	Q&A
14:00	Andrew Barron: Sustainable Growth
14:30	Q&A
14:45	BREAK
15:15	Eamonn O’Hare: Power of Free Cash Flow
15:35	Q&A
16:00	CLOSE

Neil Berkett, CEO

December 2010

Delivering on our Growth Strategy

Strong execution, an unrivalled network, differentiated products, and cost control delivering sustainable growth

Strong execution

- Financially
- Operationally
- Strategically
- Capital structure

Strategically advantaged

- Long-term assets
- Sustainable network advantage
- Moving from connectivity to application and convergence leadership

Multiple growth opportunities

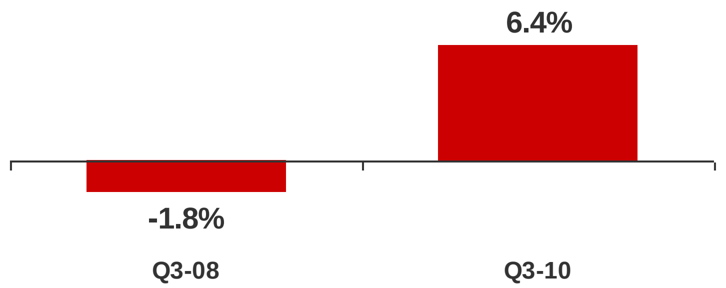
- Broadband leadership
- TiVo
- Virgin Media Business
- Mobile

Driving shareholder value

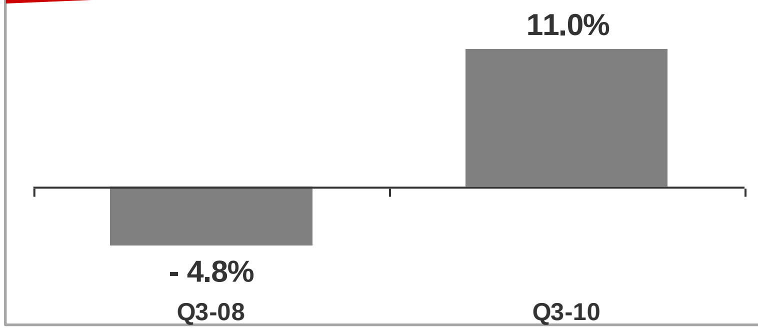
- Focusing on unique network advantage
- Maintain financial discipline
- Leverage capital structure

Financial Progress

Revenue growth



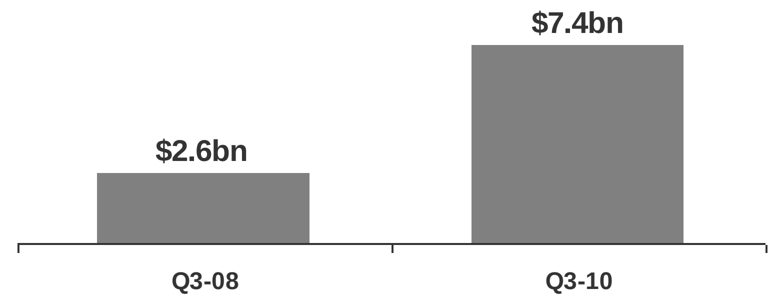
OCF growth[1]



Capital Structure progress

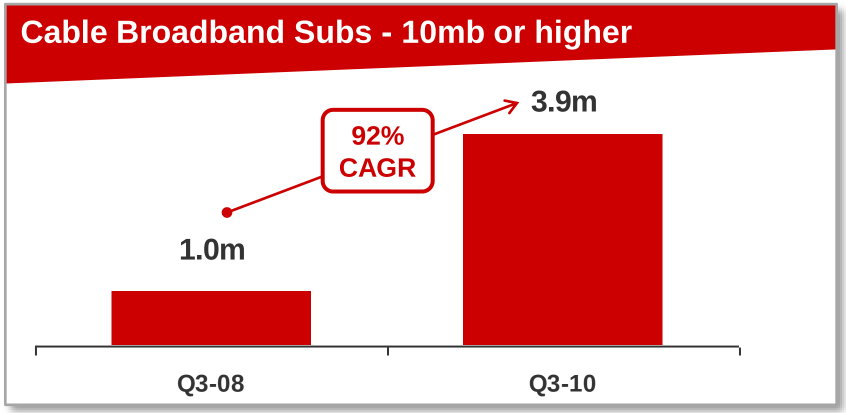
- Restructured Debt
- Sold non-strategic content assets
- Delevering to 3.0x leverage[2] target
- Commenced initial £700m Capital Return programme

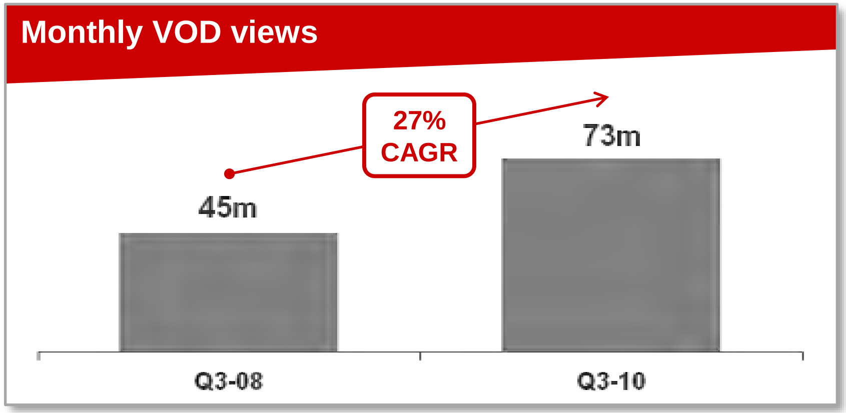
Equity Market Cap

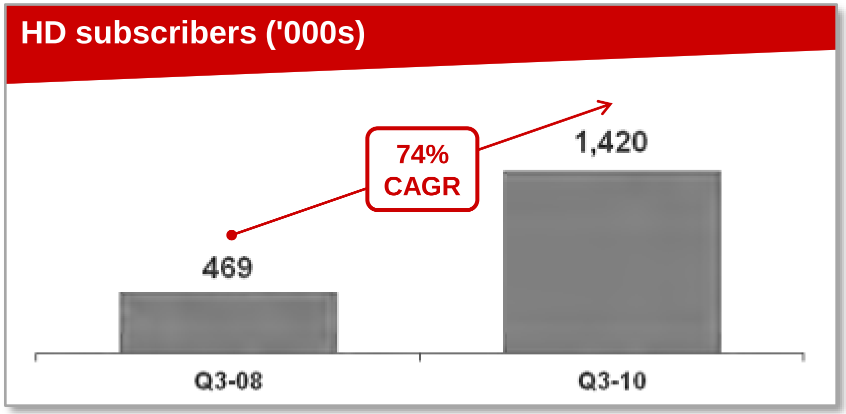


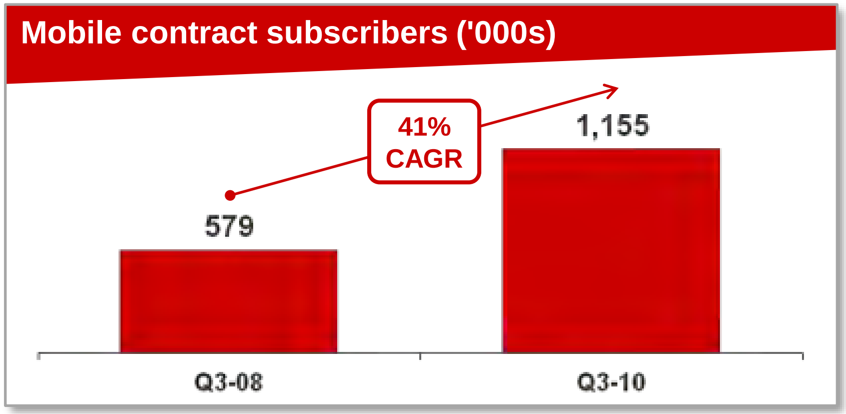
(1) OCF is operating income before depreciation, amortization, goodwill and intangible asset impairments and restructuring and other charges and is a non-GAAP financial measure. Please see Appendix 3 for a reconciliation of non-GAAP financial measures to their nearest GAAP equivalents. OCF for Q3-08 and Q3-07 is on a reported basis and includes the results of VMtv and Sit-up operations.
(2) Leverage is the ratio between Net Debt and OCF. Net Debt and OCF are non-GAAP financial measures.

Strategic Progress



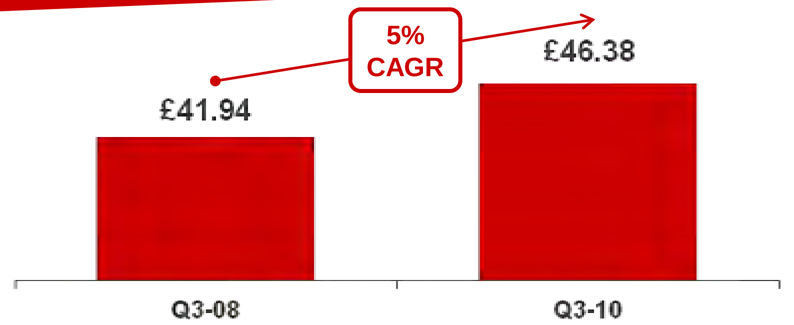




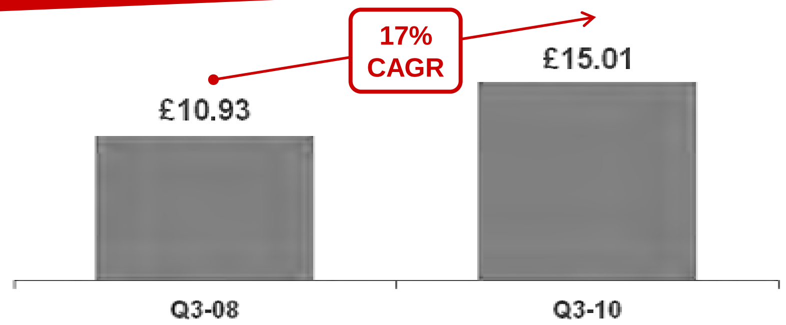


Operational Progress

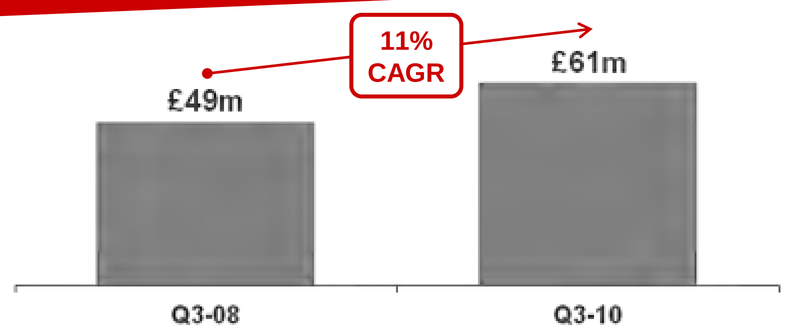
Cable ARPU



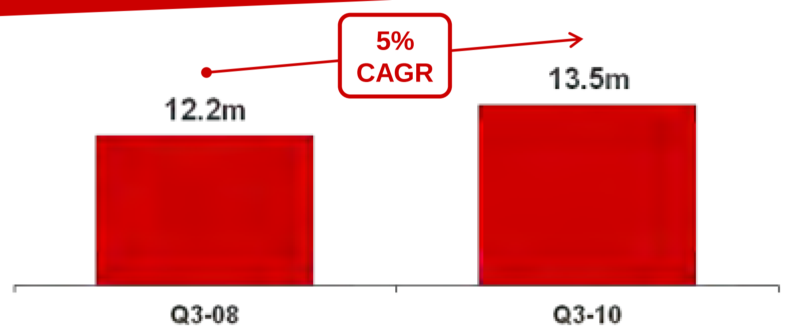
Mobile ARPU



Business Retail Data Revenue



Consumer products



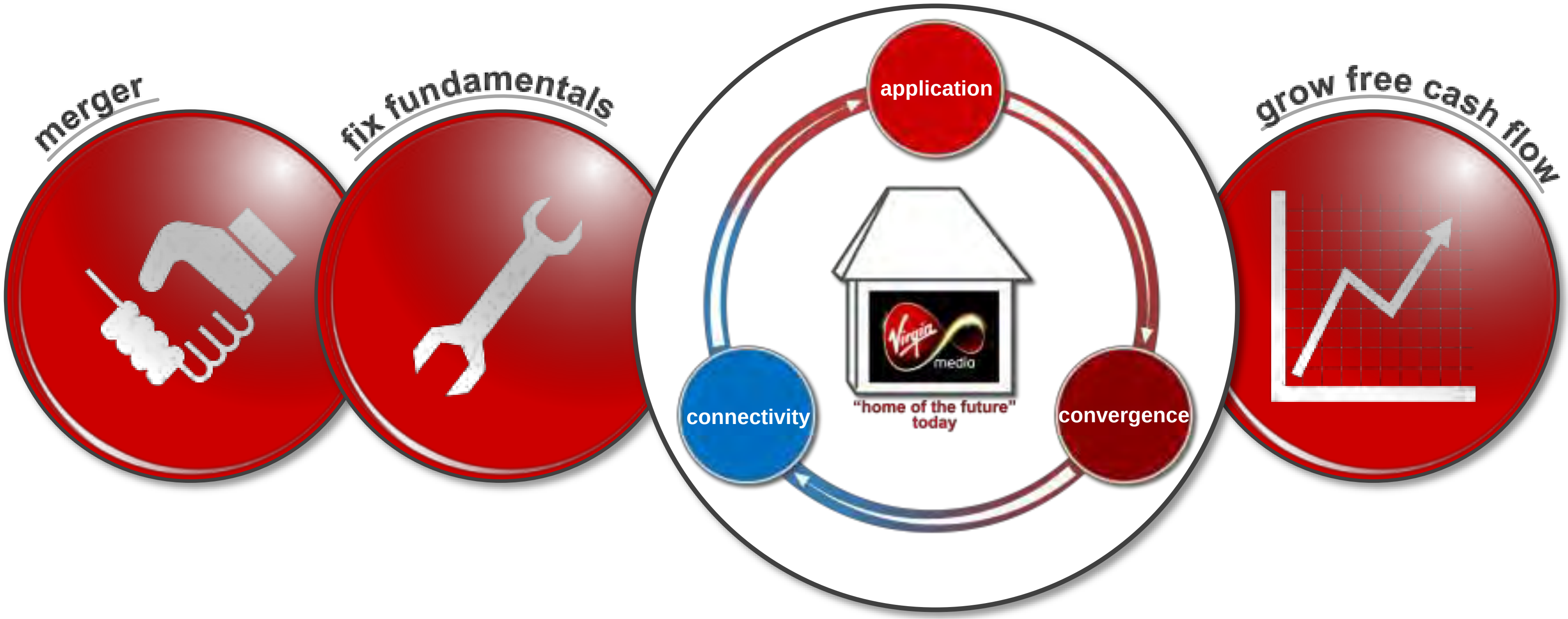
Long-Term Assets give Sustainable Advantage

Network

Brand

People

Our Journey


merger
fix fundamentals
application
connectivity
convergence
"home of the future" today
grow free cash flow

Exploiting our Strategic Advantages…

Paul Buttery, Chief Customer & Networks Officer

- The power of the pipe

Andrew Barron, Chief Operating Officer

- Sustainable growth

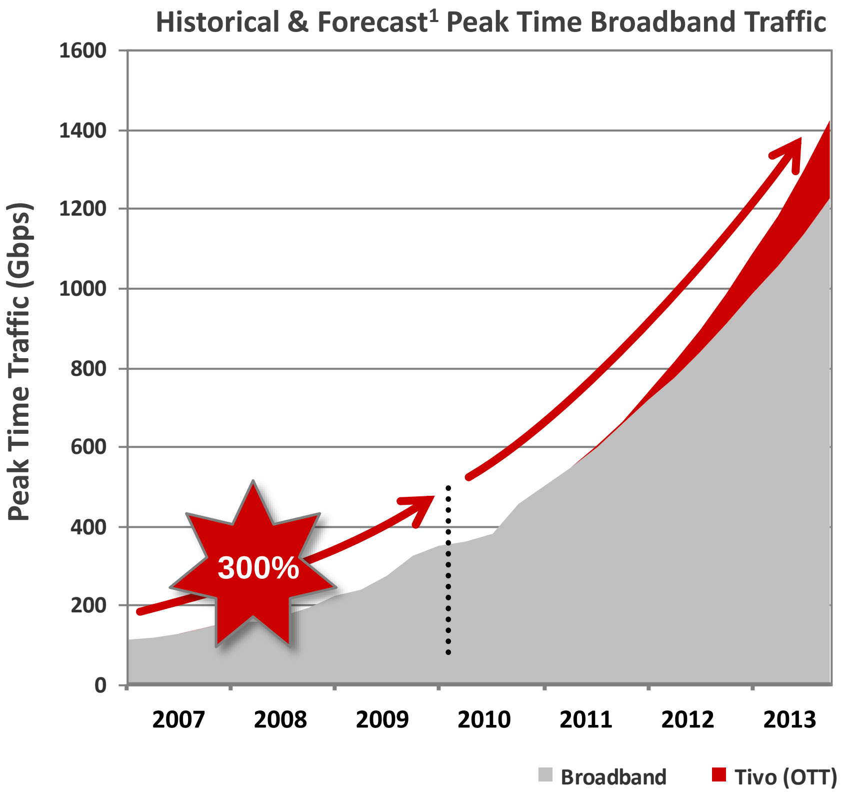
Eamonn O'Hare, Chief Financial Officer

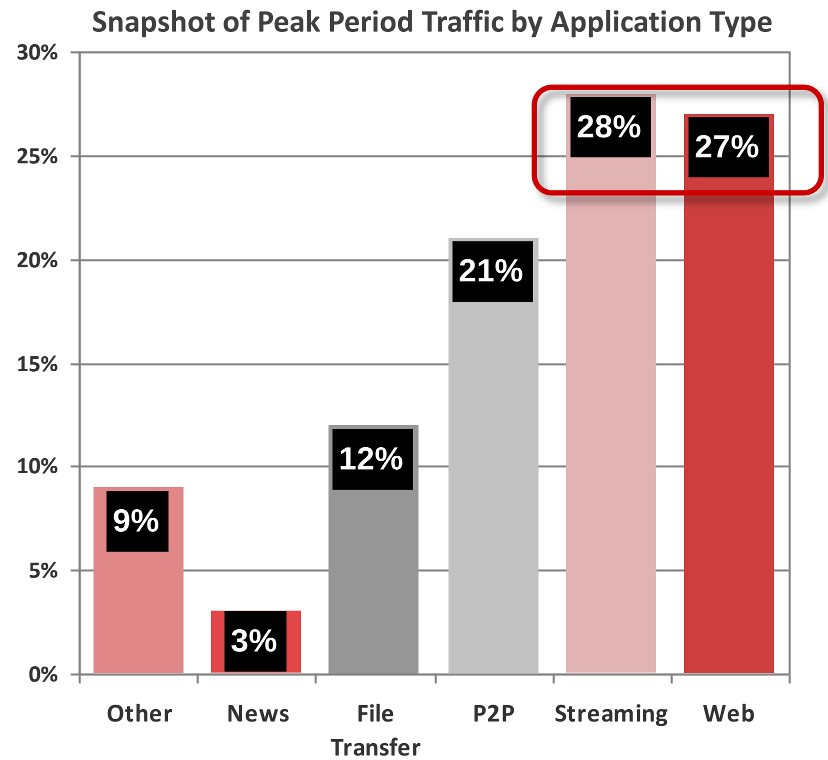
- The power of our free cash flow

Power of the Pipe

Paul Buttery – Chief Customer and Networks Officer

We have seen Broadband traffic grow by >300% in 3yrs

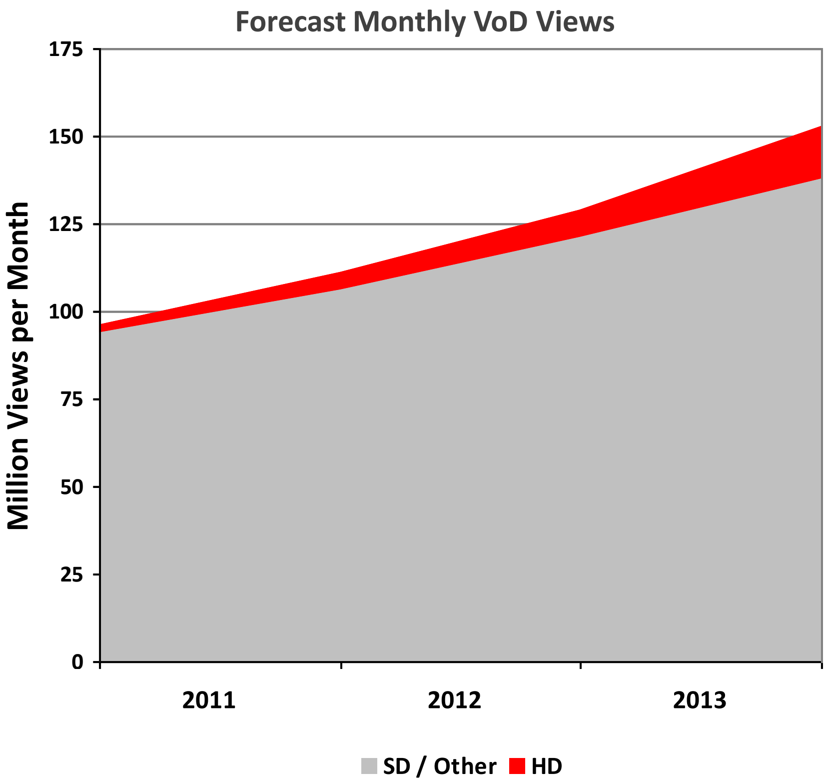


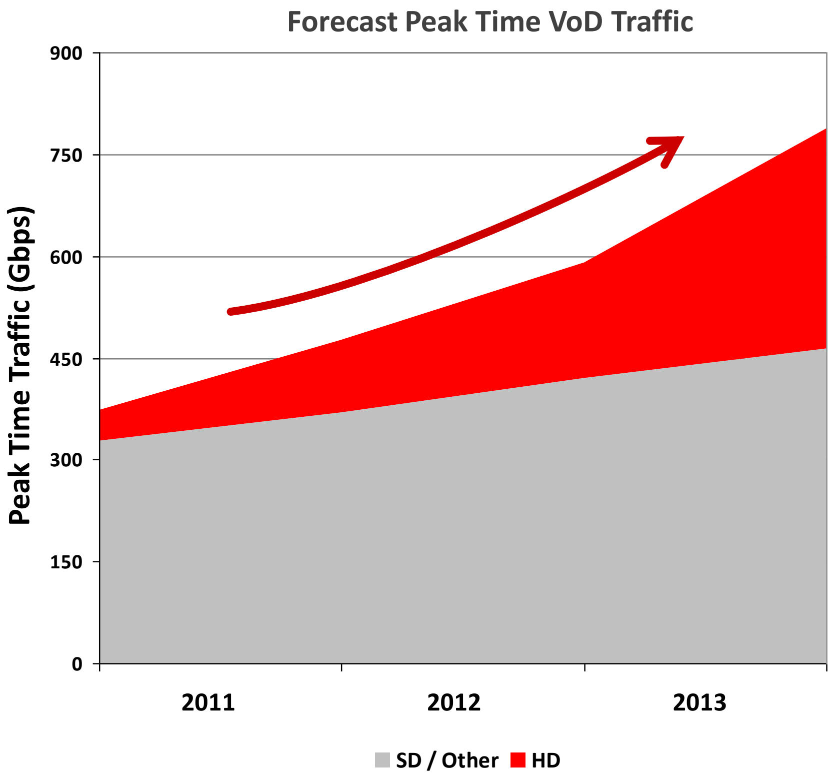


. . . we expect at least the same again

(1) Forecast data based on management estimates

VOD alone could grow to 150m monthly views by 2013

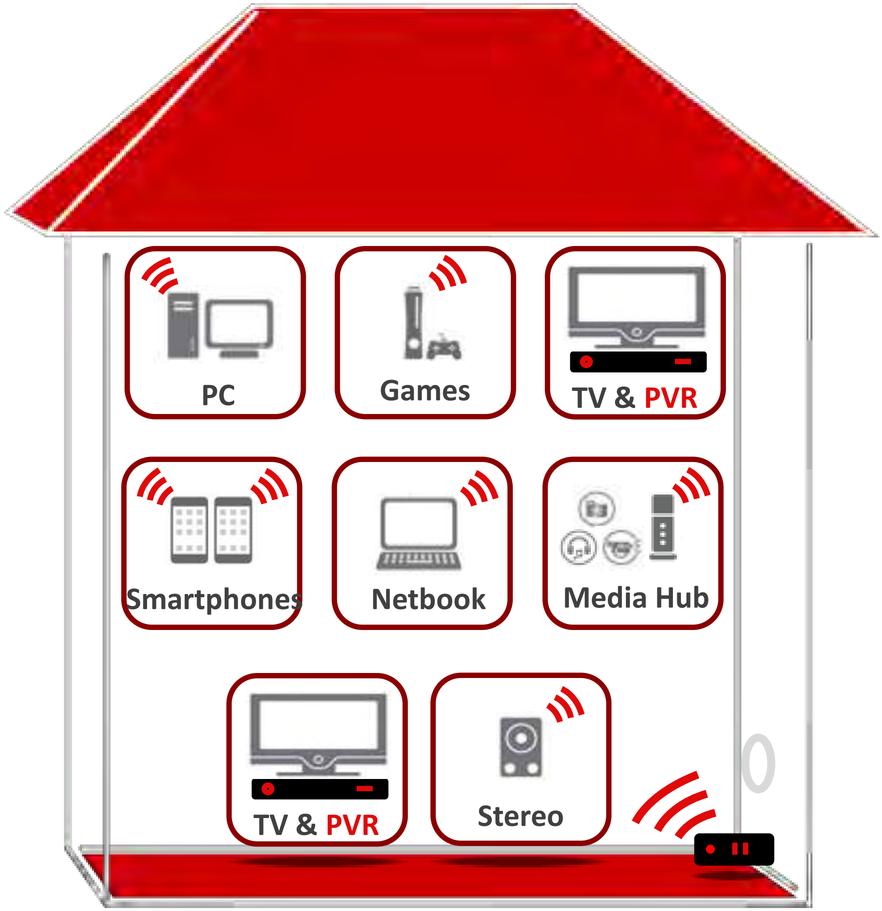




. . . HD could go from c1m to 15m views a month

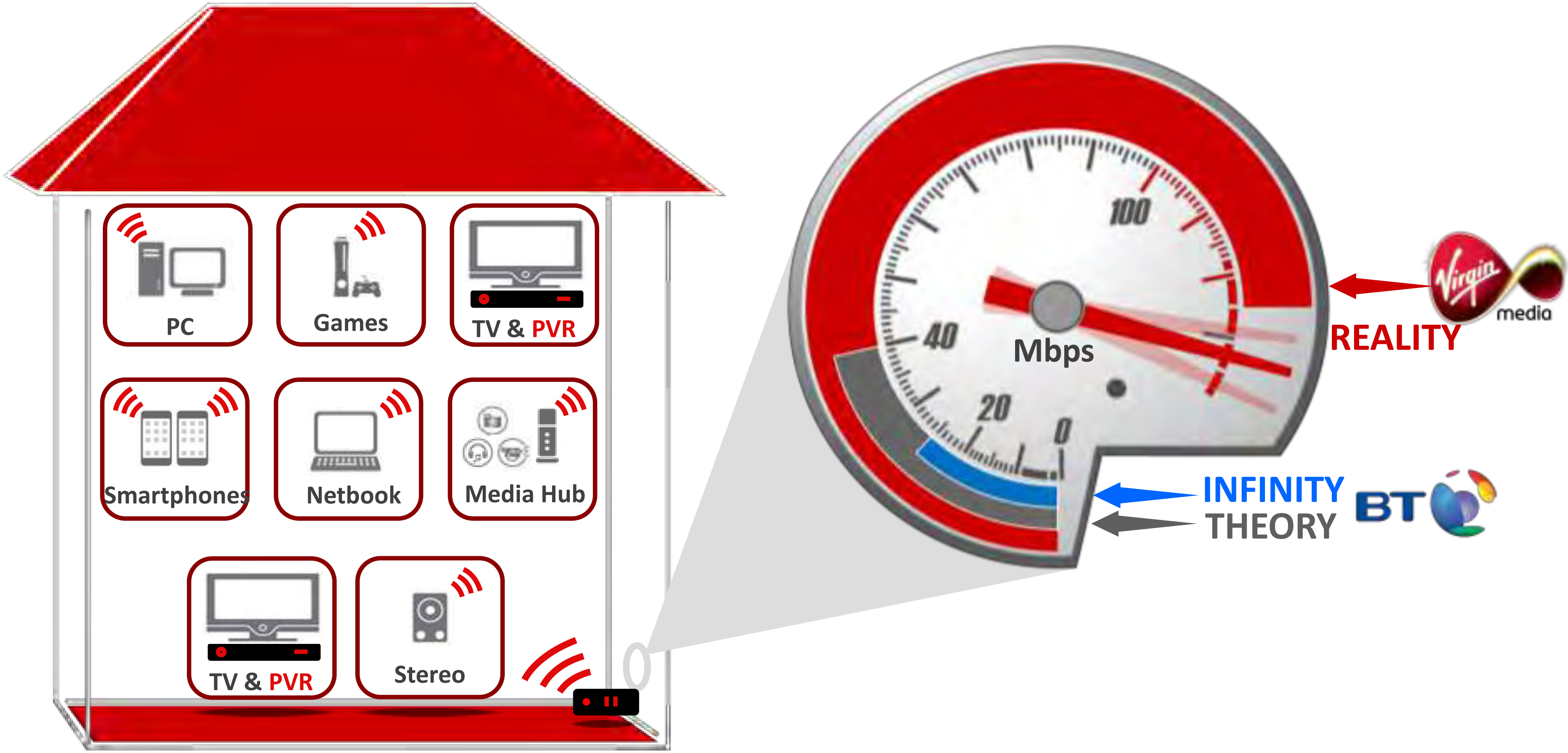
Note: Forecast data based on management estimates

Let's look at the digital home . . .



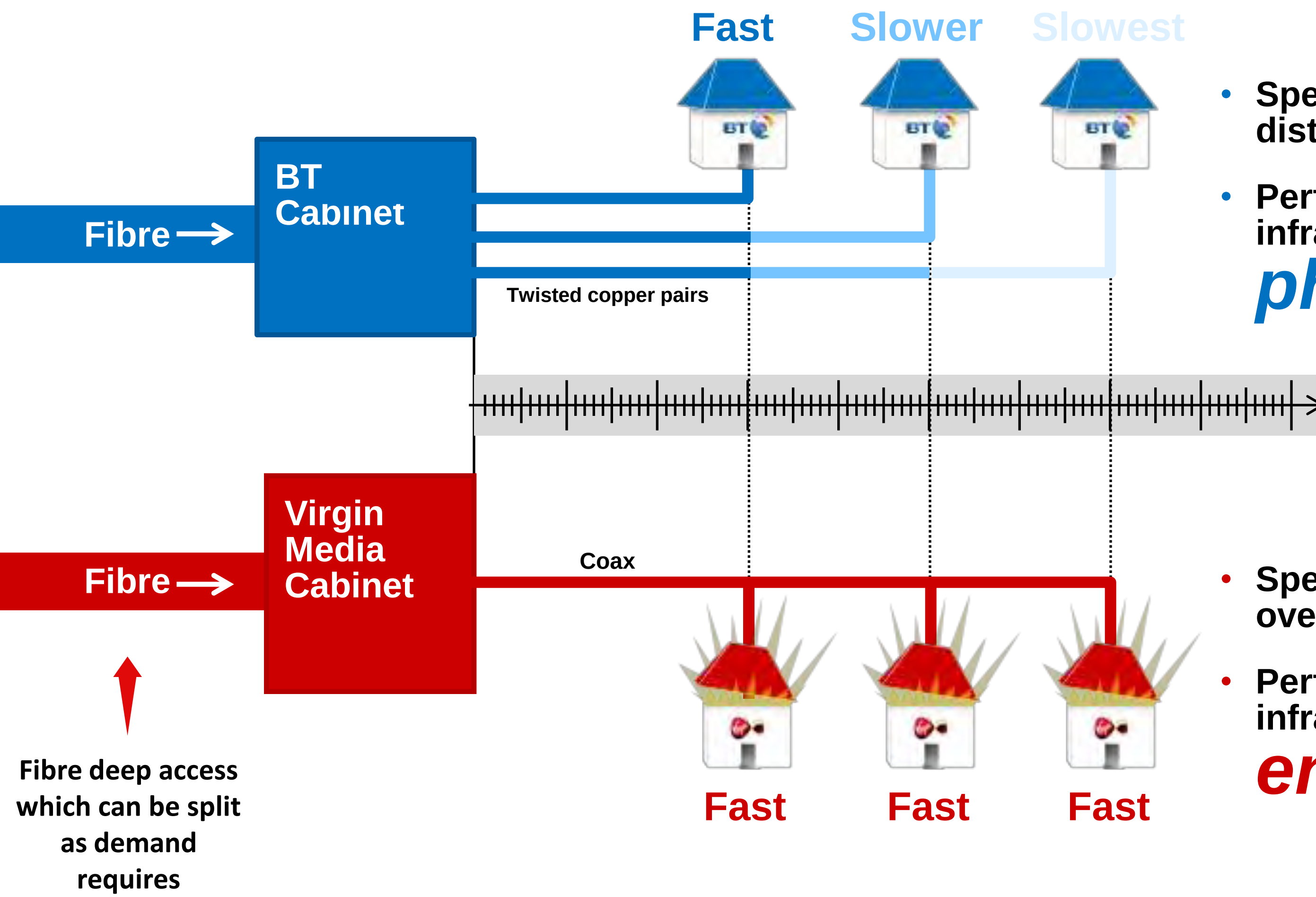
- HD VOD event on main screen in lounge
- HD Broadcast event being viewed upstairs
- Both STBs recording multiple HD programs
- One online gaming session
- Smartphones downloading video, one surfing . .
- . . .one making a video call
- Netbook doing email & background P2P
- One PC using BBC iPlayer
- One Media server backing up
- One Stereo streaming audio

In connectivity terms that is greater than 100Mbps . . .



. . .we have homes like this today!

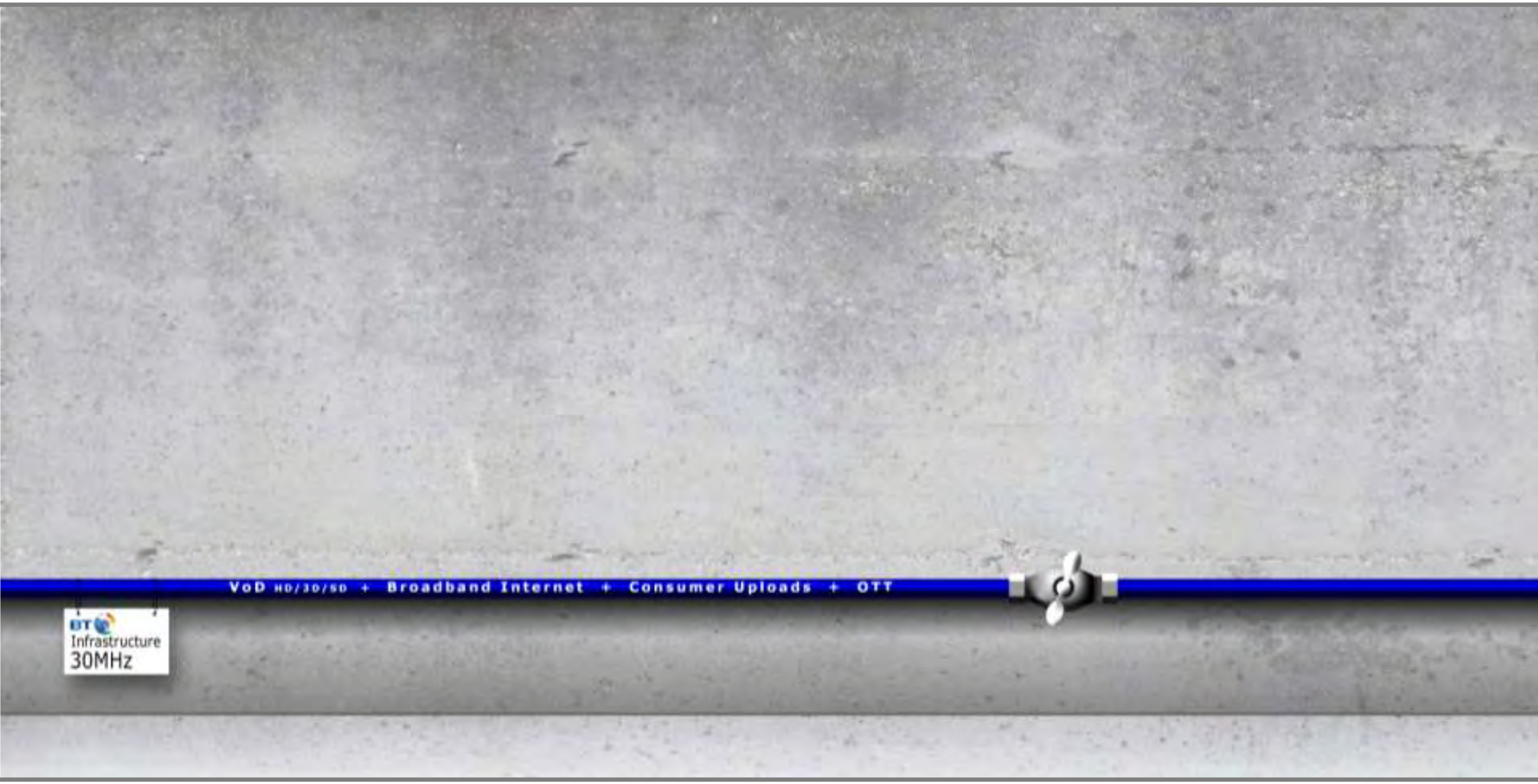
Cable is a superior technology



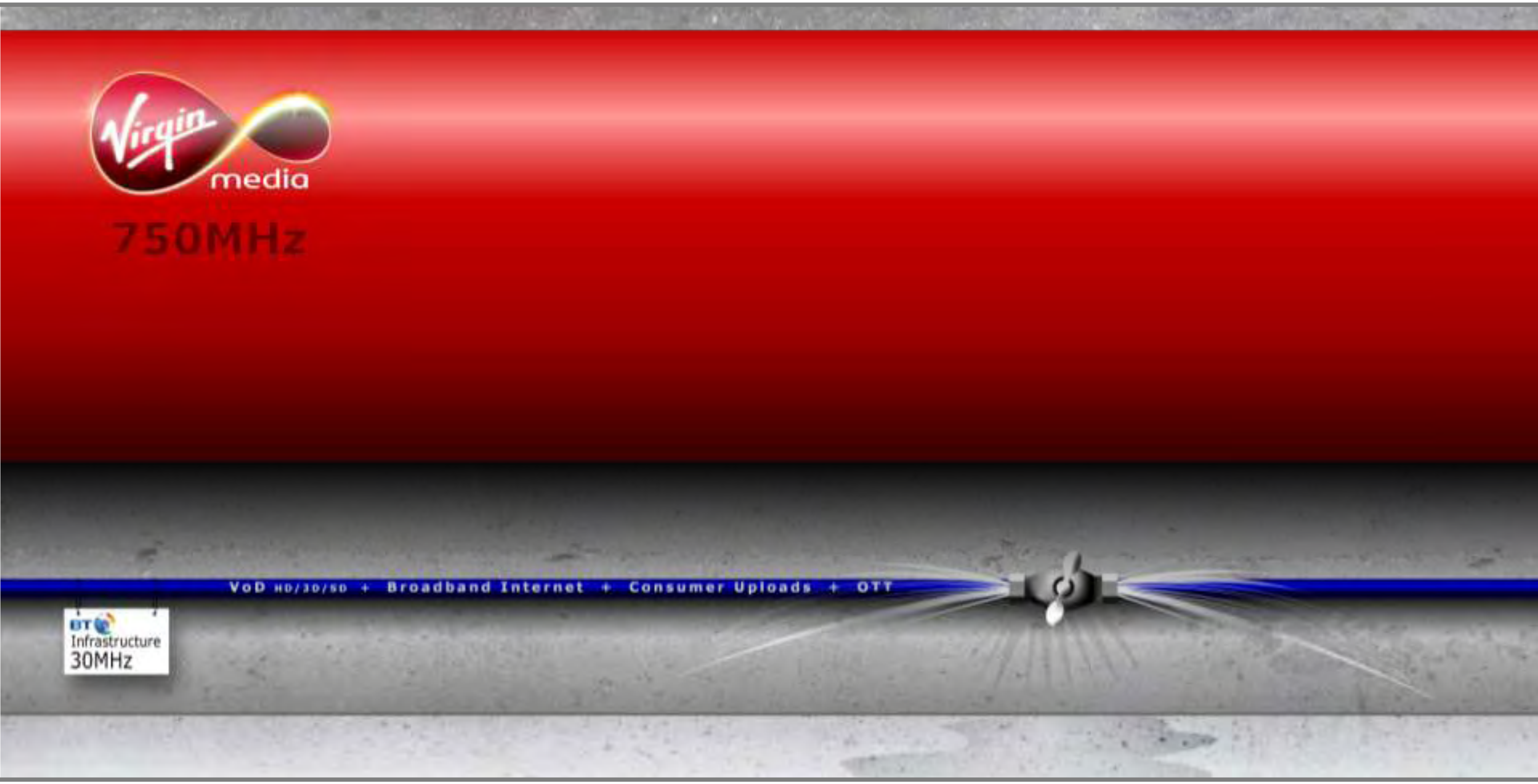
- **Speed degrades over distance**
- **Performance of copper infrastructure determined by *physics***

- **Speed does not degrade over distance**
- **Performance of cable infrastructure determined by *engineering***

Our connectivity advantage



Our connectivity advantage



Our connectivity advantage

Our connectivity advantage is coming into its own

- Our Hi-speed Broadband is leading the way for the digital home
  - In both headline speed and average performance
  - Ideally suited for both device revolution and explosion of video consumption
- Unlike DSL, VoD and Broadcast Video capacity is in addition to and managed independently from Broadband
  - VoD is being scaled to support hundreds of millions of monthly views
  - Broadcast HD channels are growing
- In addition, TiVo will have dedicated capacity for OTT, Internet sourced video
- BT's VDSL2 will not support >40Mbps & is likely to deliver an average of 20-30Mbps
- . . We are trialling 200Mbps today and that is for Broadband alone!

. . . SIZE MATTERS

Sustainable Growth

Andrew Barron, Chief Operating Officer

Virgin Media – A one trick pony?

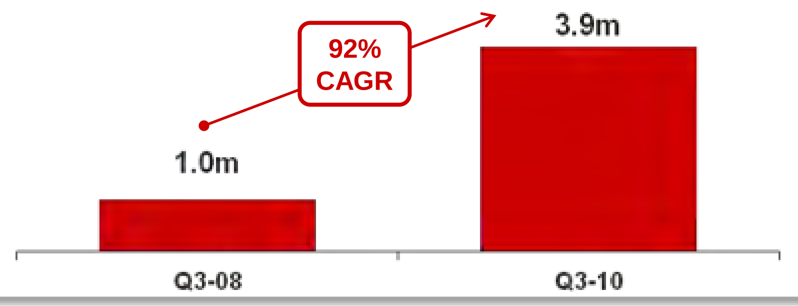
Five drivers of Sustainable Growth

1. Best Broadband
2. TiVo!
3. Mobile
4. Business
5. Living up to the Virgin Brand

Virgin Media – A five trick pony

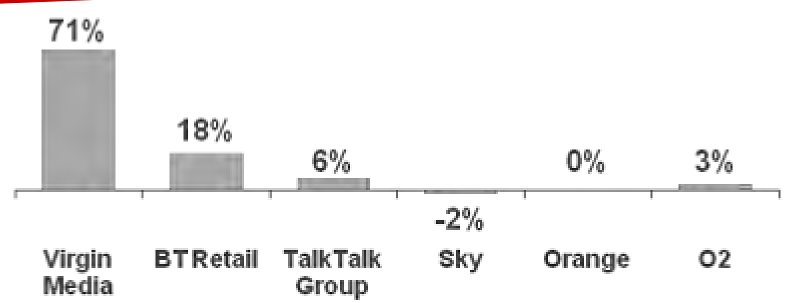
Best Broadband

Cable broadband subs - 10mb or higher



- Delivering the potential
- Twice as fast - Ofcom
- 90%+ QoS at peak
- Best service wrap
- 50Mb to 100Mb

On-net share of broadband margin[1]



- Differentiated product
- Pricing strength
- Infinity is not enough
- WiFi is key
- Tivo adds a modem

Sustainable Advantage

(1) Based on management estimates

TiVo!

- Better than Sky
- Better than YouView
- Unlocks switchers?

- TV is biggest touchpoint
- HD; VoD; Premiums; Catch-Up; Linear
- VM already has the content
- Tivo leverages broadband

Sustainable Advantage

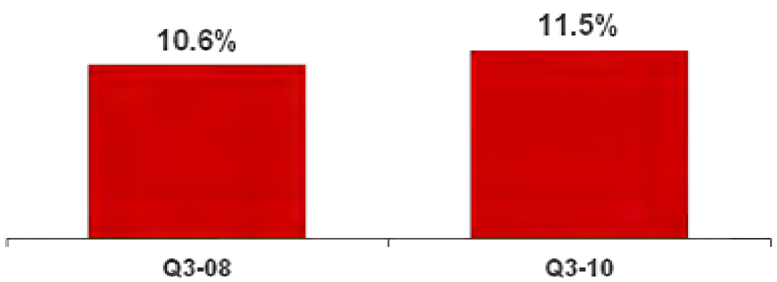
Tivo!

Home
12:31
TV Guide
Catch Up & On Demand
Search & Browse
My Shows & Recordings
Apps & Games
Help & Settings
All Channels
My Favourites
Movies
Sport
News & Documentaries
Kids
HD
Radio
Lifestyle

Demo

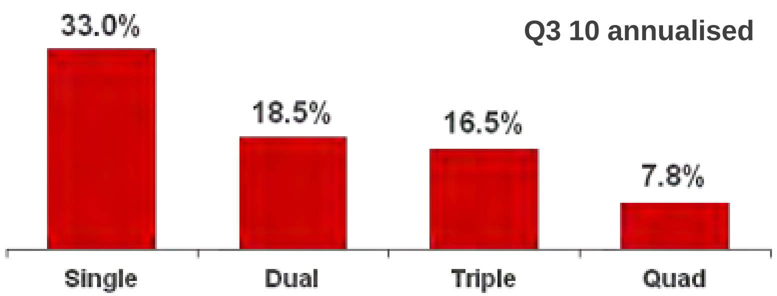
Mobile

Quad Play



- Prepay moving to Contract
- Low End to Smartphones
- Focus on cable homes
- Fixed/mobile convergence
- Mobile Credit

Product Churn



~£46 ARPU

>£80 ARPU

- Mobile is integral part of bundle
- Product benefits overlap
- Data use is exploding
- WiFi is key
- Metro WiFi is an option

Sustainable Advantage

Virgin Media Business

- Shared Network with consumer
- Pass 85% UK businesses
- Lower cost base
- Rebranded and gets focus
- Growing
- 1/3 public sector; also growing
- Example: Big Red Internet

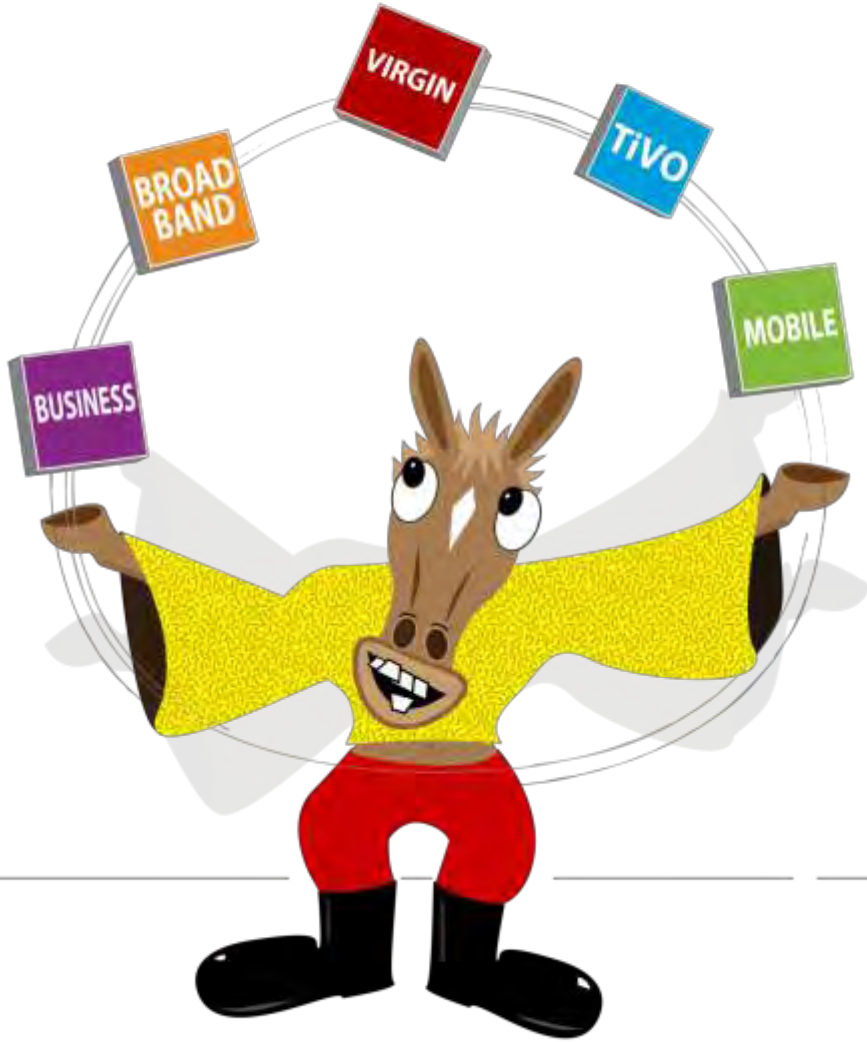
Sustainable Advantage

Living up to the Virgin Brand

- Unique Asset
- “Fix the Fundamentals” done
- Working to Excel at service
- Many “Magic Moments” in 2011
- High Expectations
- Trusted Guide and Partner
- Digital life is daunting
- Service/support/field/education
- Direct contact with customers
- Quad play product boundaries blur

Sustainable Advantage

Virgin Media – A five trick pony



Power of our Free Cash Flow

Eamonn O'Hare, Chief Financial Officer

Driving Shareholder Value

$7bn increase over last two years; 430% growth

Focus on unique network advantage

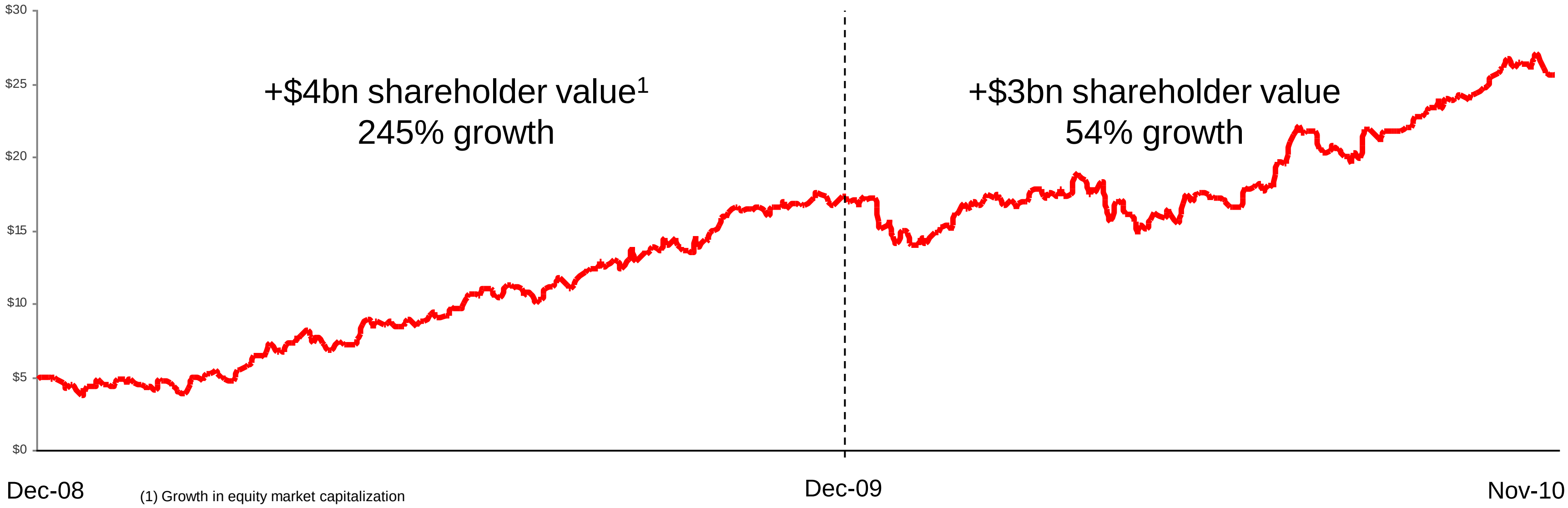
Monetize “differentiated products"

Maintain financial discipline

Invest in modest revenue growth to drive significant free cash flow growth

Leverage capital structure

Refinanced debt, cash from non core assets, capital returns to shareholders



(1) Growth in equity market capitalization

Maintain Financial Discipline

Modest Revenue Growth

- Multiple growth levers
- No "tectonic shifts" required in market
- Grow to drive cash flow, not for "growth's sake"

Challenge Cost Base

- Flat operating expenses, SG&A up <1%[1]
- Fewer people in fewer locations doing fewer things
- Drive out bad costs to reinvest in growth initiatives

Success Based Investment

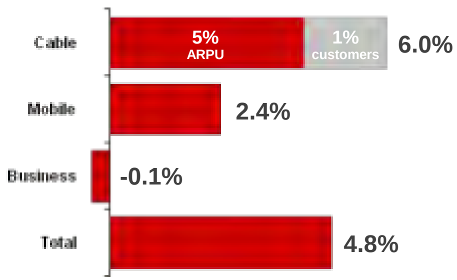
- Incremental customer focused investments
- Recent investments: Docsis 3.0, Network Expansion
- Future investments: TiVo, Metro WiFi, Mobile credits

(1) on a last twelve months basis from Q3-09 to Q3-10

Repositioning the Consumer Revenue Opportunity

More balanced revenue growth

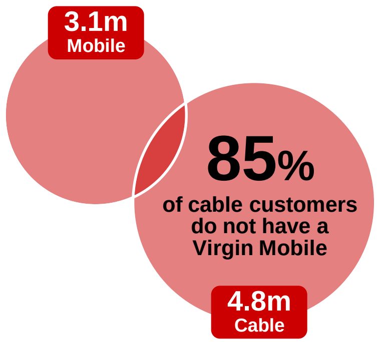
LTM Revenue Growth[1]



Changing dynamics

- Less cable pricing opportunity due to VAT rise / Govt. cuts
- Mobile revenue hit inflection point in Q2-10
- Business revenue hit inflection point in Q2-10

Mobile cross-sell opportunity



Today's definition

2.5 cable products per customer

3 maximum

Tomorrow's definition?

2.6 products per customer

4 maximum

Favourable mobile economics

Standalone

- Contract ARPU is more than double pre-pay
- Low acquisition costs to sell to cable base
- Limited capex

Quadplay

- Much lower churn for cable home with contract mobile
- Natural hedge to mitigate fixed usage decline
- Further convergence opportunities e.g. "third screen“
- Quadplay ARPU is over £80 v £46 cable average

Capturing the mobile opportunity

- Focus on “mobile credits” to accelerate penetration
- £40m incremental handset investment
- Incremental handsets hit Operating Costs

(1) on a last twelve months basis from Q3-09 to Q3-10

Demonstrating our Strong Operating Leverage

Modest revenue growth has driven significant FCF growth

	Q3-10 LTM	YoY LTM Growth		Cash conversion
	£m	%	£m	
Revenue	3,813	4.8%	176	£1
Operating Costs[1]	1,546	-		
SG&A	794	0.9%		
OCF[2]	1,474	13.0%	170	96p
Net Interest	479	7.0%		
Cash CAPEX[3]	634	15.0%		
FCF[4]	362	18.2%	56	32p

(1) Exclusive of depreciation and amortization. (2) OCF is operating income before depreciation, amortization, goodwill and intangible asset impairments and restructuring and other charges and is a non-GAAP financial measure. See Appendices for a reconciliation of non-GAAP financial measures to their nearest GAAP equivalents. (3) Cash CAPEX is total purchase of fixed and intangible assets. (4) FCF is free cash flow which is OCF reduced by purchase of fixed and intangible assets and net interest expense and is a non-GAAP financial measure. See Appendix 4 for a reconciliation of non-GAAP financial measures to their nearest GAAP equivalents.

Realizing the Power of our Free Cash Flow

Significant financial leverage delivers outsized shareholder returns

Deleveraging

- Commitment to reduce leverage to 3.0x
- £6bn of gross debt; Market cap still <50% of EV
- 430% equity value[1] growth driven by only 60% Enterprise Value growth

Multiple expansion

- Top-line revenue growth and sustained FCF growth drives multiple expansion
- EV/OCF increased from 5.6x in Dec-08 to 7.3x today

Invest to grow

- Focused on high return incremental customer focused investments
- 15-17% capex/revenue gives substantial ability to sustain top-line growth

Returns to shareholders

- £700m programme already announced
- £375m Buy back programme authorized; £125m shares bought back to date
- Conversion hedges executed to reduce potential Convertible dilution

[1] Market capitalisation growth from 31st Dec 2008 to 30th Nov 2010

Multiple sources of value creation

MODEST REVENUE GROWTH

STRONG OPERATING LEVERAGE

SIGNIFICANT TAX ASSETS

LOWER INTEREST THROUGH DELEVERAGING

STRONG CASH CONVERSION = 32%[1]

FCF GROWTH = 18%[1]

SHARE BUYBACKS
£125m YTD / £250m more authorised

EFFECTIVE RESTRIKE OF CONVERTIBLE[2]
from $19.22 to $35.00

GROWTH IN FCF PER SHARE = 21%[1]

[1] On a Last Twelve Month basis as at Q3 10. [2] The transactions are intended to offset a portion of the dilutive effects that would potentially be associated with conversion of the notes at maturity by permitting us to receive from the counterparties a number of shares of our common stock to be calculated in the basis outlined in the Form 8-K filed with the SEC on October 27, 2010.

Appendices

December 2010

Non-GAAP measures (1)

Virgin Media uses certain financial measures with a view to providing investors with a better understanding of the operating results and underlying trends to measure past and future performance and liquidity. These measures, which are not calculated and presented in accordance with U.S. generally accepted accounting principles (“GAAP”), are defined as follows:

• *OCF* or *OCF (Total)* is operating income before depreciation, amortization, goodwill and intangible asset impairments and restructuring and other charges.
• *Free Cash Flow (FCF)* is OCF reduced by purchase of fixed and intangible assets, as reported in our statements of cash flows, and net interest expense, as reported in our statements of operations. Our definition of FCF excludes the impact of working capital fluctuations and restructuring costs.
• *Net debt* is long term debt inclusive of current portion, less cash and cash equivalents.

OCF and FCF

Our management considers OCF as an important indicator of our operational strength and performance during the relevant periods. OCF is most directly comparable to the GAAP measure operating income. OCF excludes the impact of costs and expenses that do not directly affect our cash flows. Other charges, including restructuring charges, are also excluded from this measure as management believes they are not characteristic of our underlying business operations. Our management considers FCF as a helpful measure in assessing our liquidity and prospects for the future. FCF is most directly comparable to the GAAP financial measure net cash provided by operating activities. We believe FCF is useful to investors as a basis for comparing our performance and coverage ratios with other companies in our industry. In particular, we also believe that FCF reflects an additional way of viewing aspects of our operations that provide a more complete understanding of factors and trends affecting our business. Some of the significant limitations associated with the use of OCF and FCF are that these measures do not consider the amount of required reinvestment in depreciable fixed assets and ignores the impact on our results of operations of items that management believes are not characteristic of our underlying business operations. Additionally, FCF should not be understood to represent our ability to fund discretionary amounts, as we have various contractual obligations which are not deducted to arrive at FCF. Since these measures are not calculated in accordance with GAAP, they should not be considered as substitutes for operating income and net cash provided by operating activities, respectively. Because non-GAAP financial measures are not standardized, it may not be possible to compare our OCF or FCF with other companies’ non-GAAP financial measures that have the same or similar names.

The presentation of this supplemental information is not meant to be considered in isolation or as a substitute for other measures of financial performance reported in accordance with GAAP. These non-GAAP financial measures reflect an additional way of viewing aspects of our operations that, when viewed with our GAAP results and the accompanying reconciliations to corresponding GAAP financial measures, provide a more complete understanding of factors and trends affecting our business. We encourage investors to review our financial statements and publicly-filed reports in their entirety and to not rely on any single financial measure.

Net Debt

Net Debt is defined as long term debt inclusive of current portion, less cash and cash equivalents. Our management, including our chief executive officer, consider this measure as potentially of interest to our investors in assessing our financing obligations. Net debt is not a financial measure recognized under GAAP. This measure is most directly comparable to the GAAP financial measure, long term debt, net of current portion. The significant limitation associated with the use of net debt as compared to long term debt, net of current portion, is that net debt includes the current portion of long term debt. This measure also assumes that all of the cash and cash equivalents are available to service debt. We believe this measure may be helpful for understanding our debt funding obligations and provides useful supplemental information to investors. Because non-GAAP financial measures are not standardized, it may not be possible to compare our net debt with other companies' non-GAAP financial measures that have the same or similar names. The presentation of this supplemental information is not meant to be considered in isolation or as a substitute for long term debt, net of current portion, or other measures of financial performance or liquidity reported in accordance with GAAP.

Non-GAAP measures (2)

The following tables present the reconciliations of non-GAAP financial measures to their nearest measure of financial performance in accordance with GAAP.

Reconciliation of operating income before depreciation, amortization, goodwill and intangible asset impairments and restructuring and other charges (OCF) to GAAP operating income:

(in £ millions) (unaudited)

	Last twelve months ended	Three months ended			
	September 30, 2010	September 30, 2010	June 30, 2010	March 31, 2010 (Adjusted)	December 31, 2009 (Adjusted)
Operating income before depreciation, amortization, goodwill and intangible asset impairments and restructuring and other charges (OCF)	1,473.7	387.3	369.7	349.6	367.1
Reconciling items					
Depreciation and amortization	(1,131.9)	(281.1)	(283.6)	(279.6)	(287.6)
Goodwill and intangible asset impairments	(4.7)	-	-	-	(4.7)
Restructuring and other charges	(21.2)	(4.5)	(6.5)	(0.4)	(9.8)
Operating income	**315.9**	**101.7**	**79.6**	**69.6**	**65.0**

	Last twelve months ended	Three months ended			
	September 30, 2009 (Adjusted)	September 30, 2009 (Adjusted)	June 30, 2009 (Adjusted)	March 31, 2009 (Adjusted)	December 31, 2008 (Adjusted)
Operating income before depreciation, amortization, goodwill and intangible asset impairments and restructuring and other charges (OCF)	1,304.2	349.0	327.5	305.3	322.4
Reconciling items					
Depreciation and amortization	(1,174.9)	(296.3)	(294.5)	(293.4)	(290.7)
Goodwill and intangible asset impairments	-	-	-	-	-
Restructuring and other charges	(50.4)	(1.6)	(23.6)	(5.4)	(19.8)
Operating income	**78.9**	**51.1**	**9.4**	**6.5**	**11.9**

Non-GAAP measures (3)

The following tables present the reconciliations of non-GAAP financial measures to their nearest measure of financial performance in accordance with GAAP.

Reconciliation of operating income before depreciation, amortization, goodwill and intangible asset impairments and restructuring and other charges (OCF) to GAAP operating income:

	Three months ended	
	September 30, 2008	**September 30, 2007**
Operating income before depreciation, amortization, goodwill and intangible asset impairments and restructuring and other charges (OCF)	325.0	341.5
Reconciling items		
Depreciation and amortization	(280.4)	(303.7)
Goodwill and intangible asset impairments	4.0	-
Restructuring and other charges	-	8.9
Operating income	48.6	46.7

Note: OCF for Q3-08 and Q3-07 is on a reported basis and includes the results of VMtv and Sit-up operations.

Non-GAAP measures (4)

The following tables present the reconciliations of non-GAAP financial measures to their nearest measure of financial performance in accordance with GAAP.

Reconciliation of Free Cash Flow (FCF) to GAAP net cash provided by operating activities:

(in £ millions) (unaudited)

	Last twelve months ended	Three months ended				Last twelve months ended	Three months ended			
	September 30, 2010	September 30, 2010	June 30, 2010	March 31, 2010 (Adjusted)	December 31, 2009 (Adjusted)	September 30, 2009 (Adjusted)	September 30, 2009 (Adjusted)	June 30, 2009 (Adjusted)	March 31, 2009 (Adjusted)	December 31, 2008 (Adjusted)
Free Cash Flow (FCF)	361.6	119.4	108.9	45.9	87.4	305.9	109.9	79.3	55.4	61.3
Reconciling items (see Note below):										
Purchase of fixed and intangible assets	633.5	150.5	146.0	181.5	155.5	551.1	120.4	147.9	144.2	138.6
Changes in operating assets and liabilities	13.0	(0.7)	35.0	(41.4)	20.1	(23.4)	(43.1)	37.4	(37.6)	19.9
Non-cash compensation	28.8	6.2	7.9	7.3	7.4	16.3	6.1	1.2	4.7	4.3
Non-cash interest	13.8	34.2	(13.5)	10.9	(17.8)	28.7	87.6	(0.8)	(17.7)	(40.4)
Share of net income of affiliates	14.6	6.0	5.1	3.5	-	19.4	1.1	0.6	-	17.7
Realized foreign exchange (losses)/gains	(138.5)	0.2	(88.8)	(33.2)	(16.7)	(36.8)	(3.1)	(20.9)	0.9	(13.7)
Realized gains/(losses) on derivatives	80.6	(6.4)	52.5	25.5	9.0	13.1	2.5	5.3	2.0	3.3
Restructuring and other charges	(21.2)	(4.5)	(6.5)	(0.4)	(9.8)	(50.4)	(1.6)	(23.6)	(5.4)	(19.8)
Income taxes	23.3	14.0	4.4	2.4	2.5	3.7	1.7	0.8	0.3	0.9
Other	2.6	0.7	(0.5)	0.2	2.2	(1.4)	0.3	(0.9)	(1.2)	0.4
Net cash provided by operating activities	**1,012.1**	**319.6**	**250.5**	**202.2**	**239.8**	**826.2**	**281.8**	**226.3**	**145.6**	**172.5**

Note: The line descriptions above are derived from our previously reported results. Non-cash interest includes non-cash interest and amortization of original issue discount and deferred financing costs from our statements of cash flows. Share of net income of affiliates includes income from equity accounted investments, net of dividends received from our statements of cash flows and share of income from equity investments from our statements of operations. Realized foreign exchange (losses)/gains includes unrealized foreign currency losses (gains) from our statements of cash flows and foreign currency (losses) gains from our statements of operations. Realized (losses)/gains on derivatives includes unrealized (gains) losses on derivative instruments from our statements of cash flows and gains (losses) on derivative instruments from our statements of operations. Income taxes includes income taxes from our statements of cash flows and income tax benefit (expense) from our statements of operations.