UNITEDGLOBALCOM INC
Form 425
March 08, 2005

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Subject Company: UnitedGlobalCom, Inc.

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Subject Company: Liberty Media International, Inc.

Commission File No. 000-50671

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UnitedGlobalCom, Inc.

[PHOTO]

Allen & Company

Scottsdale, Arizona

March 8, 2005

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Safe Harbor

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995:

Forward Looking Statements: Except for historical information contained herein, this presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including guidance given for 2004 and completion of the proposed merger with Liberty Media International (LMI). These forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements. These risks and uncertainties include our ability to complete the proposed merger by obtaining the approval of holders of a majority of the aggregate voting power of our shares not beneficially owned by LMI, Liberty Media Corporation (Liberty) or any of their respective subsidiaries or any of the executive officers or directors of LMI, Liberty or the Company and satisfaction of other conditions necessary to close the merger, our ability to successfully integrate our recently acquired French and Irish systems and fully recognize the anticipated synergies, continued use by subscribers and potential subscribers of the Company s services, changes in the technology and competition, our ability to achieve expected operational efficiencies and economies of scale, our ability to generate expected revenue and achieve assumed margins, as well as other factors detailed from time to time in the Company s filings with the Securities and Exchange Commission. These forward-looking statements speak only as of the date of this release. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any guidance and other forward-looking statement contained herein to reflect any change in the Company s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Please refer to the Appendix at the end of this presentation, as well as the Company s Press Release dated November 9, 2004 and SEC filings, for definitions of the following terms which are used herein including: Operating Cash Flow (OCF), Free Cash Flow, Revenue Generating Units (RGUs), and Average Revenue per Unit (ARPU), as well as a GAAP reconciliation of non-GAAP financial measures.

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Additional Information

UnitedGlobalCom, Inc. (UGC) and Liberty Media International, Inc. (LMI) have filed a preliminary Joint Proxy Statement relating to their proposed merger as well as a related Schedule 13E-3. Liberty Global, Inc. (Liberty Global) plans to shortly file a Registration Statement on Form S-4 which will contain a Prospectus/Joint Proxy Statement with respect to the proposed merger. **UGC AND LMI STOCKHOLDERS AND OTHER INVESTORS ARE URGED TO READ THESE DOCUMENTS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS WHEN AVAILABLE) BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE TRANSACTION.** Investors may obtain these documents free of charge at the SEC s website at www.sec.gov. In addition, copies of the Prospectus/Joint Proxy Statement and other related documents filed by the parties to the merger may be obtained free of charge by directing a request to UnitedGlobalCom, Inc., 4643 South Ulster Street, Suite 1300, Denver, Colorado 80237, Attention: Investor Relations Department, telephone: 303-770-4001.

Participants in Solicitation

UGC and its directors and executive officers may be deemed to be participants in the solicitation of proxies from UGC s stockholders in connection with the special meeting of stockholders to be held to approve the merger with LMI through the formation of a new holding company to be named Liberty Global. Information concerning UGC s directors and executive officers and their direct and indirect interests in UGC and LMI is set forth in UGC s and LMI s preliminary Joint Proxy Statement filed with the SEC on February 14, 2005. A definitive proxy statement will be mailed to UGC stockholders when available. Stockholders may obtain these documents (when available) free of charge at the SEC s website at www.sec.gov. In addition, copies of the definitive Prospectus/Joint Proxy Statement (when available) may be obtained free of charge by directing a request to UnitedGlobalCom, Inc., 4643 South Ulster Street, Suite 1300, Denver, Colorado 80237, Attention: Investor Relations Department, telephone: 303-770-4001. **UGC STOCKHOLDERS SHOULD READ THE PROSPECTUS/JOINT PROXY STATEMENT AND OTHER RELEVANT DOCUMENTS CAREFULLY BEFORE MAKING ANY VOTING DECISION BECAUSE IT CONTAINS IMPORTANT INFORMATION.**

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Agenda

UGC Overview
LMI Merger
Strategic & Product Update
Q & A

UGC Overview

[LOGO]

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[LOGO]

Leading international MSO
- 16m homes serviceable
- 11.6m total RGUs

Integrated broadband model
- State-of-the-art networks
- Over 2.2m voice & data subs
- New products & services

Best in class performance
- Strong balance sheet
- Organic & strategic growth

RGUs Please see Appendix for definition.

2004 Results

2004 Guidance		**Target (1)**	
Net Adds (RGUs)		500,000	ý
Revenue (organic)		/I\ 10%	ý
RevOCF (organic)		/I\ 20%+	ý
OCF Result	$	850 mill.	ý
Capex % of Rev		20%	ý

(1) All guidance is organic and excludes acquisitions and the impact of FX rates, with the exception of the OCF Result.

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Track Record of Growth(1)

Revenue **[GRAPH]**

Operating Cash Flow **[GRAPH]**

(1) For all periods, excludes the impact of acquisitions, deconsolidations, and/or dispositions, etc. (e.g., Noos acquisition in 04, deconsolidation of Austar in 01). Please see appendix for detailed reconciliations.

(2) Represents UGC s results as of September 30, 2004 annualized

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Agenda

- **UGC Overview**
- **LMI Merger**
- **Strategic & Product Update**
- **Q & A**

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Current Ownership Structure

53%

[LOGO] [LOGO]

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Today

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[LOGO] Cash &

Other Assets

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UGC / LMI Merger

Liberty Global

[LOGO]	[LOGO]
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[LOGO]	Cash & Other Assets

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Rationale

Liberty Global

Scale

Simplicity

Liquidity

Growth

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Agenda

- **UGC Overview**
- **LMI Merger**
- **Strategic Update**
- **Q & A**

What s Happening in the U.S.?

Business strategies are colliding

Telcos	**>**	**Video**	**Satellite**	**>**	**2-way**
Cable	**>**	**Voice**	**Mobile**	**>**	**Content**

Other Trends

Everyone s obsessed with wireless

- But it s not a zero sum game

Content wins either way

- But the middleman survives

Technology providers are hedging

- But margins and churn are troublesome

Consumers will call the shots!

Impact on Our Business

Competition drives our product and network decisions in Europe

What it Means	Our Response
Incumbent telcos & DSL attackers exploiting double and triple play	Expand product portfolio (e.g. data, VoIP, digital)
Emerging DTT and IPTV video competition	Expand footprint and reach (e.g. M&A, off-net DSL)
Commoditization of data	Bundle the triple play
Pricing pressure in voice	Exploit scale & network advantages
Potential loss of digital high ground	Invest in content as differentiator

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Our Triple Play Statistics

RGU Breakdown(1)

[GRAPH]

11.1m Total RGUs

European Stats(2)

	Pen %	ARPU		GM%
Video	56%	$	12	85%
Voice	13%	$	39	69%
Data	13%	$	43	98%

(1) RGUs at September 30, 2004

(2) Based on UGC Europe s YTD results as of September 30, 2004.

European Product Strategy

Digital Home Anything, Anytime, Anywhere

Video	Voice	Data
Content Leadership	Price Leadership	Product Leadership
Best Content *Go Digital*	*Beat on Price* *Innovate on Features*	*Meet on Price* *Beat on Speed*

Mobile	Off Footprint
4 Play Positioning	National Coverage
Take your home with you	*Compete head-to-head with the Telcos*

Video Strategy

Digital Home Anything, Anytime, Anywhere

Video	Voice	Data
Content Leadership	Price Leadership	Product Leadership
Best Content *Go Digital*	*Beat on Price* *Innovate on Features*	*Meet on Price* *Beat on Speed*

Maintain basic share

Customer service and value

Evaluate Digital conversions

Up sell

Data Strategy

Digital Home Anything, Anytime, Anywhere

Video	Voice	Data
Content Leadership	Price Leadership	Product Leadership
Best Content *Go Digital*	*Beat on Price* *Innovate on Features*	*Meet on Price* *Beat on Speed*

Broad portfolio of data tiers

Exploit network superiorty

Ultra Speed leader (20 MB)

Value added services

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Data Tiering

Digital Home Anything, Anytime, Anywhere

Video	Voice	Data
Content Leadership	Price Leadership	Product Leadership
Best Content *Go Digital*	*Beat on Price* *Innovate on Features*	*Meet on Price* *Beat on Speed*

The Netherlands

TIER	RATE	SEPT 04	OCT 04	Q1 05	Q3/Q4 05
Starter	$18.25	128 / 64		256 / 64	
Entry	$28.00	400 / 128		512 / 128	
Light	$40.00	1024 / 256		2048 / 512	
Classic	$61.00	2560 / 384	4096 / 1000		8000 / 1000
Plus	$97.50	4608 / 512	8000 / 1000		16000 / 1000

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Data Economics(1)

US$ Millions except per sub		9 Mos Sep 04		Per Sub
Revenue	**$**	**358.1**	**$**	**43**
Gross Margin		**349.5**		**42**
GM %		***98%***		***98%***
OCF	**$**	**198.7**	**$**	**24**
OCF %		***55%***		***55%***
Annualized OCF	**$**	**264.9**	**$**	**285**

1) End-to-end analysis for European business, including the 20% revenue split to chellomedia division. Derived from Q3 04 figures using internal cost allocation methodology, and converted at YTD average of 1.23 $ / Euro.

Voice Strategy

Digital Home Anything, Anytime, Anywhere

Video	Voice	Data
Content Leadership	Price Leadership	Product Leadership
Best Content *Go Digital*	*Beat on Price* *Innovate on Features*	*Meet on Price* *Beat on Speed*

Roll-out VoIP (Digital Phone)

NL and HU launched Q4 04

5.5m homes RFS by mid-year

Push the voice/data bundle

VoIP Marketing

Primary line for 25-50% less than incumbent

Lower usage rates & unlimited domestic packages

Ease of use - number portability - feature rich

[PHOTO] [PHOTO]

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VoIP Results

- **50,000 sales in first 10-12 weeks**
- **50% - 75% of sales bundled with Internet**
- **25,000 net adds at YE 04; growing backlog**

[GRAPH]

VoIP Economics

(s per Sub/Month)	TDM	VoIP
Revenue	**35.50**	**31.40**
Direct Cost	**-12.80**	**-12.80**
Gross Margin	**22.70**	**18.60**
Opex	**-4.80**	**-3.80**
Operating CF	**17.90**	**14.80**
Cost of Acquisition		
Marketing	**110**	**90**
CPE	**265**	**63**
Install/Other	**115**	**65**
Total	**490**	**218**
Payback (1)	**34 mos**	**17 mos**

(1) Cash on cash payback, including a 15% WACC.

Bundling

Current Status

Now launched in 7 markets

Total ARPU per customer up 8% year-over year

Austria proves the model 42% customers bundled

[PHOTO]

[GRAPH] [PHOTO]

1) Converted from euros to dollars at nine month 2004 average of 1.22

European Consolidation

General Characteristics	**Acquisition Criteria**
Highly fragmented	Consolidate or enter new markets
Financial investors	Value, value, value
Favorable regulatory frameworks	Triple play potential
Three types of markets	Realizable synergies
Valuation gaps in WE	Appropriate free cash flow profile
Significant growth in CEE	Maintain reasonable leverage
Pan-European scale benefits	

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Selected 2004 Deals

Deal	**Country**	**RGU's**	**Indicative Multiple (1)**	**Rationale**
Noos	France	1.7m	7.3x	Consolidation
Telemach	Slovenia	110k	8.2x	New market
Chorus	Ireland	200k	6.9x	New market
Telenet	Belgium	2.5m	7.8x	Strategic

(1) Please refer to our prior releases for further details on the valuations of these transactions.

Conclusions

- **Premier international MSO**
- **Best in class organic cash flow growth**
- **Outstanding internal and external strategic growth opportunities**
- **Creation of Liberty Global will significantly enhance platform scale and balance sheet**

UnitedGlobalCom, Inc.

[PHOTO]

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Scottsdale, Arizona

March 8, 2005

[LOGO]

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Appendix

Operating Cash Flow Definition

Operating Cash Flow is the primary measure used by our chief operating decision makers to evaluate segment-operating performance and to decide how to allocate resources to segments. As we use the term, Operating Cash Flow is defined as revenue less operating, selling, general and administrative expenses (excluding depreciation and amortization, impairment of long-lived assets, restructuring charges and other and stock-based compensation). We believe Operating Cash Flow is meaningful because it provides investors a means to evaluate the operating performance of our segments and our company on an ongoing basis using criteria that is used by our internal decision makers. Our internal decision makers believe Operating Cash Flow is a meaningful measure and is superior to other available GAAP measures because it represents a transparent view of our recurring operating performance and allows management to readily view operating trends, perform analytical comparisons and benchmarking between segments in the different countries in which we operate and identify strategies to improve operating performance. For example, our internal decision makers believe that the inclusion of impairment and restructuring charges within Operating Cash Flow distorts their ability to efficiently assess and view the core operating trends in our segments. In addition, our internal decision makers believe our measure of Operating Cash Flow is important because analysts and investors use it to compare our performance to other companies in our industry. We reconcile the total of the reportable segments Operating Cash Flow to our consolidated net income as presented in the accompanying condensed consolidated statements of operations, because we believe consolidated net income is the most directly comparable financial measure to total segment operating performance. Investors should view Operating Cash Flow as a supplement to, and not a substitute for, operating income, net income, cash flow from operating activities and other GAAP measures of income as a measure of operating performance.

Operating Cash Flow Definition

<u>Free Cash Flow</u> is not a GAAP measure of liquidity. We define Free Cash Flow as net cash flows from operating activities less capital expenditures. We believe our presentation of free cash flow provides useful information to our investors because it can be used to gauge our ability to service debt and fund new investment opportunities. Investors should view free cash flow as a supplement to, and not a substitute for, GAAP cash flows from operating, investing and financing activities as a measure of liquidity.

<u>Revenue Generating Unit</u> (RGU) is separately an Analog Cable Subscriber, DTH Subscriber, Digital Cable Subscriber, Broadband Internet Subscriber or Telephone Subscriber. A home may contain one or more RGUs. For example, if a residential customer in our Austrian system subscribed to our analog cable service, digital cable service, telephone service and high-speed Internet access service, the customer would constitute four RGUs. Total RGUs is the sum of Analog, DTH, Digital Cable, Broadband Internet and Telephone Subscribers.

<u>Average Revenue Per Unit</u> (ARPU) is calculated as follows: average monthly broadband revenue for the period as indicated, divided by the average of the opening and closing RGUs for the period as indicated.

Non-GAAP Reconcilliations

Reconcilliation of Operating Cash flow to Net Income (loss) (1)

(thousands)	3 months Sep-04	3 months Sep-03	9 months Sep-04	9 months Sep-03
Total segment Operating Cash Flow	$ 241,703	$ 171,366	$ 640,515	$ 442,868
Depreciation and amortization	(235,186)	(192,002)	(667,298)	(598,207)
Impairment of longlived assets	25	441	(16,598)	441
Restructuring charges	(1,824)	18	(10,749)	(6,886)
Stock-based compensation	(12,178)	(14,261)	(63,894)	(28,647)
Operating income (loss)	(7,460)	(34,438)	(118,024)	(190,431)
Interest expense, net	(53,616)	(71,247)	(187,806)	(253,210)
Foreign currency exchange gain (loss), net	21,771	(269,598)	(7,061)	175,890
Loss on derivative instruments	(16,838)	(103)	(14,512)	(11,497)
Gain (loss) on sale of investments in affiliates and other assets, net	(1,174)	(283)	(1,574)	281,321
Gain on extinguishment of debt		2,109,596	35,787	2,183,997
Other income (expense), net	302	(7,935)	830	(41,658)
Income (loss) before income taxes and other items	(57,015)	1,725,992	(292,360)	2,144,412
Other, net	(13,195)	11,117	(22,386)	231,650
Net income (loss)	($70,210)	$ 1,737,109	($314,746)	$ 2,376,062

Reconcilliation of Free Cash flow

(thousands)	3 months Sep-04	3 months Sep-03	9 months Sep-04	9 months Sep-03
Net cash flows from operating activities	$ 175,064	$ 98,701	$ 473,347	$ 273,441
Capital expenditures	(116,696)	(94,755)	(292,557)	(227,698)
Free cash flow	$ 58,368	$ 3,946	$ 180,790	$ 45,743

1. We are unable to provide a reconciation of forecasted Operating Cash Fow to the most drectly comparable GAAP measure, net income, because certan items are out of our control and/or cannot be reasonably predicted. For exampe, it is impractcal to: (1estmate future fluctuations in interest rates on our varable-rate debt facies; 2) estmate the fuctuations in exchange rates relatve to the U.S. dollar and its impact on our results of operatons; (3mate the fnancial results of our non-consolidated affates; and (4estmate changes in circumstances that lead to gains and/or losses such as sales of nvestments in affiliates and other assets. Any and/or all of these items coud be significant to our financia results. and calculation.

Pro-Forma Leverage

	FYE '03	Q4 '03	Q1 '04	Q2 '04	Q3 '04
Debt Summary:					
UPC Distribution Bank Facility	$ 3,698,586	$ 3,698,586	$ 3,584,272	$ 3,224,816	$ 3,495,406
UGC Convertible Notes			609,830	621,813	
UPC Polska Notes	317,372	317,372			
UPC Polska 2007 Notes		101,701	101,701		
VTR Bank Facility	123,000	123,000	93,198	88,586	83,972
Old UGC Senior Notes	24,627	24,627	24,627	24,627	24,627
Notes payable, related party	102,728	102,728			
Subject to compromise: short term debt	5,099	5,099			
Other	80,493	80,493	74,198	55,980	60,653
Total Debt	$ 4,351,905	$ 4,351,905	$ 3,877,996	$ 4,105,540	$ 4,286,471
Less: UPC Polska notes (1)	(322,471)	(322,471)			
Add: UPC Polska note (2)	101,701	101,701			
Less: Notes Payable, related party (3)	(102,728)	(102,728)			
4 Less: VTR GlobalCom	(25,233)	(25,233)			
5 Add: Euro Convertible	630,279	630,279	605,400		
Add: Noos Acquisition [6]	127,042				
Pro-Forma Debt	**$ 4,633,453**	**$ 4,633,453**	**$ 4,483,396**	**$ 4,232,582**	**$ 4,286,471**
Cash Summary					
Cash & cash equivalents	$ 310,361	$ 310,361	$ 1,275,785	$ 1,368,677	$ 981,638
Restricted cash	25,052	25,052	18,169	20,237	23,367
Short-term liquid investments	2,134	2,134	19,621	207,194	111,536
Total Cash	337,547	337,547	1,313,575	1,596,108	1,116,541
Rights Offering and Liberty Preemptive Rights [3]	1,075,385	1,075,385			
Less: VTR GlobalCom	(25,233)	(25,233)			
Less: UPC Polska payment (2)	(81,361)	(81,361)			
Add: Euro Convertible (5)	617,673	617,673	593,292		
Less: Noos Acquisition (6)	(514,130)				
Pro-Forma Cash	**$ 1,924,011**	**$ 1,924,011**	**$ 1,906,867**	**$ 1,081,978**	**$ 1,116,541**
Net Debt	**$ 4,014,358**	**$ 4,014,358**	**$ 2,564,421**	**$ 2,509,432**	**$ 3,169,930**
Pro-Forma Net Debt	**$ 2,709,442**	**$ 2,709,442**	**$ 2,576,529**	**$ 3,150,603**	**$ 3,169,930**
Operating Cash Flow ("OCF")	$ 628,882	$ 186,014	$ 204,284	$ 194,528	$ 241,703
Add: Noos Operating Cash Flow (6)				26,129	
Pro-Forma Operating Cash Flow ("OCF")	$ 628,882	$ 186,014	$ 204,284	$ 220,657	$ 241,703
Net Debt / Annualized OCF (OCF * (4))	**6.4x**	**5.4x**	**3.1x**	**3.2x**	**3.3x**
Pro Forma Net Debt / Pro-Forma Annualized OCF	**4.3x**	**3.6x**	**3.2x**	**3.6x**	**3.3x**

1. Represents the sum of all of the notes outstanding of UPC and UPC Polska (UPC Polska restructuring completed in February 2004) per UGC s filings.

2. Per the final terms and conditions of the UPC Polska restructuring, completed in February 2004, virtually all existing debt was cancelled and in exchange UPC Polska issued to the third party bondholders $101.7 million in new 9.0% senior notes, and paid $81.4 million in cash.

3. Includes proceeds of approximately $1.02 billion from the rights offering completed in February 2004, as well as the net proceeds from Liberty of $157 million when Liberty exercised its preemptive right for certain transactions (e.g., UGC Europe exchange offer) less cancellation of the Notes Payable to Liberty for $103 million.

4. VTR was required to make a loan repayment of over $25 million as per the loan agreement.

5. UGC received net proceeds of Euro 490mm (Euro 500mm par value) from its recent convertible offering (US$ equivalent based on F/X spot rates as of the reporting dates as indicated).

6. Noos was acquired in July 2004, as discussed previously in the presentation.

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Supplemental Information

(amounts in thousands)	For the 3 months ended Sep-04	Sep-03	For the 9 months ended Sep-04	Sep-03
Interest Expense Breakdown:				
Cash Pay:				
UPC Distribution Bank Facility	$ (49,588)	$ (64,172)	$ (167,727)	$ (199,432)
UGC Convertible Notes	(2,675)		(5,135)	
VTR Bank Facility	(1,582)	(2,073)	(5,207)	(7,286)
UPC Polska 2007 Notes			(3,392)	
Old UGC senior notes		(691)	(86)	(1,655)
Other	(1,976)	(2,826)	(9,601)	(7,833)
Total	(55,821)	(69,762)	(191,148)	(216,206)
Non-Cash:				
UPC Polska senior discount notes accretion 1		(1,323)		(29,151)
Old UGC senior notes accretion				(313)
Amortization of deferred financing costs	(3,175)	(2,860)	(13,561)	(18,143)
Total	(3,175)	(4,183)	(13,561)	(47,607)
Total Interest Expense	$ (58,996)	$ (73,945)	$ (204,709)	$ (263,813)
Summary of Working Capital Changes: 2				
Change in receivables and other assets	$ 33,537	$ 12,910	($14,830)	$ 69,461
Change in accounts payable, acc. liabilities & other	(29,858)	(19,572)	70,953	(32,360)
Total	$ 3,679	($6,662)	$ 56,123	$ 37,101

1. Per the final terms and conditions of the UPC Polska restructuring, completed in February 2004, virtually all existing debt was cancelled and in exchange UPC Polska issued to the third party bondholders $101.7 million in new 9.0% senior notes, and paid $81.1 million in cash. In addition, the $101.7 million notes were repaid in full in July 2004 with proceeds from the UPC Distribution Co. Bank Facility.

2. Please refer to management s discussion and analysis of financial condition and results of operations for interest expense and Statement of Cash Flows for working capital changes per UGC s 10Q as of September 30, 2004 and June 30, 2004.

	Revenue for the Nine Months Ended September 30					
			Increase (Decrease)		Increase (Decrease) Excluding F/X Effects	
	2004	2003	$	%	$	%
Europe (UGC Europe):						
UPC Broadband						
The Netherlands	$ 178,996	$ 150,838	$ 28,158	18.7%	$ 14,028	9.3%
Austria	72,482	65,085	7,397	11.4%	1,692	2.6%
France (other than Noos)	31,905	29,744	2,161	7.3%	(357)	(1.2)%
France (Noos)	88,686		88,686		88,686	
Norway	27,140	22,912	4,228	18.5%	2,520	11.0%
Sweden	21,141	18,710	2,431	13.0%	692	3.7%
Belgium	9,195	7,785	1,410	18.1%	685	8.8%
Total Western Europe	429,545	295,074	134,471	45.6%	107,946	36.6%
Hungary	53,194	40,358	12,836	31.8%	6,699	16.6%
Poland	28,464	21,391	7,073	33.1%	4,770	22.3%
Czech Republic	19,644	15,422	4,222	27.4%	2,375	15.4%
Slovak Republic	7,967	6,164	1,803	29.3%	869	14.1%
Romania	6,842	4,543	2,299	50.6%	2,431	53.5%
Total Central and Eastern Europe	116,111	87,878	28,233	32.1%	17,144	19.5%
Corporate and other	6,668	8,607	(1,939)	(22.5)%	(2,462)	(28.6)%
Total UPC Broadband	552,324	391,559	160,765	41.1%	122,628	31.3%
chellomedia						
Priority Telecom	29,308	29,972	(664)	(2.2)%	(2,967)	(9.9)%
Media	32,218	25,508	6,710	26.3%	4,183	16.4%
Investments	187	60	127	211.7%	113	188.3%
Total chellomedia	61,713	55,540	6,173	11.1%	1,329	2.4%
Intercompany eliminations	(35,286)	(33,261)	(2,025)	6.1%	765	(2.3)%
Total Europe	578,751	413,838	164,913	39.8%	124,722	30.1%
Latin America:						
Broadband						
Chile (VTR)	75,096	58,608	16,488	28.1%	9,436	16.1%
Brazil, Peru and other	1,909	2,069	(160)	(7.7)%	(160)	(7.7)%
Total Latin America	77,005	60,677	16,328	26.9%	9,276	15.3%
Corporate and other	2,707		2,707	100.0%	2,707	100.0%
Total UGC	$ 658,463	$ 474,515	$ 183,948	38.8%	$ 136,705	28.8%
Less Noos			$ (88,686)		$ (88,686)	
Total UGC, excluding Noos			$ 95,262	20.1%	$ 48,019	10.1%

	2004	2003	Increase (Decrease) $	Increase (Decrease) %	Increase (Decrease) Excluding F/X Effects $	Increase (Decrease) Excluding F/X Effects %
Europe (UGC Europe):						
UPC Broadband						
The Netherlands	$ 519,948	$ 430,620	$ 89,328	20.7%	$ 41,340	9.6%
Austria	221,780	189,880	31,900	16.8%	11,393	6.0%
France (other than Noos)	94,164	84,435	9,729	11.5%	1,013	1.2%
France (Noos)	88,686		88,686		88,686	
Norway	81,134	69,978	11,156	15.9%	8,397	12.0%
Sweden	64,315	54,867	9,448	17.2%	3,402	6.2%
Belgium	27,243	23,071	4,172	18.1%	1,661	7.2%
Total Western Europe	1,097,270	852,851	244,419	28.7%	155,892	18.3%
Hungary	155,666	121,300	34,366	28.3%	21,349	17.6%
Poland	76,687	63,200	13,487	21.3%	11,250	17.8%
Czech Republic	58,438	45,775	12,663	27.7%	8,331	18.2%
Slovak Republic	23,837	18,634	5,203	27.9%	2,217	11.9%
Romania	18,775	14,441	4,334	30.0%	4,462	30.9%
Total Central and Eastern Europe	333,403	263,350	70,053	26.6%	47,609	18.1%
Corporate and other	18,722	23,043	(4,321)	(18.8)%	(6,037)	(26.2)%
Total UPC Broadband	1,449,395	1,139,244	310,151	27.2%	197,464	17.3%
chellomedia						
Priority Telecom	86,794	89,998	(3,204)	(3.6%)	(11,250)	(12.5%)
Media	91,140	72,251	18,889	26.1%	10,549	14.6%
Investments	640	331	309	93.4%	248	74.9%
Total chellomedia	178,574	162,580	15,994	9.8%	(453)	(0.3)%
Intercompany eliminations	(102,166)	(93,627)	(8,539)	(9.1)%	843	0.9%
Total Europe	1,525,803	1,208,197	317,606	26.3%	197,854	16.4%
Latin America:						
Broadband						
Chile (VTR)	216,537	161,667	54,870	33.9%	25,382	15.7%
Brazil, Peru and other	5,830	5,794	36	0.6%	36	0.6%
Total Latin America	222,367	167,461	54,906	32.8%	25,418	15.2%
Corporate and other	2,707	8	2,699	100.0%	2,699	100.0%
Total UGC	$ 1,750,877	$ 1,375,666	$ 375,211	27.3%	$ 225,971	16.4%
Less Noos			$ (88,686)		$ (88,686)	
Total UGC, excluding Noos			$ 286,525	20.8%	$ 137,285	10.0%

	Operating Cash Flow for the Three Months Ended September 30,					
			Increase (Decrease)		Increase (Decrease) Excluding F/X Effects	
	2004	2003	$	%	$	%
Europe (UGC Europe):						
UPC Broadband						
The Netherlands	$ 93,596	$ 78,608	$ 14,988	19.1%	$ 7,546	9.6%
Austria	28,221	25,830	2,391	9.3%	232	0.9%
France (other than Noos)	4,945	5,651	(706)	(12.5)%	(1,130)	(20.0