



Fourth Quarter 2008

February 25, 2009

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 ability to manage customer churn; (3) the ability to maintain and upgrade our networks in a cost-effective and timely manner; (4) the ability to implement our restructuring plan successfully and realize the anticipated benefits; (5) the general deterioration in economic conditions; (6) the continued right to use the Virgin name and logo; (7) possible losses in revenues due to systems failures; (8) the ability to provide attractive programming at a reasonable cost; (9) the ability to control unauthorized access to our network; (10) the effect of technological changes on our businesses; (11) the reliance on single-source suppliers for some equipment, software and services and third party distributors of our mobile services; (12) currency and interest rate fluctuations; (13) the ability to fund debt service obligations through operating cash flow and refinance our debt obligations; (14) the ability to obtain additional financing in the future; (15) the ability to comply with restrictive covenants in our indebtedness agreements; and (16) the extent to which our future cash flow will be sufficient to cover our fixed charges.

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 29, 2008, as amended, our Forms 10-Q filed with the SEC on May 8, 2008, August 7, 2008 and November 10, 2008, and our Form 10-K to be filed with the SEC on or about February 27, 2009. We assume no obligation to update our forward-looking statements to reflect actual results, changes in assumptions or changes in factors affecting these statements.



Neil Berkett, CEO

Our Competitive Advantage



- Exploiting our network to give Next Generation Access today
 - Ground breaking broadband
 - VOD is now mainstream
- Consumer trends and “Digital Britain” policy agenda play to our strengths
- Encouraging signs that consumers will pay for quality
 - Improving broadband tier mix
 - ARPU expected to grow in 2009
- Platform for growth in place
 - Award winning broadband products exploiting speed advantage
 - Driving VOD to achieve similar response to broadband
 - Leveraging mobile to drive contract growth and data usage
 - Service and product reliability is now at a “Virgin” standard
 - Organizational transformation improving focus, execution and “can do” attitude
- Results suggest good resilience to economic conditions
 - We are not complacent
 - Managing business and costs proactively for the downturn

Key Highlights



Financial

- Consumer on-net revenue growth for second successive quarter
- SG&A down 10% on Q4-07
- Free Cash Flow¹ of £357m in 2008, up 41% on 2007
- Repaid £300m of senior debt following successful bank amendment

Operational

- On-net cable ARPU increased to £42.30
- Total RGUs of 12.4m, up 6% on Q4-07
- Record broadband, TV, and contract mobile customers
- Low churn of 1.2%, down 20 basis points, on Q4-07
- Record 56% triple play, up 6 percentage points, on Q4-07
- Initiation of restructuring plan to drive further operational improvements

Strategic

- **Broadband:** Improved broadband tier mix and launched 50Mb
- **Television:** Record on-demand usage and expanded VOD content
- **Mobile:** Strong contract growth and launch of mobile broadband

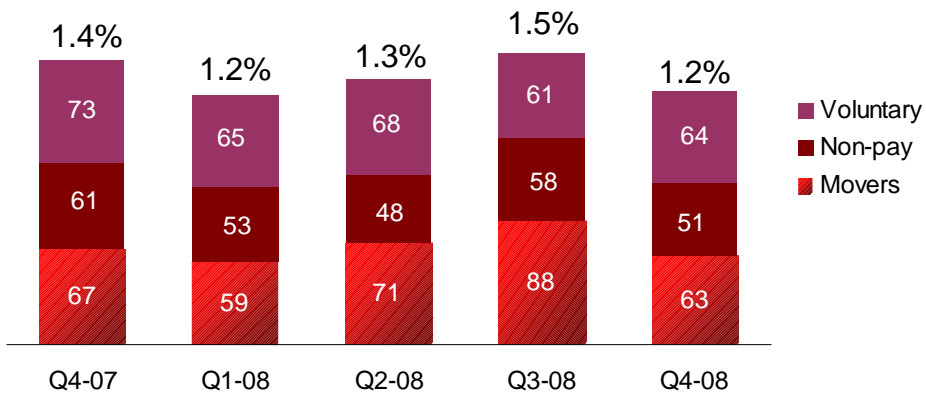
Foundation in place for growth

¹ Free Cash Flow (FCF) is operating income before depreciation, amortization, goodwill and intangible asset impairments and restructuring and other charges (OCF) reduced by purchase of fixed and intangible assets and net interest expense and is a non-GAAP financial measure. See appendices for reconciliations of non-GAAP financial measures to their nearest GAAP equivalents

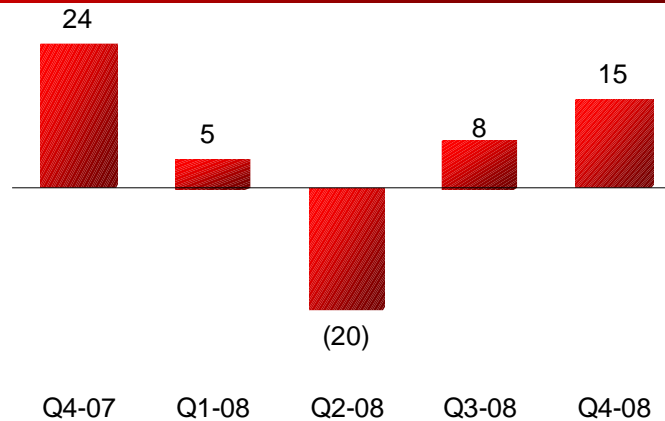
Focus on quality growth



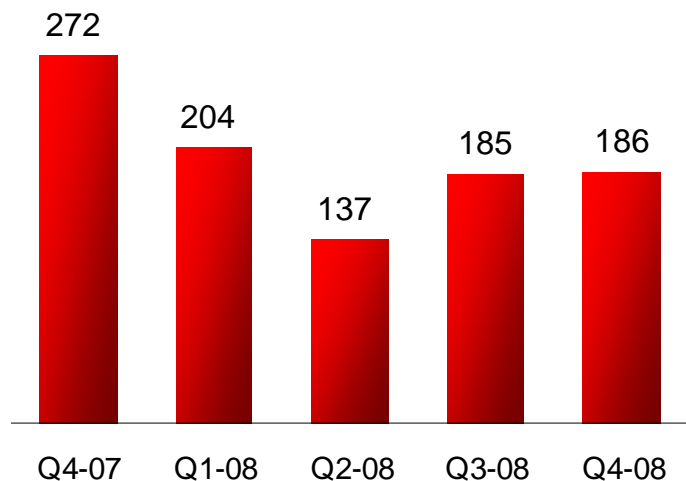
Average monthly on-net Churn (000s)¹



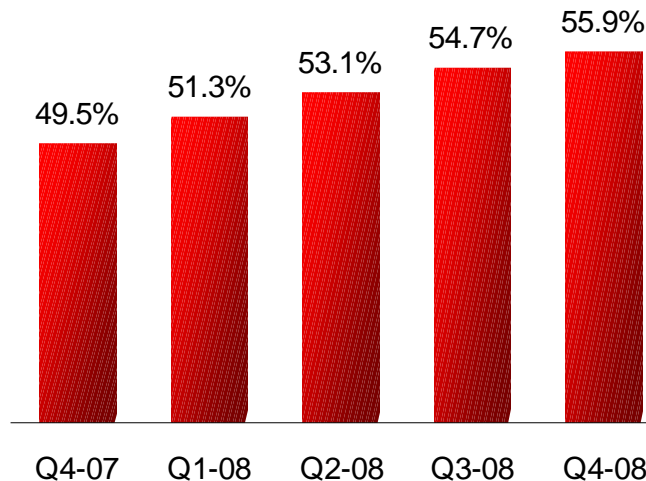
On-net customer net additions (000s)



RGU net adds ('000s)²



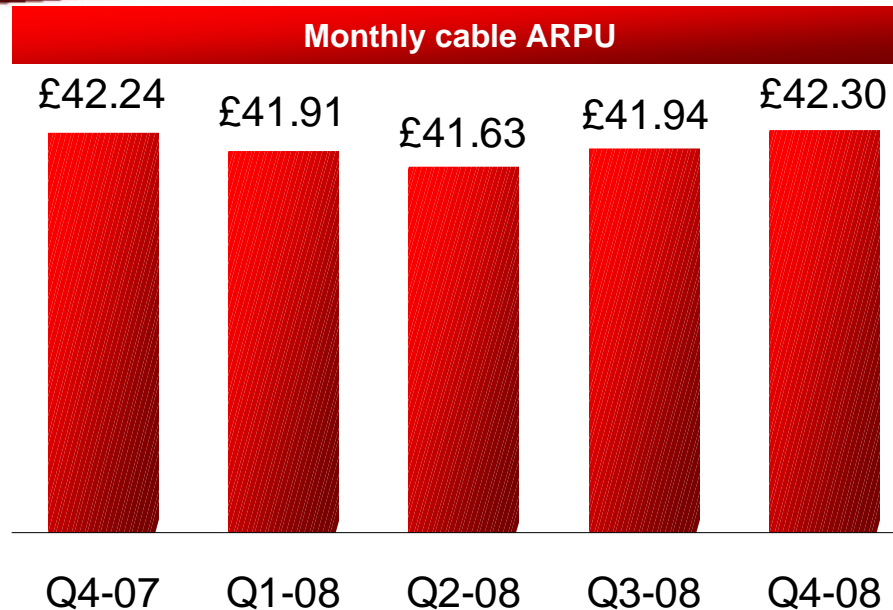
Triple play %³



1. Breakdown of churn based on management estimates. 2 RGUs include on-net, off-net and contract mobile.

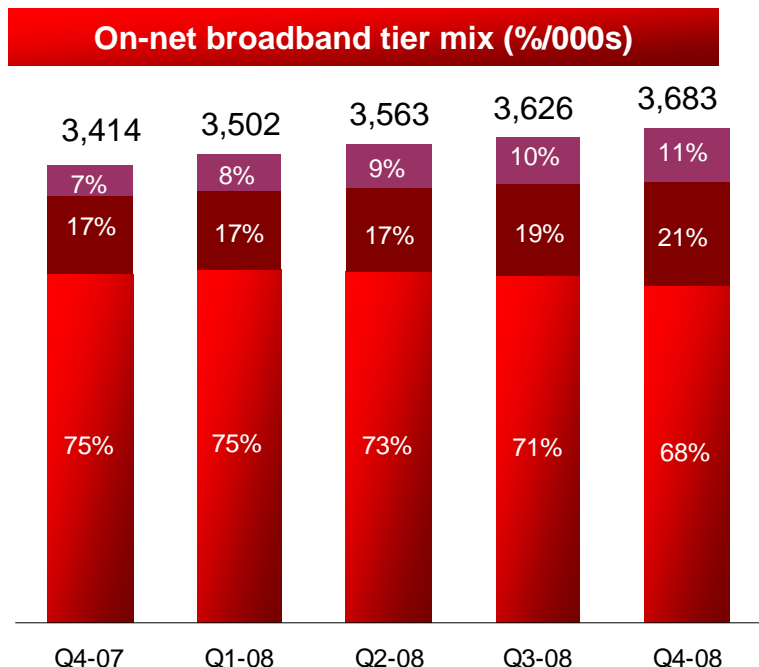
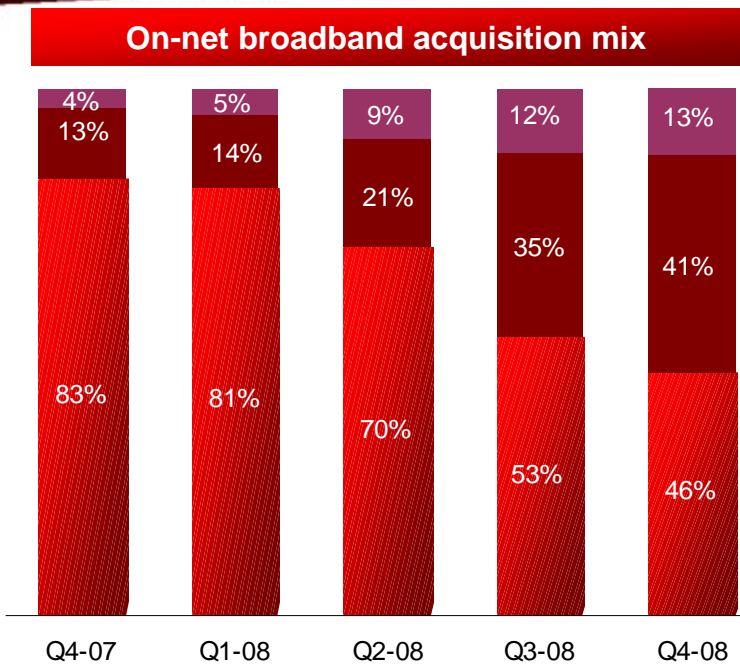
3 Triple play is % of on-net customers who take all three TV, phone and broadband cable services

Cable ARPU growth



- Price rises, cross-sell and up-sell offset “backbook” pressure and telephony usage decline
- Significant “backbook” pressure experienced in 2007/8 has subsided
- Cross-sell and up-sell benefit from improved quality of products
- Recent competitor price increases

Broadband tier mix improving



■ "M" 2Mb ■ "L" 10Mb ■ "XL" 20Mb

■ "M" 2Mb ■ "L" 10Mb ■ "XL" 20Mb

- Customers are paying for higher speeds
- Upgrading 2Mb customers to 10Mb, beginning May 2009
 - Average speed of our 10Mb service is twice as fast as DSL's 8Mb service¹
- Launched 50Mb service; on track for completing rollout in Q3-09

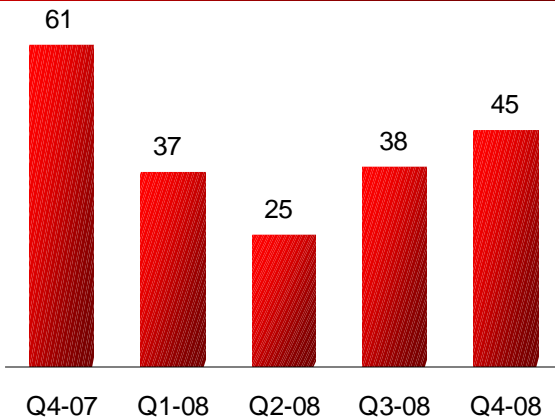
Note: Q3-08 data cleanse resulted in 6,400 decrease in broadband subs. Q2-08 data cleanse resulted in 6,500 increase in broadband subs.

1 – Source: Eptiro testing for Q4-08 versus BT, Tiscali, Orange and Pipex. Sky and Carphone Warehouse not tested

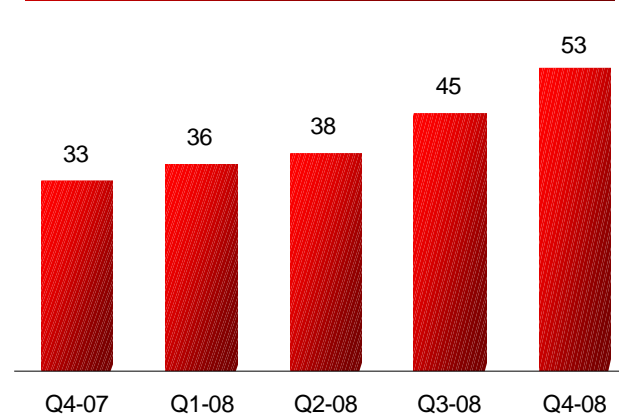
Enriched TV content and capability



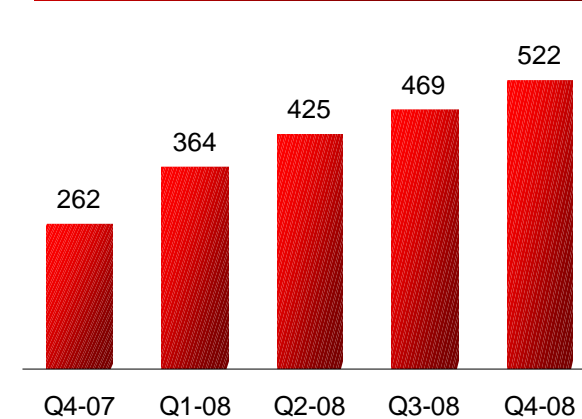
TV net adds



Monthly VOD views (m)



V+ base (000s)

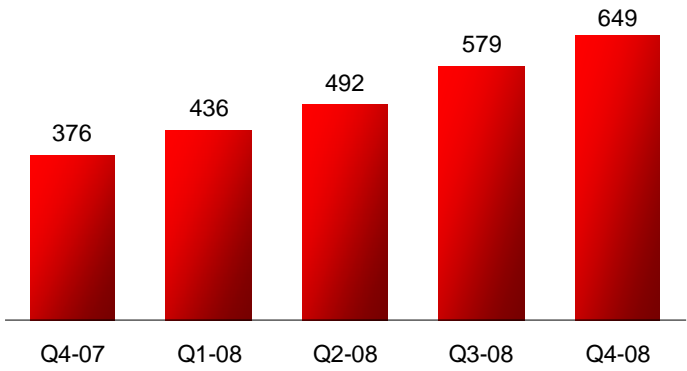


- VOD usage growing; differentiator, mix enhancer and churn reducer
 - VOD reach now 52% with an average of 30 views per user per month
 - BBC iPlayer is a key driver; 15.7m average monthly iPlayer views during Q4-08
 - ITV catch-up content further enhances our VOD platform
 - Trialling VOD advertising
- Significant DVR growth potential from current 15% penetration
 - all 522k DVRs are HD ready
- Developing our HD capability
 - >100 hours of HD VOD content; Launching more HD channels this year
 - Ofcom Market Investigation may deliver access to Sky premium sports and movie channels on HD

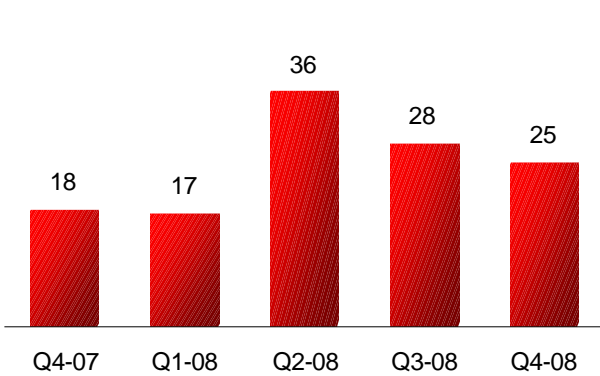
Continued success in contract mobile



Contract subscribers ('000s)

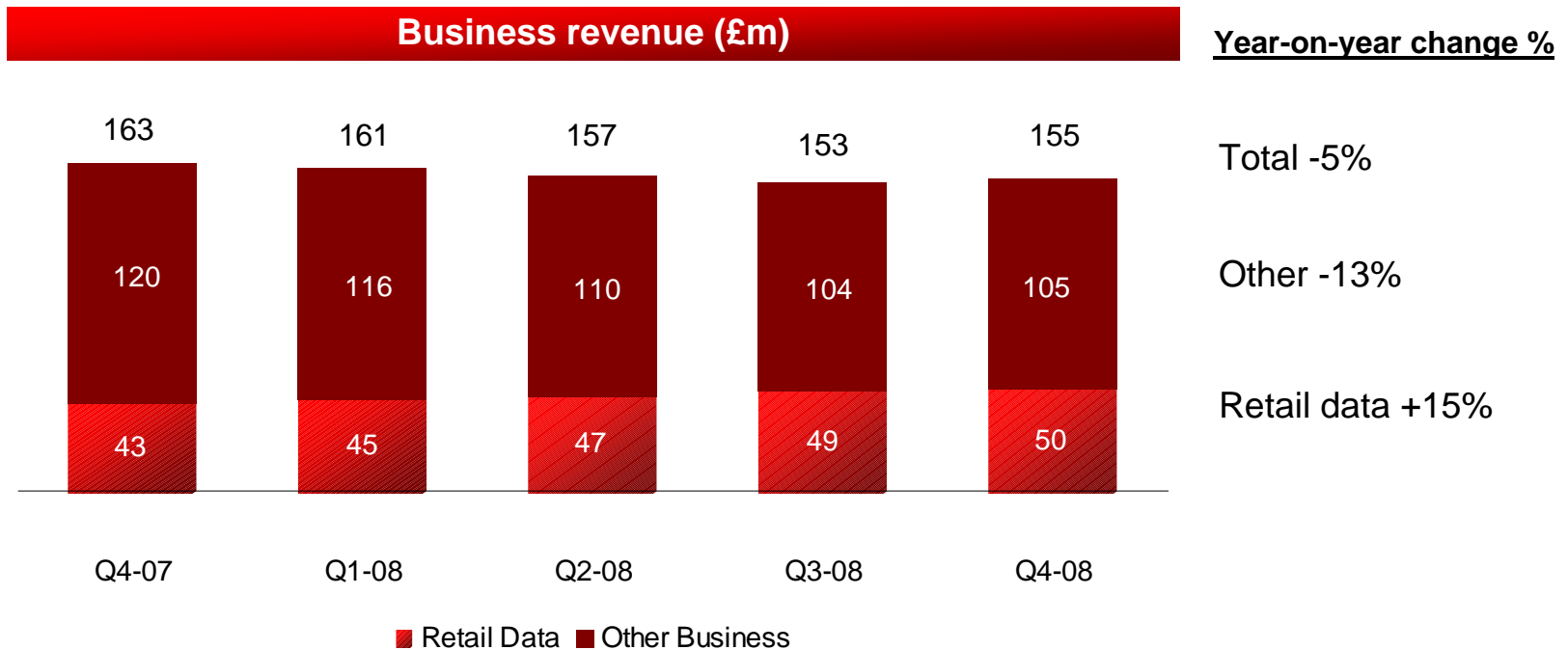


Mobile OCF (£m)



- Contract growth driven by cross-sell to cable customers
 - 649k contract customers, up 73% on Q4-07
- Contract customers have significantly higher lifetime value than prepay
- Declining prepay subs reflects highly competitive market and our focus on higher value subs
- Mobile OCF up 40% on Q4-07 due to shift in focus to contract and our own sales channels
- Launched mobile broadband and new data pricing to drive data usage

Business Services



- Successfully shifting mix of business revenue from retail voice to retail data
 - retail data revenue is now greater than retail voice revenue
- Other business revenue down on Q4-07 due to lower retail voice and completion of low margin Terminal 5 contract

Content performance



- **VMtv revenue of £34m¹**
 - Up 25% on Q4-07 mainly due to higher Sky subscription revenue and stronger advertising revenue
- **Sit-up revenue of £85m**
 - Up 66% sequentially due to seasonally stronger sales
 - Down 3% on Q4-07 due to downturn in retail consumer spending
 - Loss of Freeview slot from Jan 2009
 - We are considering how to address developments
- **50% share of UKTV (not consolidated)**
 - Q4-08 share of net income of £4m; £19m for full year
 - £47m cash received for whole of 2008 by Virgin Media
- **Content OCF was negative £2m**
 - Improved £3m sequentially due to seasonally stronger Sit-up performance
 - Improved £5m on Q4-07 due to higher Sky subscription revenue and stronger advertising revenue, partially offset by lower Sit-up margin

¹ After intersegment eliminations of £6.5m in Q4-08

Jerry Elliott, CFO

Summary Income Statement



	Q4-07	Q3-08	Q4-08
	£m	£m	£m
Revenue	1,051	991	1,033
Operating costs ¹	492	437	497
SG&A	238	230	215
OCF²	321	325	320
<i>OCF Margin³</i>	30.6%	32.8%	31.0%
Operating (loss) income	(18)	49	(50)

¹ Exclusive of depreciation; 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; ³ OCF divided by revenue; Operating Income divided by revenue was negative in Q4-08, 4.9% in Q3-08 and negative in Q4-07; See Appendices for reconciliations of non-GAAP financial measures to their nearest GAAP equivalents.

Revenue movements



	Q4-07 £m	Q3-08 £m	Q4-08 £m	
Consumer	622	610	618	• Consumer up sequentially due to ARPU increase; Decline on Q4-07 due to increased ARPU offset by lower off-net
Business	163	153	155	• Business down on Q4-07 due to voice and other decline partially offset by data growth
Mobile	152	146	141	• Mobile down due to prepay decline, partially offset by contract growth
VMtv	27	31	34	• VMtv up on Q4-07 due to new Sky carriage agreement and stronger advertising revenue
Sit-up	87	51	85	• Sit-up declined on Q4-07 due to lower retail and consumer spending
	1,051	991	1,033	

Gross margin



	Q4-07	Q3-08	Q4-08
	£m	£m	£m
Operating Costs¹			
Cable	292	281	311
Mobile	101	89	86
Content	105	72	107
Inter-segment	(6)	(6)	(7)
	492	437	497
Gross Margin²			
Cable	62.8%	63.2%	59.7%
Mobile	33.6%	38.6%	39.0%
Content	8.0%	11.7%	10.2%
	53.2%	55.9%	51.8%

- Cable affected by higher programming and facility costs
- Mobile improved due to shift to contract and our own sales channels

1 - Exclusive of depreciation

2 - Gross margin = (Revenue - Operating Costs) / Revenue

SG&A down year-on-year



	Q4-07	Q3-08	Q4-08
	£m	£m	£m
SG&A			
Cable	185	182	165
Mobile	33	28	30
Content	22	21	20
Inter-segment	(1)	(1)	(1)
	238	230	215
SG&A / Revenue			
Cable	23.5%	23.8%	21.4%
Mobile	21.8%	19.3%	21.3%
Content	18.9%	25.4%	17.1%
	22.7%	23.2%	20.8%

- SG&A year-on-year decline demonstrating strong cost control, including lower bad debt and employee costs
- Sequential decline mainly due to seasonally lower marketing costs and lower employee costs

OCF margin



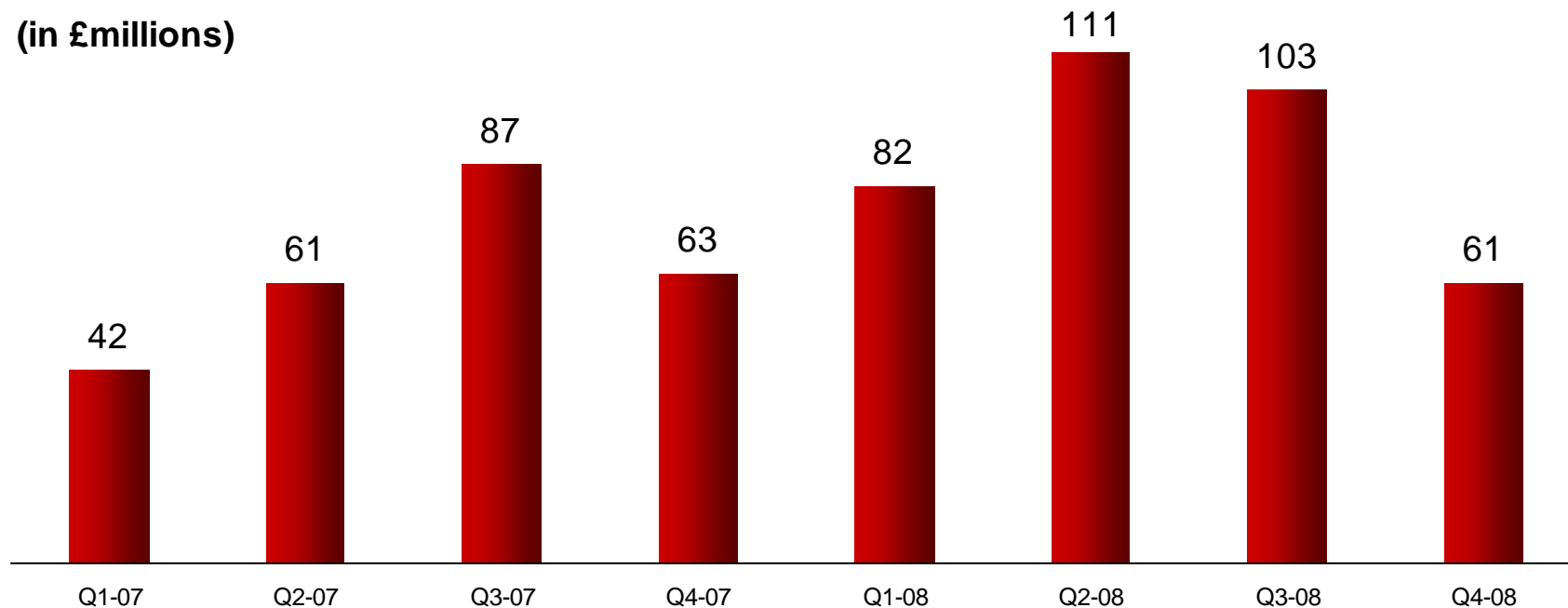
	Q4-07	Q3-08	Q4-08
	£m	£m	£m
OCF			
Cable	310	302	297
Mobile	18	28	25
Content	(6)	(5)	(2)
	<hr/>	<hr/>	<hr/>
	321	325	320
OCF Margin			
Cable	39.4%	39.5%	38.5%
Mobile	11.7%	19.3%	17.6%
Content	(5.5)%	(5.9)%	(1.4)%
	<hr/>	<hr/>	<hr/>
	30.6%	32.8%	31.0%

- Cable down year-on-year due to lower gross margin
- Mobile up year-on-year due to higher gross margin
- Q1-09 OCF expected to be negatively affected by increased marketing and facilities costs, implementation costs related to cost savings program and weaker Sit-up performance
 - As a result, Q1-09 OCF expected to be £5m - £15m lower than Q4-08

Free Cash Flow



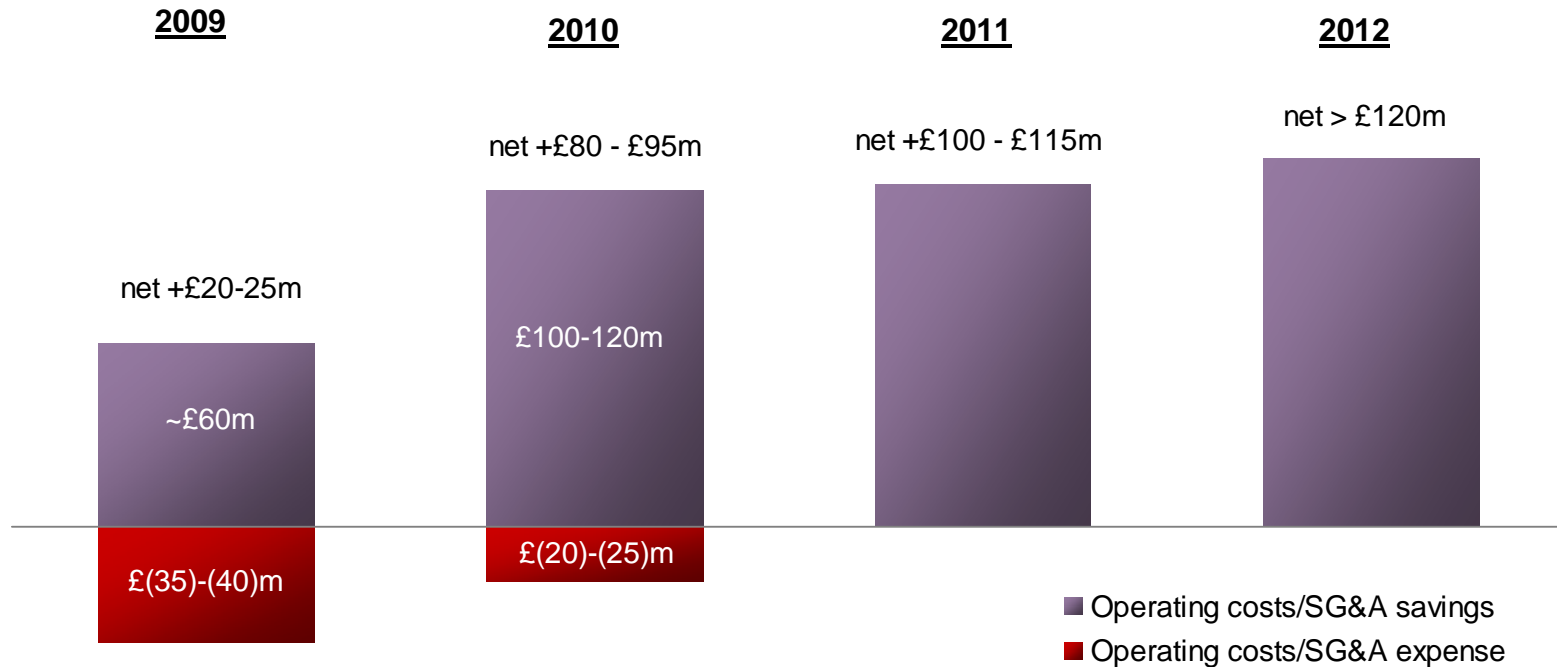
(in £millions)



We generate significant Free Cash Flow

Note: Free Cash Flow (FCF) is OCF less purchases of fixed and intangible assets and net interest expense, and is a non-GAAP financial measure. See appendices for reconciliations of non-GAAP financial measures to their nearest GAAP equivalents

Operational transformation update



- In addition to costs shown in chart above we expect £35m to £40m in 2009 and £30m to £35m in 2010 of restructuring and other charges
 - costs are expected to be for severance, lease and contract exit costs

Net Debt



(in £millions)	As Reported Q3-08	Net Repayment	FX Movement	As Reported Q4-08	Movement In Fair Value of Swaps ² : Principal	As Reported, Net of Swaps Q4-08
Bank Debt	4,357	(300)	132	4,189	(132)	4,057
High Yield Debt	1,101		156	1,256	(156)	1,101
Convertible	562		122	684		684
Capital Leases / Other	179			179		179
TOTAL DEBT	6,198	(300)	410	6,308	(288)	6,020
Cash	(521)			(182)		(182)
NET DEBT¹	5,677			6,127		5,839
Net Debt / Annualized OCF¹	4.4x			4.8x		4.6x

- All foreign currency debt and interest is hedged, except for Convertible principal

Note: The table above illustrates that we have hedges in place that offset adverse effects of exchange rate movements on our Bank Debt and High Yield Debt during the quarter. Some of these hedges do not qualify for hedge accounting treatment under U.S. GAAP. The exchange rates at end Q3-08 were £/\$1.78 and £/Euro 1.26 and at end Q4-08 were £/\$1.46 and £/Euro 1.05

1 - Net debt is net of current portion. Annualized OCF is quarterly OCF multiplied by four. Net debt and Net debt / Annualized OCF are non-GAAP financial measures. See appendices for reconciliations of non-GAAP financial measures to their nearest GAAP equivalents, and the calculation of Annualized OCF.

2 - The total movement in the fair value of foreign currency swaps in Q4-08 reflects foreign exchange movements in relation to principal and interest after taking into account non-performance risk. We have assumed an allocation to the principal element equal to and opposite in value to the movement on debt balances during the quarter due to foreign currency movements.



Q4-08 Financial Results Appendices

February 25, 2009

Detailed Debt breakdown at Q4-08



	Q4-08 £m	Debt outstanding by currency (sterling equivalents £m)		
		GBP	US\$	Euros
<u>Senior Bank Debt</u>				
Total TLA	1,820	1,820	-	-
<i>Old</i>	540			
<i>New</i>	1,280			
Total TLB	2,070	1,302	364	404
<i>Old</i>	350			
<i>New</i>	1,720			
TLC £	300	300	-	-
	4,189	3,422	364	404
<u>High Yield Debt</u>				
2014 Bonds	880	375	291	214
2016 Bonds	376	-	376	-
	1,256	375	667	214
Convertible Notes	684	-	684	-
<u>Capital Leases & Other</u>	179	179	-	-
GROSS DEBT	6,308	3,976	1,715	618

Exchange rates

\$1.4619

€1.0503

Non-GAAP measures



Virgin Media uses non-GAAP 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.

We evaluate operating performance based on several non-GAAP financial measures, including (i) operating income before depreciation, amortization, goodwill and intangible asset impairments and restructuring and other charges (OCF), (ii) net debt and (iii) OCF less purchases of fixed and intangible assets and net interest expense (FCF or Free Cash Flow), as we believe these are important measures of the operational strength of our business and our liquidity. Since these measures are not calculated in accordance with GAAP, they should not be considered as substitutes for operating income (loss), long-term debt (net of current portion), and net cash provided by operating activities, respectively.

This presentation further includes another non-GAAP financial measure, Net Debt to Annualized OCF, which is the ratio of net debt to the quarterly OCF multiplied by four. We believe that this ratio is potentially of interest to our investors in assessing our cash flows and liquidity. The amounts used in this calculation should not be considered a substitute for measures calculated in accordance with GAAP, as discussed above.

Operating income before depreciation, amortization, goodwill and intangible asset impairments and restructuring and other charges (OCF)



- Operating income before depreciation, amortization, goodwill and intangible asset impairments and restructuring and other charges, which we refer to as OCF, is not a financial measure recognized under GAAP. OCF represents our operating income before depreciation, amortization, goodwill and intangible asset impairments and restructuring and other charges. Our management, including our chief executive officer, consider OCF as an important indicator of our operational strength and performance. OCF excludes the impact of costs and expenses that do not directly affect our cash flows. Restructuring and other charges are also excluded from OCF as management believes they are not characteristic of our underlying business operations. OCF is most directly comparable to the GAAP financial measure operating income (loss). Some of the significant limitations associated with the use of OCF as compared to operating income (loss) are that OCF does 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.*
- We believe OCF is helpful for understanding our performance and assessing our prospects for the future, and that it provides useful supplemental information to investors. In particular, this non-GAAP financial measure reflects an additional way of viewing aspects of our operations that, when viewed with our GAAP results and the reconciliation to operating income (loss) shown below, provides a more complete understanding of factors and trends affecting our business. Because non-GAAP financial measures are not standardized, it may not be possible to compare our OCF with other companies' non-GAAP financial measures that have the same or similar names.*

OCF - Non-GAAP reconciliation



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

(in £millions) (unaudited)

	Q4-07	Q3-08	Q4-08
Operating income before depreciation, amortization, goodwill and intangible asset impairments and restructuring and other charges (OCF)	321.0	325.0	320.3
Reconciling items			
Depreciation and amortization	(315.9)	(280.4)	(295.9)
Goodwill and intangible asset impairments	-	4.0	(54.8)
Restructuring and other charges	(22.9)	-	(19.8)
Operating (loss) / income	<u>(17.8)</u>	<u>48.6</u>	<u>(50.2)</u>

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.*

Net Debt - Non-GAAP reconciliation



Reconciliation of net debt to GAAP long term debt (net of current portion)

(in £millions) (unaudited)	As Reported	As Reported	As Reported,
	Q3-08	Q4-08	Net of Swaps Q4-08
Net Debt	5,677	6,127	5,839
Current portion of long-term debt	(38)	(41)	(41)
Cash	521	182	182
Long term debt (net of current portion)	<u>6,160</u>	<u>6,267</u>	<u>5,980</u>

Net Debt / Annualized OCF



(in £millions except ratio) (unaudited)	Q3-08	Q4-08	Q4-08
Net Debt	5,676.9	6,126.6	
Net Debt, as reported, net of swaps			5,839.0
Quarterly OCF	325.0	320.3	320.3
Annualized OCF (OCF x 4)	1,300.0	1,281.2	1,281.2
Net Debt / Annualized OCF	4.4x	4.8x	4.6x

Free Cash Flow



- *We define Free Cash Flow (FCF) as operating income before depreciation, amortization, goodwill and intangible asset impairments and restructuring and other charges (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 as defined by FAS 146. FCF is a non-GAAP financial measure. We believe the most directly comparable financial measure recognized under GAAP is net cash provided by operating activities.*
- *Our management, including our chief executive officer, consider FCF as a helpful measure in assessing our liquidity and prospects for the future. We also believe FCF is useful to investors as a basis for comparing our performance and coverage ratios with other companies in our industry. In particular, this non-GAAP financial measure reflects an additional way of viewing aspects of our operations that, when viewed with our GAAP results and the reconciliation to net cash provided by operating activities shown below, provides a more complete understanding of factors and trends affecting our business. 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. Because non-GAAP financial measures are not standardized, it may not be possible to compare our 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 net cash provided by operating activities, or other measures of financial performance or liquidity reported in accordance with GAAP.*

FCF Calculation and Non-GAAP reconciliation



FREE CASH FLOW CALCULATION

(in £ millions) (unaudited)

	Q1-07	Q2-07	Q3-07	Q4-07	Q1-08	Q2-08	Q3-08	Q4-08
Operating income before depreciation, amortization, goodwill and intangible asset impairments and restructuring and other charges (OCF)	305.7	315.3	341.5	321.0	324.2	332.9	325.0	320.3
Purchase of fixed and intangible assets	(152.6)	(133.6)	(137.8)	(112.2)	(125.0)	(108.3)	(107.3)	(139.1)
Interest expense (net)	(111.5)	(120.3)	(117.1)	(145.8)	(117.1)	(114.0)	(114.6)	(119.8)
Free Cash Flow (FCF)	41.6	61.4	86.6	63.0	82.1	110.6	103.1	61.4

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

	Q1-07	Q2-07	Q3-07	Q4-07	Q1-08	Q2-08	Q3-08	Q4-08
Free Cash Flow (FCF)	41.6	61.4	86.6	63.0	82.1	110.6	103.1	61.4
Reconciling items (see Note below):								
Purchase of fixed and intangible assets	152.6	133.6	137.8	112.2	125.0	108.3	107.3	139.1
Changes in operating assets and liabilities	(51.6)	(72.0)	(55.9)	60.3	(82.1)	40.7	(31.5)	22.7
Non-cash compensation	7.2	7.1	(0.2)	3.4	2.1	5.1	5.3	4.3
Non-cash interest	(39.6)	(14.2)	41.3	38.3	(17.4)	(1.5)	33.5	(42.9)
Share of net income of affiliates	1.6	1.7	2.7	0.9	0.7	3.3	3.4	17.7
Realized foreign exchange gains/(losses)	2.2	2.2	3.0	(5.0)	(1.5)	(1.8)	(8.7)	(20.0)
Realized gains/(losses) on derivatives	-	-	-	-	-	7.0	(4.8)	3.4
Restructuring and other charges	(11.6)	(3.1)	8.9	(22.9)	(4.6)	1.7	-	(19.8)
Income taxes	2.0	-	0.4	9.4	1.0	0.8	1.8	0.9
Other	0.3	(0.3)	(2.8)	13.5	-	(0.7)	0.2	0.4
Net cash provided by operating activities	104.7	116.4	221.8	273.1	105.3	273.5	209.6	167.2

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 gains/(losses) includes unrealized foreign currency losses (gains) from our statements of cash flows and foreign currency (losses) gains from our statements of operations. Realized gains/(losses) 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.