LIBERTY MEDIA INTERNATIONAL INC
Form PRER14A
April 29, 2005

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SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No. 2)**

Filed by the Registrant: þ
Filed by a Party other than the Registrant: o

Check the appropriate box:
þ Preliminary Proxy Statement
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
o Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Under Rule 14a-12

Liberty Media International, Inc.

(Name of Registrant as Specified in its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

o No fee required.

þ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:
Liberty Media International, Inc. Series A Common Stock, par value $.01 per share
Liberty Media International, Inc. Series B Common Stock, par value $.01 per share
UnitedGlobalCom, Inc. Class A Common Stock, par value $.01 per share
UnitedGlobalCom, Inc. Class C Common Stock, par value $.01 per share

(2) Aggregate number of securities to which transaction applies:
As of December 31, 2004, (1) 167,205,861 outstanding shares of LMI Series A Common Stock, which include options to acquire 1,690,899 shares of LMI Series A Common Stock, (2) 10,331,016 outstanding shares of LMI Series B Common Stock, which include options to acquire 3,066,716 shares of LMI Series B Common Stock, (3) 429,845,505 outstanding shares of UGC Class A Common Stock, which include (x) equity incentive awards to acquire 48,617,610 shares of UGC Class A Common Stock, (y) 1,629,284 shares of UGC Class A Common Stock placed in escrow in connection with a pending transaction and (z) 15,396,224 shares of UGC Class A Common Stock reserved for issuance in connection with certain outstanding claims, and (4) 2,141,272 outstanding shares of UGC Class C Common Stock.

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

Based upon the averages of the high and low prices reported for the LMI Series A Common Stock, LMI Series B Common Stock and UGC Class A Common Stock, respectively, on the Nasdaq National Market on February 10, 2005, which were $44.54, $47.18 and $9.64, respectively. The filing fee is being calculated based upon an aggregate transaction value of $12,099,118,914.10, which is obtained by: (1) multiplying (x) the number of outstanding shares of LMI Series A Common Stock listed above by (y) $44.54, and (2) adding thereto the product of (x) the number of outstanding shares of LMI Series B Common Stock listed above and (y) $47.18, and (3) adding thereto the product of (x) the number of outstanding shares of UGC Class A Common Stock listed above and (y) $9.64, and (4) adding thereto the product of (x) the number of outstanding shares of UGC Class C Common Stock listed above and (y) $9.64 (shares of UGC Class C Common Stock are not publicly traded, but they are convertible at the option of the holder into shares of UGC Class A Common Stock, on a one-to-one basis).

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(4) Proposed maximum aggregate value of transaction:
$12,099,118,914.10

(5) Total fee paid:
$1,424,066.30, estimated pursuant to Section 14(g) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, on the basis of $117.70 per million of the estimated maximum aggregate value of the transaction.

þ Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, schedule or registration statement no.:

(3) Filing party:

(4) Date filed:

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The information in this joint proxy statement/ prospectus is not complete and may be changed. We may not sell the securities offered by this joint proxy statement/ prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/ prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where an offer or solicitation is not permitted.

Subject to completion dated April 29, 2005

[ ], 2005

To the stockholders of Liberty Media International, Inc.:

The 2005 Annual Meeting of Stockholders of Liberty Media International, Inc. (LMI) will be held at [ ], on [ ], 2005 at [ ] a.m., local time. At the annual meeting, you will be asked to consider and vote on the merger proposal, a proposal to adopt the Agreement and Plan of Merger, dated as of January 17, 2005, among LMI, UnitedGlobalCom, Inc. (UGC), Liberty Global, Inc. and two subsidiaries of Liberty Global. If the merger proposal is approved, LMI and UGC will be combined under a new parent company named Liberty Global, Inc. The combination of the two companies will create a global broadband company with significant scale outside of the United States. LMI and UGC will each designate one-half of the directors of Liberty Global, and the senior management of Liberty Global will consist of senior executives of LMI and UGC.

LMI currently controls UGC. In the mergers combining LMI and UGC:

- LMI stockholders will receive, for each share of LMI Series A or Series B common stock they own, one share of the corresponding series of Liberty Global stock; and

- UGC stockholders (other than LMI and its wholly owned subsidiaries) will have the right to elect to receive, for each share of UGC common stock they own, 0.2155 of a share of Liberty Global Series A common stock or $9.58 in cash. The cash election will be subject to proration, so that the total cash consideration paid does not exceed 20% of the aggregate value of the merger consideration payable to the public stockholders of UGC.

The exchange ratios at which LMI shares and UGC shares will be converted into Liberty Global shares are fixed, and there will be no adjustment in the exchange ratios for any changes in the market price of either the LMI or UGC common stock. Depending on the number of UGC stockholders who make the cash election, we estimate that former LMI stockholders will own between 69% and 73% of the equity and between 75% and 79% of the aggregate voting power of Liberty Global, with the remaining percentages of equity and voting power being owned by the former UGC stockholders, other than LMI and its wholly owned subsidiaries (based upon the LMI Series A closing stock price on April 12, 2005 and outstanding share information for UGC as of March 31, 2005). It is anticipated that Liberty Global Series A and Series B common stock will be listed on the Nasdaq National Market under the symbols LBTYA and LBTYB, respectively, the same symbols under which LMI common stock currently trades.

At the annual meeting, you will also be asked to consider and vote upon:

- the LMI election of directors proposal, a proposal to elect David E. Rapley and Larry E. Romrell to serve as Class I members of our board of directors until the 2008 annual meeting of LMI stockholders or until their successors are elected;

- the LMI incentive plan proposal, a proposal to approve the Liberty Media International, Inc. 2004 Incentive Plan (As Amended and Restated Effective March 9, 2005);

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- the LMI auditors ratification proposal, a proposal to approve the selection of KPMG LLP as LMI s independent auditors for the year ending December 31, 2005; and

- such other proposals, if any, as may properly come before the annual meeting.

This document describes the annual meeting, the proposals to be considered and voted upon at the annual meeting and related matters. Our board of directors has approved the merger agreement and the merger involving LMI and recommends that you vote FOR the adoption of the merger agreement. Our board has also considered and approved each of the other proposals described above and recommends that you vote FOR each of them.

We are very excited about the prospective business combination of our company with UGC, and we look forward to obtaining your approval of the merger proposal and the other proposals being submitted to you at the annual meeting.

Your vote is very important, regardless of the number of shares you own. Whether or not you plan to attend the annual meeting, please vote as soon as possible to make sure that your shares are represented.

Thank you for your continued support and interest in our company.

Sincerely,

John C. Malone
Chairman of the Board, Chief Executive Officer
and President
Liberty Media International, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the mergers or the securities being offered in the mergers, has passed upon the merits or fairness of the mergers or passed upon the adequacy or accuracy of the disclosure in this booklet. Any representation to the contrary is a criminal offense.

Investing in Liberty Global s securities involves risks. See Risk Factors beginning on page 59.

The accompanying joint proxy statement/ prospectus is dated [ ], 2005 and is first being mailed on or about [ ], 2005 to LMI stockholders of record as of 5:00 p.m., New York City time, on May 3, 2005.

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The information in this joint proxy statement/ prospectus is not complete and may be changed. We may not sell the securities offered by this joint proxy statement/ prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/ prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where an offer or solicitation is not permitted.

Subject to completion dated April 29, 2005

[ ], 2005

To the stockholders of UnitedGlobalCom, Inc.:

UnitedGlobalCom, Inc. (UGC) has entered into a merger agreement with Liberty Media International, Inc. (LMI) providing for the combination of our two companies under a new parent company named Liberty Global, Inc. The combination of our two companies will create a global broadband company with significant scale outside of the United States. LMI and UGC will each designate one-half of the directors of Liberty Global, and the senior management of Liberty Global will consist of senior executives of LMI and UGC.

LMI currently controls UGC. In the mergers combining LMI and UGC:

- UGC stockholders (other than LMI and its wholly owned subsidiaries) will have the right to elect to receive, for each share of UGC common stock they own, 0.2155 of a share of Liberty Global Series A common stock or $9.58 in cash. The cash election will be subject to proration, so that the total cash consideration paid does not exceed 20% of the aggregate value of the merger consideration payable to the public stockholders of UGC; and

- LMI stockholders will receive, for each share of LMI Series A or Series B common stock they own, one share of the corresponding series of Liberty Global stock.

The exchange ratios at which LMI shares and UGC shares will be converted into Liberty Global shares are fixed, and there will be no adjustment in the exchange ratios for any changes in the market price of either the LMI or UGC common stock. Depending on the number of UGC stockholders who make the cash election, we estimate that former UGC stockholders (other than LMI and its wholly owned subsidiaries) will own between 27% and 31% of the equity and between 21% and 25% of the aggregate voting power of Liberty Global, with the remaining percentages of equity and voting power being owned by the former LMI stockholders (based upon the LMI Series A closing stock price on April 12, 2005 and outstanding share information for UGC as of March 31, 2005). It is anticipated that Liberty Global Series A and Series B common stock will be listed on the Nasdaq National Market under the symbols LBTYA and LBTYB, respectively, the same symbols under which LMI common stock currently trades.

UGC is calling a special meeting of its stockholders to consider and vote on the merger agreement and the merger involving UGC. The special meeting will be held at [ ], on [ ], 2005 at [ ] a.m., local time

The board of directors of UGC has approved the merger agreement and the merger involving UGC and recommends that UGC stockholders vote **FOR** the adoption of the merger agreement. In approving the merger agreement and making its recommendation, the UGC board considered (1) the unanimous determination of a special committee of members of the UGC board (who are independent under the rules of the Nasdaq Stock Market and have no relationship with LMI or any of its affiliates that the special committee viewed as undermining its independence) that the UGC merger, on the terms and conditions set forth in the merger agreement and voting agreement, is substantively and procedurally fair to, and in the best interests of, the unaffiliated stockholders of UGC and (2) the approval by the special committee of the merger agreement in compliance with the rules of the Nasdaq Stock Market. The special committee was formed in compliance with the rules of the Nasdaq Stock Market for purposes of negotiating exclusively on UGC s behalf any transaction with LMI.

Your vote is very important, regardless of the number of shares you own. Whether or not you plan to attend the special meeting, please vote as soon as possible to make sure that your shares are represented. If you do not vote, it will have the same effect as a vote AGAINST the adoption of the merger agreement.

We are very excited about the prospective business combination of our company with LMI, and we look forward to obtaining your approval at the special meeting.

Sincerely,

Gene W. Schneider
Chairman of the Board
UnitedGlobalCom, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the mergers or the securities being offered in the mergers, has passed upon the merits or fairness of the mergers or passed upon the adequacy or accuracy of the disclosure in this booklet. Any representation to the contrary is a criminal offense.

Investing in Liberty Global s securities involves risks. See Risk Factors beginning on page 59.

The accompanying joint proxy statement/ prospectus is dated [ ], 2005 and is first being mailed on or about [ ], 2005 to UGC stockholders of record as of 5:00 p.m., New York City time, on May 3, 2005.

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REFERENCES TO ADDITIONAL INFORMATION

LMI and UGC are each subject to the information and reporting requirements of the Securities Exchange Act of 1934 and, in accordance with the Exchange Act, LMI and UGC each file periodic reports and other information with the Securities and Exchange Commission. In addition, this joint proxy statement/ prospectus incorporates important business and financial information about UGC from other documents that are not included in or delivered with this joint proxy statement/ prospectus. This information is available to you without charge upon your written or oral request. You can obtain copies of documents filed by LMI and UGC with the Securities and Exchange Commission, including the UGC documents incorporated by reference in this joint proxy statement/ prospectus, through the Securities and Exchange Commission website at *http://www.sec.gov* or by contacting LMI or UGC, as applicable, by writing or telephoning the office of Investor Relations:

Liberty Media International, Inc. 12300 Liberty Boulevard Englewood, Colorado 80112 Telephone: (800) 783-7676	UnitedGlobalCom, Inc. 4643 South Ulster Street, Suite 1300 Denver, Colorado 80237 Telephone: (303) 770-4001

If you would like to request any documents from either LMI or UGC, please do so by [ ], 2005 in order to receive them before the applicable stockholders meeting. If you request any documents, they will be mailed to you by first class mail, or another equally prompt means, within one business day after your request is received.

See Additional Information Where You Can Find More Information beginning on page 161.

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LIBERTY MEDIA INTERNATIONAL, INC.
Notice of Annual Meeting of Stockholders
to be Held [ ], 2005

Dear Liberty Media International, Inc. Stockholder:

You are cordially invited to attend, and notice is hereby given of, the 2005 Annual Meeting of Stockholders of Liberty Media International, Inc. (LMI) to be held at [ ], on [ ], 2005 at [ ] a.m., local time, for the following purposes:

1. To consider and vote upon a proposal (which we refer to as the merger proposal) to adopt the Agreement and Plan of Merger, dated as of January 17, 2005, among LMI, UnitedGlobalCom, Inc. (UGC), Liberty Global, Inc. and two subsidiaries of Liberty Global pursuant to which, among other things, LMI and UGC would become wholly owned subsidiaries of Liberty Global and each outstanding share of LMI common stock would be exchanged for one share of the corresponding series of Liberty Global common stock;

2. To consider and vote upon a proposal (which we refer to as the LMI election of directors proposal) to elect David E. Rapley and Larry E. Romrell to serve as Class I members of our board of directors until the 2008 annual meeting of LMI stockholders or until their successors are elected;

3. To consider and vote upon a proposal (which we refer to as the LMI incentive plan proposal) to approve the Liberty Media International, Inc. 2004 Incentive Plan (As Amended and Restated Effective March 9, 2005);

4. To consider and vote upon a proposal (which we refer to as the LMI auditors ratification proposal) to ratify the selection of KPMG LLP as LMI s independent auditors for the year ending December 31, 2005; and

5. To transact such other business as may properly be presented at the meeting or any postponements or adjournments of the meeting.

Holders of record of LMI common stock as of 5:00 p.m., New York City time, on May 3, 2005, the record date for the LMI annual meeting, will be entitled to notice of and to vote at the LMI annual meeting or any adjournment or postponement thereof. The affirmative vote of the holders of at least a majority of the aggregate voting power of the shares of LMI common stock outstanding on the record date, voting together as a single class, is required to approve the merger proposal. A plurality of the affirmative votes of the shares of LMI common stock outstanding on the record date, voting together as a single class, that are voted in person or by proxy at the annual meeting is required to elect Messrs. Rapley and Romrell as Class I members of LMI s board of directors pursuant to the LMI election of directors proposal. The affirmative vote of the holders of at least a majority of the aggregate voting power of the shares of LMI common stock outstanding on the record date that are present at the annual meeting, in person or by proxy, voting together as a single class, is required to approve the LMI incentive plan proposal and the LMI auditors ratification proposal. A list of stockholders entitled to vote at the LMI annual meeting will be available at the office of LMI for review by any LMI stockholder, for any purpose germane to the LMI annual meeting, for at least 10 days prior to the LMI annual meeting.

If the merger proposal is approved, the LMI board of directors, including the members elected at the annual meeting, will be succeeded by a board of directors that we expect will be comprised of officers of Liberty Global because LMI will become a subsidiary of Liberty Global in the mergers.

Pursuant to a voting agreement entered into between John C. Malone, the Chairman of the Board, Chief Executive Officer and President of LMI, and UGC, Mr. Malone has agreed to vote the shares of LMI

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Series A common stock and LMI Series B common stock owned by him or which he has the right to vote (representing, as of March 31, 2005, approximately 26.5% of the outstanding voting power of LMI) **FOR** the merger proposal.

We describe the merger proposal, as well as the other enumerated proposals to be considered at the annual meeting, in more detail in the accompanying joint proxy statement/ prospectus. We encourage you to read the joint proxy statement/ prospectus in its entirety before voting.

The board of directors of LMI unanimously recommends that you vote FOR the approval of the merger proposal and each of the other enumerated proposals to be considered and voted upon at the annual meeting.

Your vote is very important, regardless of the number of shares you own. To make sure your shares are represented at the annual meeting, please vote as soon as possible, whether or not you plan to attend the annual meeting. You may vote by proxy in any one of the following ways:

Use the toll-free telephone number shown on the proxy card;

Use the Internet website shown on the proxy card; or

Complete, sign, date and promptly return the enclosed proxy card in the postage-paid envelope. It requires no postage if mailed in the United States.

You may revoke your proxy in the manner described in the accompanying joint proxy statement/ prospectus. If you attend the LMI annual meeting, you may vote your shares in person even if you have previously submitted a proxy.

By Order of the Board of Directors,

Elizabeth M. Markowski
Secretary

Englewood, Colorado
[ ], 2005

PLEASE COMPLETE, EXECUTE AND RETURN THE ENCLOSED PROXY CARD PROMPTLY OR VOTE BY TELEPHONE OR OVER THE INTERNET, WHETHER OR NOT YOU INTEND TO BE PRESENT AT THE LMI ANNUAL MEETING. IF YOU HAVE ANY QUESTIONS ABOUT THE PROPOSALS OR ABOUT VOTING YOUR LMI SHARES, PLEASE CALL D.F. KING & CO. AT (800) 829-6551.

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UNITEDGLOBALCOM, INC.
Notice of Special Meeting of Stockholders
to be Held [ ], 2005

Dear UnitedGlobalCom, Inc. Stockholder:

You are cordially invited to attend, and notice is hereby given of, a special meeting of stockholders of UnitedGlobalCom, Inc. (UGC) to be held at [ ], on [ ], 2005 at [ ] a.m., local time, for the following purposes:

1. To consider and vote upon a proposal (which we refer to as the merger proposal) to adopt the Agreement and Plan of Merger, dated as of January 17, 2005, among Liberty Media International, Inc. (LMI), UGC, Liberty Global, Inc. and two subsidiaries of Liberty Global pursuant to which, among other things, UGC and LMI would become wholly owned subsidiaries of Liberty Global and UGC stockholders (other than LMI and its wholly owned subsidiaries) would have the right to elect to receive, for each share of UGC common stock they own, 0.2155 of a share of Liberty Global Series A common stock or $9.58 in cash (with the cash election subject to proration so that the total cash consideration paid does not exceed 20% of the aggregate value of the merger consideration payable to the public stockholders of UGC); and

2. To transact such other business as may properly be presented at the meeting or any postponements or adjournments of the meeting.

The approval of the merger proposal requires a vote of the holders of UGC common stock, with all classes voting together as a single class, that satisfies two criteria:

first, the merger proposal must be approved by the affirmative vote of the holders of at least a majority of the aggregate voting power of the shares of UGC common stock outstanding on the record date; and

second, the merger proposal must be approved by the affirmative vote of the holders of at least a majority of the aggregate voting power of the shares of UGC common stock outstanding on the record date, exclusive of the shares 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 UGC.

As LMI has agreed in the merger agreement to vote its UGC shares (representing approximately 91% in aggregate UGC voting power) **FOR** the merger proposal, the first criteria will be met.

Holders of record of UGC common stock as of 5:00 p.m., New York City time, on May 3, 2005, the record date of the UGC special meeting, will be entitled to notice of and to vote at the UGC special meeting or at any adjournment or postponement thereof. A list of stockholders entitled to vote at the UGC special meeting will be available at UGC s office for review by any UGC stockholder, for any purpose germane to the UGC special meeting, for at least 10 days prior to the UGC special meeting.

We describe the merger proposal in more detail in the accompanying joint proxy statement/ prospectus. We encourage you to read the joint proxy statement/ prospectus in its entirety before voting.

The board of directors of UGC, after consideration of the favorable recommendation of, and approval of the merger agreement in compliance with the rules of the Nasdaq Stock Market by, a special committee of independent directors of the UGC board, unanimously recommends that you vote FOR the approval of the merger proposal.

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Your vote is very important, regardless of the number of shares you own. To make sure your shares are represented at the special meeting, please vote as soon as possible, whether or not you plan to attend the special meeting. You may vote by proxy in any one of the following ways:

- Use the toll-free telephone number shown on the proxy card;
- Use the Internet website shown on the proxy card; or
- Complete, sign, date and promptly return the enclosed proxy card in the postage-paid envelope. It requires no postage if mailed in the United States.

You may revoke your proxy in the manner described in the accompanying joint proxy statement/ prospectus. If you attend the UGC special meeting, you may vote your shares in person even if you have previously submitted a proxy.

By Order of the Board of Directors,

Ellen P. Spangler
Secretary

Denver, Colorado
[ ], 2005

PLEASE COMPLETE, EXECUTE AND RETURN THE ENCLOSED PROXY CARD PROMPTLY OR VOTE BY TELEPHONE OR OVER THE INTERNET, WHETHER OR NOT YOU INTEND TO BE PRESENT AT THE UGC SPECIAL MEETING. IF YOU HAVE ANY QUESTIONS ABOUT THE MERGER PROPOSAL OR ABOUT VOTING YOUR UGC SHARES, PLEASE CALL D.F. KING & CO. AT (800) 628-8208.

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QUESTIONS AND ANSWERS

The questions and answers below highlight only selected information from this joint proxy statement/ prospectus. They do not contain all of the information that may be important to you. You should read carefully the entire joint proxy statement/ prospectus, including the appendices included herein, and the additional documents incorporated by reference in this joint proxy statement/ prospectus to fully understand the matters being considered at the stockholders meetings.

Concerning the Mergers

Q: What is the proposed business combination transaction for which LMI stockholders and UGC stockholders are being asked to vote?

A: LMI and UGC have agreed to combine their businesses by each merging with a separate wholly owned subsidiary of a new parent company named Liberty Global, Inc. The merger involving LMI requires the approval of the stockholders of LMI, while the merger involving UGC requires the approval of the stockholders of UGC (including a majority of the minority approval). Stockholders of LMI and stockholders of UGC (other than LMI and its wholly owned subsidiaries) would become stockholders of Liberty Global.

Q: What will holders of LMI common stock receive as a result of the mergers?

A: Each share of LMI Series A common stock or LMI Series B common stock owned by an LMI stockholder will be exchanged for one share of the corresponding series of Liberty Global common stock. Each series of Liberty Global common stock will have the same rights, powers and preferences as the corresponding series of LMI common stock.

Q: What will holders of UGC common stock receive as a result of the mergers?

A: Stockholders of UGC (other than LMI and its wholly owned subsidiaries) may elect to receive, for each share of UGC common stock owned by them, either:

0.2155 of a share of Series A common stock of Liberty Global (plus cash in lieu of any fractional share interest), which we refer to as the **stock election**; or

$9.58 in cash, without interest, which we refer to as the **cash election**.

UGC stockholders who make the cash election will be subject to proration so that, in the aggregate, the cash consideration paid to UGC stockholders does not exceed 20% of the aggregate value of the merger consideration payable to UGC s public stockholders. If proration is made, any share as to which a UGC stockholder elected to receive cash but with respect to which such election is denied due to proration will be converted into 0.2155 of a share of Series A common stock of Liberty Global (plus cash in lieu of any fractional share interest). See The Transaction Agreements Merger Agreement UGC Stockholders Making Stock and Cash Elections; Proration.

Q: Where will Liberty Global common stock trade?

A: We expect Liberty Global Series A common stock and Liberty Global Series B common stock to trade on the Nasdaq Stock Market, following the mergers, under the symbols LBTYA and LBTYB, respectively, the same symbols under which LMI common stock currently trades.

Q: How do UGC stockholders make their cash election or stock election?

A: A form of election is included with the joint proxy statement/ prospectus being mailed to UGC stockholders. To make a cash election or a stock election, UGC stockholders must properly complete, sign and send the form of

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election, together with the shares of UGC common stock as to which the election relates, to EquiServe Trust Company N.A., the exchange agent, at the following address:

EquiServe Trust Company N.A.

By Mail:	By Overnight Delivery:	By Hand:
EquiServe Trust Company N.A.	EquiServe Trust Company N.A.	EquiServe Trust Company N.A.
LMI/UGC Transaction	LMI/UGC Transaction	LMI/UGC Transaction
Attn: Corp. Actions	Attn: Corp. Actions	Attn: Corp. Actions
P.O. Box 859208	161 Baystate Drive	17 Battery Place, 11th Floor
Braintree, MA 02185-9208	Braintree, MA 02184	New York, NY 10004

Questions regarding the cash or stock elections should be directed to D.F. King & Co. at:

D.F. King & Co., Inc.
48 Wall Street
New York, NY 10005
(800) 628-8208

The exchange agent must receive the form of election and UGC shares to which the election relates by the election deadline. The election deadline will be 5:00 p.m., New York City time, on [ ], 2005, which we will extend if the mergers are not expected to be completed on or before the fourth business day after the initial election deadline.

If you own shares of UGC common stock in street name through a broker, bank or other nominee and you wish to make an election, you should seek instructions from the broker, bank or other nominee holding your shares concerning how to make a valid election.

Q: May UGC stockholders make the cash election for some of their UGC shares and the stock election for other UGC shares they own?

A: Yes. UGC stockholders who properly complete the form of election may make the cash election for some of their shares and the stock election for other UGC shares they own. As mentioned above, a UGC stockholder who makes a cash election will be subject to possible proration.

Q: May UGC stockholders change their election after they have submitted their form of election?

A: Yes, as long as the exchange agent receives from the stockholder, before the election deadline, a written notice of revocation or a new election form. If an election form was submitted by a broker, bank or other nominee, the broker, bank or other nominee should be contacted as to how to revoke or change the election so submitted.

Q: Where can UGC stockholders obtain additional forms of election?

A: Additional forms of election can be obtained by calling D.F. King & Co. at (800) 628-8208.

Q: May UGC stockholders trade their shares of UGC common stock after making an election and submitting their shares to the exchange agent?

A: No. UGC stockholders will be unable to sell or otherwise transfer their shares of UGC common stock once they have been submitted to the exchange agent in connection with their election, unless and until their election is revoked and their shares are returned to them. The exchange agent will promptly return shares of UGC common stock following receipt of a written notice of revocation as to those shares or if the merger agreement is terminated.

Q: What if a UGC stockholder fails to timely submit an election form?

A: If the exchange agent does not receive a properly completed form of election from a UGC stockholder before the election deadline, together with the shares of UGC common stock as to which the election relates, then that stockholder will be treated as though he or she made the stock election. UGC stockholders bear the risk of delivery and should send their election form and stock certificates by courier or by hand to the appropriate addresses shown in the form of election. UGC stockholders who hold their shares in street name should promptly contact their broker, bank or other nominee as to their choice of election to ensure that their election and shares of UGC stock are timely received by the exchange agent.

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Q: May a UGC stockholder who votes against the UGC merger submit a form of election?

A: Yes. Irrespective of the manner in which a UGC stockholder votes on the merger proposal, that stockholder should submit a form of election in the event the merger proposal is adopted. UGC stockholders who do not make an election will not be entitled to any portion of the cash consideration and will be treated as though they have made the stock election as to all of their shares of UGC common stock.

Q: Can LMI stockholders make the cash election?

A: No. If the mergers are approved, each share of LMI Series A common stock or LMI Series B common stock owned by an LMI stockholder will be exchanged for one share of the corresponding series of Liberty Global common stock. Because LMI stockholders do not have an election, they will not receive an election form with the joint proxy statement/ prospectus being mailed to them.

Q: What stockholder approvals are required to approve the merger proposal?

A: In order for the mergers to occur, the LMI stockholders must approve the merger proposal at the LMI annual meeting and the UGC stockholders must approve the merger proposal at the UGC special meeting.

For LMI, the approval of the merger proposal requires the affirmative vote of the holders of at least a majority of the aggregate voting power of the shares of LMI common stock outstanding on the record date for the LMI annual meeting, voting together as a single class.

Pursuant to a voting agreement entered into between John C. Malone, the Chairman of the Board, Chief Executive Officer and President of LMI, and UGC, Mr. Malone has agreed to vote the shares of LMI Series A common stock and LMI Series B common stock owned by him or which he has the right to vote (representing, as of March 31, 2005, approximately 26.5% of the aggregate voting power of LMI) in favor of the approval of the merger proposal. See The Transaction Agreements Voting Agreement. In addition, the directors and executive officers of LMI (other than Mr. Malone), who together beneficially own shares of LMI common stock representing approximately 3.3% of LMI s aggregate voting power, as of March 31, 2005, have indicated to LMI that they intend to vote FOR the merger proposal at the LMI annual meeting.

For UGC, the approval of the merger proposal requires a vote of the holders of the shares of UGC common stock outstanding on the record date for the UGC special meeting, with all classes voting together as a single class, that satisfies two criteria:

first, the merger proposal must be approved by the affirmative vote of the holders of at least a majority of the aggregate voting power of the outstanding shares of UGC common stock, which we refer to as the **statutory approval**; and

second, the merger proposal must be approved by the affirmative vote of the holders of at least a majority of the aggregate voting power of the outstanding shares of UGC common stock, exclusive of shares 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 UGC, which we refer to as the **minority approval**.

LMI, which beneficially owns shares of UGC common stock representing approximately 91% of the aggregate voting power of all UGC shares as of March 31, 2005, has agreed in the merger agreement to vote those shares in favor of the merger proposal. As a result, the statutory approval is assured. However, because the votes of LMI and its wholly owned subsidiaries, LMI s directors and executive officers and UGC s directors and executive officers do not count for purposes of the minority approval, approval of the merger proposal at the UGC special meeting is dependent upon the vote of the public stockholders of UGC.

Q: What do LMI and UGC stockholders need to do to vote on the merger proposal?

A: After carefully reading and considering the information contained in this joint proxy statement/ prospectus, LMI and UGC stockholders should complete, sign and date their proxy cards and mail them in the enclosed return envelope, or vote by the telephone or through the Internet, in each case as soon as possible so that their shares are represented and voted at the applicable stockholders meeting. Stockholders who have shares registered in the name of a broker, bank or other nominee should follow the voting instruction card provided by their broker, bank or other nominee in instructing them how to vote their shares.

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Q: If shares are held in street name by a broker, bank or other nominee, will the broker, bank or other nominee vote those shares for the beneficial owner on the merger proposal?

A: If you hold your shares in street name and do not provide voting instructions to your broker, bank or other nominee, your shares will not be voted on the merger proposal. Accordingly, your broker, bank or other nominee will vote your shares held in street name only if you provide instructions on how to vote. You should follow the directions your broker, bank or other nominee provides to you regarding how to vote your shares. If your shares are held in street name and they are not voted on the merger proposal, that will have the same effect as a vote **AGAINST** the merger proposal.

Q: What if an LMI or UGC stockholder does not vote on the merger proposal?

A: If you fail to respond with a vote on the merger proposal, it will have the same effect as a vote **AGAINST** the merger proposal. If you respond but do not indicate how you want to vote, your proxy will be counted as a vote **FOR** the merger proposal. If you respond and indicate that you are abstaining from voting, your proxy will have the same effect as a vote **AGAINST** the merger proposal.

Q: May stockholders change their vote on the merger proposal after returning a proxy card or voting by telephone or over the Internet?

A: Yes. Before their proxy is voted at the applicable stockholders meeting, LMI or UGC stockholders who want to change their vote on the merger proposal may do so by telephone or over the Internet (if they originally voted by telephone or over the Internet), by voting in person at the applicable stockholders meeting or by delivering a signed proxy revocation or a new signed proxy with a later date to the address below:

in the case of an LMI stockholder, to: LMI/UGC Transaction, EquiServe Trust Company, N.A., P.O. Box 8078, Edison, New Jersey 08818-8687; and

in the case of a UGC stockholder, to: EquiServe Trust Company, N.A., LMI/UGC Transaction, P.O. Box 859208, Braintree, Massachusetts 02185.

Any signed proxy revocation or new signed proxy must be received before the start of the applicable stockholders meeting. Your attendance at the applicable stockholders meeting will not, by itself, revoke your proxy.

If your shares are held in an account by a broker, bank or other nominee who you previously contacted with voting instructions, you should contact your broker, bank or other nominee to change your vote.

Q: When do LMI and UGC expect to complete the mergers?

A: We expect to complete the mergers as quickly as possible once all the conditions to the mergers, including obtaining the approvals of our stockholders at the respective stockholders meetings of LMI and UGC, are fulfilled. We currently expect to complete the mergers within a few days following the stockholders meetings.

Q: Should UGC stockholders send their proxy cards to the same address as they send their forms of election and UGC shares?

A: No. Separate envelopes are enclosed for UGC stockholders to return (1) their forms of election and UGC shares and (2) their proxy cards. **UGC stockholders should check to be sure they are mailing their materials in the proper envelope and to the proper address. UGC stockholders are urged to please NOT send their election form and UGC shares with their proxy cards, or vice versa.**

Q: Should LMI stockholders send their LMI shares with their proxy cards?

A: No. LMI stockholders will receive written instructions from the exchange agent after the mergers are completed on how to exchange their LMI shares for Liberty Global shares. **LMI stockholders are urged to please NOT send their LMI shares with their proxy cards.**

Q: Who can help answer questions about the voting and election procedures and the mergers?

A: LMI and UGC have retained D.F. King & Co. to serve as an information agent and proxy solicitor in connection with each of the stockholders meetings and the mergers.

LMI stockholders who have questions about the LMI annual meeting, including the voting procedures, or the mergers should call D.F. King & Co. at (800) 829-6551 with their questions.

UGC stockholders who have questions about the UGC special meeting, including the voting and election procedures, or the mergers should call D.F. King & Co. at (800) 628-8208 with their questions.

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In addition, LMI stockholders may call LMI s Investor Relations Department at (800) 783-7676, and UGC stockholders may call UGC s Investor Relations Department at (303) 770-4001.

Concerning the LMI Annual Meeting

Q: Why is LMI having its annual meeting at this time?

A: LMI s common stock is traded on the Nasdaq National Market, and it is a requirement of the Nasdaq Stock Market that all issuers of securities traded on that market hold an annual meeting once a year. LMI s annual meeting will satisfy this requirement. If the merger proposal is approved and the mergers close, Liberty Global, as the successor to LMI, will not be required to hold an annual meeting until 2006.

Q: In addition to the merger proposal, what other proposals are to be considered and voted upon at the LMI annual meeting?

A: LMI stockholders are being asked to consider and vote on the following three proposals, which we refer to collectively as the annual business matter proposals, in addition to the merger proposal:

- the LMI election of directors proposal, a proposal to elect David E. Rapley and Larry E. Romrell to serve as Class I members of LMI s board of directors until the 2008 annual meeting of LMI stockholders or until their successors are elected;

- the LMI incentive plan proposal, a proposal to approve the Liberty Media International, Inc. 2004 Incentive Plan (As Amended and Restated Effective March 9, 2005); and

- the LMI auditors ratification proposal, a proposal to approve the selection of KPMG LLP as LMI s independent auditors for the year ending December 31, 2005.

We are not aware of any other matters to be acted upon at the annual meeting.

Q: What stockholder approval is required to approve the LMI election of directors proposal?

A: A plurality of the affirmative votes of the shares of LMI common stock outstanding on the record date, voting together as a single class, that are voted in person or by proxy at the annual meeting is required to elect Messrs. Rapley and Romrell as Class I members of LMI s board of directors.

Q: How will the vote on the merger proposal impact the LMI directors elected pursuant to the LMI election of directors proposal?

A: If the merger proposal receives the requisite stockholder approvals at the respective stockholders meetings of LMI and UGC, the LMI directors elected pursuant to the LMI election of directors proposal will serve until the closing of the mergers. At that time, the LMI board of directors, including the members elected as Class I directors at the annual meeting, will be succeeded by a board of directors that we expect will be comprised of officers of Liberty Global because LMI will become a subsidiary of Liberty Global in the mergers.

If the merger proposal does not receive the requisite stockholder approvals, or if for any other reason the merger agreement is terminated, then the persons elected as Class I directors at the LMI annual meeting will serve until the 2008 annual meeting of LMI stockholders or until their successors are elected.

Q: What stockholder approval is required to approve the LMI incentive plan proposal?

A: Approval of the LMI incentive plan proposal requires the affirmative vote of the holders of at least a majority of the aggregate voting power of the shares of LMI common stock outstanding on the record date for the LMI annual meeting that are present at the annual meeting, in person or by proxy, voting together as a single class.

Q: Why are LMI stockholders being asked to vote on the LMI incentive plan proposal?

A: The Liberty Media International, Inc. 2004 Incentive Plan was originally adopted by the LMI board of directors on May 11, 2004, and approved by LMI s sole stockholder at that time, Liberty Media Corporation. On March 9, 2005, the compensation committee of the LMI board of directors determined to amend the incentive plan in anticipation of Liberty Global assuming the incentive plan following the completion of the mergers. Prior to the amendment, the maximum number of shares of any series of Liberty Global common stock with respect to which awards could have been granted under the incentive plan following the mergers was 20 million. LMI s compensation committee determined to amend and restate the incentive plan to provide, among other things, that, if the mergers are completed, the maximum number of shares of any series of Liberty Global common stock with respect to which awards may be issued by Liberty Global under the incentive plan will be 25 million. The increase was deemed advisable because following the mergers equity incentive awards granted to the employees of UGC and its subsidiaries will be granted under the Liberty Global plan, instead of the various UGC stock incentive plans which will no longer be available for future awards, and because Liberty Global will have a significantly larger number of shares of common stock outstanding following the mergers than LMI has currently. In order for certain awards under the incentive plan to be eligible for favorable tax treatment under Section 162(m) of the Internal Revenue Code, the incentive plan, as amended and restated, must be approved by the public stockholders of LMI.

Q: How will the vote on the merger proposal impact the LMI incentive plan proposal?

A: If the merger proposal receives the requisite stockholder approvals at the respective stockholders meetings of LMI and UGC and the mergers are completed, the Liberty Media International, Inc. 2004 Incentive Plan (As Amended and Restated Effective March 9, 2005) will be assumed by Liberty Global, and Liberty Global will succeed LMI as the issuer under the incentive plan. In addition, the incentive plan will automatically be renamed the Liberty Global, Inc. 2005 Incentive Plan, and the number of shares with respect to which awards may be issued will increase from 20 million to 25 million, as described above.

Q: What stockholder approval is required to approve the LMI auditors ratification proposal?

A: The LMI auditors ratification proposal requires the affirmative vote of the holders of at least a majority of the aggregate voting power of the shares of LMI common stock outstanding on the record date for the LMI annual meeting that are present at the annual meeting, in person or by proxy, voting together as a single class.

Q: What do LMI stockholders need to do to vote on the annual business matter proposals?

A: After carefully reading and considering the information relating to the annual business matter proposals contained in this joint proxy statement/ prospectus, LMI stockholders should complete, sign and date their proxy cards and mail them in the enclosed return envelope, or vote by the telephone or through the Internet, in each case as soon as possible so that their shares are represented and voted at the annual meeting. Stockholders who have shares registered in the name of a broker, bank or other nominee should follow the voting instruction card provided by their broker, bank or other nominee in instructing their broker, bank or other nominee how to vote their shares on each of the annual business matter proposals.

Q: If LMI shares are held in street name by a broker, bank or other nominee, will the broker, bank or other nominee vote those shares for the beneficial owner on each of the annual business matter proposals?

A: If LMI stockholders hold shares in street name and do not provide voting instructions to their broker, bank or other nominee, their shares will not be voted on the incentive plan proposal but may, in the discretion of the broker, bank or other nominee, be voted on the election of directors proposal and the auditors ratification proposal. Accordingly, their broker, bank or other nominee will vote their shares held in street name for or against the incentive plan proposal only if they provide instructions on how to vote.

SUMMARY

The following summary includes information contained elsewhere in this joint proxy statement/prospectus. This summary does not purport to contain a complete statement of all material information relating to the merger agreement, the mergers and the other matters discussed herein and is subject to, and is qualified in its entirety by reference to, the more detailed information and financial statements contained or incorporated in this joint proxy statement/prospectus, including the appendices included herein. You may obtain the information about UGC that we incorporate by reference into this joint proxy statement/prospectus without charge by following the instructions in the section entitled Additional Information Where You Can Find More Information. You should carefully read this joint proxy statement/prospectus in its entirety, as well as the merger agreement included with this proxy statement/prospectus as Appendix B and the other Appendices included herein.

The Companies
(see page 70)

Liberty Media International, Inc.
12300 Liberty Boulevard
Englewood, Colorado 80112
Telephone: (720) 875-5800

LMI, through its subsidiaries and affiliates, provides broadband distribution services and video programming services to subscribers in Europe, Japan, Latin America and Australia. LMI s broadband distribution services consist primarily of cable television distribution, Internet access, telephony, and, in selected markets, direct-to-home satellite distribution. LMI s broadband distribution services include those of UGC, which is a controlled subsidiary of LMI. LMI s programming networks create original programming and also distribute programming obtained from international and home-country content providers. LMI s principal assets include interests in UGC, LMI/Sumisho Super Media, LLC, Jupiter Programming Co., Ltd. (JPC), Liberty Cablevision of Puerto Rico Ltd. and Pramer S.C.A. LMI s corporate website is located at *www.libertymediainternational.com.*

UnitedGlobalCom, Inc.
4643 South Ulster Street
Suite 1300
Denver, Colorado 80237
Telephone: (303) 770-4001

UGC is an international broadband communications provider of video, voice and broadband Internet access services with operations in 16 countries outside the United States. As of December 31, 2004, UGC s networks passed approximately 15.9 million homes and serve approximately 8.7 million video subscribers, 0.8 million voice subscribers and 1.4 million broadband Internet access subscribers. UGC Europe, Inc., UGC s largest consolidated operation, is a pan-European broadband communications company, providing video, high-speed Internet access and telephone services through its broadband networks in 13 European countries. UGC s primary Latin American operation, VTR GlobalCom S.A., provides video, high-speed Internet access and telephone services primarily to residential customers in Chile. UGC also has consolidated operations in Brazil and Peru; an approximate 19% interest in SBS Broadcasting S.A., a European commercial television and radio broadcasting company; an approximate 34% interest in Austar United Communications Ltd., a pay-TV provider in Australia; and an indirect investment in Telenet Group Holding N.V., a broadband communications provider in Belgium. UGC s corporate website is located at *www.unitedglobal.com.*

Liberty Global, Inc.
12300 Liberty Boulevard
Englewood, Colorado 80112
Telephone: (720) 875-5800

Liberty Global is a newly-formed corporation and currently a wholly owned subsidiary of LMI. Liberty Global has not conducted any activities other than those incident to its formation, the matters contemplated by the merger agreement and the preparation of applicable filings under the federal securities laws. Upon consummation of the mergers, LMI and UGC will become wholly owned subsidiaries of Liberty Global, and Liberty Global will become a publicly traded company. Following the mergers, Liberty Global s corporate website will be located at *www.lgi.com*.

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Cheetah Acquisition Corp.
12300 Liberty Boulevard
Englewood, Colorado 80112
Telephone: (720) 875-5800

Cheetah Acquisition Corp, which we refer to as **LMI Merger Sub,** is a wholly owned transitory merger subsidiary of Liberty Global, recently formed solely for the purpose of merging with and into LMI.

Tiger Global Acquisition Corp.
12300 Liberty Boulevard
Englewood, Colorado 80112
Telephone: (720) 875-5800

Tiger Global Acquisition Corp., which we refer to as **UGC Merger Sub,** is a wholly owned transitory merger subsidiary of Liberty Global, recently formed solely for the purpose of merging with and into UGC.

Structure of the Mergers
(see page 85)

To accomplish the combination of the businesses of LMI and UGC under a new parent company, Liberty Global was formed with two wholly owned subsidiaries, LMI Merger Sub and UGC Merger Sub. At the effective time of the mergers:

LMI Merger Sub will merge with and into LMI, and LMI will be the surviving corporation in that merger (which we refer to as the **LMI merger**); and

UGC Merger Sub will merge with and into UGC, and UGC will be the surviving corporation in that merger (which we refer to as the **UGC merger**).

As a result of the mergers described above and the conversion and exchange of securities described in this joint proxy statement/prospectus, LMI will become a direct, wholly owned subsidiary of Liberty Global, and UGC will become an indirect, wholly owned subsidiary of Liberty Global. Following the mergers, Liberty Global will own directly 46.5% of the common stock of UGC and indirectly through Liberty Global s wholly owned subsidiary LMI 53.5% of the common stock of UGC (based upon outstanding UGC share information as of March 31, 2005).

The Stockholders Meetings and Proxy Solicitations
(see page 72)

LMI Annual Meeting

Where and When. The LMI annual meeting will take place at [ ], [ ], [ ], [ ] [ ], on [ ], 2005, at [ ] a.m., local time.

Who May Vote. You may vote at the LMI annual meeting if you were the record holder of LMI Series A common stock or LMI Series B common stock as of 5:00 p.m., New York City time, on May 3, 2005, the record date for the LMI annual meeting. As of March 31, 2005, an aggregate of 165,555,331 shares of LMI Series A common stock and 7,264,300 shares of LMI Series B common stock were outstanding and would have been entitled to vote at the LMI annual meeting if March 31, 2005 had been the record date for the LMI annual meeting. The holders of LMI Series A common stock and the holders of LMI Series B common stock will vote together as a single class. You may cast one vote for each share of LMI Series A common stock that you owned on the record date for the LMI annual meeting and ten votes for each share of LMI Series B common stock that you owned on the record date for the LMI annual meeting.

UGC Special Meeting

Where and When. The UGC special meeting will take place at [ ], [ ], [ ], [ ] [ ], on [ ], 2005, at [ ] a.m., local time.

Who May Vote. You may vote at the UGC special meeting if you were the record holder of UGC Class A common stock, UGC Class B common stock or UGC Class C common stock as of 5:00 p.m., New York City time, on May 3, 2005, the record date for the UGC special meeting. As of March 31, 2005, an aggregate of 401,894,352 shares of UGC Class A common stock, 10,493,461 shares of UGC Class B common stock and 379,603,223 shares of UGC Class C common stock were outstanding and would have been entitled to vote at the UGC special meeting if

March 31, 2005

had been the record date for the UGC special meeting. The holders of UGC Class A common stock, the holders of UGC Class B common stock and the holders of UGC Class C common stock will vote together as a single class. You may cast one vote for each share of UGC Class A common stock that you owned on the record date for the UGC special meeting and ten votes for each share of UGC Class B common stock or UGC Class C common stock that you owned on the record date for the UGC special meeting.

Fairness Determinations and Recommendations of the Special Committee and the UGC Board

Throughout this joint proxy statement/ prospectus, when we refer to **unaffiliated stockholders of UGC,** we mean holders of UGC Class A common stock other than LMI and its affiliates.

Fairness Determination and Recommendation of the Special Committee (see page 22)

A special committee of the board of directors of UGC, which we refer to as the Special Committee, consisting of three UGC directors (who are independent under the rules of the Nasdaq Stock Market and have no relationship with LMI or any of its affiliates that the Special Committee viewed as undermining its independence) evaluated the fairness of the UGC merger and negotiated the terms of the mergers.

The Special Committee determined that the UGC merger, on the terms and conditions set forth in the merger agreement and voting agreement, is substantively and procedurally fair to, and in the best interests of, the unaffiliated stockholders of UGC. The Special Committee also determined to approve, and to recommend that the UGC board of directors approve, the merger agreement and the UGC merger. In making these determinations, the Special Committee considered various factors, including:

- the opinion of Morgan Stanley & Co. Incorporated, financial advisor to the Special Committee, directed to the Special Committee that, as of the date of the opinion and based upon and subject to the assumptions, qualifications and limitations set forth in the opinion, the consideration to be received by the unaffiliated stockholders of UGC pursuant to the merger agreement was fair from a financial point of view to such stockholders;

- that the UGC merger would be conditioned on the approval of the holders of a majority of UGC s publicly held shares (excluding shares held by LMI, Liberty or any of their respective subsidiaries or any of the executive officers or directors of LMI, Liberty or UGC);

- the premium presented to the unaffiliated stockholders of UGC by the merger consideration in relation to various benchmarks, including the relative trading prices of UGC common stock and LMI common stock prior to the commencement of merger discussions;

- that the cash election provided the unaffiliated stockholders of UGC with some protection in the event the price of LMI s stock declines prior to closing;

- the opportunity presented to the unaffiliated stockholders of UGC by the stock election to participate in the benefits expected to be realized by the combined companies in the future;

- that the implied valuation in the mergers of the Japanese distribution and content assets of LMI is attractive as a financial matter, and such assets offer opportunities in diverse markets;

- that Michael T. Fries, the current Chief Executive Officer of UGC, would be the Chief Executive Officer of the combined company;

- that Liberty Global would have no single stockholder or group of stockholders exercising voting control over the combined company;

- that the opportunity for growth is greater as a part of the combined company;

that UGC stockholders would own interests in a company with a more diverse portfolio of investments, which would be better able to weather economic change, including fluctuations in foreign exchange rates;

the absence of the ability to sell UGC to a third party as a result of LMI s controlling equity position in UGC;

that the receipt of Liberty Global stock by the unaffiliated stockholders of UGC in the mergers will generally not be taxable to such stockholders, while the receipt of cash consideration generally will be taxable to such stockholders; and

the other factors referred to under Special Factors Fairness Determinations and Recommendations of the Special Committee and the UGC Board.

stock will vote together as a single class. You may cast one vote for each share of UGC Class A common stock that you owned on the record date for the UGC special meeting and ten votes for each share of UGC Class B common stock or UGC Class C common stock that you owned on the record date for the UGC special meeting.

Fairness Determinations and Recommendations of the Special Committee and the UGC Board

Throughout this joint proxy statement/ prospectus, when we refer to **unaffiliated stockholders of UGC,** we mean holders of UGC Class A common stock other than LMI and its affiliates.

Fairness Determination and Recommendation of the Special Committee (see page 22)

A special committee of the board of directors of UGC, which we refer to as the Special Committee, consisting of three UGC directors (who are independent under the rules of the Nasdaq Stock Market and have no relationship with LMI or any of its affiliates that the Special Committee viewed as undermining its independence) evaluated the fairness of the UGC merger and negotiated the terms of the mergers.

The Special Committee determined that the UGC merger, on the terms and conditions set forth in the merger agreement and voting agreement, is substantively and procedurally fair to, and in the best interests of, the unaffiliated stockholders of UGC. The Special Committee also determined to approve, and to recommend that the UGC board of directors approve, the merger agreement and the UGC merger. In making these determinations, the Special Committee considered various factors, including:

- the opinion of Morgan Stanley & Co. Incorporated, financial advisor to the Special Committee, directed to the Special Committee that, as of the date of the opinion and based upon and subject to the assumptions, qualifications and limitations set forth in the opinion, the consideration to be received by the unaffiliated stockholders of UGC pursuant to the merger agreement was fair from a financial point of view to such stockholders;

- that the UGC merger would be conditioned on the approval of the holders of a majority of UGC s publicly traded shares (i.e., other than shares owned by LMI, Liberty or any of their respective subsidiaries or any of the executive officers or directors of LMI, Liberty or UGC);

- the premium presented to the unaffiliated stockholders of UGC by the merger consideration in relation to various benchmarks, including the relative trading prices of UGC common stock and LMI common stock prior to the commencement of merger discussions;

- that the cash election provided the unaffiliated stockholders of UGC with some protection in the event the price of LMI s stock declines prior to closing;

- the opportunity presented to the unaffiliated stockholders of UGC by the stock election to participate in the benefits expected to be realized by the combined companies in the future;

- that the implied valuation in the mergers of the Japanese distribution and content assets of LMI is attractive as a financial matter, and such assets offer opportunities in diverse markets;

- that Michael T. Fries, the current Chief Executive Officer of UGC, would be the Chief Executive Officer of the combined company;

- that Liberty Global would have no single stockholder or group of stockholders exercising voting control over the combined company;

- that the opportunity for growth is greater as a part of the combined company;

- that UGC stockholders would own interests in a company with a more diverse portfolio of investments, which would be better able to weather economic change, including fluctuations in foreign exchange rates;

the absence of the ability to sell UGC to a third party as a result of LMI s controlling equity position in UGC;

that the receipt of Liberty Global stock by the unaffiliated stockholders of UGC in the mergers will generally not be taxable to such stockholders, while the receipt of cash consideration generally will be taxable to such stockholders; and

the other factors referred to under Special Factors Fairness Determinations and Recommendations of the Special Committee and the UGC Board.

Fairness Determination and Recommendation of the UGC Board (see page 27)

Based upon the recommendation of the Special Committee and adopting the analysis of the Special Committee, the UGC board of directors unanimously determined that the UGC merger, on the terms and conditions set forth in the merger agreement and voting agreement, is substantively and procedurally fair to, and in the best interests of, the unaffiliated stockholders of UGC. The UGC board also unanimously determined that the UGC merger, on the terms and conditions set forth in the merger agreement and voting agreement, is fair to, and in the best interests of, UGC and its stockholders. Accordingly, the UGC board of directors recommends that UGC stockholders vote **FOR** the merger proposal at the UGC special meeting.

Opinion of the Financial Advisor to the Special Committee (see page 28)

Morgan Stanley, financial advisor to the Special Committee, delivered a written opinion to the Special Committee to the effect that, as of January 17, 2005 and based upon and subject to the assumptions, qualifications and limitations set forth in the opinion, the consideration to be received by the unaffiliated stockholders of UGC pursuant to the merger agreement was fair from a financial point of view to such stockholders. The full text of Morgan Stanley s opinion, dated January 17, 2005, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Morgan Stanley in rendering its opinion, is included as Appendix D to this joint proxy statement/prospectus. UGC stockholders should read this opinion carefully and in its entirety. The opinion does not constitute a recommendation to any UGC stockholder as to how to vote with respect to the UGC merger or as to what form of consideration to elect.

Fairness Determinations of the Boards of Directors of LMI, Liberty Global, LMI Merger Sub and UGC Merger Sub (see page 35)

The UGC merger is considered a 13E-3 transaction because each of LMI, Liberty Global, LMI Merger Sub and UGC Merger Sub is an affiliate of UGC, and the unaffiliated stockholders of UGC are entitled to receive consideration in the UGC merger other than Liberty Global common stock. As a result, under the federal securities laws, LMI, Liberty Global, LMI Merger Sub and UGC Merger Sub are each required to consider the substantive and procedural fairness of the UGC merger to the unaffiliated stockholders of UGC.

Fairness Determination of the LMI Board (see page 35)

The LMI board of directors determined that the transactions contemplated by the merger agreement, including the UGC merger, are, substantively and procedurally, fair to the unaffiliated stockholders of UGC. In making this determination, the LMI board considered various factors, including:

- that the merger was negotiated with the Special Committee, which was advised by its own counsel and financial advisors;
- that the UGC merger is structured so that it is a condition to its completion that it be approved by at least a majority of the outstanding shares of UGC common stock not beneficially owned by LMI or Liberty or the directors and executive officers of LMI, Liberty and UGC;
- that the 0.2155 to 1.0 exchange ratio represents an 8.6% premium over the closing sale price for the shares of UGC Class A common stock on December 14, 2004, the last trading day before Mr. Malone s first conversation with the Special Committee, and a slight premium over the closing sale price of those shares on January 11, 2005, the last trading day before LMI management and the Special Committee reached an agreement in principle on the financial terms of the UGC merger;
- its belief that since LMI s spin off from Liberty in June 2004, UGC s historical trading price has included an acquisition premium attributable to market speculation that LMI would buy out the public minority stockholders of UGC;

its belief that LMI s common stock trades with a holding company discount of between 9% and 19%, implying a larger premium to the unaffiliated UGC stockholders on a fair value-to-fair value basis;

that the unaffiliated stockholders of UGC who elect to receive Liberty Global stock will have the opportunity to participate in LMI s Japanese cable distribution and programming businesses, as well as continue to participate in the potential growth of the businesses of UGC;

that LMI was foregoing its ability to obtain a control premium for its investment in UGC, while the unaffiliated stockholders of UGC who become stockholders of Liberty Global would participate as stockholders of the new company in any control premium because there will be no single controlling stockholder of the new company; and

the other factors referred to under Special Factors Fairness Determinations of the Boards of Directors of LMI, Liberty Global, LMI Merger Sub and UGC Merger Sub.

Fairness Determinations of the Boards of Liberty Global, LMI Merger Sub and UGC Merger Sub
(see page 37)

Adopting the analysis of the board of directors of LMI, the boards of directors of each of Liberty Global, LMI Merger Sub and UGC Merger Sub unanimously determined that the transactions contemplated by the merger agreement, including the UGC merger, are, substantively and procedurally, fair to the unaffiliated stockholders of UGC. Each of these boards of directors is comprised of two persons serving on the board of directors of LMI, each of whom was present for and participated in the adopted analysis of the LMI board.

Recommendation of and Reasons for the LMI Merger
(see page 37)

LMI s board of directors unanimously approved the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the LMI merger, are advisable, fair to, and in the best interests of, LMI and its stockholders. Accordingly, LMI s board of directors recommends that LMI stockholders vote **FOR** the merger proposal at the LMI annual meeting.

LMI s board of directors considered various factors in approving the merger agreement and the LMI merger, including:

that the mergers would eliminate the current dual public holding company structure in which LMI s principal consolidated asset is its interest in another public company, UGC;

that the elimination of the holding company structure would eliminate or significantly reduce the holding company discount in LMI s stock price;

the opinion of Banc of America Securities LLC, financial advisor to LMI, directed to the LMI board that, as of the date of the opinion, and based upon and subject to the factors, limitations and assumptions set forth in the opinion, the consideration to be received by LMI stockholders (other than affiliates of LMI) in the transactions contemplated by the merger agreement was fair from a financial point of view to such stockholders;

that the strengths of the respective management teams of LMI and UGC would complement each other, and that there was little if any overlap at the operating level that would impede a smooth integration of the two companies;

that the consummation of the mergers would eliminate any potential competition between LMI and UGC, including in the pursuit of acquisition opportunities and capital raising activities;

that the receipt of the merger consideration in the LMI merger would be tax-free to the LMI stockholders;

that the merger agreement included a limitation on the cash election and that LMI had sufficient cash to fund the maximum amount of cash anticipated to be payable if the cash elections were fully exercised; and

the other factors referred to under Special Factors Recommendation of and Reasons for the LMI Merger.

Opinion of LMI s Financial Advisor
(see page 38)

Banc of America Securities, LMI s financial advisor, delivered a written opinion to the LMI board of directors to the effect that, as of January 17, 2005 and based upon and subject to the factors, limitations and assumptions set forth in the opinion, the consideration to be received by the stockholders of LMI (other than affiliates of LMI) in the transactions contemplated by the merger agreement was fair from a financial point of view to such stockholders. The full text of Banc of America Securities opinion, dated January 17, 2005, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Banc of America Securities in rendering its opinion, is included as Appendix E to this joint proxy statement/ prospectus. LMI stockholders should read this opinion carefully and in its entirety. The opinion does not constitute a recommendation to any LMI stockholder as to how any LMI stockholder should vote with respect to the LMI merger.

Management of Liberty Global
(see page 96)

Following the mergers, the board of directors of Liberty Global will consist of ten members, of whom five are current members of LMI s board of directors and five are current members of UGC s board of directors. The members of the Liberty Global board of directors will be:

John C. Malone, currently Chairman of the Board, Chief Executive Officer, President and a director of LMI and a director of UGC;

Michael T. Fries, currently President, Chief Executive Officer and a director of UGC;

John P. Cole, Jr., currently a director of UGC and a member of the Special Committee;

John W. Dick, currently a director of UGC and a member of the Special Committee;

Paul A. Gould, currently a director of UGC and a member of the Special Committee;

David E. Rapley, currently a director of LMI;

Larry E. Romrell, currently a director of LMI;

Gene W. Schneider, currently the Chairman of the Board of Directors of UGC;

J.C. Sparkman, currently a director of LMI; and

J. David Wargo, currently a director of LMI.

The management of Liberty Global will be comprised of certain executive officers from each of LMI and UGC, including Mr. Malone who has agreed to serve as the Chairman of the Board of Liberty Global and Mr. Fries who has agreed to serve as the Chief Executive Officer and President of Liberty Global. For more information on the proposed directors and executive officers of Liberty Global, see Management of Liberty Global, Management of LMI and Executive Officers, Directors and Principal Stockholders of UGC.

Interests of Certain Persons in the Mergers
(see page 46)

In considering the recommendations of LMI s and UGC s boards of directors to vote to approve the merger proposal, stockholders of LMI and UGC should be aware that members of LMI s and UGC s boards of directors and members of LMI s and UGC s executive management teams have relationships, agreements or arrangements that provide them with interests in the mergers that may be in addition to or different from those of LMI s or UGC s public stockholders. Both LMI s and UGC s boards of directors were aware of these interests and considered them when approving the merger agreement and the mergers.

Material United States Federal Income Tax Consequences of the Mergers
(see page 79)

Completion of the mergers is conditioned upon the receipt by LMI of the opinion of Baker Botts L.L.P., or another nationally recognized law firm, to the effect that the LMI merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, and upon the receipt by UGC of the opinion of a nationally recognized law firm, to the effect that, when integrated with the LMI merger, the conversion of shares of UGC common stock into shares of Liberty Global Series A common stock that is effected pursuant to the UGC merger will qualify as an exchange within the meaning of Section 351 of the Internal Revenue Code. The opinions will be based upon factual representations and covenants, including those contained in letters provided by LMI, UGC, Liberty

Global and/or others, and certain assumptions set forth in the opinions. No rulings have been or will be requested from the Internal Revenue Service with respect to any tax matters relating to the mergers.

Assuming the mergers are treated as described above, the mergers generally will not result in the recognition of gain or loss by LMI, UGC, Liberty Global, the LMI stockholders or, except to the extent that they receive cash, the UGC stockholders. The taxation of the receipt of cash by a holder of UGC common stock is very complicated and subject to uncertainties. Due to the uncertainties concerning the taxation of the receipt of cash, Liberty Global or the exchange agent, as applicable, expect to withhold 30% (unless reduced by an applicable treaty) of all cash payments made to

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UGC stockholders that are non-U.S. holders as a result of making a valid cash election. **UGC stockholders should consult their tax advisors if they are considering making a cash election with respect to their UGC common stock.**

LMI stockholders and UGC stockholders should be aware that the tax consequences to them of the applicable merger may depend upon their own situations. In addition, LMI stockholders and UGC stockholders may be subject to state, local or foreign tax laws that are not discussed in this joint proxy statement/ prospectus. **LMI stockholders and UGC stockholders should therefore consult with their own tax advisors for a full understanding of the tax consequences to them of the mergers.**

Merger Agreement
(see page 85 and Appendix B)

The merger agreement is included as Appendix B to this joint proxy statement/ prospectus. We encourage you to read the merger agreement because it is the legal document that governs the mergers.

Conditions to Completion of the Mergers

LMI s and UGC s respective obligations to complete the mergers are subject to the satisfaction or waiver of a number of conditions, including, among others:

- the statutory approval and the minority approval, each having been obtained at the UGC special meeting;
- the approval of the merger proposal by the LMI stockholders at the LMI annual meeting;
- approval for listing on the Nasdaq National Market of the Liberty Global common stock to be issued in connection with the mergers;
- LMI and Liberty Global having received an opinion that the mergers should not cause the spin off of LMI by Liberty, which occurred on June 7, 2004, to fail to qualify as a tax-free distribution to Liberty under Section 355(e) of the Internal Revenue Code of 1986, as amended (the Code); and
- LMI and UGC each having received an opinion from its respective tax counsel as to the treatment of the mergers for U.S. federal income tax purposes.

We expect to complete the mergers as promptly as practicable after all of the conditions to the mergers have been satisfied or, if applicable, waived. Neither the condition relating to the minority approval at the UGC special meeting nor the conditions relating to the receipt of the tax opinions may be waived.

Termination of the Merger Agreement

We may jointly agree to terminate the merger agreement at any time without completing the mergers, even after receiving the requisite stockholder approvals of the merger proposal. In addition, either UGC (with the approval of the Special Committee) or LMI may terminate the merger agreement if, among other things:

- the mergers have not been consummated before September 30, 2005;
- any order, decree or ruling that permanently restrains, enjoins or prohibits the mergers becomes final and non-appealable; or
- any of the stockholder approvals required to approve the merger proposal have not been obtained.

In addition, LMI may terminate the merger agreement if the board of directors of UGC (with the approval of the Special Committee) has withdrawn or modified, in any manner adverse to LMI, its recommendation to the UGC stockholders.

No termination fee will be payable by any party to the merger agreement if the merger agreement is terminated.

Appraisal or Dissenters Rights
(see page 47)

Under Delaware law, holders of shares of UGC Class A common stock will not be entitled to appraisal rights in connection with the UGC merger.

Under Delaware law, LMI stockholders are not entitled to appraisal rights in connection with the LMI merger.

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Regulatory Matters
(see page 47)

At the date of this joint proxy statement/ prospectus, each of LMI and UGC has obtained all regulatory approvals required for the completion of the mergers.

Voting Agreement
(see page 95 and Appendix C)

On January 17, 2005, at the insistence of the Special Committee and at the request of the LMI board of directors, John C. Malone, the Chairman of the Board, Chief Executive Officer and President of LMI, entered into a voting agreement with UGC, pursuant to which Mr. Malone has agreed to vote the shares of LMI Series A common stock and LMI Series B common stock owned by him or which he has the right to vote (representing, as of March 31, 2005, approximately 26.5% of the aggregate voting power of LMI) in favor of the approval of the merger proposal. A copy of the voting agreement is included as Appendix C to this joint proxy statement/ prospectus.

Risk Factors
(see page 59)

The mergers entail several risks, including:

- risks relating to the value of the merger consideration received compared with the value of the securities exchanged therefor;

- risks relating to the value of the merger consideration received by UGC stockholders compared to the value of the merger consideration at the time elected by UGC stockholders;

- risks associated with the ability of the parties to realize the anticipated benefits of the mergers;

- risks associated with class action lawsuits relating to the UGC merger; and

- risks associated with transaction costs.

In addition, the parties to the mergers face risks and uncertainties relating to:

- overseas operations and regulations;

- technology and competition;

- certain financial matters; and

- governance matters.

Please carefully read the information included under the heading Risk Factors.

Recommendations regarding the LMI Annual Business Matter Proposals
(see page 157)

LMI s board of directors has approved each of the annual business matter proposals and recommends that the LMI stockholders vote **FOR** the election of Messrs. Rapley and Romrell as Class I directors pursuant to the LMI election of directors proposal, **FOR** the LMI incentive plan proposal and **FOR** the LMI auditors ratification proposal. Prior to the LMI board approving the LMI auditors ratification proposal, KPMG LLP was selected by the audit committee of the LMI board to serve as the independent auditors of LMI for the year ending December 31, 2005.

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Selected Summary Historical Financial Data of LMI

The following tables present selected historical financial information of (i) certain international cable television and programming subsidiaries and assets of Liberty (LMC International), for periods prior to the June 7, 2004 spin off transaction, whereby LMI s common stock was distributed on a pro rata basis to Liberty s stockholders as a dividend, and (ii) LMI and its consolidated subsidiaries for periods following such date. Upon consummation of the spin off, LMI became the owner of the assets that comprise LMC International. The following selected financial data was derived from the audited consolidated financial statements of LMI as of December 31, 2004, 2003 and 2002 and for each of the four years ended December 31, 2004. Data for other periods has been derived from unaudited information. This information is only a summary, and you should read it together with the historical consolidated financial statements of LMI included elsewhere herein.

		December 31,				
		2004(2)	**2003**	**2002**	**2001**	**2000**
		as restated (1)				
		amounts in thousands				
Summary Balance Sheet Data:						
Investment in affiliates	$	1,865,642	1,740,552	1,145,382	423,326	1,189,630
Other investments	$	838,608	450,134	187,826	916,562	134,910
Property and equipment, net	$	4,303,099	97,577	89,211	80,306	82,578
Intangible assets, net	$	2,897,953	689,026	689,046	701,935	803,514
Total assets	$	13,702,363	3,687,037	2,800,896	2,169,102	2,301,800
Debt, including current portion	$	4,992,746	54,126	35,286	338,466	101,415
Stockholders equity	$	5,240,506	3,418,568	2,708,893	2,039,593	1,907,085

		Year ended December 31,				
		2004(2)	**2003**	**2002**	**2001**	**2000**
		as restated (1)				
		amounts in thousands, except per share amounts				
Summary Statement of Operations Data:						
Revenue	$	2,644,284	108,390	100,255	139,535	125,246
Operating income (loss)	$	(313,873)	(1,455)	(39,145)	(122,623)	3,828
Share of earnings (losses) of affiliates(3)	$	38,710	13,739	(331,225)	(589,525)	(168,404)
Earnings (loss) from continuing operations(4)	$	(18,058)	20,889	(329,887)	(820,355)	(129,694)
Earnings (loss) from continuing operations per common share (pro forma for spin off)(5)	$	(.11)	.14	N/A	N/A	N/A

(1) See note 23 to the historical consolidated financial statements of LMI, included elsewhere herein.

(2) Prior to January 1, 2004, the substantial majority of LMI operations were conducted through equity method affiliates, including UGC, J-COM and JPC. As more fully discussed in the notes to LMI s historical financial statements included elsewhere herein, in January 2004, LMI completed a transaction that increased LMI s ownership in UGC and enabled LMI to fully exercise its voting rights with respect to its historical investment in UGC. As a result, UGC has been accounted for as a consolidated subsidiary and included in LMI s consolidated financial position and results of operations since January 1, 2004. See Liberty Global s unaudited condensed pro forma combined financial statements included elsewhere herein for the pro forma effects of consolidating UGC on Liberty Global s results of operations. See also Appendix A: Information Concerning Liberty Media International, Inc. Part 4: Historical Financial Information of LMI and its Significant Affiliates and Acquirees to this joint proxy statement/ prospectus.

(3) Effective January 1, 2002, LMI adopted Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets* (Statement 142), which, among other matters, provides that goodwill, intangible assets with indefinite lives and excess costs that are considered equity method goodwill are no longer amortized, but are evaluated for impairment under Statement 142 and, in the case of equity method goodwill, APB Opinion No. 18. Share of losses of affiliates includes excess basis amortization of $92,902,000 and $41,419,000 in 2001 and 2000, respectively.

(4) LMI s loss from continuing operations in 2002 and 2001 included LMI s share of UGC s net losses of $190,216,000 and $439,843,000, respectively. Because LMI had no commitment to make additional capital contributions to UGC, LMI suspended recording its share of UGC s losses when LMI s carrying value was

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reduced to zero in 2002. In addition, LMI s loss from continuing operations in 2002 included $247,386,000 of other-than-temporary declines in fair values of investments, and LMI s loss from continuing operations in 2001 included $534,962,000 of realized and unrealized losses on derivative instruments.

(5) Earnings (loss) per common share amounts were computed assuming that the shares issued in the spin off were outstanding since January 1, 2003. In addition, the weighted average share amounts for periods prior to July 26, 2004, the date that certain subscription rights were distributed to stockholders pursuant to a rights offering by LMI, have been increased to give effect to the benefit derived by LMI s stockholders as a result of the distribution of such subscription rights. For additional information, see note 3 to the LMI consolidated financial statements included elsewhere herein.

Selected Summary Historical Financial Data of UGC

The following summary financial data of UGC was derived from the audited financial statements of UGC for the five years ended December 31, 2004. This information is only a summary, and is not necessarily comparable from period to period as a result of certain impairments, restructuring charges, gains on extinguishments of debt, acquisitions and dispositions, merger transactions, gains on issuance of common equity securities by subsidiaries and cumulative effects of changes in accounting principles. For this and other reasons, you should read it together with UGC s historical financial statements and related notes and also with UGC s management s discussion and analysis of financial condition and results of operations incorporated by reference herein.

		December 31,				
		2004	2003	2002	2001	2000
		as restated (1)				
				amounts in thousands		
Summary Balance Sheet Data:						
Cash, cash equivalents and short term liquid investments	$	1,077,958	312,495	456,039	999,086	2,223,912
Property and equipment, net	$	4,193,095	3,342,743	3,640,211	3,692,485	3,880,657
Goodwill and other intangible assets, net	$	2,615,877	2,772,067	1,264,109	2,843,922	5,154,907
Total assets	$	9,134,297	7,099,671	5,931,594	9,038,640	13,146,952
Long-term debt, including current portion, not subject to compromise	$	4,852,908	3,926,706	3,838,906	10,033,387	9,893,044
Long-term debt, including current portion, subject to compromise	$		317,372	2,812,988		
Stockholders equity (deficit)	$	2,421,984	1,472,492	(4,284,874)	(4,555,480)	(85,234)

	Year ended December 31,				
	2004(2)	**2003(2)**	**2002(3)**	**2001(4)**	**2000(5)**
	as restated (1)				
	amounts in thousands				
Summary Statements of Operations Data:					
Revenue	$ 2,525,446	1,891,530	1,515,021	1,561,894	1,251,034
Operating loss	$ (240,547)	(656,014)	(899,282)	(2,872,306)	(1,140,803)
Income (loss) from continuing operations	$ (356,314)	1,995,368	988,268	(4,514,765)	(1,220,890)
Earnings (loss) per share from continuing operations:					
Basic earnings (loss) per share	$ (0.46)	7.41	2.29	(41.47)	(12.00)
Diluted earnings (loss) per share	$ (0.46)	7.41	2.29	(41.47)	(12.00)

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(1) See note 27 to the consolidated financial statements of UGC, incorporated by reference herein.

(2) Includes impairments, gains on extinguishment of debt and gains on sales of investments in affiliates and other, net, totaling $38.9 million, $35.8 million and $12.3 million, respectively.

(3) Includes impairments, gains on extinguishment of debt and gains on sales of investments in affiliates and other, net, totaling $402.2 million, $2.2 billion and $279.4 million, respectively.

(4) Includes impairments, gains on extinguishment of debt and gains on sales of investments in affiliates and other, net, totaling $436.2 million, $2.2 billion and $117.3 million, respectively. Effective January 1, 2002, UGC adopted Statement 142, which, among other things, provides that goodwill, intangible assets with indefinite lives and excess costs on equity method investments are no longer amortized, but are evaluated for impairment under Statement 142. The cumulative effect of the adoption of Statement 142 was a charge of $1.3 billion.

(5) Includes impairments, restructuring charges, gains on sales of investments in affiliates, other-than-temporary losses on investments and amortization of indefinite-lived intangible assets totaling $1.3 billion, $204.1 million, $416.8 million, $342.4 million and $447.2 million, respectively.

(6) Includes amortization of indefinite-lived intangible assets totaling $287.5 million.

Ratio (Deficiency) of Earnings to Fixed Charges of UGC

	Year ended December 31,		
	2004	**2003**	**2002**
	as restated(1)		
	amounts in thousands, except ratios		
Income (loss) before income taxes and other items	$ (472,790)	1,568,066	1,328,695
Fixed charges:			
Interest within rental expense	25,851	20,970	14,540
Interest, whether expensed or capitalized, including amortization of discounts	301,763	327,132	680,101
Total fixed charges	327,614	348,102	694,641
Distributed income of equity investees	17,098	4,714	11,276
Adjusted earnings (losses)	(128,078)	1,920,882	2,034,612
Fixed charges	327,614	348,102	694,641
Ratio of earnings to fixed charges		5.52	2.93
Dollar amount of coverage deficiency	$ (455,692)		

(1) See note 27 to the consolidated financial statements of UGC, incorporated by reference herein.

Selected Unaudited Condensed Pro Forma Combined Financial Data of Liberty Global

We have included in this joint proxy statement/ prospectus the selected unaudited condensed pro forma combined financial data of Liberty Global set forth below after giving effect to (1) the proposed mergers (the Proposed Mergers) and the resulting step acquisition of the UGC interest not already owned by LMI using the purchase method of accounting (assuming, among other matters, that all UGC stockholders (other than LMI and its wholly owned subsidiaries) will elect to receive shares of Liberty Global in the Proposed Mergers); and (2) the July 1, 2004 acquisition of Suez-Lyonnaise Télécom SA (Noos), the April 1, 2005 acquisition of the remaining 19.9% minority interest in UPC Broadband France SAS (UPC Broadband France), the January 1, 2005 consolidation of LMI/ Sumisho Super Media LLC (Super Media) and Jupiter Telecommunications Co., Ltd. (J-COM), and the April 29, 2005 sale of LMI s equity interests in Torneos y Competeneias S.A. (TyC) and Fox Pan American Sports, LLC (FPAS) (collectively, the Consummated Transactions) based upon the assumptions and adjustments described in the unaudited condensed pro forma combined financial information and notes of Liberty Global contained elsewhere in this document.

The unaudited condensed pro forma combined summary balance sheet data as of December 31, 2004 gives effect to the Proposed Mergers, the consolidation of Super Media and J-COM, the acquisition of the remaining 19.9% minority interest in UPC Broadband France, and the sale of LMI s equity interests in TyC and FPAS, as if they occurred on December 31, 2004. The unaudited condensed pro forma combined summary statement of operations data for the year ended December 31, 2004 is presented as if the Proposed Mergers and the Consummated Transactions were consummated on January 1, 2004.

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The selected unaudited condensed pro forma combined financial information is based upon estimates and assumptions, which are preliminary. The unaudited pro forma information does not purport to be indicative of the financial position and results of operations that Liberty Global will obtain in the future, or that Liberty Global would have obtained if the Proposed Mergers and Consummated Transactions were effective as of the dates indicated above. The selected unaudited condensed pro forma combined information of Liberty Global has been derived from and should be read in conjunction with the historical financial statements and related notes thereto of LMI and UGC. The LMI historical financial statements are included elsewhere herein and the UGC historical financial statements are incorporated by reference into this document.

Selected Unaudited Condensed Pro Forma Combined Financial Data of LMI and Liberty Global

		Pro forma		
		LMI As adjusted for Consummated Transactions		**Liberty Global As adjusted for Consummated Transactions and Proposed Mergers**
		amounts in thousands, except per share amounts		
Summary Statement of Operations Data for year ended December 31, 2004:				
Revenue	$	4,348,873		4,348,873
Depreciation and amortization	$	(1,415,786)		(1,415,786)
Operating loss	$	(127,203)		(127,203)
Net earnings (loss)	$	3,756		(175,677)
Net earnings (loss) per common share:				
Basic and diluted net earnings (loss) per common share	$	0.02		(0.70)
Shares used in computing basic and diluted net earnings (loss) per common share		162,481		251,726
Summary Balance Sheet Data as of December 31, 2004:				
Cash and cash equivalents	$	2,523,960		2,512,960
Investment in affiliates	$	1,694,293		1,694,293
Property and equipment, net	$	6,744,295		6,744,295
Intangible assets not subject to amortization	$	4,802,586		7,160,105
Total assets	$	17,346,576		19,693,095
Debt, excluding current portion	$	7,068,641		7,068,641
Stockholders equity	$	5,242,181		8,701,010

Comparative Per Share Financial Data

The following table shows (1) the basic and diluted loss per common share and book value per share data for each of LMI and UGC on a historical basis, (2) the basic and diluted loss per common share and book value per share for Liberty Global on a pro forma basis and (3) the equivalent pro forma net income and book value per share attributable to the shares of Liberty Global common stock issuable at an exchange ratio of 0.2155 per UGC share. Pro forma per share data has been presented assuming UGC stockholders (other than LMI and its wholly owned subsidiaries) receive (1) all stock consideration or (2) 80% stock and 20% cash consideration.

The following information should be read in conjunction with (1) the separate historical financial statements and related notes of LMI included elsewhere herein, (2) the separate historical financial statements and related notes of UGC incorporated by reference herein and (3) the unaudited condensed pro forma combined financial statements of Liberty Global included elsewhere herein. The pro forma information is not necessarily indicative of the results of operations that would have resulted if the Proposed Mergers and the Consummated Transactions had been completed as of the assumed dates or of the results that will be achieved in the future.

We calculate historical book value per share by dividing stockholders equity by the number of shares of common stock outstanding at December 31, 2004. We calculate pro forma book value per share by dividing pro forma stockholders equity by the pro forma number of shares of Liberty Global common stock that would have been outstanding had the Proposed Mergers been completed as of December 31, 2004.

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Liberty Global pro forma combined loss applicable to common stockholders, pro forma stockholders equity and the pro forma number of shares of Liberty Global common stock outstanding have been derived from the unaudited condensed pro forma combined financial information for Liberty Global appearing elsewhere herein.
We calculate the UGC equivalent pro forma per share data by multiplying the pro forma per share amounts by the exchange ratio of 0.2155 shares of Liberty Global common stock for each share of UGC common stock.
Neither LMI nor UGC has paid any cash dividends on its common stock during the periods presented.

	LMI	Liberty Global		UGC		
		Pro forma			Pro forma equivalent	
	Historical as restated(1)	All stock	80% stock and 20% cash	Historical as restated(2)	All stock	80% stock and 20% cash
Basic and diluted net loss per common share:						
Year ended December 31, 2004	$ (0.11)	(0.70)	(0.74)	(0.46)	(0.15)	(0.16)
Book value per common share as of:						
December 31, 2004	$ 30.33	34.57	33.95	3.07	7.45	7.32
Cash dividends	$					

(1) See note 23 to the consolidated financial statements of LMI, included elsewhere herein.

(2) See note 27 to the consolidated financial statements of UGC, incorporated by reference herein.

Comparative Per Share Market Price and Dividend Information

Market Price

The following table sets forth high and low sales prices for a share of LMI Series A common stock, LMI Series B common stock and UGC Class A common stock for the periods indicated.
LMI Series A common stock and LMI Series B common stock trade on The Nasdaq National Market under the symbols LBTYA and LBTYB, respectively. In connection with LMI s June 7, 2004 spin off from Liberty, LMI common stock first began trading on a when-issued basis on June 2, 2004.
UGC Class A common stock trades on The Nasdaq National Market under the symbol UCOMA. There is no trading market for the UGC Class B common stock or UGC Class C common stock.

	LMI				UGC	
	Series A		Series B		Class A	
	High	Low	High	Low	High	Low

2003						
First quarter					$ 3.22	$ 2.20
Second quarter					$ 5.63	$ 2.81
Third quarter					$ 7.70	$ 4.92
Fourth quarter					$ 9.00	$ 5.95
2004						
First quarter					$ 10.90	$ 7.22
Second quarter(1)	$ 38.00	$ 33.98	$ 41.25	$ 38.79	$ 8.34	$ 6.50
Third quarter	$ 37.00	$ 28.60	$ 41.25	$ 34.05	$ 7.51	$ 5.80
Fourth quarter	$ 47.27	$ 33.25	$ 49.31	$ 36.19	$ 9.79	$ 7.18
2005						
First quarter	$ 47.70	$ 42.46	$ 50.25	$ 45.35	$ 10.23	$ 8.97
Second quarter through April 28	$ 44.02	$ 40.91	$ 46.40	$ 43.95	$ 9.48	$ 8.85

(1) As to LMI common stock, from the period beginning on June 8, the date on which regular way trading began in LMI common stock, and ending on June 30.

On January 14, 2005, the last trading day before the public announcement of the mergers, LMI Series A common stock closed at $43.69 per share, LMI Series B common stock closed at $46.44 per share and UGC Class A common stock closed at $9.64 per share. Based upon the exchange ratio in the stock election of 0.2155, the pro forma equivalent per share value of the UGC Class A common stock on January 14, 2005, was equal to approximately $9.42 per share.

On April 28, 2005, LMI Series A common stock closed at $41.31 per share, LMI Series B common stock closed at $44.14 per share and UGC Class A common stock closed at $8.95 per share. Based upon the exchange ratio in the stock election of 0.2155, the pro forma equivalent per share value of the UGC Class A common stock on April 28, 2005, was equal to approximately $8.90 per share.

It is expected that Liberty Global Series A common stock and Series B common stock will be listed on the Nasdaq National Market under the symbols LBTYA and LBTYB , respectively, the same symbols under which LMI common stock currently trades.

Dividends

LMI. In July 2004, LMI distributed, as a dividend to its stockholders, 0.20 of a transferable subscription right for each share of LMI common stock owned by them as of 5:00 p.m., New York City time, on July 26, 2004, the record date for the LMI rights offering. Each whole right to purchase LMI Series A common stock entitled the holder to purchase one share of LMI Series A common stock at a subscription price of $25.00 per share. Each whole right to purchase LMI Series B common stock entitled the holder to purchase one share of LMI Series B common stock at a subscription price of $27.50 per share. In addition, each whole Series A and Series B right entitled the holder to subscribe, at the same applicable subscription price pursuant to an oversubscription privilege, for additional shares of the applicable series of LMI common stock, subject to proration. LMI has paid no other dividends since it became a publicly traded company.

Pursuant to the merger agreement, LMI may not pay any dividends (other than dividends payable in LMI common stock) until the mergers are completed or the merger agreement is terminated. Except for the foregoing, there are currently no restrictions on the ability of LMI to pay dividends in cash or stock. It is LMI s current dividend policy to not pay cash dividends. All decisions regarding the payment of future dividends by LMI will be made by its board of directors, from time to time, in accordance with applicable law.

UGC. In January 2004, UGC distributed, as a dividend to its stockholders, 0.28 of a transferable subscription right for each share of UGC common stock owned by them at the close of business on January 21, 2004, the record date for the UGC rights offering. Each whole right to purchase UGC Class A common stock entitled the holder to purchase one share of UGC Class A common stock at a subscription price of $6.00 per share. Each whole right to purchase UGC Class B common stock entitled the holder to purchase one share of UGC Class B common stock at a subscription price of $6.00 per share. Each whole right to purchase UGC Class C common stock entitled the holder to purchase one share of UGC Class C common stock at a subscription price of $6.00 per share. In addition, each whole Class A, Class B and Class C right entitled the holder to subscribe, at the same subscription price pursuant to an oversubscription privilege, for additional shares of the applicable class of UGC common stock, subject to proration. UGC has paid no other dividends since its predecessor became a publicly traded company on August 2, 1993.

Pursuant to the merger agreement, UGC may not pay any dividends until the mergers are completed or the merger agreement is terminated. Except for the foregoing, there are currently no restrictions on the ability of UGC to pay dividends in cash or stock. It is UGC s current policy to not pay cash dividends. All decisions regarding the payment of future dividends by UGC will be made by its board of directors, from time to time, in accordance with applicable law.

Liberty Global. Following the consummation of the mergers, all decisions regarding the payment of dividends by Liberty Global will be made by its board of directors, from time to time, in accordance with applicable law after taking into account various factors, including its financial condition, operating results, current and anticipated cash needs, plans for expansion and possible loan covenants which may restrict or prohibit its payment of dividends.

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SPECIAL FACTORS

Background of the Mergers

LMI was formerly a wholly owned subsidiary of Liberty. On June 7, 2004, Liberty distributed to its stockholders, on a pro rata basis, all of the issued and outstanding shares of LMI common stock, and LMI became an independent, publicly-traded company. From time to time following the spin off, LMI s board of directors and management reviewed the assets held by LMI to determine the available alternatives for enhancing the value of the company. Among the alternatives discussed following the spin off was a potential combination of LMI with its subsidiary UGC, in which LMI owns capital stock representing 53.6% of the equity and 91% of the outstanding voting power. On November 12, 2004, John C. Malone, Chairman of the Board, Chief Executive Officer and President of LMI, stated in response to questions posed during a conference call with LMI investors that LMI would eventually like to combine with UGC, but not at the then-current market prices, which he believed undervalued LMI. During the period from June 2004 through early December 2004, LMI did not have any contact with UGC regarding a potential combination.

At a meeting of the LMI board of directors on December 10, 2004, Mr. Malone sought authorization from the board to contact and initiate discussions with UGC concerning a possible combination of LMI and UGC in a stock-for-stock transaction. Mr. Malone discussed with the board his view that a combination of the two companies should be approached as a merger of equals, with the board of directors and senior management team of the combined company being drawn from members of the boards and senior management teams of both companies. After discussion of the exchange ratio implied by the relative trading prices and sum-of-the parts values of the two companies, the board concluded that any valuation discussions with UGC should be on a market-to-market or fair value-to-fair value basis, with no premium to either company s stockholders. The LMI board authorized Mr. Malone to contact and initiate discussions with UGC on the basis discussed at that meeting.

On the evening of December 10, 2004, as a prelude to discussions with UGC, LMI delivered a letter to UGC stating that it wished to initiate discussions concerning a possible transaction involving the shares of UGC that LMI did not already own, and seeking a mutual confidentiality agreement in anticipation of such talks. This letter did not include any terms of a proposed transaction.

At a telephonic meeting of the UGC board of directors held on December 13, 2004, the board appointed three outside directors, John P. Cole, Jr., John W. Dick and Paul A. Gould, to serve as a Special Committee; to advise the UGC board with respect to the fairness of any transactions proposed by LMI; if deemed appropriate by the Special Committee, to negotiate the terms and conditions of a transaction with representatives of LMI; following such negotiations, to make a recommendation to the UGC board as to whether such proposal should be accepted or rejected by the UGC board; and to retain, at UGC s expense, such attorneys, investment bankers, accountants, actuaries or other advisors as the Special Committee might deem appropriate in order to advise and assist it. Messrs. Cole, Dick and Gould were selected to serve on the Special Committee because they were independent under the rules of the Nasdaq Stock Market and have no relationship with LMI or any of its affiliates that the Special Committee viewed as undermining the independence of the Special Committee, as further described under Fairness Determinations and Recommendations of the Special Committee and the UGC Board.

Subsequently, by unanimous written consent effective as of December 22, 2004, the UGC board approved payment to each member of the Special Committee of a fee of $95,000 for serving on the Special Committee and provided the Special Committee with certain additional powers in connection with the performance of its duties, including full access to UGC s records and personnel and the authority to execute and deliver any documents or agreements it deemed appropriate in connection with its duties.

After conducting interviews and follow-up conversations with three law firms, on December 14, 2004, the Special Committee retained Debevoise & Plimpton LLP to act as its legal advisor. Among the reasons for this selection were Debevoise s strong reputation, its experience in mergers and acquisitions transactions, its experience in representing other special committees, the seniority and experience of the attorneys who would be working on the transaction and the absence of any material prior relationship with LMI, UGC or any of their affiliates.

On December 15, 2004, the Special Committee, together with representatives of Debevoise, conducted preliminary interviews with representatives of two internationally recognized investment banking firms: Morgan Stanley & Co. Incorporated and another firm. Mr. Gould and Debevoise participated in these meetings in person, and Messrs. Cole and Dick joined by telephone. Each firm was asked to provide additional information to assist the Special Committee in its decision.

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Also on December 15, 2004, the members of the Special Committee, together with their legal advisors, spoke by telephone with Mr. Malone. Mr. Malone noted that LMI was not making a formal offer and said that he would be interested in discussing with the Special Committee a stock-for-stock transaction based upon relative fair values in which LMI and UGC and their respective boards of directors and management teams would be combined. He indicated that in his view the recent market prices of LMI s and UGC s stocks reflected a fair relative valuation of the two companies. Mr. Malone asked the Special Committee whether they would be interested in discussing a transaction within that framework. In response to questions from the Special Committee, Mr. Malone expressed his views as to the benefits to be derived from a combination of LMI and UGC. The Special Committee also asked Mr. Malone whether LMI would be willing to sell its interest in UGC in a transaction for the entire company. Mr. Malone responded that LMI would not be willing to consider such a transaction and had no current intention of selling its interest in UGC to a third party.

On December 20, 2004, the Special Committee, together with representatives of Debevoise, conducted further interviews with representatives of Morgan Stanley and another investment banking firm. Mr. Gould and Debevoise participated in these meetings in person, and Messrs. Cole and Dick joined by telephone. The Special Committee and its legal advisor raised questions designed to ascertain any prior relationships of each firm with Liberty, LMI and UGC.

On December 21, 2004, the Special Committee had two separate telephone meetings during which the Special Committee extensively discussed the qualifications and fee expectations of the investment banking firms being considered for the position of financial advisor to the Special Committee. At the instruction of the Special Committee, Mr. Gould subsequently requested that each firm reduce its initial fee proposal.

On December 22, 2004, the Special Committee had a further telephonic meeting to discuss the selection of a financial advisor. The Special Committee reviewed the revised fee proposals made by Morgan Stanley and another investment banking firm in response to the committee s request. After discussion, the Special Committee agreed to choose Morgan Stanley provided it was able to meet the Special Committee s fee expectations. Morgan Stanley met those expectations and was retained on December 22, 2004, to act as the Special Committee s financial advisor. Among the reasons for selecting Morgan Stanley were Morgan Stanley s strong reputation, experience in transactions of this kind and knowledge of UGC, its business and the industries in which UGC and LMI operate. The Special Committee also considered the fact that Morgan Stanley s prior representation of UGC in unrelated transactions gave Morgan Stanley additional insight into UGC s business, as well as the fact that Morgan Stanley had an experienced Japanese team that would be helpful in analyzing the value of LMI s investment in J-COM.

On December 23, 2004, the Special Committee held a telephonic meeting with its legal and financial advisors. Participants discussed the Special Committee s December 15, 2004 conversation with Mr. Malone regarding a possible transaction. Participants also discussed the methodologies that Morgan Stanley anticipated using in advising the Special Committee, strategic issues and next steps with respect to Morgan Stanley s commencing its financial analysis, including due diligence plans. The Special Committee raised questions as to the methodologies Morgan Stanley anticipated using in advising the Special Committee, to which Morgan Stanley responded. At the Special Committee s request, Morgan Stanley undertook to keep the Special Committee informed as its work progressed and as to developments with respect to UGC and LMI, including progress in the proposed combination of the Chilean affiliates of UGC and LMI and by providing market perspectives regarding the prospects for the proposed initial public offering of J-COM. At this meeting, Debevoise also reviewed with the members of the Special Committee the Delaware law applicable to the potential transaction and their duties thereunder.

On December 28, 2004, the Special Committee held a telephonic meeting with its legal and financial advisors to discuss the status of Morgan Stanley s financial due diligence. The Special Committee agreed to arrange a call with Mr. Malone on December 31, 2004.

On December 29, 2004, representatives of Debevoise contacted Elizabeth Markowski, the general counsel of LMI, and Ellen Spangler, the general counsel of UGC, regarding legal due diligence matters.

On December 30, 2004, the Special Committee held a telephonic meeting with its legal advisors. The Special Committee discussed legal and strategic issues relating to a potential transaction, including whether the Special Committee should seek to obtain a requirement that a majority of the holders of UGC s publicly held shares (excluding shares held by LMI, Liberty or any of their respective subsidiaries or any of the executive officers or directors of LMI, Liberty or UGC) approve any transaction, also known as a majority of the minority condition.

On December 31, 2004, the Special Committee held a telephonic meeting with its legal and financial advisors. Morgan Stanley described the status of its financial due diligence. Morgan Stanley also discussed its preliminary views as to the potential values of LMI and UGC and implied exchange ratios from various perspectives, including public equity analyst reports, a preliminary discounted cash flow analysis, the valuation of companies in similar industries and markets as UGC and LMI, a preliminary sum-of-the-parts analysis of LMI taking into account the holding company discount thought to be reflected in the public market trading price of LMI s common stock, historical trading prices of the LMI and UGC common stock and precedent transactions involving purchases of minority interests by controlling stockholders. The Special Committee discussed with Morgan Stanley the approach that Morgan Stanley took in formulating its preliminary views and raised questions to which Morgan Stanley responded regarding Morgan Stanley s analysis and the valuation metrics it employed. The Special Committee and its advisors also discussed certain negotiating considerations.

Later on December 31, 2004, the Special Committee and its legal and financial advisors spoke by telephone with Mr. Malone, Ms. Markowski and two other executives of LMI. On this call Mr. Malone expressed his views as to the prospects of the LMI and UGC businesses, benefits to be obtained by combining LMI and UGC, and why such a combination should be on a market-to-market or fair value-to-fair value basis. Mr. Malone insisted that LMI would not pay a premium for the UGC minority stake, because LMI had already invested heavily in UGC to acquire LMI s control position and the unaffiliated stockholders of UGC would share in all of the benefits of the combined company. He said that any discussion should focus on the parties respective views as to the relative values of the two companies. He further observed that when he had first approached UGC about discussing a possible combination, the relative market prices of the stocks of the two companies implied an exchange ratio between 0.1923 and 0.1961 shares of LMI Series A common stock for each share of UGC Class A common stock. Since that time, he noted, whether due to speculation regarding LMI s intentions towards its largest investment or currency exchange rate changes, UGC s stock price had moved and had already built in a premium. Following the call with Mr. Malone, the Special Committee reconvened by telephone with its legal and financial advisors to discuss its next steps. The Special Committee then continued the discussion with its legal advisors only.

On January 3, 2005, the Special Committee held a telephonic meeting with its legal and financial advisors. Morgan Stanley discussed potential arguments that could be used when negotiating to maximize the value of the merger consideration to be received by the unaffiliated stockholders of UGC and provided an update as to its preliminary views regarding the potential values of LMI and UGC, including potential combination benefits that might result from the proposed transaction, such as the reduction of the holding company discount thought to be reflected in the public market trading price of LMI s common stock, and approaches to sharing those benefits, the implied exchange ratios and potential premiums with respect to various benchmark dates. The Special Committee discussed Morgan Stanley s views with it and raised questions to which Morgan Stanley responded regarding Morgan Stanley s analysis and the valuation metrics employed. The Special Committee also inquired as to the status of Morgan Stanley s financial due diligence, and requested that Morgan Stanley obtain additional information. The Special Committee and its advisors discussed potential strategic options for the consummation of a potential transaction. Subsequently, the Special Committee continued its discussions in executive session.

On January 4, 2005, the Special Committee held a telephonic meeting with its legal advisors. The Special Committee reviewed the merits of a public versus a private negotiating process and instructed Debevoise to discuss the matter with Ms. Markowski. The Special Committee also met in executive session and had a conference call with Michael T. Fries, the Chief Executive Officer and President of UGC, to review various matters relating to the UGC business and the discussions with LMI. Morgan Stanley spoke separately with Mr. Fries by telephone to discuss similar matters.

On January 5, 2005, representatives of Debevoise called Ms. Markowski to discuss the possibility of pursuing a public process. Ms. Markowski stated that to date LMI had simply asked if the Special Committee would be interested in pursuing discussions on the basis outlined by Mr. Malone in earlier conversations, and that to her knowledge the Special Committee had yet to respond. She also noted that the parties had yet to exchange views on relative values. Ms. Markowski advised Debevoise that in the absence of an agreement in principle on the essential terms of a transaction, she did not believe LMI would be willing to make a formal offer and engage in a public negotiating process.

Later on January 5, 2005, the Special Committee met telephonically with its legal and financial advisors. Morgan Stanley reported on its recent conversation with Mr. Fries. The Special Committee and its advisors discussed potential combination benefits that might result from the proposed transaction, such as the reduction of the holding company discount thought to be reflected in the public market trading price of LMI s common stock and benefits resulting from the combination of the Chilean affiliates of UGC and LMI, and approaches to sharing those benefits. Debevoise reported on its conversation with Ms. Markowski. The Special Committee agreed to convene in person in New York on January 10, 2005. The Special Committee further agreed to dispatch its financial advisors to meet with Mr. Malone in person on the morning of January 10, 2005 to discuss the details of a possible transaction with LMI and the preliminary valuations of the two companies by Morgan Stanley. The Special Committee and its advisors also discussed certain strategic issues, including the value of obtaining a majority of the minority condition. On the evening of January 5, 2005, Morgan Stanley spoke by telephone with Mr. Fries at the instruction of the Special Committee to follow up on certain financial due diligence matters.

On January 7, 2005, the Special Committee met telephonically with its legal and financial advisors. Morgan Stanley provided the Special Committee with an overview of the advocacy points that it anticipated making to Mr. Malone in order to maximize the value of the merger consideration to be received by the unaffiliated stockholders of UGC and responded to the Special Committee s questions and comments. Morgan Stanley also provided the Special Committee with an update, based on Morgan Stanley s knowledge of Japan s public securities markets, as to the market prospects for the proposed initial public offering of J-COM. Morgan Stanley informed the Special Committee that it had received from UGC management the projected compound annual growth rates for UGC s broadband operations described below under Forward-Looking Statements; Certain Projections Financial Projections Regarding UGC Compound Annual Growth Rates. The Special Committee instructed Morgan Stanley to work with UGC management to understand these projections better in light of Morgan Stanley s prior work as described below under Opinion of the Financial Advisor to the Special Committee Discounted Cash Flow Analysis.

On the morning of January 10, 2005, representatives of Morgan Stanley met in person with Mr. Malone and Ms. Markowski. Morgan Stanley presented an advocacy case as to valuations of LMI and UGC and discussed those values and the implied exchange ratios with Mr. Malone. Morgan Stanley also explored with Mr. Malone LMI s willingness to consider a cash alternative or the addition of another component to the stock consideration to provide additional value to the UGC public stockholders.

On the afternoon of January 10, 2005, the Special Committee met in person in New York with its legal advisors to discuss the duties of the members of the Special Committee under Delaware law and legal and strategic issues, including whether the Special Committee should insist upon a majority of the minority condition.

Representatives of Morgan Stanley subsequently joined the meeting and briefed the members of the Special Committee on the results of their conversations earlier in the day with the LMI representatives. Morgan Stanley informed the Special Committee that Mr. Malone had repeated his interest in a stock-for-stock transaction at an exchange ratio reflecting a price at or about market, which at that time implied an exchange ratio of 0.20 LMI shares for each share of UGC. Morgan Stanley reported that Mr. Malone had exhibited some very limited flexibility within that range, including a willingness to consider offering UGC stockholders a cash option for up to 20% of the aggregate value of the merger consideration, the possibility of providing a small amount of additional merger consideration in the form of structured securities and an interest in having the combined company pursue a stock buy-back strategy after the consummation of a transaction. After discussion with Morgan Stanley, and having considered their prior discussions and the preliminary views previously presented to the Special Committee by Morgan Stanley, the Special Committee concluded that Mr. Malone s position was below the range of merger consideration that it could reasonably expect to achieve in the proposed transaction. As a strategic matter, the Special Committee also concluded that it could expect Mr. Malone to improve upon his initial position over the course of negotiations. The Special Committee agreed that Mr. Malone s position provided the basis for further discussion.

Later on the evening of January 10, 2005, the Special Committee, Mr. Malone, Ms. Markowski, the respective legal advisors of LMI and the Special Committee, Morgan Stanley and LMI s financial advisor, Banc of America Securities, met to discuss further a possible transaction. Mr. Malone emphasized that he had not made an offer for UGC and that he would not engage in a public negotiating process. He expressed concern that recent increases in the UGC stock price raised doubts as to whether the UGC and LMI stock prices continued to reflect the relative fair values of the two companies, and again stated that LMI was unwilling to pay a premium for the UGC stock at its then-market price. He also repeated the statements made earlier that day to Morgan Stanley. Representatives of the Special Committee noted their strong interest in having a majority of the minority condition as an element of any transaction. Mr. Malone stated that LMI was not interested in pursuing a transaction with such a condition. At the request of the Special Committee, Mr. Malone stated his personal willingness as a significant stockholder of LMI to enter into a voting agreement to support the approval of a potential transaction by the LMI stockholders. Representatives of Morgan Stanley and Banc of America agreed to meet the following morning to discuss the structured securities Mr. Malone had earlier indicated might be included in the merger consideration.

Subsequently, the Special Committee met with its legal and financial advisors to discuss its response to LMI. After discussion with Morgan Stanley, and having considered their prior discussions and the preliminary views previously presented to the Special Committee by Morgan Stanley, the Special Committee concluded that proposing an exchange ratio of 0.23 LMI shares for each share of UGC would be an aggressive and appropriate response to LMI s position in the context of a negotiation.

On the morning of January 11, 2005, representatives of Morgan Stanley and Banc of America Securities met to discuss the possible inclusion of structured securities as an additional component of the merger consideration. Banc of America and Morgan Stanley discussed Banc of America s preliminary structure of a security that could contain both debt and equity characteristics and explored other potential structures. In addition, Banc of America and Morgan Stanley discussed the valuation methodologies each was employing with respect to LMI and UGC.

On the afternoon of January 11, 2005, Messrs. Dick and Gould met with the Special Committee s legal and financial advisors. Mr. Cole was not present. Morgan Stanley updated the members of the Special Committee on its discussions with Banc of America Securities. After discussion with its advisors, the Special Committee members determined that the structured securities described by Mr. Malone and Banc of America Securities could not be valued properly because the proposal was both highly complex and not fully developed. The Special Committee members further determined that a negotiation over the terms of these securities would significantly distract the parties from the Special Committee s central concern of improving the exchange ratio to maximize economic value for the unaffiliated stockholders of UGC and that these securities were unlikely to provide material economic value to the unaffiliated stockholders of UGC. Morgan Stanley also discussed with the Special Committee members a range of premiums to various assumed UGC stock prices at various exchange ratios. The discussion was based upon both the then-current trading price of LMI s stock and a higher assumed price. Morgan Stanley observed that the latter price may have more fully reflected the underlying value of LMI, since the public market trading price of LMI s common stock likely reflected a holding company discount (widely acknowledged by the research community) of 10% to 20%, which would be impacted by the clarification of J-COM s value as a result of its proposed initial public offering and by the simplification of the relationship between UGC and LMI as a result of the proposed combination of the two companies.

Later that afternoon, Messrs. Dick and Gould met with Mr. Malone, Ms. Markowski, and the respective legal and financial advisors of the Special Committee and LMI. The initial positions of the two sides were as follows: The Special Committee members and their representatives stated (based upon the prior evening s Special Committee discussions) that an exchange ratio of 0.23 LMI shares for each share of UGC would be acceptable. Mr. Malone and his representatives stated that an exchange ratio of 0.20 continued to reflect LMI s sense of an at-market transaction. The Special Committee noted that a majority of the minority condition was of key importance and that it would be interested in obtaining a standstill agreement with Mr. Malone and his affiliates with respect to acquisitions of LMI stock after the consummation of any transaction. Mr. Malone stated that a majority of the minority condition remained unacceptable to LMI and refused to sign a standstill agreement. After extensive further discussion and negotiation, in which the Special Committee members further emphasized the critical importance of a majority of the minority condition, Mr. Malone agreed that LMI would consider a majority of the minority condition if UGC agreed to include in any merger agreement certain termination rights for LMI to avoid a prolonged process. Messrs. Dick and Gould continued negotiations with Mr. Malone without the presence of advisors. At the conclusion of this discussion, each side summarized their last proposals. Mr. Malone had proposed that, subject to the approval of the LMI board, he would consider an exchange ratio of 0.213, reflecting an at-market transaction based upon that day s closing stock prices, with a 20% cash election option at $9.50 per share of UGC, representing a premium over that day s UGC closing stock price of $9.26 per share, and the majority of the minority condition if the merger agreement included certain termination rights for LMI. In response, Messrs. Dick and Gould proposed, subject to confirmation by the entire Special Committee, that they would consider an exchange ratio of 0.22 LMI shares for each share of UGC, a 20% cash election option at $9.75 per share and that the Special Committee would drop its request that Mr. Malone sign a standstill agreement.

On the morning of January 12, 2005, the Special Committee met telephonically with its legal and financial advisors to update Mr. Cole on the prior day s negotiations and to discuss the Special Committee s response to LMI s proposed financial terms for a transaction. At this meeting, Morgan Stanley also discussed with the Special Committee implied values per UGC share and resulting premiums at assumed LMI share prices based upon the 0.213 exchange ratio proposed by Mr. Malone and the 0.22 exchange ratio proposed by Messrs. Dick and Gould and, in each case, based upon an election to receive consideration consisting of either 100% stock or 80% stock and 20% cash.

Also on the morning of January 12, 2005, the board of directors of LMI met to discuss the terms of the potential transaction. Mr. Malone discussed with the LMI board the negotiations with the Special Committee over the prior two days. Noting that the closing prices of the two companies stocks the prior day implied an exchange ratio of 0.213, Mr. Malone advised the board that he would be willing to support a transaction at that exchange ratio and compromise with a marginally higher exchange ratio. Mr. Malone then requested authority from the LMI board to propose an exchange ratio of 0.215 and a cash election alternative of $9.55 per share. After discussing the concerns of the board with respect to the time to complete the transaction in light of the uncertainty created by the majority of the minority condition and the termination rights Mr. Malone was negotiating for, the LMI board authorized Mr. Malone to propose the foregoing exchange ratio and cash alternative election.

On the afternoon of January 12, 2005, the Special Committee reconvened by telephone with its legal and financial advisors and received reports on conversations with representatives of LMI, who had contacted Debevoise and Morgan Stanley to request a conference call with the Special Committee to continue negotiations.

Thereafter, the Special Committee and its legal and financial advisors met telephonically with Mr. Malone and Ms. Markowski. Mr. Malone informed the Special Committee that, after consultation with the LMI board, LMI s best and final proposal was an exchange ratio of 0.215 LMI shares for each share of UGC with a 20% cash election option at $9.55 per share. Mr. Malone insisted that the price negotiations be concluded prior to market close in order to protect LMI against further movements in the stock price, which he believed continued to reflect speculation about a possible transaction, and stated that LMI would withdraw from negotiations if there was no agreement in principle on the exchange ratio before market close.

The Special Committee, after separate discussion with its legal and financial advisors, recognized that it had obtained increases in the exchange ratio and cash amount offered by LMI and that the negotiation was likely nearing the point at which the most favorable financial terms that could be obtained from LMI were reached and further negotiation could cause LMI to abandon the transaction. The Special Committee also discussed its concern that upward movements in the public market price of UGC common stock could cause LMI to abandon the transaction. After further discussion, the Special Committee informed the LMI representatives that it would be prepared to recommend the transaction at an exchange ratio of 0.216 LMI shares for each share of UGC with a 20% cash election option at $9.60 per share. Mr. Malone responded that, subject to receiving approval from the LMI board and only if this proposal was sufficient to obtain agreement, he was prepared to accept an exchange ratio of 0.2155 LMI shares for each share of UGC with a 20% cash election option at $9.58 per share. The Special Committee and the LMI representatives agreed that they would instruct their respective legal advisors to proceed to negotiate definitive documentation on that basis, with final agreement subject to the successful completion of such documentation, board approval and the receipt by each of LMI and the Special Committee from their respective financial advisors of an opinion as to the fairness, from a financial point of view, of the proposed merger consideration.

On the morning of January 13, 2005, Baker Botts L.L.P., counsel to LMI, delivered to Debevoise an initial draft of a proposed merger agreement. On the morning of January 14, 2005, Debevoise delivered to Baker Botts an initial draft of a proposed voting agreement and provided initial comments to the draft merger agreement. Also on January 14, 2005, the Special Committee met telephonically with its legal advisors to discuss the provisions of the proposed merger agreement.

From January 14 through January 17, 2005, the terms of the merger agreement and the voting agreement were negotiated, including the scope of the representations and warranties that would be provided by each of the parties and the scope of the termination right required by LMI in exchange for agreeing to provide UGC with a majority of the minority voting condition.

On January 17, 2005, the Special Committee met in person in New York with its legal and financial advisors. At this meeting, Morgan Stanley delivered its financial analysis in connection with the proposed transaction and its opinion that, as of the date of the opinion and based upon and subject to the assumptions, qualifications and limitations set forth in the opinion, the merger consideration to be received by the unaffiliated stockholders of UGC pursuant to the merger agreement was fair from a financial point of view to such stockholders. See Fairness Determinations and Recommendations of the Special Committee and the UGC Board. Morgan Stanley also discussed with the Special Committee the impact on the value of LMI s offer of UGC stockholders elections to receive cash consideration at various LMI share prices. The Special Committee raised questions regarding various aspects of Morgan Stanley s analysis, including the methodologies used and Morgan Stanley s access to information, to which Morgan Stanley responded. The Special Committee also considered and discussed the specific factors described below under Fairness Determination and Recommendations of the Special Committee and the UGC Board Fairness Determination and Recommendation of the Special Committee. The Special Committee then unanimously determined that the UGC merger, on the terms and conditions set forth in the merger agreement and voting agreement, is substantively and procedurally fair to, and in the best interests, of the unaffiliated stockholders of UGC, approved the UGC merger and the merger agreement, the voting agreement and the transactions contemplated thereby and resolved to recommend that the UGC board of directors approve the UGC merger and the merger agreement, the voting agreement and the transactions contemplated thereby, and that the stockholders of UGC approve the UGC merger, the merger agreement and the transactions contemplated thereby.

Following the meeting of the Special Committee, the UGC board of directors met. The Special Committee reported its recommendation that the UGC board approve and declare advisable the UGC merger, the merger agreement, the voting agreement and the transactions contemplated thereby, and its recommendation that the stockholders of UGC approve the UGC merger, the merger agreement and the transactions contemplated thereby. Morgan Stanley discussed with the UGC board its financial analysis and the opinion that it delivered to the Special Committee, as described under Opinion of the Financial Advisor to Special Committee. The UGC board, adopting the analysis of the Special Committee, then unanimously determined that the UGC merger, on the terms and conditions set forth in the merger agreement and voting agreement, is substantively and procedurally fair to, and in the best interests of, the unaffiliated stockholders of UGC. The UGC board also unanimously determined that the UGC merger, on the terms and conditions set forth in the merger agreement and the voting agreement, is fair to, and in the best interests of, UGC and its stockholders, approved the entry into the merger agreement and the other documents contemplated thereby, and resolved to recommend that the holders of UGC capital stock approve the UGC merger and approve and adopt the merger agreement.

On January 17, 2005, the LMI board of directors met to consider the business combination with UGC. Participating in the meeting from Banc of America Securities was a team led by Stephen Ketchum. Ms. Markowski was also present. At this meeting, Mr. Malone recounted for the LMI board the history of the negotiations with the Special Committee. He noted that the relative trading prices of LMI s and UGC s stock implied a ratio of 0.194 to 1 over a period of two to three weeks prior to his initiation of discussions, but that the market price of UGC s stock had climbed during the negotiations increasing the implied exchange ratio. Banc of America Securities then delivered its financial analysis in connection with the proposed transaction and its oral opinion, which was subsequently confirmed in writing, that, as of January 17, 2005 and based upon and subject to the factors, limitations and assumptions set forth in the opinion, the consideration to be received by the holders of LMI s common stock, other than affiliates of LMI, pursuant to the merger agreement is fair from a financial point of view to the holders of LMI s common stock, other than any affiliate of LMI. See Opinion of LMI s Financial Advisor. Ms. Markowski reviewed the terms of the merger agreement and the voting agreement to be signed by Mr. Malone, the negotiation of each of which had been completed in all material respects. The LMI board then unanimously approved the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the LMI merger, are advisable, fair to, and in the best interests, of LMI and its stockholders, determined that the transactions contemplated by the merger agreement, including the UGC merger, are, substantively and procedurally, fair to the unaffiliated stockholders of UGC, approved the entry into the merger agreement, and resolved to recommend that the holders of LMI common stock approve the LMI merger and approve and adopt the merger agreement.

On the evening of January 17, 2005, the parties finalized the merger agreement, including the disclosure schedules to the merger agreement, and, early on the morning of January 18, 2005, executed the merger agreement and the voting agreement. Also on January 18, 2005, LMI and UGC issued a joint press release announcing the merger agreement and the proposed mergers.

Fairness Determinations and Recommendations of the Special Committee and the UGC Board

The Special Committee

The UGC board of directors created the Special Committee to negotiate exclusively on UGC s behalf any transaction with LMI, because certain of the other directors of UGC have a conflict of interest in evaluating LMI s proposal on behalf of the stockholders of UGC (other than LMI and its affiliates). This conflict of interest exists because these directors also serve as LMI s officers or directors. In addition, the members of the management of UGC who serve on the UGC board could be viewed as having a conflict of interest because of LMI s position as the controlling stockholder of UGC. Therefore, the Special Committee is comprised of three members of the UGC board who are independent under the rules of the Nasdaq Stock Market and who have no relationship with LMI or any of its affiliates that the Special Committee viewed as undermining the independence of the Special Committee. The Special Committee considered that each member of the committee currently serves as a director of UGC, and that, assuming the consummation of the proposed transaction, each member of the committee expects to serve as a director of Liberty Global. The Special Committee also recognized the following, as to Paul A. Gould: (1) that Mr. Gould currently serves as a director of Liberty, that Mr. Gould served as a director of Liberty s predecessor (Old Liberty) prior to its 1994 business combination transaction with Tele-Communications, Inc. (TCI), each a company in which Mr. Malone was Chairman of the Board and a significant stockholder, and that Mr. Gould served as a member of the special committee of Old Liberty s board formed to evaluate the transaction with TCI and the consideration to be received by the public stockholders of Old Liberty in that transaction; (2) that subsequent to the 1994 business combination transaction between TCI and Old Liberty, Mr. Gould served as a member of the board of directors of TCI and several companies in which TCI or Liberty had a substantial investment or controlling interest; (3) that, in connection with the 1999 merger between TCI and AT&T Corp., Mr. Gould and another TCI director each received a fee of $1 million for their services on a special committee of the TCI board formed to evaluate the merger transaction with AT&T and the consideration to be received by the public stockholders of TCI in the TCI-AT&T merger; and (4) that Mr. Gould joined the UGC board at the time of Liberty s acquisition of control of UGC in January 2004, after Mr. Gould requested a position on the UGC board as a result of his concerns at that time regarding the progress of UGC s business. The Special Committee noted that Mr. Gould s service on the boards of directors of various entities affiliated with Mr. Malone or in which Mr. Malone, directly or indirectly, was a substantial investor consisted in each case of service as an independent director. The Special Committee deemed Mr. Gould s receipt of fees with respect to this service as a director to be insufficiently material to undermine his independence, given Mr. Gould s personal finances. The Special Committee also noted that neither Mr. Cole nor Mr. Dick had any history of service on boards of directors of entities affiliated with Mr. Malone other than UGC and its subsidiaries, and that the Special Committee did not designate any member as its chairman and took all decisions unanimously. The Special Committee therefore determined that the factors described above regarding Mr. Gould would not undermine the independence of the Special Committee.

The members of the Special Committee are:

John P. Cole, Jr. Mr. Cole has served as a director of UGC and its predecessors since March 1998. Mr. Cole served as a member of the United Pan-Europe Communications N.V., or UPC, Supervisory Board from February 1999 to September 2003. Mr. Cole is a founder of the Washington, D.C. law firm of Cole, Raywid and Braverman, which specializes in all aspects of telecommunications and media law.

John W. Dick. Mr. Dick has served as a director of UGC since March 2003. He served as a member of the UPC Supervisory Board from May 2001 to September 2003, and a director of UGC Europe, Inc. from September 2003 to January 2004. He is the non-executive Chairman and a director of Hooper Industries Group, a privately held U.K. group consisting of: Hooper and Co (Coachbuilders) Ltd. (building special/bodied Rolls Royce and Bentley motorcars) and Hooper Industries (China) (providing industrial products and components to Europe and the U.S.). Until 2002, Hooper Industries Group also held Metrocab UK (manufacturing London taxicabs) and Moscab (a joint venture with the Moscow city government, producing left-hand drive Metrocabs for Russia). Mr. Dick has held his positions with Hooper Industries Group since 1984. Mr. Dick is also a director of Austar United Communications Limited, a public company in which UGC has an approximate 34% interest.

Paul A. Gould. Mr. Gould has served as a director of UGC since January 2004. Mr. Gould has served as Managing Director of Allen & Company L.L.C., an investment banking services company, and has been associated with Allen & Company and its affiliates for more than the last five years. Mr. Gould is also a director of Ampco-Pittsburgh Corporation and Liberty, and has previously served on special committees for other companies, unaffiliated with Liberty, LMI and UGC, with respect to which other companies he has served as a member of the board of directors.

Fairness Determination and Recommendation of the Special Committee

On January 17, 2005, the Special Committee unanimously:

- determined that the UGC merger, on the terms and conditions set forth in the merger agreement and the voting agreement, is substantively and procedurally fair to, and in the best interests of, the unaffiliated stockholders of UGC; and

- determined to approve, and to recommend that the UGC board of directors approve, the UGC merger, the merger agreement, the voting agreement and the transactions contemplated thereby, and that the UGC board recommend that the stockholders of UGC approve the UGC merger, the merger agreement and the transactions contemplated thereby.

The material factors considered by the Special Committee in making its fairness determination and recommendation are:

Supportive Factors

Negotiation Process and Procedural Fairness. The terms of the UGC merger, the merger agreement, the voting agreement and the transactions contemplated thereby were the result of extensive negotiations conducted by the Special Committee, which is comprised of independent directors, with the assistance of independent financial and legal advisors. The Special Committee recognized that it had obtained increases in the exchange ratio and cash amount offered by LMI, and concluded, based on the business experience of the Special Committee members and their knowledge of the negotiation style of the LMI officers leading the discussions for LMI, that an exchange ratio of 0.2155 Liberty Global shares for each share of UGC or a cash amount of $9.58 per UGC share at the election of the unaffiliated stockholders of UGC (up to an overall cap of 20% of the aggregate value of the merger consideration payable to such stockholders being paid in cash) were the most favorable financial terms that could be obtained from LMI and that further negotiation could have caused LMI to abandon the transaction.

Independent Financial Advisor. The Special Committee considered the presentation by its independent financial advisor, Morgan Stanley, and Morgan Stanley s opinion that, as of the date of the opinion and based upon and subject to the assumptions, qualifications and limitations set forth in Morgan Stanley s opinion, the merger consideration to be received by the unaffiliated stockholders of UGC pursuant to the merger agreement was fair from a financial point of view to such stockholders. The Special Committee noted that Morgan Stanley had been selected as its financial advisor after a competitive process, based upon the firm s strong reputation, experience in transactions of this kind, experienced Japanese team that was available to assist in analyzing the value of LMI s investment in J-COM and to provide market perspectives as to the prospects for J-COM s planned initial public offering, and knowledge of UGC, its business and the industries in which UGC and LMI operate.

In evaluating the presentation and opinion of Morgan Stanley, which is summarized below under Opinion of the Financial Advisor to the Special Committee, the Special Committee considered that Morgan Stanley s compensation arrangements had been structured and negotiated to enhance the firm s ability to provide objective advice to the Special Committee for the benefit of the unaffiliated stockholders of UGC. Morgan Stanley was entitled to receive an initial fee of $1.0 million at the time the engagement letter was executed. Morgan Stanley became entitled to receive an additional fee of $4.5 million at the time the Special Committee requested, and Morgan Stanley delivered, an opinion as to the fairness, from a financial point of view, of the merger consideration to be received by the unaffiliated stockholders of UGC. Morgan Stanley would have received the same fee had its opinion been as to the inadequacy of the merger consideration from a financial point of view. Morgan Stanley will not receive any additional compensation upon the successful completion of the UGC merger. The Special Committee believed that this fee arrangement helped advance the interests of the unaffiliated stockholders of UGC by ensuring that the Special Committee received the unbiased advice of its financial advisor.

In evaluating the presentation and opinion of Morgan Stanley, which is summarized below under Opinion of the Financial Advisor to the Special Committee, the Special Committee noted that Morgan Stanley considered the results of all of its analyses as a whole and, except as described below, the Special Committee did not attribute any particular weight to any particular analysis or factor considered by it.

The Special Committee was aware that the value of the merger consideration implied by the 0.2155x exchange ratio and the LMI stock price of $43.69 as of January 14, 2005 was generally lower than the implied merger consideration ranges generated by two of the analyses performed by Morgan Stanley, described below under Discounted Cash Flow Analysis and Equity Research Analysts Price Targets.

In considering the discounted cash flow analysis, the Special Committee recognized that Morgan Stanley had calculated a range of potential values for UGC based on UGC management s 2005 projections and long-term guidance and a model Morgan Stanley prepared, prior to its receipt of management s long-term guidance and subsequently adjusted in light of that guidance, based on its review of UGC s historical and budgeted financial performance as well as expected margins and growth rates of other companies in the same industry. The Special Committee discussed Morgan Stanley s observation that its adjusted model reflected a more accurate view of UGC s future performance because it was more in line with UGC s historical and budgeted financial performance as well as expected margins and growth rates of other companies in the same industry. The Special Committee also considered the fact that, in performing its discounted cash flow analyses, Morgan Stanley applied the same discount rates to both the management case and the adjusted model. Morgan Stanley noted that the weighted average cost of capital analysis it had performed to determine these discount rates was based on comparable companies, which Morgan Stanley observed had growth rates in line with those reflected in the adjusted model. Morgan Stanley informed the Special Committee that it did not adjust the discount rates applied to the management case to account for the greater risk and uncertainty of the higher growth rate assumed in the management case. Instead, Morgan Stanley described to the Special Committee the greater risk and uncertainty associated with the management case and pointed out that using a higher discount rate sometimes associated with higher growth rate scenarios would have resulted in a lower valuation range for UGC than the range resulting from Morgan Stanley s discounted cash flow analysis using the management case. The Special Committee also took into account that the results of Morgan Stanley s analysis of the exchange ratios implied by valuing both UGC and LMI s other principal asset J-COM on a discounted cash flow basis were supportive of the proposed exchange ratio of 0.2155x, as further described below under Opinion of the Financial Advisor to the Special Committee Discounted Cash Flow Analysis.

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The Special Committee also took note of Morgan Stanley s observation that equity research analyst price targets for LMI and UGC varied widely, that research reports available with respect to LMI did not reflect information that was as current as that contained in research reports available with respect to UGC and that equity research analyst price targets, in any event, may not have provided the most reliable estimates of the value of either company.

In reviewing each of the analyses presented by Morgan Stanley, the Special Committee also considered that, as pointed out by Morgan Stanley to the Special Committee, LMI s significant ownership interest in UGC meant that relatively significant increases in the implied value of UGC would be necessary in order to have a material impact on the relative exchange ratio. The Special Committee further discussed that Morgan Stanley had performed other valuation analyses, such as its comparable company and sum-of-the-parts analyses, that were supportive of its opinion. After considering Morgan Stanley s analyses as a whole and the resulting implied going concern value of UGC as described below under Opinion of the Financial Advisor to the Special Committee (which analyses were adopted by the Special Committee for this purpose), as well as the various other factors described herein under Fairness Determination and Recommendation of the Special Committee , the Special Committee observed that the merger consideration appeared to be fair to the unaffiliated stockholders of UGC relative to UGC s value as a going concern.

Holders of Majority of Public Shares Determine Whether Transaction is Completed. The provisions of the merger agreement permit the holders of a majority of UGC s publicly held shares (excluding shares held by LMI, Liberty or any of their respective subsidiaries or any of the executive officers or directors of LMI, Liberty or UGC) to determine whether to approve the UGC merger. The Special Committee believed that this decision, which it expected would be taken in light of, among other things, the detailed information provided to the stockholders of UGC in this joint proxy statement/ prospectus regarding the transaction and the factors considered by the Special Committee and the UGC board of directors in making their respective recommendations would allow each stockholder of UGC to make its own informed judgment as to whether the proposed transactions are in its best interests.

Premium Analysis. Based upon the presentation made by Morgan Stanley, the Special Committee discussed the fact that the equity and cash merger consideration represented a premium to the unaffiliated stockholders of UGC relative to many of the benchmarks summarized below under Opinion of the Financial Advisor to the Special Committee Exchange Ratio and Price Premium Analysis. The Special Committee reviewed in particular the fact that the equity merger consideration represented an exchange ratio premium of:

5.0% with respect to the average UGC and LMI stock prices for the period since the LMI Series A common stock commenced trading on a when-issued basis on June 2, 2004;

11.6% with respect to the UGC and LMI closing stock prices on December 10, 2004, the day on which LMI delivered a letter to UGC indicating that LMI wished to initiate discussions between the parties; and

1.1% with respect to the UGC and LMI closing stock prices on January 11, 2005, the last trading day prior to the agreement in principle between the Special Committee and LMI on the exchange ratio.

The Special Committee also discussed the fact that the equity merger consideration represented an exchange ratio discount with respect to other benchmarks presented by Morgan Stanley, including a discount of approximately 3.6% with respect to the UGC and LMI closing stock prices on November 11, 2004 and of 2.3% with respect to the UGC and LMI closing stock prices on January 14, 2005. The Special Committee considered Morgan Stanley s observation that the proposed exchange ratio would have represented a premium to the unaffiliated stockholders of UGC on 135 of the 158 trading days between June 2, 2004, the day on which the LMI Series A common stock commenced being publicly traded on a when-issued basis, and the last trading date before the entry into the merger agreement.

After discussions with Morgan Stanley, the Special Committee further concluded that the range of historical exchange ratios and the long-term valuations of UGC and LMI provided by Morgan Stanley, and described below under Opinion of the Financial Advisor to the Special Committee, were more accurate indicators of the underlying values of UGC and LMI than either of their market closing prices on any particular closing date, and that these factors supported the view that the proposed transaction is fair to the unaffiliated stockholders of UGC. In reaching this conclusion, the Special Committee reviewed and discussed with Morgan Stanley its presentation as described below under Opinion of the Financial Advisor to the Special Committee, including in particular the matters described under the captions Comparable Company Analysis and Sum-of-the-Parts Analysis.

The Special Committee also considered Morgan Stanley s observation, as described further below under Opinion of the Financial Advisor to the Special Committee Sum-of-the-Parts Analysis, that the public market trading price of LMI s common stock likely reflected a holding company discount of approximately 10% to 20%, which was to a meaningful degree related to LMI s interest in UGC. The Special Committee further focused on Morgan Stanley s observation that LMI s holding company discount could be expected to be appreciably reduced as a consequence of the proposed mergers, and that this development would benefit the unaffiliated stockholders of UGC electing to receive

Liberty Global common stock in the mergers. For example, Morgan Stanley s sum-of-the-parts analysis of LMI, excluding the effect of the holding company discount, implied that the fair value of LMI s common stock fell within a range of $48.86 to $51.13 per share. The Special Committee took into account Morgan Stanley s observation that this fair value range further implied that the Liberty Global common stock to be received by the unaffiliated stockholders of UGC represented a meaningful premium to UGC s stock price of $9.64 as of January 14, 2005, which was within the range of approximately 9.2% to approximately 14.3%.

The Special Committee also considered Morgan Stanley s observation that, in transactions involving stock consideration, premiums paid by the acquirer are generally smaller than in all-cash transactions in recognition of the target stockholders continuing opportunity to benefit from the performance of the combined company and to realize the benefits of the combination. In reviewing the benchmarks presented by Morgan Stanley, the Special Committee also took into account that, as pointed out by Morgan Stanley to the Special Committee as noted above, LMI s significant ownership interest in UGC meant that relatively significant increases in the implied value of UGC would be necessary in order to have a material impact on the relative exchange ratio and corresponding premium paid. The Special Committee concluded that a very large premium in this context was therefore unlikely.

Option to Receive Cash Provides Some Protection Against Stock Price Declines. The Special Committee considered that the option to elect to receive cash for up to 20% of the aggregate value of the merger consideration payable to the unaffiliated stockholders of UGC provides some protection to the unaffiliated stockholders of UGC if the price of LMI s stock declines prior to closing.

Opportunity Benefits of Participation in the Combined Company. Because unaffiliated stockholders of UGC will have the option to receive up to 100% of the merger consideration in stock of the combined company, they will have the opportunity to participate in the benefits expected to be realized by the transaction in the future.

UGC management and Morgan Stanley discussed with the Special Committee potentially significant synergies, strategic opportunities and other benefits that the unaffiliated stockholders of UGC would have the opportunity to participate in as stockholders of the combined company. The benefits discussed included: the creation of a company able to operate around the world and achieve the benefits of such scale; the creation of a more liquid stock with larger public float, which should also represent a stronger acquisition currency; reduction of the holding company discount thought to be reflected in the public market trading price of LMI s common stock and the consequent anticipated increase in the value of the Liberty Global common stock to be received by the unaffiliated stockholders of UGC in the mergers; enhanced position with vendors, manufacturers and content providers; enhanced growth potential given stronger position to pursue distribution, consolidation and content investment opportunities; a strong balance sheet, which should reduce the combined company s future financing costs; and organizational and corporate synergies.

Confidence in Combined Company Management. The Special Committee took into account that the Chief Executive Officer of the combined company would be Michael T. Fries, the current Chief Executive Officer of UGC. The Special Committee determined that its familiarity with Mr. Fries abilities and past performance gave increased confidence that the intended benefits of the UGC merger would be achieved.

Investment in Japanese Distribution and Content Assets at an Attractive Valuation. The Special Committee considered the valuations implied by Morgan Stanley s analysis of the Japanese distribution and content assets to be contributed to the combined company by LMI in the mergers and, after discussions with Morgan Stanley regarding comparable valuation multiples for similar assets in the industry, found them attractive as a financial matter. In particular, the Special Committee discussed Morgan Stanley s analysis that the proposed transaction implied UGC stockholders would receive a stake in the assets of Jupiter Telecommunications Co, Ltd., or J-COM, at a valuation multiple of 5.9 times J-COM s 2005 estimated EBITDA, as compared to comparable company analyses provided by Morgan Stanley indicating that valuation multiples of 9 to 10 times J-COM s estimated 2005 EBITDA would be within a market range for similar assets (which was also the approximate indicated initial public offering filing range for J-COM at the time of Morgan Stanley s analysis). The Special Committee took into account Morgan Stanley s observation that the opportunity to acquire a stake in the J-COM assets at an implied valuation multiple considerably lower than market comparable valuation multiples for similar assets was attractive as a financial matter to the unaffiliated stockholders of UGC, since this would mean that such stockholders would have the opportunity to acquire a stake in these assets at a favorable implied price. As described below under Opinion of the Financial Advisor to the

Special Committee Sum-of-the-Parts Analysis, Morgan Stanley observed that each additional 2005 estimated J-COM EBITDA multiple represented approximately $1.40 in value per share of LMI common stock. This is equivalent to approximately $4.34 to $5.74 in additional value per share of LMI common stock when comparing an EBITDA multiple of 5.9x to an EBITDA multiple range of 9.0x to 10.0x. The Special Committee further discussed its view that these assets offered growth opportunities to the unaffiliated stockholders of UGC in diverse markets. The

Special Committee believed that this opportunity for the unaffiliated stockholders of UGC to participate in the value of J-COM at a relatively attractive valuation supported the view that the merger is fair to such stockholders.

Improved Management Attention and Focus. Because LMI and UGC operate similar businesses in many respects, their current structure creates significant long-term potential for conflicts between the two companies over the exploitation of commercial opportunities. The Special Committee observed that uniting the two businesses under a single management team will eliminate any such conflicts, permit a unified management team to pursue opportunities more efficiently and provide UGC with the full benefit of the LMI senior management team s judgment and experience.

Improved Equity Position. The Special Committee discussed the fact that, as a result of the UGC merger and assuming that all unaffiliated stockholders of UGC elect to receive Liberty Global stock, the unaffiliated stockholders of UGC would hold approximately 25% of the aggregate voting power of Liberty Global, which would have no single stockholder or group of stockholders exercising voting control over the combined company. This contrasts to the current situation of unaffiliated stockholders of UGC, who have a minority voting interest in a company controlled by LMI.

Intention to Commence Share Repurchases. The Special Committee discussed the fact that LMI had stated that, given the substantial liquidity and free cash flow profile of the combined company, LMI expected that the Liberty Global board of directors would authorize a stock repurchase program following the combination. The Special Committee determined that this expectation underscored LMI s belief in the value of the combined business. LMI and UGC subsequently announced that they expect the Liberty Global board to authorize such a program and that any share repurchases under the program would occur from time to time in the open market or in privately negotiated transactions, subject to market conditions.

Growth Opportunities. The Special Committee recognized the opportunity for growth to be greater as part of the combined company. Important opportunities to acquire assets from third parties are expected to arise in Europe in the near future, and UGC s ability to avail itself of these opportunities will be greatly enhanced by a combination with LMI. The Special Committee also took into account that the Japanese business interests owned by LMI provide significant opportunities for growth, both within Japan and in other important Asian growth markets. The combined company is expected to have a significantly stronger balance sheet than UGC and the ability to offer stock as an acquisition currency at more favorable valuations.

Diversification Benefits. The Special Committee discussed the fact that by combining UGC s principally European and Latin American business with LMI s Japanese business, UGC stockholders would own a company with a more diverse portfolio of investments, which would be better able to weather economic change including fluctuations in foreign exchange rates.

Absence of Ability to Sell UGC to Third Party. LMI informed the Special Committee early in the negotiations that it was not interested in pursuing a sale of all of its interest in UGC. In light of LMI s intentions, the Special Committee concluded that realization of third party sale value or causing a sale of a substantial portion, in a liquidation, break-up or similar transaction, of UGC s assets were not alternatives available to UGC. Consequently, the Special Committee considered a transaction with LMI or continuing UGC as a publicly traded entity, with LMI remaining as controlling stockholder, as the only practical alternatives available. The Special Committee determined that the merger afforded the unaffiliated stockholders of UGC the opportunity to participate in the benefits of the combined company described above under Opportunity Benefits of Participation in the Combined Company, as well as the other benefits described above under Investment in Japanese Distribution and Content Assets at an Attractive Valuation, Improved Management Attention and Focus, Growth Opportunities and Diversification Benefits. The Special Committee determined that none of these benefits would be available to the unaffiliated stockholders of UGC if UGC continued as a publicly traded company with LMI as its controlling stockholder and deemed this alternative inferior to the proposed transaction.

Terms of Merger Agreement. The Special Committee considered the draft merger agreement and the summary of the key terms and provisions thereof provided by its counsel. The Special Committee concluded that the terms and provisions of the merger agreement were customary for transactions of this kind and provided appropriate protections to the unaffiliated stockholders of UGC. The merger agreement provides only limited circumstances under which LMI is permitted to not close the transaction, and any termination of the merger agreement by UGC must be approved by the Special Committee. The voting agreement entered into by Mr. Malone, pursuant to which he agreed to vote the LMI shares that he owns or which he has the right to vote (representing, as of December 31, 2004, approximately 26.5% of the aggregate voting power of LMI) in favor of the merger agreement and the LMI merger, increases the likelihood that the merger agreement and the LMI merger will be approved by the LMI stockholders.

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Financing of Transaction. The Special Committee considered the fact that LMI has available to it sufficient cash to pay the cash portion of the merger consideration and the combined company will have sufficient cash to fund the potential stock purchase program described above after the closing.

Stock Consideration Non-Taxable. The Special Committee considered that the receipt of Liberty Global stock by the unaffiliated stockholders of UGC validly electing to receive stock as merger consideration will generally not be taxable to such stockholders.

Negative Factors

Market Price of Shares. The Special Committee discussed the fact that the relative trading prices of UGC and LMI at the market close on January 14, 2005 implied that LMI would be acquiring the shares of UGC held by the unaffiliated stockholders of UGC at a very slight discount to market. See the discussion above under Supportive Factors Premium Analysis.

Exposure to Japanese Market. While acknowledging the diversification opportunity that LMI s investments in the Japanese broadband and programming markets offers the unaffiliated stockholders of UGC, the Special Committee also considered the fact that such diversification carried with it exposure to new and different risk factors for the unaffiliated stockholders of UGC, including exposure to downturns in the Japanese economy and new foreign currency exchange risks.

Tax Treatment. The Special Committee took into account that the receipt of the $9.58 per share cash price available to the unaffiliated stockholders of UGC validly electing to receive cash consideration, subject to proration, will generally be taxable to such stockholders.

Risks the Mergers May Not be Completed. The Special Committee considered the risk that the conditions to the merger agreement may not be satisfied and, therefore, that the UGC merger may not be consummated.

Matters Not Considered

The Special Committee did not consider the third party sale value or liquidation or break-up value of UGC s assets because LMI stated, after inquiry by the Special Committee, that it was not willing to pursue these alternatives. As the beneficial owner of a majority of the aggregate voting power of UGC s stock, LMI can prevent the pursuit of these alternatives. The Special Committee did not consider the net book value of UGC to be a useful indicator of UGC s value because UGC s value as a going concern, as reflected in the analyses thereof by Morgan Stanley described below under Opinion of the Financial Advisor to the Special Committee and adopted by the Special Committee for this purpose, exceeds its net book value and because the Special Committee believed that the net book value of UGC is indicative of historical costs but is not a material indicator of the value of UGC as a going concern.

Other Matters Considered

Conflicts of Interest. The Special Committee was aware of the conflicts of interest of the members of the UGC board of directors who are also officers or directors of LMI, as well as the potential conflicts of interest of management representatives on the UGC board. The Special Committee believes that the process of using a committee of independent directors that acted unanimously, together with the condition that the UGC merger and the merger agreement be approved by a majority of the stockholders of UGC (other than LMI, Liberty or any of their respective subsidiaries or any of the executive officers or directors of LMI, Liberty or UGC), effectively mitigates these potential conflicts.

This discussion summarizes the material factors considered by the Special Committee, including factors that support as well as weigh against the UGC merger, the merger agreement, the voting agreement and the transactions contemplated thereby. In view of the variety of factors and the amount of information considered, the Special Committee did not find it practicable to, and did not, make specific assessments of, quantify, or otherwise assign relative weights to these factors in reaching its determination. In addition, individual members of the Special Committee may have given different weights to different factors. The determination that the UGC merger, on the terms and conditions set forth in the merger agreement and the voting agreement, is substantively and procedurally fair to, and in the best interests of, the unaffiliated stockholders of UGC was made after consideration of all of these factors as a whole. The Special Committee concluded that the supportive factors outweighed the negative factors.

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Fairness Determination and Recommendation of the UGC Board

Following the meeting of the Special Committee, based upon the recommendation of the Special Committee and adopting the analysis of the Special Committee, the UGC board unanimously determined that the UGC merger, on the terms and conditions set forth in the merger agreement and voting agreement, is substantively and procedurally fair to, and in the best interests of, the unaffiliated stockholders of UGC. The UGC board also unanimously determined that:

the UGC merger, on the terms and conditions set forth in the merger agreement and the voting agreement, is fair to, and in the best interests of, UGC and its stockholders;

authorized UGC to enter into the merger agreement and the voting agreement;

resolved to recommend that the UGC stockholders approve the UGC merger and approve and adopt the merger agreement; and

resolved to call a special meeting of the UGC stockholders for the purpose of submitting the merger agreement and the transactions set forth therein to the UGC stockholders.

In addition to the analysis of the Special Committee, which was adopted by the UGC board in reaching its fairness determination, the UGC board of directors considered that the Special Committee received from Morgan Stanley an opinion that, as of the date of the opinion and based upon and subject to the assumptions, qualifications and limitations set forth in the opinion, the merger consideration to be received by the unaffiliated stockholders of UGC pursuant to the merger agreement was fair from a financial point of view to such stockholders.

Opinion of the Financial Advisor to the Special Committee

The Special Committee engaged Morgan Stanley to provide financial advisory services in connection with the UGC merger. Morgan Stanley was selected by the Special Committee based upon Morgan Stanley s qualifications, expertise and reputation and the experienced Japanese team that was available to assist in analyzing the value of LMI s investment in J-COM, as well as its knowledge of the business and affairs of UGC and the industries in which UGC and LMI operate. At a meeting of the Special Committee held on January 17, 2005, Morgan Stanley delivered its oral opinion, subsequently confirmed in writing, that, as of that date, and based upon and subject to the assumptions, qualifications and limitations set forth in the opinion, the consideration to be received by the unaffiliated stockholders of UGC pursuant to the merger agreement was fair from a financial point of view to such stockholders.

The full text of Morgan Stanley s opinion, dated January 17, 2005, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of the review undertaken by Morgan Stanley in rendering its opinion, is included as Appendix D to this joint proxy statement/ prospectus. The summary of Morgan Stanley s fairness opinion set forth in this joint proxy statement/ prospectus is qualified in its entirety by reference to the full text of the opinion. Stockholders should read this opinion carefully and in its entirety. Morgan Stanley s opinion is directed to the Special Committee and only addresses the fairness from a financial point of view of the consideration to be received by the unaffiliated stockholders of UGC pursuant to the merger agreement. Morgan Stanley s opinion does not address any other aspect of the mergers and does not constitute a recommendation to any UGC stockholder as to how to vote at the UGC stockholders meeting or as to what form of consideration UGC stockholders should elect. Morgan Stanley has consented to the inclusion of its opinion and the summary of its opinion in this joint proxy statement/ prospectus. By rendering its opinion and giving such consent Morgan Stanley has not admitted that it is an expert with respect to any part of this joint proxy statement/ prospectus within the meaning of the term expert as used in, or that Morgan Stanley comes within the category of persons whose consent is required under, the Securities Act or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

In connection with rendering its opinion, Morgan Stanley, among other things:

reviewed certain publicly available financial statements and other information of UGC and LMI;

reviewed certain internal financial statements and other financial and operating data concerning UGC and LMI prepared by the managements of UGC and LMI, respectively;

reviewed certain financial projections prepared by the respective managements of UGC and LMI;

discussed the past and current operations and financial condition and prospects of UGC and LMI with senior executives of UGC and LMI, respectively;

considered information relating to certain strategic, financial and operational benefits anticipated from the UGC merger, discussed with the management of UGC;

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discussed the strategic rationale for the UGC merger with the senior executives of UGC;

reviewed the reported prices and trading activity of the UGC Class A common stock and the LMI Series A common stock;

compared the financial performance of UGC and LMI, as well as the prices and trading activity of the UGC Class A common stock and the LMI Series A common stock with that of certain other comparable publicly-traded companies and their securities;

reviewed the financial terms, to the extent publicly available, of selected minority buy-back transactions;

participated in discussions and negotiations among representatives of UGC and LMI and their respective financial and legal advisors;

reviewed the proposed merger agreement and certain related documents; and

performed such other analyses and considered such other factors as Morgan Stanley deemed appropriate.

In arriving at its opinion, Morgan Stanley assumed and relied upon without independent verification the accuracy and completeness of the information reviewed by Morgan Stanley for the purposes of its opinion. With respect to the internal financial statements, other financial and operating data, and financial forecasts, including information relating to certain strategic, financial and operational benefits anticipated from the UGC merger, Morgan Stanley assumed that they had been reasonably prepared on bases reflecting best available estimates and judgments of the future financial performance of UGC and LMI. Morgan Stanley also relied without independent investigation on the assessment by the executives of UGC regarding the strategic rationale for the UGC merger. In addition, Morgan Stanley assumed that the mergers will be consummated in accordance with the terms set forth in the proposed merger agreement, including, among other things, that the LMI merger and UGC merger will be treated as a tax-free reorganization and exchange, respectively, each pursuant to the Code, without material modification, delay or waiver. Morgan Stanley did not make any independent valuation or appraisal of the assets or liabilities or technologies of UGC or LMI, nor was Morgan Stanley furnished with any such appraisals. Morgan Stanley s opinion is necessarily based upon financial, economic, market and other conditions as in effect on, and the information made available to it as of, January 17, 2005.

In arriving at its opinion, Morgan Stanley was not authorized to solicit, and did not solicit, interest from any party with respect to an acquisition, business combination or other extraordinary transaction involving UGC or its assets.

The following is a summary of the material financial analyses performed by Morgan Stanley in connection with its opinion. Some of these summaries include information presented in tabular format. In order to understand fully the financial analyses used by Morgan Stanley, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the analyses used by Morgan Stanley.

Historical Share Price Analysis

Morgan Stanley reviewed the historical price performance and trading volumes of UGC Class A common stock from January 20, 2004 through January 14, 2005, and of LMI Series A common stock from June 2, 2004 through January 14, 2005. For the period that Morgan Stanley reviewed UGC s share price, the high and low closing prices were $10.60 and $6.00, respectively, and for the period that Morgan Stanley reviewed LMI s share price, the high and low closing prices were $47.27 and $29.15, respectively.

Morgan Stanley also reviewed the respective recent stock price performances of UGC Class A common stock and LMI Series A common stock in comparison to the stock price performances of selected comparable companies, as well as with the S&P 500. Morgan Stanley observed the appreciation or depreciation in closing market prices over certain time periods as shown below:

	Appreciation/(Depreciation)	Appreciation

Company	1/20/04 to 1/14/05	6/2/04(1) to 1/14/05
UGC	(9.1)%	29.4%
LMI	NA	13.8%
Comcast Corp.	(5.8)%	16.6%
NTL Inc.	(0.6)%	10.8%
Cablevision Systems Corp.	(9.9)%	13.5%
S&P 500	4.0%	5.3%

(1) Date on which LMI common stock began trading on a when-issued basis prior to LMI s spin off from Liberty.
The foregoing historical share price analysis was presented to the Special Committee to provide it with background information and perspective with respect to the relative historical share prices and share price performances of UGC and LMI. No company used in the share price performance analysis is identical to UGC or LMI because of differences in business mix, operations and other characteristics.

Comparable Company Analysis

Morgan Stanley compared certain publicly available financial information of UGC with corresponding publicly available information for the following cable companies:

U.S. Cable Companies

Comcast Corp.
Cablevision Systems Corp.
Charter Communications, Inc.
Insight Communications Co.

European Cable Companies

NTL Inc.
Telewest Global Inc.

For each of the comparable companies, Morgan Stanley calculated the current cable aggregate value, defined as equity value plus net debt and minority interests and less unconsolidated and non-cable assets, as a multiple of 2005 estimated earnings before expenses for interest, taxes, depreciation and amortization, or EBITDA, based upon publicly available information, including reports of equity research analysts. The multiples calculated in this analysis are referred to in this section as the aggregate value/2005E EBITDA multiples.

Morgan Stanley calculated implied equity values per share of UGC common stock by applying aggregate value/2005E EBITDA multiples ranging from 8.0x to 9.0x to UGC s 2005 estimated EBITDA, as provided by UGC management, and to UGC s 2005 estimated EBITDA as provided by management and converted at a current spot rate of US$1.31 per Euro. The following table presents the ranges of equity values per common share implied by this analysis:

	Implied Equity Value Per Share of UGC Common Stock	
	Low	**High**
2005E EBITDA, as provided by UGC management	$ 8.17	$ 9.53
2005E EBITDA, as provided by UGC management and converted at US$1.31 per Euro spot exchange rate	$ 8.82	$ 10.27

Morgan Stanley noted that the value of the stock consideration per share of UGC common stock implied by the 0.2155x exchange ratio and LMI s stock price of $43.69 as of January 14, 2005 was $9.42, and that the cash consideration was $9.58 per share of UGC common stock.

No company used in the comparable company analysis is identical to UGC because of differences between the business mix, operations and other characteristics of UGC and the comparable companies. In evaluating the comparable companies, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of UGC, such as the impact of currency exchange rates, competition on the business of UGC as well as on the industry generally, industry growth and the absence of any adverse material change in the financial condition and prospects of

UGC or the industry or in the markets generally.

Discounted Cash Flow Analysis

Morgan Stanley performed a discounted cash flow analysis of the projected unlevered free cash flows of UGC. This analysis was based upon 2005 projections and long-term growth assumptions for the period beginning January 1, 2005 and ending December 31, 2009 prepared by UGC management.

Morgan Stanley calculated implied equity values per share of UGC common stock by using discount rates ranging from 8% to 10% and terminal value multiples of estimated 2010 EBITDA ranging from 7.5x to 8.5x. Morgan Stanley

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calculated different ranges of equity values per share of UGC common stock by utilizing the 2005 projections and long-term growth rate guidance provided by UGC management, as well as sensitivities performed by Morgan Stanley adjusting for various revenue growth rates and EBITDA margins. The following table presents the ranges of implied equity values per share of UGC common stock implied by this analysis:

	Implied Equity Value Per Share of UGC Common Stock	
	Low	**High**
Analysis Utilizing Sensitivities	$ 9.58	$ 12.05
Analysis Utilizing UGC Management Projections and Guidance	$ 12.83	$ 15.89

Morgan Stanley noted that the value of the stock consideration per share of UGC common stock implied by the 0.2155x exchange ratio and LMI s stock price of $43.69 as of January 14, 2005 was $9.42, and that the cash consideration was $9.58 per share of UGC common stock.

Morgan Stanley performed an initial discounted cash flow analysis of UGC, prior to its receipt of management long-term guidance, based principally on UGC s historical financial performance and 2005 projections, publicly available research reports and financial benchmarks of other comparable companies. Morgan Stanley subsequently received long-term growth rate guidance from UGC management that exceeded, to a significant degree, the growth rates observed by Morgan Stanley in its analysis. Based on UGC management s guidance, Morgan Stanley refined its initial discounted cash flow analysis with respect to projected growth and margin expansion, while remaining cognizant of UGC s historical and budgeted benchmarks, as well as comparable company benchmarks.

The discount rates used in the discounted cash flow analysis of UGC reflect UGC s weighted average cost of capital. The weighted average cost of capital represents the cost of capital for UGC based upon the relative proportion of debt, preferred equity and common equity employed by UGC. The terminal EBITDA multiple range used in the discounted cash flow analysis was based upon a review of the trading multiples for, and the business position of, UGC and other comparable companies, as well as reviewing implied perpetual growth rates.

Morgan Stanley also performed a discounted cash flow analysis to derive an implied valuation of LMI s 45.45% stake in J-COM. Using discount rates ranging from 8% to 10% and terminal value multiples of estimated 2010 EBITDA, based on projections provided by LMI management, ranging from 7.5x to 8.5x, Morgan Stanley calculated an implied valuation range for LMI s 45.45% stake in J-COM of $2.1 billion to $2.7 billion. Morgan Stanley then calculated the exchange ratios implied by assuming illustrative per share values for UGC common stock (based on its discounted cash flow analysis of UGC) of $10.00, $11.00 and $12.00, on the one hand, and implied per share values of LMI common stock (calculated as an aggregate of the implied value of LMI s 45.45% stake in J-COM described above, the implied value of LMI s UGC holdings based on the illustrative per share values for UGC common stock described above, and the other valuations of LMI s assets derived in connection with Morgan Stanley s sum-of-the-parts analysis described below, in each case on a per LMI share basis), on the other hand. The results of this analysis are set forth below:

	Implied Per Share Value of LMI Common Stock, Based on Illustrative J-COM DCF Value (LMI s Stake in J-COM)		
Illustrative UGC DCF Value Per Share	**Low**	**High**	**Implied Exchange Ratio**

	$2,100	(In millions)	$2,700	
$10.00	$ 52.80		$ 56.17	0.1894x to 0.1780x
$11.00	$ 55.18		$ 58.56	0.1993x to 0.1879x
$12.00	$ 57.57		$ 60.94	0.2085x to 0.1969x

Morgan Stanley observed that the 0.2155x exchange ratio in the merger exceeded the exchange ratios implied by this analysis. Morgan Stanley also observed the per share value of LMI common stock of $52.80 to $60.94 implied by the discounted cash flow analysis described above, which further implied an exchange ratio of 0.1582x to 0.1826x (based on UGC s share price of $9.64 as of January 14, 2005) and represented premiums of approximately 21% to approximately 39% to the closing per share price of LMI Series A common stock of $43.69 on January 14, 2005. While discounted cash flow analysis is a widely accepted and practiced valuation methodology, it relies on a number of assumptions including growth rates, terminal multiples, discount rates and currency exchange rates. The valuation stated above is not necessarily indicative of UGC s actual, present or future value or results, which may be more or less favorable than suggested by this type of analysis.

Sum-of-the-Parts Analysis

Morgan Stanley performed an analysis of LMI as the sum of its constituent businesses and performed financial analyses on the assets represented by LMI s investments in the following entities:

UGC

Jupiter Telecommunications Co., Ltd.

Jupiter Programming Co., Ltd.

Liberty Cablevision of Puerto Rico Ltd.

Mediatti Communications, Inc.

Chofu Cable, Inc.

Pramer S.C.A.

Metrópolis-Intercom S.A.

Torneos y Competencias, S.A.

The News Corporation Limited

The Wireless Group plc

ABC Family Worldwide, Inc.

This analysis was performed to determine an implied valuation range for LMI common stock.

Morgan Stanley reviewed various publicly available financial, operating and stock market information, as well as financial data and forecasts provided by LMI management, for the individual LMI businesses. Based upon this data, Morgan Stanley estimated implied value ranges for each constituent business by applying analyses as appropriate for the individual business segments, including analyses based upon book value, per subscriber value, multiples to 2004 and 2005 estimated EBITDA, as provided by LMI management and publicly available research reports, and public market value, taking into account applicable tax rates. The multiples for the various assets used in the sum-of-the-parts analysis were arrived at after a review of publicly traded companies with a similar operating profile to the LMI assets. Market position, growth prospects and profitability were a few of the many factors used in comparing the LMI assets to the publicly traded comparables.

This analysis yielded an implied valuation range of LMI common stock of $48.86 to $51.13 per share, which further implied an exchange ratio of 0.1885x to 0.1973x based on UGC s share price of $9.64 as of January 14, 2005. Morgan Stanley noted the impact of a holding company discount on LMI s common stock, which had been widely acknowledged by the research community, that likely causes the stock to trade at a discount to the sum-of-the-parts of LMI. To approximate the effect of this holding company discount, Morgan Stanley applied discount rates of 10%, 15% and 20% to the $48.86 to $51.13 per share valuation range implied by Morgan Stanley s sum-of-the-parts analysis of LMI. Applying these discounts yielded an implied valuation range of LMI common stock of $44.26 to $48.83 per share, which further implied an exchange ratio range of 0.1974x to 0.2178x based on UGC s share price of $9.64 as of January 14, 2005. Morgan Stanley also noted that the closing price per share of LMI Series A common stock on January 14, 2005 was $43.69 per share.

In performing the sum-of-the-parts analysis described above, Morgan Stanley included an implied valuation range for J-COM of $1.5 billion to $1.8 billion, which Morgan Stanley calculated by applying multiples ranging from 9.0x to 10.0x to J-COM s 2005 estimated EBITDA, as provided by LMI management. Morgan Stanley applied the 9.0x to

10.0x multiple range based on its review of publicly traded companies with similar operating profiles to J-COM, taking into account market position, growth prospects and profitability.

Morgan Stanley further observed the implied valuation of J-COM based on the 0.2155x exchange ratio. Assuming UGC and LMI valuations based on LMI s share price of $43.69 as of January 14, 2005 and UGC s implied share price of $9.42, and based on the 0.2155x exchange ratio as well as the $1.3 billion valuation for LMI s other assets (excluding J-COM and UGC) derived in connection with the LMI sum-of-the-parts analysis, Morgan Stanley noted that the resulting 2005 estimated EBITDA multiple for J-COM was 5.9x, which represented a meaningful discount to the 9.0x to 10.0x multiple range referenced above as the range implied by comparable companies and that was also the approximate indicated initial public offering filing range for J-COM at the time of its analysis. Based on the J-COM projections provided by LMI management, Morgan Stanley noted that each additional 2005 estimated J-COM EBITDA multiple represented approximately $1.40 in value per share of LMI common stock.

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Equity Research Analysts Price Targets

Morgan Stanley reviewed the range of available price targets prepared and published by equity research analysts for UGC Class A common stock and LMI Series A common stock during the periods from September 22, 2004 to January 14, 2005 for UGC and from November 15, 2004 to December 8, 2004 for LMI. These price targets reflect each analyst s estimate of the future public market trading price of UGC Class A common stock or LMI Series A common stock, as applicable, at the end of the relevant period considered for each estimate. Applying a discount rate of 10% to these price targets, Morgan Stanley arrived at a range of present values for the per share price targets as of January 2005. The results of this analysis are set forth below:

	Present Value of Research Price Targets for UGC Class A Common Stock	
	Low	**High**
UGC	$ 9.70	$ 13.88
LMI	$ 37.57	$ 46.73

Morgan Stanley noted that the analysis summarized above included present values with respect to two research price targets for UGC Class A common stock that had been increased on January 14, 2005 from prior research reports. On January 14, 2005, Morgan Stanley issued a new research report increasing its price target for UGC Class A common stock from $9.00, or $8.31 at present value, to $11.00, or $10.00 at present value. Also on January 14, 2005, Janco Partners issued a new research report increasing its price target for UGC Class A common stock from $12.43, or $11.48 at present value, to $15.27, or $13.88 at present value.

Morgan Stanley also noted that research reports available with respect to LMI did not reflect information that was as current as that contained in the research reports available with respect to UGC and that the public market trading price targets published by the securities research analysts do not reflect current market trading prices and are subject to uncertainties, including the future financial performances of UGC and LMI, as applicable, and future financial market conditions.

Precedent Transaction Analysis

Morgan Stanley reviewed publicly available information with respect to selected minority buy-back transactions. The transactions reviewed included transactions involving cash and/or stock consideration with aggregate transaction values in excess of $1 billion, referred to in this section as the cash/stock transactions, and stock only transactions with aggregate transaction values in excess of $500 million, referred to in this section as the stock-only transactions. For each transaction, Morgan Stanley analyzed, as of the announcement date, the premium offered by the acquiror to the target s closing price one day prior to the announcement of the transaction. In the cash/stock transactions, the range of final premiums was 10.5% to 47.6%, with a median of 23.5%. In the stock-only transactions, the range of final premiums was 2.3% to 47.6%, with a median of 19.4%. The foregoing precedent transaction analysis was presented to the Special Committee to provide it with background information and perspective in connection with its review of the UGC merger.

No company or transaction utilized in the analysis of selected precedent transactions is identical to UGC, LMI or the UGC merger. Mathematical analysis, such as determining the average or median, is not in itself a meaningful method of using precedent transaction data.

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Exchange Ratio and Price Premium Analyses

Morgan Stanley reviewed the ratios determined by dividing the closing prices of UGC Class A common stock by the closing prices of LMI Series A common stock for certain periods from June 2, 2004 to January 14, 2005. Morgan Stanley then examined the premiums represented by the exchange ratio of 0.2155 pursuant to the merger agreement as compared to these ratios of closing market prices of UGC common stock to LMI common stock. The results of this analysis are set forth below:

Period/Benchmark	Ratio of UGC Price(s) to LMI Closing Price(s)	0.2155 Exchange Ratio % Premium/(Discount)
January 14, 2005	0.2206x	(2.3)%
January 11, 2005	0.2131x	1.1%
December 14, 2004	0.1914x	12.6%
December 10, 2004	0.1931x	11.6%
November 11, 2004	0.2235x	(3.6)%
High UGC Class A Common Share Price since June 2, 2004	0.2239x	(3.8)%
Low UGC Class A Common Share Price since June 2, 2004	0.1853x	16.3%
Five Trading Day Average During the Period from June 2, 2004 to January 14, 2005	0.2178x	(1.0)%
Ten Trading Day Average During the Period from June 2, 2004 to January 14, 2005	0.2133x	1.0%
Twenty Trading Day Average During the Period from June 2, 2004 to January 14, 2005	0.2103x	2.5%
Three-Month Average During the Period from June 2, 2004 to January 14, 2005	0.2060x	4.6%
Average Since June 2, 2004	0.2053x	5.0%

Morgan Stanley also examined the implied percentage premium of the $9.42 implied stock consideration, as of January 14, 2005, and of the $9.58 cash consideration, each as compared to UGC s Class A common stock closing prices over various periods. The results of this analysis are set forth below:

		Implied Price Premium/(Discount)	
Time Period/Benchmark	UGC Share Price	$9.42 Implied Stock Consideration(1)	$9.58 Cash Consideration
January 14, 2005	$ 9.64	(2.3)%	(0.6)%
January 11, 2005	$ 9.26	1.7%	3.5%
December 14, 2004	$ 8.67	8.6%	10.5%
December 10, 2004	$ 8.66	8.7%	10.6%
November 11, 2004	$ 8.48	11.0%	13.0%

High Since June 2, 2004	$ 9.78	(3.7)%	(2.0)%
Low Since June 2, 2004	$ 6.00	56.9%	59.7%

(1) Based upon 0.2155x exchange ratio and current LMI share price of $43.69 as of January 14, 2005

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to a partial analysis or summary description. In arriving at its opinion, Morgan Stanley considered the results of all of its analyses as a whole and did not attribute any particular weight to any particular analysis or factor considered by it. The summary provided and the analyses described above must be considered as a whole, and selecting any portion of Morgan Stanley s analyses, without considering all analyses, would create an incomplete view of the process underlying Morgan Stanley s opinion. In addition, Morgan Stanley may have given various analyses and factors more or less weight than other analyses and factors and may have deemed various assumptions more or less probable than other assumptions, so that the ranges of valuations resulting from any particular analysis described above should not be taken to be Morgan Stanley s view of the actual value of UGC or LMI.

In performing its analysis, Morgan Stanley made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of UGC and LMI. Any estimates contained in the analyses performed by Morgan Stanley are not necessarily indicative of actual values, which

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may be significantly more or less favorable than suggested by such estimates. The analyses performed were prepared solely as a part of Morgan Stanley s analysis of the fairness from a financial point of view of the consideration to be received by the unaffiliated stockholders of UGC pursuant to the merger agreement and were conducted in connection with the delivery by Morgan Stanley of its opinion, dated January 17, 2005, to the Special Committee. Morgan Stanley s analyses do not purport to be appraisals or to reflect the prices at which shares of UGC common stock or LMI common stock might actually trade.

The consideration to be received by the unaffiliated stockholders of UGC pursuant to the merger agreement was determined through negotiations between the Special Committee and LMI, was approved by the Special Committee and recommended by the Special Committee for the approval of UGC s board of directors and was approved by UGC s board of directors. Morgan Stanley s opinion to the Special Committee was one of many factors taken into consideration by the Special Committee in making its determination to approve the merger.

Morgan Stanley is an internationally recognized investment banking and advisory firm. Morgan Stanley, as part of its investment banking and financial advisory business, is continuously engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. In the past, Morgan Stanley and its affiliates have provided financial advisory and financing services for UGC and have received fees for the rendering of these services. Morgan Stanley received fees of approximately 1 million during the past two years in connection with such services and expects to be paid a fee of approximately $1.5 million for services being provided to UGC other than in connection with this transaction. In the ordinary course of its business, Morgan Stanley and its affiliates may from time to time trade in the securities or the indebtedness of UGC and LMI and its affiliates for its own account, the accounts of investment funds and other clients under the management of Morgan Stanley and for the accounts of its customers and accordingly, may at any time hold a long or short position in such securities or indebtedness for any such account.

Pursuant to an engagement letter dated December 22, 2004, UGC agreed to pay Morgan Stanley a financial advisory fee of $1 million. In addition, UGC agreed to pay Morgan Stanley a transaction fee of $4.5 million upon delivery of its opinion. UGC also agreed to reimburse Morgan Stanley for its expenses incurred in performing its services and to indemnify Morgan Stanley and its affiliates, their respective directors, officers, agents and employees and each person, if any, controlling Morgan Stanley or any of its affiliates against certain liabilities and expenses, including certain liabilities under federal securities laws, related to or arising out of Morgan Stanley s engagement and any related transactions.

Fairness Determinations of the Boards of Directors of LMI, Liberty Global, LMI Merger Sub and UGC Merger Sub

The UGC merger is considered a 13e-3 transaction for purposes of Rule 13e-3 under the Exchange Act because each of LMI, Liberty Global, LMI Merger Sub and UGC Merger Sub is an affiliate of UGC and public stockholders of UGC are entitled to receive consideration in the UGC merger other than Liberty Global common stock. As a result, under Rule 13e-3, LMI, Liberty Global, LMI Merger Sub and UGC Merger Sub are each required to consider the substantive and procedural fairness of the UGC merger to the unaffiliated stockholders of UGC.

Fairness Determination of the LMI Board

The LMI board of directors determined that the transactions contemplated by the merger agreement, including the UGC merger, are, substantively and procedurally, fair to the unaffiliated stockholders of UGC. In making this determination, the LMI board considered various factors, including:

- that the merger was negotiated with the Special Committee, which was advised by its own counsel and financial advisors;

- that the merger is structured so that it is a condition to the completion of the merger that it be approved by at least a majority of the outstanding shares of UGC common stock not beneficially owned by LMI or Liberty or the directors and executive officers of LMI, Liberty and UGC;

that the 0.2155 to 1.0 exchange ratio represents an 8.6% premium over the closing sale price for the shares of UGC Class A common stock on December 14, 2004, the last trading day before Mr. Malone s first conversation with the Special Committee, and a slight premium over the closing sale price of those shares on January 11, 2005, the last trading day before LMI management and the Special Committee reached an agreement in principle on the financial terms of the UGC merger. The LMI board also considered that from the time of the LMI spin off in June 2004 through the last trading day before the public announcement of the mergers, the historical ratio in which the shares of UGC Class A common stock has traded relative to the LMI Series A common stock has predominantly been below the 0.2155 exchange ratio;

its belief that since LMI s spin off from Liberty in June 2004, UGC s historical trading price has included an acquisition premium attributable to market speculation that LMI would buy out the public minority stockholders of UGC;

its belief that LMI common stock trades with a holding company discount of between 9% and 19%, implying a larger premium to the unaffiliated stockholders of UGC on a fair value-to-fair value basis;

that the unaffiliated stockholders of UGC who elect to receive Liberty Global stock will have the opportunity to participate in LMI s Japanese cable distribution and programming businesses, as well as continue to participate in the potential growth of the businesses of UGC;

that LMI was foregoing its ability to obtain a control premium for its investment in UGC, while the unaffiliated stockholders of UGC who become stockholders of Liberty Global would participate as stockholders of the new company in any control premium because there will be no single controlling stockholder of the new company;

that LMI has sufficient voting power to determine a disposition of UGC, and informed the Special Committee that it would not be interested in a sale of UGC to a third party; and

the fact that the Special Committee received an opinion from Morgan Stanley to the effect that, as of the date of such opinion and based upon and subject to the assumptions, qualifications and limitations set forth in the opinion, the consideration to be received by the unaffiliated stockholders of UGC pursuant to the merger agreement was fair from a financial point of view to such stockholders. LMI management recognized that Morgan Stanley s opinion is directed solely to the Special Committee, and that LMI is not entitled to rely on that opinion.

In addition to the foregoing positive factors which the LMI board considered in making its fairness determination, the LMI board also evaluated the following negative factors, which it viewed as insufficient to outweigh the positive factors:

that on January 14, 2005, the last trading day prior to the LMI board meeting approving the merger agreement, the UGC Class A common stock was trading above the 0.2155 exchange ratio; and

that the holders of UGC Class A common stock are not entitled to appraisal rights under Delaware law, and that no provision is included in the merger agreement to provide them that right.

The LMI board further considered the prices at which each of LMI and, before its spin off from Liberty in June 2004, Liberty had purchased shares of UGC over the preceding two year period, including the range of prices paid in such purchases. With the exception of Liberty s acquisition of all of the UGC Class B common stock of the founders of UGC in January 2004, all UGC stock purchases during that two-year period were made at prices between $3.62 and $8.59 per share, which is below the $9.58 cash consideration being offered to the unaffiliated stockholders of UGC in the cash election and the $9.42 implied value of the exchange ratio being made available in the stock election, as of January 14, 2005, the last trading day prior to the LMI board meeting approving the merger agreement. Those purchases had all involved shares of UGC Class A common stock purchased pursuant to the exercise of contractual preemptive rights or pursuant to subscription rights that had been made available to all UGC stockholders. In the case of Liberty s acquisition of the shares of UGC Class B common stock from the UGC founders, the average per share price paid for those shares was $19.93. The LMI board did not view the amount paid for the shares of UGC Class B common stock acquired from the UGC founders as relevant to its determination of the fairness of the consideration being paid to the unaffiliated stockholders of UGC in the UGC merger. That transaction involved a control premium due to the removal at that time of substantial constraints on the ability of Liberty to exercise control over UGC. By contrast, the stock consideration and cash consideration being made available to the unaffiliated stockholders of UGC does not include a control premium as LMI already has a 53.6% equity interest and an approximate 91% voting interest in UGC.

LMI s purpose for engaging in the mergers is to acquire, through Liberty Global, all of the outstanding shares of UGC capital stock that LMI does not already own. The LMI board did not consider other alternatives to achieving its goal of acquiring the minority interest in UGC. The LMI board considered the alternative of maintaining the status quo in which LMI was the controlling stockholder of UGC and instituting a stock repurchase program for LMI stock. On balance, the LMI board determined that the proposed mergers would be preferable to maintaining the status quo. Consummating the mergers was viewed as preferable as it would eliminate or significantly reduce the holding company discount at which LMI believes its stock has traded since its spin off from Liberty in June 2004, as well as eliminate any potential competition between LMI and UGC, including in the pursuit of acquisition opportunities and capital raising activities.

The LMI board did not consider UGC s net book value (assets minus liabilities as reflected in UGC s financial statements for accounting purposes) in its evaluation of fairness to the unaffiliated stockholders of UGC, as net book value is impacted by accounting treatment of transactions and is thus not comparable across firms or periods, nor does that metric take into account the earnings power or future cash flow potential of UGC. In any event, UGC s net book value was substantially less than the value of the merger consideration. The LMI board did not consider the liquidation value of UGC because liquidation was not an acceptable option to LMI, as the controlling stockholder of UGC. Because liquidation would involve selling UGC s assets and businesses for cash, liquidation value would most likely yield a lower valuation for UGC due to the significant tax liability such a sale would entail. Although a sale of UGC to a third party was also not considered by the LMI board to be an acceptable option, the LMI board considered the going concern value of UGC to the extent that it was encompassed in the comparable company analysis and discounted cash flow analysis of UGC performed by Banc of America Securities as part of its relative valuation analyses of LMI in relation to UGC. Those analyses, which were adopted by the LMI board for this purpose, were performed by Banc of America Securities for the purpose of valuing UGC s contribution to the sum-of-the parts value of LMI and are described under Opinion of LMI s Financial Advisor. Banc of America Securities was not requested to and did not consider the fairness of the UGC merger to the unaffiliated stockholders of UGC. However, given the purpose for which the comparable company analysis and discounted cash flow analysis were made, the LMI board deemed it appropriate to consider them in making its determination regarding the fairness of the UGC merger to the unaffiliated stockholders of UGC. Because UGC s unaffiliated stockholders are being given the opportunity to continue to participate in the growth of UGC s business and the other businesses of Liberty Global through the stock election and in the belief that the mergers will eliminate or significantly reduce the holding company discount at which LMI s stock trades thereby increasing the value of the Liberty Global common stock to be received by the unaffiliated stockholders of UGC in the mergers, the LMI board believes that the going concern value of UGC supports the determination of LMI s board that the UGC merger is fair to the unaffiliated stockholders of UGC.

The LMI board did not find it practicable to, and therefore did not, quantify or otherwise assign relative weights to the individual factors considered in making its fairness determination. Rather, its fairness determination was made after consideration of all of the foregoing factors as a whole.

Fairness Determinations of the Boards of Liberty Global, LMI Merger Sub and UGC Merger Sub

Adopting the analysis of the board of directors of LMI, the boards of directors of each of Liberty Global, LMI Merger Sub and UGC Merger Sub unanimously determined that the transactions contemplated by the merger agreement, including the UGC merger, are, substantively and procedurally, fair to the unaffiliated stockholders of UGC. Each of these boards of directors is comprised of two persons, John C. Malone and Robert R. Bennett, who serve on the board of directors of LMI and were present for and participated in the adopted analysis of the LMI board.

Liberty Global is a new company created by LMI, its sole stockholder, for the purpose of becoming the new parent company of LMI and UGC if the mergers are completed. Liberty Global s purpose in engaging in the mergers is the facilitation of the combination of LMI and UGC. As Liberty Global was created for the foregoing purpose, no alternatives to the mergers were considered by Liberty Global.

Each of LMI Merger Sub and UGC Merger Sub is a new company created by Liberty Global, its sole stockholder, to facilitate the mergers. The sole purpose of each of LMI Merger Sub and UGC Merger Sub in engaging in the mergers is the facilitation of the combination of LMI and UGC. As they were created for the foregoing purpose, no alternatives to the mergers were considered by LMI Merger Sub or UGC Merger Sub.

Recommendation of and Reasons for the LMI Merger

LMI s board of directors unanimously approved the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the LMI merger, are advisable, fair to, and in the best interests of, LMI and its stockholders. Accordingly the LMI board recommends that the LMI stockholders vote **FOR** the merger proposal at the LMI annual meeting. In determining that the merger agreement and the LMI merger are in the best interests of LMI and its stockholders, the LMI board considered that the mergers would eliminate the current dual public holding company structure in which LMI s principal consolidated asset is its interest in another public company, UGC. The LMI board determined that the principal benefit to LMI stockholders from the combination of the two companies under a single public company, Liberty Global, was the elimination or reduction of the holding company discount in LMI s stock price. The LMI board also considered the following matters in reaching its determination:

the presentation by its financial advisor, Banc of America Securities, and Banc of America Securities oral opinion, subsequently confirmed in writing, that as of the date of such opinion and based upon and subject to the factors, limitations and assumptions set forth in Banc of America Securities written opinion, the consideration to be received by LMI stockholders (other than affiliates of LMI) in the transactions contemplated by the merger agreement was fair from a financial point of view to such stockholders. In evaluating the presentation and opinion of Banc of America Securities, the LMI board was aware of the compensation arrangements with Banc of America Securities, including that a substantial portion of its fee was contingent upon completion of the mergers;

the integration of the management teams of the two companies, with Mr. Malone serving as Chairman of the Board of Liberty Global and Mr. Fries as Chief Executive Officer. The LMI board believed that the strengths of the respective management teams at the corporate level of the two companies would complement each other, and that there was little if any overlap at the operating level that would impede a smooth integration of the two companies;

that the consummation of the mergers would eliminate any potential competition between LMI and UGC, including in the pursuit of acquisition opportunities and capital raising activities;

that the receipt of the merger consideration in the LMI merger would be tax-free to the LMI stockholders;

the background of the negotiations between Mr. Malone and the Special Committee that resulted in the agreed exchange ratio and cash election alternative. Mr. Malone had advised the LMI board of his conclusion, based upon these negotiations, that the Special Committee would not approve the transaction at any lower exchange ratio. The LMI board took note of the premium that the exchange ratio represented for the shares of UGC stock, based upon the relative trading prices of the two companies prior to the initiation of discussions with the Special Committee, and the information provided by Banc of America Securities as to premiums paid in other transactions. Based upon the foregoing, the increase in the exchange ratio over the course of the negotiations did not detract from the LMI board s conclusion that the LMI merger would be in the best interests of LMI and its stockholders;

that the merger agreement included a limitation on the cash election, and that LMI had sufficient cash to fund the maximum amount of cash anticipated to be payable if the cash elections were fully exercised; and

the draft of the merger agreement and the voting agreement and the summary of the terms of each provided by LMI s counsel. In general, the terms of the merger agreement are customary for transactions of this nature and the Special Committee had insisted on the voting agreement as a condition to its approval of the merger agreement. The LMI board considered that the provision of the merger agreement requiring approval of the UGC merger by the vote of a majority of the minority stockholders of UGC was a negative factor from LMI s perspective because of the resulting uncertainty that the transaction would be consummated. Because the merger agreement also included provisions allowing LMI to terminate the merger agreement if UGC s annual report on Form 10-K was not filed by May 15, 2005 or if the mergers are not consummated by September 30, 2005, the uncertainty resulting from the inclusion of the minority approval requirement did not outweigh the other factors supporting the LMI board s conclusion that the LMI merger would be in the best interests of LMI and its stockholders.

If the mergers are completed, LMI stockholders will not have dissenters rights of appraisal under Delaware law or the merger agreement because shares of LMI common stock are, and shares of Liberty Global common stock will be, listed on the Nasdaq National Market.

Opinion of LMI s Financial Advisor

On January 10, 2005, the board of directors of LMI retained Banc of America Securities LLC to act as its financial advisor in connection with the possible acquisition of the minority interest of UGC. Banc of America Securities is a nationally recognized investment banking firm. Banc of America Securities is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions and has negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. LMI selected Banc of America Securities to act as its financial advisor on the basis of Banc of America Securities experience and expertise in transactions similar to the mergers, and its reputation in the media industry and investment community and its historical investment banking relationship with LMI and its affiliates.

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On January 17, 2005, Banc of America Securities delivered its oral opinion, subsequently confirmed in writing, to the LMI board of directors that as of the date of the opinion the consideration to be received by the holders of LMI s common stock, other than any affiliates of LMI, pursuant to the merger agreement is fair from a financial point of view to the holders of LMI s common stock, other than any affiliates of LMI. The amount of the consideration was determined by negotiations between LMI and the Special Committee and was not based upon recommendations from Banc of America Securities. LMI s board of directors did not limit the investigations made or procedures followed by Banc of America Securities in rendering its opinion.

We have attached the full text of Banc of America Securities written opinion to the LMI board of directors as Appendix E. You should read this opinion carefully and in its entirety in connection with this joint proxy statement/ prospectus. The following summary of Banc of America Securities opinion is qualified in its entirety by reference to the full text of the opinion. Banc of America Securities has consented to the inclusion of its opinion and the summary of its opinion in this joint proxy statement/ prospectus. By rendering its opinion and giving such consent Banc of America Securities has not admitted that it is an expert with respect to any part of this joint proxy statement/ prospectus within the meaning of the term expert as used in, or that Banc of America Securities comes within the category of persons whose consent is required under, the Securities Act or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

Banc of America Securities opinion is directed to the LMI board of directors. It does not constitute a recommendation to any stockholder of LMI or UGC on how to vote with respect to the mergers. The opinion addresses only the financial fairness of the consideration to be received by the holders of LMI s common stock, other than any affiliates of LMI, pursuant to the merger agreement. The opinion does not address the relative merits of the mergers or any alternatives to the mergers, the underlying decision of the LMI board of directors to proceed with or effect the mergers or any other aspect of the transactions contemplated by the merger agreement. In furnishing its opinion, Banc of America Securities did not admit that it is an expert within the meaning of the term expert as used in the Securities Act, nor did it admit that its opinion constitutes a report or valuation within the meaning of the Securities Act. Statements to that effect are included in the Banc of America Securities opinion.

For purposes of rendering its opinion Banc of America Securities has:

- reviewed certain publicly available financial statements and other business and financial information of LMI and UGC;
- reviewed certain internal financial statements and other financial and operating data concerning LMI and UGC;
- analyzed certain financial forecasts to which Banc of America Securities was directed by the management of LMI;
- reviewed and discussed with senior executives of LMI information relating to certain benefits anticipated from the mergers;
- discussed the past and current operations, financial condition and prospects of LMI with senior executives of LMI and discussed the past and current operations, financial condition and prospects of UGC with senior executives of UGC;
- reviewed the reported prices and trading activity for the LMI common stock and the UGC common stock;
- compared the financial performance of UGC and the prices and trading activity of the UGC common stock with that of certain other publicly traded companies that Banc of America Securities deemed relevant;

compared the financial terms of the mergers to the financial terms, to the extent publicly available, of certain other business combination transactions that Banc of America Securities deemed relevant;

participated in discussions and negotiations among representatives of LMI and UGC and their financial and legal advisors;

reviewed the January 16, 2005 draft merger agreement and certain related documents; and

performed such other analyses and considered other factors as Banc of America Securities deemed appropriate. Banc of America Securities reviewed the January 16, 2005 draft merger agreement in its preparation of its opinion. While LMI and UGC had the opportunity to agree to materially add, delete or alter material terms of the merger agreement before its execution, the final merger agreement was substantially similar to the January 16, 2005 draft merger agreement.

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Banc of America Securities did not assume any responsibility to independently verify the information listed above. Instead, with the consent of the LMI board of directors, Banc of America Securities relied on the information as being accurate and complete in all material respects. Banc of America Securities also made the following assumptions with the consent of the LMI board of directors:

- with respect to financial forecasts for LMI and UGC, Banc of America Securities was directed by the management of LMI to rely on certain publicly available financial forecasts in performing its analyses and has assumed that, in the good faith belief of the management of LMI, such forecasts reflect the best currently available estimates of the future financial performance of LMI and UGC;

- that the LMI merger will qualify as a reorganization within the meaning of Section 368(a) of the Code and the regulations promulgated thereunder, and that the conversion of the UGC common stock into shares of Liberty Global Series A common stock pursuant to the merger agreement, will qualify as an exchange within the meaning of Section 351(a) of the Code and the regulations promulgated thereunder;

- that the final executed merger agreement will not differ in any material respect from the January 16, 2005 draft merger agreement reviewed by Banc of America Securities, and that the mergers will be consummated as provided in the January 16, 2005 draft merger agreement, with full satisfaction of all covenants and conditions set forth in it and without any waivers thereof;

- that all material governmental, regulatory or other consents and approvals necessary for the consummation of the mergers will be obtained without any adverse effect on LMI or UGC or the contemplated benefits of the mergers; and

- that the terms of the merger agreement and the mergers are the most beneficial terms from LMI s perspective that could under the circumstances be negotiated among the parties to the merger agreement and the mergers.

In addition, for purposes of its opinion, Banc of America Securities has:

- relied on advice of counsel to LMI as to all legal matters with respect to LMI, the mergers and the January 16, 2005 draft merger agreement; and

- not assumed responsibility for making an independent evaluation, appraisal or physical inspection of any of the assets or liabilities, contingent or otherwise, of LMI or UGC, nor did Banc of America Securities receive any appraisals with respect thereto.

Banc of America Securities opinion was based upon economic, monetary and market and other conditions in effect on, and the information made available to it as of, the date of the opinion. Accordingly, although subsequent developments may affect its opinion, Banc of America Securities did not assume any obligation to update, revise or reaffirm its opinion.

The following represents a brief summary of the material financial analyses performed by Banc of America Securities in connection with providing its opinion to the LMI board of directors. Some of the summaries of financial analyses performed by Banc of America Securities include information presented in tabular format. In order to fully understand the financial analyses performed by Banc of America Securities, you should read the tables together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data set forth in the tables without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses performed by Banc of America Securities.

LMI and UGC Valuation Analyses

Valuation Approach

Banc of America Securities conducted valuation analyses of both LMI and UGC to evaluate the respective exchange ratios of shares of LMI and UGC, which were designed to yield a range of exchange ratios for evaluating the fairness of the exchange ratio in the mergers. The exchange ratio ranges that resulted from the analyses conducted by Banc of America Securities were presented to the LMI board of directors in two forms, with one range of ratios reflecting the consideration to be received by UGC stockholders in Liberty Global shares and/or cash for each UGC share, and with the other range of ratios reflecting the consideration to be received by LMI stockholders in Liberty Global shares, expressed as the number of Liberty Global shares to be received for each LMI share.

These two ranges of exchange ratios are different ways of expressing the economic exchange involved in the creation of Liberty Global and the consummation of the mergers. For example, an exchange ratio expressed in terms of the

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number of shares of Liberty Global stock to be received by a holder of a share of stock of either UGC or LMI, respectively, can be converted into an exchange ratio expressed in terms of the number of shares of Liberty Global stock to be received by a holder of a share of the other by applying an implied exchange ratio and the number of outstanding shares of the companies immediately prior to the exchange. For the purposes of Banc of America Securities analysis, the implied exchange ratios used were the exchange ratios derived from closing stock prices on January 14, 2005 and the outstanding shares used were 807.1 million for UGC and 173.7 million for LMI, respectively.

Valuation Methodologies

Exchange Ratio Analysis. Banc of America Securities reviewed the historical ratio of the closing price per share of LMI common stock and that of UGC common stock for several time periods since June 2, 2004 (the day on which LMI common stock began trading on a when-issued basis prior to LMI s spin off from Liberty). During this period, the historical exchange ratio calculated on a daily basis ranged from a low of 0.1853 on July 20, 2004 to a high of 0.2239 on September 30, 2004.

The weighted average exchange ratios for selected time periods since June 2, 2004 were:

Period Prior to January 14, 2005	Weighted Average Exchange Ratio
1 Week	0.2168
1 Month	0.2087
2 Months	0.2034
3 Months	0.2060
Since LMI common stock began trading on a when-issued basis prior to LMI s spin off from Liberty (June 2, 2004)	0.2054

Premiums Paid Analysis. Banc of America Securities reviewed the consideration paid in 19 merger and acquisition transactions announced after March 31, 1995 and involving U.S. companies in which the aggregate values paid exceeded $500 million and in which the acquirer owned more than 50% of the target prior to the acquisition. Banc of America Securities calculated the premiums paid relative to the stock prices of the acquired companies in all cash or cash and stock deals and premiums paid relative to the exchange ratio for all stock deals one day, one week and one month prior to the announcement of the acquisition offer.

The Premiums Paid Analysis indicated the following median and mean premiums for these transactions, excluding pending transactions:

	Premium One Day Before Announcement	Premium One Week Before Announcement	Premium One Month Before Announcement
High (All Deals)	46.4%	42.7%	73.4%
Low (All Deals)	(12.0)%	(21.4)%	(17.9)%
Median (All Deals)	19.8%	19.8%	22.2%
Mean (All Deals)	19.2%	19.5%	26.1%
High (Stock Only)	29.2%	37.0%	73.4%
Low (Stock Only)	(12.0)%	(21.4)%	(17.9)%
Median (Stock Only)	19.2%	13.5%	14.6%
Mean (Stock Only)	15.7%	13.0%	23.1%

Based upon this analysis, Banc of America Securities established an exchange ratio premium range of 10% 25% to the one day and one month prior exchange ratios. This exchange ratio premium range was selected because it encompassed substantively all the means and medians yielded by the Premiums Paid Analysis.

The table below sets forth the exchange ratios derived from applying the premium range to the exchange ratios derived from the closing stock prices of LMI and UGC on January 14, 2005.

	Consideration to be Received by UGC Stockholders	**Consideration to be Received by LMI Stockholders**
10% Premium (1 Day Prior)	0.2427	0.8879
25% Premium (1 Day Prior)	0.2758	0.7813
10% Premium (1 Month Prior)	0.2105	1.0236
25% Premium (1 Month Prior)	0.2392	0.9008

Banc of America Securities noted that the per-share value of the stock consideration to be received by UGC stockholders pursuant to the merger agreement based upon LMI s closing stock price on January 14, 2005 implied a discount of 2.3% over UGC s closing stock price on January 14, 2005. The premium implied over UGC s closing stock price one week prior to January 14, 2005 was 2.5% and the implied premium over the price one month prior to that date was 8.6%.

Holding Company Discount Analysis. Banc of America Securities performed a sum-of-the-parts valuation of LMI to determine the net asset value of LMI, in part in order to derive the appropriate range of holding company discounts implicit in LMI s market price. A holding company discount is the discount at which a stock trades relative to its net asset value per share. Such discount is calculated by dividing a company s net asset value by its fully-diluted shares outstanding and comparing that per-share net asset value to the company s stock price to determine whether the net asset value per share represents a discount or premium to the stock s trading price. Holding company discounts are so named because it is believed that companies with partial ownership in diverse assets do not receive full credit from the capital markets for the value of their holdings in these respective businesses. In the case of LMI, Wall Street analysts sometimes refer to the holding company discount as an explanation for why the company s stock trades below its net asset value. Some analysts include both sum-of-the-parts (net asset) and public market/other valuations in their research specifically to understand the degree to which LMI is impacted by such holding company discount.

In order to derive LMI s sum-of-the-parts value, LMI s ownership in UGC was taken at market value and the values of the other assets of LMI were calculated using publicly available information and management estimates. Banc of America Securities sum-of-the-parts equity value for LMI ranged from approximately $8.8 billion to $9.1 billion, or $50.45 to $52.62 per share, implying a current holding company discount of approximately 13% to 17%. In calculating the sum-of-the-parts (net asset) value of LMI, Banc of America Securities noted that the substantial majority of LMI s value comprised cash and equivalents, its stake in UGC s equity, and its stake in J-COM, which was in the process of registering its initial public offering as described elsewhere in this proxy statement/prospectus.

In addition, Banc of America Securities reviewed several Wall Street analysts reports, published over a three week period beginning in mid-November 2004, each of which provided (i) an estimated net asset value per share for LMI, and (ii) in all but one case, a target share price for LMI and the discount represented by the target share price relative to such net asset value per share. These reports were used by Banc of America Securities to derive a range of discounts or premiums at which Wall Street analysts estimate LMI s shares trade relative to its net asset value per share as well as a range of discounts to net asset value per share represented by those analysts published target prices. The specific reports were selected because they were deemed to be sufficiently recent to be relevant and because they provided estimates of LMI s net asset value per share, which could be used to calculate an implied premium or discount to LMI s stock price (which we refer to as the holding company discount) as of the report date. Other available research was excluded from this analysis because it did not provide an estimated net asset value per share and could not, therefore, be used to quantify a holding company discount. The estimated net asset value per share included in the reports included a high of $56.81 and a low of $41.89, yielding a median estimated net asset value of $49.22.

The holding company discount analysis yielded the following information regarding LMI s estimated holding company discount:

	Target Price	**Net Asset Value / Share**	**Premium (Discount) of Target Price to Net Asset Value per Share**
Median	$ 49.00	$ 54.10	(9)%
Low	$ 51.00	$ 56.81	(10)%
High	$ 41.00	$ 41.89	(2)%

	Market Price	Net Asset Value / Share	Premium (Discount) of Market Price to Net Asset Value per Share
Median	$ 43.53	$ 49.22	(14)%
Low	$ 43.37	$ 56.81	(24)%
High	$ 43.68	$ 41.89	4%

The report that did not assign a target price for LMI stock was not included in the calculation of premium or discount of target price to net asset value above.

Banc of America Securities used the results of these analyses to determine what discount, if any, should be applied to the net asset valuations calculated in the relative valuation analysis of LMI and UGC (described below). Based upon the results of the holding company discount analysis, Banc of America Securities applied a holding company discount range of 0% to 20% to LMI s sum-of-the-parts value in the relative valuation analysis.

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Relative Valuation Analysis. Banc of America Securities compared the value of UGC, based upon three customary valuation methodologies, to the sum-of-the-parts (or net asset) value of LMI, including the value of LMI s holdings in UGC based upon the same three valuation methodologies. The three methodologies used to calculate the value of UGC are:

(A) Public Market Valuation, in which the value of UGC was based upon UGC s fully diluted shares outstanding multiplied by their market price on January 14, 2005

(B) Comparable Company Analysis, in which the value of UGC was calculated as its estimated 2005 cable EBITDA multiplied by the median Aggregate Value / estimated 2005 cable EBITDA multiples of its peers

(C) Discounted Cash Flow Analysis, in which the value of UGC was calculated as the present value of its projected unlevered free cash flows for the period 2005 through 2009, plus a range of Terminal Values

Each of these valuation methodologies produced a value for UGC that was then included in a sum-of-the-parts valuation analysis of LMI. LMI s sum-of-the-parts valuation also included the values of LMI s assets other than UGC, which were calculated using publicly available information and management estimates. The sum-of-the-parts valuation of LMI provided a range of stock prices for LMI that varied according to the methodology used and the value implied by such methodology for UGC. Once this range of stock prices for LMI was established, Banc of America Securities applied a holding company discount of 0% to 20% based upon the holding company analysis described above.

Banc of America Securities then compared the value of UGC derived from each methodology to the corresponding sum-of-the-parts value of LMI, as adjusted by the holding company discount, in order to calculate a range of exchange ratios.

The three methodologies that Banc of America Securities used to value UGC for the purposes of the sum-of-the-parts valuation of LMI are described in greater detail below.

A. *Public Market Valuation.* Banc of America Securities established a valuation for UGC based upon the closing market price of UGC s stock on January 14, 2005 and the fully diluted shares outstanding of UGC. This value for UGC was then used to establish the value of LMI s stake in UGC for purposes of calculating the sum-of-the-parts (or net asset) valuation of LMI. Banc of America Securities then compared this value of UGC to the corresponding sum-of-the-parts valuation of LMI, adjusted by the holding company discount of 0% to 20%, to determine a range of exchange ratios for the transaction as set forth below.

	Consideration to be Received by UGC Stockholders	**Consideration to be Received by LMI Stockholders**
20% Holding Company Discount	0.2357	0.9143
0% Holding Company Discount	0.1886	1.1429

Banc of America Securities noted that, based upon a public market valuation for UGC, LMI s sum-of-the-parts (or net asset) value implied a holding company discount of approximately 15% as of January 14, 2005.

B. *Comparable Company Analysis.* Banc of America Securities established a valuation for UGC based upon a median multiple of aggregate value to estimated forward cable earnings before interest, taxes, depreciation and amortization (which we refer to as Cable EBITDA) for 2005 for five companies in the U.S. cable industry that Banc of America Securities deemed to be comparable to UGC.

Banc of America Securities defined aggregate value to mean:

equity value, defined as the product of the number of shares of common stock outstanding for a company multiplied by its stock price as of January 14, 2005; plus

outstanding funded debt; less

cash, cash equivalents and non-cable unconsolidated assets.

The following table sets forth multiples indicated by this analysis for these five companies:

Aggregate Value to:	Range of Multiples	Median
2005E Cable EBITDA	7.9x to 10.0x	8.9x

The comparable company analysis compared UGC to five U.S. cable companies. These companies were selected because they were all U.S. publicly traded companies and, given their scale, the scope of services provided by them and the quality of their respective businesses, Banc of America Securities considered them to be most relevant to UGC for purposes of its analysis. Banc of America Securities noted that the two largest publicly traded UK cable companies,

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NTL and Telewest, trade at a median multiple of 6.1x 2005 estimated Cable EBITDA. Banc of America Securities, however, did not view these two companies as being comparable to UGC for purposes of this analysis. Banc of America Securities did not include every company that could be deemed to be a participant in the same industry. Based upon the median of US cable company trading multiples, which Banc of America Securities deemed to be the most relevant for purposes of the analysis, the comparable companies valuation of UGC yielded a value for UGC which was then used to establish the value of LMI s stake in UGC for purposes of the sum-of-the-parts (or net asset) valuation of LMI. Banc of America Securities then compared this value of UGC to the corresponding sum-of-the-parts valuation of LMI, adjusted by the holding company discount of 0% to 20%, to determine a range of exchange ratios for the transaction as set forth below.

	Consideration to be Received by UGC Stockholders	Consideration to be Received by LMI Stockholders
20% Holding Company Discount	0.2262	0.9529
0% Holding Company Discount	0.1809	1.1911

Banc of America Securities noted that, based upon a comparable companies valuation for UGC, LMI s sum-of-the-parts (or net asset) value implied a holding company discount of approximately 11% as of January 14, 2005.

C. *Discounted Cash Flow Analysis.* Banc of America Securities established a valuation for UGC based upon the estimated present value of its projected unlevered free cash flows. For purposes of estimating such future cash flows, Banc of America Securities used certain publicly available financial cash flow forecasts for UGC for 5 years (2005 through 2009). Banc of America Securities was directed to this publicly available information by the management of UGC. In conducting this analysis, Banc of America Securities first calculated the present values of the forecasted cash flows. Banc of America Securities then estimated the terminal value of UGC at the end of 2009 by applying multiples to UGC s estimated 2009 EBITDA. These multiples ranged from 8.0x to 10.0x. Banc of America Securities then discounted the cash flows and terminal values to present values using discount rates ranging from 8% to 12%. Banc of America Securities selected the range of discount rates to reflect a realistic range of the weighted average cost of capital for companies in UGC s industry and with capitalization profiles not dissimilar from UGC s.

This analysis indicated a range of aggregate value for UGC, expressed as multiples of estimated 2005E Cable EBITDA, as summarized in the table below:

Multiple of Aggregate Value to 2005E Cable EBITDA

Discount Rate	Terminal Multiple of 8.0x Projected Calendar Year 2009 EBITDA	Terminal Multiple of 9.0x Projected Calendar Year 2009 EBITDA	Terminal Multiple of 10.0x Projected Calendar Year 2009 EBITDA
8.0%	9.8x	10.8x	11.7x
10.0%	9.1x	9.9x	10.7x
12.0%	8.4x	9.1x	9.9x

The midpoint value implied for UGC (using a terminal multiple of 9.0x and a discount rate of 10%) was then used to establish the value of LMI s stake in UGC for purposes of calculating the sum-of-the-parts (or net asset) valuation of LMI. Banc of America Securities then compared this value of UGC to the corresponding sum-of-the-parts valuation of

LMI, adjusted by the holding company discount of 0% to 20%, to determine a range of exchange ratios for the transaction as set forth below:

	Consideration to be Received by UGC Stockholders	**Consideration to be Received by LMI Stockholders**
20% Holding Company Discount	0.2447	0.8807
0% Holding Company Discount	0.1957	1.1009

Banc of America Securities noted that, based upon the discounted cash flow valuation of UGC, LMI s sum-of-the-parts (or net asset) value implied a holding company discount of approximately 17% as of January 14, 2005.

As noted above, the discussion above is merely a summary of the analyses and examinations that Banc of America Securities considered to be material to its opinion. It is not a comprehensive description of all analyses and examinations actually conducted by Banc of America Securities. The preparation of a fairness opinion is not susceptible to partial analysis or summary description. Banc of America Securities believes that its analyses and the summary above must be considered as a whole. Banc of America Securities further believes that selecting portions of its analyses and the factors considered, without considering all analyses and factors, would create an incomplete view of the process underlying the analyses set forth in its presentation to the LMI board of directors. Banc of America Securities did not assign any specific weight to any of the analyses described above. The fact that any specific analysis has been referred to in the summary above is not meant to indicate that that analysis was given greater weight than any other analysis. Accordingly, the ranges of valuations resulting from any particular analysis described above should not be taken to be Banc of America Securities view of the actual value of LMI.

In performing its analyses, Banc of America Securities made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of LMI and UGC. The analyses performed by Banc of America Securities are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than those suggested by these analyses. These analyses were prepared solely as part of Banc of America Securities analysis of the financial fairness of the consideration to be received by the holders of LMI s common stock, other than any affiliates of LMI, pursuant to the merger agreement and were provided to the LMI board of directors in connection with the delivery of Banc of America Securities opinion. The analyses do not purport to be appraisals or to reflect the prices at which a company might actually be sold or the prices at which any securities have traded or may trade at any time in the future.

As described above, Banc of America Securities opinion and presentation to the LMI board of directors were among the many factors taken into consideration by the LMI board of directors in making its determination to approve, and to recommend that LMI s stockholders approve, the merger agreement.

Pursuant to the engagement letter between LMI and Banc of America Securities, LMI has paid Banc of America Securities a fee of $500,000 upon execution of the engagement letter and an additional $500,000 upon rendering of Banc of America Securities opinion described above and agreed to an additional fee of $4,000,000, payable upon the consummation of the mergers. LMI has separately engaged Banc of America Securities to act as LMI s financial advisor in connection with a separate assignment, for which it has agreed to pay Banc of America Securities $200,000 per quarter until December 31, 2005, and an additional $500,000 upon delivery of a formal presentation to LMI. Each engagement letter calls for LMI to reimburse Banc of America Securities for its reasonable out-of-pocket expenses, and LMI has agreed to indemnify Banc of America Securities, its affiliates, and their respective partners, directors, officers, agents, consultants, employees and controlling persons against particular liabilities, including liabilities under the federal securities laws. During the past two years, Banc of America Securities and its affiliates have also received significant revenue associated with banking and investment banking services provided to Liberty. These services include the arrangement of derivative instruments and other financial products and the provision of advisory services. Prior to LMI s spin off from Liberty, certain of these services were provided on behalf of the businesses of LMI. Following the spin off, Banc of America Securities acted as the lead arranger for a credit facility entered into by Liberty Cablevision of Puerto Rico, Ltd., a subsidiary of LMI, for which Banc of America Securities received a customary arrangement fee. Bank of America, N.A., an affiliate of Banc of America Securities, is also a lender and the administrative agent under this credit facility. In its capacity as lender, Bank of America received a commitment fee in 2004 and continues to receive quarterly interest payments from or on behalf of Liberty Cablevision of Puerto Rico. In its capacity as administrative agent, Bank of America receives administrative fees from or on behalf of Liberty Cablevision of Puerto Rico on an ongoing basis. Also, during the past two years, Banc of America Securities and its affiliates have received revenue associated with banking and investment banking services provided to UGC. These services include the arrangement of financial products, including derivative instruments. In addition, Banc of America Securities provided advisory services to LMI and UGC in connection with the Noos acquisition, for which Banc of America Securities received customary fees from UGC. The LMI board of directors was aware of the foregoing fees and took them into account in considering Banc of America Securities fairness opinion and in approving the merger agreement and the LMI merger.

In the ordinary course of their business, Banc of America Securities and its affiliates may actively trade the debt and equity securities or loans of LMI, UGC and their affiliates for their own account and for the accounts of customers, and accordingly, Banc of America Securities and its affiliates may at any time hold a long or short position in such securities or loans. Banc of America Securities or its affiliates have also performed, and may in the future perform, various investment banking, lending and other financial services for LMI and UGC and their affiliates for which Banc of America Securities or its affiliates has received, and would expect to receive, customary fees.

Availability of Opinions and Reports

Morgan Stanley s opinion and its report to the Special Committee will be made available for inspection and copying at the principal executive offices of UGC during its regular business hours by any interested stockholder of UGC or any representative of an interested stockholder of UGC who has been designated as such in writing. Banc of America Securities opinion and its report to the LMI board of directors will be made available for inspection and copying at the principal executive offices of LMI during its regular business hours by any interested stockholder of LMI or any representative of an interested stockholder of LMI who has been designated as such in writing.

Conduct of the Business of UGC if the Mergers are Not Completed

If the mergers are not completed, UGC intends to continue to operate its business substantially in the manner it is operated today with its existing capital structure and management team remaining. From time to time, UGC will evaluate and review its business operations, properties, dividend policy and capitalization, and make such changes as are deemed appropriate, and continue to seek to identify strategic alternatives to maximize stockholder value.

Amount and Source of Funds and Financing of the Mergers; Expenses

Prior to the effective time of the mergers, LMI will loan to Liberty Global a sufficient amount of cash for Liberty Global to fund the cash consideration deliverable to the UGC stockholders (other than LMI and its wholly owned subsidiaries) in the UGC merger. LMI will fund this loan with its available cash. The mergers are not conditioned on the receipt of financing by LMI to pay the cash consideration deliverable to UGC stockholders.

It is expected that LMI and UGC will incur an aggregate of approximately $22 million in expenses in connection with the mergers. These expenses will be comprised of:

- approximately $10.6 million in financial advisory fees;
- approximately $5 million of printing and mailing expenses associated with this joint proxy statement/ prospectus;
- approximately $3.2 million in legal and accounting fees;
- approximately $1.5 million in SEC filing fees; and
- approximately $1.3 million in solicitation fees and other miscellaneous expenses.

It is expected that LMI s portion of these expenses will equal approximately $11 million and UGC s portion of these expenses will equal approximately $11 million.

Interests of Certain Persons in the Mergers

Interests of Directors and Executive Officers

In considering the recommendation of UGC s board of directors to vote to approve the merger proposal, stockholders of UGC should be aware that members of UGC s board of directors and members of UGC s executive management have relationships, agreements or arrangements that provide them with interests in the mergers that may be in addition to or different from those of the public stockholders of UGC. Similarly, in considering the recommendation of LMI s board of directors to vote to approve the merger proposal, stockholders of LMI should be aware that members of LMI s board of directors and members of LMI s executive management have relationships, agreements or arrangements that provide them with interests in the mergers that may be in addition to or different from those of the public stockholders of LMI. In addition, the current directors of LMI and UGC will be entitled to the continuation of certain indemnification arrangements following completion of the mergers.

Following completion of the mergers, John C. Malone, Chairman of the Board, Chief Executive Officer and President of LMI, will become Chairman of the Board of Liberty Global, and Michael T. Fries, Chief Executive Officer and President of UGC, will become President and Chief Executive Officer of Liberty Global. Five of LMI s current directors, including Mr. Malone, and five of UGC s current directors, including Mr. Fries and the three members of the Special Committee, have agreed to together comprise the board of Liberty Global. The directors of Liberty Global are expected to beneficially own shares of Liberty Global common stock representing in the aggregate approximately 26.2% of the aggregate voting power of Liberty Global, based upon their beneficial ownership interests in LMI and UGC, respectively, as of March 31, 2005, and assuming no cash elections are made by the UGC stockholders. In addition, Liberty Global s management will be comprised of members of LMI s and UGC s management teams to be selected by the Liberty Global board of directors.

In anticipation of the completion of the mergers, we have amended the option award agreements of three of LMI s current directors. For information regarding these amendments, please see Management of LMI Director Compensation.

Both LMI s board of directors and UGC s board of directors were aware of these interests and arrangements and considered them when approving the mergers. For more information regarding these interests and arrangements, see

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Management of LMI, Executive Officers, Directors and Principal Stockholders of UGC and Management of Liberty Global, including:

- under Management of LMI Pro Forma Security Ownership Information of LMI Management, the beneficial ownership interests in Liberty Global estimated to be held by the directors and executive officers of LMI immediately following the mergers, based upon their beneficial ownership interests in LMI and UGC, as of March 31, 2005, and assuming none of them elects any cash consideration in the UGC merger;

- under Executive Officers, Directors and Principal Stockholders of UGC Pro Forma Security Ownership Information of UGC Management, the beneficial ownership interests in Liberty Global estimated to be held by the directors and executive officers of UGC immediately following the mergers, based upon their beneficial ownership interests in LMI and UGC, as of March 31, 2005, and assuming none of them elects any cash consideration in the UGC merger; and

- under Executive Officers, Directors and Principal Stockholders of UGC Pro Forma Cash Consideration Deliverable to UGC Management, the aggregate amount of cash consideration that could be received by the directors and executive officers of UGC in the UGC merger, based upon their beneficial ownership interests in UGC as of March 31, 2005, and assuming (1) they exercise their cash election with respect to all of their UGC beneficial ownership interests (other than interests held pursuant to stock options) and (2) that their cash elections are not reduced pursuant to applicable proration procedures.

Voting Intentions

The directors and executive officers of UGC, who together beneficially own shares of UGC common stock representing less than 1% of UGC s aggregate voting power, as of March 31, 2005, have indicated to UGC that they intend to vote in favor of the approval of the merger proposal at the UGC special meeting. Also, LMI, which beneficially owns shares of UGC common stock representing approximately 91% of UGC s aggregate voting power, as of March 31, 2005, has agreed in the merger agreement to vote, and to cause its subsidiaries to vote, in favor of the approval of the merger proposal at the UGC special meeting. The directors and executive officers of LMI (including Mr. Malone), who together beneficially own shares of UGC common stock representing less than 1% of UGC s aggregate voting power, as of March 31, 2005, have indicated to UGC that they intend to vote in favor of the approval of the merger proposal at the UGC special meeting.

Transactions in UGC Securities

Except as described below, none of (1) LMI or its wholly owned subsidiaries, (2) the directors and executive officers of UGC, or (3) the directors and executive officers of LMI:

- has effected any transactions in shares of UGC common stock during the 60 days preceding the date of this joint proxy statement/ prospectus; or

- intends to effect any such transactions prior to the stockholders meetings.

Certain of UGC s executive officers hold restricted stock awards under UGC s equity incentive plans. A portion of the restricted shares of UGC Class A common stock granted to these persons will vest prior to the stockholders meetings. UGC and most of these executive officers whose grants will so vest have agreed that UGC will withhold, upon the vesting date, a number of shares sufficient to satisfy the withholding tax obligations associated with the vesting.

Pursuant to UGC s defined contribution 401(k) plan (UGC 401(k) Plan), on March 31, 2005, UGC matched the contributions of its employees, including certain of its executive officers, to their respective 401(k) accounts by issuing to those accounts shares of UGC Class A common stock.

Pursuant to LMI s services agreement with UGC, LMI s employees, including certain of its executive officers, participate in the UGC 401(k) Plan. Accordingly, on March 31, 2005, UGC also matched the contributions of LMI s employees, including certain of its executive officers, to their respective 401(k) accounts by issuing to those accounts shares of UGC Class A common stock. LMI reimburses UGC for such stock issuances pursuant to LMI s services agreement with UGC.

Accounting Treatment

The mergers will be accounted for as a step acquisition by LMI of the remaining minority interest in UGC. The purchase price in this step acquisition will include the consideration issued to UGC public stockholders to acquire the UGC interest not already owned by LMI and the direct acquisition costs incurred by LMI. As UGC was a

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consolidated subsidiary of LMI prior to the mergers, the purchase price will first be applied to eliminate the minority interest in UGC from the consolidated balance sheet of LMI, and the remaining purchase price will be allocated on a pro rata basis to the identifiable assets and liabilities of UGC based upon their respective fair values at the effective date of the mergers and the 46.5% interest in UGC to be acquired by Liberty Global pursuant to the mergers. Any excess purchase price that remains after amounts have been allocated to the net identifiable assets of UGC will be recorded as goodwill. As the acquiring company for accounting purposes, LMI will be the predecessor to Liberty Global and the historical financial statements of LMI will become the historical financial statements of Liberty Global. See Liberty Global Unaudited Condensed Pro Forma Combined Financial Statements.

Regulatory Matters

At the date of this joint proxy statement/ prospectus, each of LMI and UGC has obtained all regulatory approvals required for the completion of the mergers.

Appraisal or Dissenters Rights

Under Section 262 of the Delaware General Corporation Law (DGCL), holders of shares of UGC Class A common stock will not be entitled to appraisal rights in connection with the UGC merger. Unlike holders of shares of UGC Class A common stock, holders of shares of UGC Class B common stock or UGC Class C common stock (in each case, other than LMI and its wholly owned subsidiaries) will be entitled to appraisal rights in connection with the UGC merger because those shares are not listed on a stock exchange or traded on the Nasdaq National Market and are held of record by less than 2,000 persons. At the date of this joint proxy statement/ prospectus, the only holders of UGC Class B or Class C common stock other than LMI and its wholly owned subsidiaries are Liberty and its wholly owned subsidiaries, which own shares of UGC Class C common stock. Gene W. Schneider, the Chairman of the Board of UGC, and two employees of UGC hold currently exercisable options to acquire shares of UGC Class B common stock; however, none of Mr. Schneider and the two employees will be entitled to appraisal rights with respect to those shares unless their respective options are first exercised.

Under Section 262 of the DGCL, LMI stockholders are not entitled to appraisal rights in connection with the LMI merger.

Section 262 of the DGCL is included as Appendix H to this joint proxy statement/ prospectus and is incorporated herein in its entirety by this reference.

Federal Securities Law Consequences

The issuance of shares of Liberty Global common stock in the mergers will be registered under the Securities Act, and the shares of Liberty Global common stock so issued will be freely transferable under the Securities Act, except for shares of Liberty Global common stock issued to any person who is deemed to be an affiliate of either LMI or UGC at the time of the stockholders meetings. Persons who may be deemed to be affiliates include individuals or entities that control, are controlled by, or are under common control with either LMI or UGC and may include directors, executive officers and significant stockholders of each of LMI and UGC. Affiliates may not sell their shares of Liberty Global common stock acquired in connection with the mergers, except pursuant to:

- an effective registration statement under the Securities Act covering the resale of those shares;
- an exemption under paragraph (d) of Rule 145 under the Securities Act; or
- any other applicable exemption under the Securities Act.

Liberty Global s registration statement on Form S-4, of which this document forms a part, does not cover the resale of shares of Liberty Global common stock to be received by affiliates in the mergers. The merger agreement requires that LMI and UGC each use its commercially reasonable efforts to cause each of their respective affiliates to deliver to Liberty Global a written agreement to the effect that these persons will not sell, transfer or otherwise dispose of any of the shares of Liberty Global common stock issued to them in the mergers in violation of the Securities Act or the related rules and regulations of the Securities and Exchange Commission. See The Transaction Agreements Merger Agreement Covenants.

Class Action Lawsuits Relating to the UGC Merger

Since January 18, 2005, twenty-one lawsuits have been filed in the Delaware Court of Chancery and one lawsuit has been filed in Denver District Court, State of Colorado, all purportedly on behalf of the public stockholders of UGC regarding the announcement on January 18, 2005 of the execution by LMI and UGC of the merger agreement. The defendants named in these actions include Gene W. Schneider, Michael T. Fries, David B. Koff, Robert R. Bennett, John C. Malone, John P. Cole, Bernard G. Dvorak, John W. Dick, Paul A. Gould and Gary S. Howard (directors of UGC), UGC and LMI. The allegations in each of the complaints, which are substantially similar, assert that the defendants have breached their fiduciary duties of loyalty, care, good faith and candor and that various defendants have engaged in self-dealing and unjust enrichment, affirmed an unfair price, and impeded or discouraged other offers for UGC or its assets in bad faith and for improper motives. In addition to seeking to enjoin the UGC merger, the complaints seek remedies including damages for the public holders of UGC stock and an award of attorney s fees to plaintiffs counsel. In connection with the Delaware lawsuits, defendants have been served with one request for production of documents. On February 11, 2005, the Delaware Court of Chancery consolidated all twenty-one Delaware lawsuits into a single action. Under the terms of the court s consolidation order, the plaintiffs are required to file a consolidated amended complaint as soon as practicable, and the defendants are not required to respond to any other complaints filed in the twenty-one constituent actions. As of the date of this joint proxy statement/ prospectus, the plaintiffs have not filed a consolidated amended complaint and, pursuant to the terms of the court order, the defendants have not filed an answer or other response. The defendants believe the lawsuits are without merit.

Provisions for Unaffiliated Stockholders of UGC

Delaware law provides stockholders of a Delaware corporation who have a proper purpose and who meet certain statutory requirements the right to inspect a list of stockholders and other corporate books and records. Other than in accordance with Delaware law or any action by a governmental authority, the unaffiliated stockholders of UGC will not be given any special access to the corporate files of UGC in connection with or in contemplation of the mergers. Unless otherwise required by Delaware law or any action by a governmental authority, neither UGC nor LMI intends to obtain counsel or appraisal services for the unaffiliated stockholders of UGC in connection with the mergers.

Plans for UGC After the Mergers; Certain Effects of the Mergers

UGC Business

Following the mergers, the business and operations of UGC will be conducted substantially as they are currently being conducted with the exception that, among other things, UGC will become a subsidiary of a new parent company named Liberty Global, Inc. The centralized management, administration, finance, accounting, legal and other parent company tasks performed by UGC prior to the mergers will be performed by Liberty Global following the mergers. It is anticipated that the centralization of these functions will not create an economic benefit for UGC as we anticipate that substantially all of UGC s corporate staff will either remain employed by UGC or will become members of Liberty Global s corporate staff following the completion of the mergers. However, the centralization of these functions is anticipated to provide LMI with potential cost-savings. Since its June 2004 spin off, LMI has paid Liberty for the portion of Liberty s personnel costs (taking into account wages and fringe benefits) allocable to LMI for time spent by Liberty personnel performing services for LMI under the services agreement entered into between LMI and Liberty at the time of the spin off. Following the mergers, it is anticipated that the corporate staff of Liberty Global and its subsidiaries will perform the services previously provided by Liberty personnel under the services agreement. Based upon the amounts budgeted to be paid to Liberty for LMI s allocable portion of Liberty s personnel costs for 2005, it is estimated that LMI will realize an annualized cost savings of approximately $700,000 as a result of the centralization of these functions.

UGC Directors and Officers

Following the mergers, Liberty Global s management team will be responsible for the businesses of UGC. Liberty Global s management team will include certain members of UGC s current management team, including Michael T. Fries, the President and Chief Executive Officer of UGC, who has agreed to serve as the President and Chief Executive Officer of Liberty Global. Liberty Global will have a staggered board that will include five of UGC s ten directors, who will be assigned to board classes with different terms than those to which they are currently assigned on UGC s board. See Management of Liberty Global.

Following the mergers, we expect each of LMI and UGC to have a board of directors comprised of officers of Liberty Global because LMI and UGC will become subsidiaries of Liberty Global in the mergers. Hence, UGC will no longer have a separate audit committee and compensation committee, eliminating the fees paid by UGC to and expenses paid by UGC on behalf of its nonemployee directors and committee members, which aggregated $258,000 for the year ended December 31, 2004. For information regarding UGC s director compensation policy, see Item 11. Executive Compensation Compensation of Directors in UGC s Annual Report on Form 10-K/ A for the year ended December 31, 2004, which is incorporated by reference in this joint proxy statement/ prospectus.

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For information regarding the current directors and executive officers of LMI, Liberty Global, LMI Merger Sub and UGC Mergers Sub, see Management of LMI, including Current Management of Liberty Global, LMI Merger Sub and UGC Merger Sub included under Management of LMI.

UGC Capital Structure

UGC will be the surviving corporation in the UGC merger, and its existing capital structure will remain in place immediately following the mergers. Each share of UGC common stock acquired by Liberty Global in the UGC merger will be converted into one share of the corresponding class of common stock of UGC as the surviving corporation and will remain outstanding immediately following the mergers, and each share of UGC common stock held by LMI or any of its wholly owned subsidiaries, at the time of the UGC merger, will be converted into one share of the corresponding class of common stock of UGC as the surviving corporation and will remain outstanding immediately following the mergers. As a result, Liberty Global will own directly 46.5% of the common stock of UGC as the surviving corporation in the UGC merger, and indirectly through Liberty Global s wholly owned subsidiary LMI 53.5% of the common stock of UGC as the surviving corporation in the UGC merger (based upon outstanding UGC share information as of March 31, 2005).

Liberty Global will have a different capital structure than UGC has. See Description of Liberty Global Capital Stock and Comparison of Rights of Stockholders of LMI, UGC and Liberty Global. In addition, it is anticipated that Liberty Global common stock will have greater liquidity due to the size of Liberty Global s stockholder base. However, we cannot quantify the benefit of this liquidity to the unaffiliated stockholders of UGC who make the stock election in the UGC merger.

Outstanding Convertible Notes of UGC

As of December 31, 2004, UGC had outstanding 500,000,000 aggregate principal amount of $1\frac{3}{4}$% convertible senior notes due April 15, 2024 (which we refer to as the UGC convertible notes). The UGC convertible notes were issued under an indenture dated as of April 6, 2004 between UGC and The Bank of New York, as trustee. The indenture provides that after the consummation of the UGC merger, the note holders will be entitled, subject to the restrictions on convertibility set forth in the indenture, to convert their notes into the number of shares of Liberty Global Series A common stock that they would have received in the UGC merger if they had converted their notes into UGC Class A common stock immediately prior to the UGC merger and had made the stock election. In connection with the mergers, UGC, Liberty Global and the trustee will enter into a supplemental indenture to implement this modification in the conversion right of the UGC convertible notes. In addition, under the indenture the UGC convertible notes will become convertible in connection with the UGC merger unless at least 90% of the aggregate value of the merger consideration (excluding cash payments for fractional share interests) into which the UGC Class A common stock is converted consists of Liberty Global Series A common stock. Hence, whether the UGC convertible notes become convertible in connection with the UGC merger will depend on the amount of cash paid to those UGC stockholders (if any) who make the cash election for their shares of UGC Class A common stock. Under the conversion provisions of the indenture, UGC convertible notes are convertible into, at the option of UGC, (1) shares of UGC Class A common stock at the conversion price of 9.7561 euros per share, (2) an amount in cash determined by multiplying the number of shares of UGC Class A common stock into which the surrendered note is convertible by a measure of the average trading price of UGC Class A common stock for the five trading days following the conversion date, or (3) a combination of such stock and cash. UGC will give the requisite notice under the indenture of any conversion rights accruing to holders of the UGC convertible notes in connection with the UGC merger at least 20 days prior to the anticipated effective date of the UGC merger, and the procedures to be followed to effect conversion. The merger will not constitute a change in control as defined in the indenture, which would have given the note holders the right to require UGC to repurchase the UGC convertible notes at par, plus accrued and unpaid interest.

Listing and Registration; Reporting Obligations

Following the mergers, UGC Class A common stock will be delisted from the Nasdaq National Market and deregistered under the Exchange Act, and UGC will cease to be a reporting company under the Exchange Act. During 2004, UGC incurred approximately $2.7 million in compliance costs associated with its reporting obligations (excluding fees paid to UGC s independent auditors) and approximately $128,000 in Nasdaq listing fees. Not paying these costs and fees will represent a cost-savings for UGC following the completion of the mergers.

Following the mergers, LMI Series A common stock and LMI Series B common stock will be delisted from the Nasdaq National Market and deregistered under the Exchange Act, and LMI will cease to be a reporting company under the Exchange Act. However, we do not anticipate realizing any economic benefits associated with this delistment, deregistration and cessation of reporting obligations because Liberty Global will incur comparable costs to those that LMI otherwise would have incurred had the mergers not been completed.

It is anticipated that the shares of Liberty Global common stock issuable in connection with the mergers will be registered under the Exchange Act, and it is a condition to the mergers that such shares be authorized for listing on the Nasdaq National Market, subject only to official notice of issuance. It is expected that Liberty Global Series A common stock and Series B common stock will be listed on the Nasdaq National Market under the symbols LBTYA and LBTYB , respectively, the same symbols under which LMI common stock currently trades. Liberty Global will become subject to the reporting requirements of the Exchange Act contemporaneously with the completion of the mergers.

Neither LMI Merger Sub nor UGC Merger Sub has or will have any securities listed on a securities exchange or registered under the Exchange Act. Neither LMI Merger Sub nor UGC Merger Sub is or will be subject to the reporting obligations of the Exchange Act.

Effect on Net Book Value and Net Earnings

As the successor entity to LMI, Liberty Global would have experienced, on a pro forma basis, (1) an increase of $3,458,829,000 in its interest in the net book value of UGC at December 31, 2004 if the mergers had been completed at December 31, 2004 and the unaffiliated stockholders of UGC had elected to receive all stock consideration. In addition, Liberty Global would have experienced, on a pro forma basis, an increase of $179,433,000 in its interest in the net loss of UGC for the year ended December 31, 2004 if the mergers had been completed at January 1, 2004 and the unaffiliated stockholders of UGC had elected to receive all stock consideration. Such changes in Liberty Global s interest in UGC s net book value and net loss are the result of the increase in Liberty Global s ownership interest in UGC that will occur if the mergers are consummated. If the mergers had been completed at December 31, 2004, Liberty Global s ownership interest in UGC would have increased to 100% from the 53.6% owned by LMI at that date. There is no effect on LMI s interest in UGC s net book value or net loss as a result of the mergers. For additional information, see Liberty Global Unaudited Condensed Pro Forma Combined Financial Statements.

Neither LMI Merger Sub nor UGC Merger Sub has any interests, or has had any historical interests, in the net book value or net loss of UGC. Following the completion of the mergers, each of LMI Merger Sub and UGC Merger will cease to exist. As a result, neither company will ever have an interest in the net book value or net loss of UGC.

Other

If the mergers are completed, and except as described in this joint proxy statement/prospectus, none of LMI, Liberty Global, LMI Merger Sub or UGC Merger Sub has any plans or proposals that relate to or would result in:

- any extraordinary transaction, such as a merger, reorganization or liquidation, involving UGC or any of its subsidiaries;
- any purchase, sale or transfer of a material amount of assets of UGC or any of its subsidiaries;
- the acquisition or disposition by any person of additional securities of UGC; or
- any other material change in UGC s corporate structure and business.

Forward-Looking Information; Certain Projections

Although UGC and LMI both provide limited annual guidance from time to time regarding selected financial and operating measures, neither, as a matter of course, makes public detailed financial projections. However, certain projections and other non-public information relating to UGC and certain of the other assets of LMI were provided to Morgan Stanley and Banc of America Securities for use by them in formulating their respective opinions summarized under Opinion of the Financial Advisor to the Special Committee and Opinion of LMI s Financial Advisor. All such non-public information provided by LMI to Morgan Stanley was provided pursuant to a nondisclosure agreement entered into between LMI and Morgan Stanley in December 2004. All such non-public information provided by UGC to Banc of America was provided pursuant to a nondisclosure agreement entered into between UGC and Banc of America Securities in January 2005. The projections and other information summarized below are included in this proxy statement/prospectus solely because such information was provided to one or both of such financial advisors. None of the financial projections summarized below were prepared with a view to public disclosure or compliance with published guidelines of the SEC or the American Institute of Certified Public Accountants regarding prospective financial information. Neither UGC s nor LMI s independent accountants have compiled, examined or reviewed any of the projections or performed any procedures with respect to such projections, and expressly disclaim any association with them. Each of the projections summarized below reflect numerous assumptions with respect to business, economic, regulatory, competitive and market conditions and other matters, all of which are difficult to predict and many of which are beyond the control of the company as to which the projections were prepared. None of the projections were prepared in anticipation of the proposed mergers and hence do not give any effect to the mergers. There can be no assurance that the assumptions made in preparing the projections summarized below will prove accurate, and the future financial results of each company for which projections are summarized below may differ materially from those reflected in such projections.

In light of the uncertainties inherent in forward-looking information of any kind, we caution against placing undue reliance on any of the information summarized below. For information concerning the variety of factors which may cause the future financial results of each company for which projections are summarized below to materially vary from such projected results, see Information Regarding Forward-Looking Statements. Neither UGC nor LMI intends to update or revise any of the projections summarized below to reflect circumstances existing after the date they were prepared or to reflect the occurrence of future events. None of the projections should be viewed as a representation by UGC, the Special Committee, LMI or any of their advisors or representatives that the forecasts reflected therein will be achieved.

Financial Projections Regarding UGC

In late December 2004, UGC management provided to Morgan Stanley, the financial advisor to the Special Committee, preliminary budget projections for UGC for 2005 (the Preliminary Budget) and projected debt information for UGC for year-end 2005 and 2004. In early January 2005, UGC management provided to Morgan Stanley projected selected compound annual growth rates for UGC s broadband operations for the next five years. The projections were not provided to LMI or to any directors of UGC who are also officers of LMI. In January 2005, UGC management provided certain of the information summarized below to Banc of America Securities, the financial advisor to LMI. Although the projections summarized below were prepared by UGC management in the course of UGC s 2005 budget process, the 2005 budget ultimately approved by the UGC board (the Approved Budget) differed in some respects from the Preliminary Budget, as indicated in the table below.

The projections provided to Morgan Stanley and summarized below were prepared internally by UGC management as of December 26, 2004, as part of UGC s regular internal budgeting process, were preliminary, and were not reviewed by the Special Committee or the UGC board prior to the time they were provided to Morgan Stanley. The projections are based on assumptions which UGC believes were reasonable, given the information known by its management at the time the projections were prepared. Hence, UGC believes that Morgan Stanley was reasonable in relying on the provided projections as part of the mix of information considered by Morgan Stanley in connection with its analyses of the fairness of the consideration being paid to the unaffiliated stockholders of UGC.

Budget Information for 2005

The Preliminary Budget and the Approved Budget have assumed the foreign currency exchange rates indicated below, which were the approximate 2004 year-to-date average exchange rates for the Euro and the Chilean Peso, respectively. The actual exchange rates in effect at December 31, 2004 were significantly different, as were the exchange rates used by Morgan Stanley in its analyses. Fluctuations in exchange rates relative to the U.S. dollar can significantly affect the actual financial results of UGC.

2005 Budget for UGC (1)
(RGUs in Thousands; US$ s in Millions)

	Preliminary Budget	Approved Budget
Total RGUs (2)	12,526	12,526
Net Gain in RGUs (2)	1,091	1,088

Revenue	$	3,184	$	3,182
Operating Expense		(2,100)		(2,106)
Operating Cash Flow (OCF) (3)	$	1,084	$	1,076
OCF % Margin		34%		34%
Capital Expenditures		(703)		(703)

	Preliminary Budget	Approved Budget
Capex as % of Revenue	*22%*	*22%*
Operating FCF	381	373
Interest, working capital and other	(268)	(260)
Free Cash Flow (FCF) (4)	$ 113	$ 113
Foreign Exchange Rate Assumptions:		
US$ per Euro 1	1.23	1.23
Chilean Pesos per US$1	610	610

(1) The Preliminary Budget and the Approved Budget presented in this table (other than RGUs) include the impact of certain acquisitions that were completed in 2004 or were expected to be completed in the first quarter of 2005. These acquisitions include broadband businesses in Ireland (Chorus) and the content/programming businesses of ZoneVision and Canal+ NL (which has not closed as of the date of this joint proxy statement/prospectus and the closing of which is conditioned upon receipt of regulatory approval which has not yet been granted). Specifically, the Preliminary Budget and the Approved Budget include an assumption as to the completion and timing of the Canal+ NL acquisition which has not yet closed but which management assumed would close in the first quarter of 2005 for budgeting purposes. The impact of the February 2005 acquisition of broadband businesses in Slovenia (Telemach) was not accounted for in the information presented.

(2) A Revenue Generating Unit (RGU) is separately an analog cable subscriber, digital cable subscriber, direct-to-home satellite distribution subscriber, multipoint microwave (wireless) distribution system subscriber, Internet subscriber or telephony subscriber. A home may contain one or more RGUs. For example, if a residential customer in UGC s Austrian system subscribed to its analog cable service, digital cable service, telephony service and high-speed Internet access service, that customer would constitute four RGUs. Excludes RGUs from the Chorus acquisition, which closed in December 2004.

(3) Operating Cash Flow (OCF) is defined by UGC 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).

(4) Free Cash Flow (FCF) is defined by UGC as net cash flows from operating activities less capital expenditures. FCF is inherently difficult to predict, primarily due to uncertainties associated with working capital forecasts.

The definition of OCF set forth in footnote (3) above also reflects the definition of EBITDA, as that term is used in Special Factors, including in this Forward-Looking Information; Certain Projections. For instance, UGC s 2005 estimated EBITDA referred to under Special Factors Opinion of the Financial Advisor to the Special Committee Comparable Company Analysis is equal to the OCF number included in the Preliminary Budget.

Material Assumptions

The material assumptions made by UGC management in developing the Preliminary Budget and the Approved Budget, in addition to the assumptions referred to in footnote (1) above, were as follows:

Revenue. The revenue increase compared to the fiscal 2004 result is generally based on the following assumptions:

Increase in RGUs primarily driven by advanced services (Voice-over-Internet Protocol (VoIP), high-speed Internet access and digital video RGUs).

ARPU per RGU increases for analog cable subscribers generally in line with inflation and ARPU per RGU for other products driven by expected competition. (The definition of ARPU per RGU is provided in footnote (1) to the table below.)

A full year of operations for UGC s acquisitions that closed during 2004 (e.g., the Noos acquisition closed on July 1, 2004), as well as the Canal+ NL acquisition assumed to close in February 2005.

Operating Expense. The increase in estimated operating expense compared to the fiscal 2004 result is generally based on the following assumptions:

Projected RGU net additions described above and corresponding marketing, customer care and support costs.

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A full year of operations for UGC s acquisitions that closed during 2004 as well as the Canal+ NL acquisition assumed to close in February 2005.

Operating expenses as a result of higher headcount to support new service deployments and for payroll increases generally in line with inflation.

Programming expenses generally assumed to increase in line with UGC s increased digital offering.

Capital Expenditures. The increase in estimated capital expenditures compared to the fiscal 2004 result is generally based on the following assumptions:

Projected RGU net additions described above, in particular VoIP, and the corresponding consumer premise equipment and network costs.

A substantial increase in two-way homes passed, principally in Central and Eastern Europe, to enable UGC to offer high-speed Internet access and VoIP.

Capital expenditures associated with digital video expansion plans in certain markets.

A full year of operations for UGC s acquisitions that closed during 2004.

Interest, Working Capital and Other. The increase in net interest, working capital and other costs compared to the fiscal 2004 result is generally based on the following assumptions:

Working capital impact due to RGU net additions (e.g., increase in accounts receivable).

Increase in interest expense associated with the debt financing of acquisitions that closed during 2004.

An increase in underlying base rates (principally Euribor) on subsidiary credit facilities associated with a higher interest rate environment, offset by a reduction in credit spreads due to refinancings that closed during 2004.

Net Debt for 2004 and 2005

UGC management provided to Morgan Stanley net debt information for 2005 and 2004 of $3,483 million and $2,986 million, respectively, which represent the estimated amounts as of December 31, 2005 and 2004, respectively, of the sum of total debt less total cash and cash equivalents. These estimates were derived using the US$ per Euro 1 exchange rate of 1.23 listed in the table above, which was significantly different from the exchange rate in effect at December 31, 2004 and the exchange rate used by Morgan Stanley in its analyses.

Compound Annual Growth Rates

UGC management provided to Morgan Stanley and Banc of America Securities the following compound annual growth rates for UGC s broadband operations, on a consolidated basis, for the five year period 2004-2009. These estimates were also derived using the US$ per Euro 1 exchange rate of 1.23 listed in the table above, which was significantly different from the exchange rate in effect at December 31, 2004 and the exchange rate used by Morgan Stanley in its analyses.

	UGC Consol.
RGUs	5%-7%
ARPU per RGU (1)	6%-8%
Revenue	12%-14%
OCF	18%-20%
Capex (% of Revenue)	8%-12%

(1) Average Revenue per Revenue Generating Unit (ARPU per RGU) compound annual growth rate is calculated from the projected annual broadband revenue for each year in the period, divided by the average of the opening and closing RGUs for that year.

Material Assumptions

In developing the foregoing ranges of compound annual growth rates for UGC s broadband operations, on a consolidated basis, for the five year period 2004-2009, UGC management used the same 2005 budget assumptions described under Budget Information for 2005 Material Assumptions above, as well as the following assumptions:

RGUs. The projected range of RGU compound annual growth rates is generally based on the assumption that growth will be primarily driven by advanced services (VoIP, high-speed Internet access and digital video RGUs), due to UGC s marketing efforts in general and an increase in homes serviceable for these advanced services (e.g., two-way homes passed, Internet homes serviceable and telephony homes serviceable, etc.), as well as an increase in the corresponding penetration levels for these services from existing serviceable homes.

ARPU per RGU. The projected range of ARPU per RGU compound annual growth rates is generally based on the following assumptions:

Increase in ARPU per RGU due primarily to the projected increase in advanced service RGUs.

ARPU per RGU increases for analog cable subscribers generally in line with inflation.

Revenue. The projected range of revenue compound annual growth rates is generally based on the assumed increase in RGUs and ARPU per RGU mentioned above.

OCF. The projected range of OCF compound annual growth rates is generally based on the following assumptions:

The incremental cash flow associated with the anticipated higher penetration of the advanced service RGUs.

Operating expenses in general will increase at a slower rate than revenue growth.

Capital Expenditures. The range in capital expenditures as a percent of revenue is generally based on the following assumptions:

The vast majority of the upgrade costs associated with increasing the number of homes serviceable to offer the advanced services will be substantially completed prior to 2009. Management anticipates that capital expenditures will be above the forecasted range of 8% - 12% until approximately 2009.

Consumer premise equipment costs will continue to decline in line with historical trends.

The projections set forth above should be read together with UGC s historical financial statements and other financial information and Management s Discussion and Analysis of Financial Condition and Results of Operations set forth in UGC s Annual Report on Form 10-K/A for the year ended December 31, 2004, which is incorporated by reference into this joint proxy statement/prospectus. See Additional Information Where You Can Find More Information.

Financial Projections Regarding J-COM

LMI management provided to Morgan Stanley in late December 2004 and to Banc of America Securities in early January 2005 forward-looking information for J-COM, which was included in the following presentations: (1) J-COM s budget for 2005 in the form presented to J-COM s board of directors on December 16, 2004; (2) J-COM s medium term business plan for the three years ended 2007, dated December 16, 2004; and (3) a slide presentation, dated December 13, 2004 (the IPO Pricing Slides), prepared by J-COM s Joint Global Coordinators in connection with pricing talks on J-COM s then forthcoming IPO (which priced on March 14, 2005 and closed on March 23, 2005). The 2005 budget was prepared internally by J-COM management as part of J-COM s regular budget process and was approved by J-COM s board of directors on December 16, 2004. The medium term business plan, which was also approved by J-COM s board of directors on December 16, 2004, was prepared as part of J-COM s application to the JASDAQ Securities Exchange, Inc. in connection with J-COM s IPO. The financial projections included in the IPO Pricing Slides were derived by the Joint Global Coordinators from information provided by J-COM management.

None of the J-COM 2005 budget, medium term plan or the IPO Pricing Slides was provided to UGC or to any member of the Special Committee. LMI did not participate in the preparation of any of the projections summarized below, although two of its executive officers serve as directors of J-COM and they reviewed and approved the 2005 budget and medium term plan in that capacity. J-COM did not participate in any discussions with or presentations made by Morgan Stanley or Banc of America Securities, nor did J-COM participate in preparing this joint proxy statement/prospectus or summarizing the projections set forth below for inclusion in this joint proxy statement/prospectus.

The US dollar figures in the tables below are based on an exchange rate of 0.00975 US$ per 1 yen, which was the exchange rate used by Morgan Stanley for purposes of its valuation of J-COM. Banc of America Securities used an exchange rate of 0.0098 US$ per 1 yen.

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Projections from J-COM Pricing Slides
(In millions)

	2005		2006		2007		2008	
	¥	$	¥	$	¥	$	¥	$
Revenue	186,077	1,814	214,556	2,092	246,901	2,407	276,284	2,694
EBITDA	74,670	728	88,166	860	106,384	1,037	123,258	1,202
Capex	56,385	550	63,199	616	65,621	640	60,296	588
Unlevered Free Cash Flow(1)	18,226	178	19,484	190	29,721	290	44,549	434

(1) Unlevered Free Cash Flow is determined before deduction of interest expense.

Projections from J-COM 2005 Budget and Medium Term Plan
(In millions)

	2005		2006		2007	
	¥	$	¥	$	¥	$
Revenue	185,297	1,807	214,556	2,092	246,901	2,407
EBITDA	74,280	724	88,166	860	106,384	1,037
Capex	58,410	569	64,100	625	66,532	649
Adjusted Capex(1)	39,242	383	43,482	424	42,685	416
Free Cash Flow	2,283	22	13,223	129	22,758	222

(1) Adjusted Capex excludes assets acquired under capitalized lease arrangements.

J-COM defines Free Cash Flow as cash provided by operating activities less capital expenditures. J-COM includes in its Free Cash Flow both interest expense and assets acquired under capitalized lease arrangements as deductions.

In addition to the difference between Free Cash Flow and Unlevered Free Cash Flow noted above, the projections for 2005 included in the J-COM 2005 budget and medium term business plan differed from those measures in the IPO Pricing Slides due to changes in the expected timing of anticipated acquisitions in 2005 and for the timing of interest payments, income taxes and capital expenditures. In the case of Free Cash Flow and Unlevered Free Cash Flow for 2006 and 2007, those measures also differed because of changes to assumptions regarding the timing and amount of capital expenditures and income taxes.

Material Assumptions

The material assumptions made by J-COM management in developing the foregoing projections were as follows:

Cable television subscriber growth is driven by take up of digital services, new content, acceptance of video-on-demand and bundling.

Internet subscriber growth is driven by adoption of 30MBps service, new content and bundling.

Telephony subscriber growth is driven by build out of network and bundling.

External price competition continues at current levels (no price cutting) and J-COM s prices remain largely constant.

Operating costs contain a significant fixed cost element and decrease as percentage of revenue as more services are introduced to and accepted by subscribers and more customers subscribe to bundled services.

Capital expenditures grows in tandem with subscriber growth. Customer premise equipment costs assumed to decline gradually over time as a result of unit price decreases and improved efficiencies in utilization of equipment.

Financial Projections Regarding Other Assets of LMI

Morgan Stanley and Banc of America Securities also used for purposes of their respective analyses forward-looking information for 2005 for the following companies in which LMI has an investment: Jupiter Programming Co., Ltd (50% ownership), Liberty Cablevision of Puerto Rico Ltd. (100% ownership) and Pramer S.C.A (100% ownership).

Morgan Stanley also used year-end forecasts for 2004 for Liberty Cablevision of Puerto Rico, which are included below. None of the projections summarized below were provided to UGC or to any member of the Special Committee.

Jupiter Programming Co., Ltd.

LMI management provided slides from a JPC board of directors meeting on December 14, 2004, which included the following 2005 budget numbers prepared by JPC management. The 2005 budget was prepared internally by JPC management as part of JPC s regular budget process and was approved by JPC s board of directors. LMI did not participate in the preparation of the following 2005 budget numbers, although two of its executive officers serve as directors of JPC and they reviewed and approved the 2005 budget numbers in that capacity. The US dollar figures in the table below are based on an exchange rate of 0.00975 US$ per 1 yen.

JPC 2005 Budget

(In millions)

	¥	$
Revenue	77,035	751
Operations Costs	64,573	630
EBITDA	12,462	121
Pre-Tax Income	7,072	69

Material Assumptions. The material assumptions made by JPC management in developing the foregoing projections were as follows:

Revenues and EBITDA are assumed to derive primarily from JPC s 70% owned SHOP channel. Revenue growth for SHOP channel assumes better penetration and increased sales per customer, offset by increased sales, distribution, fulfillment, telemarketing and administrative costs.

Subscription and other revenue growth is realized at other established channels, offset by anticipated losses in new channel investments.

Liberty Cablevision of Puerto Rico Ltd.

LMI management provided slides prepared by Liberty Cablevision of Puerto Rico management for a meeting of Liberty Cablevision of Puerto Rico s lenders on its $140 million senior secured credit facilities, held on November 30, 2004, which included the following projections for 2005 and year-end 2004. The actual results for year-end 2004 differed from the year-end 2004 projections, as indicated in the table below.

Liberty Cablevision of Puerto Rico

(In millions)

	Projections		Actual
	2005	2004	2004
Revenue	$ 97.317	$ 79.933	$ 79.410
EBITDA	34.126	26.652	26.299
Free Cash Flow	11.625	3.543	2.590
Capex	22.500	23.109	23.709

Liberty Cablevision of Puerto Rico defines Free Cash Flow as EBITDA minus capital expenditures.

Material Assumptions. The material assumptions made by management of Liberty Cablevision of Puerto Rico in developing the 2005 and year-end 2004 projections were as follows:

Revenue growth is driven primarily by an increase in Internet subscribers and VoIP subscribers. The growth in Internet and VoIP subscribers is being driven by Liberty Cablevision of Puerto Rico s ability to provide cost savings to its bundled customers by virtue of its ability to deliver a number of services over a single predominantly fixed cost base network.

Take up of bundled services drives EBITDA and Free Cash Flow growth due to receipt of incremental revenue over predominantly fixed cost base network.

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Capital expenditures are based on assumed subscriber growth, as these expenses are driven by cost of customer premise equipment. Also assumes expansion of existing network.

Comparison of 2004 Actual versus Projected.

Actual 2004 revenue was lower than 2004 projected revenue primarily as a result of a lower number of year-end video subscribers than projected.

Actual 2004 EBITDA was lower than 2004 projected EBITDA primarily as a result of the lower number of year-end video subscribers and increased marketing expenses associated with Internet access and VoIP services.

Actual 2004 capital expenditures were higher than 2004 projected capital expenditures primarily as a result of a higher than expected number of Internet and VoIP installations.

Pramer S.C.A.

LMI management provided slides prepared by Pramer management for a December 2004 presentation to LMI management, which included the following 2005 budget numbers.

2005 Pramer Budget

(In millions)

Revenue	$ 42.194
EBITDA	4.910
Free Cash Flow	1.356

Pramer defines Free Cash Flow as EBITDA minus working capital changes, income taxes, capital expenditures, investments, interest expense and loan amortization.

Material Assumptions. The material assumptions made by Pramer management in developing the foregoing projections were as follows:

Revenue is primarily driven by increase in pay television customers as the economies in Latin America continue to recover and expand.

EBITDA declines primarily due to increase in salaries, satellite and production costs.

Free Cash Flow growth is driven by positive working capital changes, reduced taxes and lower bank financing costs.

RISK FACTORS

In addition to the other information contained in, incorporated by reference in or included as an appendix to this joint proxy statement/prospectus, you should carefully consider the following risk factors in deciding whether to vote to approve the merger proposal.

Factors Relating to the Mergers

Fluctuations in market prices may cause the value of the shares of Liberty Global common stock that you receive in the mergers to be less than the value of your shares of LMI common stock or UGC common stock prior to the mergers. The ratios at which shares of LMI common stock and shares of UGC common stock will be converted into shares of Liberty Global common stock in the mergers are fixed, and there will be no adjustment to these ratios for changes in the market price of LMI common stock or UGC common stock. Accordingly, the value of the stock consideration to be received by holders of LMI common stock and holders of UGC common stock upon completion of the mergers is not ascertainable at this time and will ultimately depend upon the market prices of LMI common stock and UGC common stock at the effective time of the mergers. Those market prices may be higher or lower than the market prices of those shares on the date on which the merger agreement was executed, the date of this joint proxy statement/prospectus or the date on which the LMI stockholders and UGC stockholders vote on the merger proposal. Neither LMI nor UGC is permitted to walk away from the mergers or resolicit the vote of its stockholders solely because of changes in the market price of either party s common stock at any time prior to the effective time of the mergers. Also, there is no collar or other adjustment mechanism that will ensure stockholders receive merger consideration with a minimum or maximum value.

At the time UGC stockholders make their stock election or cash election, they may not know if 0.2155 of a share of Liberty Global common stock will be worth more or less than the cash election amount of $9.58 per share. To make a valid stock election or cash election, UGC stockholders must submit their form of election and related UGC shares to the exchange agent by the election deadline. The election deadline is scheduled for 5:00 p.m., New York time, on [__________], 2005. We will extend the election deadline to no later than 5:00 p.m., New York time, on the second business day prior to the completion of the mergers if we anticipate that the mergers will not occur within four business days after the initial election deadline. As the initial trading price of the shares of Liberty Global Series A common stock is expected to approximate the trading price of the LMI Series A common stock immediately prior to the completion of the mergers, there can be no assurance that the value of the stock consideration will not fluctuate, with the trading price of the LMI Series A common stock, between the submission of a form of election and the completion of the mergers. Hence, while UGC stockholders will know the value of the stock consideration at the time they submit their form of election, there can be no assurance that the stock consideration will not have a lower value when the mergers are completed and the Liberty Global Series A common stock is first made available to UGC stockholders.

UGC stockholders who make the cash election may not have all of their UGC shares exchanged for cash, and the average per share value of the merger consideration they receive could be less than $9.58. The merger agreement limits the amount of cash payable to UGC stockholders who make the cash election to no more than 20% of the aggregate value of the merger consideration payable to UGC stockholders who are not Permitted Holders within the meaning of UGC s indenture with respect to its 1 3/4% convertible senior notes due 2024, which we refer to as the **cash threshold amount.** The term Permitted Holders is generally defined to include LMI and Liberty and the Chief Executive Officer and each member of the board of directors of each of UGC, LMI and Liberty as of April 1, 2004 and each of their respective affiliates. If the cash threshold amount is exceeded, those UGC stockholders making the cash election will have the number of their shares of UGC stock as to which they made the cash election reduced by a pro rata amount, and will receive the stock consideration for those shares which are not exchanged for the cash consideration. Depending on the market price of the Liberty Global Series A common stock immediately after the mergers are completed, UGC stockholders who made only the cash election but who receive stock consideration for some of their shares due to proration may obtain aggregate consideration that is worth less than $9.58 per share on a blended basis. See The Transaction Agreements Merger Agreement UGC Stockholders Making Stock and Cash Elections; Proration.

Once UGC stockholders deliver their shares of UGC common stock to the exchange agent with their form of election, they will not be able to sell those shares unless they revoke their election prior to the election deadline. UGC stockholders may submit a form of election to the exchange agent at any time after the mailing of the joint proxy statement/prospectus and prior to the election deadline. To be valid, an election must be accompanied by the UGC shares as to which the election has been made. Once the exchange agent is in receipt of the UGC shares, they will not be available for settlement purposes in a trade unless and until the person who submitted the election and the shares revokes the election, prior to the election deadline, by written notice to the exchange agent.

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Liberty Global may fail to realize the anticipated benefits of the mergers. The success of the mergers will depend in part on the ability of Liberty Global to realize the anticipated synergies and growth opportunities from combining the two companies. In addition, the market may not quickly, if ever, eliminate or reduce the holding company discount that we believe has suppressed the historical trading price of LMI common stock. Any failure to realize the anticipated benefits of the mergers may adversely affect the stock price of Liberty Global.

Significant transaction costs will be incurred as a result of the mergers. LMI and UGC expect to incur significant one-time transaction costs, currently estimated to be approximately $22 million, related to the mergers. These transaction costs include investment banking, legal and accounting fees and expenses of approximately $13.8 million and SEC filing fees, printing expenses, mailing expenses and other related charges of approximately $6.5 million. LMI and UGC may also incur additional unanticipated transaction costs in connection with the mergers. A portion of the transaction costs related to the mergers, estimated to be approximately $18 million, will be incurred regardless of whether the mergers are completed. LMI and UGC will each pay its own transaction costs incurred, except that they will share equally all costs associated with printing and mailing this joint proxy statement/prospectus.

We are parties to pending class action lawsuits relating to the UGC merger. We are parties to twenty-two lawsuits filed by third parties seeking monetary damages or injunctive relief, or both, in connection with the UGC merger. Predicting the outcome of these lawsuits is difficult; and an adverse judgment for monetary damages could have a material adverse effect on the operations of Liberty Global after the mergers, a preliminary injunction could delay or jeopardize the completion of the mergers and an adverse judgment granting injunctive relief could permanently enjoin the consummation of the mergers.

LMI s potential indemnity liability to Liberty if the spin off is treated as a taxable transaction as a result of the mergers could materially adversely affect Liberty Global s prospects and financial condition. LMI entered into a tax sharing agreement with Liberty in connection with its spin off from Liberty on June 7, 2004. In the tax sharing agreement, LMI agreed to indemnify Liberty and its subsidiaries, officers and directors for any loss, including any adjustment to taxes of Liberty, resulting from (1) any action or failure to act by LMI or any of LMI s subsidiaries following the completion of the spin off that would be inconsistent with or prohibit the spin off from qualifying as a tax-free transaction to Liberty and to Liberty s stockholders under Section 355 of the Code or (2) any breach of any representation or covenant given by LMI or one of LMI s subsidiaries in connection with any tax opinion delivered to Liberty relating to the qualification of the spin off as a tax-free distribution described in Section 355 of the Code. LMI s indemnification obligations to Liberty and its subsidiaries, officers and directors are not limited in amount or subject to any cap. If LMI is required to indemnify Liberty and its subsidiaries, officers and directors under the circumstances set forth in the tax sharing agreement, LMI may be subject to substantial liabilities. For more information about the tax sharing agreement, see Appendix A: Information Concerning Liberty Media International, Inc. Part 2: Certain Relationships and Related Party Transactions Agreements Between LMI and Liberty Tax Sharing Agreement.

It is a non-waivable condition to the mergers that LMI and Liberty Global shall have received the opinion of Skadden, Arps, Slate, Meagher & Flom LLP or another nationally recognized law firm reasonably acceptable to UGC (acting with the approval of the Special Committee), dated the closing date of the mergers, to the effect that, for U.S. federal income tax purposes, provided that the spin off would otherwise have qualified as a tax-free distribution under Section 355 of the Code to Liberty and the Liberty stockholders, the mergers should not cause the spin off to fail to qualify as a tax-free distribution to Liberty under Section 355(e) of the Code. In rendering such opinion, Skadden, Arps, Slate, Meagher & Flom LLP or such other alternate firm may rely upon factual representations and covenants, including those contained in certificates of officers of LMI, Liberty Global and UGC, and customary factual assumptions. Any inaccuracy in the representations, covenants and assumptions upon which such tax opinion is based could alter the conclusions reached in such opinion. Neither LMI nor Liberty Global have requested a ruling from the Internal Revenue Service as to the effect, if any, that the mergers would have on the spin off. Therefore, there can be no assurance that the Internal Revenue Service will agree with the conclusions in such opinion.

Factors Relating to Overseas Operations and Regulations

The businesses of LMI and UGC are, and the businesses of Liberty Global will be, conducted almost exclusively outside of the United States, which gives rise to numerous operational risks. The businesses of LMI and UGC are, and the businesses of Liberty Global will be, operated almost exclusively in countries other than the United States and are thereby subject to the following inherent risks:

- longer payment cycles by customers in foreign countries that may increase the uncertainty associated with recoverable accounts;

- difficulties in staffing and managing international operations;
- economic instability;
- potentially adverse tax consequences;
- export and import restrictions, tariffs and other trade barriers;
- increases in taxes and governmental royalties and fees;
- involuntary renegotiation of contracts with foreign governments;
- changes in foreign and domestic laws and policies that govern operations of foreign-based companies; and
- disruptions of services or loss of property or equipment that are critical to overseas businesses due to expropriation, nationalization, war, insurrection, terrorism or general social or political unrest.

LMI and UGC are, and Liberty Global is expected to be, exposed to potentially volatile fluctuations of the U.S. dollar (their functional currency) against the currencies of their operating subsidiaries and affiliates. Any increase (decrease) in the value of the U.S. dollar against any foreign currency that is the functional currency of an operating subsidiary or affiliate of LMI or UGC, and, following the mergers, Liberty Global, will cause the parent company to experience unrealized foreign currency translation losses (gains) with respect to amounts already invested in such foreign currencies. In addition, LMI, UGC and their operating subsidiaries and affiliates are, and Liberty Global and its operating subsidiaries and affiliates are expected to be, exposed to foreign currency risk to the extent that they enter into transactions denominated in currencies other than their respective functional currencies, such as investments in debt and equity securities of foreign subsidiaries, equipment purchases, programming costs, notes payable and notes receivable (including intercompany amounts) that are denominated in a currency other than their own functional currency. Changes in exchange rates with respect to these items will result in unrealized (based upon period-end exchange rates) or realized foreign currency transaction gains and losses upon settlement of the transactions. In addition, LMI and UGC are, and Liberty Global is expected to be, exposed to foreign exchange rate fluctuations related to operating subsidiaries monetary assets and liabilities and the financial results of foreign subsidiaries and affiliates when their respective financial statements are translated into U.S. dollars for inclusion in their consolidated financial statements. Cumulative translation adjustments are recorded in accumulated other comprehensive income (loss) as a separate component of equity. As a result of foreign currency risk, LMI, UGC and, following the mergers, Liberty Global may experience economic loss and a negative impact on earnings and equity with respect to their holdings solely as a result of foreign currency exchange rate fluctuations. The primary exposure to foreign currency risk for LMI and UGC is, and for Liberty Global is expected to be, to the euro due to the percentage of the U.S. dollar revenue of LMI and UGC that is derived, and following the mergers is expected to be derived by Liberty Global, from countries where the euro is the functional currency. In addition, the operating results and financial condition of LMI and UGC are, and of Liberty Global following the mergers are expected to be, significantly impacted by changes in the exchange rates for the Japanese yen, Chilean peso and, to a lesser degree, other local currencies in Europe. In the past, LMI and UGC generally have not, and Liberty Global following the mergers is not expected to, enter into derivative transactions that are designed to reduce their long-term exposure to foreign currency exchange risk.

The businesses of LMI and UGC are, and the businesses of Liberty Global will be, subject to risks of adverse regulation by foreign governments. The businesses of LMI and UGC are, and the businesses of Liberty Global will be, subject to the unique regulatory regimes of the countries in which they operate. Cable and telecommunications businesses are subject to licensing eligibility rules and regulations, which vary by country. The provision of telephony services requires licensing from, or registration with, the appropriate regulatory authorities and entrance into interconnection arrangements with the incumbent phone companies. It is possible that countries in which LMI, UGC and, following the mergers, Liberty Global operate may adopt laws and regulations regarding electronic commerce which could dampen the growth of the Internet access services being offered and developed by these businesses. Programming businesses are subject to regulation on a country by country basis, including programming content requirements, requirements to carry specified programming, service quality standards, price controls and ownership restrictions. Consequently, such businesses must adapt their ownership and organizational structure as well as their services to satisfy the rules and regulations to which they are subject. A failure to comply with these rules and regulations could result in penalties, restrictions on such business or loss of required licenses.

Businesses that offer multiple services, such as video distribution as well as Internet access and telephony, or both video distribution and programming content, are facing increased regulatory review from competition authorities in several countries in which LMI and UGC operate, and, following the mergers, Liberty Global will operate, with respect to their businesses and proposed business combinations. For example, the European Union and the regulatory authorities in several countries in which LMI and UGC do business, and in which Liberty Global will do business, are considering what access rights, if any, should be afforded to third parties for use of existing cable television networks. If third parties were to be granted access to the distribution infrastructure of LMI and UGC, and, following the mergers, Liberty Global, for the delivery of video, audio, Internet or other services, those providers could compete with services similar to those which the businesses of LMI and UGC offer, and, following the mergers, Liberty Global will offer, which could lead to significant price competition and loss of market share.

LMI, UGC and, following the mergers, Liberty Global may determine to acquire additional communications companies. These acquisitions may require the approval of governmental authorities, which can block, impose conditions on or delay an acquisition.

LMI, UGC and, following the mergers, Liberty Global cannot be certain that they will be successful in acquiring new businesses or integrating acquired businesses with their existing operations. Historically, the businesses of LMI and UGC have grown, in part, through selective acquisitions that enabled them to take advantage of existing networks, local service offerings and region-specific management expertise. LMI, UGC and, following the mergers, Liberty Global may seek to continue growing their businesses through acquisitions in selected markets. Their ability to acquire new businesses may be limited by many factors, including debt covenants, availability of financing, the prevalence of complex ownership structures among potential targets and government regulation. Even if they were successful in acquiring new businesses, the integration of new businesses may present significant challenges, including: realizing economies of scale in interconnection, programming and network operations; eliminating duplicative overheads; and integrating networks, financial systems and operational systems. We cannot assure you that LMI, UGC and, following the mergers, Liberty Global will be successful in acquiring new businesses or realizing the anticipated benefits of any completed acquisition.

In addition, we anticipate that most, if not all, companies acquired by LMI, UGC or, following the mergers, Liberty Global will be located outside the United States. Foreign companies may not have disclosure controls and procedures or internal controls over financial reporting that are as thorough or effective as those required by U.S. securities laws. While LMI, UGC and, following the mergers, Liberty Global intend to conduct appropriate due diligence and to implement appropriate controls and procedures as they integrate acquired companies, they may not be able to certify as to the effectiveness of these companies disclosure controls and procedures or internal controls over financial reporting until they have fully integrated them.

LMI and UGC are, and Liberty Global will be, subject to the risk of revocation or loss of their telecommunications and media licenses. In certain operating regions, the services provided by the businesses of LMI, UGC and, following the mergers, Liberty Global require receipt of a license from the appropriate national, provincial and/or local regulatory authority. In those regions, regulatory authorities may have significant discretion in granting licenses, including the term of the licenses, and are often under no obligation to renew them when they expire. The breach of a license or applicable law, even if inadvertent, can result in the revocation, suspension, cancellation or reduction in the term of a license or the imposition of fines. In addition, regulatory authorities may grant new licenses to third parties, resulting in greater competition in territories where the businesses of LMI, UGC and, following the mergers, Liberty Global may already be licensed. In order to promote competition, licenses may also require that third parties be granted access to the bandwidth, frequency capacity, facilities or services of LMI, UGC and, following the mergers, Liberty Global. There can be no assurance that LMI or UGC or, following the mergers, Liberty Global will be able to obtain or retain any required license, or that any renewal of a required license will not be on less favorable terms.

LMI, UGC and, following the mergers, Liberty Global may have to pay U.S. taxes on earnings of certain of their foreign subsidiaries regardless of whether such earnings are actually distributed to them, and they may be limited in claiming foreign tax credits; since substantially all of their revenue is generated through their foreign investments, these tax risks could have a material adverse impact on their effective income tax rate, financial condition and liquidity. Certain foreign corporations in which LMI and UGC have, and in which Liberty Global will have, interests particularly those in which they have or will have controlling interests, are considered to be controlled foreign corporations under U.S. tax law. In general, their pro rata share of certain income earned by their subsidiaries that are controlled foreign corporations during a taxable year when such subsidiaries have current or accumulated earnings and profits will be included in their income when the income is earned, regardless of whether the income is distributed to them. This income, typically referred to as Subpart F income, generally includes, but is not limited to, such items as interest, dividends, royalties, gains from the disposition of certain property, certain currency exchange gains in excess of currency exchange losses, and certain related party sales and services income. In addition, a U.S. stockholder of a controlled foreign corporation may be required to include in income its pro rata share of the controlled foreign corporation s increase for the year in current or accumulated earnings and profits (other than Subpart F income) invested in U.S. property, regardless of whether the U.S. stockholder received any actual cash distributions from the controlled foreign corporation. Since LMI and UGC are investors in, and Liberty Global will be an investor in, foreign corporations, they could have significant amounts of Subpart F income. Although they intend to take reasonable tax planning measures to limit their tax exposure, we cannot assure you that they will be able to do so or that any of such measures will not be challenged.

In general, a U.S. corporation may claim a foreign tax credit against its U.S. federal income taxes for foreign income taxes paid or accrued. A U.S. corporation may also claim a credit for foreign income taxes paid or accrued on the earnings of certain foreign corporations paid to the U.S. corporation as a dividend. The ability of LMI, UGC and, following the mergers, Liberty Global to claim a foreign tax credit for dividends received from their foreign subsidiaries is subject to various limitations. Some of their businesses are located in countries with which the United States does not have income tax treaties. Because LMI and UGC lack, and Liberty Global will lack, treaty protection in these countries, they may be subject to high rates of withholding taxes on distributions and other payments from their businesses and may be subject to double taxation on their income. Limitations on the ability of LMI, UGC and, following the mergers, Liberty Global to claim a foreign tax credit, their lack of treaty protection in some countries, and their inability to offset losses in one foreign jurisdiction against income earned in another foreign jurisdiction could result in a high effective U.S. federal income tax rate on their earnings. Since substantially all of their revenue is generated abroad, including in jurisdictions that do not have tax treaties with the United States, these risks are proportionately greater for them than for companies that generate most of their revenue in the United States or in jurisdictions that have such treaties.

Factors Relating to Technology and Competition

Changes in technology may limit the competitiveness of and demand for our services, which may adversely impact the business and stock value of LMI, UGC, and following the mergers, Liberty Global. Technology in the video, telecommunications and data services industries is changing rapidly. This significantly influences the demand for the products and services that are offered by the businesses of LMI, UGC and, following the mergers, Liberty Global. The ability to anticipate changes in technology and consumer tastes and to develop and introduce new and enhanced products on a timely basis will affect the ability of LMI, UGC, and, following the mergers, Liberty Global to continue to grow, increase their revenue and number of subscribers and remain competitive. New products, once marketed, may not meet consumer expectations or demand, can be subject to delays in development and may fail to operate as intended. A lack of market acceptance of new products and services which LMI, UGC and, following the mergers, Liberty Global may offer, or the development of significant competitive products or services by others, could have a material adverse impact on the revenue, growth and stock price of LMI, UGC and, following the mergers, Liberty Global. Alternatively, if consumer demand for new services in a specific country or region exceeds our expectations, meeting that demand could overburden our infrastructure, which could result in service interruptions and a loss of customers.

LMI and UGC operate, and, following the mergers, Liberty Global will operate, in increasingly competitive markets, and there is a risk that LMI, UGC and, following the mergers, Liberty Global will not be able to effectively compete with other service providers. The markets for cable television, high-speed Internet access and telecommunications in many of the regions in which LMI and UGC operate, and Liberty Global will operate, are highly competitive and highly fragmented. In the provision of video services, LMI and UGC face, and Liberty Global will face, competition from other cable television service providers, direct-to-home satellite service providers, digital terrestrial television broadcasters and video over asymmetric digital subscriber line providers, among others. Their operating businesses in The Netherlands, France and Japan are facing increasing competition from video services provided by or over the networks of incumbent telecommunications operators. In the provision of telephone services, LMI and UGC face, and Liberty Global will face, competition from the incumbent telecommunications operators in each country in which they operate. These operators have substantially more experience in providing telephone services and have greater resources to devote to the provision of telephone services. In addition, in many countries, LMI and UGC face, and Liberty Global will face, competition from wireless telephone providers, facilities-based and resale telephone operators, voice over Internet protocol providers and other providers. In the provision of Internet access services and online content, LMI and UGC face, and Liberty Global will face, competition from incumbent telecommunications companies and other telecommunications operators, other cable-based Internet service providers, non-cable based Internet service providers, Internet portals and satellite, microwave and other wireless providers. The

Internet services offered by these competitors include both traditional dial-up access services and high-speed access services. Digital subscriber line is a technology that provides high-speed Internet access over traditional telephone lines. Both incumbent and alternative providers offer digital subscriber line services. We expect digital subscriber line to be an increasingly strong competitor in the provision of Internet services.

The market for programming services is also highly competitive. Programming businesses compete with other programmers for distribution on a limited number of channels. Once distribution is obtained, program offerings must then compete for viewers and advertisers with other programming services as well as with other entertainment media, such as home video, online activities and movies.

We expect the level and intensity of competition to increase in the future from both existing competitors and new market entrants as a result of changes in the regulatory framework of the industries in which LMI and UGC operate, and in which Liberty Global will operate, the influx of new market entrants and strategic alliances and cooperative relationships among industry participants. Increased competition may result in increased customer churn, reduce the rate of customer acquisition and lead to significant price competition, in each case resulting in decreases in cash flows, operating margins and profitability. The inability to compete effectively may result in the loss of subscribers, and revenue and the stock price of LMI and UGC, and, following the mergers, Liberty Global, may suffer.

LMI, UGC and, following the mergers, Liberty Global may not be able to obtain attractive programming for their digital video services, thereby lowering demand for their services. LMI and UGC rely, and, following the mergers, Liberty Global will rely, on programming suppliers for the bulk of their programming content. They may not be able to obtain sufficient high-quality programming for their digital video services on satisfactory terms or at all in order to offer compelling digital video services. This may reduce demand for their services, thereby lowering their future revenue. It may also limit their ability to migrate customers from lower tier programming to higher tier programming, thereby inhibiting their ability to execute their business plans. Furthermore, LMI, UGC and, following the mergers, Liberty Global may not be able to obtain attractive country-specific programming for video services. This could further lower revenue and profitability. In addition, must-carry requirements may consume channel capacity otherwise available for other services.

Some of the operating businesses of LMI, UGC and, following the mergers, Liberty Global depend upon third parties for the distribution of their products and services. In certain operating regions, the businesses of LMI, UGC and, following the mergers, Liberty Global require access to utility poles, roadside conduits and leased fiber that interconnect their headends and/or connect their headends to telecommunications facilities of third parties. This infrastructure is, in some cases, owned by regional utility companies or other third party administrators, and access to the infrastructure is licensed to the businesses of LMI, UGC and, following the mergers, Liberty Global. In other operating regions, the transmission of cable programming content to regional headend facilities is accomplished via communications satellites owned by third parties, who, in some cases, are competitors. We cannot assure you that the businesses of LMI, UGC and, following the mergers, Liberty Global will be able to renew any existing access agreements with these third parties or enter into new agreements for additional access rights, which may be necessary for the expansion of their businesses in these regions. Any cancellation, delay or interruption in these access rights would disrupt the delivery of the products and services of LMI, UGC and, following the mergers, Liberty Global to customers in the affected regions. In addition, the failure to obtain additional access rights from such third parties could preclude expansionary efforts in these operating regions. We also cannot assure you that any alternative distribution means will be available in these regions, on reasonable terms or at all.

Following the mergers, Liberty Global and Liberty may compete for business opportunities. LMI s former parent company, Liberty, has interests in various U.S. programming companies that have subsidiaries or controlled affiliates that own or operate foreign programming services that may compete with the programming services to be offered by Liberty Global s businesses. In addition, Liberty may seek to expand its foreign programming services to capitalize on the significant growth potential presented by the international cable market. As a result of these expansionary efforts, Liberty Global s programming services may find themselves in direct competition with those of Liberty. Liberty Global has no rights in respect of international programming opportunities developed by or presented to the subsidiaries or controlled affiliates of Liberty s U.S. programming companies and the pursuit of these opportunities by such subsidiaries or affiliates may adversely affect the interests of Liberty Global and its stockholders. Since Liberty Global will have overlapping directors with Liberty, the pursuit of these opportunities could create, or appear to create, potential conflicts of interest. See Management of Liberty Global.

Factors Relating to Certain Financial Matters

The liquidity and value of the interests of LMI, UGC and, following the mergers, Liberty Global in their subsidiaries and affiliates may be adversely affected by stockholder agreements and similar agreements to which they are a party. LMI and UGC own, and Liberty Global will own, equity interests in a variety of international broadband distribution and video programming businesses. Certain of these equity interests are, or will be, held pursuant to stockholder agreements, partnership agreements and other instruments and agreements that contain provisions that affect the liquidity, and therefore the realizable value, of those interests. Most of these agreements subject, or will subject, the transfer of such equity interests to consent rights or rights of first refusal of the other stockholders or partners. In certain cases, a change in control of the company or the subsidiary holding the equity interest will give rise to rights or remedies exercisable by other stockholders or partners. Some of the subsidiaries and affiliates of LMI and UGC and, following the mergers, Liberty Global are parties to loan agreements that restrict changes in ownership of the borrower without the consent of the lenders. All of these provisions will restrict the ability to sell those equity interests and may adversely affect the prices at which those interests may be sold.

LMI and UGC do not, and Liberty Global will not, have the right to manage the businesses or affairs of any of the companies in which they hold less than a majority voting interest. Rather, such rights may take the form of representation on the board of directors or a partners or similar committee that supervises management or possession of veto rights over significant or extraordinary actions. The scope of veto rights varies from agreement to agreement. Although board representation and veto rights may enable LMI, UGC and, following the mergers, Liberty Global to exercise influence over the management or policies of an affiliate, they do not enable LMI, UGC or, following the mergers, Liberty Global to cause those affiliates to take actions, such as paying dividends or making distributions to their stockholders or partners.

Following the mergers, Liberty Global may not report operating income or net earnings. Each of UGC and LMI has a history of reporting operating and net losses. UGC s net earnings (losses) from continuing operations amounted to $(356.3 million) (as restated see note 27 to the consolidated financial statements of UGC, incorporated by reference herein), $1,955.4 million and $988.3 million for the years ended December 31, 2004, 2003 and 2002, respectively. Although UGC had net earnings in 2003 and 2002, the net earnings were primarily attributable to gains on debt extinguishment of $2.1 billion and $2.2 billion, respectively. During the same periods, LMI s net earnings (losses) from continuing operations amounted to $(18.1 million) (as restated see note 23 to the consolidated financial statements of LMI, included elsewhere herein), $20.9 million and $(329.9 million) for the years ended December 31, 2004, 2003 and 2002, respectively. In light of the historical financial performance of UGC and LMI, we cannot assure you that Liberty Global will report operating income or net earnings in the near future or at all.

If LMI, UGC or, following the mergers, Liberty Global fails to meet required capital calls to a company in which it holds interests, its interests in that company could be diluted or it could forfeit important rights. LMI and UGC are parties to, and, following the mergers, Liberty Global may be a party to, stockholder and partnership agreements that provide for possible capital calls on stockholders and partners. Failure to meet a capital call, or other commitment to provide capital or loans to a particular company in which LMI, UGC or, following the mergers, Liberty Global holds interests may have adverse consequences to LMI, UGC or, following the mergers, Liberty Global. These consequences may include, among others, the dilution of equity interest in that company, the forfeiture of the right to vote or exercise other rights or, in some instances, a breach of contract action for damages against LMI, UGC or, following the mergers, Liberty Global. The ability to meet capital calls or other capital or loan commitments is subject to the ability to access cash. See LMI, UGC and Liberty Global may not freely access the cash of their operating companies. below.

LMI, UGC and Liberty Global may not freely access the cash of their operating companies. The operations of LMI and UGC are, and, following the mergers, Liberty Global will be, conducted through their respective subsidiaries. The potential sources of cash of LMI and UGC, and, following the mergers, Liberty Global will include their available cash balances, net cash from the operating activities of their subsidiaries, dividends and interest from their investments, availability under credit facilities and proceeds from asset sales. The ability of their operating subsidiaries to pay dividends or to make other payments or advances to them depends on their individual operating results and any statutory, regulatory or contractual restrictions to which they may be or may become subject. Some of LMI s and UGC s operating subsidiaries are, and, following the mergers, Liberty Global s operating subsidiaries will be, subject to loan agreements or bank facilities that restrict sales of assets and prohibit or limit the payment of dividends or the making of distributions, loans or advances to stockholders and partners, including LMI, UGC and, following the mergers, Liberty Global. In addition, because these subsidiaries are separate and distinct legal entities they have no obligation to provide LMI, UGC or, following the mergers, Liberty Global with funds for payment obligations, whether by dividends, distributions, loans or other payments. With respect to those companies in which LMI, UGC or, following the mergers, Liberty Global have less than a majority voting interest, LMI and UGC do not have, and, following the mergers, Liberty Global will not have, sufficient voting control to cause those companies to pay dividends or make other payments or advances to any of their partners or stockholders, including LMI, UGC or, following the mergers, Liberty Global.

If, following the mergers, Liberty Global is unable to satisfy completely the regulatory requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or Liberty Global s internal control over financial reporting is not effective, the reliability of Liberty Global s financial statements may be questioned and Liberty Global s stock price may suffer.

Section 404 of the Sarbanes-Oxley Act of 2002 requires companies to do a comprehensive evaluation of their internal control over financial reporting. To comply with this statute, Liberty Global will be required to document and test its internal control procedures; Liberty Global s management will be required to assess and issue a report concerning

Liberty Global s internal control over financial reporting; and Liberty Global s independent auditors will be required to issue an opinion on management s assessment of those matters. Liberty Global s compliance with Section 404 of the Sarbanes-Oxley Act will first be tested in connection with the filing of its Annual Report on Form 10-K for the year ending December 31, 2005. The rules governing the standards that must be met for management to assess Liberty Global s internal control over financial reporting are new and complex and require significant documentation, testing and possible remediation to meet the detailed standards under the rules. During the course of its testing, Liberty Global s management may identify material weaknesses or deficiencies which may not be remedied in time to meet the deadline imposed by the Sarbanes-Oxley Act. If, following the mergers, Liberty Global s management cannot favorably assess the effectiveness of Liberty Global s internal control over financial reporting or Liberty Global s auditors identify material weaknesses in those controls, investor confidence in Liberty Global s financial results may weaken, and Liberty Global s stock price may suffer.

On April 25, 2005, the audit committee of UGC determined to restate the financial statements of UGC as of and for the year ended December 31, 2004, to correct an error in the accounting for UGC s 500,000,000 aggregate principal amount of $1^3/4$% convertible senior notes due April 15, 2024. As a result, LMI restated its financial statements for the same period. As a result of UGC s need to restate its financial statements, UGC concluded that it had a material weakness in its internal controls over financial reporting.

Certain subsidiaries of LMI and UGC are, and certain subsidiaries of Liberty Global will be, subject to various debt instruments that contain restrictions on how they finance their operations and operate their businesses, which could impede their ability to engage in beneficial transactions. Certain subsidiaries of LMI and UGC are, and certain subsidiaries of Liberty Global will be, subject to significant financial and operating restrictions contained in outstanding credit agreements, indentures and similar instruments of indebtedness. These restrictions will affect, and in some cases significantly limit or prohibit, among other things, the ability of those subsidiaries to:

- borrow more funds;
- pay dividends or make other upstream distributions;
- make investments;
- engage in transactions with us or other affiliates; or
- create liens on their assets.

As a result of restrictions contained in these credit facilities, the companies party thereto, and their subsidiaries, could be unable to obtain additional capital in the future to:

- fund capital expenditures or acquisitions that could improve their value;
- meet their loan and capital commitments to their business affiliates;
- invest in companies in which they would otherwise invest;
- fund any operating losses or future development of their business affiliates;
- obtain lower borrowing costs that are available from secured lenders or engage in advantageous transactions that monetize their assets; or
- conduct other necessary or prudent corporate activities.

LMI and UGC are, and Liberty Global will be, typically prohibited from or significantly restricted in accessing the net cash of their subsidiaries that have outstanding credit facilities.

In addition, some of the credit agreements to which these subsidiaries are parties require them to maintain financial ratios, including ratios of total debt to operating cash flow and operating cash flow to interest expense. Their ability to meet these financial ratios and tests may be affected by events beyond their control, and we cannot assure you that they will be met. In the event of a default under such subsidiaries credit agreements or indentures, the lenders may accelerate the maturity of the indebtedness under those agreements or indentures, which could result in a default under other outstanding credit facilities of these subsidiaries. We cannot assure you that any of these subsidiaries will have sufficient assets to pay indebtedness outstanding under their credit agreements and indentures. Any refinancing of this indebtedness is likely to contain similar restrictive covenants.

Factors Relating to Governance Matters

John C. Malone will have significant influence over corporate matters considered by Liberty Global and its stockholders. Following the mergers, John C. Malone is expected to beneficially own shares of Liberty Global common stock representing approximately 23.1% of the aggregate voting power of Liberty Global (based upon his beneficial ownership interests in LMI and UGC, respectively, as of March 31, 2005, and assuming no cash elections are made by the UGC stockholders). By virtue of Mr. Malone s voting power in Liberty Global as well as his position as Liberty Global s Chairman of the Board, Mr. Malone will have significant influence over the outcome of any corporate transaction or other matters submitted to Liberty Global stockholders for approval, including the election of directors, mergers, consolidations and the sale of all or substantially all of Liberty Global s assets. Mr. Malone s rights to vote or dispose of his equity interests in Liberty Global will not be subject to any restrictions in favor of Liberty Global other than as may be required by applicable law and except for customary transfer restrictions pursuant to incentive award agreements.

It may be difficult for a third party to acquire Liberty Global, even if doing so may be beneficial to Liberty Global stockholders. Certain provisions of Liberty Global s restated certificate of incorporation and bylaws may discourage, delay or prevent a change in control of Liberty Global that a stockholder may consider favorable. These provisions include the following:

authorizing a capital structure with multiple series of common stock: a Series B that entitles the holders to ten votes per share; a Series A that entitles the holders to one vote per share; and a Series C that, except as otherwise required by applicable law, entitles the holder to no voting rights;

authorizing the issuance of blank check preferred stock, which could be issued by its board of directors to increase the number of outstanding shares and thwart a takeover attempt;

classifying its board of directors with staggered three-year terms, which may lengthen the time required to gain control of its board of directors;

limiting who may call special meetings of stockholders;

prohibiting stockholder action by written consent, thereby requiring all stockholder actions to be taken at a meeting of the stockholders;

establishing advance notice requirements for nominations of candidates for election to its board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings;

requiring stockholder approval by holders of at least 80% of its voting power or the approval by at least 75% of its board of directors with respect to certain extraordinary matters, such as a merger or consolidation of Liberty Global, a sale of all or substantially all of its assets or an amendment to its restated certificate of incorporation or bylaws; and

the existence of authorized and unissued stock which would allow its board of directors to issue shares to persons friendly to current management, thereby protecting the continuity of its management, or which could be used to dilute the stock ownership of persons seeking to obtain control of Liberty Global.

Liberty Global s incentive plan may also discourage, delay or prevent a change in control of Liberty Global even if such change of control would be in the best interests of Liberty Global stockholders. For information regarding the relative rights of the holders of LMI common stock, UGC common stock and Liberty Global common stock, see Comparison of the Rights of Stockholders of LMI, UGC and Liberty Global.

Holders of any single series of Liberty Global common stock may not have any remedies if any action by Liberty Global s directors or officers has an adverse effect on only that series of Liberty Global common stock. Principles of Delaware law and the provisions of Liberty Global s restated certificate of incorporation may protect decisions of Liberty Global s board of directors that have a disparate impact upon holders of any single series of Liberty Global common stock. Under Delaware law, Liberty Global s board of directors has a duty to act with due care and in the best interests of all Liberty Global stockholders, including the holders of all series of Liberty Global common stock. Principles of Delaware law established in cases involving differing treatment of multiple classes or series of stock provide that a board of directors owes an equal duty to all common stockholders regardless of class or series and does not have separate or additional duties to any group of stockholders. As a result, in some circumstances, Liberty Global s directors may be required to make a decision that is adverse to the holders of one series of Liberty Global common stock. Under the principles of Delaware law referred to above, if you are a holder of a disadvantaged series of Liberty Global common stock, you may not be able to challenge such a decision if Liberty Global s board of directors is disinterested and adequately informed with respect to its decision and acts in good faith and in the honest belief that it is acting in the best interests of all of its stockholders.

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INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement/ prospectus includes certain forward-looking statements regarding market potential, future financial performance and other matters. These statements may be made directly in this joint proxy statement/ prospectus or they may be made a part of this joint proxy statement/ prospectus by appearing in other documents filed with the Securities and Exchange Commission and incorporated by reference in this joint proxy statement/ prospectus. These statements may include statements regarding the period following completion of the mergers.

In some cases, you can identify these statements by our use of forward-looking words such as may, will, should, anticipate, estimate, expect, plan, believe, predict, potential, intend and other terms of similar substance connection with any discussion of the mergers or the future operations or financial performance of LMI, UGC or Liberty Global. You should be aware that these statements and any other forward-looking statements in these documents only reflect our expectations and are not guarantees of performance. These statements involve risks, uncertainties and assumptions. Many of these risks, uncertainties and assumptions are beyond the control of LMI, UGC and Liberty Global, and may cause actual results and performance to differ materially from our expectations.

In addition to the risks and uncertainties set forth under the heading Risk Factors on page 59 of this joint proxy statement/ prospectus, important factors that could cause our actual results to be materially different from our expectations include, among others:

- economic and business conditions and industry trends in the countries in which we operate;
- currency exchange risks;
- consumer disposable income and spending levels, including the availability and amount of individual consumer debt;
- consumer acceptance of existing service offerings, including our newer digital video, voice and Internet access services;
- consumer acceptance of new technology, programming alternatives and broadband services that we may offer;
- our ability to manage rapid technological changes, and grow our digital video, voice and Internet access services;
- the regulatory and competitive environment in the broadband communications and programming industries in the countries in which we, and the entities in which we have interests, operate;
- continued consolidation of the foreign broadband distribution industry;
- uncertainties inherent in the development and integration of new business lines and business strategies;
- the expanded deployment of personal video recorders and the impact on television advertising revenue;
- capital spending for the acquisition and/or development of telecommunications networks and services;
- uncertainties associated with product and service development and market acceptance, including the development and provision of programming for new television and telecommunications technologies;
- future financial performance, including availability, terms and deployment of capital;
- the ability of suppliers and vendors to timely deliver products, equipment, software and services;

the outcome of any pending or threatened litigation;

availability of qualified personnel;

changes in, or failure or inability to comply with, government regulations in the countries in which we operate and adverse outcomes from regulatory proceedings;

government intervention which opens our broadband distribution networks to competitors;

our ability to successfully negotiate rate increases with local authorities;

changes in the nature of key strategic relationships with partners and joint venturers;

uncertainties associated with our ability to comply with the internal control requirements of the Sarbanes-Oxley Act of 2002;

competitor responses to our products and services, and the products and services of the entities in which we have interests;

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- spending on foreign television advertising; and
- threatened terrorist attacks and ongoing military action in the Middle East and other parts of the world.

You should be aware that the video, voice and Internet access services industries are changing rapidly, and, therefore, the forward-looking statements and statements of expectations, plans and intent herein are subject to a greater degree of risk than similar statements regarding certain other industries.

We caution you not to place undue reliance on the forward-looking statements contained or incorporated by reference in this joint proxy statement/ prospectus. These forward-looking statements speak only as of the date on which the statements were made. Except as may be required by law, none of LMI, UGC or Liberty Global has any obligation to update or alter these forward-looking statements, whether as a result of new information, future events or otherwise.

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THE COMPANIES

Liberty Media International, Inc.

LMI, through its subsidiaries and affiliates, provides broadband distribution services and video programming services to subscribers in Europe, Japan, Latin America and Australia. LMI s broadband distribution services consist primarily of cable television distribution, Internet access, telephony, and, in selected markets, direct-to-home satellite distribution. LMI s broadband distribution services include those of UGC, which is a controlled subsidiary of LMI. LMI s programming networks create original programming and also distribute programming obtained from international and home-country content providers. LMI s principal assets include interests in UGC, LMI/ Sumisho Super Media, LLC, Jupiter Programming Co., Ltd. (JPC), Liberty Cablevision of Puerto Rico Ltd. and Pramer S.C.A. LMI is a Delaware corporation, formed on March 16, 2004, in connection with the proposed spin off of Liberty s International Group business segment. LMI s assets and businesses, including its controlling stake in UGC, consist largely of those which Liberty attributed to its International Group business segment prior to the spin off. On June 7, 2004, Liberty distributed to its stockholders, on a pro rata basis, all of the outstanding shares of LMI s common stock, and LMI became an independent, publicly traded company.

LMI s principal executive offices are located at 12300 Liberty Boulevard, Englewood, Colorado 80112. LMI s main telephone number is (720) 875-5800, and its company website is *www.libertymediainternational.com*.

Additional Information

For more information regarding LMI, please see Appendix A: Information Concerning Liberty Media International, Inc. to this joint proxy statement/ prospectus, including, without limitation:

Part 1: Description of Business;

Part 2: Certain Relationships and Related Party Transactions;

Part 3: Management s Discussion and Analysis of Financial Condition and Results of Operations and Quantitative and Qualitative Disclosures About Market Risk; and

Part 4: Historical Financial Statements of LMI and its Significant Affiliates and Acquirees;

which is incorporated herein in its entirety by this reference.

UnitedGlobalCom, Inc.

UGC is an international broadband communications provider of video, voice and broadband Internet access services with operations in 16 countries outside the United States. As of December 31, 2004, UGC s networks passed approximately 15.9 million homes and serve approximately 8.7 million video subscribers, 0.8 million voice subscribers and 1.4 million broadband Internet access subscribers. UGC Europe, Inc., UGC s largest consolidated operation, is a pan-European broadband communications company, providing video, high-speed Internet access and telephone services through its broadband networks in 13 European countries. UGC s primary Latin American operation, VTR GlobalCom S.A., provides video, high-speed Internet access and telephone services primarily to residential customers in Chile. UGC also has consolidated operations in Brazil and Peru; an approximate 19% interest in SBS Broadcasting S.A., a European commercial television and radio broadcasting company; an approximate 34% interest in Austar United Communications Ltd., a pay-TV provider in Australia; and an indirect investment in Telenet Group Holding N.V., a broadband communications provider in Belgium.

UGC is a Delaware corporation, formed on February 5, 2001 in connection with a substantial investment by Liberty. UGC s principal executive offices are located at 4643 South Ulster Street, Suite 1300, Denver, Colorado 80237. UGC s main telephone number is (303) 770-4001, and its company website is *www.unitedglobal.com*.

Additional Information

For more information regarding UGC, please see Additional Information Where You Can Find More Information.

Liberty Global, Inc.

Liberty Global, a wholly owned subsidiary of LMI, is a Delaware corporation, formed on January 13, 2005, for the purpose of effecting the mergers. Upon consummation of the mergers, Liberty Global will become the parent company

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of LMI and UGC. The businesses of Liberty Global will reflect the combination of the businesses currently conducted by each of LMI and UGC.

To date, Liberty Global has not conducted any activities other than those incident to its formation and the matters contemplated by the merger agreement, including the formation of each of LMI Merger Sub and UGC Merger Sub as wholly owned subsidiaries and the preparation of applicable filings under the securities laws.

Liberty Global s principal executive offices are located at 12300 Liberty Boulevard, Englewood, Colorado 80112. Liberty Global s main telephone number is (720) 875-5800. Following the mergers, Liberty Global s corporate website will be located at *www.lgi.com*.

Additional Information

For more information regarding the business of Liberty Global following the mergers, please see the description of LMI s business included in Appendix A: Information Concerning Liberty Media International, Inc. Part 1: Description of Business, which includes a description of UGC s business. In addition, please carefully read the information provided in this joint proxy statement/ prospectus, including the information provided under the heading Liberty Global Unaudited Condensed Pro Forma Combined Financial Statements.

Cheetah Acquisition Corp. (LMI Merger Sub)

LMI Merger Sub, a wholly owned subsidiary of Liberty Global, is a Delaware corporation, formed on January 13, 2005, for the purpose of effecting the merger with LMI. LMI Merger Sub has not conducted any activities other than those incident to its formation and the matters contemplated by the merger agreement, including the preparation of applicable filings under the securities laws.

LMI Merger Sub s principal executive offices are located at 12300 Liberty Boulevard, Englewood, Colorado 80112. LMI Merger Sub s main telephone number is (720) 875-5800.

Tiger Global Acquisition Corp. (UGC Merger Sub)

UGC Merger Sub, a wholly owned subsidiary of Liberty Global, is a Delaware corporation, formed on January 13, 2005, for the purpose of effecting the merger with UGC. UGC Merger Sub has not conducted any activities other than those incident to its formation and the matters contemplated by the merger agreement, including the preparation of applicable filings under the securities laws.

UGC Merger Sub s principal executive offices are located at 12300 Liberty Boulevard, Englewood, Colorado 80112. UGC Merger Sub s main telephone number is (720) 875-5800.

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THE STOCKHOLDERS MEETINGS AND PROXY SOLICITATIONS

	LMI Annual Meeting	UGC Special Meeting
Time, Place & Date	[ ], 2005 [ ] a.m., local time [ ] [ ] [ ], Colorado [ ] The LMI annual meeting may be adjourned or postponed to another date, time or place for proper purposes, including for the purpose of soliciting additional proxies.	[ ], 2005 [ ] a.m., local time [ ] [ ] [ ], Colorado [ ] The UGC special meeting may be adjourned or postponed to another date, time or place for proper purposes, including for the purpose of soliciting additional proxies.
Purposes	To consider and vote on the merger proposal; To consider and vote on the election of David E. Rapley and Larry E. Romrell as Class I directors pursuant to the LMI election of directors proposal; To consider and vote on the LMI incentive plan proposal; To consider and vote on the LMI auditors ratification proposal; and To transact other business as may properly be presented at the LMI annual meeting or any postponements or adjournments thereof. At the present time, LMI knows of no other matters that will be presented at the LMI annual meeting.	To consider and vote on the merger proposal; and To transact other business as may properly be presented at the UGC special meeting or any postponements or adjournments thereof. At the present time, UGC knows of no other matters that will be presented at the UGC special meeting.
Quorum	In order to carry on the business of the applicable stockholders meeting, a quorum of stockholders mu least a majority of the aggregate vo outstanding shares of LMI common sto case may be, must be represented at meeting, either in person or by prox quorum, your shares will be included even if you indicate on your proxy t addition, if a broker, who is a reco a	st be present. This means that at ting power represented by the ck or UGC common stock, as the the applicable stockholders y. For purposes of determining a as represented at the meeting hat you abstain from voting. In rd holder of shares, indicates on not have discretionary authority

	form of proxy that the broker does to vote those shares on any proposal, or if those shares are voted in circumstances in which proxy authority is defective or has been withheld with respect to any proposal, these shares (which we refer to as broker non-votes) will be treated as present for purposes of determining the presence of a quorum. See Voting Procedures for Shares Held in Street Name Effect of Broker Non-Votes below.	
Record Date	5:00 p.m., New York City time, on May 3, 2005	5:00 p.m., New York City time, on May 3, 2005

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	LMI Annual Meeting	UGC Special Meeting
Shares Entitled to Vote	Holders of LMI Series A common stock and LMI Series B common stock, as recorded in LMI s stock register on the record date for the LMI annual meeting, may vote at the LMI annual meeting or at any adjournment or postponement thereof.	Holders of UGC Class A common stock, UGC Class B common stock and UGC Class C common stock, as recorded in UGC s stock register on the record date for the UGC special meeting, may vote at the UGC special meeting or at any adjournment of postponement thereof.
Votes You Have	At the LMI annual meeting, holders of LMI Series A common stock will have one vote for each share of LMI Series A common stock that LMI s records show they owned as of 5:00 p.m., New York City time, on the record date for the LMI annual meeting. At the LMI annual meeting, holders of LMI Series B common stock will have ten votes for each share of LMI Series B common stock that LMI s records show they owned as of 5:00 p.m., New York City time, on the record date for the LMI annual meeting.	At the UGC special meeting, holders of UGC Class A common stock will have one vote for each share of UGC Class A common stock that UGC s records show they owned as of 5:00 p.m., New York City time, on the record date for the UGC special meeting. At the UGC special meeting, holders of UGC Class B common stock and holders of UGC Class C common stock will have ten votes for each share of UGC Class B common stock or UGC Class C common stock that UGC s records show they owned as of 5:00 p.m., New York City time, on the record date for the UGC special meeting.
Recommendation of the Board of Directors	*Merger Proposal.* LMI s board of directors has unanimously approved the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the LMI merger, are advisable, fair to, and in the best interests of, LMI and its stockholders. Accordingly, LMI s board of directors recommends that LMI stockholders vote FOR the merger proposal. *Annual Business Matter Proposals.* LMI s board of directors has also approved the annual business matter proposals and recommends that LMI	*Merger Proposal.* UGC s board of directors, based upon the recommendation of the Special Committee, has unanimously determined that the UGC merger, on the terms and conditions set forth in the merger agreement and voting agreement, is fair to, and in the best interests of, UGC and its stockholders. Accordingly, UGC s board of directors recommends that UGC stockholders vote FOR the merger proposal.

	stockholders vote FOR each of the annual business matter proposals.	
Votes Required	*Merger Proposal.* Approval of the merger proposal requires the affirmative vote of the holders of at least a majority of the aggregate voting power of the LMI Series A common stock and LMI Series B common stock outstanding as of the record date for	*Merger Proposal.* Approval of the merger proposal requires a vote of the holders of UGC common stock, with all classes voting together as a single class, that satisfies two criteria: *statutory approval:* the affirmative

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LMI Annual Meeting	UGC Special Meeting
the LMI annual meeting, voting together as a single class. A common stock and LMI Series B common stock outstanding as of the record date for the LMI annual meeting, voting together as a single class. Pursuant to a voting agreement entered into between John C. Malone, the Chairman of the Board, Chief Executive Officer and President of LMI, and UGC, Mr. Malone has agreed to vote the shares of LMI Series A common stock and LMI Series B common stock owned by him or which he has the right to vote (representing, as of March 31, 2005, approximately 26.5% of the aggregate voting power of LMI) FOR the approval of the merger proposal. See The Transaction Agreements Voting Agreement. The directors and executive officers of LMI (other than Mr. Malone), who together beneficially own shares of LMI common stock representing approximately 3.3% of LMI s aggregate voting power, as of March 31, 2005, have indicated to LMI that they intend to vote FOR the merger proposal at the LMI annual meeting. *Annual Business Matter Proposals.* A plurality of the affirmative votes of the shares of LMI Series A common stock and LMI Series B common stock outstanding on the record date, voting together as a single class, that are voted in person or by proxy at the annual meeting is required to elect Messrs. Rapley and Romrell as Class I members of LMI s board of directors	vote of the holders of at least a majority of the aggregate voting power of the shares of UGC Class A common stock, UGC Class B common stock and UGC Class C common stock outstanding as of the record date for the UGC special meeting; and *minority approval:* the affirmative vote of the holders of at least a majority of the aggregate voting power of the shares of UGC Class A common stock, UGC Class B common stock and UGC Class C common stock outstanding as of the record date for the UGC special meeting, exclusive of any shares beneficially owned by LMI, Liberty or any of their respective subsidiaries or any of the executive officers or directors of LMI, Liberty or UGC. LMI, which beneficially owns shares of UGC common stock representing approximately 91% of the aggregate voting power of UGC, as of March 31, 2005, has agreed to vote, and to cause its subsidiaries to vote, such shares in favor of the approval of the merger proposal. See The Transaction Agreements Merger Agreement. Accordingly, the statutory approval is assured. The directors and executive officers of UGC, who together beneficially own shares of UGC common stock representing less than 1% of UGC s aggregate voting power, as of March 31, 2005, have indicated to UGC that they intend to vote FOR the merger proposal at the UGC special meeting. The directors and executive officers of LMI (including Mr. Malone), who

pursuant to the LMI election of directors proposal. This means that the two nominees will be elected if they receive more affirmative votes than any other person.

Approval of each of the LMI incentive plan proposal and the LMI auditors ratification proposal requires the affirmative vote of the holders of at least a majority of the aggregate voting power of the shares of LMI Series A

together beneficially own shares of UGC common stock representing less than 1% of UGC s aggregate voting power, as of March 31, 2005, have indicated to UGC that they intend to vote FOR the merger proposal at the UGC special meeting.

The votes of LMI and its wholly

	LMI Annual Meeting	**UGC Special Meeting**
	common stock and LMI Series B common stock outstanding on the record date for the LMI annual meeting that are present, in person or by proxy, at the LMI annual meeting, voting together as a single class.	owned subsidiaries, the votes of UGC s directors and executive officers and the votes of LMI s directors and executive officers will not be counted toward the minority approval.
Shares Outstanding	As of March 31, 2005, an aggregate of 165,555,331 shares of LMI Series A common stock and 7,264,300 shares of LMI Series B common stock were outstanding and would have been entitled to vote at the LMI annual meeting if March 31, 2005 had been the record date for the LMI annual meeting.	As of March 31, 2005, an aggregate of 401,894,352 shares of UGC Class A common stock, 10,493,461 shares of UGC Class B common stock and 379,603,223 shares of UGC Class C common stock were outstanding and would have been entitled to vote at the UGC special meeting if March 31, 2005 had been the record date for the UGC special meeting.
Numbers of Holders	We expect there to be, as of the record date for the LMI annual meeting, approximately 3,330 record holders of LMI Series A common stock and approximately 160 record holders of LMI Series B common stock (which amounts do not include the number of stockholders whose shares are held of record by banks, brokers or other nominees, but include each such institution as one holder).	We expect there to be, as of the record date for the UGC special meeting, approximately 170 record holders of UGC Class A common stock, one record holder of UGC Class B common stock and four record holders of UGC Class C common stock (which amounts do not include the number of stockholders whose shares are held of record by banks, brokers or other nominees, but include each such institution as one holder).
Voting Procedures for Record Holders	Holders of record of LMI common stoc record date for the applicable stock person thereat. Alternatively, they signing, dating and returning the pr with the mailing of this joint proxy voting by telephone or over the Inte revoked, shares of LMI common stock by a proxy submitted as described be applicable stockholders meeting will instructions on the proxy. **YOUR VOTE IS IMPORTANT.** It is reco even if you plan to attend the appli may change your vote at the applicab submit a written proxy by	k or UGC common stock as of the holders meeting may vote in may give a proxy by completing, oxy card that is being included statement/ prospectus, or by rnet. Unless subsequently or UGC common stock represented low and received at or before the be voted in accordance with the mmended that you vote by proxy cable stockholders meeting. You le stockholders meeting. To should complete, sign, date and s instructions. esented before the applicable u choose as proxies will have e matters according to their best ise on your proxy.

mail, you mail the proxy in accordance
with it

If any other matters are properly pr
stockholders meeting, the persons yo
discretion to vote or to act on thes
judgment, unless you indicate otherw

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	LMI Annual Meeting	**UGC Special Meeting**
	If a proxy is signed and returned by an LMI record holder without indicating any voting instructions, the shares of LMI common stock represented by the proxy will be voted FOR the approval of the merger proposal and FOR the approval of each of the annual business matter proposals. If a proxy is signed and returned by an LMI record holder and the LMI record holder indicates that it is abstaining from voting, the proxy will have the same effect as a vote AGAINST the merger proposal, the LMI incentive plan proposal and the LMI auditors ratification proposal, but it will have no effect on the vote on the LMI election of directors proposal. Failure of an LMI record holder to submit a proxy representing shares of LMI common stock or vote in person at the LMI annual meeting will have the same effect as a vote AGAINST the merger proposal but it will have no effect on the vote on any of the annual business matter proposals.	If a proxy is signed and returned by a UGC record holder without indicating any voting instructions, the shares of UGC common stock represented by the proxy will be voted FOR the approval of the merger proposal. If a proxy is signed and returned by a UGC record holder and the UGC record holder indicates that it is abstaining from voting, the proxy will have the same effect as a vote AGAINST the merger proposal. Failure of a UGC record holder to submit a proxy representing shares of UGC common stock or vote in person at the UGC special meeting will have the same effect as a vote AGAINST the merger proposal.
Voting Procedures for Shares Held in Street Name	*General.* If you hold your shares in the name of a broker, bank or other nominee, you should follow the instructions provided by your broker, bank or other nominee when voting your shares of LMI common stock or when granting or revoking a proxy. *Effect of Broker Non-Votes.* Shares represented by broker non-votes will be deemed shares not entitled to	*General.* If you hold your shares in the name of a broker, bank or other nominee, you should follow the instructions provided by your broker, bank or other nominee when voting your shares of UGC common stock or when granting or revoking a proxy. *Effect of Broker Non-Votes.* Shares represented by broker non-votes will be deemed shares not

	vote and will not be included for purposes of determining the aggregate voting power and number of shares represented and entitled to vote on a particular proposal. Broker non-votes will have the same effect as a vote AGAINST the merger proposal.	entitled to vote and will not be included for purposes of determining the aggregate voting power and number of shares represented and entitled to vote on a particular proposal. Broker non-votes will have the same effect as a vote AGAINST the merger proposal.

	LMI Annual Meeting	UGC Special Meeting
	Broker non-votes will have no effect on any of the annual business matter proposals. **YOUR VOTE IS IMPORTANT**	**YOUR VOTE IS IMPORTANT.**
Revoking a Proxy	Before your proxy is voted, you may change your vote by telephone or over the Internet (if you originally voted by telephone or over the Internet), by voting in person at the LMI annual meeting or by delivering a signed proxy revocation or a new signed proxy with a later date to EquiServe Trust Company, N.A., LMI/UGC Transaction, P.O. Box 8078, Edison, New Jersey 08818-8687. Any signed proxy revocation or new signed proxy must be received before the start of the LMI annual meeting. Your attendance at the LMI annual meeting will not, by itself, revoke your proxy.	Before your proxy is voted, you may change your vote by telephone or over the Internet (if you originally voted by telephone or over the Internet), by voting in person at the UGC special meeting or by delivering a signed proxy revocation or a new signed proxy with a later date to UnitedGlobalCom, Inc., c/o EquiServe Trust Company, N.A., LMI/UGC Transaction, P.O. Box 859208, Braintree, Massachusetts 02185. Any signed proxy revocation or new signed proxy must be received before the start of the UGC special meeting. Your attendance at the UGC special meeting will not, by itself, revoke your proxy.
	If your shares are held in an account by a broker, bank or other nominee, you should contact y our broker, bank or other nominee to change your vote.	
Solicitation of Proxies	The accompanying proxy for the LMI annual meeting is being solicited on behalf of LMI s board of directors. In addition to this mailing, LMI s employees may solicit proxies personally or by telephone. LMI pays the cost of soliciting these proxies. LMI also reimburses brokers and other nominees for their expenses in sending these materials to you and getting your voting instructions.	The accompanying proxy for the UGC special meeting is being solicited on behalf of UGC s board of directors. In addition to this mailing, UGC s employees may solicit proxies personally or by telephone. UGC pays the cost of soliciting these proxies. UGC also reimburses brokers and other nominees for their expenses in sending these materials to you and getting your voting instructions.

	In addition to this mailing, LMI has hired D.F. King & Co. to solicit proxies on LMI s behalf. D.F. King & Co. will receive $7,000 from LMI as compensation for such services, plus expenses.	In addition to this mailing, UGC has hired D.F. King & Co. to solicit proxies on UGC s behalf. D.F. King & Co. will receive approximately $11,500 from UGC as compensation for such services, plus expenses.
Auditors	KPMG LLP serves as LMI s independent auditors. Representatives of KPMG plan to attend the LMI annual meeting and	KPMG LLP serves as UGC s independent auditors. Representatives of KPMG plan to attend the UGC special meeting

	LMI Annual Meeting	UGC Special Meeting
	will be available to answer questions. A representative of KPMG is expected to attend the LMI annual meeting with the opportunity to make a statement and/or respond to appropriate questions from LMI stockholders at the LMI annual meeting.	and will be available to answer questions. A representative of KPMG is expected to attend the UGC special meeting with the opportunity to make a statement and/or respond to appropriate questions from UGC stockholders at the UGC special meeting.

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MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGERS

The following is a summary of the U.S. federal income tax consequences of the LMI merger and the UGC merger that are expected to be material to U.S. holders and non-U.S. holders (each as defined below) of LMI common stock and UGC common stock, subject to the limitations below. This summary is limited to the U.S. federal income tax consequences of the mergers and does not purport to be a complete technical analysis or listing of all potential tax consequences that may be relevant to holders of LMI common stock or UGC common stock. It is not intended to be, nor should it be construed as being, legal or tax advice. For this reason, holders of LMI common stock and UGC common stock should consult their own tax advisors concerning the tax consequences of the mergers. Further, this summary does not address any tax consequences arising under the income or other tax laws of any state, local or foreign jurisdiction or any tax treaties.

This summary is based upon the Internal Revenue Code of 1986, as amended (referred to as the Code), the applicable regulations of the U.S. Treasury Department, and publicly available judicial and administrative rulings and decisions, all as in effect on the date of this joint proxy statement/ prospectus, any of which may change, possibly retroactively. Any changes could affect the continuing validity of this summary.

For purposes of this summary, the term U.S. holder means a beneficial owner of shares of LMI common stock or UGC common stock, as applicable, who is:

- an individual who is a citizen of the United States or who is resident in the United States for U.S. federal income tax purposes;
- a corporation or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized under the laws of the United States, any state thereof or the District of Columbia;
- a trust, if either (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) the trust has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person; or
- an estate that is subject to U.S. federal income tax on its income regardless of its source.

For purposes of this summary, the term non-U.S. holder means a beneficial owner of shares of LMI common stock or UGC common stock, as applicable, that is not treated as a partnership for U.S. federal income tax purposes, and that is not a U.S. holder. For purposes of this summary, an entity that is classified as a partnership for U.S. federal income tax purposes is neither a U.S. holder nor a non-U.S. holder. The U.S. federal income tax treatment of a partnership and its partners depends upon a variety of factors, including the activities of the partnership and the partners. Holders of LMI common stock or UGC common stock that are partnerships for U.S. federal income tax purposes, and partners in any such partnership, should consult their tax advisors concerning the U.S. federal income tax consequences of the mergers.

This summary assumes that LMI stockholders and UGC stockholders hold their shares of LMI common stock and UGC common stock, respectively, as capital assets within the meaning of Section 1221 of the Code at the effective time of the mergers. Further, this summary does not address all aspects of U.S. federal income taxation that may be relevant to LMI stockholders or UGC stockholders in light of their particular circumstances or that may be applicable to them if they are subject to special treatment under the U.S. federal income tax laws, including if an LMI stockholder or UGC stockholder is:

- a financial institution or thrift;
- a tax-exempt organization;
- an S corporation or other pass-through entity or an owner thereof;
- an entity taxable as a partnership for U.S. federal income tax purposes or an owner thereof;

an insurance company;

a mutual fund;

a dealer in stocks and securities or foreign currencies;

a trader or an investor in LMI common stock or UGC common stock who elects the mark-to-market method of accounting for such stock;

- a stockholder who received LMI common stock or UGC common stock from the exercise of employee stock options, from an employee stock purchase plan or otherwise as compensation;
- a stockholder who received LMI common stock or UGC common stock from a tax-qualified retirement plan, individual retirement account or other qualified savings account;
- a U.S. holder that has a functional currency other than the U.S. dollar;
- an expatriate or former long-term resident of the United States; or
- a stockholder who holds LMI common stock or UGC common stock as part of a hedge against currency risk, straddle or a constructive sale or conversion transaction or other risk reduction or integrated investment transaction.

Further, this summary does not address the U.S. federal income tax consequences to any holder that actually or constructively owns both LMI common stock and UGC common stock, or to any holder of options or warrants to purchase LMI, UGC or Liberty Global common stock.

This summary does not address tax consequences that may vary with, or are contingent upon, individual circumstances, including without limitation alternative minimum tax consequences, and does not address tax consequences to persons who exercise appraisal rights. Moreover, it does not address any non-income tax or any foreign, state or local tax consequences of the mergers. Tax matters are very complicated, and the tax consequences of the mergers to LMI stockholders and UGC stockholders will depend upon the facts of the individual stockholder s particular situation. Accordingly, LMI stockholders and UGC stockholders are strongly urged to consult with a tax advisor to determine the particular federal, state, local or foreign income or other tax consequences of the mergers.

Tax Opinions

It is a non-waivable condition of the LMI merger that LMI receive an opinion from Baker Botts L.L.P., counsel to LMI, or another nationally recognized law firm, dated the closing date, to the effect that, for U.S. federal income tax purposes:

- the LMI merger will qualify as a reorganization within the meaning of Section 368(a) of the Code;
- no gain or loss will be recognized by Liberty Global, LMI, any wholly owned subsidiary of LMI that owns shares of UGC common stock, or UGC as a result of the LMI merger or the UGC merger; and
- no gain or loss will be recognized by the stockholders of LMI with respect to shares of LMI common stock converted solely into Liberty Global common stock as a result of the LMI merger.

It is a non-waivable condition of the UGC merger that UGC receive an opinion from a nationally recognized law firm, dated the closing date, to the effect that, for U.S. federal income tax purposes:

- when viewed as a collective whole with the LMI merger, the conversion of shares of UGC common stock into shares of Liberty Global Series A common stock that is effected pursuant to the UGC merger will qualify as an exchange within the meaning of Section 351 of the Code;
- no gain or loss will be recognized by Liberty Global or UGC as a result of the UGC merger; and
- no gain or loss will be recognized by the stockholders of UGC with respect to shares of UGC common stock converted solely into Liberty Global Series A common stock pursuant to the UGC merger.

The merger agreement does not require that these opinions, which will be provided by Baker Botts L.L.P. and Holme Roberts & Owen LLP, address all of the material U.S. federal income tax consequences relating to the mergers. These opinions will be based upon factual representations and covenants, including those contained in letters provided by Liberty Global, LMI, UGC and/or others, and upon specified assumptions, and will assume that the mergers will be completed according to the terms of the merger agreement and that there will be no material changes in existing facts or in law. Any inaccuracy or change in the representations, covenants or assumptions upon which the opinions are based could alter the conclusions reached in the opinions.

The opinions to be delivered by Baker Botts L.L.P. and by Holme Roberts & Owen LLP will neither bind the Internal Revenue Service nor preclude the Internal Revenue Service from challenging the conclusions set forth therein, nor preclude a court from adopting a contrary position. Neither Liberty Global, LMI nor UGC intends to obtain a ruling from the Internal Revenue Service regarding the tax consequences of the mergers.

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U.S. Federal Income Tax Consequences of the LMI Merger

LMI has received the opinion of Baker Botts L.L.P. that the discussion under this heading, U.S. Federal Income Tax Consequences of the LMI Merger, is the opinion of Baker Botts L.L.P. with respect to the U.S. federal income tax consequences of the LMI merger that are expected to be material to U.S. holders and non-U.S. holders of LMI common stock. This opinion is subject to the qualifications, assumptions and limitations referenced and summarized above under the heading Material United States Federal Income Tax Consequences of the Mergers, and those summarized below under this heading, and is conditioned upon the accuracy of the representations, covenants and assumptions upon which the opinion is based. The opinion of Baker Botts L.L.P. concerning this discussion will not be binding upon the Internal Revenue Service or a court, and there can be no assurance that the Internal Revenue Service or a court will not take a contrary position. The opinion is included as an exhibit to the registration statement on Form S-4 of Liberty Global being filed in connection with the mergers. This discussion assumes that the opinion of Baker Botts L.L.P., described above under Tax Opinions, will be delivered to LMI on the closing date of the LMI merger and that the representations, covenants, and assumptions upon which such opinion is based will be accurate. Any inaccuracy in any of the representations, covenants and assumptions upon which either of the opinions of Baker Botts L.L.P. are based could alter the conclusions described below under this heading, U.S. Federal Income Tax Consequences of the LMI Merger.

U.S. Federal Income Tax Consequences to LMI

LMI will not recognize gain or loss as a result of the LMI merger.

U.S. Federal Income Tax Consequences to U.S. Holders and Non-U.S. Holders of LMI Common Stock

U.S. holders and non-U.S. holders of LMI common stock will not recognize gain or loss as a result of the receipt of Liberty Global common stock in the LMI merger in exchange for their LMI common stock. The aggregate tax basis of the Liberty Global common stock received by an LMI stockholder will be equal to the LMI stockholder s aggregate tax basis of the LMI common stock surrendered, and the holding period of the Liberty Global common stock received by an LMI stockholder will include the LMI stockholder s holding period of the LMI common stock surrendered. Holders of LMI common stock will be required to file with their U.S. federal income tax return for the taxable year in which the LMI merger occurs a statement setting forth certain facts relating to the LMI merger, including their tax basis in the shares of LMI common stock exchanged in the LMI merger and the number of shares of Liberty Global common stock received in the LMI merger. Holders of LMI common stock must also keep a permanent record of such facts relating to the exchange of their LMI common stock for Liberty Global common stock pursuant to LMI merger.

U.S. Federal Income Tax Consequences of the UGC Merger

UGC has received the opinion of Holme Roberts & Owen LLP that the discussion under this heading, U.S. Federal Income Tax Consequences of the UGC Merger, is the opinion of Holme Roberts & Owen LLP with respect to the U.S. federal income tax consequences of the UGC merger that are expected to be material to U.S. holders and non-U.S. holders of UGC common stock. This opinion is subject to the qualifications, assumptions and limitations referenced and summarized above under the heading Material United States Federal Income Tax Consequences of the Mergers and those summarized below under this heading, and is conditioned upon the accuracy of the representations, covenants and assumptions upon which such opinion is based. The opinion of Holme Roberts & Owen LLP concerning this discussion will not be binding upon the Internal Revenue Service or a court, and there can be no assurance that the Internal Revenue Service or a court will not take a contrary position. The opinion is included as an exhibit to the registration statement on Form S-4 of Liberty Global being filed in connection with the mergers. This discussion assumes that the opinion of Holme Roberts & Owen LLP, described above under Tax Opinions, will be delivered to UGC on the closing date of the UGC merger and that the representations, covenants, and assumptions upon which such opinion is based will be accurate. Any inaccuracy in any of the representations, covenants and assumptions upon which either of the opinions of Holme Roberts & Owen LLP are based could alter the conclusions described below under this heading, U.S. Federal Income Tax Consequences of the UGC Merger.

U.S. Federal Income Tax Consequences to UGC

UGC will not recognize gain or loss as a result of the UGC merger.

U.S. Federal Income Tax Consequences to U.S. Holders of UGC Common Stock

U.S. Holders of UGC Common Stock Who Receive Only Liberty Global Common Stock (and Cash for Fractional Shares) in the UGC Merger. A U.S. holder of UGC common stock who receives solely Liberty Global common stock in exchange for UGC common stock surrendered in the UGC merger (and, as applicable, cash for fractional shares) will not recognize gain or loss as a result of the receipt of Liberty Global common stock, except to the extent that cash is received instead of fractional shares. The aggregate tax basis of the Liberty Global common stock received by a UGC stockholder will be equal to the UGC stockholder s aggregate tax basis of the UGC common stock surrendered, excluding the tax basis allocated to fractional shares, and the holding period of the Liberty Global common stock received by a UGC stockholder will include the UGC stockholder s holding period of the UGC common stock surrendered. If a UGC stockholder receives cash instead of fractional shares, the UGC stockholder will be treated as recognizing capital gain or loss equal to the difference between the amount of cash received with respect to the fractional shares and the ratable portion of the UGC stockholder s tax basis in the UGC common stock which is surrendered in the UGC merger and which is allocated to such fractional shares. Any capital gain or loss will be long-term capital gain or loss if the UGC stockholder s holding period in such UGC common stock is more than one year as of the closing date of the UGC merger. For non-corporate U.S. holders, long-term capital gain generally will be taxed at a maximum U.S. federal income tax rate of 15%. The deductibility of capital losses is subject to limits.

U.S. Holders of UGC Common Stock Who Receive Cash and Liberty Global Common Stock in the UGC Merger. A U.S. holder of UGC common stock who receives a combination of Liberty Global common stock and cash in exchange for UGC common stock surrendered in the UGC merger will recognize capital gain, but not capital loss, realized in the UGC merger (subject to the discussion below under Possible Dividend Treatment). The amount of capital gain recognized by the U.S. holder of UGC common stock generally will be calculated separately for each block of UGC common stock surrendered (i.e., shares of UGC common stock that have the same tax basis and holding period) and will be equal to the lesser of:

the amount of gain realized in respect of such block, i.e., the excess (if any) of (x) the sum of the amount of cash and the fair market value of the Liberty Global common stock received that is allocable to such block of UGC common stock surrendered in the UGC merger over (y) the tax basis of such block; and

the amount of cash that is allocable to such block.

For this purpose, the cash and the Liberty Global common stock received by a UGC stockholder generally will be allocated among the blocks of UGC common stock surrendered in the UGC merger proportionately based upon the fair market values of such blocks of UGC common stock. Because no loss will be recognized, a UGC stockholder will not be able to offset gain recognized on one block of UGC common stock by loss attributable to another block. The capital gain, if any, attributable to a block of UGC common stock will be long-term capital gain if the UGC stockholder s holding period in the block of UGC common stock is more than one year as of the closing date of the UGC merger. For non-corporate U.S. holders, long-term capital gain generally will be taxed at a maximum U.S. federal income tax rate of 15%.

The aggregate tax basis of the Liberty Global common stock received by a U.S. holder of UGC common stock in the UGC merger will be equal to the UGC stockholder s aggregate tax basis in the UGC common stock surrendered, decreased by the amount of cash received by the UGC stockholder and increased by the amount of gain recognized by the UGC stockholder in connection with the UGC merger. A UGC stockholder s holding period for the Liberty Global common stock received in exchange for UGC common stock will include the holding period for the UGC common stock surrendered. U.S. holders of multiple blocks of UGC common stock are urged to consult their tax advisors concerning the determination of the tax basis and holding period for the Liberty Global common stock received in the UGC merger.

U.S. Holders of UGC Common Stock Who Receive Only Cash in the UGC Merger. A U.S. holder of UGC common stock who receives solely cash in exchange for the holder s UGC common stock surrendered in the UGC merger will recognize capital gain or loss equal to the difference between the amount of cash received by the UGC stockholder and the holder s tax basis of the UGC common stock surrendered (subject to the discussion below under Possible Dividend Treatment). Gain or loss must be calculated separately for each block of UGC common stock (i.e., shares of UGC common stock that have the same tax basis and holding period). Such gain or loss will be long-term capital gain or loss if the UGC stockholder s holding period in such UGC common stock is more than one year as of the closing date of the UGC merger. For non-corporate U.S. holders, long-term capital gain generally will be taxed at a maximum U.S. federal income tax rate of 15%. The deductibility of capital losses is subject to limits.

Possible Dividend Treatment. It is possible that cash received in the UGC merger as a result of a cash election could be subject to taxation under the rules of Section 304 of the Code. If Section 304 were to apply, holders of UGC common stock who receive both Liberty Global common stock and cash pursuant to a cash election in the UGC merger would be treated as having exchanged a portion of their UGC common stock for Liberty Global common stock in a tax-free exchange under Section 351(a) of the Code (to the extent that they receive Liberty Global common stock in the UGC merger), and as having exchanged the remaining portion of their shares of UGC common stock for cash. The cash received would be treated as a distribution that, depending upon the circumstances of the holder of the UGC common stock and the earnings and profits of Liberty Global and UGC, would be taxable either as a dividend or as a payment received in exchange for the UGC common stock. There is some uncertainty about whether Section 304 applies in the circumstances of the UGC merger because its application depends upon the determination of certain factual matters relating to the actual and constructive ownership by the UGC stockholders (other than LMI and its wholly owned subsidiaries) of the stock of UGC immediately prior to the completion of the UGC merger and to the actual and constructive ownership by the UGC stockholders (other than LMI and its wholly owned subsidiaries) of the stock of Liberty Global immediately following the completion of the mergers. Based upon information currently available, we cannot provide any assurance that the rules of Section 304 will not apply to a UGC stockholder who makes a cash election. If Section 304 were to apply, and if the cash were taxable as a dividend (generally taxable at a maximum rate of 15% for U.S. federal income tax purposes), the U.S. holder of the UGC common stock would not be able to reduce the amount taxable by the amount of the U.S. holder s tax basis allocable to the portion of the shares of UGC common stock exchanged for cash. Dividend treatment would generally not apply to holders of UGC common stock (i) that receive solely cash in exchange for their UGC common stock and that do not actually or constructively own any stock of Liberty Global or UGC (under specified attribution rules) after giving effect to the UGC merger, or (ii) that receive solely Liberty Global common stock in exchange for their UGC common stock.

Reporting Requirements. Holders of UGC common stock will be required to file with their U.S. federal income tax return for the taxable year in which the UGC merger occurs a statement setting forth certain facts relating to the UGC merger, including their tax basis in the shares of UGC common stock exchanged in the UGC merger and the number of shares of Liberty Global common stock and the amount of cash received in the UGC merger. Holders of UGC common stock must also keep a permanent record of such facts relating to the exchange of their UGC common stock for Liberty Global common stock and/or cash pursuant to UGC merger.

U.S. Federal Income Tax Consequences to Non-U.S. Holders of UGC Common Stock

Scope of Discussion With Respect to Non-U.S. Holders. As previously stated, this summary does not address the U.S. federal income tax consequences to stockholders that are subject to special rules. With respect to a UGC stockholder who is a non-U.S. holder, this summary also does not apply to (1) a UGC stockholder that holds its UGC common stock in connection with a trade or business conducted in the United States or in connection with an office or fixed place of business located in the United States; or (2) a UGC stockholder that is affected by the provisions of an income tax treaty to which the United States is a party. This summary also does not address currency exchange issues. **Any non-U.S. holder that may be subject to any of these tax rules is urged to consult his or her own tax advisor to determine the tax consequences to him or her of the UGC merger.**

The tax consequences to non-U.S. holders of UGC common stock could be materially different if UGC or Liberty Global are or have previously been a U.S. real property holding corporation as of the closing date of the UGC merger, and certain exemptions do not apply. We do not believe that UGC or Liberty Global will be or will have previously been a U.S. real property holding corporation as of the closing date of the UGC merger, and therefore, such tax consequences are not discussed below.

Non-U.S. Holders of UGC Common Stock Who Receive Only Liberty Global Common Stock (and Cash for Fractional Shares) in the UGC Merger. A non-U.S. holder of UGC common stock that receives only Liberty Global common stock (and, as applicable, cash for fractional shares) in exchange for UGC common stock surrendered in the UGC merger will not be subject to U.S. federal income or withholding tax, except with respect to any cash received instead of fractional shares. A non-U.S. holder of UGC common stock generally will not be subject to U.S. federal income or withholding tax with respect to cash received instead of fractional shares unless such UGC stockholder is an individual that is present in the United States for 183 days or more in the taxable year of the UGC merger and certain other conditions are met.

Non-U.S. Holders of UGC Common Stock Who Elect to Receive Cash. A non-U.S. holder of UGC common stock that receives either a combination of Liberty Global common stock and cash in the UGC merger, or solely cash in the UGC merger will not be subject to U.S. federal income tax with respect to any shares of Liberty Global common stock or cash received in the UGC merger unless either (i) such non-U.S. holder is an individual that is present in the United States for 183 days or more in the taxable year of UGC merger and certain other conditions are met or (ii) the cash received in the UGC merger is taxable as a dividend as described above under U.S. Federal Income Tax Consequences to U.S. Holders of UGC Common Stock Possible Dividend Treatment.

If a non-U.S. holder of UGC common stock is an individual that is present in the United States for 183 days or more in the taxable year of UGC merger, and if certain other conditions are met, such non-U.S. holder will be subject to

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U.S. federal income tax at a rate of 30% (unless otherwise reduced by treaty) on all or part of the gain attributable to the UGC common stock. For a non-U.S. holder of UGC common stock who receives both Liberty Global common stock and cash in the UGC merger, the gain subject to tax will be calculated as described under U.S. Federal Income Tax Consequences to U.S. Holders of UGC Common Stock U.S. Holders of UGC Common Stock Who Receive Cash and Liberty Global Common Stock in the UGC Merger. For a non-U.S. holder of UGC common stock who receives only cash in the UGC merger, the gain subject to tax will be calculated as described under U.S. Federal Income Tax Consequences to U.S. Holders of UGC Common Stock U.S. Holders of UGC Common Stock Who Receive Only Cash in the UGC Merger.

If the receipt of cash is taxable as a dividend, a non-U.S. holder of UGC common stock will be subject to U.S. federal income tax at a rate of 30%, unless the tax rate is reduced by treaty. In addition, to ensure payment of the income tax, Liberty Global or any exchange agent is required to withhold tax at a rate of 30% (or a lower rate as may be specified by treaty) on dividend payments to non-U.S. holders. Amounts withheld are creditable against the U.S. federal income taxes owing by non-U.S. holders. Taxes that have been withheld are not refundable by Liberty Global or the exchange agent, although the taxpayer may be able to claim a refund from the Internal Revenue Service if the amounts withheld exceed the tax due. **Due to the uncertainties about whether all or any portion of the cash payments will be taxable as a dividend, Liberty Global or the exchange agent expects to withhold tax at the required rate on all payments of cash to non-U.S. holders of UGC common stock (other than payments for fractional shares).**

Backup Withholding and Information Reporting

In general, information reporting requirements will apply with respect to cash received pursuant to a cash election or in lieu of fractional shares by a U.S. holder in connection with the UGC merger. **Due to the uncertainty about the application of Section 304 of the Code, Liberty Global expects to report cash payments made to UGC stockholders pursuant to a cash election as a dividend to the extent that Liberty Global or UGC has current or accumulated earnings and profits.** This information reporting obligation, however, does not apply with respect to certain U.S. holders, including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts. In the event that a U.S. holder subject to the reporting requirements fails to supply its correct taxpayer identification number in the manner required by applicable law or is notified by the Internal Revenue Service that it has failed to properly report payments of interest and dividends, a backup withholding tax (at a rate that is currently 28%) generally will be imposed on the amount of the cash received pursuant to a cash election or in lieu of fractional shares. A U.S. holder may generally credit any amounts withheld under the backup withholding provisions against its U.S. federal income tax liability, and, as a result, may entitle the U.S. holder to a refund, provided the required information is furnished to the Internal Revenue Service. Such amounts, once withheld, are not refundable by Liberty Global or the exchange agent.

In general, information and backup withholding will apply with respect to cash received by a non-U.S. holder in connection with the UGC merger unless the non-U.S. holder certifies as to its non-U.S. status under penalties of perjury or otherwise establishes an exemption.

THE TRANSACTION AGREEMENTS

Merger Agreement

The following is a summary of the material terms of the merger agreement. This summary may not contain all of the information that is important to you. It is qualified in its entirety by reference to the merger agreement, a copy of which is included as Appendix B and is incorporated herein by reference. You should read the merger agreement because it, and not this document, is the legal document that governs the terms of the mergers and will give you a more complete understanding of the mergers.

Structure of the Mergers

To effect the combination of LMI and UGC, a new company, Liberty Global, Inc. was formed with two wholly owned subsidiaries, Cheetah Acquisition Corp., which we refer to as LMI Merger Sub, and Tiger Global Acquisition Corp., which we refer to as UGC Merger Sub. At the effective time of the mergers:

- LMI Merger Sub will merge with and into LMI, and LMI will be the surviving corporation in that merger; and
- UGC Merger Sub will merge with and into UGC, and UGC will be the surviving corporation in that merger.

As a result of the mergers described above and the conversion and exchange of securities described below, LMI will become a direct wholly owned subsidiary of Liberty Global and UGC will become an indirect wholly owned subsidiary of Liberty Global. Following the mergers, Liberty Global will own directly 46.5% of the common stock of UGC and indirectly through Liberty Global s wholly owned subsidiary LMI 53.5% of the common stock of UGC (based upon outstanding UGC share information as of March 31, 2005). See Conversion of Outstanding Shares of Common Stock of LMI and UGC below.

Effective Time of the Mergers and Timing of Closing

LMI and UGC will file certificates of merger with the Delaware Secretary of State on the second business day after the day on which the last condition to completing the merger is satisfied or, where permissible, waived or at such other time as LMI and UGC may agree. The LMI merger and the UGC merger will become effective at the time and on the date on which those documents are filed, or later if the parties so agree and specify in those documents, provided that the LMI merger and the UGC merger will become effective at the same time. The time that the LMI merger and the UGC merger become effective is referred to as the effective time of the mergers.

We cannot assure you when, or if, all the conditions to completion of the mergers will be satisfied or, where permissible, waived. See Conditions to Completion of the Mergers. The parties intend to complete the mergers as promptly as practicable, subject to receipt of the requisite approvals of the LMI stockholders and the UGC stockholders to the merger proposal.

Conversion of Outstanding Shares of Common Stock of LMI and UGC

LMI. At the effective time of the LMI merger:

- each share of LMI Series A common stock issued and outstanding immediately prior to the effective time of the mergers will be converted into the right to receive one share of Liberty Global Series A common stock;
- each share of LMI Series B common stock issued and outstanding immediately prior to the effective time of the mergers will be converted into the right to receive one share of Liberty Global Series B common stock; and
- each share of common stock of LMI Merger Sub issued and outstanding immediately prior to the effective time of the mergers will be converted into one share of common stock of LMI as the surviving corporation in the LMI merger.

UGC. At the effective time of the UGC merger:

- each share of UGC common stock (other than shares of UGC common stock held by LMI or any of its wholly owned subsidiaries) will be converted into the right to receive 0.2155 of a share of Liberty Global Series A common stock plus cash in lieu of any fractional shares, *unless* the holder thereof has validly made and not validly revoked an election to have such share of UGC common stock converted into $9.58 in cash, subject to certain limitations described in UGC Stockholders Making Stock and Cash Elections; Proration below;

each share of UGC common stock held by LMI or any of its wholly owned subsidiaries will be converted into the right to receive one share of the same class of common stock of UGC; and the issued and outstanding shares of common stock of UGC Merger Sub will be converted into a number of shares of each class of common stock of UGC, as the surviving corporation in the UGC merger, that is identical to the number of shares of the same class of UGC common stock that are converted into the right to receive Liberty Global Series A common stock and/or cash in the UGC merger.

For information on how holders of UGC common stock can elect to receive Liberty Global Series A common stock and/or cash in the UGC merger, see UGC Stockholders Making Stock and Cash Elections; Proration below.

The rights pertaining to Liberty Global common stock will be the same in all material respects as the rights pertaining to LMI common stock, because the restated certificate of incorporation and bylaws of Liberty Global in effect immediately after the completion of the mergers will be substantially similar to the current restated certificate of incorporation and bylaws of LMI. For a description of Liberty Global s common stock, see Description of Liberty Global Capital Stock, and for a description of the comparative rights of holders of LMI common stock, UGC common stock and Liberty Global common stock, see Comparison of the Rights of Stockholders of LMI, UGC and Liberty Global.

If, before the effective time of the mergers, the outstanding shares of LMI common stock and/or UGC common stock are changed into a different number of shares as a result of a stock split, stock dividend or other reclassification or exchange, an appropriate adjustment will be made to the consideration to be received in the mergers to provide the holders of LMI and UGC common stock the same economic effect as contemplated by the merger agreement.

UGC Stockholders Making Stock and Cash Elections; Proration

UGC stockholders are receiving a form of election with this joint proxy statement/ prospectus for making cash and stock elections. Any UGC stockholder who became a UGC stockholder after the record date for the UGC special meeting, or who did not otherwise receive a form of election, should contact the exchange agent to obtain a form of election. UGC stockholders who vote against the merger proposal are still entitled to make elections with respect to their shares. The form of election allows holders of UGC common stock to make cash or stock elections for some or all of their shares of UGC common stock. If a holder or the holder s affiliates are the registered holders of shares of UGC common stock represented by more than one certificate or held in more than one account, the holder may also specify on the form of election how to allocate cash consideration, if any, among those shares of UGC common stock.

Shares of UGC common stock as to which the holder has not made a valid election prior to the election deadline, including as a result of revocation, will be treated as though the holder made an election to receive the stock consideration for all shares with respect to which no valid election was made prior to the election deadline.

LMI stockholders do not need to make an election since each outstanding share of LMI common stock will be converted into one share of the corresponding series of Liberty Global common stock, with no cash option available.

The U.S. federal income tax consequences of the UGC merger to each UGC stockholder will depend upon whether the UGC stockholder receives cash or stock of Liberty Global, or a combination of cash and stock, in exchange for his or her shares of UGC common stock. However, at the time that a UGC stockholder is required to make a cash or stock election, the UGC stockholder will not know if, and to what extent, the proration procedures described below will change the mix of consideration that he or she will receive in the UGC merger. As a result of the proration, among other reasons, at the time that a UGC stockholder is required to make a cash or stock election, the UGC stockholder will not know the tax consequences to him or her with certainty. For more information regarding the tax consequences of the UGC merger to the UGC stockholders, please see Material United States Federal Income Tax Consequences of the Mergers U.S. Federal Income Tax Consequences of the UGC Merger.

Exchange Agent. EquiServe Trust Company N.A. will serve as the exchange agent for purposes of effecting the election and proration procedures.

Election Deadline. The election deadline will be 5:00 p.m., New York City time, on [ ] 2005. If the completion of the mergers is anticipated to occur more than four business days after [ ], 2005, LMI and UGC will publicly announce, by issuing a press release to the Dow Jones News Service by 9:00 a.m. on the business day immediately following the initial election deadline, the anticipated effective date of the mergers, which will not be earlier than the fourth business day after the date of the press release. The new election deadline will be 5:00 p.m., New York City time, on the second business day preceding the anticipated effective date of the mergers.

Form of Election. The form of election must be properly completed and signed and accompanied by certificates representing all of the shares of UGC common stock covered by the form of election, duly endorsed in blank or otherwise in a form acceptable for transfer on UGC s books (or appropriate evidence as to the loss, theft or destruction,

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appropriate evidence as to the ownership of that certificate by the claimant, and appropriate and customary indemnification, as described in the form of election).

In order to make a cash or stock election, the properly completed and signed form of election, together with the UGC stock certificates, must be actually received by the exchange agent at or prior to the election deadline in accordance with the instructions in the form of election.

If shares of UGC common stock are held in street name, to make an election the beneficial owner should contact his or her broker, bank or other nominee and follow their instructions as to how to make their election.

Inability to Sell Shares as to which an Election is Made. Stockholders who have made elections will be unable to sell their shares of UGC common stock after making the election, unless the election is properly revoked before the election deadline or the merger agreement is terminated.

Election Revocation and Changes. Generally, an election may be revoked or changed with respect to all or a portion of the shares of UGC common stock covered by the election by the holder who submitted the applicable form of election, but only by written notice received by the exchange agent prior to the election deadline. If an election is validly revoked, or the merger agreement is terminated, the exchange agent will promptly return the related stock certificates (or book-entry shares) to the stockholder who submitted them. UGC stockholders will not be entitled to revoke or change their elections following the election deadline. As a result, UGC stockholders who have made elections will be unable to revoke their elections or sell their shares of UGC common stock during the interval between the election deadline and the date of completion of the mergers.

Shares of UGC common stock as to which the holder has not made a valid election prior to the election deadline, including as a result of revocation, will be deemed non-electing shares. If it is determined that any purported cash election or stock election was not properly made, the purported election will be deemed to be of no force or effect and the holder making the purported election will be deemed not to have made an election for these purposes, unless a proper election is subsequently made on a timely basis.

Non-Electing Holders. UGC stockholders who make no election to receive cash consideration or stock consideration in the UGC merger, whose elections are not received by the exchange agent by the election deadline, or whose forms of election are improperly completed or are not signed or not accompanied by the shares of UGC common stock to which they relate will be deemed not to have made an election. UGC stockholders not making an election in respect of their shares of UGC common stock will be deemed to have made an election to receive only Liberty Global common stock, and not to receive any cash (other than cash in lieu of fractional shares), for the shares of UGC common stock held by such stockholder.

Proration Procedures. UGC stockholders should be aware that cash elections they make may be subject to the proration procedures provided in the merger agreement. Regardless of the cash or stock elections made by UGC stockholders, these procedures are designed to ensure that the total cash consideration paid (exclusive of cash paid for fractional shares) represents no more than 20% of the aggregate value of the merger consideration payable to UGC stockholders (other than those stockholders who are Permitted Holders under UGC s indenture with respect to the UGC convertible notes). Accordingly, the proration procedures described below will be triggered if the number of shares of UGC common stock as to which a valid cash election is made and not revoked exceeds a number we refer to as the UGC share threshold number. Under the merger agreement, the UGC share threshold number is equal to (rounded down to the nearest whole number):

Last sales price of a share of LMI Series A common stock on the trading day immediately prior to the effective time of the mergers	×	0.2155	×	Outstanding shares of UGC Class A stock (other than shares held by Permitted Holders) immediately prior to the effective time of the mergers

38.32	+	(	Last sales price of a share of LMI Series A common stock on the trading day immediately prior to the effective time of the mergers	×	0.2155	)

If the total number of shares of UGC common stock as to which cash elections are validly made and not validly revoked is greater then the UGC share threshold number, then each UGC stockholder who validly made and did not validly revoke a cash election will be entitled to receive $9.58 in cash per share with respect to that number of shares of UGC common stock equal to (rounded down to the nearest whole number):

$$\text{Number of shares of UGC common stock held by such stockholder as to which a cash election is validly made and not validly revoked} \times \frac{\text{UGC share threshold number}}{\text{Total number of shares of UGC common stock as to which cash elections are validly made and not validly revoked.}}$$

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The remaining number of such UGC stockholder s shares as to which such stockholder validly makes and does not validly revoke a cash election will be converted, on a per share basis, into the right to receive 0.2155 of a share of Liberty Global Series A common stock.

By way of illustration, assume that the last sales price of a share of LMI Series A common stock on the day immediately prior to the closing date is $41.31, the number of outstanding shares of UGC Class A common stock (other than shares held by Permitted Holders) is 364,913,349 (based upon available share information for UGC as of March 31, 2005) and the number of shares of UGC common stock as to which a valid cash election is made and not revoked is 100,000,000, which exceeds the UGC share threshold number of $68,793,125.

In this example, if you own 500 shares of UGC common stock and make a valid cash election with respect to all of those shares, then you would receive $3,285.94 in cash for 343 of your shares of UGC common stock and 33 shares of Liberty Global Series A common stock for your remaining shares of UGC common stock (plus cash in lieu of any fractional share interest).

Each UGC stockholder who properly elected, or was deemed to have elected, to receive the stock consideration will receive 0.2155 of a share of Liberty Global Series A common stock for each share of UGC common stock with respect to which such election was made or deemed to have been made, plus cash in lieu of any fractional share interest.

None of Liberty Global, LMI or UGC is making any recommendation as to whether UGC stockholders should elect to receive cash consideration or stock consideration in the UGC merger. UGC stockholders must make their own decision with respect to such election.

No guarantee can be made that a UGC stockholder will receive the amount of cash consideration it elects. As a result of the proration procedures, UGC stockholders may receive cash consideration in amounts that are different from the amounts they elect to receive. Because the value of the stock consideration and cash consideration may differ, UGC stockholders may receive consideration having an aggregate value less than what they elected to receive.

Conversion of Shares; Exchange of Certificates; Dividends; Withholding

Conversion and Exchange of Shares. The conversion of LMI shares and shares of UGC common stock into the right to receive the applicable merger consideration will occur automatically at the effective time of the mergers. The exchange agent will, as soon as reasonably practicable after the effective time of the mergers, exchange certificates (or book-entry shares) representing shares of LMI and UGC common stock for the applicable merger consideration to be received in the mergers pursuant to the terms of the merger agreement.

Letter of Transmittal. Promptly after the completion of the mergers, the exchange agent will send a letter of transmittal to those persons who were record holders of shares of LMI common stock at the effective time of the LMI merger and record holders of shares of UGC common stock at the effective time of the UGC merger who have not previously submitted a form of election (or validly revoked their form of election and did not resubmit a form of election by the election deadline) or have not properly surrendered shares of UGC common stock to the exchange agent. This mailing will contain instructions on how to surrender shares of LMI common stock and shares of UGC common stock in exchange for the applicable merger consideration the holder is entitled to receive under the merger agreement. When you deliver your LMI stock certificates or UGC stock certificates to the exchange agent along with a properly executed letter of transmittal and any other required documents, your stock certificates will be canceled.

Except for UGC stockholders who submit their UGC stock certificates with the form of election to the exchange agent, do not submit your LMI or UGC shares for exchange until you receive the transmittal instructions and letter of transmittal from the exchange agent.

If a certificate for LMI common stock or UGC common stock has been lost, stolen or destroyed, the exchange agent will issue the applicable merger consideration properly payable under the merger agreement upon compliance by the applicable stockholder with the replacement requirements established by the exchange agent.

Fractional Shares. You will not receive fractional shares of Liberty Global common stock in connection with the UGC merger. Instead, each holder of shares of UGC common stock exchanged in the UGC merger who would otherwise have received a fraction of a share of Liberty Global common stock will receive cash in an amount determined by multiplying the fractional interest to which such holder would otherwise be entitled by the closing price for a share of LMI Series A common stock as reported on the Nasdaq National Market on the last trading day immediately preceding the effective time of the mergers. Because each share of LMI common stock is being exchanged for a share of the corresponding series of Liberty Global common stock on a one-for-one basis, no fractional shares will arise as a result of that exchange.

Dividends and Distributions. Until LMI shares or UGC shares are surrendered for exchange, any dividends or other distributions declared after the effective time of the mergers with respect to shares of Liberty Global common stock into which shares of LMI common stock or shares of UGC common stock may have been converted will accrue but will not be paid. Liberty Global will pay to former LMI stockholders and UGC stockholders any unpaid dividends or other distributions, without interest, only after they have duly surrendered their LMI shares or UGC shares. After the effective time of the mergers, there will be no transfers on the stock transfer books of LMI or UGC of any shares of LMI common stock or shares of UGC common stock, respectively. If LMI shares or UGC shares are presented for transfer after the completion of the mergers, they will be cancelled and exchanged for the applicable merger consideration into which such shares have been converted pursuant to the merger agreement.

Withholding. Liberty Global and the exchange agent will be entitled to deduct and withhold from the merger consideration payable to any LMI stockholder or UGC stockholder the amounts it is required to deduct and withhold under the Code or any provision of any state, local or foreign tax law. If Liberty Global or the exchange agent withholds any amounts, these amounts will be treated for all purposes as having been paid to the stockholders from whom they were withheld. See Material United States Federal Income Tax Consequences of the Mergers.

Treatment of Stock Options and Other Awards

LMI Stock Options and Other Awards. Each outstanding option to purchase shares of LMI common stock will be converted into an option to purchase the same number of shares of the corresponding series of Liberty Global common stock at an exercise price per share equal to the exercise price per share of the LMI common stock subject to the option immediately prior to the effective time of the mergers and will continue to be governed by its applicable terms. Each outstanding stock appreciation right, if any, with respect to shares of any series of LMI common stock outstanding immediately prior to the effective time of the mergers will be converted into a stock appreciation right with respect to the same number of shares of the corresponding series of Liberty Global common stock as such converted LMI stock appreciation right, at an exercise price or base price per stock appreciation right equal to the exercise or base price of such converted LMI stock appreciation right immediately prior to the effective time of the mergers. In addition, each outstanding restricted share of LMI common stock outstanding immediately prior to the effective time of the mergers will be converted into one restricted share of the corresponding series of Liberty Global common stock, and will remain subject to the same restrictions applicable to such restricted share of LMI common stock as in effect immediately prior to the effective time of the mergers.

UGC Stock Options and Other Awards. Each outstanding option to purchase shares of UGC common stock will be converted into an option to purchase the number of shares of Liberty Global Series A common stock determined by multiplying the number of UGC common shares subject to the option immediately prior to the effective time of the mergers by 0.2155 and rounding the resulting number down to the nearest whole number. The exercise price per share of UGC common stock for each of the converted UGC options will be the exercise price per share of UGC common stock applicable to that option immediately prior to the effective time of the mergers divided by 0.2155, rounded up to the nearest whole cent. The UGC converted options will generally have the same terms and conditions as were applicable under the UGC option plan pursuant to which such option was granted. Each outstanding stock appreciation right with respect to shares of UGC common stock immediately prior to the effective time of the mergers will be converted into a stock appreciation right with respect to that number of shares of Liberty Global Series A common stock equal to the number of shares of UGC common stock that were subject to such converted UGC stock appreciation right immediately prior to the effective time of the mergers multiplied by 0.2155, rounded down to the nearest whole number. The exercise or base price per stock appreciation right of the related converted UGC stock appreciation right will be equal to:

- in the case of a UGC stock appreciation right issued in tandem with, and at the same base or exercise price as, a UGC option, the base or exercise price per share of the related converted UGC option; and

- in the case of a free standing UGC stock appreciation right or a UGC stock appreciation right issued in tandem with, and at a different base or exercise price as, a UGC option, the amount determined by dividing the base or exercise price per share of such UGC stock appreciation right immediately prior to the effective time of the mergers by 0.2155, rounded up to the nearest whole cent.

In addition, each outstanding restricted share of UGC common stock will be converted into 0.2155 of a restricted share of Liberty Global Series A common stock, with the total number of shares for each holder rounded down to the nearest whole number, and will remain subject to the same restrictions applicable to such restricted share of UGC common stock as in effect immediately prior to the effective time of the mergers.

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Conditions to Completion of the Mergers

Conditions to Each Company s Obligation to Effect the Mergers. The obligations of LMI and UGC to complete the mergers are subject to the satisfaction or, if applicable, waiver of the following conditions:

the approval by LMI stockholders and UGC stockholders, respectively, of the merger agreement and the LMI merger and UGC merger, respectively;

the approval of the merger agreement and the UGC merger by the holders of a majority of the aggregate voting power of the outstanding shares of UGC common stock entitled to vote at the UGC special meeting, exclusive of any shares of UGC common stock beneficially owned by LMI, Liberty or any of their respective subsidiaries or any of the executive officers or directors of LMI, Liberty or UGC, which condition we refer to as the minority approval and which condition is non-waivable;

the declaration of effectiveness of the registration statement of Liberty Global of which this document is a part by the Securities and Exchange Commission and the absence of any stop order or proceedings seeking a stop order or suspension of effectiveness with respect to the registration statement;

the absence of any order, injunction, statute, rule or regulation prohibiting the consummation of the mergers or making such consummation illegal, or permitting such consummation subject to any condition that would have a material adverse effect on UGC or LMI or the ability of either UGC or LMI to consummate the mergers;

the receipt by LMI and Liberty Global of a written opinion of Skadden, Arps, Slate, Meagher & Flom LLP or another nationally recognized law firm that, for U.S. federal income tax purposes, provided that the spin off of LMI by Liberty would otherwise have qualified as a tax-free distribution under Section 355 of the Code, the mergers should not cause such spin off to fail to qualify as a tax-free distribution to Liberty under Section 355(e) of the Code, which condition is non-waivable;

the approval for listing on the Nasdaq National Market of the shares of Liberty Global common stock to be issued in the mergers, subject only to official notice of issuance; and

all authorizations, consents, orders or approvals of, or declarations or filings with, or expiration of waiting periods imposed by, any governmental entity necessary for the completion of the mergers having been filed, expired or been obtained, other than those where the failure to so file, expire or obtain would not be reasonably likely to have a material adverse effect on LMI or UGC or the ability of either LMI or UGC to consummate the mergers.

Additional Conditions to Each Company s Obligations. The obligations of each of LMI and UGC to complete the mergers are subject to the following additional conditions, unless waived by the other party:

the performance by the other party in all material respects of its agreements and covenants contained in the merger agreement required to be performed at or before the effective time of the mergers;

as a condition to LMI s obligations, UGC s representations and warranties contained in the merger agreement must:

if specifically qualified by reference to a material adverse effect on UGC or UGC s ability to complete the mergers, be true and correct, and

if not so qualified, be true and correct except where the failure to be so true and correct would not have a material adverse effect on UGC or UGC s ability to complete the mergers, except for UGC s representations and warranties relating to its capitalization, which must be true and correct in all material respects,

in each case, on the closing date (except to the extent any such representations or warranties speak only as of a specified earlier date, in which case, as of that earlier date);

as a condition to UGC s obligations, LMI s representations and warranties contained in the merger agreement must:

if specifically qualified by reference to a material adverse effect on LMI or LMI s ability to complete the mergers, be true and correct, and

if not so qualified, be true and correct except where the failure to be so true and correct would not have a material adverse effect on LMI or LMI s ability to complete the mergers, except for:

LMI s representations and warranties relating to its capitalization, which must be true and correct in all material respects, and

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LMI s representation and warranty that, except as disclosed in its Exchange Act filings prior to January 17, 2005, since September 30, 2004 there has not been a material adverse change in the business, properties, operations or financial condition of LMI s Japanese businesses, taken as a whole, other than any such change arising out of or resulting from (1) general business or economic conditions in Japan or from general changes in or affecting the industries in which LMI s Japanese businesses operate (except to the extent any such change has a disproportionate impact on LMI s Japanese businesses), (2) any changes in applicable generally accepted accounting principles that affect generally entities such as the Japanese businesses or (3) the conduct of, or failure to conduct or successfully complete, any public offering of shares by any of the Japanese businesses, which must be true and correct in all respects,

in each case, on the closing date (except to the extent any such representations or warranties speak only as of a specified earlier date, in which case, as of that earlier date);

as a condition to LMI s obligations, there being no action taken, statute, rule, regulation, order, judgment or decree proposed, enacted, promulgated, entered, issued, enforced or deemed applicable by any governmental entity that imposes or is reasonably likely to result in the imposition of material limitations on the ability of Liberty Global to effectively exercise full rights of ownership of the shares of LMI and UGC after the effective time of the mergers or makes the holding by Liberty Global of such shares illegal; and

the receipt of a written opinion of Baker Botts L.L.P. or another nationally recognized law firm, in the case of LMI, to the effect that the LMI merger will be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, and of a nationally recognized law firm, in the case of UGC, to the effect that, when integrated with the LMI merger, the conversion of shares of UGC common stock into shares of Liberty Global Series A common stock that is effected pursuant to the UGC merger will qualify as an exchange within the meaning of Section 351 of the Code, which condition is non-waivable by either party. Holme Roberts & Owen LLP is delivering this opinion to UGC.

In the merger agreement, the phrase material adverse effect on LMI or UGC means a material adverse effect on the business, properties, operations or financial condition of such entity and its subsidiaries, taken as a whole, other than any effect arising out of or resulting from:

any change in the trading prices of, in the case of LMI, the LMI Series A common stock and, in the case of UGC, UGC Class A common stock;

any changes in generally accepted accounting principles that affect entities such as LMI and UGC, as applicable;

general business or economic conditions or from general changes in or affecting the industries in areas in which LMI and its subsidiaries or UGC and its subsidiaries, respectively, operate, except to the extent that any such change has a disproportionate impact on LMI or UGC, respectively; or

the announcement of the merger agreement or the consummation of the mergers.

In the case of UGC, no material adverse effect can arise or result from any matter approved after the execution of the merger agreement that is an approved matter. When we refer to an approved matter, we mean any matter expressly approved by (1) the UGC board, provided that all of the directors of UGC who are also executive officers of LMI did not cast their votes against the approval of such matter, or (2) the executive committee of the UGC board, provided that at least one member of the executive committee of the UGC board is also an executive officer of LMI and all members of the executive committee who are also executive officers of LMI did not vote against such matter.

Termination

The merger agreement may be terminated and the mergers may be abandoned at any time prior to the effective time of the mergers by:

the mutual consent of UGC (with the approval of the Special Committee) and LMI;

either UGC (with the approval of the Special Committee) or LMI, if the mergers have not been consummated before September 30, 2005, unless the party seeking to terminate the agreement failed to fulfill its obligations in the merger agreement and such failure resulted in the mergers having not occurred by such date;

either UGC (with the approval of the Special Committee) or LMI, if the other party has breached any representation, warranty, covenant or agreement contained in the merger agreement, such that the conditions to the non-breaching party s obligation to consummate the mergers cannot be satisfied;

either UGC (with the approval of the Special Committee) or LMI, if any order, decree or ruling that permanently restrains, enjoins or prohibits the mergers has been issued and becomes final and non-appealable;

LMI, if the board of directors of UGC (with the approval of the Special Committee) has withdrawn or modified in any manner adverse to LMI its recommendation to the UGC stockholders; or

either UGC (with the approval of the Special Committee) or LMI, if any of the stockholder approvals, which consist of the LMI stockholder approval, the UGC statutory approval and the UGC minority approval, has not been obtained at the applicable stockholders meeting.

In addition, had UGC not filed its Annual Report on Form 10-K with the Securities and Exchange Commission by May 15, 2005, LMI would have had the right to terminate the merger agreement (subject to certain exceptions). UGC filed this report on March 14, 2005.

Neither LMI nor UGC will be entitled to a termination fee upon any termination of the merger agreement.

Covenants

Conduct of UGC Business Pending the Merger. Under the merger agreement, UGC agreed that, prior to the completion of the mergers, UGC would, and would cause its subsidiaries (1) to, conduct its business in the ordinary and usual course of its business and consistent with past practices, (2) to submit to a vote of its board of directors (or executive committee thereof) or other governing body any matter of a nature or in an amount that, consistent with past practices or existing board or other governing body policies, would have been required, or would have been expected, to be submitted to such a vote prior to the date of the merger agreement, and (3) not to take specified actions, except that UGC is permitted to take any action:

that is permitted, required or specifically contemplated by the merger agreement;

as to approved matters;

as to matters contemplated in the most recent budget approved by the board of directors of UGC, provided that such budget is itself an approved matter; and

that is required by applicable law.

Subject to these exceptions, UGC agreed, and agreed to cause its subsidiaries, not to take the following specified actions:

amend its certificate of incorporation or bylaws or other governing instrument or document;

authorize for issuance, issue, grant, sell, deliver, dispose of, pledge or otherwise encumber any shares of its capital stock or any securities or rights convertible into, exchangeable for, or evidencing the right to subscribe for any shares of its capital stock or other equity or voting interests, or any rights, options, warrants, calls, commitments or other agreements of any character to purchase or acquire any shares of its capital stock or other equity or voting interests, or any securities or rights convertible into, exchangeable for, or evidencing the right to subscribe for, any shares of its capital stock or other equity or voting interests, subject to certain specified exceptions;

split, combine, subdivide or reclassify the outstanding shares of its capital stock or other equity or voting interests, or declare, set aside for payment or pay any dividend, or make any other actual constructive or deemed distribution in respect of any shares of its capital stock or other equity or voting interests, or otherwise make any payments to stockholders or owners of equity or voting interests in their capacity as such (other than dividends or distributions paid by any wholly owned subsidiary of UGC to UGC or another wholly owned subsidiary);

redeem, purchase or otherwise acquire, directly or indirectly, any outstanding shares of capital stock or other securities or equity or voting interests of UGC or any subsidiary of UGC;

make any other changes in its capital or ownership structure;

sell or grant a lien or restriction with respect to any stock, equity or partnership interest owned by it in any subsidiary of UGC;

enter into new employment agreements with, or increase compensation of, (a) any officer or director of UGC or (b) any member of senior executive management of any subsidiary of UGC whose annual income exceeds $100,000 per annum, other than in the case of (b), as required by written agreements in effect on the date of the merger agreement;

establish, amend or modify any of its employee benefit plans, except in the ordinary course of business, consistent with past practice and to the extent not material, and except to the extent required by applicable law or the existing terms of the plans or the provisions of the merger agreement;

make any capital expenditures that individually or in the aggregate are in excess of the amount provided for capital expenditures in the most recent capital budget for UGC and its subsidiaries approved by the board of directors of UGC, provided that such budget is itself an approved matter;

incur any material amount of indebtedness or guarantee any material amount of indebtedness other than in the ordinary course of business, provided that UGC may renew, extend or refinance existing indebtedness if there is no increase in interest rate or principal amount of indebtedness pursuant to such renewal, extension or refinancing;

acquire or agree to acquire in any manner any business or any corporation or otherwise acquire any assets that are material to UGC other than in the ordinary course of business;

make any material change in any accounting, financial reporting or tax practice or policy;

take any action that would reasonably be expected to result in any of the conditions to the mergers not to be satisfied; and

authorize or enter into any contract, agreement, commitment or arrangement to effect any of the foregoing.

No Solicitation. In addition, UGC has agreed that it will not, and it will not knowingly permit its officers, directors, representatives and agents to, directly or indirectly, (1) take any action to solicit, initiate or knowingly encourage the submission of any offer or proposal concerning a tender offer, exchange offer, merger, share exchange, recapitalization, consolidation or other similar business combination, or a direct or indirect acquisition in any manner of a significant equity interest in, or a substantial portion of the assets of, UGC (each, an acquisition proposal) or (2) engage in discussions or negotiations with any person to facilitate an acquisition proposal. However, UGC may engage in discussions or negotiations with, and furnish nonpublic information or access to, any person in response to an unsolicited acquisition proposal, if (A) it has complied, prior to such response, with the foregoing non-solicitation covenant and (B) the UGC board determines in good faith after consultation with counsel that it is necessary to do so in order to discharge its fiduciary duties under applicable law. UGC must notify LMI of, and keep it informed of any material developments with respect to, any acquisition proposal.

Conduct of LMI Pending the Mergers. In the merger agreement, LMI agreed that, during the period before completion of the mergers, it would not declare, make or pay any dividend or distribution in respect of its capital stock (other than in shares of LMI common stock) or take any other action that would reasonably be expected to result in any of the conditions to the mergers not being fulfilled.

Additional Covenants. Each of LMI and UGC agreed to duly call, give notice of, convene and hold, as soon as reasonably practicable after the date of the merger agreement, a meeting of such entity s stockholders for the purpose of considering and voting upon the merger agreement, and, at such meeting, each of the board of directors of LMI and UGC will, except as required by the fiduciary duties of such board, recommend to its stockholders the approval of the merger agreement and the applicable merger.

In the merger agreement, LMI and UGC agreed to use their commercially reasonable efforts to take all action and to do all things necessary, proper or advisable under applicable laws to consummate the mergers, including the use of commercially reasonable efforts to, among other things:

prepare and file with the Securities and Exchange Commission this joint proxy statement/ prospectus, the registration statement of which it is a part and the required Schedule 13E-3 transaction statement and seek to have such filings cleared and/or declared effective, as applicable, by the Securities and Exchange Commission as soon as reasonably practicable after filing;

cause the shares of Liberty Global common stock issuable in the mergers (and the shares of Liberty Global common stock reserved for issuance with respect to LMI and UGC options, stock appreciation rights and restricted stock) to be eligible for quotation on the Nasdaq National Market prior to the effective time of the mergers;

cause any injunctions or restraining orders to be lifted; and

obtain all necessary or appropriate consents, waivers or approvals of third parties or any governmental entity in connection with the mergers.

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UGC and LMI agreed that, after the effective time of the mergers, each of them will indemnify its present and former directors and officers, and any person serving at the request of UGC or LMI, as applicable, as a director or officer of another entity, against all liabilities incurred by any such person in his or her capacity as a director or officer in connection with any action arising out of the fact that such person was a director or officer of UGC or LMI, as applicable, and pertaining to any matter existing at or prior to the effective time of the mergers, to the same extent as such persons are currently indemnified by UGC or LMI, as applicable. In addition, the merger agreement provides that all rights to indemnification or advancement of expenses currently existing in the organizational documents of UGC or LMI in favor of such officers and directors and persons serving at the request of UGC or LMI, as applicable, as a director or officer of another entity, will continue in force for no less than six years following January 17, 2005, the date on which the merger agreement was signed.

LMI, which beneficially owns shares of UGC common stock representing approximately 91% of the aggregate voting power of UGC, as of March 31, 2005, agreed to vote, and to cause its subsidiaries to vote, such shares in favor of the approval of the merger agreement and the UGC merger.

Representations and Warranties

The merger agreement contains customary and substantially reciprocal representations and warranties by each of LMI and UGC relating to, among other things:

- corporate organization and qualification;
- authorization and validity of the merger agreement, absence of conflicts and board approval of the merger agreement;
- capital structure;
- documents filed with the Securities and Exchange Commission and financial statements included in those documents;
- information supplied in connection with this joint proxy statement/ prospectus, the registration statement of which it is a part and the Schedule 13E-3 transaction statement;
- absence of material breaches of organizational documents, laws or agreements as a result of the mergers;
- absence of certain changes or events since September 30, 2004;
- legal proceedings;
- compliance with applicable laws;
- tax and employee matters;
- brokers and finders;
- opinions of financial advisors; and
- the stockholder vote required.

At the date of this joint proxy statement/ prospectus, each of LMI and UGC believes that the commencement of the class action lawsuits described under Special Factors Class Action Lawsuits Relating to the UGC Merger will not result in the inability of LMI or UGC to bring down, as of the closing date, its representations and warranties relating to legal proceedings contained in the merger agreement, because the lawsuits are not reasonably anticipated to have a material adverse effect, as such term is defined in the merger agreement, on LMI or UGC or on the ability of either of them to consummate the mergers.

Amendment, Extension and Waiver

LMI and UGC may amend the merger agreement by action taken or authorized by their respective boards of directors (in the case of UGC, with the approval of the Special Committee), at any time before or after the approval of the merger agreement and the applicable merger by the stockholders of LMI or UGC. After the stockholder approvals, no amendment may be made which by law requires further approval by those stockholders, unless LMI and/or UGC obtain that further approval. All amendments to the merger agreement must be in writing signed by all of the parties thereto.

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Fees and Expenses

Whether or not the mergers are completed, all costs and expenses incurred in connection with the merger agreement and the mergers will be paid by the party incurring the expense, except that all expenses and fees incurred in connection with the printing and mailing of this joint proxy statement/ prospectus, the registration statement of which it is a part and the Schedule 13E-3 transaction statement will be shared equally by LMI and UGC.

Voting Agreement

The following is a summary of the material terms of the voting agreement. This summary may not contain all of the information that is important to you. It is qualified in its entirety by reference to the voting agreement, a copy of which is included as Appendix C and is incorporated herein by reference.

The Special Committee made it a condition to UGC s execution of the merger agreement, and the board of directors of LMI requested, that John C. Malone enter into a voting agreement pursuant to which he would agree to vote certain of his shares of LMI common stock in favor of the merger agreement and the LMI merger. Accordingly, concurrently with the execution of the merger agreement, Mr. Malone entered into the voting agreement, dated as of January 17, 2005, with UGC, pursuant to which Mr. Malone agreed to vote the shares of LMI Series A common stock and LMI Series B common stock over which he possesses sole voting power, and, subject to his fiduciary duties as trustee, the shares of LMI Series A common stock and LMI Series B common stock held in two separate trusts of which Mr. Malone serves as the sole trustee, in favor of the adoption by LMI of the merger agreement and the approval of the LMI merger at any meeting of LMI stockholders at which the merger agreement and the LMI merger are submitted for a vote of LMI stockholders (or pursuant to written consent). The voting agreement also covers shares of LMI common stock acquired by Mr. Malone (including upon exercise of stock options) after January 17, 2005.

The voting agreement restricts Mr. Malone s ability to transfer any of the shares owned by him or any options to purchase shares, unless, among other things, he retains the right to vote such shares or the applicable transferee enters into an agreement with UGC having the same obligations and restrictions as the voting agreement. The voting agreement also provides that Mr. Malone will not grant any proxies or power of attorney or enter into a voting agreement or other arrangement relating to the matters covered by the voting agreement with respect to any of these shares or options to acquire such shares or deposit any of these shares or options to acquire such shares into a voting trust.

The Voting Agreement will terminate upon the first to occur of the closing of the transactions contemplated by the merger agreement and the termination of the merger agreement in accordance with its terms.

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MANAGEMENT OF LIBERTY GLOBAL

Directors and Executive Officers

The following table sets forth certain information concerning the persons who have agreed to serve as Liberty Global s directors and executive officers immediately following the mergers, including a five year employment history and any directorships held in public companies. The board of directors of Liberty Global will select members of LMI s and UGC s management teams to serve as the remaining executive officers of Liberty Global immediately following the mergers.

Name	Positions
John C. Malone Born March 7, 1941	Chairman of the Board and a director of Liberty Global. Mr. Malone has served as President, Chief Executive Officer, Chairman of the Board and a director of LMI since March 2004. Mr. Malone has served as a director of UGC and its predecessors since November 1999. Mr. Malone has served as Chairman of the Board of Liberty since 1990. Mr. Malone served as Chairman of the Board and a director of Liberty Satellite & Technology, Inc. from December 1996 to August 2000. Mr. Malone also served as Chairman of the Board of Tele-Communications, Inc., the former parent company of Liberty (TCI), from November 1996 to March 1999 and as Chief Executive Officer of TCI from January 1994 to March 1999. Mr. Malone is also a director of The Bank of New York, Cablevision Systems Corporation and Liberty.
Michael T. Fries Born February 6, 1963	Chief Executive Officer, President and a director of Liberty Global. Mr. Fries has served as Chief Executive Officer of UGC since January 2004. Mr. Fries has served as a director of UGC and its predecessors since November 1999 and as President of UGC and its predecessors since September 1998. He also served as Chief Operating Officer of UGC and its predecessors from September 1998 to January 2004. In addition, he serves or has served as an officer and/or director of various direct and indirect subsidiaries and affiliates of UGC, including as a member of the UPC Supervisory Board from September 1998 until September 2003 and as Chairman thereof from February 1999 until September 2003, a member of the Priority Telecom Supervisory Board since November 2000 and as Chairman thereof since March 2003 and as a director of Austar United Communications Limited since June 1999. He served as Chairman of Austar United from June 1999 to April 2003. Mr. Fries has been with UGC and its predecessors since 1990.
John P. Cole, Jr Born January 12, 1930	A director of Liberty Global. Mr. Cole has served as a director of UGC and its predecessors since March 1998. Mr. Cole served as a member of the UPC Supervisory Board from February 1999 to September 2003. Mr. Cole is a founder of the Washington, D.C. law firm of Cole, Raywid and Braverman, which specializes in all aspects of telecommunications and media law.
John W. Dick Born January 9, 1938	A director of Liberty Global. Mr. Dick has served as a director of UGC since March 2003. Mr. Dick served as a member of the UPC Supervisory Board from May 2001 to September 2003 and as a director of UGC Europe from September 2003 to January 2004. He is the non-executive Chairman and a director of Hooper Industries Group, a privately held U.K. group consisting of: Hooper and Co (Coachbuilders) Ltd. (building

	special/bodied Rolls Royce and Bentley motorcars) and Hooper Industries (China) (providing industrial products and components to Europe and the U.S.). Until 2002, Hooper Industries Group also held Metrocab UK (manufacturing London taxicabs) and Moscab (a joint venture with the Moscow city government, producing left-hand drive Metrocabs for Russia). Mr. Dick has held his positions with Hooper Industries Group since 1984. Mr. Dick is also a director of Austar United.
Paul A. Gould Born September 27, 1945	A director of Liberty Global. Mr. Gould has served as a director of UGC since January 2004. Mr. Gould has served as Managing Director of Allen & Company L.L.C., an investment banking services company, and has been associated with Allen & Company and its affiliates for more than the last five years. Mr. Gould is also a director of Ampco-Pittsburgh Corporation and Liberty.
David E. Rapley Born June 22, 1941	A director of Liberty Global. Mr. Rapley has served as a director of LMI since May 2004. Mr. Rapley served as Executive Vice President Engineering of VECO Corp. Alaska from January 1998 to December 2001. Mr. Rapley is also a director of Liberty.

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Name	Positions
Larry E. Romrell Born December 30, 1939	A director of Liberty Global. Mr. Romrell has served as a director of LMI since May 2004. Mr. Romrell served as an Executive Vice President of TCI from January 1994 to March 1999. Mr. Romrell also served, from December 1997 to March 1999, as Executive Vice President and Chief Executive Officer of TCI Business Alliance and Technology Co.; and from December 1997 to March 1999, as Senior Vice President of TCI Ventures Group. Mr. Romrell is also a director of Liberty.
Gene W. Schneider Born September 8, 1926	A director of Liberty Global. Mr. Schneider has served as Chairman of the Board of UGC and its predecessors since 1989. Mr. Schneider also served as Chief Executive Officer of UGC and its predecessors from 1995 to January 2004. Mr. Schneider has served as an officer and/or director of various direct and indirect subsidiaries of UGC. In addition, from 1995 until 1999, Mr. Schneider served as a member of the UPC Supervisory Board, and an advisor to the Supervisory Board of UPC from 1999 until September 2003. Mr. Schneider has been with UGC and its predecessors since 1989. Mr. Schneider is also a director of Austar United.
J.C. Sparkman Born September 12, 1932	A director of Liberty Global. Mr. Sparkman has served as a director of LMI since November 2004. Mr. Sparkman served as the Chairman of the Board of Broadband Services, Inc. from September 1999 through December 2003. Mr. Sparkman is also a director of Shaw Communications Inc. and Universal Electronics, Inc.
J. David Wargo Born October 1, 1953	A director of Liberty Global. Mr. Wargo has served as a director of LMI since May 2004. Mr. Wargo has served as the President of Wargo & Company, Inc., a private investment company specializing in the communications industry, since January 1993. Mr. Wargo is also a director of OpenTV Corp. and Strayer Education, Inc.

The executive officers named above will serve in such capacities until the first annual meeting of our board of directors, or until their respective successors have been duly elected and have been qualified, or until their earlier death, resignation, disqualification or removal from office. There is no family relationship between any of the persons named above, by blood, marriage or adoption.

During the past five years, none of the above persons was convicted in a criminal proceeding (excluding traffic violation or similar misdemeanors) or was a party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

Involvement in Certain Proceedings

Except as stated below, during the past five years, none of the above persons has had any involvement in such legal proceedings as would be material to an evaluation of his or her ability or integrity.

On March 29, 2002, United Australia/Pacific, Inc. (UAP), then a subsidiary of UGC, filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the United States District Court for the Southern District of New York. UAP s reorganization closed on June 27, 2003, and UAP has since dissolved. Until February 11, 2002, Mr. Fries was a director and the President of UAP and, until November 14, 2001, Mr. Schneider was a director and Chief Executive Officer of UAP.

On December 3, 2002, United Pan-Europe Communications N.V. (UPC), now a subsidiary of UGC Europe, Inc., filed a voluntary petition for reorganization under Chapter 11 of the United States Bankruptcy Code, together with a pre-negotiated plan of reorganization, in the United States District Court of the Southern District of New York. In conjunction with such filing, also on December 3, 2002, UPC commenced a moratorium of payments in The Netherlands under Dutch bankruptcy law with the filing of a proposed plan of compulsory composition or the Akkoord with the Amsterdam Court (Rechtbank) under the Dutch Faillissementswet. These actions were completed on September 3, 2003, when UGC Europe acquired more than 99% of the stock of, and became a successor issuer to UPC. Messrs. Fries, Cole and Dick were Supervisory Directors of UPC and Mr. Schneider was an advisor to UPC s Supervisory Board.

On January 12, 2004, UGC s predecessor (Old UGC), filed a voluntary petition for relief under Chapter 11 of the U.S. Bankruptcy Code with the U.S. Bankruptcy Court for the Southern District of New York. On November 10,

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2004, the U.S. Bankruptcy Court confirmed Old UGC s plan of reorganization and Old UGC emerged from the Chapter 11 proceedings on November 18, 2004. Until August 2003, Mr. Fries was the President of Old UGC, and Mr. Schneider was a director and Chief Executive Officer of Old UGC.

Board Composition

The board of directors of Liberty Global will initially consist of ten directors, divided among three classes. Liberty Global s Class I directors, whose term will expire at the annual meeting of its stockholders in 2006, are Gene W. Schneider, John P. Cole, Jr. and David E. Rapley. Liberty Global s Class II directors, whose term will expire at the annual meeting of its stockholders in 2007, are J. David Wargo, J.C. Sparkman and John W. Dick. Liberty Global s Class III directors, whose term will expire at the annual meeting of its stockholders in 2008, are John C. Malone, Paul A. Gould, Michael T. Fries and Larry Romrell. At each annual meeting of Liberty Global stockholders, the successors of that class of directors whose term(s) expire at that meeting shall be elected to hold office for a term expiring at the annual meeting of Liberty Global stockholders held in the third year following the year of their election. The directors of each class will hold office until their respective death, resignation or removal and until their respective successors are elected and qualified.

Executive Compensation

Liberty Global has not yet paid any compensation to any of its executive officers or any person expected to become an executive officer of Liberty Global. The form and amount of the compensation to be paid to each of Liberty Global s executive officers in any future period will be determined by the compensation committee of Liberty Global s board of directors.

For information concerning the compensation paid to the Chief Executive Officer of LMI and the four most highly compensated executive officers of LMI during the year ended December 31, 2004, see Management of LMI Executive Compensation.

For information concerning the compensation paid to, and any employment agreements with, the Chief Executive Officer of UGC and the four most highly compensated executive officers of UGC for the year ended December 31, 2004, see Item 11. Executive Compensation in UGC s Annual Report on Form 10-K/A for the year ended December 31, 2004, which has been incorporated by reference in this joint proxy statement/ prospectus.

Compensation of Directors

In accordance with existing practice of LMI and UGC, it is expected that directors of Liberty Global who are also employees of Liberty Global will receive no additional compensation for their services as directors. Each non-employee director of Liberty Global will receive compensation for services as a director of Liberty Global and, if applicable, for services as a member of any board committee, as will be determined by Liberty Global s board of directors.

For information concerning the compensation policy for directors of LMI, see Management of LMI Director Compensation.

For information concerning the compensation policy for directors of UGC, see UGC s Annual Report on Form 10-K/A for the year ended December 31, 2004, which has been incorporated by reference in this joint proxy statement/ prospectus.

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MANAGEMENT OF LMI

Executive Officers and Directors

The name and present principal occupation of each executive officer and director of LMI is set forth below. Unless otherwise noted, the business address for each person listed below is c/o Liberty Media International, Inc., 12300 Liberty Boulevard, Englewood, Colorado 80112. To the knowledge of LMI, all executive officers listed below are United States citizens, except for Miranda Curtis, who is a citizen of the United Kingdom.

Name	Positions
John C. Malone Born March 7, 1941	President, Chief Executive Officer, Chairman of the Board and a director of LMI since March 2004. Mr. Malone has served as Chairman of the Board of Liberty since 1990. Mr. Malone served as Chairman of the Board and a director of Liberty Satellite & Technology, Inc. from December 1996 to August 2000. Mr. Malone also served as Chairman of the Board of TCI from November 1996 to March 1999 and as Chief Executive Officer of TCI from January 1994 to March 1999. Mr. Malone is also a director of The Bank of New York, Cablevision Systems Corporation, Liberty and UGC.
Miranda Curtis Born November 26, 1955	Senior Vice President of LMI and President of its Asia division since March 2004. Ms. Curtis has served as a Senior Vice President of LMI s subsidiary, Liberty Media International Holdings, LLC (Old LMINT), since June 2004, and she served as President of Old LMINT and its predecessors from February 1999 to June 2004.
Bernard G. Dvorak Born April 19, 1960	Senior Vice President and Controller of LMI since March 2004. Mr. Dvorak served as Senior Vice President, Chief Financial Officer and Treasurer of On Command Corporation, a subsidiary of Liberty, from July 2002 until May 17, 2004. Mr. Dvorak was the Chief Executive Officer and a member of the board of directors of Formus Communications, Inc., a provider of fixed wireless services in Europe, from September 2000 until June 2002, and, from April 1999 until September 2000, he served as Chief Financial Officer of Formus. Mr. Dvorak is a director of UGC.
Graham Hollis Born January 9, 1952	Senior Vice President and Treasurer of LMI and Executive Vice President of its Asia division since March 2004. Mr. Hollis has served as a Senior Vice President of Old LMINT since June 2004, and he served as Executive Vice President and Chief Financial Officer of Old LMINT and its predecessors from May 1995 to June 2004.
David B. Koff Born December 26, 1958	Senior Vice President of LMI and President of its Europe division since March 2004. Mr. Koff served as a Senior Vice President of Liberty from February 1998 through May 2004. Mr. Koff is a director of UGC.
David J. Leonard Born March 28, 1953	Senior Vice President of LMI and President of its Latin America division since March 2004. Mr. Leonard served as the President of Liberty s Latin America Group, a subgroup of Liberty s International Group, from January 2004 through June 2004. From May 2002 through December 2003, Mr. Leonard was the founder and managing director of VLG Acquisition Corp., which owned interests in selected telecommunications companies in Latin America. From 1998 to 2002, Mr. Leonard was the founder, president and Chief Executive Officer of VeloCom Inc., a competitive local exchange carrier which provided wireless communications services throughout Brazil and Argentina.

Elizabeth M. Markowski Born October 26, 1948	Senior Vice President, General Counsel and Secretary of LMI since March 2004. Ms. Markowski served as a Senior Vice President of Liberty from November 2000 through December 2004. Prior to joining Liberty, Ms. Markowski was a partner in the law firm of Baker Botts L.L.P. for more than five years.
Robert R. Bennett Born April 19, 1958 *c/o Liberty Media Corporation* *12300 Liberty Boulevard* *Englewood, Colorado 80112*	A director of LMI and Vice-Chairman of the Board since March 2004. Mr. Bennett has served as President and Chief Executive Officer of Liberty since April 1997, and he held various other executive positions with Liberty since its inception in 1990. Mr. Bennett served as Executive Vice President of TCI from April 1997 to March 1999. Mr. Bennett is also a director of Liberty, OpenTV Corp. and UGC.

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Name	Positions
Donne F. Fisher Born May 24, 1938 *Fisher Capital Partners, Ltd.* *5619 DTC Parkway,* *Suite 1150* *Greenwood Village,* *Colorado 80111*	A director of LMI since May 2004. Mr. Fisher has served as President of Fisher Capital Partners, Ltd., a venture capital partnership, since December 1991. Mr. Fisher is also a director of General Communication, Inc. and Liberty.
David E. Rapley Born June 22, 1941	A director of LMI since May 2004. Mr. Rapley served as Executive Vice President Engineering of VECO Corp. Alaska from January 1998 to December 2001. Mr. Rapley is also a director of Liberty.
M. LaVoy Robison Born September 6, 1935 *The Anschutz Foundation* *1727 Tremont Place* *Denver, Colorado 80202*	A director of LMI since June 2004. Mr. Robison has served as an executive director and board member of The Anschutz Foundation (a private foundation) since January 1998. Mr. Robison is also a director of Liberty.
Larry E. Romrell Born December 30, 1939	A director of LMI since May 2004. Mr. Romrell served as an Executive Vice President of TCI from January 1994 to March 1999. Mr. Romrell also served, from December 1997 to March 1999, as Executive Vice President and Chief Executive Officer of TCI Business Alliance and Technology Co.; and from December 1997 to March 1999, as Senior Vice President of TCI Ventures Group. Mr. Romrell is also a director of Liberty.
J. C. Sparkman Born September 12, 1931	A director of LMI since November 2004. Mr. Sparkman served as the Chairman of the Board of Broadband Services, Inc. from September 1999 through December 2003. Mr. Sparkman is also a director of Shaw Communications Inc. and Universal Electronics, Inc.
J. David Wargo Born October 1, 1953 *Wargo & Company, Inc.* *712 Fifth Avenue* *New York, New York 10019*	A director of LMI since May 2004. Mr. Wargo has served as the President of Wargo & Company, Inc., a private investment company specializing in the communications industry, since January 1993. Mr. Wargo is also a director of OpenTV Corp. and Strayer Education, Inc.

There are no family relations among the above named individuals, by blood, marriage or adoption.

During the past five years, none of the above persons was convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or was party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

Involvement in Certain Proceedings

Except as stated below, during the past five years, none of the above persons has had any involvement in such legal proceedings as would be material to an evaluation of his or her ability or integrity.

On March 28, 2001, an involuntary petition under Chapter 7 of the U.S. Bankruptcy Code was filed against Formus in the United States Bankruptcy Court for the District of Colorado. Mr. Dvorak was a director and the Chief Executive Officer of Formus from September 2000 until June 2002.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires LMI s executive officers and directors, and persons who own more than ten percent of a registered class of LMI s equity securities, to file reports of ownership and changes in ownership with the SEC. Officers, directors and greater than ten-percent stockholders are required by SEC regulation to furnish LMI with copies of all Section 16 forms they file.

Based solely on a review of the copies of the Forms 3, 4 and 5 and amendments to those forms furnished to LMI with respect to LMI s most recent fiscal year, or written representations that no Forms 5 were required, LMI believes that, during the year ended December 31, 2004, all Section 16(a) filing requirements applicable to LMI s executive officers, directors and greater than ten-percent beneficial owners were complied with, except that one Form 4 on behalf of Larry Romrell was not timely filed.

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Code of Business Conduct and Ethics

LMI has adopted a code of business conduct and ethics that applies to all of its employees, directors and officers. LMI s code of business conduct and ethics constitutes its code of ethics within the meaning of Section 406 of the Sarbanes-Oxley Act and is available on its website at *www.libertymediainternational.com.* In addition, LMI will provide a copy of its code of business conduct and ethics, free of charge, to any stockholder who calls or submits a request in writing to Investor Relations, Liberty Media International, Inc., 12300 Liberty Boulevard, Englewood, Colorado 80112, Tel. No. (800) 783-7676.

Committees of the Board of Directors

Executive Committee

LMI s board of directors has established an executive committee, whose members are Robert R. Bennett and John C. Malone. Except as specifically prohibited by the General Corporation Law of the State of Delaware or limited by LMI s board of directors, the executive committee may exercise all the powers and authority of LMI s board in the management of LMI s business and affairs, including the power and authority to authorize the issuance of shares of LMI capital stock.

Compensation Committee

LMI s board of directors has established a compensation committee, whose members are Donne F. Fisher, Larry E. Romrell and J. David Wargo. LMI s board of directors has determined that Messrs. Fisher, Romrell and Wargo are independent, as independence is defined in the rules of the Nasdaq Stock Market as well as the rules and regulations adopted by the SEC. The compensation committee reviews and makes recommendations to LMI s board regarding all forms of compensation provided to LMI s executive officers and directors. In addition, the compensation committee reviews and makes recommendations on bonus and stock compensation arrangements for all of LMI s employees and has sole responsibility for the administration of the Liberty Media International, Inc. 2004 Incentive Plan (As Amended and Restated Effective March 9, 2005).

Audit Committee

LMI s board of directors has established an audit committee, whose members are Donne F. Fisher, David E. Rapley, M. LaVoy Robison and J. David Wargo. LMI s board of directors has determined that Messrs. Fisher, Rapley, Robison and Wargo are independent, as independence for audit committee members is defined in the rules of the Nasdaq Stock Market as well as the rules and regulations adopted by the SEC. In addition, LMI s board of directors has determined that M. LaVoy Robison qualifies as an audit committee financial expert under applicable SEC rules and regulations. The audit committee reviews and monitors the corporate financial reporting and the internal and external audits of LMI. The committee s functions include:

appointing and, if necessary, replacing LMI s independent auditors;

reviewing and approving in advance the scope and the fees of all auditing services, and all permissible non-auditing services, to be performed for LMI by LMI s independent auditors;

reviewing audited financial statements with LMI s management and LMI s independent auditors and making recommendations regarding inclusion of such audited financial statements in certain public filings of LMI;

overseeing the performance of services by LMI s independent auditors, including holding quarterly meetings to review the quarterly reports of LMI s independent auditors, discussing with LMI s independent auditors issues regarding the ability of LMI s independent auditors to perform such services, obtaining, annually, a letter from LMI s independent auditors addressing certain internal quality-control issues, reviewing with LMI s independent auditors any audit-related problems or difficulties and the response of LMI s management, and addressing other general oversight issues;

reviewing compliance with and the adequacy of LMI s existing major accounting and financial reporting policies;

overseeing the implementation and maintenance of an internal audit function, discussing with LMI s independent auditors and LMI s management the internal audit function s responsibilities, budget and staff, periodically reviewing with LMI s independent auditors the results and findings of the internal audit function

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and coordinating with LMI s management to ensure that the issues associated with such results and findings are addressed;

reviewing and overseeing compliance with, and establishing procedures for the treatment of alleged violations of, applicable securities laws, SEC and Nasdaq Stock Market rules regarding audit committees and the code of business conduct and ethics adopted by the LMI board; and

preparing a report for LMI s annual proxy statement.

LMI s board of directors has adopted a written charter for the audit committee which is included as Appendix A: Information Concerning Liberty Media International, Inc. Part 6: Audit Committee Charter of Audit Committee of LMI Board of Directors to this joint proxy statement/ prospectus. The charter is also available on LMI s website at *www.libertymediainternational.com.* In addition, LMI will provide a copy of the charter, free of charge, to any stockholder who calls or submits a request in writing to Investor Relations, Liberty Media International, Inc. 12300 Liberty Boulevard, Englewood, Colorado 80112, Tel. No. (800) 783-7676.

Audit Committee Report

The audit committee has reviewed and discussed LMI s audited restated consolidated financial statements with management and LMI s independent auditors, KPMG LLP. The audit committee has also discussed with KPMG LLP the matters required to be discussed by the Statement on Auditing Standards No. 61, Communication with Audit Committees, as amended, including the auditors judgment about the quality of our accounting principles, as applied in our financial reporting.

The audit committee has received the written disclosures and the letter from the independent auditors required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) that relates to the auditors independence from LMI and its subsidiaries, and has discussed with LMI s independent auditors their independence.

Based on the reviews and discussions referred to above, the audit committee recommended to LMI s board of directors that the audited restated financial statements be included in LMI s amended Annual Report on Form 10-K/A for the year ended December 31, 2004, for filing with the SEC.

Submitted by the Members of the Audit Committee:

Donne F. Fisher
David E. Rapley
M. LaVoy Robison
J. David Wargo

Nominating and Corporate Governance Committee

LMI s board of directors has established a nominating and corporate governance committee, whose members are Donne F. Fisher, David E. Rapley, Larry E. Romrell and J. David Wargo. LMI s board of directors has determined that Messrs. Fisher, Rapley, Romrell and Wargo are independent, as independence is defined in the rules of the Nasdaq Stock Market as well as the rules and regulations adopted by the SEC. The nominating and corporate governance committee identifies and recommends as nominees to LMI s board of directors individuals qualified to become members of LMI s board, and reviews from time to time the corporate governance guidelines applicable to LMI and recommends to LMI s board such changes as it may deem appropriate. The nominating and corporate governance committee also oversees the evaluation of management of LMI and LMI s board of directors and makes recommendations, as appropriate.

The nominating and corporate governance committee will consider candidates for director recommended by any stockholder provided that such nominations are properly submitted. Eligible stockholders wishing to recommend a candidate for nomination as a director should send the recommendation in writing to the Nominating and Corporate Governance Committee, Liberty Media International, Inc., 12300 Liberty Boulevard, Englewood, Colorado 80112. Stockholder recommendations must be made in accordance with LMI s bylaws, as discussed under Additional Information Stockholder Proposals LMI below, and contain the following information:

the proposing stockholder s name and address and documentation indicating the number of shares of LMI common stock beneficially owned by such person and the holder or holders of record of those shares, together with a statement that the proposing stockholder is recommending a candidate for nomination as a director;

- the candidate s name, age, business and residence addresses, principal occupation or employment, business experience, educational background and any other information relevant in light of the factors considered by the nominating and corporate governance committee in making a determination of a candidate s qualifications, as described below;
- a statement detailing any relationship, arrangement or understanding that might affect the independence of the candidate as a member of LMI s board;
- any other information that would be required under SEC rules in a proxy statement soliciting proxies for the election of such candidate as a director;
- a representation as to whether the proposing stockholder intends to deliver any proxy materials or otherwise solicit proxies in support of the director nominee;
- a representation that the proposing stockholder intends to appear in person or by proxy at the annual stockholders meeting at which the person named in such notice is to stand for election; and
- a signed consent of the candidate to serve as a director, if nominated and elected.

In connection with its evaluation, the nominating and corporate governance committee may request additional information from the proposing stockholder and the candidate. The nominating and corporate governance committee has sole discretion to decide which individuals to recommend for nomination as directors.

To be nominated to serve as a director, a nominee need not meet any specific, minimum criteria; however, the nominating and corporate governance committee believes that nominees for director should possess the highest personal and professional ethics, integrity, values and judgment and should be committed to the long-term interests of LMI stockholders. When evaluating a potential director nominee, including one recommended by a stockholder, the nominating and corporate governance committee will take into account a number of factors, including, but not limited to, the following:

- independence from management;
- education and professional background;
- judgment, skill, integrity and reputation;
- existing commitments to other businesses as a director, executive or owner;
- personal conflicts of interest, if any; and
- the size and composition of the existing board of directors.

When seeking candidates for director, the nominating and corporate governance committee may solicit suggestions from incumbent directors, management, stockholders and others. After conducting an initial evaluation of a prospective nominee, the nominating and corporate governance committee will interview that candidate if it believes the candidate might be suitable to be a director. The nominating and corporate governance committee may also ask the candidate to meet with management. If the nominating and corporate governance committee believes a candidate would be a valuable addition to the board of directors, it may recommend to LMI s full board that candidate s appointment or election.

Prior to nominating an incumbent director for re-election at an annual meeting of stockholders, the nominating and corporate governance committee will consider the director s past attendance at, and participation in, meetings of the board of directors and its committees and the director s formal and informal contributions to the various activities conducted by the board and the board committees of which such individual is a member. Messrs. Rapley and Romrell, who are nominated for re-election at the LMI annual meeting, were approved for nomination by the nominating and corporate governance committee.

LMI s board of directors has adopted a written charter for the nominating and corporate governance committee. LMI s board has also adopted corporate governance guidelines and, as an annex thereto, criteria for director independence. The criteria for director independence consists of categorical standards to be used in determining which of LMI s directors qualify as independent for purposes of the Nasdaq Stock Market rules as well as applicable rules and regulations adopted by the SEC. This charter and the corporate governance guidelines, including the criteria for director independence, is available on LMI s website at *www.libertymediainternational.com*. In addition, LMI will provide copies of this charter or the corporate governance guidelines, including the criteria for director independence, free of charge, to any stockholder who calls or submits a request in writing to Investor Relations, Liberty Media International, 12300 Liberty Boulevard, Englewood, Colorado 80112, Tel. No. (800) 783-7676.

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Other

The board, by resolution, may from time to time establish certain other committees of the board, consisting of one or more of LMI s directors. Any committee so established will have the powers delegated to it by resolution of the board, subject to applicable law.

Board Meetings

During 2004, there were nine meetings of LMI s full board of directors, three meetings of LMI s compensation committee, six meetings of LMI s audit committee and one meeting of LMI s nominating and corporate governance committee. Each director of LMI attended, either in person or telephonically, at least 75% of the total number of LMI board meetings held during the period during which he served on the LMI board. Each director serving on a committee of the LMI board attended, in person or telephonically, at least 75% of the total number of meetings held by each committee on which he served during the period during which he served on such committee, other than Donne F. Fisher who did not attend one meeting of LMI s compensation committee.

Director Attendance at Annual Meetings

LMI s board of directors encourages all members to attend each annual meeting of LMI stockholders. Since LMI was spun off from Liberty on June 7, 2004, LMI did not hold a 2004 annual stockholders meeting.

Stockholder Communication with Directors

LMI s stockholders may send communications to LMI s board of directors or to individual directors by mail addressed to the Board of Directors or to an individual director c/o Liberty Media International, Inc., 12300 Liberty Boulevard, Englewood, Colorado 80112. Communications from LMI s stockholders will be forwarded to LMI s directors on a timely basis.

Executive Sessions

Following LMI s spin off from Liberty, the independent directors of LMI held one executive session without the participation of management or of non-independent directors during 2004. During 2005, the independent directors of LMI intend to hold regularly scheduled executive sessions without the participation of management or of non-independent directors.

Executive Compensation

Summary Compensation

The table below sets forth information for the year ended December 31, 2004 relating to compensation paid to LMI s Chief Executive Officer and LMI s four other most highly compensated executive officers, who we refer to as the LMI named executive officers, for services rendered to LMI and its subsidiaries. Prior to June 7, 2004, LMI was a subsidiary of Liberty. Accordingly, all compensation earned by the LMI named executive officers from January 1, 2004 through the date of the spin off was paid by Liberty. All compensation earned by the LMI named executive officers (other than by Elizabeth M. Markowski, see note (2) below) after the date of the spin off was paid by LMI. Although certain of the individuals who are LMI named executive officers were performing services in connection with LMI s businesses prior to January 1, 2004, those individuals were employed by Liberty during that period, were not dedicated exclusively to LMI s businesses (with the exception of Miranda Curtis), and devoted substantial time and

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effort to other Liberty businesses or to the Liberty organization in general. Accordingly, no information on the compensation of the LMI named executive officers for periods prior to January 1, 2004 is reported.

Summary Compensation Table
Annual Compensation

Name and Principal Position with Our Company	Year	Salary ($)	Other Annual Compensation	Long-Term Compensation: Restricted Stock Awards	Long-Term Compensation: Securities Underlying Options/SARs	All Other Compensation ($)
John C. Malone President and Chief Executive Officer	2004	$	$	$	1,568,562(4)	$
Miranda Curtis Senior Vice President	2004	$ 716,330(1)	$	$	63,830(4)	$ 22,019(5)
David B. Koff Senior Vice President	2004	$ 595,808	$ 742,003(3)	$	53,192(4)	$ 21,256(6)
David J. Leonard Senior Vice President	2004	$ 403,077	$	$	42,554(4)	$ 16,756(6)
Elizabeth M. Markowski Senior Vice President, General Counsel and Secretary	2004	$ 676,866(2)	$	$	63,830(4)	$ 20,500(6)

(1) Ms. Curtis compensation is paid in U.K. pounds, which, for purposes of the foregoing presentation, has been converted to U.S. Dollars based upon the average exchange rate in effect during 2004.

(2) Ms. Markowski continued to be an officer and employee of Liberty through December 31, 2004, and during the period from the date of the spin off through December 31, 2004, LMI reimbursed Liberty for 75% of Ms. Markowski s compensation expenses. This allocation was based upon the amount of time she spent on the respective businesses of LMI and Liberty. The numbers in the table represent 100% of Ms. Markowski s compensation for 2004, rather than LMI s allocable share.

(3) Represents reimbursement for housing and other costs incurred by Mr. Koff as an expatriate working in London, England.

(4) The numbers of shares reflect adjustments for LMI s July 2004 rights offering which concluded in August 2004.

(5) Amounts represent contributions made during 2004 to a pension fund maintained for the benefit of Ms. Curtis under applicable United Kingdom law. With respect to these contributions, Ms. Curtis is fully vested.

(6) Amounts represent contributions to the Liberty Media 401(k) Savings Plan (Liberty 401(k) Savings Plan) during 2004 prior to the date of the spin off and, in the case of Messrs. Koff and Leonard, premiums paid for term life

insurance under UGC s group policy. The Liberty 401(k) Savings Plan provides employees with an opportunity to save for retirement. The Liberty 401(k) Savings Plan participants may contribute up to 10% of their compensation, and Liberty makes a matching contribution of 100% of the participants contributions. Participant contributions to the Liberty 401(k) Savings Plan are fully vested upon contribution.

Generally, participants acquire a vested right in Liberty contributions as follows:

Years of Service	**Vesting Percentage**
Less than 1	0%
1-2	33%
2-3	66%
3 or more	100%

With respect to Liberty contributions made to the Liberty 401(k) Savings Plan in 2004, Mr. Koff and Ms. Markowski were fully vested and Mr. Leonard was not vested as of December 31, 2004.

Under UGC s group term life insurance benefits plan, each employee is provided with employer-paid coverage equal to twice the employee s annual salary up to maximum coverage of $400,000 for employees with an annual salary of less than $266,000, and, upon an employee s election, 1.5 times the employee s annual salary up to maximum coverage of $1 million for employees with an annual salary of $266,000 or more. LMI reimburses UGC for the premiums paid with respect to LMI s employees.

Option and SAR Grants in Last Fiscal Year

The table below sets forth certain information concerning stock options granted to the LMI named executive officers during the year ended December 31, 2004.

Name	Number of Securities Underlying Options Granted(1)	Percent of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price ($/sh)(2)	Expiration Date	Grant Date Present Value(3)
John C. Malone					
Series A					
Series B	1,568,562(4)	100%	$ 36.75	June 7, 2014	$ 20,881,827
Miranda Curtis					
Series A	63,830	14.6%	$ 33.41	June 22, 2014	$ 772,600
Series B					
David B. Koff					
Series A	53,192	12.1%	$ 33.41	June 22, 2014	$ 640,837
Series B					
David J. Leonard					
Series A	42,554	9.7%	$ 33.41	June 22, 2014	$ 515,074
Series B					
Elizabeth M. Markowski					
Series A	63,830	14.6%	$ 33.41	June 22, 2014	$ 772,600
Series B					

(1) The numbers of shares reflect adjustments for LMI s July 2004 rights offering which concluded in August 2004.

(2) The exercise prices reflect adjustments for LMI s July 2004 rights offering which concluded in August 2004. The exercise prices for the LMI Series A options were equal to the closing sale price of the LMI Series A common stock on their respective grant dates. The exercise price for the LMI Series B options was equal to 110% of the closing sale price of the LMI Series A common stock on June 22, 2004 ($39.10 before considering the impact of the July 2004 rights offering), the date that definitive terms were established for such options. The closing market price of the LMI Series B common stock on that date was $40.05 (before considering the impact of the July 2004 rights offering).

(3) The value shown is based upon (i) the number of options granted, as adjusted for the July 2004 rights offering and (ii) the per share present value, as determined using the Black-Scholes model. The key assumptions used in the model for purposes of this calculation include the following: (a) a 4.09% discount rate; (b) a 25.25% volatility factor; (c) the 6-year expected option life; (d) the fair value of the applicable series of LMI common stock on the grant date; and (e) a per share exercise price of $33.41, in the case of LMI Series A options, and a per share exercise price of $36.75, in the case of LMI Series B options (in each case, as adjusted for the July 2004 rights offering). The actual value realized will depend upon the extent to which the stock price exceeds the exercise

price on the date the option is exercised. Accordingly, the realized value, if any, will not necessarily be the value determined by the model.

(4) The options granted to Mr. Malone were awarded as the primary form of compensation to be paid to Mr. Malone by LMI. See Employment Contracts and Termination of Employment and Change in Control Arrangements.

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Aggregate Option/SAR Exercises in Last Fiscal Year and Fiscal Year-End Option/SAR Values

The following table sets forth certain information concerning exercises of LMI options by the LMI named executive officers during the year ended December 31, 2004:

Aggregated Option/ SAR Exercises in the Last Fiscal Year and Fiscal Year-End Option/ SAR Values

Name	Shares Acquired on Exercise (#)	Value Realized ($)	Number of Securities Underlying Unexercised Options/SARs at December 31, 2004 (#) Exercisable/ Unexercisable(1)	Value of Unexercised In-the-Money Options/SARs at December 31, 2004 Exercisable/ Unexercisable ($)
John C. Malone				
Series A				
Exercisable		$	221	$ 2,721
Unexercisable		$		
Series B				
Exercisable		$	1,965,665	$ 23,630,664(2)
Unexercisable		$	213,824	$ 2,377,728
Miranda Curtis				
Series A				
Exercisable		$	81,361	$ 1,001,558
Unexercisable		$	76,713	$ 976,949
Series B				
Exercisable		$		
Unexercisable		$		
David B. Koff				
Series A				
Exercisable	100,551	$ 657,101	21,594	$ 265,822
Unexercisable		$	127,872	$ 1,601,232
Series B				
Exercisable		$		
Unexercisable		$		
David J. Leonard				
Series A				
Exercisable		$	1,596	$ 19,644
Unexercisable		$	48,937	$ 624,119
Series B				
Exercisable		$		
Unexercisable		$		
Elizabeth M. Markowski				
Series A				
Exercisable		$	53,804	$ 662,331

Unexercisable	$	92,199	$	1,167,520
Series B				
Exercisable	$			
Unexercisable	$			

(1) Includes options to acquire LMI common stock that were issued to the LMI named executive officers as a result of adjustments made, in connection with the spin off, to their outstanding Liberty stock incentive awards, all of which were granted to them by Liberty prior to January 1, 2004. Each option and stock appreciation right with respect to Liberty common stock outstanding as of the record date for the spin off was adjusted by the incentive plan committee of Liberty s board of directors in connection with the spin off. Liberty options held, as of the spin off record date, by the LMI named executive officers, among others, were divided into two options: (1) an option to purchase the number and series of shares of LMI common stock that would have been issued in the spin off in respect of the shares of Liberty common stock subject to the applicable Liberty option, as if such Liberty option had been exercised in full immediately prior to the record date for the spin off, and (2) an adjusted Liberty option. The aggregate exercise price of each such outstanding Liberty option was allocated between the LMI option and the adjusted Liberty option. Stock appreciation rights related to Liberty Series A common stock held, as of the

spin off record date, by the LMI named executive officers, among others, were divided into two awards (in a manner similar to the adjustment made to outstanding Liberty options): (1) an LMI option and (2) an adjusted Liberty stock appreciation right. The aggregate base price of each outstanding Liberty stock appreciation right was allocated between the LMI option and the adjusted Liberty stock appreciation right. Each LMI option issued as a result of these adjustments had an exercise price per share equal to the fair market value per share of the applicable series of LMI common stock, which, in the case of Series A options, was $33.92 (as adjusted for LMI s July 2004 rights offering) and, in the case of Series B options, was $37.88 (as adjusted for LMI s July 2004 rights offering).

(2) These options were fully exercisable as of December 31, 2004, but are subject to forfeiture. See Employment Contracts and Termination of Employment and Change in Control Arrangements for more information.

Employment Contracts and Termination of Employment and Change in Control Arrangements

Except as described below, LMI has no employment contracts, termination of employment agreements or change of control agreements with any of its named executive officers.

LMI entered into an option agreement with John C. Malone, LMI s Chairman of the Board, Chief Executive Officer and President, pursuant to which LMI granted to Mr. Malone, under the Liberty Media International, Inc. 2004 Incentive Plan (As Amended and Restated Effective March 9, 2005), options to acquire 1,568,562 shares of LMI Series B common stock (as adjusted for LMI s July 2004 rights offering) at an exercise price per share of $36.75 (as adjusted for LMI s July 2004 rights offering). The options represent the primary form of compensation to be paid to Mr. Malone by LMI. The options are fully exercisable; however, Mr. Malone s rights with respect to the options and any shares issued upon exercise will vest at the rate of 20% per year on each anniversary of the date on which the spin off was completed (which was June 7, 2004), provided that Mr. Malone continues to have a qualifying relationship (whether as a director, officer, employee or consultant) with LMI or any successor to LMI. (If the mergers are completed, Liberty Global will be the successor to LMI under the option agreement.) If Mr. Malone ceases to have such a qualifying relationship (subject to certain exceptions for his death or disability or termination without cause), his unvested options will be terminated and/or LMI will have the right to require Mr. Malone to sell to LMI, at the exercise price of the options, any shares of LMI Series B common stock previously acquired by Mr. Malone upon exercise of options which have not vested as of the date on which Mr. Malone ceases to have a qualifying relationship with LMI.

Compensation Committee Interlocks and Insider Participation

Donne F. Fisher, Larry E. Romrell and J. David Wargo each served on LMI s compensation committee during the year ended December 31, 2004. None of them was, during 2004, an officer or employee of LMI or any of its subsidiaries, was formerly an officer of LMI or any of its subsidiaries or had any relationship requiring disclosure under the securities laws.

Report of the Compensation Committee on Executive Compensation

Most decisions regarding the compensation of LMI s executive officers during the year ended December 31, 2004, were made by the compensation committee of LMI s board of directors, whose members were Donne F. Fisher, Larry E. Romrell and J. David Wargo. All decisions of the compensation committee regarding the compensation of LMI s executive officers during the year ended December 31, 2004, were reviewed by LMI s board of directors.

For the year ended December 31, 2004, the compensation committee furnished the following report on its policies with respect to the compensation of LMI s executive officers.

General Executive Compensation Policy

LMI s executive compensation policy is designed to attract qualified individuals who have the potential as executive officers to contribute to LMI s long-term growth and success, to motivate LMI s executive officers to maximize their contribution to LMI and to retain LMI s executive officers in LMI s employ. Accordingly, LMI s executive compensation policy is designed to offer LMI s executive officers competitive compensation opportunities that are tied to their contribution to LMI s growth and success and their personal performance. Each executive officer s compensation package is comprised primarily of base salary, stock-based incentives and matching contributions to the UnitedGlobalCom, Inc. 401(k) Savings Plan.

LMI s compensation committee evaluates certain qualitative factors relating to the performance of each of LMI s executive officers, including LMI s Chief Executive Officer, such as:

experience;

responsibilities assumed;

demonstrated leadership ability;

overall effectiveness;

the level of an executive s compensation in relation to other executives in LMI with the same, more or less responsibilities; and

the performance of the group for which the executive is primarily responsible.

Implementation of Executive Compensation Policy

The following describes the manner in which LMI s executive compensation policy was implemented generally with respect to the year ended December 31, 2004. Also summarized below are several of the more important factors which were considered in establishing the components of LMI s executive officers compensation packages for the year ended December 31, 2004. Additional factors were also taken into account, and the compensation committee may, in its discretion, apply entirely different factors, particularly different measures of performance, in setting executive compensation for future fiscal years, but it is expected that all compensation decisions will be designed to further LMI s executive compensation policy set forth above.

Base Salary. The compensation committee determined that, for 2004, the base salary of the executive officers (other than LMI s Chief Executive Officer) would continue on the same basis and at the same rate as such persons were being compensated by Liberty prior to the June 7, 2004 spin off transaction.

Stock-Based Incentives. To provide additional long-term incentives to the executive officers that are tied to LMI s success, the compensation committee awarded stock options to each of LMI s executive officers (other than LMI s Chief Executive Officer) to purchase between 42,554 and 63,830 shares of LMI s Series A common stock (as adjusted for LMI s July 2004 rights offering). In approving these grants, the compensation committee considered the expected future contributions of the individual executive officers.

401(k). LMI matches contributions made to the UnitedGlobalCom, Inc. 401(k) Savings Plan by LMI s executive officers on the same basis as UGC matches contributions by its employees.

CEO Compensation

Prior to the June 2004 spin off transaction, the compensation committee approved the grant to Mr. Malone, as his primary form of compensation as Chief Executive Officer of LMI, of options to purchase a number of shares of LMI s Series B common stock that would represent upon exercise 1% of the shares of LMI s common stock outstanding following the spin off at an exercise price equal to 110% of the trading price of LMI s Series A common stock. At a meeting of the compensation committee held on June 22, 2004 to approve the definitive terms of the option grant, the number of shares subject to the options was set at 1,568,562 (as adjusted for LMI s July 2004 rights offering) and the exercise price was set at 110% of the closing price of LMI s Series A common stock on that date ($36.75 after adjustment for LMI s July 2004 rights offering). In setting Mr. Malone s 2004 compensation package, the compensation committee considered the various qualitative factors described above, as well as Mr. Malone s strategic vision for LMI.

Submitted by the Members of the Compensation Committee:

Donne F. Fisher
Larry E. Romrell
J. David Wargo

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Director Compensation

Cash Compensation

Each LMI director who is not an employee of LMI is entitled to a fee of $1,000 for each board meeting he attends. In addition, the chairman and each other member of the audit committee of LMI s board of directors is entitled to a fee of $5,000 and $2,000, respectively, for each audit committee meeting he attends. Each member of the compensation committee and each member of the nominating and corporate governance committee is entitled to a fee of $1,000 for each committee meeting he attends. Fees to LMI directors are payable in cash. LMI also reimburses members of its board for travel expenses incurred to attend any meetings of its board or any committee thereof.

Option Awards

Each LMI director who is not an employee of LMI (other than J.C. Sparkman) was granted options to acquire 3,000 shares of LMI Series A common stock on June 22, 2004. All of these options were granted pursuant to the Liberty Media International, Inc. 2004 Nonemployee Director Incentive Plan (As Amended and Restated Effective April 1, 2005), vest on the first anniversary of the grant date (provided that the LMI director who is not an employee of LMI continues to serve as a director of LMI on the first anniversary of the grant date) and were granted at a per share exercise price of $35.55, which was the closing price of LMI Series A common stock on the grant date. These options, together with all of LMI s then-outstanding stock incentive awards, were adjusted in connection with LMI s July 2004 rights offering. As a result, these options now represent the right to acquire 3,192 shares of LMI Series A common stock at a per share exercise price of $33.41. All other terms of these options remained the same.

Mr. Sparkman, who is also not an employee of LMI, joined the board of directors of LMI on November 9, 2004 and, consistent with LMI s director compensation policy, Mr. Sparkman was granted options to acquire 3,000 shares of LMI Series A common stock on that date. The options were granted pursuant to the director plan, vest on the first anniversary of the grant date (provided that Mr. Sparkman continues to serve as a director of LMI on the first anniversary of the grant date) and were granted at a per share exercise price of $37.42, which was the closing price of LMI Series A common stock on the grant date.

On March 9, 2005, the LMI board determined to amend the Non Qualified Stock Option Agreements, dated as of June 22, 2004, that LMI had entered into with each of Robert R. Bennett, Donne F. Fisher and M. LaVoy Robison to provide that if the mergers are completed before June 22, 2005 (the first anniversary of the grant date of their 2004 option grants), and solely as a result of the completion of the mergers, Messrs. Bennett, Fisher and Robison cease to serve as directors of LMI, their 2004 option grants will vest on the date on which the mergers are completed rather than on June 22, 2005.

Following each annual meeting of LMI stockholders, each LMI director who is not an employee of LMI will be granted options to acquire an additional 3,000 shares of LMI Series A common stock. All of these options will be granted pursuant to the director plan, will vest on the first anniversary of the applicable grant date and will be granted at an exercise price equal to the fair market value of LMI Series A common stock. If the mergers are completed, the options granted to LMI s nonemployee directors following the LMI annual meeting will terminate in accordance with their terms on the day on which the mergers are completed.

Equity Compensation Plan Information

Liberty Media International, Inc. 2004 Incentive Plan (As Amended and Restated Effective March 9, 2005)

General. The incentive plan is administered by the compensation committee of LMI s board of directors. The compensation committee is currently comprised of three members: Donne F. Fisher, Larry E. Romrell and J. David Wargo. Each member is a non-employee director within the meaning of Rule 16b-3 of the Exchange Act and an outside director within the meaning of Section 162(m) of the Code. The compensation committee has the full power and authority to grant eligible persons the awards described below and determine the terms and conditions under which any awards are made.

On March 9, 2005, the LMI compensation committee determined to amend and restate the incentive plan in anticipation of Liberty Global assuming the incentive plan following the completion of the mergers and in response to the recent adoption of Section 409A of the Code. The following summary of the incentive plan reflects the terms and conditions of the incentive plan as in effect following this amendment and restatement. These terms and conditions apply to all grants made under the incentive plan from and following March 9, 2005. The following summary is not intended to be complete, and we refer you to the copy of the incentive plan included as Appendix A: Information Concerning Liberty Media International, Inc. Part 5: Liberty Media International, Inc. 2004 Incentive Plan (As

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Amended and Restated Effective March 9, 2005) to this joint proxy statement/prospectus for a complete statement of its terms and conditions.

The incentive plan is designed to provide additional remuneration to certain employees and independent contractors for exceptional service and to encourage their investment in LMI. The incentive plan is also intended to (1) attract persons of exceptional ability to become officers and employees of LMI, and (2) induce independent contractors to provide services to LMI. LMI s employees (including employees who are officers or directors of LMI or any of LMI s subsidiaries) and independent contractors are eligible to participate and may be granted awards under the incentive plan. Awards may be made to any such person, officer, director or contractor whether or not he or she holds or has held awards under this plan or under any other plan of LMI or any of LMI s affiliates.

The number of individuals who will receive awards under the incentive plan will vary from year to year and will depend on various factors, such as the number of promotions and LMI s hiring needs during the year, and thus we cannot determine future award recipients. As of March 31, 2005, under the incentive plan, options to acquire an aggregate of 438,054 shares of LMI Series A common stock have been granted to LMI s officers and employees and options to acquire 1,568,562 shares of LMI Series B common stock have been granted to John C. Malone, LMI s President, Chief Executive Officer and Chairman of the Board. These option share numbers reflect adjustments made in connection with LMI s July 2004 rights offering.

The compensation committee may grant non-qualified stock options, stock appreciation rights (SARs), restricted shares, stock units, cash awards, performance awards or any combination of the foregoing under the incentive plan (collectively, awards). The maximum number of shares of LMI common stock with respect to which awards may be granted under the incentive plan is currently 20 million, subject to anti-dilution and other adjustment provisions of the incentive plan. Subject to the completion of the mergers, the maximum number of shares with respect to which awards may be granted under the incentive plan will be increased to 25 million. If the incentive plan is not approved at the LMI annual meeting, as described in LMI Annual Business Matter Proposals LMI Incentive Plan Proposal, the maximum number of shares with respect to which awards may be issued under the incentive plan will remain at 20 million. With limited exceptions, no person may be granted in any calendar year awards covering more than 2 million shares of LMI common stock. In addition, no person may receive payment for cash awards during any calendar year in excess of $10 million.

Shares of LMI common stock issuable pursuant to awards made under the incentive plan will be made available from either authorized but unissued shares or shares that have been issued but reacquired by LMI. Shares of LMI common stock that are subject to (1) any award that expires, terminates or is annulled for any reason without having been exercised, (2) any award of any SARs that is exercised for cash, and (3) any award of restricted shares or stock units that shall be forfeited prior to becoming vested, will once again be available for issuance under the incentive plan.

The compensation committee also has the power to:

- interpret the incentive plan and adopt any rules, regulations and guidelines for carrying out the incentive plan that it believes are proper;
- correct any defect or supply any omission or reconcile any inconsistency in the incentive plan or related documents;
- determine the form and terms of the awards made under the incentive plan, including persons eligible to receive the award and the number of shares or other consideration subject to awards; and
- delegate to any subcommittee its authority and duties under the incentive plan unless a delegation would adversely impact the availability of transaction exemptions under Rule 16b-3 of the Exchange Act, and the deductibility of compensation for federal income tax purposes.

If the mergers are completed, (1) all outstanding awards under the incentive plan will be converted into awards with respect to an identical series of shares of Liberty Global common stock; (2) Liberty Global will assume the incentive plan and succeed LMI as the issuer under the incentive plan; (3) all future awards issued under the incentive plan will be with respect to Liberty Global common stock rather than LMI common stock; (4) the name of the plan will automatically change to the Liberty Global, Inc. 2005 Incentive Plan; and (5) the maximum number of shares of any series of Liberty Global common stock with respect to which awards will be issuable by Liberty Global under the incentive plan will be 25 million, subject to anti-dilution and other adjustment provisions of the incentive plan.

Outstanding Awards. The following chart reflects awards outstanding under the incentive plan, as of February 28, 2005, granted to LMI s named executive officers, LMI s current executive officers as a group and LMI s current non-executive officer employees as a group (in each case, as adjusted for LMI s July 2004 rights offering). No awards have been granted under the incentive plan to any of LMI s directors who are not also executive officers of LMI.

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PLAN BENEFITS
Liberty Media International 2004 Incentive Plan
(As Amended and Restated Effective March 9, 2005)

Name and Position	Dollar Value ($)(1)	Number of Units
John C. Malone President and Chief Executive Officer	$ 36.75	1,568,562 (Series B)
Miranda Curtis Senior Vice President	$ 33.41	63,830 (Series A)
David B. Koff Senior Vice President	$ 33.41	53,192 (Series A)
David J. Leonard Senior Vice President	$ 33.41	42,554 (Series A)
Elizabeth M. Markowski Senior Vice President, General Counsel and Secretary	$ 33.41	63,380 (Series A)
Executive Group	$ 33.41	308,514 (Series A)
	$ 36.75	1,568,562 (Series B)
Non Executive Officer Employee Group	$ 33.45	438,054 (Series A)

(1) The dollar value is assumed for this purpose to equal the exercise price, which (i) in the case of the LMI Series A options listed, is equal to the closing sale price of the LMI Series A common stock on the grant date (as adjusted for LMI s July 2004 rights offering), and (ii) in the case of the LMI Series B options listed, is equal to 110% of the closing sale price of the LMI Series A common stock on June 22, 2004 (as adjusted for LMI s July 2004 rights offering), the date that definitive terms were established for the LMI Series B options. Any value realized by a grantee will depend upon the extent to which the market price of the stock exceeds the exercise price on the date the award is exercised.

Options. Non-qualified stock options entitle the holder to purchase a specified number of shares of a series of LMI common stock at a specified exercise price subject to the terms and conditions of the option grant. The exercise price of an option specified in a grant made after March 9, 2005 may be no less than the fair market value of the applicable series of LMI common stock as of the day the option is granted. LMI s compensation committee determines, in connection with each option awarded to a holder, (1) the series and number of shares of LMI common stock subject to the option, (2) the per share exercise price, (3) whether that price is payable in cash, by check, by promissory note, in whole shares of any series of LMI common stock, by the withholding of shares of LMI common stock issuable upon exercise of the option, by cashless exercise, or any combination of the foregoing, (4) other terms and conditions of exercise, (5) restrictions on transfer of the option and (6) other provisions not inconsistent with the incentive plan. Options granted under the incentive plan are generally non-transferable during the lifetime of an option holder, except as permitted by will or the laws of descent and distribution or pursuant to a qualified domestic relations order.

Stock Appreciation Rights. An SAR entitles the recipient to receive a payment in stock equal to the excess of the fair market value (on the day the SAR is exercised) of a share of the applicable series of LMI common stock with respect to which the SAR was granted over the base price specified in the grant. LMI s compensation committee may permit a recipient who is not subject to U.S. federal income tax to receive payments in the form of cash or stock, or a combination of cash and stock, upon the exercise of an SAR. An SAR may be granted to an option holder with respect to all or a portion of the shares of LMI common stock subject to the related stock option (a tandem SAR) or granted separately to an eligible employee or independent contractor (a free-standing SAR). Tandem SARs are exercisable only to the extent that the related stock option is exercisable. Upon the exercise or termination of the related stock option, the related tandem SAR will be automatically cancelled to the extent of the number of shares of LMI common stock with respect to which the related stock option was so exercised or terminated. Free-standing SARs are exercisable at the time and upon the terms and conditions provided in the relevant agreement. The base price of an SAR specified in a grant made after March 9, 2005 may be no less than the fair market value of a share of the applicable series of LMI common stock as of the day the SAR is granted. SARs granted under the incentive plan are also generally non-transferable during the lifetime of an SAR holder, except as permitted by will or the laws of descent and distribution or pursuant to a qualified domestic relations order.

Restricted Shares. Restricted shares are shares of LMI common stock, or the right to receive shares of LMI common stock, that become vested and may be transferred upon completion of the restriction period. LMI s compensation committee determines, and each individual award agreement will provide, (1) whether the restricted shares are issued to the award recipient at the beginning or end of the restriction period, (2) the price, if any, to be paid by the recipient of the restricted shares, (3) whether dividend equivalents will be paid during the restriction period in the event that shares are to be issued at the end of the restriction period, (4) whether dividends or distributions paid with respect to shares issued at the beginning of the restriction period will be retained by LMI during the restriction period, (5) whether the holder of the restricted shares may be paid a cash amount any time after the shares become vested, (6) the vesting date or vesting dates (or basis of determining the same) for the award and (7) other terms and conditions of the award. Upon the applicable vesting date, all or the applicable portion of restricted shares will vest, any retained distributions or unpaid dividend equivalents with respect to the restricted shares will vest to the extent that the restricted shares related thereto have vested, and any cash amount to be received by the holder with respect to the restricted shares will become payable, all in accordance with the terms of the individual award agreement.

Stock Units. Units based upon the fair market value of shares of either series of LMI common stock may also be awarded under the incentive plan. LMI s compensation committee has the power to determine the terms, conditions, restrictions, vesting requirements and payment rules for awards of stock units.

Cash Awards. LMI s compensation committee may also provide for the grant of cash awards. A cash award is a bonus paid in cash that is based solely upon the attainment of one or more performance goals that have been established by LMI s compensation committee. The terms, condition and limitations applicable to any cash awards will be determined by LMI s compensation committee.

Performance Awards. At the discretion of LMI s compensation committee, any of the above-described awards, including cash awards, may be designated as a performance award. Performance awards are contingent upon performance measures applicable to a particular period, as established by LMI s compensation committee and set forth in individual agreements, based upon any one or more of the following business criteria:

- increased revenue;
- net income measures (including, but not limited to, income after capital costs and income before or after taxes);
- stock price measures (including, but not limited to, growth measures and total stockholder return);
- price per share of LMI common stock;
- market share;
- earnings per share (actual or targeted growth);
- earnings before interest, taxes, depreciation and amortization (EBITDA);
- economic value added (or an equivalent metric);
- market value added;
- debt to equity ratio;
- cash flow measures (including, but not limited to, cash flow return on capital, cash flow return on tangible capital, net cash flow and net cash flow before financing activities);

return measures (including, but not limited to, return on equity, return on average assets, return on capital, risk-adjusted return on capital, return on investors capital and return on average equity);

operating measures (including operating income, funds from operations, cash from operations, after-tax operating income, sales volumes, production volumes and production efficiency);

expense measures (including, but not limited to, overhead costs and general and administrative expense);

margins;

stockholder value;

total stockholder return;

proceeds from dispositions;

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total market value; and

corporate values measures (including ethics compliance, environmental and safety).

Performance measures may apply to the award recipient, to one or more business units, divisions or subsidiaries of LMI or the applicable sector of LMI, or to LMI as a whole. Goals may also be based on performance relative to a peer group of companies. If LMI s compensation committee intends for the performance award to be granted and administered in a manner that preserves the deductibility of LMI s compensation resulting from such award in accordance with Section 162(m) of the Code, the performance goals must be established (1) no later than 90 days after the commencement of the period of service to which the performance goals relate and (2) prior to the completion of 25% of such period of service. LMI s compensation committee may modify or waive the performance goals or conditions to the granting or vesting of a performance award unless the performance award is intended to qualify as performance-based compensation under Section 162(m) of the Code. Section 162(m) of the Code generally disallows deductions for compensation in excess of $1 million for some executive officers unless the awards meet the requirements for being performance-based.

Awards Generally. Awards under the incentive plan may be granted either individually, in tandem or in combination with each other. Under certain conditions, including the occurrence of certain approved transactions, a board change or a control purchase (all as defined in the incentive plan), options and SARs will become immediately exercisable, the restrictions on restricted shares will lapse and stock units will become fully vested, unless individual agreements state otherwise. At the time an award is granted, LMI s compensation committee will determine, and the relevant agreement will provide for, the vesting or early termination, upon a holder s termination of employment with LMI, of any unvested options, SARs, stock units or restricted shares and the period during which any vested options, SARs and stock units must be exercised. Unless otherwise provided in the relevant agreement, (1) no option or SAR may be exercised after its scheduled expiration date, (2) if the holder s service terminates by reason of death or disability (as defined in the incentive plan), his or her options or SARs shall remain exercisable for a period of at least one year following such termination (but not later than the scheduled expiration date) and (3) any termination of the holder s service for cause (as defined in the incentive plan) will result in the immediate termination of all options, SARs and stock units and the forfeiture of all rights to any restricted shares held by such terminated holder. If a holder s service terminates due to death or disability, options and SARs will become immediately exercisable, the restrictions on restricted shares will lapse and stock units will become fully vested, unless individual agreements state otherwise.

Adjustments. The number and kind of shares of LMI common stock which may be awarded or otherwise made subject to awards under the incentive plan, the number and kind of shares of LMI common stock covered by outstanding awards and the purchase or exercise price and any relevant appreciation base with respect to any of the foregoing are subject to appropriate adjustment in the discretion of LMI s compensation committee, as LMI s compensation committee deems equitable, in the event (1) LMI subdivides its outstanding shares of any series of LMI common stock into a greater number of shares of such series of LMI common stock, (2) LMI combines its outstanding shares of any series of LMI common stock into a smaller number of shares of such series of LMI common stock or (3) there is a stock dividend, extraordinary cash dividend, reclassification, recapitalization, reorganization, split-up, spin off, combination, exchange of shares, warrants or rights offering to purchase any series of LMI common stock, or any other similar corporate event (including mergers or consolidations other than approved transactions (as defined in the incentive plan)).

Amendment and Termination. The incentive plan was approved by LMI s board of directors, and became effective, on May 11, 2004. The incentive plan was amended and restated on March 9, 2005. The incentive plan will terminate on May 11, 2014, unless earlier terminated by LMI s compensation committee. LMI s compensation committee may suspend, discontinue, modify or amend the incentive plan at any time prior to its termination. However, before an amendment may be made that would adversely affect a participant who has already been granted an award, the participant s consent must be obtained, unless the change is necessary to comply with Section 409A of the Code.

Liberty Media International, Inc. 2004 Non-Employee Director Incentive Plan (As Amended and Restated Effective April 1, 2005)

General. The director plan is designed to provide a method whereby non-employee directors may be awarded additional remuneration for the services they render on LMI s board and subcommittees of LMI s board, and to encourage their investment in capital stock of LMI, thereby increasing their proprietary interest in LMI s businesses and their personal interest in the continued success and progress of LMI. The director plan is also intended to aid in attracting persons of exceptional ability to become non-employee directors of LMI. The director plan is administered by the full board of directors. The board has the full power and authority to grant eligible non-employee directors the awards described below and determine the terms and conditions under which any awards are made, and may delegate certain administrative duties to LMI s employees.

On April 1, 2005, the LMI board determined to amend and restate the director plan in anticipation of Liberty Global assuming the director plan following the completion of the mergers and in response to the recent adoption of Section 409A of the Code. The following summary of the director plan reflects the terms and conditions of the director plan as in effect following this amendment and restatement. These terms and conditions apply to all grants made under the director plan from and following April 1, 2005.

LMI s board may grant non-qualified stock options, stock appreciation rights, restricted shares, stock units or any combination of the foregoing under the director plan (collectively, awards). Only non-employee members of LMI s board of directors are eligible to receive awards under the director plan. The maximum number of shares of LMI common stock with respect to which awards may be granted under the director plan is 5 million, subject to anti-dilution and other adjustment provisions of the director plan. Shares of LMI common stock issuable pursuant to awards made under the director plan will be made available from either authorized but unissued shares or shares that have been issued but reacquired by LMI. Shares of LMI common stock that are subject to (1) any award that expires, terminates or is annulled for any reason without having been exercised, (2) any award of any SARs that is exercised for cash, and (3) any award of restricted shares or stock units that shall be forfeited prior to becoming vested, will once again be available for distribution under the director plan.

LMI s board also reserves the power to:

- interpret the director plan and adopt any rules, regulations and guidelines for carrying out the director plan that it believes are proper;
- correct any defect or supply any omission or reconcile any inconsistency in the director plan or related documents;
- determine the form and terms of awards made under the director plan, including directors eligible to receive awards and the number of shares or other consideration subject to awards; and
- delegate to company employees certain administrative or ministerial duties in carrying out the purposes of the director plan.

If the mergers are completed, (1) all outstanding awards under the director plan will be converted into awards with respect to an identical series of Liberty Global common stock; (2) Liberty Global will assume the director plan and succeed LMI as the issuer under the director plan; (3) all future awards issued under the director plan will be with respect to Liberty Global common stock rather than LMI common stock; and (4) the name of the plan will automatically change to the Liberty Global, Inc. 2005 Nonemployee Director Incentive Plan.

Options. Non-qualified stock options entitle the holder to purchase a specified number of shares of a series of LMI common stock at a specified exercise price subject to the terms and conditions of the option grant. The exercise price of an option specified in a grant made after April 1, 2005 may be no less than the fair market value of a share of the applicable series of LMI common stock as of the day the option is granted. LMI s board determines, in connection with each option awarded to a holder, (1) the series and number of shares of LMI common stock subject to the option, (2) the per share exercise price, (3) whether that price is payable in cash, by check, in whole shares of any series of LMI common stock, by the withholding of shares of LMI common stock issuable upon exercise of the option, by cashless exercise or any combination of the foregoing, (4) other terms and conditions of exercise, (5) restrictions on transfer of the option, and (6) other provisions not inconsistent with the director plan. Options granted under the director plan are generally non-transferable during the lifetime of an option holder, except as permitted by will or the laws of descent and distribution or pursuant to a qualified domestic relations order.

Stock Appreciation Rights. An SAR entitles the recipient to receive a payment in stock equal to the excess of the fair market value (on the day the SAR is exercised) of a share of the applicable series of LMI common stock with respect to which the SAR was granted over the base price specified in the grant. LMI s board may permit a recipient who is not subject to U.S. federal income tax to receive payments in the form of cash or stock, or a combination of cash and stock, upon the exercise of an SAR. An SAR may be granted to an option holder with respect to all or a portion of the shares of LMI common stock subject to the related stock option (a tandem SAR) or granted separately to an eligible director (a free-standing SAR). Tandem SARs are exercisable only to the extent that the related stock option is exercisable. Upon the exercise or termination of the related stock option, the related tandem SAR will be automatically cancelled to the extent of the number of shares of LMI common stock with respect to which the related stock option was so exercised or terminated. Free-standing SARs are exercisable at the time and upon the terms and conditions provided in the relevant agreement. The base price of an SAR specified in a grant made after April 1, 2005 may be no less than the fair market value of a share of the applicable series of LMI common stock as of the day the SAR is granted. The base price of a tandem SAR will equal the exercise price of the related stock option. SARs granted under the director plan are also generally non-transferable during the lifetime of an SAR holder, except as permitted by will or the laws of descent and distribution or pursuant to a qualified domestic relations order.

Restricted Shares. Restricted shares are shares of LMI common stock, or the right to receive shares of LMI common stock, that become vested and may be transferred upon completion of the restriction period. The board determines, and each individual award agreement will provide, (1) whether the restricted shares are issued to the award recipient at the beginning or end of the restriction period, (2) the price, if any, to be paid by the recipient of restricted shares, (3) whether dividend equivalents will be paid during the restriction period in the event that shares are to be issued at the end of the restriction period, (4) whether dividends or distributions paid with respect to shares issued at the beginning of the restriction period will be retained by LMI during the restriction period, (5) whether the holder of the restricted shares may be paid a cash amount any time after the shares become vested, (6) the vesting date or vesting dates (or basis of determining the same) for the award and (7) other terms and conditions of the award. Upon the applicable vesting date, all or the applicable portion of restricted shares will vest, any retained distributions or unpaid dividend equivalents with respect to the restricted shares will vest to the extent that the restricted shares related thereto have vested, and any cash amount to be received by the holder with respect to the restricted shares will become payable, all in accordance with the terms of the individual agreement.

Stock Units. Units based upon the fair market value of shares of either series of LMI common stock may also be awarded under the director plan. The board has the power to determine the terms, conditions, restrictions, vesting requirements and payment rules for awards of stock units.

Awards Generally. The awards described above may be granted either individually, in tandem or in combination with each other. Under certain conditions, including the occurrence of certain approved transactions, a board change or a control purchase (all as defined in the director plan), options and SARs will become immediately exercisable, the restrictions on restricted shares will lapse and stock units will become fully vested, unless individual agreements state otherwise. At the time an award is granted, LMI s board will determine, and the relevant agreement will provide for, the vesting or early termination, upon a holder s cessation of membership on LMI s board, of any unvested options, SARs, stock units or restricted shares and the period during which any vested options, SARs and stock units must be exercised. Unless otherwise provided in the relevant agreement, (1) no option or SAR may be exercised after its scheduled expiration date, (2) if the holder s service terminates by reason of death or disability (as defined in the director plan), his or her options or SARs shall remain exercisable for a period of at least one year following such termination (but not later than the scheduled expiration date) and (3) any termination of the holder s service for cause (as defined in the director plan) will result in the immediate termination of all options, SARs and stock units and the forfeiture of all rights to any restricted shares held by such terminated holder. If a holder s service terminates due to death or disability, options and SARs will become immediately exercisable, the restrictions on restricted shares will lapse and stock units will become fully vested, unless individual agreements state otherwise.

Adjustments. The number and kind of shares of LMI common stock which may be awarded or otherwise made subject to awards under the director plan, the number and kind of shares of LMI common stock covered by outstanding awards and the purchase or exercise price and any relevant appreciation base with respect to any of the foregoing are subject to appropriate adjustment in the discretion of LMI s board, as the board deems equitable, in the event (1) LMI subdivides its outstanding shares of any series of LMI common stock into a greater number of shares of such series of LMI common stock, (2) LMI combines its outstanding shares of any series of LMI common stock into a smaller number of shares of such series of LMI common stock or (3) there is a stock dividend, extraordinary cash dividend, reclassification, recapitalization, reorganization, split-up, spin off, combination, exchange of shares, warrants or rights offering to purchase such series of LMI common stock, or any other similar corporate event (including mergers or consolidations other than approved transactions (as defined in the director plan)).

Amendment and Termination. The director plan was approved by LMI s board of directors, and became effective, on May 11, 2004. The director plan was amended and restated on April 1, 2005. The director plan will terminate on May 11, 2014, unless earlier terminated by LMI s board. LMI s board may suspend, discontinue, modify or amend the director plan at any time prior to its termination. However, before an amendment can be made that would adversely affect a participant who has already been granted an award, the participant s consent must be obtained, unless such change is necessary to comply with Section 409A of the Code.

U.S. Federal Income Tax Consequences

The following is a summary of the general rules of present U.S. federal income tax law relating to the tax treatment of non-qualified stock options, SARs, restricted shares, stock units and cash awards issued under the incentive plan and the director plan. The discussion is general in nature and does not take into account a number of considerations that may apply based upon the circumstances of a particular holder under the incentive plan and the director plan, including the possibility that a holder may not be subject to U.S. federal income taxation.

Non-Qualified Stock Options; SARs. Holders will not realize taxable income upon the grant of a non-qualified stock option or an SAR. Upon the exercise of a non-qualified stock option or an SAR, the holder will recognize ordinary income (subject to withholding, if applicable) in an amount equal to the excess of (1) the fair market value on the date of exercise of the shares received over (2) the exercise price (if any) he or she paid for the shares. The holder will generally have a tax basis in any shares of LMI common stock received pursuant to the exercise of an SAR, or pursuant to the cash exercise of a non-qualified stock option, that equals the fair market value of such shares on the date of exercise. Subject to the discussion under Certain Tax Code Limitations on Deductibility below, LMI will be entitled to a deduction for U.S. federal income tax purposes that corresponds as to timing and amount with LMI s compensation income recognized by the holder under the foregoing rules. The disposition of the shares of LMI common stock acquired upon exercise of a non-qualified stock option will ordinarily result in capital gain or loss.

Under current rulings, if a holder transfers previously held ordinary shares in satisfaction of part or all of the exercise price of a non-qualified stock option, the holder will recognize income with respect to the shares received, but no additional gain will be recognized as a result of the transfer of such previously held shares in satisfaction of the non-qualified stock option exercise price. Moreover, that number of shares received upon exercise that equals the number of previously held shares surrendered in satisfaction of the non-qualified stock option will have a tax basis that equals, and a holding period that includes, the tax basis and holding period of the previously held shares surrendered in satisfaction of the non-qualified stock option exercise price. Any additional shares received upon exercise will have a tax basis that equals the amount of cash (if any) paid by the holder, plus, the amount of ordinary income recognized by the holder with respect to the shares received.

Cash Awards; Stock Units; Restricted Shares. A holder will recognize ordinary compensation income upon receipt of cash pursuant to a cash award or, if earlier, at the time such cash is otherwise made available for the holder to draw upon it. A holder will not have taxable income upon the grant of a stock unit but rather will generally recognize ordinary compensation income at the time the holder receives cash in satisfaction of such stock unit or shares of LMI common stock in satisfaction of such stock unit in an amount equal to the fair market value of the shares received.

Generally, a holder will not recognize taxable income upon the grant of restricted shares, and LMI will not be entitled to any federal income deduction upon the grant of such award. The value of the restricted shares will generally be taxable to the holder as compensation income in the year or years in which the restrictions on the shares of LMI common stock lapse. Such value will equal the fair market value of the shares on the date or dates the restrictions terminate. A holder, however, may elect pursuant to Section 83(b) of the Code to treat the fair market value of the shares subject to the restricted share award on the date of such grant as compensation income in the year of the grant of the restricted share award. The holder must make such an election pursuant to Section 83(b) of the Code within 30 days after the date of grant. If such an election is made and the holder later forfeits the restricted shares to us, the holder will not be allowed to deduct, at a later date, the amount such holder had earlier included as compensation income.

A holder who is an employee will be subject to withholding for federal, and generally for state and local, income taxes at the time the holder recognizes income under the rules described above with respect to the cash or the shares of LMI common stock received pursuant to awards. Dividends that are received by a holder prior to the time that the restricted shares are taxed to the holder under the rules described in the preceding paragraph are taxed as additional compensation, not as dividend income. The tax basis of a holder in the shares of LMI common stock received will equal the amount recognized by the holder as compensation income under the rules described in the preceding paragraph, and the holder s holding period in such shares will commence on the date income is so recognized.

Subject to the discussion under Certain Tax Code Limitations on Deductibility below, LMI will be entitled to a deduction for U.S. federal income tax purposes that corresponds as to timing and amount with LMI s compensation income recognized by the holder under the foregoing rules.

Section 409A. Awards under LMI s incentive plan and director plan have features that could cause them to be treated as deferred compensation arrangements. The American Jobs Creation Act of 2004 (which we refer to as the AJCA) significantly alters the tax law relating to nonqualified deferred compensation arrangements, through the adoption of the new Section 409A of the Code, and imposes significant penalties for noncompliance. Specifically, if a deferred compensation arrangement does not comply with Section 409A, deferred amounts will be taxed currently at the employee s marginal rate, interest will be assessed at the underpayment rate established by the IRS plus one percent measured from the later of the deferral date or the vesting date, and a penalty will be assessed equal to 20% of the taxable amount of compensation. The IRS is expected to promulgate additional regulations and guidelines for employers seeking to comply with new Section 409A of the Code, but such regulations and guidelines are still evolving.

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The incentive plan and the director plan will be administered in a manner that is in good faith compliance with Section 409A and applicable regulations.

We intend that any awards under the incentive plan and the director plan satisfy the applicable requirements of Section 409A. If any plan provision or award would result in the imposition of an additional tax under Section 409A, such plan provision or award will be amended to avoid imposition of the additional tax. No action taken to comply with Section 409A will be deemed to adversely affect the employee s rights under any award.

Certain Tax Code Limitations on Deductibility. In order for LMI to deduct the amounts described above, such amounts must constitute reasonable compensation for services rendered or to be rendered and must be ordinary and necessary business expenses. LMI s ability to obtain a deduction for future payments under the incentive plan could also be limited by Section 280G of the Code, which provides that certain excess parachute payments made in connection with a change of control of an employer are not deductible. LMI s ability to obtain a deduction for amounts paid under the incentive plan could also be affected by Section 162(m) of the Code, which limits the deductibility, for U.S. federal income tax purposes, of compensation paid to certain employees to $1 million during any taxable year. In order for certain awards under the incentive plan to be eligible for favorable tax treatment under Section 162(m) of the Code, LMI is submitting the incentive plan for the approval of its stockholders at the LMI annual meeting. If the LMI incentive plan proposal is not approved at the LMI annual meeting, awards under the incentive plan will not be eligible for favorable tax treatment under Section 162(m) of the Code. See LMI Annual Business Matter Proposals LMI Incentive Plan Proposal.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth information as of December 31, 2004, with respect to shares of LMI common stock authorized for issuance under LMI s equity compensation plans. Information concerning outstanding awards reflects adjustments made to these awards in connection with LMI s July 2004 rights offering.

EQUITY COMPENSATION PLAN INFORMATION

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in the first column)
Equity compensation plans approved by security holders:			
Liberty Media International, Inc. 2004 Incentive Plan (As Amended and Restated Effective March 9, 2005)(1)			
Series A common stock	438,054	$ 33.45	18,113,552(2)
Series B common stock	1,568,562	$ 36.75	
Liberty Media International, Inc. 2004 Nonemployee Director Incentive Plan (As Amended and			

Restated Effective April 1, 2005)(1)				
Series A common stock	22,152	$	33.95	4,979,000(2)
Series B common stock				
Liberty Media International, Inc. Transitional Stock Adjustment Plan(1)(3)				
Series A common stock	1,241,332	$	33.92	
Series B common stock	1,498,154	$	37.88	
Equity compensation plans not approved by security holders: None				
Totals:				
Series A common stock	1,701,538			23,092,552(2)
Series B common stock	3,066,716			

(1) Prior to LMI s spin off from Liberty, Liberty approved each plan in its capacity as the then-sole stockholder of LMI.

(2) Each plan permits grants of, or with respect to, shares of LMI Series A common stock or LMI Series B common stock subject to a single aggregate limit. The total number of shares available for future issuances under each plan is calculated based upon the number of shares subject to the original awards granted under each plan, prior to

giving effect to any anti-dilution adjustments to such awards (such as the adjustments made in connection with the July 2004 rights offering).

(3) The transitional plan was adopted in connection with LMI s spin off from Liberty to provide for the supplemental award of options to purchase shares of LMI common stock and restricted shares of LMI Series A common stock, in each case, pursuant to adjustments made to Liberty stock incentive awards in accordance with the anti-dilution provisions of Liberty s stock incentive plans.

Security Ownership of Certain Beneficial Owners

The following table sets forth information, to the extent known by LMI or ascertainable from public filings, concerning shares of LMI common stock beneficially owned by each person or entity (excluding any of LMI s directors and executive officers) known by LMI to own more than five percent of the outstanding shares of LMI common stock.

The security ownership information is given as of March 31, 2005, and in the case of percentage ownership information, is based upon (1) 165,555,331 shares of LMI Series A common stock, and (2) 7,264,300 shares of LMI Series B common stock.

Name and Address of Beneficial Owner	Series of Stock	Number of Shares	Percent of Class	Voting Power
		(In thousands)		
Capital Research and Management Company 333 South Hope Street Los Angeles, CA 90071	LMI Series A LMI Series B	8,418*	5.0%	*

* The number of shares of common stock in the table is based upon the Schedule 13G dated December 31, 2004, filed by Capital Research and Management Company with respect to LMI Series A common stock. Capital Research, an investment advisor, is the beneficial owner of 8,417,960 shares of LMI Series A common stock, as a result of acting as investment advisor to various investments companies, but disclaims beneficial ownership pursuant to Rule 13d-4. The Schedule 13G reflects that Capital Research has no voting power over and sole dispositive power over these shares.

Security Ownership of Management

The following table sets forth information with respect to the beneficial ownership by each LMI director and each of the LMI named executive officers and by all of LMI s directors and executive officers as a group of (1) shares of LMI Series A common stock, (2) shares of LMI Series B common stock and (3) shares of UGC Class A common stock.

The security ownership information for LMI common stock is given as of March 31, 2005, and, in the case of percentage ownership information, is based upon (1) 165,555,331 shares of LMI Series A common stock, and (2) 7,264,300 shares of LMI Series B common stock, in each case, outstanding on that date. The security ownership information for UGC Class A common stock is given as of March 31, 2005, and, in the case of percentage ownership information, is based upon 401,894,352 shares of UGC Class A common stock outstanding on that date.

Shares of LMI common stock issuable upon exercise or conversion of options that were exercisable or convertible on or within 60 days after March 31, 2005, are deemed to be outstanding and to be beneficially owned by the person holding the options for the purpose of computing the percentage ownership of the person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Shares of UGC common stock issuable upon exercise or conversion of options that were exercisable or convertible on or within 60 days after March 31, 2005, are deemed to be outstanding and to be beneficially owned by the person holding the options for the purpose of computing the percentage ownership of the person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

For purposes of the following presentation, beneficial ownership of shares of LMI Series B common stock, though convertible on a one-for-one basis into shares of LMI Series A common stock, is reported as beneficial ownership of LMI Series B common stock only, and not as beneficial ownership of LMI Series A common stock. In addition, although outstanding shares of UGC Class B common stock and UGC Class C common stock are convertible into UGC Class A common stock, share data set forth in the following presentation with respect to UGC Class A common stock excludes any dilution associated with the potential conversion of UGC Class B common stock or UGC Class C common stock into UGC Class A common stock.

So far as is known to LMI, the persons indicated below have sole voting power with respect to the shares indicated as owned by them, except as otherwise stated in the notes to the table. The number of shares indicated as owned by the executive officers and directors of LMI includes interests in shares held by UGC s defined contribution 401(k) plan (the UGC 401(k) Plan) and shares held by the Liberty 401(k) Savings Plan, in each case as of March 31, 2005. The shares held by the trustees of these 401(k) plans for the benefit of these persons are voted as directed by such persons.

Name of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership (In thousands)	Percent of Class	Voting Power
John C. Malone	LMI Series A	953(1)(2)(4)(5)	*	33.2%
	LMI Series B	8,510(1)(3)(5)	91.1%	
	UGC Class A	95(6)	*	*
Miranda Curtis	LMI Series A	85(7)	*	*
	LMI Series B	0		
	UGC Class A	0		
David B. Koff	LMI Series A	65(8)(9)(10)	*	*
	LMI Series B	0		
	UGC Class A	1(11)		
David J. Leonard	LMI Series A	2(12)(13)	*	*
	LMI Series B	0		
	UGC Class A	8(14)		
Elizabeth M. Markowski	LMI Series A	62(15)(16)(17)(18)	*	*
	LMI Series B	0		
	UGC Class A	0(19)		
Robert R. Bennett	LMI Series A	240(20)(21)(22)	*	3.1%
	LMI Series B	732(20)(22)	9.2%	
	UGC Class A	212(23)	*	*
Donne F. Fisher	LMI Series A	15(24)	*	*
	LMI Series B	32	*	
	UGC Class A	0		
David E. Rapley	LMI Series A	1(24)	*	*
	LMI Series B	0		
	UGC Class A	0		
M. LaVoy Robison	LMI Series A	1(24)	*	*
	LMI Series B	0		
	UGC Class A	0		
Larry E. Romrell	LMI Series A	13(24)	*	*
	LMI Series B	0		
	UGC Class A	0		
J.C. Sparkman	LMI Series A	14	*	*
	LMI Series B	0	*	*
	UGC Class A	0	*	*
J. David Wargo	LMI Series A	8(25)	*	*
	LMI Series B	0		
	UGC Class A	921(26)	*	*
All directors and executive officers as a group (14 persons)	LMI Series A	1,500(2)(20)(25)(27)(28)(29)(30)	*	35.4%
	LMI Series B	9,274(3)(20)(27)(30)	92.1%	

	UGC Class A	1,242(26)(31)(32)	*	*

* Less than one percent

(1) Includes 90,303 shares of LMI Series A common stock and 204,566 shares of LMI Series B common stock held by Mr. Malone s wife, Leslie Malone, as to which shares Mr. Malone has disclaimed beneficial ownership.

(2) Includes 198 shares of LMI Series A common stock held by a trust with respect to which Mr. Malone is the sole trustee and, with his wife, Leslie Malone, retains a unitrust interest in the trust.

(3) Includes 1,046,546 shares of LMI Series B common stock held by a trust with respect to which Mr. Malone is the sole trustee and holder of a unitrust interest in the trust.

(4) Includes 46,907 shares of LMI Series A common stock held by the Liberty 401(k) Savings Plan.

(5) Includes 221 shares of LMI Series A common stock and 2,072,577 shares of LMI Series B common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005.

Mr. Malone has the right to convert options to purchase 504,015 shares of LMI Series B common stock into options to purchase shares of LMI Series A common stock.

(6) Includes 95,416 shares of UGC Class A common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005.

(7) Includes 85,143 shares of LMI Series A common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005.

(8) Includes 639 shares of LMI Series A common stock held by the Liberty 401(k) Savings Plan.

(9) Includes 1,250 restricted shares of LMI Series A common stock, none of which were vested at March 31, 2005.

(10) Includes 53,615 shares of LMI Series A common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005.

(11) Includes 1,458 shares of UGC Class A common stock held by the UGC 401(k) Plan.

(12) Includes 7 shares of LMI Series A common stock held by the Liberty 401(k) Savings Plan.

(13) Includes 1,596 shares of LMI Series A common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005.

(14) Includes 3,182 shares of UGC Class A common stock held by the UGC 401(k) Plan.

(15) Includes 136 shares of LMI Series A common stock held by Mrs. Markowski s husband, Thomas Markowski, as to which shares Mrs. Markowski disclaims beneficial ownership.

(16) Includes 259 shares of LMI Series A common stock held by the Liberty 401(k) Savings Plan.

(17) Includes 44 restricted shares of LMI Series A common stock, none of which were vested at March 31, 2005.

(18) Includes 57,214 shares of LMI Series A common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005.

(19) Includes 496 shares of UGC Class A common stock held by the UGC 401(k) Plan.

(20) Includes 75,084 shares of LMI Series A common stock and 24 shares of LMI Series B common stock held by Hilltop Investments, Inc. which is jointly owned by Mr. Bennett and his wife, Deborah Bennett.

(21) Includes 1,577 shares of LMI Series A common stock held by the Liberty 401(k) Savings Plan.

(22) Includes 12,002 shares of LMI Series A common stock and 731,962 shares of LMI Series B common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005. Mr. Bennett has the right to convert the options to purchase shares of LMI Series B common stock into options to purchase shares of LMI Series A common stock.

(23) Includes 83,332 shares of UGC Class A common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005.

(24) Includes 586 shares of LMI Series A common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005.

(25) Includes 7,142 shares of LMI Series A common stock held in various accounts managed by Mr. Wargo, as to which shares Mr. Wargo disclaims beneficial ownership.

(26) Includes 498,757 shares of UGC Class A common stock held in various accounts managed by Mr. Wargo, as to which shares Mr. Wargo disclaims beneficial ownership.

(27) Includes 96,003 shares of LMI Series A common stock and 204,566 shares of LMI Series B common stock held by relatives of certain directors and executive officers, as to which shares beneficial ownership by such directors and executive officers is disclaimed.

(28) Includes 50,144 shares of LMI Series A common stock held by the Liberty 401(k) Savings Plan.

(29) Includes 1,294 restricted shares of LMI Series A common stock, none of which were vested at March 31, 2005.

(30) Includes 247,102 shares of LMI Series A common stock and 2,804,539 shares of LMI Series B common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005. The options to purchase 1,235,977 shares of LMI Series B common stock may be converted into options to purchase shares of LMI Series A common stock.

(31) Includes 7,701 shares of UGC Class A common stock held by the UGC 401(k) Plan.

(32) Includes 178,748 shares of UGC Class A common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005.

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One of LMI s directors and two of its executive officers also hold interests in Liberty Jupiter, Inc., one of LMI s privately held subsidiaries. Mr. Bennett, Ms. Curtis, another executive officer and another individual hold 180, 320, 200 and 100 shares, respectively, of Class A common stock of Liberty Jupiter, representing a 20% aggregate common equity interest and less than 1% aggregate voting interest in Liberty Jupiter, based upon 800 shares of Liberty Jupiter Class A common stock, 3,198 shares of Liberty Jupiter Class B common stock, 2 shares of Liberty Jupiter Class C common stock and approximately 93,379 shares of Liberty Jupiter preferred stock outstanding, as of March 31, 2005. Pursuant to a stockholders agreement among LMI, Liberty Jupiter and certain of Liberty Jupiter s stockholders, LMI has the right to cause all or any part of the Liberty Jupiter Class A common stock to be converted into shares of LMI Series A common stock. On or after April 24, 2005, each holder of Liberty Jupiter Class A common stock will have the right to cause all of the shares of Liberty Jupiter Class A common stock held by such holder to be converted into shares of LMI Series A common stock. Each share of Liberty Jupiter Class A common stock that is converted will be converted into that number of shares of LMI Series A common stock having an aggregate market price that is equal to the fair market value of the Liberty Jupiter Class A common stock so converted, as of the time of conversion. Liberty Jupiter owns an approximate 7.96% interest in LMI s consolidated subsidiary, LMI/ Sumisho SuperMedia, LLC.

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Stock Performance Graphs

The following graph compares the percentage change from June 8, 2004, the date on which regular way trading in LMI common stock began, to December 31, 2004, in the cumulative total stockholder return (assuming reinvestment of dividends) on LMI Series A common stock, LMI Series B common stock, the Nasdaq Composite Index and a peer group of companies based on the Nasdaq Telecommunications Index. The graph assumes that $100 was invested on June 8, 2004. The stock prices of LMI Series A and Series B common stock on June 8, 2004 have been reduced to give effect to the rights distributed to LMI stockholders on July 26, 2004.

	June 8, 2004	December 31, 2004
LMI Series A	$ 100	$ 127
LMI Series B	100	127
Nasdaq Telecommunications Index	100	102
Nasdaq Composite Index	100	108

Pro Forma Security Ownership Information of LMI Management

The following table sets forth information with respect to the estimated beneficial ownership by each LMI director, each of the LMI named executive officers and all of LMI s directors and executive officers as a group of shares of Liberty Global Series A common stock and Liberty Global Series B common stock, assuming that the mergers had been effected on March 31, 2005.

If the mergers are effected, (1) each share of LMI Series A common stock and LMI Series B common stock will be converted into one share of the corresponding series of Liberty Global common stock, and (2) each share of UGC common stock will be converted into the right to receive 0.2155 of a share of Liberty Global Series A common stock or $9.58 in cash, subject to proration. For purposes of the following presentation, we have assumed that none of LMI s directors and executive officers elect to receive cash for their shares of UGC common stock in the mergers. In addition, although shares of LMI Series B common stock are convertible on a one-for-one basis into shares of LMI Series A common stock, we have assumed, for purposes of this presentation, that no shares of LMI Series B common stock were converted into shares of LMI Series A common stock prior to the assumed merger date of March 31, 2005. The security ownership information for Liberty Global common stock has been estimated based upon outstanding stock information for LMI common stock and UGC common stock as of March 31, 2005, and, in the case of percentage ownership information, has been estimated based upon 244,903,956 shares of Liberty Global Series A common stock and 7,264,300 shares of Liberty Global Series B common stock estimated to have been issued in the mergers (assuming no cash elections were made by any UGC stockholders).

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Shares of Liberty Global common stock deemed to be issuable within 60 days of March 31, 2005 upon exercise of options, conversion of convertible securities, exchange of exchangeable securities or upon vesting of restricted stock awards are deemed to be outstanding for the purpose of computing the percentage ownership and aggregate voting power of persons expected to beneficially own such securities, but have not been deemed to be outstanding for the purpose of computing the percentage ownership or aggregate voting power of any other person.

So far as is known to LMI, the persons indicated below would have sole voting power with respect to the shares estimated to be owned by them, except as otherwise stated in the notes to the table. The number of shares indicated as owned by the executive officers and directors of LMI includes interests in shares held by the UGC 401(k) Plan and shares held by the Liberty 401(k) Savings Plan, in each case as of March 31, 2005. The shares held by the trustees of these 401(k) plans for the benefit of these persons are voted as directed by such persons.

Name of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership (In thousands)	Percent of Class	Voting Power
John C. Malone	Liberty Global Series A	974(1)	*	23.1%
	Liberty Global Series B	8,510(2)	91.1%	
Miranda Curtis	Liberty Global Series A	85(3)	*	*
	Liberty Global Series B	0		
David B. Koff	Liberty Global Series A	65(4)	*	*
	Liberty Global Series B	0		
David J. Leonard	Liberty Global Series A	3(5)	*	*
	Liberty Global Series B	0		
Elizabeth M. Markowski	Liberty Global Series A	62(6)	*	*
	Liberty Global Series B	0		
Robert R. Bennett	Liberty Global Series A	285(7)	*	2.1%
	Liberty Global Series B	732(8)	9.2%	
Donne F. Fisher	Liberty Global Series A	15(9)	*	*
	Liberty Global Series B	32	*	
David E. Rapley	Liberty Global Series A	1(9)	*	*
	Liberty Global Series B	0		
M. LaVoy Robison	Liberty Global Series A	1(9)	*	*
	Liberty Global Series B	0		
Larry E. Romrell	Liberty Global Series A	13(9)	*	*
	Liberty Global Series B	0		
J.C. Sparkman	Liberty Global Series A	14	*	*
	Liberty Global Series B	0		
J. David Wargo	Liberty Global Series A	206(10)	*	*
	Liberty Global Series B	0		
All directors and executive officers as a group (14 persons)	Liberty Global Series A	1,768(11)	*	25.4%
	Liberty Global Series B	9,274(12)	92.1%	

* Less than one percent

(1) See footnotes 1, 2, 4, 5 and 6 in Management of LMI Security Ownership of Management.

(2) See footnotes 1, 3 and 5 in Management of LMI Security Ownership of Management.

(3) See footnote 7 in Management of LMI Security Ownership of Management.

(4) See footnotes 8, 9, 10 and 11 in Management of LMI Security Ownership of Management.

(5) See footnotes 12, 13 and 14 in Management of LMI Security Ownership of Management.

(6) See footnotes 15, 16, 17, 18 and 19 in Management of LMI Security Ownership of Management.

(7) See footnotes 20, 21, 22 and 23 in Management of LMI Security Ownership of Management.

(8) See footnotes 20 and 22 in Management of LMI Security Ownership of Management.

(9) See footnote 24 in Management of LMI Security Ownership of Management.

(10) See footnote 25 and 26 in Management of LMI Security Ownership of Management.

(11) See footnotes 2, 20, 25, 26, 27, 28, 29, 30, 31 and 32 in Management of LMI Security Ownership of Management.

(12) See footnotes 3, 20, 27 and 30 in Management of LMI Security Ownership of Management.

Current Management of Liberty Global, LMI Merger Sub and UGC Merger Sub

Each of Liberty Global, LMI Merger Sub and UGC Merger Sub currently has two directors, Messrs. Malone and Bennett, and two officers, Mr. Malone who serves as President and Ms. Markowski who serves as Secretary. Biographical and other information about Messrs. Malone and Bennett and Ms. Markowski can be found above under Executive Officers and Directors.

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EXECUTIVE OFFICERS, DIRECTORS AND PRINCIPAL STOCKHOLDERS OF UGC

Executive Officers and Directors

The name and present principal occupation of each executive officer and director of UGC is set forth below. Unless otherwise noted, the business address for each person listed below is c/ o UnitedGlobalCom, Inc., 4643 South Ulster Street, Suite 1300, Denver, Colorado 80237. To the knowledge of UGC, all executive officers and directors listed below are United States citizens.

Name	Positions
Gene W. Schneider	Chairman of the Board of UGC and its predecessors since 1989. Mr. Schneider also served as Chief Executive Officer of UGC and its predecessors from 1995 to January 2004. Mr. Schneider has served as an officer and/or director of various direct and indirect subsidiaries of UGC. In addition, from 1995 until 1999, Mr. Schneider served as a member of the UPC Supervisory Board, and an advisor to the Supervisory Board of UPC from 1999 until September 2003. Mr. Schneider has been with UGC and its predecessors since 1989. Mr. Schneider is also a director of Austar United.
Michael T. Fries	Chief Executive Officer of UGC since January 2004. Mr. Fries has served as a director of UGC and its predecessors since November 1999 and as President of UGC and its predecessors since September 1998. He also served as Chief Operating Officer of UGC and its predecessors from September 1998 to January 2004. In addition, he serves or has served as an officer and/or director of various direct and indirect subsidiaries and affiliates of UGC, including as a member of the UPC Supervisory Board from September 1998 until September 2003 and as Chairman thereof from February 1999 until September 2003, member of the Priority Telecom Supervisory Board since November 2000 and as Chairman thereof since March 2003 and as a director of Austar United since June 1999. He served as Chairman of Austar United from June 1999 to April 2003. Mr. Fries has been with UGC and its predecessors since 1990.
Frederick G. Westerman, III	Chief Financial Officer of UGC and its predecessors since June 1999 and UGC s Co-Chief Financial Officer since February 2004. Mr. Westerman s responsibilities include oversight and planning of UGC s financial and treasury operations. He also serves as an officer and/or director of various direct and indirect subsidiaries of UGC.
Charles H.R. Bracken	Co-Chief Financial Officer of UGC since February 2004. Mr. Bracken has served as the Chief Financial Officer of UGC Europe and its predecessors since November 1999. Mr. Bracken served as a member of the UPC Board of Management from July 1999 to September 2003. Prior to November 1999, Mr. Bracken served as the Managing Director of Strategy, Acquisitions and Corporate Development at UPC from March 1999. Mr. Bracken also serves as an officer and/or director of various European subsidiaries, including as a member of the Priority Telecom Supervisory Board since July 2000.
Gene M. Musselman	President and Chief Operating Officer of UPC Broadband Division of UGC Europe, Inc., a subsidiary of UGC, since September 2003. Mr. Musselman has served as UPC s Chief Operating Officer since

April 2000, and he served as a member of its Board of Management from June 2000 to September 2003. He also served as managing director of UPC from July 2003 until June 2004. Mr. Musselman serves as an officer and/or director of various European subsidiaries of UGC. Except when he was at Tevecap S.A. from 1995 to 1997, Mr. Musselman has been with UGC and its affiliates since 1991.

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Name	Positions
Shane O Neill	Chief Strategy Officer of UGC Europe since September 2003. He has served as UPC s Chief Strategy Officer since June 2000. Mr. O Neill served as a member of the UPC Board of Management from June 2000 to September 2003. From November 1999 to June 2000, Mr. O Neill served as the Managing Director, Strategy, Acquisitions and Corporate Development at UPC. Mr. O Neill is a director of SBS Broadcasting S.A., a public company in which UGC has a 19.3% interest.
Robert R. Bennett *c/o Liberty Media Corporation 12300 Liberty Boulevard Englewood, Colorado 80112*	A director of UGC since January 2002. Mr. Bennett has served as President and Chief Executive Officer of Liberty since April 1997, and he held various other executive positions with Liberty since its inception in 1990. Mr. Bennett served as Executive Vice President of TCI from April 1997 to March 1999. Mr. Bennett is a Vice-Chairman of the Board and a director of LMI and is also a director of Liberty and OpenTV Corp.
John P. Cole, Jr.	A director of UGC and its predecessors since March 1998. Mr. Cole served as a member of the UPC Supervisory Board from February 1999 to September 2003. Mr. Cole is a founder of the Washington, D.C. law firm of Cole, Raywid and Braverman, which specializes in all aspects of telecommunications and media law.
John W. Dick	A director of UGC since March 2003. Mr. Dick served as a member of the UPC Supervisory Board from May 2001 to September 2003 and as a director of UGC Europe from September 2003 to January 2004. He is the non-executive Chairman and a director of Hooper Industries Group, a privately held U.K. group consisting of: Hooper and Co (Coachbuilders) Ltd. (building special/ bodied Rolls Royce and Bentley motorcars) and Hooper Industries (China) (providing industrial products and components to Europe and the U.S.). Until 2002, Hooper Industries Group also held Metrocab UK (manufacturing London taxicabs) and Moscab (a joint venture with the Moscow city government, producing left-hand drive Metrocabs for Russia). Mr. Dick has held his positions with Hooper Industries Group since 1984. Mr. Dick is also a director of Austar United.
Bernard G. Dvorak *c/o Liberty Media International, Inc. 12300 Liberty Boulevard Englewood, Colorado 80112*	A director of UGC since November 2004. Mr. Dvorak has served as a director of various subsidiaries of UGC since January 2005. Mr. Dvorak has served as Senior Vice President and Controller of LMI since March 2004. From July 2002 until May 2004, Mr. Dvorak served as Senior Vice President, Chief Financial Officer and Treasurer of On Command Corporation, a subsidiary of Liberty. Mr. Dvorak was the Chief Executive Officer and member of the board of directors of Formus, a provider of fixed wireless services in Europe, from September 2000 until June 2002, and, from April 1999 until September 2000, he served as Chief Financial Officer of Formus.
Paul A. Gould *Allen & Company L.L.C. 711 5th Avenue, 8th Floor New York, New York 10022*	A director of UGC since January 2004. Mr. Gould has served as Managing Director of Allen & Company L.L.C., an investment banking services company, and has been associated with Allen &

	Company and its affiliates for more than the last five years. Mr. Gould is also a director of Ampco-Pittsburgh Corporation and Liberty.
Gary S. Howard	A director of UGC since January 2002. Mr. Howard served as Executive Vice President and Chief Operating Officer of Liberty from July 1998 to February 2004. Mr. Howard served as Chief Executive Officer of Liberty Satellite & Technology, Inc. from December 1996 to April 2000.
David B. Koff *c/o Liberty Media International, Inc. 12300 Liberty Boulevard Englewood, Colorado 80112*	A director of UGC since August 2003. Mr. Koff has served as Senior Vice President of LMI since March 2004. Mr. Koff served as a Senior Vice President of Liberty from February 1998 through March 2004.

Name	Positions
John C. Malone *c/o Liberty Media International, Inc. 12300 Liberty Boulevard Englewood, Colorado 80112*	A director of UGC and its predecessors since November 1999. Mr. Malone has served as President, Chief Executive Officer, Chairman of the Board and a director of LMI since March 2004. Mr. Malone has served as Chairman of the Board of Liberty since 1990. Mr. Malone served as Chairman of the Board and a director of Liberty Satellite & Technology, Inc. from December 1996 to August 2000. Mr. Malone also served as Chairman of the Board of TCI from November 1996 to March 1999 and as Chief Executive Officer of TCI from January 1994 to March 1999. Mr. Malone is also a director of The Bank of New York, Cablevision Systems Corporation and Liberty.

Gene W. Schneider is the father of Mark L. Schneider, who was a named executive officer of UGC until December 31, 2004. There are no other family relations among the above named individuals, by blood, marriage or adoption.

During the past five years, none of the above persons was convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or was party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

Involvement in Certain Proceedings

Except as stated below, during the past five years, none of the above persons has had any involvement in such legal proceedings as would be material to an evaluation of his or her ability or integrity.

On March 28, 2001, an involuntary petition under Chapter 7 of the U.S. Bankruptcy Code was filed against Formus in the United States Bankruptcy Court for the District of Colorado. Mr. Dvorak was a director and the Chief Executive Officer of Formus from September 2000 until June 2002.

On March 29, 2002, UAP, then a subsidiary of UGC, filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the United States District Court for the Southern District of New York. UAP s reorganization closed on June 27, 2003, and UAP has since dissolved. Until February 11, 2002, Mr. Fries was a director and the President of UAP and, until November 14, 2001, Mr. Schneider was a director and Chief Executive Officer of UAP. Mr. Westerman was a director of UAP from November 2001 and President thereof from March 2002 until UAP s dissolution in January 2004.

On December 3, 2002, UPC, now a subsidiary of UGC Europe, filed a voluntary petition for reorganization under Chapter 11 of the United States Bankruptcy Code, together with a pre-negotiated plan of reorganization, in the United States District Court of the Southern District of New York. In conjunction with such filing, also on December 3, 2002, UPC commenced a moratorium of payments in The Netherlands under Dutch bankruptcy law with the filing of a proposed plan of compulsory composition or the Akkoord with the Amsterdam Court (Rechtbank) under the Dutch Faillissementswet. These actions were completed on September 3, 2003, when UGC Europe acquired more than 99% of the stock of, and became a successor issuer to UPC. Messrs. Fries, Cole and Dick were Supervisory Directors of UPC and Mr. Schneider was an advisor to UPC s Supervisory Board. Also, Messrs. Bracken, Musselman and O Neill were members of the UPC Board of Management.

In June 2003, UPC Polska, Inc. executed an agreement with some of its creditors to restructure its balance sheet. On January 22, 2004, the U.S. Bankruptcy Court confirmed UPC Polska s Chapter 11 plan of reorganization. On February 18, 2004, UPC Polska emerged from the Chapter 11 proceedings. Mr. Musselman is a director of UPC Polska.

On January 12, 2004, UGC s predecessor (Old UGC), filed a voluntary petition for relief under Chapter 11 of the U.S. Bankruptcy Code with the U.S. Bankruptcy Court for the Southern District of New York. On November 10, 2004, the U.S. Bankruptcy Court confirmed Old UGC s plan of reorganization and Old UGC emerged from the Chapter 11 proceedings on November 18, 2004. Until August 2003, Mr. Fries was the President of Old UGC, and Mr. Schneider was a director and Chief Executive Officer of Old UGC. Mr. Westerman has served as a director of Old UGC since August 2003 and as President thereof since November 2003.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information with respect to the beneficial ownership (1) by each UGC director, each of the UGC named executive officers (as defined in UGC s Annual Report on Form 10-K/A for the year ended

December 31, 2004) and all of UGC s directors and executive officers as a group of shares of all classes of UGC common stock and both series of LMI common stock, and (2) by each stockholder who is known by UGC to own beneficially more than five percent of any class of UGC common stock. None of UGC s directors or the UGC named executive officers beneficially owns any equity securities of any subsidiary of UGC.

At the election of the holder, shares of UGC Class B common stock are convertible immediately into shares of UGC Class A common stock on a one-for-one basis, and shares of UGC Class C common stock are convertible on a one-for-one basis into either shares of UGC Class A common stock or shares of UGC Class B common stock. For purposes of the following presentation, beneficial ownership of shares of UGC Class B common stock and UGC Class C common stock is reported as beneficial ownership of UGC Class B common stock and UGC Class C common stock, respectively, only, and not as beneficial ownership of any other class of UGC common stock. In addition, beneficial ownership of shares of LMI Series B common stock, though convertible on a one-for-one basis into shares of LMI Series A common stock, is reported as beneficial ownership of LMI Series B common stock only, and not as beneficial ownership of LMI Series A common stock.

The security ownership information for UGC common stock is given as of March 31, 2005, and, in the case of percentage ownership information, is based upon (1) 401,894,352 shares of UGC Class A common stock, (2) 10,493,461 shares of UGC Class B common stock, and (3) 379,603,223 shares of UGC Class C common stock, in each case, outstanding on that date. The security ownership information for LMI common stock is given as of March 31, 2005, and, in the case of percentage ownership information, is based upon (1) 165,555,331 shares of LMI Series A common stock, and (2) 7,264,300 shares of LMI Series B common stock, in each case, outstanding on that date.

Shares of UGC common stock issuable within 60 days of March 31, 2005 upon exercise of options, conversion of convertible securities, exchange of exchangeable securities or upon vesting of restricted stock awards are deemed to be outstanding for the purpose of computing the percentage ownership and aggregate voting power of persons beneficially owning such securities, but have not been deemed to be outstanding for the purpose of computing the percentage ownership or aggregate voting power of any other person. Shares of LMI common stock issuable upon exercise or conversion of options that were exercisable or convertible on or within 60 days after March 31, 2005, are deemed to be outstanding and to be beneficially owned by the person holding the options for the purpose of computing the percentage ownership of the person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

So far as is known to UGC, the persons indicated below have sole voting power with respect to the shares indicated as owned by them, except as otherwise stated in the notes to the table. The number of shares indicated as owned by the executive officers and directors of UGC, includes interests in shares held by the UGC 401(k) Plan and shares held by the Liberty 401(k) Savings Plan, in each case as of March 31, 2005. The shares held by the trustees of the 401(k) plans for the benefit of these persons are voted as directed by such persons.

Name of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership	Percent of Class	Voting Power
		(In thousands)		
Robert R. Bennett	UGC Class A	212(1)(2)	*	*
	LMI Series A	240(3)(4)(5)	*	3.1%
	LMI Series B	732(3)(5)	9.2%	
Charles H.R. Bracken	UGC Class A	3(6)	*	*
	LMI Series A	0		
	LMI Series B	0		
John P. Cole, Jr.	UGC Class A	384(7)	*	*
	LMI Series A	1	*	*

	LMI Series B	0		
John W. Dick	UGC Class A	54(8)	*	*
	LMI Series A	0		
	LMI Series B	0		
Bernard G. Dvorak	UGC Class A	3(9)	*	*
	LMI Series A	0(10)	*	*
	LMI Series B	0		
Michael T. Fries	UGC Class A	2,502(11)(12)	*	*
	LMI Series A	0		
	LMI Series B	0		

Name of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership (In thousands)	Percent of Class	Voting Power
Paul A. Gould	UGC Class A	183(13)	*	*
	LMI Series A	101(14)	*	*
	LMI Series B	43	*	
Gary S. Howard	UGC Class A	83(15)	*	*
	LMI Series A	389(16)(17)	*	*
	LMI Series B	0		
David B. Koff	UGC Class A	0		
	LMI Series A	65(18)(19)(20)	*	*
	LMI Series B	0		
John C. Malone	UGC Class A	95(21)	*	*
	LMI Series A	953(22)(23)(25)(26)	*	33.2%
	LMI Series B	8,510(22)(24)(26)	91.1%	
Gene M. Musselman	UGC Class A	53(27)(28)	*	*
	LMI Series A	0		
	LMI Series B	0		
Shane O Neill	UGC Class A	3(6)		
	LMI Series A	0		
	LMI Series B	0		
Gene W. Schneider	UGC Class A	2,046(29)(30)	*	*
	UGC Class B	2,901(31)	21.7%	
	LMI Series A	526(32)(33)	*	*
	LMI Series B	0		
Frederick G. Westerman III	UGC Class A	874(34)	*	*
	LMI Series A	0		
	LMI Series B	0		
All directors and executive officers as a group	UGC Class A	6,497(2)(12)(30)(35)	1.6%	*
	UGC Class B	2,901(31)	21.7%	
	LMI Series A	2,276(3)(5)(17)(19)(22)(23)(24)(26)(32)(36)	1.4%	35.7%
	LMI Series B	9,285(3)(5)(22)(24)(26)	92.2%	
LMI(37)	UGC Class A	35,829	9.0%	91.0%
	UGC Class B	10,493	100.0%	
	UGC Class C	377,462	99.4%	
Capital Research and Management Company(38)	UGC Class A	55,909	13.9%	*
Credit Suisse First Boston(39)	UGC Class A	39,286	9.8%	*
Oppenheimer Funds, Inc.(40)	UGC Class A	31,380	7.8%	*

* Less than one percent.

(1) Includes 83,332 shares of UGC Class A common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005.

(2) Includes 128,186 shares of UGC Class A common stock owned by Hilltop Investments, Inc., which is jointly owned by Mr. Bennett and his spouse.

(3) Includes 75,084 shares of LMI Series A common stock and 24 shares of LMI Series B common stock held by Hilltop Investments, Inc. which is jointly owned by Mr. Bennett and his spouse.

(4) Includes 1,577 shares of LMI Series A common stock held by the Liberty 401(k) Savings Plan.

(5) Includes 12,002 shares of LMI Series A common stock and 731,962 shares of LMI Series B common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005. Mr. Bennett has the right to convert the options to purchase shares of LMI Series B common stock into options to purchase shares of LMI Series A common stock.

(6) Includes 3,689 restricted shares of UGC Class A common stock that will vest within 60 days of March 31, 2005.

(7) Includes 205,416 shares of UGC Class A common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005.

(8) Includes 54,166 shares of UGC Class A common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005.

(9) Includes 2,032 shares of UGC Class A common stock held by the UGC 401(k) Plan.

(10) Includes 372 shares of LMI Series A common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005.

(11) Includes 2,468,500 shares of UGC Class A common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005, 6,318 restricted shares of UGC Class A common stock that will vest within 60 days of March 31, 2005 and 8,744 shares of UGC Class A common stock held by the UGC 401(k) Plan.

(12) Includes 210 shares of UGC Class A common stock held by his spouse.

(13) Includes 33,333 shares of UGC Class A common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005.

(14) Includes 586 shares of LMI Series A common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005.

(15) Includes 83,332 shares of UGC Class A common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005.

(16) Includes 2,229 shares of LMI Series A common stock held by the Liberty 401(k) Savings Plan and 302,640 shares of LMI Series A common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005.

(17) Includes 20,940 shares of LMI Series A common stock held by a Grantor Retained Annuity Trust. Also includes 614 shares of LMI Series A common stock owned by his spouse of which Mr. Howard disclaims beneficial ownership and 11,108 shares of LMI Series A common stock held by a Grantor Retained Annuity Trust of which Mr. Howard disclaims beneficial ownership.

(18) Includes 639 shares of LMI Series A common stock held by the Liberty 401(k) Savings Plan.

(19) Includes 1,250 restricted shares of LMI Series A common stock, none of which were vested at March 31, 2005.

(20) Includes 53,615 shares of LMI Series A common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005.

(21) Includes 95,416 shares of UGC Class A common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005.

(22) Includes 90,303 shares of LMI Series A common stock and 204,566 shares of LMI Series B common stock held by Mr. Malone s spouse, as to which shares Mr. Malone has disclaimed beneficial ownership.

(23)

Includes 198 shares of LMI Series A common stock held by a trust with respect to which Mr. Malone is the sole trustee and, with his wife, Leslie Malone, retains a unitrust interest in the trust.

(24) Includes 1,046,546 shares of LMI Series B common stock held by a trust with respect to which Mr. Malone is the sole trustee and holder of a unitrust interest in the trust.

(25) Includes 46,907 shares of LMI Series A common stock held by the Liberty 401(k) Savings Plan.

(26) Includes 221 shares of LMI Series A common stock and 2,072,577 shares of LMI Series B common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005. Mr. Malone has the right to convert options to purchase 504,015 shares of LMI Series B common stock into options to purchase shares of LMI Series A common stock.

(27) Includes 8,533 shares of UGC Class A common stock held by the UGC 401(k) Plan.

(28) Includes 40,000 shares of UGC Class A common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005, and 3,689 restricted shares of UGC Class A common stock that will vest within 60 days of March 31, 2005.

(29) Includes 1,766,341 shares of UGC Class A common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005, and 10,404 shares of UGC Class A common stock held by the UGC 401(k) Plan.

(30) Includes 712 shares of UGC Class A common stock held by a trust of which Mr. Schneider is a beneficiary and a trustee and 66 shares of UGC Class A common stock held by his spouse.

(31) Includes 2,900,702 shares of UGC Class B common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005.

(32) Includes 199,261 shares of LMI Series A common stock held by G. Schneider Holdings, LLP of which Mr. Schneider is the general partner, 1,155 shares of LMI Series A common stock held by a trust of which Mr. Schneider is a beneficiary and a trustee, 1,577 shares of LMI Series A common stock held by his spouse, and an aggregate of 1,555 shares of LMI Series A common stock held by separate trusts for the benefit of his children and two of his grandchildren, respectively, of which Mr. Schneider is the sole trustee.

(33) Includes 68 shares of LMI Series A common stock held by the UGC 401(k) Plan.

(34) Includes 865,000 shares of UGC Class A common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005, 2,305 restricted shares of UGC Class A common stock that will vest within 60 days of March 31, 2005, and includes 6,765 shares of UGC Class A common stock held by the UGC 401(k) Plan.

(35) Includes 5,694,836 shares of UGC Class A common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005, 19,690 restricted shares of UGC Class A common stock that will vest within 60 days of March 31, 2005, and 36,478 shares of UGC Class A common stock held by the UGC 401(k) Plan for the benefit of the directors and executive officers.

(36) Includes 369,436 shares of LMI Series A common stock that are subject to options which were exercisable as of, or will be exercisable within 60 days of, March 31, 2005, 51,352 shares of LMI Series A common stock held by the Liberty 401(k) Savings Plan and 68 shares of LMI Series A common stock held by the UGC 401(k) Savings Plan.

(37) The number of shares of UGC Class A common stock, UGC Class B common stock and UGC Class C common stock in the table is based upon Amendment No. 1 to the Schedule 13D dated January 17, 2005, filed by LMI. The address of LMI is 12300 Liberty Boulevard, Englewood, Colorado 80112. Robert R. Bennett, Bernard G. Dvorak, David B. Koff, and John C. Malone, all directors of UGC, are also officers and/or directors of LMI.

(38) The number of shares of UGC Class A common stock in the table is based upon Amendment No. 8 to the Schedule 13G dated December 31, 2004, filed by Capital Research and Management Company and The Growth Fund of America, Inc. with respect to the UGC Class A common stock. Capital Research, an investment advisor, is the beneficial owner of 55,909,250 shares of UGC Class A common stock, as a result of acting as investment advisor to various investments companies, but disclaims beneficial ownership pursuant to Rule 13d-4. Growth Fund, an investment company advised by Capital Research, is the beneficial owner of 25,200,000 shares of UGC Class A common stock. The Schedule 13G reflects that Capital Research has no voting power over said shares and sole dispositive power over the shares of UGC Class A common stock and that Growth Fund has sole voting power over its shares but no dispositive power. The address of Capital Research and Growth Fund is 333 South Hope Street, Los Angeles, CA 90071.

(39) The number of shares of UGC Class A common stock in the table is based upon a Schedule 13G dated December 31, 2004, filed by Credit Suisse First Boston on behalf of Credit Suisse First Boston business unit (CSFB). CSFB is a bank and provides financial advisory services and through Credit Suisse Asset Management provides asset management and investment advisory services. CSFB also filed as a parent holding company or control person. Its ultimate parent is Credit Suisse Group, which disclaims beneficial ownership of the shares reported by CSFB. The Schedule 13G reflects that CSFB has shared voting and shared dispositive powers over the UGC Class A common stock. The address of CSFB is: Uetlibergstrasse 231, P.O. Box 900, CH 8070 Zurich,

Switzerland. The address of Credit Suisse Group is: Paradeplatz 8, P.O. Box 1, CH 8070 Zurich, Switzerland.

(40) The number of shares of UGC Class A common stock in the table is based upon a Schedule 13G dated December 31, 2004, filed by OppenheimerFunds, Inc. OppenheimerFunds is an investment advisor and disclaims beneficial ownership pursuant to Rule 13d-4 of the Exchange Act of 1934. The Schedule 13G reflects that OppenheimerFunds has no voting power and shared dispositive power over the UGC Class A common stock. The address of OppenheimerFunds is 225 Liberty Street, 11th Floor, New York, NY 10018.

Pro Forma Security Ownership Information of UGC Management

The following table sets forth information with respect to the estimated beneficial ownership by each UGC director, each of the UGC named executive officers (as defined in UGC s Annual Report on Form 10-K/A for the year ended December 31, 2004) and all of UGC s directors and executive officers as a group of shares of Liberty Global Series A common stock and Liberty Global Series B common stock, assuming that the mergers had been effected on March 31, 2005.

If the mergers are effected, (1) each share of UGC common stock will be converted into the right to receive 0.2155 of a share of Liberty Global Series A common stock or $9.58 in cash, subject to proration, and (2) each share of LMI Series A common stock and LMI Series B common stock will be converted into one share of the corresponding series of Liberty Global common stock. For purposes of the following presentation, we have assumed that none of UGC s directors and executive officers elect to receive cash for their shares of UGC common stock in the mergers. In addition, although shares of LMI Series B common stock are convertible on a one-for-one basis into shares of LMI Series A common stock, we have assumed, for purposes of this presentation, that no shares of LMI Series B common stock were converted into shares of LMI Series A common stock prior to the assumed merger date of March 31, 2005.

The security ownership information for Liberty Global common stock has been estimated based upon outstanding stock information for LMI common stock and UGC common stock as of March 31, 2005, and, in the case of percentage ownership information, has been estimated based upon 244,903,956 shares of Liberty Global Series A common stock and 7,264,300 shares of Liberty Global Series B common stock estimated to have been issued in the mergers (assuming no cash elections had been made by any UGC stockholders).

Shares of Liberty Global common stock deemed to be issuable within 60 days of March 31, 2005 upon exercise of options, conversion of convertible securities, exchange of exchangeable securities or upon vesting of restricted stock awards are deemed to be outstanding for the purpose of computing the percentage ownership and aggregate voting power of persons expected to beneficially own such securities, but have not been deemed to be outstanding for the purpose of computing the percentage ownership or aggregate voting power of any other person.

So far as is known to UGC, the persons indicated below would have sole voting power with respect to the shares estimated to be owned by them, except as otherwise stated in the notes to the table. The number of shares indicated as owned by the executive officers and directors of UGC includes interests in shares held by the UGC 401(k) Plan and shares held by the Liberty 401(k) Savings Plan, in each case as of March 31, 2005. The shares held by the trustees of these 401(k) plans for the benefit of these persons are voted as directed by such persons.

Name of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership (In thousands)	Percent of Class	Voting Power
Robert R. Bennett	Liberty Global Series A	285(1)	*	2.1%
	Liberty Global Series B	732(2)	9.2%	
Charles H.R. Bracken	Liberty Global Series A	1(3)	*	*
	Liberty Global Series B	0		
John P. Cole, Jr.	Liberty Global Series A	84(4)	*	*
	Liberty Global Series B	0		
John W. Dick	Liberty Global Series A	12(5)	*	*
	Liberty Global Series B	0		
Bernard G. Dvorak	Liberty Global Series A	1(6)	*	*
	Liberty Global Series B	0		
Michael T. Fries	Liberty Global Series A	539(7)	*	*
	Liberty Global Series B	0		
Paul A. Gould	Liberty Global Series A	141(8)	*	*
	Liberty Global Series B	43	*	
Gary S. Howard	Liberty Global Series A	407(9)	*	*
	Liberty Global Series B	0		

David B. Koff	Liberty Global Series A	65(10)	*	*
	Liberty Global Series B	0		
John C. Malone	Liberty Global Series A	974(11)	*	23.1%
	Liberty Global Series B	8,510(12)	91.1%	
Gene M. Musselman	Liberty Global Series A	12(13)	*	*
	Liberty Global Series B	0		
Shane O Neill	Liberty Global Series A	1(3)		
	Liberty Global Series B	0		
Gene W. Schneider	Liberty Global Series A	1,592(14)	*	*
	Liberty Global Series B	0		

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Name of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership (In thousands)	Percent of Class	Voting Power
Frederick G. Westerman III	Liberty Global Series A	188(15)	*	*
	Liberty Global Series B	0		
All directors and executive officers as a group	Liberty Global Series A	4,301(16)	1.7%	27.9%
	Liberty Global Series B	9,285(17)	92.2%	

* Less than one percent.

(1) See footnotes 1, 2, 3, 4 and 5 in Executive Officer, Directors and Principal Stockholders of UGC Security Ownership of Certain Beneficial Owners and Management.

(2) See footnotes 3 and 5 in Executive Officer, Directors and Principal Stockholders of UGC Security Ownership of Certain Beneficial Owners and Management.

(3) See footnote 6 in Executive Officer, Directors and Principal Stockholders of UGC Security Ownership of Certain Beneficial Owners and Management.

(4) See footnote 7 in Executive Officer, Directors and Principal Stockholders of UGC Security Ownership of Certain Beneficial Owners and Management.

(5) See footnote 8 in Executive Officer, Directors and Principal Stockholders of UGC Security Ownership of Certain Beneficial Owners and Management.

(6) See footnotes 9 and 10 in Executive Officer, Directors and Principal Stockholders of UGC Security Ownership of Certain Beneficial Owners and Management.

(7) See footnotes 11 and 12 in Executive Officer, Directors and Principal Stockholders of UGC Security Ownership of Certain Beneficial Owners and Management.

(8) See footnotes 13 and 14 in Executive Officer, Directors and Principal Stockholders of UGC Security Ownership of Certain Beneficial Owners and Management.

(9) See footnotes 15, 16 and 17 in Executive Officer, Directors and Principal Stockholders of UGC Security Ownership of Certain Beneficial Owners and Management.

(10) See footnotes 18, 19 and 20 in Executive Officer, Directors and Principal Stockholders of UGC Security Ownership of Certain Beneficial Owners and Management.

(11) See footnotes 21, 22, 23, 25 and 26 in Executive Officer, Directors and Principal Stockholders of UGC Security Ownership of Certain Beneficial Owners and Management.

(12) See footnotes 22, 24 and 26 in Executive Officer, Directors and Principal Stockholders of UGC Security Ownership of Certain Beneficial Owners and Management.

(13) See footnotes 27 and 28 in Executive Officer, Directors and Principal Stockholders of UGC Security Ownership of Certain Beneficial Owners and Management.

(14) See footnotes 29, 30, 31, 32 and 33 in Executive Officer, Directors and Principal Stockholders of UGC Security Ownership of Certain Beneficial Owners and Management.

(15) See footnote 34 in Executive Officer, Directors and Principal Stockholders of UGC Security Ownership of Certain Beneficial Owners and Management.

(16) See footnotes 2, 3, 5, 12, 17, 19, 22, 23, 24, 26, 30, 31, 32, 35 and 36 in Executive Officer, Directors and Principal Stockholders of UGC Security Ownership of Certain Beneficial Owners and Management.

(17) See footnotes 3, 5, 22, 24 and 26 in Executive Officer, Directors and Principal Stockholders of UGC Security Ownership of Certain Beneficial Owners and Management.

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Pro Forma Cash Consideration Deliverable to UGC Management

The following table sets forth an estimate of the amount of cash consideration that could have been received by each UGC director and each of the UGC named executive officers (as defined in UGC s Annual Report on Form 10-K/A for the year ended December 31, 2004) and by all of UGC s directors and executive officers as a group if the mergers had been effected on March 31, 2005, and assuming that (1) they exercised their cash election with respect to all of their UGC beneficial ownership interests (other than interests held pursuant to stock options), and (2) their cash elections were not reduced pursuant to applicable proration procedures.

Name of Beneficial Owner		Approximate Amount of Cash Consideration
Robert R. Bennett	$	1,232,639
Charles H.R. Bracken	$	35,341
John P. Cole, Jr.*	$	1,710,835
John W. Dick*		
Bernard G. Dvorak	$	28,740
Michael T. Fries	$	320,930
Paul A. Gould*	$	1,433,810
Gary S. Howard		
David B. Koff		
John C. Malone		
Gene M. Musselman	$	124,540
Shane O Neill		
Gene W. Schneider	$	2,681,988
Frederick G. Westerman III	$	86,220
All directors and executive officers as a group	$	7,655,043

* Member of the Special Committee

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DESCRIPTION OF LIBERTY GLOBAL CAPITAL STOCK

The following information reflects Liberty Global s restated certificate of incorporation and bylaws as these documents will be in effect at the time of the mergers.

Authorized Capital Stock

Liberty Global s authorized capital stock consists of one billion one hundred million (1,100,000,000) shares, of which one billion fifty million (1,050,000,000) shares are designated common stock, par value $0.01 per share, and fifty million (50,000,000) shares are designated preferred stock, par value $0.01 per share. Liberty Global s common stock is divided into three series. Liberty Global has authorized five hundred million (500,000,000) shares of Series A common stock, fifty million (50,000,000) shares of Series B common stock, and five hundred million (500,000,000) shares of Series C common stock.

Immediately following the effective time of the mergers, Liberty Global expects to have up to 244,904,000 shares of its Series A common stock and 7,264,300 shares of its Series B common stock outstanding, based upon the number of shares of LMI Series A common stock, LMI Series B common stock, UGC Class A common stock and UGC Class C common stock outstanding on March 31, 2005. The actual number of outstanding shares of Liberty Global Series A common stock will also depend on the number of UGC stockholders who make the cash election. No shares of Liberty Global Series C common stock or preferred stock will be outstanding immediately following the effective time of the merger.

Common Stock

The holders of Liberty Global Series A common stock, Series B common stock and Series C common stock have equal rights, powers and privileges, except as otherwise described below.

Voting Rights

The holders of Liberty Global Series A common stock will be entitled to one vote for each share held, and the holders of Liberty Global Series B common stock will be entitled to ten votes for each share held, on all matters voted on by Liberty Global stockholders, including elections of directors. The holders of Liberty Global Series C common stock will not be entitled to any voting powers, except as required by Delaware law. When the vote or consent of holders of Liberty Global Series C common stock is required by Delaware law, the holders of Liberty Global Series C common stock will be entitled to $^{1}/100$th of a vote for each share held. Liberty Global s charter does not provide for cumulative voting in the election of directors.

Dividends; Liquidation

Subject to any preferential rights of any outstanding series of Liberty Global s preferred stock created by Liberty Global s board from time to time, the holders of Liberty Global s common stock will be entitled to such dividends as may be declared from time to time by Liberty Global s board from funds available therefor. Except as otherwise described under Distributions, whenever a dividend is paid to the holders of one of Liberty Global Series of common stock, Liberty Global shall also pay to the holders of the other series of Liberty Global s common stock an equal per share dividend. For a more complete discussion of Liberty Global s dividend policy, please see Dividend Policy.

Conversion

Each share of Liberty Global Series B common stock is convertible, at the option of the holder, into one share of Liberty Global Series A common stock. Liberty Global Series A common stock and Liberty Global Series C common stock are not convertible.

Distributions

Distributions made in shares of Liberty Global Series A common stock, Liberty Global Series B common stock, Liberty Global Series C common stock or any other security with respect to Liberty Global Series A common stock, Liberty Global Series B common stock or Liberty Global Series C common stock may be declared and paid only as follows:

a share distribution (1) consisting of shares of Liberty Global Series A common stock (or securities convertible therefor) to holders of Liberty Global Series A common stock, Liberty Global Series B common stock and

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Liberty Global Series C common stock, on an equal per share basis; or (2) consisting of shares of Liberty Global Series B common stock (or securities convertible therefor) to holders of Liberty Global Series A common stock, Liberty Global Series B common stock and Liberty Global Series C common stock, on an equal per share basis; or (3) consisting of shares of Liberty Global Series C common stock (or securities convertible therefor) to holders of Liberty Global Series A common stock, Liberty Global Series B common stock and Liberty Global Series C common stock, on an equal per share basis; or (4) consisting of shares of Liberty Global Series A common stock (or securities convertible therefor) to holders of Liberty Global Series A common stock and, on an equal per share basis, shares of Liberty Global Series B common stock (or securities convertible therefor) to holders of Liberty Global Series B common stock and, on an equal per share basis, shares of Liberty Global Series C common stock (or securities convertible therefor) to holders of Liberty Global Series C common stock; and

a share distribution consisting of shares of any class or series of securities of Liberty Global or any other person, other than Liberty Global Series A common stock, Liberty Global Series B common stock or Liberty Global Series C common stock (or securities convertible therefor) on the basis of a distribution of (1) identical securities, on an equal per share basis, to holders of Liberty Global Series A common stock, Liberty Global Series B common stock and Liberty Global Series C common stock; or (2) separate classes or series of securities, on an equal per share basis, to holders of Liberty Global Series A common stock, Liberty Global Series B common stock and Liberty Global Series C common stock; or (3) a separate class or series of securities to the holders of one or more series of Liberty Global s common stock and, on an equal per share basis, a different class or series of securities to the holders of all other series of Liberty Global s common stock, *provided* that, in the case of (2) or (3) above, the securities so distributed do not differ in any respect other than their relative voting rights and related differences in designation, conversion and share distribution provisions, with the holders of shares of Liberty Global Series B common stock receiving securities of the class or series having the highest relative voting rights and the holders of shares of each other series of Liberty Global s common stock receiving securities of the class or series having lesser relative voting rights, and *provided further* that, if different classes or series of securities are being distributed to holders of Liberty Global Series A common stock and Liberty Global Series C common stock, then such securities shall be distributed either as determined by Liberty Global s board of directors or such that the relative voting rights of the securities of the class or series of securities to be received by the holders of Liberty Global Series A common stock and Liberty Global Series C common stock corresponds, to the extent practicable, to the relative voting rights of each such series of Liberty Global s common stock, and *provided further* that, in each case, the distribution is otherwise made on a equal per share basis.

Liberty Global may not reclassify, subdivide or combine any series of Liberty Global s common stock without reclassifying, subdividing or combining the other series of Liberty Global s common stock, on an equal per share basis.

Liquidation and Dissolution

In the event of Liberty Global s liquidation, dissolution and winding up, after payment or provision for payment of Liberty Global s debts and liabilities and subject to the prior payment in full of any preferential amounts to which Liberty Global s preferred stock holders may be entitled, the holders of Liberty Global Series A common stock, Liberty Global Series B common stock and Liberty Global Series C common stock will share equally, on a share for share basis, in Liberty Global s assets remaining for distribution to the holders of Liberty Global s common stock.

Preferred Stock

Liberty Global s restated certificate of incorporation authorizes Liberty Global s board of directors to establish one or more series of Liberty Global s preferred stock and to determine, with respect to any series of Liberty Global s preferred stock, the terms and rights of the series, including:

the designation of the series;

the number of authorized shares of the series, which number Liberty Global s board may thereafter increase or decrease but not below the number of such shares then outstanding;

the dividend rate or amounts, if any, payable on the shares and, in the case of cumulative dividends, the date or dates from which dividends on all shares of the series shall be cumulative and the relative preferences or rights of priority or participation with respect to such dividends;

the rights of the series in the event of Liberty Global s voluntary or involuntary liquidation, dissolution or winding up and the relative preferences or rights of priority of payment;

the rights, if any, of holders of the series to convert into or exchange for other classes or series of stock or indebtedness and the terms and conditions of any such conversion or exchange, including provision for adjustments within the discretion of Liberty Global s board;

the voting rights, if any, of the holders of the series;

the terms and conditions, if any, for us to purchase or redeem the shares; and

any other relative rights, preferences and limitations of the series.

Liberty Global believes that the ability of Liberty Global s board of directors to issue one or more series of Liberty Global s preferred stock will provide them with flexibility in structuring possible future financing and acquisitions, and in meeting other corporate needs which might arise. The authorized shares of Liberty Global s preferred stock, as well as shares of Liberty Global s common stock, will be available for issuance without further action by Liberty Global stockholders, unless such action is required by applicable law or the rules of any stock exchange or automated quotation system on which Liberty Global s securities may be listed or traded. If the approval of Liberty Global stockholders is not required for the issuance of shares of Liberty Global s preferred stock or Liberty Global s common stock, Liberty Global s board may determine not to seek stockholder approval.

Although Liberty Global has no intention at the present time of doing so, it could issue a series of Liberty Global s preferred stock that could, depending on the terms of such series, impede the completion of a merger, tender offer or other takeover attempt. Liberty Global s board of directors will make any determination to issue such shares based upon its judgment as to the best interests of Liberty Global s stockholders. Liberty Global s board of directors, in so acting, could issue Liberty Global s preferred stock having terms that could discourage an acquisition attempt through which an acquirer may be able to change the composition of Liberty Global s board of directors, including a tender offer or other transaction that some, or a majority, of Liberty Global stockholders might believe to be in their best interests or in which stockholders might receive a premium for their stock over the then-current market price of the stock.

Dividend Policy

Liberty Global presently intends to retain future earnings, if any, to finance the expansion of Liberty Global s business. Therefore, Liberty Global does not expect to pay any cash dividends in the foreseeable future. All decisions regarding the payment of dividends by Liberty Global will be made by Liberty Global s board of directors, from time to time, in accordance with applicable law after taking into account various factors, including Liberty Global s financial condition, operating results, current and anticipated cash needs, plans for expansion and possible loan covenants which may restrict or prohibit Liberty Global s payment of dividends.

Anti-Takeover Effects of Provisions of Restated Certificate of Incorporation and Bylaws

Board of Directors

Liberty Global s restated certificate of incorporation and bylaws provide that, subject to any rights of the holders of any series of Liberty Global s preferred stock to elect additional directors, the number of Liberty Global s directors shall not be less than three and the exact number shall be fixed from time to time by a resolution adopted by the affirmative vote of 75% of the members of Liberty Global s board then in office. The members of Liberty Global s board, other than those who may be elected by holders of Liberty Global s preferred stock, are divided into three classes. Each class consists, as nearly as possible, of a number of directors equal to one-third of the then authorized number of board members. The term of office of Liberty Global s Class I directors expires at the annual meeting of Liberty Global stockholders in 2006. The term of office of Liberty Global s Class II directors expires at the annual meeting of Liberty Global stockholders in 2007. The term of office of Liberty Global s Class III directors expires at the annual meeting of Liberty Global stockholders in 2008. At each annual meeting of Liberty Global stockholders, the successors of that class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of Liberty Global stockholders held in the third year following the year of their election. The directors of each class will hold office until their respective successors are elected and qualified.

Liberty Global s restated certificate of incorporation provides that, subject to the rights of the holders of any series of Liberty Global s preferred stock, Liberty Global s directors may be removed from office only for cause upon the affirmative vote of the holders of at least a majority of the aggregate voting power of Liberty Global s outstanding capital stock entitled to vote at an election of directors, voting together as a single class.

Liberty Global s restated certificate of incorporation provides that, subject to the rights of the holders of any series of Liberty Global s preferred stock, vacancies on Liberty Global s board resulting from death, resignation, removal,

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disqualification or other cause, and newly created directorships resulting from any increase in the number of directors on Liberty Global s board, shall be filled only by the affirmative vote of a majority of the remaining directors then in office (even though less than a quorum) or by the sole remaining director. Any director so elected shall hold office for the remainder of the full term of the class of directors in which the vacancy occurred or to which the new directorship is assigned, and until that director s successor shall have been elected and qualified or until such director s earlier death, resignation or removal. No decrease in the number of directors constituting Liberty Global s board shall shorten the term of any incumbent director, except as may be provided in any certificate of designation with respect to a series of Liberty Global s preferred stock with respect to any additional director elected by the holders of that series of Liberty Global s preferred stock.

These provisions would preclude a third party from removing incumbent directors and simultaneously gaining control of Liberty Global s board by filling the vacancies created by removal with its own nominees. Under the classified board provisions described above, it would take at least two elections of directors for any individual or group to gain control of Liberty Global s board. Accordingly, these provisions could discourage a third party from initiating a proxy contest, making a tender offer or otherwise attempting to gain control of Liberty Global.

No Shareowner Action by Written Consent; Special Meetings

Liberty Global s restated certificate of incorporation provides that, except as otherwise provided in the terms of any series of preferred stock, any action required to be taken or which may be taken at any annual meeting or special meeting of stockholders may not be taken without a meeting and may not be effected by any consent in writing by such holders. Except as otherwise required by law and subject to the rights of the holders of any series of Liberty Global s preferred stock, special meetings of Liberty Global stockholders for any purpose or purposes may be called only by Liberty Global s Secretary at the request of at least 75% of the members of Liberty Global s board then in office. No business other than that stated in the notice of special meeting shall be transacted at any special meeting.

Advance Notice Procedures

Liberty Global s bylaws establish an advance notice procedure for stockholders to make nominations of candidates for election as directors or to bring other business before an annual meeting of Liberty Global stockholders.

All nominations by stockholders or other business to be properly brought before a meeting of stockholders shall be made pursuant to timely notice in proper written form to Liberty Global s Secretary. To be timely, a stockholder s notice shall be given to Liberty Global s Secretary at Liberty Global s offices as follows:

(1) with respect to an annual meeting of Liberty Global stockholders that is called for a date not more than 30 days before or 70 days after the anniversary date of the immediately preceding annual meeting of Liberty Global stockholders, such notice shall be given no earlier than the close of business on the 120th day prior to such anniversary and no later than the close of business on the 90th day prior to such anniversary;

(2) with respect to an annual meeting of Liberty Global stockholders that is called for a date which is more than 30 days before or 70 days after the anniversary date of the immediately preceding annual meeting of Liberty Global stockholders, such notice shall be given no earlier than the close of business on the 120th day prior to the current annual meeting and not later than the close of business on the later of (A) the 90th day prior to the current annual meeting or (b) the 10th day following the day on which Liberty Global first publicly announces the date of the current annual meeting; and

(3) with respect to an election to be held at a special meeting of Liberty Global stockholders, not earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting.

The public announcement of an adjournment or postponement of a meeting of Liberty Global stockholders does not commence a new time period (or extend any time period) for the giving of any such stockholder notice. However, if the number of directors to be elected to Liberty Global s board at any meeting is increased, and Liberty Global does not make a public announcement naming all of the nominees for director or specifying the size of the increased board at least 100 days prior to the anniversary date of the immediately preceding annual meeting, a stockholder s notice shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to Liberty Global s Secretary at Liberty Global s offices not later than the close of business on the 10th day following the day on which Liberty Global first made the relevant public announcement. For purposes of the first annual meeting of stockholders to be held in 2006, the first anniversary date shall be deemed to be [ ], 2006.

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Amendments

Liberty Global s restated certificate of incorporation provides that, subject to the rights of the holders of any series of Liberty Global s preferred stock, the affirmative vote of the holders of at least 80% of the aggregate voting power of Liberty Global s outstanding capital stock generally entitled to vote upon all matters submitted to Liberty Global stockholders, voting together as a single class, is required to adopt, amend or repeal any provision of Liberty Global s restated certificate of incorporation or the addition or insertion of other provisions in the certificate, provided that the foregoing voting requirement shall not apply to any adoption, amendment, repeal, addition or insertion (1) as to which Delaware law does not require the consent of Liberty Global stockholders or (2) which has been approved by at least 75% of the members of Liberty Global s board then in office. Liberty Global s restated certificate of incorporation further provides that the affirmative vote of the holders of at least 80% of the aggregate voting power of Liberty Global s outstanding capital stock generally entitled to vote upon all matters submitted to Liberty Global stockholders, voting together as a single class, is required to adopt, amend or repeal any provision of Liberty Global s bylaws, provided that the foregoing voting requirement shall not apply to any adoption, amendment or repeal approved by the affirmative vote of not less than 75% of the members of Liberty Global s board then in office.

Supermajority Voting Provisions

In addition to the supermajority voting provisions discussed under Amendments above, Liberty Global s restated certificate of incorporation provides that, subject to the rights of the holders of any series of Liberty Global s preferred stock, the affirmative vote of the holders of at least 80% of the aggregate voting power of Liberty Global s outstanding capital stock generally entitled to vote upon all matters submitted to Liberty Global stockholders, voting together as a single class, is required for:

Liberty Global s merger or consolidation with or into any other corporation, provided, that the foregoing voting provision shall not apply to any such merger or consolidation (1) as to which the laws of the State of Delaware, as then in effect, do not require the consent of Liberty Global stockholders, or (2) that at least 75% of the members of Liberty Global s board of directors then in office have approved;

the sale, lease or exchange of all, or substantially all, of Liberty Global s assets, provided, that the foregoing voting provisions shall not apply to any such sale, lease or exchange that at least 75% of the members of Liberty Global s board of directors then in office have approved; or

Liberty Global s dissolution, provided, that the foregoing voting provision shall not apply to such dissolution if at least 75% of the members of Liberty Global s board of directors then in office have approved such dissolution.

Section 203 of the Delaware General Corporation Law

Section 203 of the Delaware General Corporation Law prohibits certain transactions between a Delaware corporation and an interested stockholder. An interested stockholder for this purpose is a stockholder who is directly or indirectly a beneficial owner of 15% or more of the aggregate voting power of a Delaware corporation. This provision prohibits certain business combinations between an interested stockholder and a corporation for a period of three years after the date on which the stockholder became an interested stockholder, unless: (1) the transaction which resulted in the stockholder becoming an interested stockholder is approved by the corporation s board of directors before the stockholder became an interested stockholder, (2) the interested stockholder acquired at least 85% of the aggregate voting power of the corporation in the transaction in which the stockholder became an interested stockholder, or (3) the business combination is approved by a majority of the board of directors and the affirmative vote of the holders of two-thirds of the aggregate voting power not owned by the interested stockholder at or subsequent to the time that the stockholder became an interested stockholder. These restrictions do not apply if, among other things, the corporation s certificate of incorporation contains a provision expressly electing not to be governed by Section 203. In Liberty Global s restated certificate of incorporation, Liberty Global has elected not to be governed by Section 203.

Transfer Agent and Registrar

EquiServe Trust Company N.A. will be the transfer agent and registrar for Liberty Global s common stock.

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COMPARISON OF THE RIGHTS OF STOCKHOLDERS OF LMI, UGC AND LIBERTY GLOBAL

Liberty Global, LMI and UGC are each organized under the laws of the State of Delaware. Any differences, therefore, in the rights of holders of capital stock in Liberty Global, LMI and UGC arise primarily from differences in their respective charters and bylaws, in the case of LMI and UGC, as in effect on the date of this joint proxy statement/ prospectus, and, in the case of Liberty Global, as will be in effect at the effective time of the mergers. Upon completion of the mergers, holders of LMI common stock and holders of UGC common stock will become holders of Liberty Global common stock and their rights will be governed by Delaware law and Liberty Global s restated certificate of incorporation and bylaws.

The following discussion summarizes the material differences between the rights of LMI stockholders, UGC stockholders and Liberty Global stockholders, as described in the applicable provisions of their respective charters and bylaws. This section does not include a complete description of all the differences among the rights of these stockholders, nor does it include a complete description of the specific rights of these stockholders. All LMI stockholders and UGC stockholders are urged to carefully read the relevant provisions of Delaware law as well as the form of restated certificate of incorporation and form of bylaws of Liberty Global included with this joint proxy statement/ prospectus as Appendix F and Appendix G, respectively.

Authorized Capital Stock

LMI	UGC	Liberty Global
The authorized capital stock of LMI consists of (i) 1,050,000,000 shares of common stock, par value $.01 per share, of which 500,000,000 shares are designated LMI Series A common stock 50,000,000 shares are designated LMI Series B common stock and 500,000,000 shares are designated LMI Series C common stock and (ii) 50,000,000 shares of LMI preferred stock, par value $.01 per share. LMI s restated certificate of incorporation authorizes the board of directors to authorize the issuance of one or more series of preferred stock.	The authorized capital stock of UGC consists of (i) 2,400,000,000 shares of UGC common stock, par value $.01 per share, of which 1,000,000,000 shares are designated UGC Class A common stock, 1,000,000,000 shares are designated UGC Class B common stock and 400,000,000 shares are designated UGC Class C common stock and (ii) 10,000,000 shares of UGC preferred stock, par value $.01 per share. UGC s amended and restated certificate of incorporation authorizes the board of directors to authorize the issuance of one or more series of preferred stock.	Same as LMI.

Voting Rights

LMI	UGC	Liberty Global
Under LMI s restated certificate of incorporation, holders of LMI Series A common stock are entitled to one vote for each share of such stock held, and holders of LMI Series B common stock are entitled to ten votes for each share of such	Under UGC s amended and restated certificate of incorporation, holders of UGC Class A common stock are entitled to one vote for each share of such stock held, holders of UGC Class B common stock are entitled to ten votes for each share of such	Same as LMI.

stock held, on all matters submitted to a vote of LMI stockholders at any annual or special meeting. Holders of LMI Series C common stock are not entitled to any voting powers, except as required by Delaware law (in which case holders	stock held and holders of Class C common stock are entitled to ten votes for each share of such stock held.

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LMI	UGC	Liberty Global
of LMI Series C common stock are entitled to 1/100th of a vote per share).		

Cumulative Voting

LMI	UGC	Liberty Global
Under Delaware law, stockholders of a Delaware corporation do not have the right to cumulate their votes in the election of directors, unless that right is granted in the certificate of incorporation of the corporation. LMI s restated certificate of incorporation does not permit cumulative voting by LMI stockholders.	Same as LMI.	Same as LMI.

Size of Board of Directors

LMI	UGC	Liberty Global
LMI s board of directors has eight members. LMI s restated certificate of incorporation provides that the minimum number of directors is three, and that the actual number of directors may be fixed by the board of directors.	UGC s board of directors has ten members. UGC s amended and restated certificate of incorporation provides that the number of directors shall not be fewer than nine nor more than twelve, and that the actual number of directors may be fixed by the board of directors.	Liberty Global s board of directors initially will have ten members. Liberty Global s restated certificate of incorporation and bylaws will provide that the minimum number of directors is three, and that the actual number of directors may be fixed by the board of directors.

Classes of Directors

LMI	UGC	Liberty Global
LMI s restated certificate of incorporation provides that its board of directors is divided into three classes of directors with each class being elected to a staggered three-year term.	Same as LMI.	Same as LMI.

Removal of Directors

LMI	UGC	Liberty Global

Under LMI s restated certificate of incorporation, a director may be removed from office only for cause upon the affirmative vote of the holders of a majority of the aggregate voting power of the outstanding shares of LMI Series A common stock, LMI Series B common stock and any series of preferred stock entitled to vote upon matters that may be submitted to an LMI stockholder vote.	Under UGC s amended and restated certificate of incorporation, any and all directors may be removed from the board of directors with or without cause upon the affirmative vote of holders of at least $66^2/3$% of the aggregate combined voting power of the UGC Class A common stock, UGC Class B common stock and UGC Class C common stock, voting together as a single class.	Same as LMI.

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Vacancies on the Board of Directors

LMI	UGC	Liberty Global
LMI s restated certificate of incorporation provides that vacancies resulting from death, resignation, removal, disqualification or other cause, and newly created directorships resulting from any increase in the number of directors on the board of directors, shall be filled only by the affirmative vote of a majority of the remaining directors then in office.	UGC s amended and restated certificate of incorporation provides that any newly created directorship resulting from an increase in the number of directors or any other vacancy, however caused, shall be filled by a majority of the directors then in office.	Same as LMI.

Limitation of Personal Liability of Directors

LMI	UGC	Liberty Global
Under Delaware law, a corporation may include in its certificate of incorporation a provision eliminating or limiting the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director; however, the provision may not eliminate or limit the liability of a director for a breach of the duty of loyalty, acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, unlawful payments of dividends, certain stock repurchases or redemptions or any transaction from which the director derived an improper personal benefit. LMI s restated certificate of incorporation limits the personal liability of LMI directors for monetary damages for breach of fiduciary duty as a director to the fullest extent permitted by Delaware law.	Same as LMI.	Same as LMI.

Indemnification of Directors and Officers

LMI	UGC	Liberty Global

Delaware law provides that, subject to certain limitations in the case of derivative suits brought by a corporation s stockholders in its name, a corporation may indemnify any person who is made a party to any third-party action, suit or proceeding (other than an action by or in the right of the corporation) on account of being a current or former director, officer, employee or agent of the corporation (or is or was	Same as LMI.	Same as LMI.

LMI	UGC	Liberty Global
serving at the request of the corporation in such capacity for another corporation, partnership, joint venture, trust or other enterprise) against expenses, including attorney s fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit or proceeding through, among other things, a majority of directors who were not parties to the suit or proceeding, if the person (i) acted in good faith and in a manner reasonably believed to be in the best interests of the corporation (or in some circumstances, at least not opposed to its best interests), and (ii) in a criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Delaware corporate law also permits indemnification by a corporation under similar circumstances for expenses (including attorneys fees) actually and reasonably incurred by such persons in connection with the defense or settlement of a derivative action or suit, except that no indemnification may be made in respect of any claim, issue or matter as to which the person is adjudged to be liable to the corporation unless the Delaware Court of Chancery or the court in which the action or suit was brought determines upon application that the person is fairly and reasonably entitled to indemnity for the expenses which the court deems to be proper. To the extent that a current or former director, officer, employee or agent is successful in the defense of such an action, suit or proceeding, the corporation is required by Delaware		

corporate law to indemnify such person for reasonable expenses incurred thereby. Expenses (including attorneys fees) incurred by such persons in defending any action, suit or proceeding may be paid in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of that

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LMI	UGC	Liberty Global
person to repay the amount if it is ultimately determined that person is not entitled to be so indemnified. LMI s restated certificate of incorporation provides for (i) the indemnification of its current or former directors and officers to the fullest extent permitted by law, and (ii) the prepayment of expenses (including attorneys fees) upon receipt of an undertaking to repay such amounts if it is ultimately determined that the director or officer is not entitled to indemnification.		

Action by Written Consent

LMI	UGC	Liberty Global
LMI s restated certificate of incorporation specifically denies LMI stockholders the power to consent in writing, without a meeting, to the taking of any action.	UGC s amended and restated Certificate of incorporation allows UGC stockholders to take action by written consent.	Same as LMI.

Amendments to Certificate of Incorporation

LMI	UGC	Liberty Global
LMI s restated certificate of incorporation requires, for the amendment, alteration or repeal of any provision of or the addition or insertion of any provision in LMI s restated certificate of incorporation, the affirmative vote of the holders of at least 80% of the aggregate voting power of the outstanding shares of LMI Series A common stock, LMI Series B common stock and any series of preferred stock entitled to vote upon matters submitted to a stockholder vote, unless the amendment (i) is not required to be approved by LMI stockholders	UGC s amended and restated certificate of incorporation requires the affirmative vote of the holders of $66^2/3\%$ of the aggregate voting power of the outstanding UGC common stock, voting together as a single class, to amend, alter, repeal or adopt provisions of the amended and restated certificate of incorporation relating to the following matters: (1) the classification of directors, (2) the election of directors, (3) the term of office of directors, (4) the filling of vacant directorships, (5) the removal of directors, (6) the nominations of	Same as LMI.

under Delaware Law or (ii) has been approved by 75% of the LMI directors then in office.	directors, (7) the calling of special meetings of stockholders, (8) requirements concerning amendments to the bylaws and (9) requirements concerning amendments to the amended and restated certificate of incorporation. The items listed under (1) through (6) also require the affirmative vote of the holders of a majority of the voting power of the outstanding UGC Class C common stock, voting separately.

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Amendments to Bylaws

LMI	UGC	Liberty Global
Delaware law provides that stockholders have the power to amend the bylaws of a corporation unless the certificate of incorporation grants such power to the board of directors, in which case either the stockholders or the board of directors may amend the bylaws. LMI s restated certificate of incorporation authorizes the board of directors, by the affirmative vote of not less than 75% of the directors then in office, to adopt, amend or repeal any provision of the bylaws.	Delaware law provides that stockholders shall have the power to amend the bylaws of a corporation unless the certificate of incorporation grants such power to the board of directors, in which case either the stockholders or the board of directors may amend the bylaws. UGC s amended and restated certificate of incorporation provides that the board of directors has the power to adopt, alter, amend or repeal the bylaws of UGC by a vote of the majority of the directors then in office. The holders of shares of outstanding equity securities of UGC entitled to vote in the election of directors, to the extent such power is conferred on them by application of law, also have the power to adopt, alter, amend or repeal the bylaws of UGC if approved by at least $66^{2}/3\%$ of the aggregate voting power of the outstanding UGC common stock, voting together as a single class.	Same as LMI.

Special Meetings of Stockholders

LMI	UGC	Liberty Global
LMI s restated certificate of incorporation and bylaws provide that the secretary may call special meetings of the stockholders, only at the request of 75% of the members of the board of directors then in office.	UGC s bylaws provide that special meetings may be called only (i) by the board of directors pursuant to a resolution approved by a majority of the directors then in office, (ii) by the chairman of the board of directors or (iii) at the request of holders of common stock representing a majority of the aggregate voting power of the outstanding equity securities entitled to vote in the election of director.	Same as LMI.

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Vote on Extraordinary Corporate Transactions

LMI	UGC	Liberty Global
Under Delaware law, a sale or other disposition of all or substantially all of a corporation s assets, a merger or consolidation of a corporation with another corporation or a dissolution of a corporation requires the affirmative vote of the corporation s board of directors (except in limited circumstances) plus, with limited exceptions, the affirmative vote of a majority of the outstanding stock entitled to vote on the transaction. LMI s restated certificate of incorporation requires the affirmative vote of holders of at least 80% of the aggregate voting power of the outstanding shares of LMI Series A common stock, LMI Series B common stock and any series of preferred stock entitled to vote upon matters submitted to an LMI stockholder vote to authorize: (i) a merger or consolidation with and into any other corporation, unless (a) the laws of the state of Delaware do not require stockholder consent or (b) 75% of the members of the board of directors have approved the merger or consolidation, (ii) the sale, lease or exchange of all, or substantially all, assets of LMI, unless 75% of the members of the board of directors then in office have approved the transaction or (iii) the dissolution of LMI, unless 75% of the members of the board of directors then in office have approved the dissolution.	Under Delaware law, a sale or other disposition of all or substantially all of a corporation s assets, a merger or consolidation of a corporation with another corporation or a dissolution of a corporation requires the affirmative vote of the corporation s board of directors (except in limited circumstances) plus, with limited exceptions, the affirmative vote of a majority of the outstanding stock entitled to vote on the transaction. UGC s amended and restated certificate of incorporation and bylaws include no additional provisions in this regard, and the Delaware law applies without modification.	Same as LMI.

State Anti-Takeover Statutes

LMI	UGC	Liberty Global
Subject to certain exceptions, Section 203 of the Delaware	Same as LMI.	Same as LMI.

corporate statute generally prohibits public corporations from engaging in significant business transactions, including mergers, with a holder of 15% or more of the corporation s stock, referred to as an interested stockholder, for a period of three years after the interested stockholder becomes an interested stockholder, unless the certificate of incorporation contains a provision expressly

LMI	UGC	Liberty Global
electing not to be governed by such a section. LMI s restated certificate of incorporation expressly elects not to be governed by Section 203.		

Notice of Stockholder Proposals and Director Nominations

LMI	UGC	Liberty Global
Under LMI s bylaws, for director nominations or other business to be properly brought before an LMI annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of LMI and any such proposed business other than the nominations of persons for election to the board of directors, must constitute a proper matter for stockholder action. To be timely, a stockholder s notice must be delivered to the Secretary at the principal executive offices of LMI not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the first anniversary of the preceding year s annual meeting (provided, however, that in the event that the date of the annual meeting is more than thirty (30) days before or more than seventy (70) days after such anniversary date, notice by the stockholder must be so delivered not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such	Under UGC s bylaws, for director nominations or other business to be properly brought before a UGC annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of UGC and any such proposed business other than the nominations of persons for election to the board of directors, must constitute a proper matter for stockholder action. To be timely, a stockholder s notice must be delivered to the Secretary at the principal executive offices of UGC not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the first anniversary of the preceding year s annual meeting (provided, however, that in the event that the date of the annual meeting is advanced more than thirty (30) days prior to or delayed by more than thirty (30) days after the anniversary of the preceding year s annual meeting, notice by the stockholder must be so delivered not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on	Same as LMI.

meeting is first made by LMI).	which public announcement of the date of such meeting is first made by UGC).

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LIBERTY GLOBAL UNAUDITED CONDENSED PRO FORMA COMBINED FINANCIAL STATEMENTS

General

The accompanying unaudited condensed pro forma combined financial statements reflect the pro forma effects of (1) the proposed mergers (the Proposed Mergers) contemplated by the merger agreement, whereby Liberty Global will acquire all of the capital stock of UGC that LMI does not already own and LMI and UGC will become wholly owned subsidiaries of Liberty Global; and (2) the July 1, 2004 acquisition of Suez-Lyonnaise Télécom SA (Noos), the April 1, 2005 acquisition of the remaining 19.9% minority interest in UPC Broadband France SAS (UPC Broadband France), the January 1, 2005 consolidation of LMI/Sumisho Super Media LLC (Super Media) and Jupiter Telecommunications Co., Ltd. (J-COM), and the April 29, 2005 sale of LMI s equity interests in Torneos y Competeneias S.A. (TyC) and Fox Pan American Sports, LLC (FPAS) (collectively, the Consummated Transactions).

The following unaudited condensed pro forma combined balance sheet of Liberty Global, dated as of December 31, 2004, assumes that the Proposed Mergers, the consolidation of Super Media and J-COM, the acquisition of the remaining 19.9% minority interest in UPC Broadband France, and the sale of LMI s equity interests in TyC and FPAS were effective as of such date. The following unaudited condensed pro forma combined statement of operations of Liberty Global for the year ended December 31, 2004 includes the pro forma effects of the Proposed Mergers and the Consummated Transactions, as if each of such transactions were effective as of January 1, 2004.

The unaudited pro forma results do not purport to be indicative of the financial position and results of operations that Liberty Global will obtain in the future, or that Liberty Global would have obtained if the Proposed Mergers and Consummated Transactions were effective as of the dates indicated above. These unaudited condensed pro forma combined financial statements of Liberty Global have been derived from and should be read in conjunction with the historical financial statements and related notes thereto of LMI Noos and J-COM. Such historical financial statements are included in Appendix A: Information Concerning Liberty Media International, Inc. Part 4: Historical Financial Statements of LMI and its Significant Affiliates and Acquirees.

Proposed Mergers

At December 31, 2004, LMI owned 53.6% of the outstanding equity securities of UGC representing approximately 91.0% of UGC s outstanding voting power. Pursuant to the Proposed Mergers, each share of LMI Series A common stock or Series B common stock owned by an LMI stockholder will be exchanged for one share of the corresponding series of Liberty Global common stock. Stockholders of UGC (other than LMI and its wholly owned subsidiaries) may elect to receive, for each share of UGC common stock owned by them, either:

- 0.2155 of a share of Liberty Global Series A common stock (plus cash in lieu of any fractional share interest) (the stock election); or
- $9.58 in cash, without interest (the cash election).

UGC stockholders who make the cash election will be subject to proration so that, in the aggregate, the cash consideration paid to UGC stockholders does not exceed 20% of the aggregate value of the merger consideration payable to UGC public stockholders. If proration is made, any share for which a holder is not entitled to receive cash will be converted into 0.2155 of a share of Liberty Global Series A common stock (plus cash in lieu of any fractional share interest).

The Proposed Mergers will be accounted for as a step acquisition by LMI of the remaining minority interest in UGC. The purchase price in this step acquisition will include the consideration issued to UGC public stockholders to acquire the UGC interest not already owned by LMI and the direct acquisition costs incurred by LMI. As UGC was a consolidated subsidiary of LMI at December 31, 2004, the purchase price will first be applied to eliminate the minority interest in UGC from the consolidated balance sheet of LMI, and the remaining purchase price will be allocated on a pro rata basis to the identifiable assets and liabilities of UGC based upon their respective fair values at the effective date of the Proposed Mergers and the minority interest in UGC (46.4% at December 31, 2004) to be acquired by Liberty Global pursuant to the Proposed Mergers. Any excess purchase price that remains after amounts have been allocated to the net identifiable assets of UGC will be recorded as goodwill. As the acquiring company for accounting purposes, LMI will be the predecessor to Liberty Global and the historical financial statements of LMI will become the historical financial statements of Liberty Global. As discussed further in the accompanying notes, the preliminary calculation of the purchase price reflected in the accompanying unaudited condensed pro forma combined financial statements is based upon the assumption that all UGC stockholders (other than LMI and its wholly owned subsidiaries) will elect to receive shares of Liberty Global in the Proposed Mergers. In addition, the preliminary purchase price allocation reflected in the accompanying unaudited condensed pro forma combined financial statements is subject to adjustment based upon the final assessment of the fair values of UGC s identifiable assets and liabilities.

Consummated Transactions

Acquisitions of Noos and the Remaining 19.9% Minority Interest in UPC Broadband France

Noos Acquisition. On July 1, 2004, UPC Broadband France SAS (UPC Broadband France), an indirect wholly owned subsidiary of UGC and the owner of UGC s French cable television operations, acquired Noos from Suez SA (Suez). Noos is a provider of digital and analog cable television services and high-speed internet access services in France. The final purchase price for a 100% interest in Noos was approximately 567,102,000 ($689,989,000 at July 1, 2004), consisting of 487,085,000 ($592,633,000 at July 1, 2004) in cash, a 19.9% equity interest in UPC Broadband France valued at approximately 71,339,000 ($86,798,000 at July 1, 2004) and 8,678,000 ($10,558,000 at July 1, 2004) in direct acquisition costs.

UGC accounted for this transaction as the acquisition of an 80.1% interest in Noos and the sale of a 19.9% interest in UPC Broadband France. Under the purchase method of accounting, the final purchase price was allocated to the acquired identifiable tangible and intangible assets and liabilities based upon their respective fair values.

Acquisition of Remaining Minority Interest in UPC Broadband France. On April 1, 2005, UGC purchased the remaining 19.9% minority interest in UPC Broadband France for 90,105,000 ($122,876,000 at April 1, 2005) in cash. This acquisition will be accounted for as a step acquisition by UGC of the remaining 19.9% minority interest in UPC Broadband France. As UPC Broadband France was a consolidated subsidiary of UGC at December 31, 2004, the purchase price will first be applied to eliminate the minority interest in UPC Broadband France from the consolidated balance sheet of UGC, and the remaining purchase price will be allocated on a pro rata basis to the identifiable assets and liabilities of UPC Broadband France based upon their respective fair values at April 1, 2005 and the 19.9% minority interest in UPC Broadband France acquired by UGC on that date. Any excess purchase price that remains after amounts have been allocated to the net identifiable assets of UPC Broadband France will be recorded as goodwill. The preliminary purchase price allocation reflected in the accompanying unaudited condensed pro forma combined financial statements is subject to adjustment based upon the final assessment of the fair values of UPC Broadband France s identifiable assets and liabilities.

Consolidation of Super Media/J-COM.

J-COM owns and operates broadband businesses in Japan. On December 28, 2004, LMI s 45.45% ownership interest in J-COM, and a 19.78% interest in J-COM owned by Sumitomo Corporation (Sumitomo) were combined in Super Media. Super Media s investment in J-COM was originally recorded at the respective historical cost bases of LMI and Sumitomo on the date that their J-COM interests were combined in Super Media. As a result of these transactions, LMI held a 69.68% noncontrolling interest in Super Media, and Super Media held a 65.23% controlling interest in J-COM at December 31, 2004. At December 31, 2004, Sumitomo also held a 12.25% direct interest in J-COM and Microsoft Corporation (Microsoft) held a 19.46% beneficial interest in J-COM.

Due to certain veto rights held by Sumitomo, LMI accounted for its 69.68% ownership interest in Super Media using the equity method of accounting at December 31, 2004. On February 18, 2005, J-COM announced an initial public offering of its common shares in Japan. Under the terms of the operating agreement of Super Media, LMI s casting or tie-breaking vote with respect to decisions of the management committee became effective upon this announcement. Super Media is managed by a management committee consisting of two members, one appointed by LMI and one appointed by Sumitomo. From and after February 18, 2005, the management committee member appointed by LMI has a casting or deciding vote with respect to any management committee decision that LMI and Sumitomo are unable to agree on, with the exception of the terms of the initial public offering of J-COM. Certain decisions with respect to Super Media will continue to require the consent of both members rather than the management committee. These include any decision to engage in any business other than holding J-COM shares, sell J-COM shares, issue additional units in Super Media, make in-kind distributions or dissolve Super Media, in each case other than as contemplated by the Super Media operating agreement.

As a result of the above-described change in the governance of Super Media, LMI began accounting for Super Media and J-COM as consolidated subsidiaries effective January 1, 2005.

On March 23, 2005, Sumitomo contributed additional J-COM shares to Super Media, increasing Sumitomo s interest in Super Media to 32.4%, and decreasing LMI s interest in Super Media to 67.6%. Sumitomo is obligated to contribute to Super Media all of its remaining equity interest in J-COM during 2005. Sumitomo and LMI are generally required to contribute to Super Media any additional shares of J-COM that either party acquires and to permit the other party to participate in any additional acquisition of J-COM shares during the term of Super Media. Also on March 23, 2005, J-COM completed an initial public offering of its common shares. After giving effect to Sumitomo s additional contribution of J-COM shares to Super Media and the consummation of J-COM s initial public offering, including the subsequent exercise of the underwriters overallotment option, Super Media s ownership interest in J-COM is 54.46%. The accompanying unaudited condensed pro forma combined financial statements do not give effect to the proceeds received by J-COM in connection with the initial public offering or to the aforementioned changes in (i) LMI s ownership interest in Super Media, or (ii) Super Media s ownership interest in J-COM.

Sale of Equity Interests in TyC and FPAS

On April 29, 2005, LMI sold its entire equity interest in Fox Pan American Sports, LLC (FPAS), and a $4 million convertible subordinated note issued by FPAS, to another unaffiliated member of FPAS for a cash purchase price of $5,000,000. In addition, LMI s majority owned subsidiary, Liberty Programming Argentina, LLC (LPA LLC), sold its entire equity interest in TyC to an unrelated entity for total consideration of $20,940,000, consisting of $13,000,000 in cash and a $7,940,000 secured promissory note issued by FPAS and assigned to LMI by the purchaser. The minority owner of LPA LLC is entitled to approximately $4,399,000 of the total consideration received in connection with the sale of TyC. TyC is an independent producer of Argentine sports and entertainment programming. FPAS develops and operates multiple Spanish language subscription television and radio services and is a principal customer of TyC. Prior to the consummation of these transactions, LMI used the equity method to account for TyC and FPAS.

Liberty Global, Inc.
Unaudited Condensed Pro Forma Combined Balance Sheet
December 31, 2004

	Historical		Pro forma (Consummated Transactions)				Pro forma (Proposed Mergers)	
			Adjustments increase (decrease)					
	LMI as restated*	J-COM	Super Media/ J-COM	UPC Broadband France	TyC/ FPAS	As adjusted	Adjustments increase (decrease)	Liberty Global as adjusted
	amounts in thousands							
Assets:								
Cash and cash equivalents	$ 2,531,486	101,749		(122,876)(5)	13,601 (6)	2,523,960	(11,000)(7)	2,512,960
Receivables and other current assets	661,097	165,535				826,632		826,632
Investments and related receivables	2,704,250	65,178	(2,517)(1)		(22,667)(6)	1,694,293		1,694,293
			(1,049,951)(2)					
Property and equipment, net	4,303,099	2,441,196				6,744,295		6,744,295
Intangible assets not subject to amortization	2,897,953	1,373,486	501,799 (3)	29,348 (5)		4,802,586	2,357,519 (7)	7,160,105
Other assets	604,478	142,392			7,940 (6)	754,810		754,810
Total assets	$ 13,702,363	4,289,536	(550,669)	(93,528)	(1,126)	17,346,576	2,346,519	19,693,095
Liabilities and Stockholders Equity:								
Current liabilities	$ 1,421,092	375,794	(2,517)(1)			1,794,369		1,794,369
Debt, excluding current portion	4,955,919	2,112,722				7,068,641		7,068,641
Deferred income tax liabilities, excluding current portion	458,138					458,138		458,138
Other liabilities	409,998	440,371				850,369		850,369

Total liabilities	7,245,147	2,928,887	(2,517)			10,171,517		10,171,517
Minority interests in subsidiaries	1,216,710	9,513	802,984 (4)	(93,528)(5)	(2,801)(6)	1,932,878	(1,112,310)(7)	820,568
Stockholders Equity:								
Common stock	1,758					1,758	(1,758)(7)	2,517
							2,517 (7)	
Additional paid-in capital	7,001,635					7,001,635	3,330,180 (7)	10,331,815
Accumulated deficit	(1,649,007)				(53,884)(6)	(1,702,891)		(1,702,891)
Accumulated other comprehensive loss, net of taxes	14,010				55,559 (6)	69,569		69,569
Treasury stock	(127,890)					(127,890)	127,890 (7)	
J-COM equity		1,351,136	(1,351,136)(2)					
Total stockholders equity	5,240,506	1,351,136	(1,351,136)		1,675	5,242,181	3,458,829	8,701,010
Total liabilities and stockholders equity	$ 13,702,363	4,289,536	(550,669)	(93,528)	(1,126)	17,346,576	2,346,519	19,693,095

* See note 23 to the consolidated financial statements of LMI, included elsewhere herein.

See notes to unaudited condensed pro forma combined financial statements.

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Liberty Global, Inc.
Unaudited Condensed Pro Forma Combined Statement of Operations
Year ended December 31, 2004

	Historical			Pro forma (Consummated Transactions)					Pro forma (Proposed Mer	
				Adjustments increase (decrease)						
	LMI as restated*	Noos**	J-COM	Noos**	UPC Broadband France	Super Media/ J-COM	TyC/ FPAS	As adjusted	Adjustments increase (decrease)	I G a
	amounts in thousands									
	$ 2,644,284	199,880	1,504,709					4,348,873		4
.										
tive	(1,756,136)	(147,126)	(915,112)					(2,818,374)		(2
tion	(142,762)		(783)					(143,545)		
on										
on	(960,888)	(73,052)	(378,868)	(2,978)(8)				(1,415,786)		(1
	(98,371)							(98,371)		
g										
	(313,873)	(20,298)	209,946	(2,978)				(127,203)		
	(307,015)	(40,394)	(94,958)	37,702 (9)		9,428 (13)		(395,237)		
	38,710		5,677			(45,092)(14)	23,488 (14)	22,783		
	178,818							178,818		

nt											
hment	35,787									35,787	
t	164,730	727	337				(9,428)(13)			156,366	
	111,030	(39,667)	(88,944)	37,702			(45,092)	23,488		(1,483)	
s											
	(202,843)	(59,965)	121,002	34,724			(45,092)	23,488		(128,686)	
x											
	17,449	(101)	(17,315)		(10)	(10)	15,640 (10)		(10)	15,673	(10)
n											
es	167,336		(4,231)	11,759 (11)		(3,844) (12)	(54,251)(15)			116,769	(179,433)(16)
$	(18,058)	(60,066)	99,456	46,483		(3,844)	(83,703)	23,488		3,756	(179,433)
$	(0.11)									0.02	
g (17)	162,481									162,481	

* See note 23 to the consolidated financial statements of LMI, included elsewhere herein.

** For the 6 months ended June 30, 2004.

See notes to unaudited condensed pro forma combined financial statements.

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LIBERTY GLOBAL, INC.
Notes to Unaudited Condensed Pro Forma Combined Financial Statements
December 31, 2004

(1) Represents the elimination of intercompany balances between LMI and J-COM.

(2) Represents the elimination of LMI s equity method investment in J-COM and the elimination of J-COM s stockholders equity.

(3) Represents the increase in goodwill for the aggregate amount of the excess of Super Media s investment in J-COM over its proportionate share of J-COM s equity. Super Media s investment in J-COM was originally recorded at the respective historical cost bases of LMI and Sumitomo on the date that their J-COM interests were combined in Super Media.

(4) Represents the minority interests in Super Media and J-COM, as set forth below (amounts in thousands):

Minority interest in J-COM	$ 480,457
Minority interest in Super Media	322,527
	$ 802,984

(5) Represents the adjustments required to reflect the acquisition of the remaining 19.9% minority interest in UPC Broadband France for a cash payment of 90,105,000 ($122,876,000 at April 1, 2005). For purposes of these unaudited condensed pro forma combined financial statements, it has been assumed that the historical cost of UPC Broadband France s existing assets and liabilities approximate their fair value. Accordingly, the excess purchase price, after the elimination of the carrying value of the UPC Broadband France minority interest, has been allocated to goodwill. Consistent with the requirements of Statement of Financial Accounting No. 142, *Goodwill and Other Intangible Assets* (Statement 142), the unaudited condensed pro forma combined statements of operations do not reflect any amortization of this goodwill. The final allocation of the purchase price will be based upon appraisals and may result in the allocation of consideration to identifiable assets and liabilities, including assets with definitive lives. To the extent that consideration is allocated to assets with definitive lives, the final allocation of the purchase price could result in additional depreciation and or amortization expense that in turn would result in higher operating losses, net losses and net loss per share in subsequent periods. For example, if the entire excess consideration of $29,348,000 had been allocated to property and equipment that had a weighted average life of 10 years, the accompanying unaudited condensed pro forma combined statements of operations of Liberty Global for the year ended December 31, 2004 would have reflected increases in (i) the pro forma operating loss and pro forma net loss of $2,935,000; and (ii) the pro forma loss per share of $0.01.

(6) On April 29, 2005, LMI sold its entire equity interest in FPAS, and a $4 million convertible subordinated note issued by FPAS, to another unaffiliated member of FPAS for a cash purchase price of $5,000,000. In addition, LMI s majority owned subsidiary, LPA LLC, sold its entire equity interest in TyC to an unrelated entity for total consideration of $20,940,000, consisting of $13,000,000 in cash and a $7,940,000 secured promissory note issued by FPAS and assigned to LMI by the purchaser. The minority owner of LPA LLC is entitled to approximately $4,399,000 of the total consideration received in connection with the sale of TyC. At December 31, 2004, the carrying value of LMI s investment in (i) the equity of TyC was $18,000,000 and (ii) the debt and equity of FPAS was $4,667,000. In addition, cumulative foreign currency translation losses related to TyC of $86,446,000, net of related taxes of $30,887,000, were included in accumulated other comprehensive earnings, net of taxes at

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December 31, 2004. The adjustments required to the unaudited condensed pro forma combined balance sheet to account for the disposition of LMI s interests in TyC & FPAS are as follows:

	TyC	FPAS	Total
	amounts in thousands		
Record cash consideration allocable to LMI	$ 8,601	5,000	13,601
Record promissory note from FPAS	7,940		7,940
Eliminate investments in TyC and FPAS	(18,000)	(4,667)	(22,667)
Eliminate cumulative foreign currency translation losses related to TyC, net of taxes, from accumulated comprehensive earnings	(55,559)		(55,559)
Adjust minority interest in LPA LLC to zero	2,801		2,801
Record decrease (increase) in accumulated deficit resulting from nonrecurring gain (loss) incurred in connection with the dispositions	$ (54,217)	333	(53,884)

The increase to LMI s accumulated deficit presented above, which is directly attributable to the disposition of TyC and FPAS, has not been reflected in the unaudited condensed pro forma combined statement of operations due to its nonrecurring nature.

(7) Represents the adjustments required to reflect the Proposed Mergers, including adjustments to (i) record the issuance of 244,462,021 Liberty Global Series A shares and 7,264,300 Liberty Global Series B shares in connection with the Proposed Mergers, (ii) eliminate the minority interests in UGC s equity, (iii) record the preliminary allocation of the step acquisition purchase price, (iv) eliminate LMI s common stock and treasury stock, and (v) reflect the payment of $11,000,000 of direct acquisition costs. The number of shares assumed to be issued in connection with the proposed mergers is based upon (A) the number of issued and outstanding shares of LMI and UGC common stock as of December 31, 2004, and (B) the assumption that all UGC stockholders (other than LMI and its wholly owned subsidiaries) will make an election to receive shares of Liberty Global Series A common stock.

As discussed in the headnote to these unaudited condensed pro forma combined financial statements, UGC stockholders (other than LMI and its wholly owned subsidiaries) may make a stock or cash election. Stockholders who make the cash election will be subject to proration so that, in the aggregate, the cash consideration paid to UGC stockholders does not exceed 20% of the aggregate value of the merger consideration payable to UGC public stockholders. The accompanying unaudited condensed pro forma combined balance sheet and statements of operations for Liberty Global assume that all UGC stockholders (other than LMI and its wholly owned subsidiaries) make the stock election. A comparison of the preliminary purchase price calculation and allocation assuming UGC stockholders (other than LMI and its wholly owned subsidiaries) receive (i) all stock consideration or (ii) 80% stock and 20% cash consideration is set forth below (dollar amounts in thousands):

	All Stock	80% stock and 20% cash (d)
Liberty Global Series A shares issued to UGC public stockholders(a):	78,947,059	63,157,647
Fair value of shares issued(b)	$ 3,458,829	2,767,063
Cash consideration		701,914

Estimated direct acquisition costs		11,000	11,000
Total purchase price		3,469,829	3,479,977
Eliminate minority interest in UGC		(1,112,310)	(1,112,310)
Allocate residual to goodwill(c)	$	2,357,519	2,367,667

(a) Represents the number of shares that would have been issued to UGC stockholders (other than LMI and its wholly owned subsidiaries) based upon the number of shares of UGC common stock that were issued and outstanding on December 31, 2004. The actual number of shares issued in the Proposed Mergers will depend on the number of shares of UGC common stock outstanding on the closing date and the portion of the consideration that is paid in Liberty Global shares.

(b) The fair value of the shares issued is based upon a fair value of $43.812 per share, which is the average of the quoted market price of LMI Series A common stock for the period beginning two trading days before and ending two trading days after the date that the Proposed Mergers were announced (January 18, 2004).

(c) For purposes of these unaudited condensed pro forma combined financial statements, it has been assumed that the historical cost of UGC s existing assets and liabilities approximate their fair value. Accordingly, the excess purchase price after the elimination of the UGC minority interest has been allocated to goodwill. Consistent with the requirements of Statement 142, the unaudited condensed pro forma combined statements of operations do not reflect any amortization of this goodwill. The final allocation of the purchase price will be based upon appraisals and may result in the allocation of consideration to identifiable assets and liabilities, including assets with definitive lives. To the extent that consideration is allocated to assets with definitive lives, the final allocation of the purchase price could result in additional depreciation and or amortization expense that in turn would result in higher operating losses, net losses and net loss per share in subsequent periods. For example, if $500 million of the excess consideration had been allocated to property and equipment that had a weighted average life of 10 years, the accompanying unaudited condensed pro forma combined statements of operations of Liberty Global for the year ended December 31, 2004 would have reflected increases in, (i) the pro forma operating loss of $50,000,000; (ii) the pro forma net loss of $32,135,000 (based upon LMI s weighted average statutory income tax rate); and (iii) the pro forma loss per share of $0.13.

(d) As noted above, the amount of cash consideration payable to UGC stockholders is limited to 20% of the total consideration payable to UGC public stockholders, namely UGC stockholders other than Permitted Holders within the meaning of UGC s indenture with respect to its 1¾% convertible senior notes due 2024 (Permitted Holders). Permitted Holders include LMI, Liberty Media Corporation (Liberty), and the Chief Executive Officer and each member of the board of directors of UGC, LMI and Liberty as of April 1, 2004 and each of the Affiliated Persons, as defined, of the foregoing). The pro forma calculations of the number of shares of Liberty Global Series A common stock to be issued, the fair value of such shares to be issued, and the cash consideration to be paid under the 80% stock and 20% cash column have not been adjusted to give effect to the number of shares of UGC Class A common stock held by Permitted Holders other than LMI and its wholly owned subsidiaries. If the shares held by Permitted Holders other than LMI and its wholly owned subsidiaries had been considered in the aforementioned pro forma calculations, the pro forma amounts would not have been materially different. If the number of shares of UGC Class A common stock held by Permitted Holders were to be increased by 1 million shares above the amount currently reflected in these pro forma financial statements, the maximum cash consideration to be paid would be decreased by $1,916,000 and the number of shares of Liberty Global Series A common stock to be issued would be increased by 215,500.

(8) The pro forma adjustment to depreciation and amortization expense consists of the depreciation and amortization of Noos purchase price allocations to property and equipment (estimated weighted average life of 9.5 years) and amortizable intangible assets (estimated lives ranging from 3 to 6 years).

(9) Represents the elimination of $40,394,000 of Noos historical interest expense, as UPC Broadband France did not assume the related debt, less $2,692,000 of interest expense on the debt incurred by UGC to finance a portion of the Noos acquisition.

(10) Represents the tax effects of the pro forma adjustments related to the consolidation of Super Media and J-COM. The pro forma adjustments associated with the (i) acquisitions of Noos and the remaining 19.9% minority interest in UPC Broadband France (ii) sale of LMI s equity interests in TyC and FPAS, and (iii) Proposed Mergers are expected to have no significant impact on pro forma income tax benefit (expense) due primarily to the fact that the pro forma adjustments relate to jurisdictions where valuation allowances have been provided against deferred tax assets.

(11) Represents the share of Noos pro forma operating results for the six months ended June 30, 2004 that is allocable to the owners of the minority interests in UGC.

(12) Represents the pro forma adjustment to eliminate the minority interest s $7,172,000 share of UPC Broadband France s historical net loss for the six months ended December 31, 2004, and to reflect the $3,328,000 share of

such adjustment that is allocable to the owners of the minority interests in UGC.

(13) Represents the elimination of (i) intercompany interest on shareholder loans between J-COM and LMI and (ii) guarantee fees earned by LMI from J-COM.

(14) Represents the elimination of LMI s share of earnings of (i) J-COM as a result of the consolidation of Super Media and J-COM and (ii) TyC and FPAS as a result of LMI s sale of its equity interests in TyC and FPAS.

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(15) Represents pro forma adjustments to minority interests in losses (earnings) of subsidiaries as a result of the consolidation of Super Media and J-COM as follows (amounts in thousands):

Minority interest in J-COM (34.77%)	$	(34,581)
Minority interest in Super Media (30.32%)		(19,670)
	$	(54,251)

(16) Represents the elimination of the minority interests share of UGC s net loss as a result of the Proposed Mergers.

(17) The historical weighted average shares outstanding assume that the June 7, 2004 distribution of LMI common stock to the stockholders of Liberty occurred on January 1, 2004 and the pro forma weighted average shares outstanding assume that the number of Liberty Global common shares that would have been issued and outstanding had the Proposed Mergers occurred on December 31, 2004 were outstanding since January 1, 2004.

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LMI ANNUAL BUSINESS MATTER PROPOSALS

LMI Election of Directors Proposal

LMI Board of Directors

LMI s board of directors currently consists of eight directors, divided among three classes. LMI s Class I directors, whose term will expire at the LMI annual meeting, are David E. Rapley and Larry E. Romrell. These directors are nominated for re-election to LMI s board to continue to serve as Class I directors, and LMI has been informed that each of Messrs. Rapley and Romrell are willing to continue to serve as directors of LMI. The term of LMI s Class I directors who are elected at the annual meeting will expire in 2008. LMI s Class II directors, whose term will expire at the annual meeting of LMI stockholders in 2006, are Robert R. Bennett, Donne F. Fisher and M. LaVoy Robison. LMI s Class III directors, whose term will expire at the annual meeting of LMI stockholders in 2007, are John C. Malone, J.C. Sparkman and J. David Wargo. Set forth under Management of LMI Executive Officers and Directors is certain background information for each director of LMI including:

- birth date;
- positions held with LMI;
- principal occupation, if any;
- business address;
- certain other directorships held; and
- the year in which such person became a director of LMI.

In addition, the number of shares of LMI common stock beneficially owned by each LMI director as of March 31, 2005, is set forth under Management of LMI Security Ownership of Management.

If any nominee should decline re-election or should become unable to serve as a director of LMI for any reason before re-election, votes will be cast for a substitute nominee, if any, designated by the LMI board of directors, or, if none is so designated prior to the election, votes will be cast according to the judgment of the person or persons voting the proxy.

Vote and Recommendation

A plurality of the affirmative votes of the shares of LMI common stock outstanding on the record date, voting together as a single class, that are voted in person or by proxy at the annual meeting is required to elect Messrs. Rapley and Romrell as Class I members of LMI s board of directors.

The LMI board of directors recommends a vote ***FOR*** *the election of each nominee to LMI s board of directors.*

LMI Incentive Plan Proposal

Background and Reason

In connection with LMI s spin off from Liberty, the board of directors of LMI, on May 11, 2004, approved and adopted the Liberty Media International, Inc. 2004 Incentive Plan and determined to submit the incentive plan for the approval of Liberty, as LMI s then-sole stockholder. On May 11, 2004, Liberty, as the sole stockholder of LMI, approved the incentive plan. The compensation committee of LMI s board of directors began granting awards under the incentive plan following LMI s spin off from Liberty on June 7, 2004. For information regarding these awards, see Management of LMI Equity Compensation Plan Information Liberty Media International, Inc. 2004 Incentive Plan (As Amended and Restated Effective March 9, 2005) Outstanding Awards.

If the mergers are completed, (1) all outstanding awards under the incentive plan will be converted into awards with respect to an identical series of shares of Liberty Global common stock; (2) Liberty Global will assume the incentive plan and succeed LMI as the issuer under the incentive plan; (3) all future awards issued under the incentive plan will be with respect to Liberty Global common stock rather than LMI common stock; (4) the name of the plan will automatically change to the Liberty Global, Inc. 2005 Incentive Plan; and (5) the maximum number of shares of any series of Liberty Global common stock with respect to which awards will be issuable by Liberty Global under the incentive plan will be 25 million, subject to anti-dilution and other adjustment provisions of the incentive plan. Prior to the amendment and restatement of the incentive plan on March 9, 2005, the maximum number of shares of any series of Liberty Global common stock with respect to which awards could have been granted under the incentive plan following the mergers was 20 million. LMI s compensation committee determined to amend and restate the incentive plan to provide, among other things, that, if the mergers are completed, the maximum number of shares of any series of Liberty Global common stock with respect to which awards may be issued by Liberty Global under the incentive plan will be 25 million. The increase was deemed advisable because following the mergers equity incentive awards granted to the employees of UGC and its subsidiaries will be granted under the Liberty Global plan, instead of the various UGC stock incentive plans which will no longer be available for future awards, and because Liberty Global will have a significantly larger number of shares of common stock outstanding following the mergers than LMI has currently.

If the mergers are not completed for any reason, the maximum number of shares of any series of LMI common stock with respect to which awards may be issued under the incentive plan will remain at 20 million, subject to anti-dilution and other adjustment provisions of the incentive plan.

In order for certain awards under the incentive plan to be eligible for favorable tax treatment under Section 162(m) of the Code, the incentive plan must be approved by the public stockholders of LMI. If the LMI incentive plan proposal is approved at the LMI annual meeting and the mergers are completed, no separate approval of the incentive plan by the stockholders of Liberty Global will be sought.

Liberty Media International, Inc. 2004 Incentive Plan (As Amended and Restated Effective March 9, 2005)

LMI is requesting that its stockholders approve the incentive plan. A description of the material provisions of the incentive plan is set forth under Management of LMI Equity Compensation Plan Information Liberty Media International, Inc. 2004 Incentive Plan (As Amended and Restated Effective March 9, 2005). The summary set forth thereunder is not intended to be complete, and we refer you to the copy of the incentive plan included as Appendix A: Information Concerning Liberty Media International, Inc. Part 5: Liberty Media International, Inc. 2004 Incentive Plan (As Amended and Restated Effective March 9, 2005) to this joint proxy statement/ prospectus for a complete statement of its terms and conditions.

Vote and Recommendation

The affirmative vote of the holders of at least a majority of the aggregate voting power of the shares of LMI Series A common stock and LMI Series B common stock outstanding on the record date for the LMI annual meeting that are present, in person or by proxy, at the LMI annual meeting, voting together as a single class, is required to approve the Liberty Media International, Inc. 2004 Incentive Plan (As Amended and Restated Effective March 9, 2005).

LMI s board of directors recommends a vote FOR the approval of the Liberty Media International, Inc. 2004 Incentive Plan (As Amended and Restated Effective March 9, 2005).

LMI Auditors Ratification Proposal

LMI is asking its stockholders to ratify the selection of KPMG LLP as LMI s independent auditors for the year ending December 31, 2005.

Even if the selection of KPMG LLP is ratified, the audit committee of LMI s board in its discretion may direct the appointment of a different independent accounting firm at any time during the year if LMI s audit committee determines that such a change would be in the best interests of LMI and its stockholders. In the event LMI stockholders fail to ratify the selection of KPMG LLP, LMI s audit committee will consider it as a direction to select other auditors for the year ending December 31, 2006.

A representative of KPMG LLP is expected to be present at the LMI annual meeting, will have the opportunity to make a statement if he or she so desires and will be available to respond to appropriate questions.

It is currently expected that, if the mergers are completed, KPMG LLP will serve as the independent auditors of Liberty Global for the year ending December 31, 2005.

Audit Fees and All Other Fees

The following table presents fees for professional audit services rendered by KPMG LLP and its international affiliates for the audit of the 2004 consolidated financial statements of LMI and the separate consolidated financial statements of its subsidiaries, including UGC, and fees billed for other services rendered by KPMG LLP and its international affiliates. Fees for KPMG LLP s international affiliates are largely billed in local currencies, primarily euros. Fees

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billed in currencies other than U.S. dollars were translated into U.S. dollars at the average exchange rate in effect during 2004. No fees are presented for periods prior to LMI s spin off from Liberty, which occurred on June 7, 2004.

	2004	2003
	(amounts in thousands)	
Audit fees(1)	$ 11,796	N/A
Audit related fees(2)	256	N/A
Audit and audit related fees	12,052	N/A
Tax fees(3)	805	N/A
All other fees	153	N/A
Total fees(4)	$ 13,010	N/A

(1) Audit fees include fees for the audit of the consolidated financial statements and fees for professional consultations with respect to accounting issues, services related to reviews of quarterly financial statements, registration statement filings and issuance of consents, statutory audits, audits of internal control over financial reporting and similar matters.

(2) Audit related fees include fees for due diligence related to potential business combinations and audits of certain employee benefit plans.

(3) Tax fees include fees for tax compliance and consultations regarding the tax implications of certain transactions.

(4) Total fees include $11,996,000 incurred by UGC.

LMI s audit committee has considered whether the provision of services by KPMG LLP to LMI other than auditing is compatible with KPMG LLP maintaining its independence and does not believe that the provision of such other services is incompatible with KPMG LLP maintaining its independence.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditor

Effective August 2, 2004, LMI s audit committee adopted a policy regarding the pre-approval of all audit and certain permissible audit-related and non-audit services provided by LMI s independent auditor. Pursuant to this policy, LMI s audit committee has approved the engagement of LMI s independent auditor to provide (a) audit services as specified in the policy, including (i) statutory and financial audits of LMI and its subsidiaries, (ii) services associated with LMI s registration statements, periodic reports and other documents filed with the SEC such as consents, comfort letters and responses to comment letters, (iii) attestations of management reports on internal controls, and (iv) consultations with management with respect to the accounting or disclosure treatment of transactions or events and the potential impact of final or proposed rules of applicable regulatory and standard setting bodies (when such consultations are considered audit services under the SEC rules promulgated pursuant to the Exchange Act), (b) audit-related services as specified in the policy, including (i) due diligence services relating to potential business acquisitions and dispositions, (ii) financial audits of employee benefit plans, (iii) consultations with management with respect to the accounting or disclosure treatment of transactions or events and the potential impact of final or proposed rules of applicable regulatory and standard setting bodies (when such consultations are considered audit-related services and not audit services under the SEC rules promulgated pursuant to the Exchange Act), (iii) attestation services not required by statute or regulation, (iv) closing balance sheet audits pertaining to dispositions, and (v) assistance with implementation of the requirements of SEC rules or listing standards promulgated pursuant to the Sarbanes-Oxley Act of 2002; and (c) tax services as specified in the policy, including (i) planning, advice and compliance services in connection with the preparation and filing of U.S. federal, state, local or international taxes, (ii) reviews of federal state, local and international income, franchise and other tax returns, (iii) assistance with tax audits and appeals before the IRS or similar agencies, (iv) tax advice regarding the potential impact of statutory, regulatory or administrative developments, (v) expatriate tax due diligence assistance, (vi) mergers and acquisition tax due diligence assistance and (vii) tax advice and assistance regarding structuring of mergers and acquisitions (all of the foregoing, which we refer to as Pre-Approved Services). Notwithstanding the foregoing general pre-approval, any individual project involving the provision of Pre-Approved Services that is expected to result in fees in excess of $50,000 requires the specific pre-approval of LMI s audit committee. In addition, any engagement of LMI s independent auditors for services other than the Pre-Approved Services requires the specific approval of LMI s audit committee. LMI s audit committee has delegated the authority for the foregoing approvals to its chairman. M. LaVoy Robison currently serves as the Chairman of LMI s audit committee. At each audit committee meeting, the Chairman s approval of services provided by LMI s independent auditors is subject to ratification by the entire audit committee.

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LMI s pre-approval policy prohibits the engagement of LMI s independent auditor to provide any services that are subject to the prohibition imposed by Section 201 of the Sarbanes-Oxley Act.
All services provided by LMI s independent auditor subsequent to the adoption of LMI s pre-approval policy were approved in accordance with the terms of the policy.

Vote and Recommendation

The affirmative vote of the holders of at least a majority of the aggregate voting power of the shares of LMI Series A common stock and LMI Series B common stock outstanding on the record date for the LMI annual meeting that are present, in person or by proxy, at the LMI annual meeting, voting together as a single class, is required to ratify the selection of KPMG LLP as LMI s independent auditors for the year ending December 31, 2005.

LMI s board of directors recommends a vote FOR the ratification of the selection of KPMG LLP as LMI s independent auditors for the year ending December 31, 2005.

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ADDITIONAL INFORMATION

Legal Matters

Legal matters relating to the validity of the securities to be issued in the mergers will be passed upon by Baker Botts L.L.P.

Stockholder Proposals

Liberty Global

We currently expect that Liberty Global s first annual meeting of stockholders will be held during the second quarter of 2006. In order to be eligible for inclusion in Liberty Global s proxy materials for its first annual meeting, any stockholder proposal must be submitted in writing to Liberty Global s Corporate Secretary and received at Liberty Global s executive offices, by the close of business on [ ] or such later date as Liberty Global may determine and announce in connection with the actual scheduling of the first annual meeting. To be considered for presentation at Liberty Global s first annual meeting, although not included in its proxy statement, any stockholder proposal must be received at the executive offices of Liberty Global on or before the close of business on [ ] or such later date as Liberty Global may determine and announce in connection with the actual scheduling of the first annual meeting.

All stockholder proposals for inclusion in Liberty Global s proxy materials will be subject to the requirements of the proxy rules adopted under the Exchange Act and, as with any stockholder proposal (regardless of whether it is included in Liberty Global s proxy materials), Liberty Global s restated certificate of incorporation, Liberty Global s bylaws and Delaware law.

LMI

If the mergers are not completed for any reason, LMI expects that its annual meeting of stockholders for the calendar year 2006 will be held during the second quarter of 2006. In order to be eligible for inclusion in LMI s proxy material for the 2006 annual meeting, any stockholder proposal must be submitted in writing to LMI s Corporate Secretary and received at LMI s executive offices at 12300 Liberty Boulevard, Englewood, Colorado 80112, by the close of business on [ ] or such later date as LMI may determine and announce in connection with the actual scheduling of the 2006 annual meeting. To be considered for presentation at the 2006 annual meeting, although not included in LMI s proxy statement, any stockholder proposal must be received at LMI s executive offices at the foregoing address on or before the close of business on [ ], or such later date as LMI may determine and announce in connection with the actual scheduling of the 2006 annual meeting.

All stockholder proposals for inclusion in LMI s proxy materials will be subject to the requirements of the proxy rules adopted under the Exchange Act and, as with any stockholder proposal (regardless of whether it is included in LMI s proxy materials), LMI s restated certificate of incorporation, LMI s bylaws and Delaware law.

Where You Can Find More Information

Liberty Global has filed with the Securities and Exchange Commission a registration statement on Form S-4 under the Securities Act with respect to the securities being offered by this joint proxy statement/ prospectus. This joint proxy statement/ prospectus, which forms a part of the registration statement, does not contain all the information included in the registration statement and the exhibits thereto. You should refer to the registration statement, including its exhibits and schedules, for further information about Liberty Global and the securities being offered hereby.

LMI and UGC are each subject to the information and reporting requirements of the Exchange Act and, in accordance with the Exchange Act, LMI and UGC each file periodic reports and other information with the Securities and Exchange Commission. You may read and copy any document that they or Liberty Global file at the Public Reference Room of the Securities and Exchange Commission at 450 Fifth Street, NW, Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the Securities and Exchange Commission at (800) SEC-0330. You may also inspect such filings on the Internet website maintained by the SEC at *www.sec.gov*. Information contained on any website referenced in this joint proxy statement/ prospectus is not incorporated by reference in this prospectus. In addition, copies of documents filed by LMI and UGC with the Securities and

Exchange Commission are also available by contacting LMI or UGC, as applicable, by writing or telephoning the office of Investor Relations:

Liberty Media International, Inc.	UnitedGlobalCom, Inc.
12300 Liberty Boulevard	4643 South Ulster Street, Suite 1300
Englewood, Colorado 80112	Denver, Colorado 80237
Telephone: (800) 783-7676	Telephone: (303) 770-4001

The Securities and Exchange Commission allows UGC to incorporate by reference information into this document, which means that we can disclose important information about UGC to you by referring you to other documents. The information incorporated by reference is an important part of this joint proxy statement/ prospectus, and is deemed to be part of this document except for any information superseded by this document or any other document incorporated by reference into this document. Any statement, including financial statements, contained in UGC s Annual Report on Form 10-K/A for the year ended December 31, 2004 shall be deemed to be modified or superseded to the extent that a statement, including financial statements, contained in this joint proxy statement/ prospectus or in any other later incorporated document modifies or supersedes that statement. We incorporate by reference the documents listed below and any future filings made by UGC with the Securities and Exchange Commission under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the date of the respective stockholders meetings of LMI and UGC:

UGC s Annual Report on Form 10-K/A for the year ended December 31, 2004; and

UGC s Current Reports on Form 8-K as follows (other than the portions of those documents not deemed filed):

Date of Report	Date of Filing
April 25, 2005	April 28, 2005
April 13, 2005	April 19, 2005
March 14, 2005	March 14, 2005
January 17, 2005	January 24, 2005
January 17, 2005	January 18, 2005
January 10, 2005	January 12, 2005

Neither LMI nor UGC has authorized anyone to give any information or make any representation about the mergers, Liberty Global, LMI or UGC, that is different from, or in addition to, the information contained in this joint proxy statement/ prospectus or in any of the materials that we have incorporated into this document by reference. Therefore, if anyone does give you information of this sort, you should not rely on it. If you are in a jurisdiction where offers to exchange or sell, or solicitations of offers to exchange or purchase, the securities offered by this joint proxy statement/ prospectus or the solicitation of proxies is unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this joint proxy statement/ prospectus does not extend to you. The information contained in this joint proxy statement/ prospectus speaks only as of the date of this joint proxy statement/ prospectus unless the information specifically indicates that another date applies.

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APPENDIX A: INFORMATION CONCERNING LIBERTY MEDIA INTERNATIONAL, INC.
PART 1: DESCRIPTION OF BUSINESS

Following the mergers, Liberty Global, Inc. will succeed to the business of Liberty Media International, Inc., which includes the business of UnitedGlobalCom, Inc. Accordingly, the following description of business is reflective of the description of Liberty Global s business following the mergers.

General Development of Business

Through our subsidiaries and affiliates, we provide broadband distribution services and video programming services to subscribers in Europe, Japan, Latin America and Australia. Our principal assets are UnitedGlobalCom, Inc., LMI/ Sumisho Super Media, LLC, Liberty Cablevision of Puerto Rico Ltd. and Pramer S.C.A., each a consolidated subsidiary as of January 1, 2005, and our affiliate, Jupiter Programming Co., Ltd.

Liberty Media International, Inc. (together with its subsidiaries, LMI , we , us , our or similar terms) was formed in March 2004 as a wholly owned subsidiary of Liberty Media Corporation, which we refer to as Liberty. Liberty transferred, and caused its other subsidiaries to transfer to us, substantially all of the assets comprising Liberty s International Group, together with cash and certain financial assets. On June 7, 2004, Liberty distributed to its shareholders, on a pro rata basis, all of our shares of common stock, which we refer to as the spin off, and we became an independent, publicly traded company.

Recent Developments

On January 5, 2004, Liberty completed a transaction pursuant to which the founding shareholders of UnitedGlobalCom, Inc., which we refer to as UGC, transferred to Liberty 8.2 million shares of Class B common stock in exchange for 12.6 million shares of Liberty s common stock and a cash payment. Upon closing of this exchange, the restrictions contained in the existing standstill agreement between Liberty and UGC on the amount of UGC s stock that Liberty could acquire and on the way Liberty could vote its shares of UGC stock terminated and Liberty gained control of UGC. Substantially all of Liberty s direct and indirect interest in UGC and related contract rights were transferred to us prior to the spin off.

On January 12, 2004, Old UGC, Inc., a wholly owned subsidiary of UGC that principally owns UGC s interests in businesses in Latin America and Australia, filed a voluntary petition for relief under Chapter 11 of the U.S. Bankruptcy Code. Old UGC s plan of reorganization, as amended, was confirmed by the Bankruptcy Court on November 10, 2004, and the restructuring of its indebtedness and other obligations pursuant to the plan was completed on November 24, 2004.

In February 2004, UGC issued 83.0 million shares of its Class A common stock, 2.3 million shares of its Class B common stock and 84.9 million shares of its Class C common stock pursuant to a fully subscribed rights offering, resulting in gross proceeds to UGC of $1.02 billion.

Also in February 2004, UPC Polska, Inc., an indirect subsidiary of UGC, emerged from its U.S. bankruptcy proceedings. Pursuant to UPC Polska s plan of reorganization, claim holders received aggregate consideration consisting of cash, new 9% UPC Polska Notes due 2007 and 2.0 million shares of UGC s Class A common stock in exchange for cancellation of their claims. On July 16, 2004, UPC Polska redeemed the new 9% UPC Polska Notes at par plus accrued but unpaid interest.

On April 6, 2004, UGC sold 500 million aggregate principal amount of its 1 3/4% convertible senior notes due April 15, 2024. The convertible notes are convertible into shares of UGC s Class A common stock at an initial conversion price of 9.7561 per share.

On May 20, 2004, we made secured loans to and acquired all of the issued and outstanding shares of Princes Holdings Limited, pursuant to a restructuring under Irish insolvency laws of the debt and other obligations of Princes Holdings and its wholly owned subsidiary, Chorus Communication Limited. In December 2004, we sold 100% of the equity of Princes Holdings to a subsidiary of UGC for 6.4 million shares of UGC s Class A common stock. In connection with UGC s acquisition of our interest in Princes Holdings, UGC agreed to refinance our existing loans to Princes Holdings no later than June 16, 2005. An aggregate principal amount of 79.5 million was outstanding under these loans at the time of UGC s acquisition of Princes Holdings.

In June 2004, UPC Broadband Holding B.V. (formerly UPC Distribution Holding B.V.), an indirect subsidiary of UGC, amended its senior secured credit facility, which we refer to as the UPC Broadband Bank Facility, to add a new

Facility E term loan to replace the undrawn Facility D term loan. Proceeds from Facility E totaled 1.0 billion, which, in conjunction with 450 million of cash contributed indirectly by UGC, was used to repay some of the indebtedness borrowed under the other tranches of the credit facility, to redeem the 9% UPC Polska Notes referred to above and to provide funding for the Noos acquisition described below. In December 2004, the UPC Broadband Bank Facility was amended to add a new Facility F term loan that increased UPC Broadband s average debt maturity and available liquidity, and reduced its average interest margin. The amendment consisted of a $525.0 million tranche and a 140.0 million tranche, totaling 535.0 million in gross proceeds. These proceeds were applied to (1) repay 245.0 million under the Facility A revolver (representing all then outstanding amounts), (2) prepay 101.2 million of the term loan Facility B that matured in June 2006, (3) prepay 177.0 million of Facility C debt and (4) pay transaction fees of 11.8 million.

On March 8, 2005, the UPC Broadband Bank Facility was further amended to permit indebtedness under:

(i) Facility G, a new 1.0 billion term loan facility further maturing in full on April 1, 2010; (ii) Facility H, a new 1.5 billion term loan facility maturing in full on September 1, 2012, of which $1.25 billion was denominated in U.S. dollars and then swapped into euros through a 7.5 year cross-currency swap; and (iii) Facility I, a new 500 million revolving credit facility maturing in full on April 1, 2010. In connection with this amendment, 167 million of Facility A, the existing revolving credit facility, was cancelled, reducing Facility A to a maximum amount of 500 million. The proceeds from Facilities G and H were used primarily to prepay all amounts outstanding under existing term loan Facilities B, C and E, to fund certain acquisitions and pay transaction fees. The aggregate availability of 1.0 billion under Facilities A and I can be used to fund acquisitions and for general corporate purposes. As a result of this amendment, the weighted average maturity of the UPC Broadband Bank Facility was extended from approximately 4 years to approximately 6 years, with no amortization payments required until 2010, and the weighted average interest margin on the UPC Broadband Bank Facility was reduced by approximately 0.25% per annum. The amendment also provided for additional flexibility on certain covenants and the funding of acquisitions.

On July 1, 2004, UPC Broadband France SAS, an indirect wholly owned subsidiary of UGC and the owner of UGC s French cable television operations, completed its acquisition of Suez-Lyonnaise Telecom SA, which we refer to as Noos, France s largest cable operator, from Suez SA, a French utility group, for cash and a 19.9% equity interest in UPC Broadband France. This equity interest was subject to a call right in favor of the indirect wholly owned subsidiary of UGC that holds an 80.1% equity interest in UPC Broadband France, which we refer to as UGC France Holdco. On April 1, 2005, UGC France Holdco exercised this right and purchased the 19.9% equity interest in UPC Broadband France from Suez for aggregate cash consideration of 90,105,000.

On July 19, 2004, our investment in Senior Notes and Senior Discount Notes of Telewest Communications plc was converted into approximately 7.5% of the outstanding common stock of Telewest Global, Inc.

In August 2004, we issued 28.2 million shares of our Series A common stock and 1.2 million shares of our Series B common stock pursuant to a fully subscribed rights offering, resulting in gross proceeds to us of $739.4 million.

Also in August 2004, we, Sumitomo Corporation and Microsoft Corporation effectively converted a portion of our respective subordinated loans to Jupiter Telecommunications Co., Ltd., which we refer to as J-COM, into equity. Such conversions did not have a material impact on our, Sumitomo s or Microsoft s respective ownership interests in J-COM. In December 2004, J-COM repaid the balance of these subordinated shareholder loans in cash.

Subsequent to the spin off, our management and Board of Directors undertook a review of our assets and determined that it would be advisable to monetize or dispose of our financial assets and to consider disposing of other non-consolidated non-cash-flow producing assets if opportunities arose. Consistent with the foregoing, prior to December 31, 2004, we sold all of our shares of Telewest Global and 4.5 million shares of Class A common stock of News Corporation, Inc.

In October 2004, we also sold our 10% interest in Sky Multi-Country and entered into agreements to sell our 10% interest in each of Sky Brasil and Sky Mexico. Sky Multi-Country, Sky Brasil and Sky Mexico, which we refer to collectively as Sky Latin America, offer entertainment services via satellite through owned and affiliated distribution platforms in Latin America. The closing of the transfer of our interests in Sky Brasil and Sky Mexico are subject to receipt of regulatory approvals and other customary conditions.

Then, in November 2004, we entered into a put-call agreement with respect to our right and obligation to subscribe for newly issued shares of Cablevisión S.A., a cable television operator in Argentina, in the event that Cablevisión s pending restructuring under local law of its debt and other obligations is approved. Consummation of this transaction, which occurred on March 2, 2005, resulted in the transfer of our subscription right and obligation in consideration of a cash payment, 50% of which was paid as a down payment in November 2004. Separately, the counterparty to our total return debt swap with respect to certain bonds of Cablevisión, with our consent, entered into a participation agreement with a third party, which in January 2005 resulted in the termination of our liability under the total return debt swap and the return of our posted collateral.

On October 15, 2004, our indirect wholly owned subsidiary, Belgian Cable Holdings, entered into an agreement to restructure its investment in the debt of Cable Partners Europe, which we refer to as CPE, and one of its two indirect majority-owned subsidiaries, which we refer to as the InvestCos. In December 2004, two European subsidiaries of UGC acquired Belgian Cable Holdings from us for cash. Thereafter, Belgian Cable Holdings effected the debt restructuring by contributing cash and its investment in the debt of one of the InvestCos to Belgian Cable Investors, L.L.C., a wholly owned subsidiary of CPE, in exchange for 78.4% of the common equity and 100% of the preferred equity of Belgian Cable Investors. CPE owns the remaining 21.6% of the common equity of Belgian Cable Investors. Most of the proceeds of Belgian Cable Holdings investment was then distributed by Belgian Cable Investors to CPE and used by CPE to repurchase its debt held by Belgian Cable Holdings for a purchase price approximately equal to Belgian Cable Holdings cost of acquiring the CPE debt plus accrued interest. Belgian Cable Investors holds an indirect 14.1% interest in Telenet Group Holding N.V., Belgium s largest cable system operator in terms of number of subscribers.

In December 2004, a subsidiary of chellomedia BV, an indirect wholly owned subsidiary of UGC, entered into an agreement to sell its 28.7% interest in EWT Holding GmbH to the other investors in EWT Holding for cash. Chellomedia received 90% of the purchase price on January 31, 2005 and the remaining 10% is due and payable no later than June 30, 2005.

On December 7, 2004, we purchased 3.0 million shares of our Series A common stock from Comcast Corporation for cash.

During 2004, our subsidiary Liberty Japan MC, LLC acquired shares of the stock of Mediatti Communications, Inc., a Japanese broadband provider of cable and Internet access services, in a series of transactions resulting in its holding an aggregate 37.3% interest in Mediatti as of December 31, 2004. In December 2004, Sumitomo Corporation acquired a net 6.9% interest in Liberty Japan MC for a purchase price equal to the same percentage of our investment in Mediatti. Sumitomo has the option until February 2006 to increase its interest in Liberty Japan MC to up to 50%, at a purchase price equal to the greater of the then fair market value of the additional interests so acquired and our investment in such interests.

Pursuant to a contribution agreement between Sumitomo and us, on December 28, 2004, our approximate 45.45% equity interest in J-COM and an approximate 19.78% equity interest in J-COM owned by Sumitomo were combined in a holding company named LMI/ Sumisho Super Media, LLC, which we refer to as Super Media. On February 18, 2005, J-COM announced an initial public offering of its common shares in Japan. Under the terms of the operating agreement of Super Media, our casting or tie-breaking vote with respect to decisions of the management committee of Super Media became effective upon this announcement. As a result, we began accounting for Super Media and J-COM as consolidated subsidiaries effective as of January 1, 2005. On March 23, 2005, J-COM completed its initial public offering. Also on March 23, 2005, Sumitomo contributed to Super Media a portion of the 12.25% equity interest in J-COM that Sumitomo retained following the December 2004 contributions. Sumitomo has the obligation to contribute all of its remaining interests in J-COM to Super Media during 2005. After giving effect to the J-COM initial public offering, including the subsequent exercise of the underwriters over-allotment option, and the March 2005 contribution by Sumitomo, Super Media owns an approximate 54.46% ownership interest in J-COM, and we own a 67.6% ownership interest in Super Media.

On January 17, 2005, chellomedia acquired an 87.5% interest in Zone Vision Networks Ltd. from its current shareholders. Zone Vision is a programming company that owns three pay television channels and represents over 30 international channels. The consideration for the transaction consisted of cash and 1.6 million shares of UGC s Class A common stock, which are subject to a five-year vesting period. As part of the transaction, chellomedia will contribute to Zone Vision the 49% shareholding it already holds in Reality TV Ltd. and chellomedia s Club channel business.

On January 17, 2005, we entered into an agreement and plan of merger with UGC pursuant to which we each would merge with a separate wholly owned subsidiary of a new parent company named Liberty Global, Inc., which we have formed for purposes of the mergers. In the mergers, each outstanding share of our Series A common stock and Series B common stock would be exchanged for one share of the corresponding series of Liberty Global common stock. Stockholders of UGC (other than us and our wholly owned subsidiaries) may elect to receive for each share of UGC common stock owned either 0.2155 of a share of Liberty Global Series A common stock (plus cash instead of any fractional share interest) or $9.58 in cash. Cash elections will be subject to proration so that the aggregate cash consideration paid to UGC s stockholders does not exceed 20% of the aggregate value of the merger consideration payable to UGC s public stockholders. Completion of the transactions is subject, among other conditions, to approval of both companies stockholders, including in the case of UGC, the affirmative vote of a majority of the voting power of the UGC shares not beneficially owned by us, Liberty, any of our respective subsidiaries or any of the executive officers or directors of us, Liberty or UGC.

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On February 10, 2005, UPC Broadband Holding, an indirect wholly owned subsidiary of UGC, acquired 100% of the shares in Telemach d.o.o., a broadband communications provider in Slovenia, for cash.

On February 25, 2005, J-COM acquired the respective interests of Sumitomo Corporation, Microsoft Corporation and us in Chofu Cable, Inc., a small Japanese broadband communications provider, for cash. As a result, J-COM acquired an approximate 92% equity interest in Chofu Cable.

On April 12, 2005, UPC Romania SA, an indirect wholly owned subsidiary of UGC, acquired 100% of the shares of Conex Sat, a cable television operator in Romania, from a group of private investors for aggregate cash consideration of 7 million.

On April 13, 2005, VTR GlobalCom S.A., a wholly owned subsidiary of UGC, completed its previously announced business combination with Metrópolis-Intercom S.A., a company in which we owned a 50% equity interest and CristalChile Comunicaciones S.A. owned the remaining 50%, equity interest. As a result of this combination, UGC owns an 80% equity interest in VTR, which assumed Metrópolis shareholder indebtedness owed to subsidiaries of CristalChile and our company with an aggregate value of approximately $21 million. For its equity interest in Metrópolis, CristalChile received the remaining 20% equity interest in VTR and an option to require UGC to purchase CristalChile s equity interest in VTR at fair market value, subject to a $140 million floor price, and CristalChile s debt interest in VTR at par plus unpaid interest. This put option, which is payable in cash, stock of LMI, Liberty or UGC (or Liberty Global stock if the mergers are completed) or a combination of cash and stock, at UGC s option, may be exercised at any time between the first and tenth anniversaries of the closing date. We have guaranteed UGC s obligations under this put option, and UGC has agreed to indemnify us for any losses arising as a result of our guarantee of its obligations under this put option. For our equity interest in Metrópolis, we received new VTR indebtedness valued at approximately $100 million. UGC has agreed to acquire from us the subsidiary of our company that holds the $100 million in VTR indebtedness if our pending business combination transaction with UGC does not close. The purchase price to be paid by UGC for that acquisition would be 10 million shares of UGC Class A common stock, and we would be entitled to registration rights with respect to our resale of those shares.

On April 29, 2005, we sold our entire equity interest in Fox Pan American Sports LLC, which we refer to as FPAS, and a $4 million convertible subordinated note issued by FPAS, to another unaffiliated member of FPAS for a cash purchase price of $5 million. In addition, we refinanced $3.2 million of debt owed to us by Torneos y Competencias S.A., which we refer to as TyC, and our majority owned subsidiary, Liberty Programming Argentina, LLC, which we refer to as LPA LLC, sold its entire equity interest in TyC to an unrelated entity for total consideration of $20.94 million, consisting of $13 million in cash and a $7.94 million secured promissory note issued by FPAS and assigned to us by the purchaser. The minority owner of LPA LLC is entitled to approximately $4.4 million of the total consideration received in connection with the sale of TyC. TyC is an independent producer of Argentine sports and entertainment programming. FPAS develops and operates multiple Spanish language subscription television and radio services and is a principal customer of TyC.

Narrative Description of Business

Overview

Broadband Distribution

We offer a variety of broadband distribution services over our cable television systems, including analog video, digital video, Internet access and telephony. Available service offerings depend on the bandwidth capacity of our cable systems and whether they have been upgraded for two-way communications. In select markets, we also offer video services through direct-to-home satellite television distribution or DTH. We operate our broadband distribution businesses in Europe principally through UGC Europe, Inc., a subsidiary of UGC; in Japan principally through J-COM, a subsidiary of Super Media; and in Latin America principally through VTR GlobalCom S.A. a subsidiary of UGC, and Liberty Cablevision of Puerto Rico Ltd., which we refer to as Liberty Cablevision of Puerto Rico. Each of UGC, Super Media and Liberty Cablevision of Puerto Rico is currently our subsidiary.

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The following table presents certain operating data, as of December 31, 2004, with respect to the broadband distribution systems of our subsidiaries in Europe, Japan and Latin America. For purposes of this presentation, we refer to Puerto Rico, the islands of the Caribbean and the countries of Central and South America collectively as Latin America. This table reflects 100% of the operational data applicable to each subsidiary regardless of our ownership percentage.

			Video(1)			
	Homes Passed(2)	Two-way Homes Passed(3)	Basic Cable Subscribers(4)	Digital Cable Subscribers(5)	DTH Subscribers(6)	MMDS Subscribers(7)
Europe:						
UGC*						
Western Europe	9,528,600	7,463,300	5,191,200	725,100		89,000
Central and Eastern Europe	4,552,200	1,739,800	2,618,100		245,100	32,200
Total Europe	14,080,800	9,203,100	7,809,300	725,100	245,100	121,200
Japan:						
J-COM**	6,287,800	6,276,200	1,482,600	232,000		
Total Japan	6,287,800	6,276,200	1,482,600	232,000		
Latin America:						
UGC*						
VTR GlobalCom	1,793,900	1,070,700	504,600		4,500	13,900
Other	82,200	45,700	12,400			15,300
Liberty Cablevision Puerto Rico	324,600	302,800	120,800	43,700		
Total Latin America	2,200,700	1,419,200	637,800	43,700	4,500	29,200
Total	22,569,300	16,898,500	9,929,700	1,000,800	249,600	150,400

[Additional columns below]

[Continued from above table, first column(s) repeated]

	Internet(1)		Telephony(1)	
	Homes Serviceable(8)	Subscribers(9)	Homes Serviceable(10)	Subscribers(11)
Europe:				
UGC*				
Western Europe	7,453,600	1,042,000	4,044,100	424,600
Central and Eastern Europe	1,733,100	178,500	415,600	68,900

Total Europe	9,186,700	1,220,500	4,459,700	493,500
Japan:				
J-COM**	6,276,200	708,600	5,799,200	726,500
Total Japan	6,276,200	708,600	5,799,200	726,500
Latin America:				
UGC*				
VTR GlobalCom	1,070,700	176,300	1,052,700	310,000
Other	45,700	4,300		
Liberty Cablevision Puerto Rico	302,800	20,500	302,800	9,000
Total Latin America	1,419,200	201,100	1,355,500	319,000
Total	**16,882,100**	**2,130,200**	**11,614,400**	**1,539,000**

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* Excludes systems owned by affiliates that were not consolidated with UGC for financial reporting purposes as of December 31, 2004 or that were acquired by UGC after December 31, 2004.

** Excludes systems owned by affiliates that were not consolidated with J-COM for financial reporting purposes as of December 31, 2004 or that were acquired by J-COM after December 31, 2004. Also excludes households to which J-COM provides only retransmission services of terrestrial television signals.

(1) In some cases, non-paying subscribers are counted by UGC as subscribers during their free promotional service period. Some of these subscribers choose to disconnect after their free service period. The number of non-paying subscribers at December 31, 2004 was immaterial.

(2) Homes Passed are homes that can be connected to our networks without further extending the distribution plant, except for DTH and MMDS homes. With respect to DTH, we do not count homes passed. With respect to MMDS, one home passed is equal to one MMDS subscriber.

(3) Two-way Homes Passed are homes passed by our networks where customers can request and receive the installation of a two-way addressable set-top converter, cable modem, transceiver and/or voice port which, in most cases, allows for the provision of video and Internet services and, in some cases, telephony services.

(4) Basic Cable Subscriber is comprised of basic cable video customers (both analog and digital) that generally are counted on a per connection basis. Except in the case of UGC, residential multiple dwelling units with a discounted pricing structure are counted on an equivalent bulk unit (EBU) basis. Commercial contracts such as hotels and hospitals are counted by all our subsidiaries on an EBU basis. EBU is calculated by dividing the bulk price charged to accounts in an area by the prevalent price charged to non-bulk residential customers in that market for the comparable tier of service. UGC also has lifeline customers (approximately 1.34 million at December 31, 2004) that are counted on a per connection basis, representing the least expensive regulated tier of basic cable service, with only a few channels.

(5) Digital Cable Subscriber is a customer with one or more digital converter boxes that receives our digital video service. Each Digital Cable Subscriber is included in the Basic Cable Subscriber column of the above table whether such customer receives only our digital video service or both analog and digital video services.

(6) DTH Subscriber is a home or commercial unit that receives our video programming broadcast directly to the home via a geosynchronous satellite.

(7) MMDS Subscriber is a home or commercial unit that receives our video programming via a multipoint microwave (wireless) distribution system.

(8) Internet Homes Serviceable are homes that can be connected to our networks, where customers can request and receive Internet access services.

(9) Internet Subscriber is a home or commercial unit with one or more cable modems connected to our networks, where a customer has requested and is receiving high-speed Internet access services.

(10) Telephony Homes Serviceable are homes that can be connected to our networks, where customers can request and receive voice services.

(11) Telephony Subscriber is a home or commercial unit connected to our networks, where a customer has requested and is receiving voice services.

Programming Services

We own programming networks that provide video programming channels to multi-channel distribution systems owned by us and by third parties. We also represent programming networks owned by others. Our programming networks distribute their services through a number of distribution technologies, principally cable television and DTH. Programming services may be delivered to subscribers as part of a video distributor s basic package of programming services for a fixed monthly fee, or may be delivered as a premium programming service for an additional monthly charge or on a pay-per-view basis. Whether a programming service is on a basic or premium tier, the programmer generally enters into separate affiliation agreements, providing for terms of one or more years, with those distributors that agree to carry the service. Basic programming services derive their revenue from per-subscriber license fees received from distributors and the sale of advertising time on their networks or, in the case of shopping channels, retail sales. Premium services generally do not sell advertising and primarily generate their revenue from subscriber fees. Programming providers generally have two sources of content: (1) rights to productions that are purchased from various independent producers and distributors, and (2) original productions filmed for the programming provider by internal personnel or contractors. We operate our programming businesses in Europe principally through the chellomedia division of UGC; in Japan principally through our affiliate Jupiter Programming Co., Ltd., which we refer to as JPC; and in Latin America principally through our subsidiary, Pramer S.C.A.

Operations

Europe UnitedGlobalCom, Inc.

Our European operations are conducted primarily through UnitedGlobalCom, Inc. At December 31, 2004, we owned an approximate 53.6% common equity interest, representing an approximate 91.0% voting interest, in UGC. UGC is one of the largest broadband communications providers, in terms of aggregate number of subscribers and homes passed, outside the United States. UGC provides video distribution services and/or Internet access and telephony services in 16 countries worldwide.

UGC s European operations are conducted through its wholly owned subsidiary, UGC Europe, Inc., which provides services in 13 countries in Europe. UGC Europe s operations are currently organized into two principal divisions: UPC Broadband and chellomedia. Through its UPC Broadband division, UGC Europe provides video, high-speed Internet access and telephony services over its networks and operates the largest cable network in each of The Netherlands, France, Austria, Poland, Hungary, Czech Republic, Slovak Republic and Slovenia and the second largest cable network in Norway, in each case in terms of number of subscribers. UGC Europe s high-speed Internet access service is provided over the UPC Broadband network infrastructure generally under the brand name chello. Depending on the capacity of the particular network, UGC Europe may provide up to seven tiers of high-speed Internet access. For information concerning the chellomedia division, see chellomedia and Other.

Provided below is country-specific information with respect to the broadband distribution services of the UPC Broadband division:

The Netherlands

UGC Europe s networks in The Netherlands, which we refer to as UGC-Netherlands, passed approximately 2.6 million homes and had approximately 2.3 million basic cable subscribers, 397,400 Internet subscribers and 182,100 telephony subscribers as of December 31, 2004. Over 30% of Dutch households receive at least analog cable service from UGC-Netherlands. UGC-Netherlands subscribers are located in six regional clusters, including the major cities of Amsterdam and Rotterdam. Its networks are approximately 95% upgraded to two-way capability, with approximately 94% of its basic cable subscribers served by a network with a bandwidth of at least 860 MHz.

UGC-Netherlands provides analog cable services to approximately 87% of its homes passed. Approximately 82% of UGC-Netherlands homes passed are capable of receiving digital cable service. UGC-Netherlands offers its digital cable subscribers a basic package of 58 channels with an option to subscribe for up to 15 additional general entertainment, movie, sports, music and ethnic channels and an electronic program guide. UGC-Netherlands digital cable service also offers 56 channels of near-video-on-demand, or NVOD , services and interactive services, including television-based email, to approximately 57% of its homes passed.

UGC-Netherlands offers seven tiers of chello brand high-speed Internet access service with download speeds ranging from 256 Kbps to 8 Mbps. Approximately 17% of its basic cable subscribers also receive its Internet access service, representing approximately 100% of its Internet subscribers.

Multi-feature telephony services are available from UGC-Netherlands to approximately 86% of its homes passed. Approximately 8% of its basic cable subscribers also receive its telephony services, representing approximately 100% of its telephony subscribers. In 2004, UGC-Netherlands began offering telephony services to its two-way homes passed by applying Voice-over-Internet Protocol or VoIP.

In early 2004, UGC-Netherlands launched self-install for all of its Internet access services, allowing subscribers to install the technology themselves and save money on the installation fee. UGC-Netherlands also launched self-install for its digital cable services in June 2004. Approximately 50% of its new Internet subscribers have chosen to self-install their new service, and approximately 30% of its new digital subscribers have chosen to self-install their new service.

France

UGC Europe s networks in France (including Noos), which we refer to as UGC-France, passed approximately 4.6 million homes and had 1.5 million basic cable subscribers, 247,100 Internet subscribers and 66,600 telephony subscribers as of December 31, 2004. Its major operations are located in Paris and its suburbs including the Marne la Vallee area east of Paris, Strasbourg, Orleans, Le Mans, the suburbs of Lyon, the southeast region, and other operations spread throughout France. Its network is approximately 72% upgraded to two-way capability, with approximately 90% of its basic cable subscribers served by a network with a bandwidth of at least 750 MHz.

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In 2004, UGC-France extended the reach of its digital cable platform, which is now available to approximately 90% of its homes passed. The digital platform offers a number of options in terms of packages from 52 channels for the entry-level tier to more than 100 channels for the premium tier. Programming includes series, general entertainment, youth, sports, news, documentary, music, lifestyle and foreign channels. With all tiers, UGC-France offers a number of movie premium packages, a pay-per-view service, numerous a la carte channels and several Canal+ channels. UGC-France intends to migrate most of its analog cable subscribers to this new digital platform.

UGC-France offers three tiers of chello and Noos brand high-speed Internet access service with download speeds ranging from 512 Kbps to 10 Mbps. Approximately 12% of its basic cable subscribers also receive Internet service, representing approximately 75% of its Internet subscribers.

Multi-feature telephony services are available from UGC-France to approximately 15% of its homes passed.

Austria

UGC Europe s networks in Austria, which we refer to as UGC-Austria, passed 946,900 homes and had 501,400 basic cable subscribers, 242,500 Internet subscribers and 152,500 telephony subscribers as of December 31. 2004. UGC-Austria s subscribers are located in regional clusters encompassing the capital city of Vienna, two other regional capitals and two smaller cities. Each of the cities in which it operates owns, directly or indirectly, 5% of the local operating company of UGC-Austria. UGC-Austria s network is almost entirely upgraded to two-way capability, with approximately 97% of its basic cable subscribers served by a network with a bandwidth of at least 750 MHz.

UGC-Austria provides a single offering to its analog cable subscribers that consists of 34 channels, mostly in the German language. UGC-Austria s digital platform offers more than 100 basic and premium TV channels, plus NVOD, interactive services, television-based e-mail and an electronic program guide. UGC-Austria s premium content includes first run movies and specific ethnic offerings, including Serb and Turkish channels.

UGC-Austria offers five tiers of chello brand high-speed Internet access service with download speeds ranging from 256 Kbps to 2.6 Mbps. UGC-Austria s high-speed Internet access is available in all of the cities in its operating area. Approximately 37% of its basic cable subscribers also receive its Internet access service, representing approximately 76% of its Internet subscribers.

Multi-feature telephony services are available from UGC-Austria to approximately 96% of its homes passed. UGC-Austria offers basic dial tone service as well as value-added services. UGC-Austria also offers a bundled product of fixed line and mobile telephony services in cooperation with the third largest mobile phone operator in Austria under the brand Take Two. More than 100,000 of its telephony subscribers subscribe to this product. Approximately 22% of UGC-Austria s basic cable subscribers also receive its telephony service, representing approximately 72% of its telephony subscribers.

Norway

UGC Europe s networks in Norway, which we refer to as UGC-Norway, passed 486,600 homes and had 341,000 basic cable subscribers, 48,500 Internet subscribers and 22,900 telephony subscribers as of December 31, 2004. Its main network is located in Oslo and its other systems are located primarily in the southeast and along Norway s southwestern coast. UGC-Norway s networks are approximately 50% upgraded to two-way capability, with approximately 30% of its basic cable subscribers served by a network with a bandwidth of at least 860 MHz. Digital cable services are offered to approximately 39% of UGC-Norway s homes passed.

UGC-Norway has a basic analog cable package with 15 channels and a plus-package with 23 channels. UGC-Norway s highest analog tier, the total package, includes the plus-package and 12 additional channels. Customers can also subscribe to premium channels, such as movie, sports and ethnic channels. Approximately 60% of UGC-Norway s basic cable subscribers consist of multi-dwelling units, or MDUs , with a discounted pricing structure. UGC-Norway s basic digital cable package consists of 29 channels. Its upper-level digital package includes an additional 21 channels. Subscribers to the basic digital cable package can subscribe to channels from the upper-level digital package for an additional fee. Different movie, sports, entertainment and ethnic channels may be selected from an a la carte menu for a per-channel fee. To complement its digital offering, UGC-Norway launched 48 channels of NVOD service in 2004.

UGC-Norway offers five tiers of chello brand high-speed Internet access service with download speeds ranging from 256 Kbps to 4 Mbps. Approximately 14% of its basic cable subscribers also receive its Internet service, representing approximately 100% of its Internet subscribers.

Multi-feature telephony services are available from UGC-Norway to approximately 31% of its homes passed. Approximately 7% of its basic cable subscribers also receive telephony service, representing approximately 100% of its telephony subscribers.

Sweden

UGC Europe s network in Sweden, which we refer to as UGC-Sweden, passed 421,600 homes and had 292,300 basic cable subscribers and 76,000 Internet subscribers as of December 31, 2004. It operates in the greater Stockholm area on leased fiber from Stokab AB, a city controlled entity with exclusive rights to lay cable ducts for communications or broadcast services in the city of Stockholm. These lease terms vary from 10 to 25 years, and expire beginning in 2012 through 2018. Its network is approximately 67% upgraded to two-way capability, with all of its basic cable subscribers served by a network with a bandwidth of at least 550 MHz.

UGC-Sweden provides all of its basic cable subscribers with a lifeline service consisting of four must-carry channels. In addition to this lifeline service, UGC-Sweden offers an analog cable package with 12 channels and a digital cable package with up to 80 channels. Its program offerings include domestic, foreign, sport and premium movie channels, as well as digital event channels such as seasonal sport and real life entertainment events. Approximately 39% of the homes served by UGC-Sweden s network subscribe to the lifeline analog cable service only. Approximately 13% of its basic cable subscribers are digital cable subscribers. To complement its digital offering, UGC-Sweden launched 24 channels of NVOD service in 2004.

UGC-Sweden offers five tiers of chello brand high-speed Internet access service with download speeds ranging from 128 Kbps to 8 Mbps. Approximately 26% of its basic cable subscribers subscribe to its Internet service, representing approximately 100% of its Internet subscribers.

Ireland

UGC Europe s network in Ireland, which we refer to as UGC-Ireland, or Chorus, passed 317,300 homes and had 112,900 basic cable subscribers, 89,000 MMDS subscribers, 600 Internet subscribers and 500 telephony subscribers as of December 31, 2004. UGC-Ireland is Ireland s largest cable and MMDS video service provider outside of Dublin, based on customers served. UGC-Ireland also distributes four Irish channels and produces a local sports channel.

Belgium

UGC Europe s network in Belgium, which we refer to as UGC-Belgium, passed 155,500 homes and had 134,900 basic cable subscribers and 29,900 Internet subscribers as of December 31, 2004. Its operations are located in certain areas of Leuven and Brussels, the capital city of Belgium. UGC-Belgium s network is fully upgraded to two-way capability, with all of its basic cable subscribers served by a network with a bandwidth of 860 MHz.

UGC-Belgium s analog cable service, consisting of all Belgium terrestrial channels, regional channels and selected European channels, offers 41 channels in Brussels and 39 channels in Leuven. In both regions, UGC-Belgium offers an expanded analog cable package, including a starters pack of three channels that can be upgraded to 15 channels in Leuven and 17 channels in Brussels. This programming generally includes a selection of European and United States thematic satellite channels, including sports, kids, nature, movies and general entertainment channels. UGC-Belgium also distributes three premium channels that are provided by Canal+, two in Brussels and one in Leuven.

UGC-Belgium offers five tiers of chello brand high-speed Internet access service with download speeds ranging from 256 Kbps to 16 Mbps. Approximately 12% of its basic cable subscribers also receive Internet access service, representing approximately 56% of its Internet subscribers.

Through its indirect wholly owned subsidiary, Belgian Cable Holding, UGC Europe holds 78.4% of the common equity and 100% of the preferred equity of Belgian Cable Investors, L.L.C. Cable Partners Europe LLC, which we refer to as CPE, owns the remaining 21.6% of the common equity of Belgian Cable Investors. Belgian Cable Investors in turn holds an indirect 14.1% economic interest in Telenet Group Holding NV, and certain call options, expiring in 2007 and 2009, to acquire 11.6% and 17.6% respectively, of the outstanding equity of Telenet from existing shareholders. Belgian Cable Investors indirect 14.1% interest in Telenet results from its majority ownership of two entities, which we refer to as the InvestCos, that hold in the aggregate 18.99% of the common stock of Telenet, and a shareholders agreement among Belgian Cable Investors and three unaffiliated investors in the InvestCos that governs the voting and disposition of 21.36% of the common stock of Telenet, including the stock held by the InvestCos.

Telenet is Belgium s largest cable system operator in terms of number of subscribers.

Pursuant to the agreement with CPE governing Belgian Cable Investors, CPE has the right to require Belgian Cable Holdings to purchase all of CPE s interest in Belgian Cable Investors for the appraised fair value of such interest during the first 30 days of every six-month period beginning in December 2007. Belgian Cable Holdings has the corresponding right to require CPE to sell all of its interest in Belgian Cable Investors to Belgian Cable Holdings for appraised fair value during the first 30 days of every six-month period following December 2009.

Poland

UGC Europe s networks in Poland, which we refer to as UGC-Poland, passed approximately 1.9 million homes and had approximately 1 million basic cable subscribers and 53,400 Internet subscribers as of December 31, 2004. UGC-Poland s subscribers are located in regional clusters encompassing eight of the ten largest cities in Poland, including Warsaw and Katowice. Approximately 30% of its networks are upgraded to two-way capability, with approximately 96% of its basic cable subscribers served by a network with a bandwidth of at least 550 MHz. UGC-Poland continues to upgrade portions of its network that have bandwidths below 550 MHz to bandwidths of at least 860 MHz.

UGC-Poland offers analog cable subscribers three packages of cable television service. Its lowest tier, the broadcast package, includes 4 to 12 channels and the intermediate package includes 13 to 22 channels. The higher tier, the full package, includes the broadcast package plus up to 30 additional channels with such themes as sports, kids, science/educational, news, film and music. For an additional monthly charge, UGC-Poland offers two premium television services, the HBO Poland service and Canal+ Multiplex, a Polish-language premium package of three movie, sport and general entertainment channels.

UGC-Poland offers three different tiers of chello brand high-speed Internet access service in portions of its network with download speeds ranging from 512 Kbps to 6 Mbps. UGC-Poland is currently expanding its Internet ready network in Warsaw, Krakow, Gdansk and Katowice and began providing Internet access services in Szczecin and Lublin in the second quarter of 2004. Approximately 5% of its basic cable subscribers also receive its Internet service, representing approximately 88% of its Internet subscribers.

Hungary

UGC Europe s networks in Hungary, which we refer to as UGC-Hungary, passed approximately 1 million homes and had 720,900 basic cable subscribers, 140,400 DTH subscribers, 73,200 Internet subscribers and 68,900 telephony subscribers, as of December 31, 2004. Approximately 67% of its networks are upgraded to two-way capability, with 50% of its basic cable subscribers served by a network with a bandwidth of at least 750 MHz.

UGC-Hungary offers up to four tiers of analog cable programming services (between 4 and 60 channels) and two premium channels, depending on the technical capability of the network. Programming consists of the national Hungarian terrestrial broadcast channels and selected European satellite and local programming that consists of proprietary and third party channels.

UGC-Hungary offers three tiers of chello brand high-speed Internet access service with download speeds ranging from 512 Kbps to 3 Mbps. UGC-Hungary offers these broadband Internet services to 69,200 subscribers in fourteen cities, including Budapest. It also had 4,000 asymmetric digital subscriber line, or ADSL , subscribers at December 31, 2004. Approximately 6% of its basic cable subscribers also receive its Internet service, representing approximately 55% of its Internet subscribers.

Monor Telefon Tarsasag Rt., one of UGC-Hungary s operating companies, offers traditional switched telephony services over a twisted copper pair network in the southeast part of Pest County. In 2004, UGC-Hungary began offering VoIP telephony services over its cable network in Budapest. As of December 31, 2004, UGC-Hungary had 68,900 telephony subscribers.

Czech Republic

UGC Europe s network in the Czech Republic, which we refer to as UGC-Czech, passed 729,000 homes and had 295,700 basic cable subscribers, 90,100 DTH subscribers and 42,400 Internet subscribers as of December 31, 2004. Its operations are located in more than 80 cities and towns in the Czech Republic, including Prague and Brno, the two largest cities in the country. Approximately 44% of its networks are upgraded to two-way capability, with 40% of its basic cable subscribers served by a network with a bandwidth of at least 750 MHz. UGC-Czech offers two tiers of analog cable programming services, with up to 31 channels, and two premium channels.

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UGC-Czech offers four tiers of chello brand high-speed Internet access service with download speeds ranging from 256 Kbps to 6 Mbps. Approximately 9% of its basic cable subscribers also receive its Internet service, representing approximately 64% of its Internet subscribers.

Romania

UGC Europe s networks in Romania, which we refer to as UGC-Romania, passed 518,700 homes and had 357,000 basic cable subscribers, as of December 31, 2004. UGC-Romania s systems served 34 cities in Romania with 75% of its subscriber base in six cities: Timisoara, Cluj, Ploiesti, Focsani, Bacau and Botosani. UGC-Romania is currently test marketing, on a limited basis, an Internet access product in two of its main systems. Approximately 1% of its networks are upgraded to two-way capability, with 75% of its basic cable subscribers served by a network with a bandwidth of at least 550 MHz. UGC-Romania continues to upgrade its medium size systems to 550 MHz.

UGC-Romania offers analog cable service with 24 to 36 channels in all of its cities, which include Romanian terrestrial broadcast channels, European satellite programming and regional local programming. Three extra basic packages of 6 to 18 channels each are offered in Timisoara, Ploiesti, Cluj and Bacau. Premium Pay TV (HBO Romania) is offered in 13 cities.

The foregoing information does not reflect the April 2005 acquisition of Conex Sat, a cable television operator in Romania.

Slovak Republic

UGC Europe s network in the Slovak Republic, which we refer to as UGC-Slovak, passed 413,200 homes and had 250,300 basic cable subscribers, 14,600 DTH subscribers, 32,200 MMDS subscribers and 9,200 Internet subscribers as of December 31, 2004. Approximately 41% of its networks are upgraded to two-way capability, with 25% of its basic cable subscribers served by a network with a bandwidth of at least 750 MHz. In some areas like Bratislava, the capital city, its network is 98% upgraded to two-way capability.

UGC-Slovak offers two tiers of analog cable service and three premium services. Its lower-tier, the lifeline package, includes 4 to 9 channels. UGC-Slovak s most popular tier, the basic package, includes 16 to 42 channels that generally offer all Slovak terrestrial, cable and local channels, selected European satellite programming and other third-party programming. For an additional monthly charge, UGC-Slovak offers three premium services HBO, Private Gold and the UPC Komfort package consisting of six thematic third-party channels.

In Bratislava, UGC-Slovak offers five tiers of chello brand high-speed Internet access service with download speeds ranging from 256 Kbps to 4 Mbps. Approximately 3% of its basic cable subscribers also receive Internet access service, representing approximately 85% of its Internet subscribers.

Slovenia

UGC Europe s network in Slovenia, acquired in February 2005, which we refer to as UGC-Slovenia, is the largest broadband communications provider in Slovenia in terms of number of subscribers, with over 100,000 basic cable subscribers and 10,000 Internet subscribers at December 31, 2004.

UGC-Slovenia offers analog cable service and one premium movie service. UGC-Slovenia s most popular tier, the basic package, includes on average 50 video and 20 radio channels and generally offers all Slovenian terrestrial, cable and local channels, selected European satellite programming and other third-party programming. For an additional monthly charge, UGC-Slovenia offers one premium movie service.

UGC-Slovenia offers five tiers of high-speed Internet access service with download speeds ranging from 128 Kbps to 2 Mbps.

chellomedia and Other

UGC Europe s chellomedia division provides interactive digital products and services, produces and markets thematic channels, operates UGC Europe s digital media center, operates a competitive local exchange carrier business under the brand name Priority Telecom and owns or manages UGC s investments in various businesses in Europe. Below is a description of the operations of the chellomedia division:

Interactive Services. We expect the development of interactive television services to play an important role in increasing subscriptions to UGC Europe s digital television offerings. The chellomedia division s Interactive Services Group is responsible for developing its core digital products, such as an electronic program guide,

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walled garden, television-based email, and PC/ TV portals as well as other television and PC-based applications supporting various areas, including communications services and enhanced television services. A base set of interactive services has been launched by UGC-Netherlands and UGC-Austria, as discussed above.

Transactional Television. Transactional television, branded as Arrivo, is another component of UGC Europe s digital service offerings. UGC-Netherlands currently offers 42 channels of NVOD programming and UGC-Austria currently offers 56 channels of NVOD programming. Arrivo provides digital customers with a wide range of Hollywood blockbusters and other movies. Arrivo is also in the process of developing video-on-demand, or VOD , services for UGC Europe s UPC Broadband division and third-party cable operators. The VOD service will provide VOD subscribers with enhanced playback functionality and will give subscribers access to a broad array of on-demand programming, including movies, live events, local drama, music videos, kids programming and adult programming.

Pay Television. UPCtv, a wholly owned subsidiary of UGC Europe, produces and markets its own pay television products, currently consisting of three thematic channels. The channels target the following genres: extreme sports and lifestyles; women s information and entertainment; and real life documentaries. All three channels originate from UGC Europe s digital media center, or DMC, located in Amsterdam. The DMC is a technologically advanced production facility that services UPCtv and third-party clients with channel origination, post-production and satellite and fiber transmission. The DMC delivers high-quality, customized programming by integrating different video elements, languages (either in dubbed or sub-titled form) and special effects, then transmits the final product to various customers in numerous countries through affiliated and unaffiliated cable systems and DTH platforms.

Priority Telecom. Priority Telecom is a facilities-based business telecommunications provider that provides voice services, high-speed Internet access, private data networks and customized network services to over 7,000 business customers primarily in its core metropolitan markets in The Netherlands, Austria and Norway. UGC Europe owns an approximate 72% economic interest in Priority Telecom.

Investments. Chellomedia is an investor in branded equity ventures for the development of country-specific programming, including Iberian Programming Services, Xtra Music, MTV Networks Polska, Fox Kids Poland and Sports 1. In January 2005, chellomedia acquired an 87.5% interest in Zone Vision Networks Ltd. Zone Vision owns and operates three thematic programming channels, *Reality TV, Europa Europa* and *Romantica,* which are broadcast in over 125 countries in 18 languages, and represents over 30 international programming channels. Zone Vision s minority shareholders have the right to put 60% of their 12.5% shareholding to chellomedia on the third anniversary, and 100% of their shareholding on the fifth anniversary, of completion of the transaction. Chellomedia has corresponding call rights. The price payable upon exercise of the put or call will be the fair market value of the shareholdings purchased.

Chellomedia also owns or manages UGC s minority interests in other European businesses. These include a 25% interest in PrimaCom AG, which owns and operates a cable television and broadband network in Germany and The Netherlands; a 50% interest in Melita Cable PLC, the only cable television and broadband network in Malta; a 25% interest in Telewizyjna Korporacja Partycypacyjna S.A., a DTH programming platform in Poland; and the recently acquired indirect investment in Telenet Group Holding NV through Belgian Cable Investors.

Standstill Agreement with UGC.

We have entered into a standstill agreement with UGC pursuant to which we may not acquire more than 90% of UGC s outstanding common stock unless we make an offer or otherwise effect a transaction to acquire all of the outstanding common stock of UGC not already owned by us. Under certain circumstances, such an offer or transaction would require an independent appraisal to determine the price to be paid to shareholders unaffiliated with our company. In addition, we are entitled to preemptive rights with respect to certain issuances of UGC common stock.

Europe Other

We also own approximately 27% of the outstanding shares of The Wireless Group plc, which represents an approximate 22% economic interest. The Wireless Group is a commercial radio group in the United Kingdom that operates talkSPORT, a nationwide commercial radio station dedicated to sports, in addition to local and regional stations in North West England, South Wales and Scotland.

UGC owns an approximate 19% equity interest in SBS Broadcasting S.A., a European commercial television and radio broadcasting company.

Japan

Our Japanese operations are conducted primarily through LMI/ Sumisho Super Media, LLC and its subsidiary Jupiter Telecommunications Co., Ltd., and through Jupiter Programming Co., Ltd. As of December 31, 2004, we owned a 69.68% ownership interest in Super Media and Super Media owned a 65.23% ownership interest in J-COM. As a result of a change in governance of Super Media that occurred on February 18, 2005, we began accounting for Super Media and J-COM as consolidated subsidiaries, effective as of January 1, 2005. As a result of the completion of J-COM s initial public offering on March 23, 2005, including the subsequent exercise of the underwriters over-allotment option, and certain contributions of J-COM shares made by Sumitomo to Super Media on March 23, 2005, our ownership interest in Super Media decreased to 67.6%, and Super Media s ownership interest in J-COM decreased to 54.46%. As of December 31, 2004, we owned a 50% ownership interest in our affiliate JPC.

Jupiter Telecommunications Co., Ltd.

J-COM is a leading broadband provider of bundled entertainment, data and communication services in Japan. J-COM is currently the largest multiple-system operator, or MSO , in Japan, as measured by the total number of homes passed and customers. J-COM operates its broadband networks through 19 managed local cable companies, which J-COM refers to as its managed franchises, 16 of which were consolidated subsidiaries as of December 31, 2004. J-COM owned a 45% equity interest and a 50% equity interest in two of its three unconsolidated managed franchises and had no equity interest in the remaining managed franchise, Chofu Cable, Inc., as of December 31, 2004. On February 25, 2005, J-COM acquired an aggregate 92% ownership interest in Chofu Cable, including an approximate 31% ownership interest acquired from us. As of December 31, 2004, J-COM s three unconsolidated managed franchises (including Chofu Cable) served approximately 139,800 basic cable subscribers, 52,800 Internet subscribers and 46,500 telephony subscribers.

Eighteen of J-COM s managed franchises are clustered around three metropolitan areas of Japan, consisting of the Kanto region (which includes Tokyo), the Kansai region (which includes Osaka and Kobe) and the Kyushu region (which includes Fukuoka and Kita-Kyushu). In addition, J-COM owns and manages a local franchise in the Sapporo area of Japan that is not part of a cluster.

Each managed franchise consists of headend facilities receiving television programming from satellites, traditional terrestrial television broadcasters and other sources, and a distribution network composed of a combination of fiber-optic and coaxial cable, which transmits signals between the headend facility and the customer locations. Almost all of J-COM s networks are upgraded to two-way capability, with all of its cable subscribers served by a system with a bandwidth of 750 or 770 MHz. J-COM provides its managed franchises with experienced personnel, operating and administrative services, sales and marketing, training, programming and equipment procurement assistance and other management services. Each of J-COM s managed franchises uses J-COM s centralized customer management system to support sales, customer and technical services, customer call centers and billing and collection services.

J-COM offers analog and digital cable services in all of its managed franchises. J-COM s basic analog service consists of approximately 47 channels of cable programming, not including premium services. A typical channel line-up includes popular channels in the Japanese market such as *Movie Plus,* a top Japanese movie channel, the *Shop Channel,* a home-shopping network, *J Sports 1, 2 and 3,* three popular sports channels, the *Discovery Channel, the Golf Network,* the *Disney Channel* and *Animal Planet,* in addition to retransmission of analog terrestrial and satellite television broadcasts. J-COM s basic digital service currently includes approximately 59 channels of cable programming, not including audio and data channels and premium services. The channel line-up for the basic digital service is generally similar to the channel line-up for the basic analog service, but digital broadcasts can be offered in high-definition television format. For an additional fee, digital cable subscribers may also receive up to 9 pay-per-view channels not available to J-COM s analog cable subscribers. J-COM also offers both its basic analog and digital subscribers optional subscriptions for an additional fee to premium channels, including movies, sports, horseracing and other special entertainment programming, either individually or in packages. J-COM offers package discounts to customers who subscribe to bundles of J-COM services. In addition to the services offered to its cable television subscribers, J-COM also provides terrestrial broadcast retransmission services to approximately 3.0 million additional households in its managed franchises as of December 31, 2004.

J-COM offers high-speed Internet access in all of its managed franchises through its wholly owned subsidiary, @NetHome Co., Ltd, and through its affiliate, Kansai Multimedia Services. J-COM holds a 25.8% interest in Kansai Multimedia, which provides high-speed Internet access in the Kansai region of Japan. These Internet access services offer downstream speeds of either 8 Mbps or 30 Mbps. At December 31, 2004, approximately 37% of the basic cable subscribers in J-COM s consolidated managed franchises also received Internet service, representing approximately 77% of the Internet subscribers in such franchises.

J-COM currently offers telephony services over its own network in 14 of its consolidated franchise areas. In these franchise areas, J-COM s headend facilities contain equipment that routes calls from the local network to J-COM s telephony switches, which in turn transmit voice signals and other information over the network. J-COM currently provides a single line to the majority of its telephony customers, most of whom are residential customers. J-COM charges its telephony subscribers a flat fee for basic telephony service (together with charges for calls made) and offers additional premium services, including call-waiting, call-forwarding, caller identification and three way calling, for a fee. At December 31, 2004, approximately 38% of the basic cable subscribers in J-COM s consolidated managed franchises also received telephony service, representing approximately 78% of the telephony subscribers in such franchises. In February 2005, J-COM started a trial telephony service using VoIP technology in its Sapporo franchise. In addition to its 19 managed franchises, J-COM owns non-controlling equity interests, between 5.5% and 20.4%, in three cable franchises and an MSO that are operated and managed by third-party franchise operators.

J-COM sources its programming through multiple suppliers including its affiliate, JPC. J-COM s relationship with JPC enables the two companies to work together to identify and bring key programming genres to the Japanese market and to expedite the development of quality programming services. J-COM and JPC each currently owns a 50% interest in Jupiter VOD Co., Ltd., a joint venture formed in 2004 to obtain video-on-demand, or VOD , programming content to offer VOD services to J-COM franchises. J-COM began offering VOD services to its digital customers on a trial basis in 2004 and anticipates rolling-out VOD service in all of its franchises in 2005. Because J-COM is usually a programmer s largest cable customer in Japan, J-COM is generally able to negotiate favorable terms with its programmers.

Our interest in J-COM is currently held through Super Media, an entity that is owned 67.6% by us and 32.4% by Sumitomo Corporation. Pursuant to a contribution agreement between Sumitomo and us, on December 28, 2004, our 45.45% ownership interest in J-COM and a majority of Sumitomo s 32% ownership interest in J-COM were combined in Super Media. Prior to the contribution agreement closing, Super Media was our wholly owned subsidiary and owned a portion of our ownership interest in J-COM. At closing of the contribution agreement, our remaining ownership interest in J-COM owned by four of our other subsidiaries and a 19.78% ownership interest in J-COM owned by Sumitomo were contributed to Super Media, bringing Super Media s total ownership interest in J-COM to 65.23% as of the contribution closing date. Following the contribution agreement closing, Sumitomo retained a 12.25% equity interest in J-COM, which Sumitomo had the obligation, subject to certain conditions, to contribute to Super Media during 2005. On March 23, 2005, Sumitomo contributed to Super Media a portion of its remaining equity interest in J-COM, and Sumitomo has the obligation to contribute all of its remaining equity interests in J-COM to Super Media during 2005. Sumitomo and we are generally required to contribute to Super Media any additional shares of J-COM that either of us acquires and to permit the other party to participate in any additional acquisition of J-COM shares during the term of Super Media.

Our interest in Super Media is held through five separate corporations, four of which are wholly owned. Several individuals, including two of our executive officers and one of our directors, own common stock representing an aggregate of 20% of the common equity in the fifth corporation, which owns an approximate 7.96% interest in Super Media.

Super Media is managed by a management committee consisting of two members, one appointed by us and one appointed by Sumitomo. Effective upon J-COM s announcement on February 18, 2005 of an initial public offering of its common shares in Japan, the management committee member appointed by us has a casting or tie-breaking vote with respect to any management committee decision that we and Sumitomo are unable to agree on which casting vote will remain in effect for the term of Super Media. Certain decisions with respect to Super Media require the consent of both members rather than the management committee. These include a decision to engage in any business other than holding J-COM shares, sell J-COM shares, issue additional units in Super Media, make in-kind distributions or dissolve Super Media, in each case other than as contemplated by the Super Media operating agreement. While Super Media effectively has the ability to elect J-COM s entire board, pursuant to the Super Media operating agreement, Super Media is required to vote its J-COM shares in favor of the election to J-COM s board of three non-executive directors designated by Sumitomo and three non-executive directors designated by us.

Because of our casting vote, we indirectly control J-COM through our control of Super Media, which owns a controlling interest in J-COM, and therefore consolidate J-COM s results of operations for accounting purposes. Super Media will be dissolved five years after our casting vote became effective unless Sumitomo and we mutually agree to extend the term. Super Media may also be dissolved earlier under certain circumstances.

Our other primary partner in J-COM was Microsoft Corporation, which held a 19.5% beneficial ownership interest in J-COM as of December 31, 2004. Microsoft s ownership interest in J-COM has since decreased to 14.15% as a result of the completion of J-COM s initial public offering on March 23, 2005, including the subsequent exercise of the underwriters over-allotment option, which included the sale by Microsoft of a portion of its J-COM shares. Also as a result of the completion of J-COM s initial public offering, the J-COM stockholders agreement among Super Media, Sumitomo and Microsoft has terminated.

Jupiter Programming Co., Ltd.

JPC is a joint venture between Sumitomo and us that primarily develops, manages and distributes pay television services in Japan on a platform-neutral basis through various distribution infrastructures, principally cable and DTH service providers. As of December 31, 2004, JPC owned five channels through wholly or majority-owned subsidiaries and had investments ranging from approximately 10% to 50% in eleven additional channels. JPC s majority owned channels are a movie channel (*Movie Plus*), a golf channel (*Golf Network*), a shopping channel (*Shop Channel,* in which JPC has a 70% interest and Home Shopping Network has a 30% interest), a women s entertainment channel (*LaLa TV*), and a video game information channel (*Channel BB*). Channels in which JPC holds investments include three sports channels owned by J Sports Broadcasting Corporation, a 43% owned joint venture with News Television B.V., Sony Broadcast Media Co. Ltd, Fuji Television Network, Inc. and SOFTBANK Broadmedia Corporation; *Animal Planet Japan,* a one-third owned joint venture with Discovery and BBC Worldwide; *Discovery Channel Japan,* a 50% owned joint venture with Discovery; and *AXN Japan,* a 35% owned joint venture with Sony. JPC provides affiliate sales services and in some cases advertising sales and other services to channels in which it has an investment for a fee.

The market for multi-channel television services in Japan is highly complex with multiple cable systems and direct-to-home satellite platforms. Cable systems in Japan served approximately 17.0 million homes at December 31, 2004. A large percentage of these homes, however, are served by systems (referred to as compensation systems) whose service principally consists of retransmitting free TV services to homes whose reception of such broadcast signals has been blocked. Higher capacity systems and larger cable systems that offer a full complement of cable and broadcast channels, of which J-COM is the largest in terms of subscribers, currently serve approximately 5.4 million households. The majority of channels in which JPC holds an interest are marketed as basic television services to cable system operators, with distribution at December 31**,** 2004 ranging from approximately 14.4 million homes for *Shop Channel* (which is carried in many compensation systems and on VHF as well as in multi-channel cable systems) to approximately 1.9 million homes for more recently launched channels, such as *Animal Planet Japan. Channel BB,* which was acquired by JPC in December 2004, has negligible cable distribution.

Each of the channels in which JPC has an interest is also currently offered on SkyPerfecTV1, a digital satellite platform that delivers approximately 180 channels a la carte and in an array of basic and premium packages, from two satellites operated by JSAT Corporation. Each of the channels, except for Channel BB, is also offered on SkyPerfecTV2, another satellite platform in Japan, which delivers a significantly smaller number of channels. Under Japan s complex regulatory scheme for satellite broadcasting, a person engaged in the business of broadcasting programming must obtain a broadcast license that is perpetual, although subject to revocation by the relevant governmental agency, and then lease from a satellite operator the bandwidth capacity on satellites necessary to transmit the programming to cable and other distributors and direct-to-home satellite subscribers. In the case of distribution of JPC s 33% or greater owned channels on SkyPerfecTV1, these licenses and satellite capacity leases are held through its subsidiary, Jupiter Satellite Broadcasting Corporation, or JSBC, except for *AXN Japan, Channel BB* and the J Sports Broadcasting channels which hold their own licenses. The broadcast licenses and satellite capacity leases for those of JPC s 33% or greater owned channels that are delivered by SkyPerfecTV2 are held by four other companies that are majority owned by unaffiliated entities. JSBC s leases with JSAT for bandwidth capacity on JSAT s two satellites expire between 2006 and 2011. The leases for bandwidth capacity with respect to the SkyPerfecTV2 platform expire between 2012 and 2014. JSBC and other licensed broadcasters then contract with the platform operator, such as SkyPerfecTV, for customer management and marketing services (sales and marketing, billing and collection) and for encoding services (compression, encoding and multiplexing of signals for transmission) on behalf of the licensed channels. The majority of channels in which JPC holds an interest are marketed as basic television services to DTH subscribers with distribution at December 31, 2004 ranging from 3.2 million homes for *Shop*

Channel (which is carried as a free service to all DTH subscribers) to 281,000 homes for more recently launched channels, such as *Animal Planet Japan*.

Approximately 83% of JPC s consolidated revenue for 2004 was attributable to retail revenue generated by the *Shop Channel*. Cable operators are paid distribution fees to carry the *Shop Channel,* which are either fixed rate per subscriber fees or the greater of fixed rate per subscriber fees and a percentage of revenue generated through sales to the cable operator s viewers. SkyPerfecTV is paid fixed rate per subscriber distribution fees to provide the *Shop Channel* to its DTH subscribers. After *Shop Channel,* the J Sports Broadcasting channels generate the most revenue of the channels in which JPC has an interest. The majority of this revenue is derived from cable and satellite subscriptions. Currently, advertising sales are not a significant component of JPC s revenue.

Sumitomo and we each own a 50% interest in JPC. Pursuant to a stockholders agreement we entered into with JPC and Sumitomo, Sumitomo and we each have preemptive rights to maintain our respective equity interests in JPC, and Sumitomo and we each appoint an equal number of directors provided we maintain our equal ownership interests. No board action may be taken with respect to certain material matters without the unanimous approval of the directors appointed by us and Sumitomo, provided that Sumitomo and we each own 30% of JPC s equity at the time of any such action. Sumitomo and we each hold a right of first refusal with respect to the other s interests in JPC, and Sumitomo and we have each agreed to provide JPC with a right of first opportunity with respect to the acquisition of more than a 10% equity position in, or the management of or any similar participation in, any programming business or service in Japan and any other country to which JPC distributes its signals, in each case subject to specified limitations.

Japan Other

At December 31, 2004, we also owned an approximate 35% indirect ownership interest in Mediatti Communications, Inc. Mediatti is a provider of cable television and high speed Internet access services in Japan that served approximately 91,500 basic cable subscribers and 50,500 Internet subscribers at December 31, 2004. Our interest in Mediatti is held through Liberty Japan MC, LLC, a company of which we own approximately 93.1% and Sumitomo Corporation owns approximately 6.9%. Sumitomo has the option until February 2006 to increase its ownership interest in Liberty Japan MC to up to 50%.

Liberty Japan MC owns a 36.4% voting interest in Mediatti Communications and an additional 0.87% interest that has limited veto rights. Liberty Japan MC has the option until February 2006 to acquire from Mediatti up to 9,463 additional Mediatti shares at a price of ¥290,000 per share. If such option is fully exercised, Liberty Japan MC s interest in Mediatti will be approximately 46%. The additional interest that Liberty Japan MC has the right to acquire may initially be in the form of non-voting Class A shares, but it is expected that any Class A shares owned by Liberty Japan MC will be converted to voting common stock.

Liberty Japan MC, Olympus Mediacom L.P. and two minority shareholders of Mediatti have entered into a shareholders agreement pursuant to which Liberty Japan MC has the right to nominate three of Mediatti s seven directors and which requires that significant actions by Mediatti be approved by at least one director nominated by Liberty Japan MC.

The Mediatti shareholders who are party to the shareholders agreement have granted to each other party whose ownership interest is greater than 10%, a right of first refusal with respect to transfers of their respective interests in Mediatti. Each shareholder also has tag-along rights with respect to such transfers. Olympus Mediacom has a put right that is first exercisable during July 2008 to require Liberty Japan MC to purchase all of its Mediatti shares at fair market value. If Olympus exercises such right, the two minority shareholders who are party to the shareholders agreement may also require Liberty Japan MC to purchase their Mediatti shares at fair market value. If Olympus does not exercise such right, Liberty Japan MC has a call right that is first exercisable during July 2009 to require Olympus and the minority shareholders to sell their Mediatti shares to Liberty Japan MC at fair market value. If both the Olympus put right and the Liberty Japan MC call right expire without being exercised during the first exercise period, either may thereafter exercise its put or call right, as applicable, until October 2010.

Australia

We also own minority interests in broadband distributors and video programmers operating in Australia. UGC owns an indirect approximate 34% equity interest in Austar United Communications Ltd. Austar United provides pay television services, Internet access and mobile telephony services to subscribers in regional and rural Australia and the capital cities of Hobart and Darwin. In addition, we own an approximate 20% equity interest in Premium Movie Partnership, which supplies three premium movie-programming channels to the major subscription television distributors in Australia. PMP s partners include Showtime, Twentieth Century Fox, Sony Pictures, Paramount Pictures and Universal Studios.

Latin America

Our Latin American operations are conducted primarily through VTR GlobalCom S.A., a wholly owned subsidiary of UGC, and our wholly owned subsidiaries Liberty Cablevision of Puerto Rico Ltd. and Pramer S.C.A. UGC also has subsidiaries that are broadband providers operating in Brazil and Peru.

Many countries in Latin America have experienced ongoing recessionary conditions during the past five years. Among these countries, Argentina, in which certain of LMI s businesses offer programming services, may have been the most harshly affected. Argentina has experienced severe economic and political volatility since 2001. Effective January 2002, the Argentine government eliminated the historical exchange rate of one Argentine peso to one U.S. dollar (the peg rate). The value of the Argentine peso dropped significantly on the date the peg rate was eliminated and dropped further through 2002. As a result, our businesses in Argentina have experienced significant negative effects on their financial results. In many cases, their customers reduced spending or extended payments, while their lenders tightened credit criteria. We cannot predict how much longer these recessionary conditions will last, nor can we predict the future impact of these conditions on the financial results of our businesses that operate in Latin America.

VTR GlobalCom S.A.

UGC s primary Latin American operation, VTR GlobalCom S.A., which we refer to as VTR, is Chile s largest multi-channel television and high-speed Internet access provider in terms of homes passed and number of subscribers, and Chile s second largest provider of residential telephony services, in terms of lines in service. VTR provides services in Santiago, Chile s largest city, the large regional cities of Iquique, Antofagasta, Concepción, Viña del Mar, Valparaiso and Rancagua, and smaller cities across Chile. Approximately 96% of its video subscribers are served via wireline cable, with the remainder via MMDS technologies. VTR s network is approximately 60% upgraded to two-way capability, with 65% of its basic cable subscribers served by a network with a bandwidth of at least 750 MHz. VTR has an approximate 70% market share of cable television services throughout Chile and an approximate 51% market share within Santiago.

VTR s channel lineup consists of 52 to 68 channels segregated into two tiers of analog cable service: a basic service with 52 to 57 channels and a premium service with 11 channels. VTR offers basic tier programming similar to the basic tier program lineup in the United States, including more premium-like channels such as HBO, Cinemax and Cinecanal on the basic tier. As a result, subscription to its existing premium service package is limited because its basic analog package contains similar channels. VTR obtains programming from the United States, Europe, Argentina and Mexico. Domestic cable television programming in Chile is only just beginning to develop around local events such as soccer matches.

VTR offers several alternatives of always on, unlimited-use high-speed Internet access to residences and small/home offices under the brand name Banda Ancha in 22 communities within Santiago and 12 cities outside Santiago. Subscribers can purchase one of five services with download speeds ranging from 128 Kbps to 2.4 Mbps. For a moderate to heavy Internet user, VTR s Internet service is generally less expensive than a dial-up service with its metered usage. To provide more flexibility to the user, VTR also offers Banda Ancha Flex, where a low monthly flat fee includes the first 200 minutes, with metered usage above 200 minutes. Approximately 33% of VTR s basic cable subscribers also receive Internet service, representing approximately 95% of its Internet subscribers.

VTR offers telephony service to customers in 22 communities within Santiago and seven cities outside Santiago. VTR offers basic dial tone service as well as several value-added services. VTR primarily provides service to residential customers who require one or two telephony lines. It also provides service to small businesses and home offices. In 2004, VTR began offering telephony services to its two-way homes passed by applying VoIP. Approximately 40% of VTR s basic cable subscribers also receive telephony service, representing approximately 65% of its telephony subscribers.

On April 13, 2005, VTR completed its previously announced business combination with Metrópolis-Intercom S.A., a cable operator in Chile, in an effort to facilitate the provision of enhanced services to cable and telecommunications consumers in the Chilean marketplace. As a result of this combination, UGC owns an 80% equity interest in VTR, CristalChile Comunicaciones S.A., our partner in Metrópolis, received the remaining 20% equity interest in VTR for its equity interest in Metrópolis and we received VTR indebtedness valued at approximately $100 million for our equity interest in Metrópolis. CristalChile also has an option to require UGC to purchase CristalChile s equity interest in VTR at fair market value, subject to a $140 million floor price, and CristalChile s debt interest in VTR at par plus unpaid interest. This put option, which is payable in cash, stock of LMI, Liberty or UGC (or Liberty Global stock if

the mergers are completed) or a combination of cash and stock, at UGC s option, may be exercised at any time between the first and tenth anniversaries of the closing date. We have guaranteed UGC s obligations under this put option, and UGC has agreed to indemnify us for any losses arising as a result of our guarantee of its obligations under this put option.
For so long as CristalChile owns at least a 10% equity interest in VTR, CristalChile has the right to elect 1 of the 5 members of VTR s board and has a veto right over certain material decisions.

Liberty Cablevision of Puerto Rico Ltd.

Liberty Cablevision of Puerto Rico Ltd., our wholly owned subsidiary, is one of Puerto Rico s largest cable television operators based on number of subscribers. Liberty Cablevision of Puerto Rico operates three head ends, serving the communities of Luquillo, Arecibo, Florida, Caguas, Humacao, Cayey and Barranquitas and 30 other municipalities. In portions of its network, Liberty Cablevision of Puerto Rico also offers high speed Internet access and cable telephony services. Liberty Cablevision of Puerto Rico s network is approximately 94% upgraded to two-way capability, with all of its basic cable subscribers served by a system with a bandwidth of at least 550 MHz.

Liberty Cablevision of Puerto Rico provides subscribers with 61 analog channels. Liberty Cablevision of Puerto Rico also offers 48 digital channels, 46 premium channels, 46 pay-per-view channels and 33 digital music channels. Liberty Cablevision of Puerto Rico obtains programming primarily from international sources, including suppliers from the United States.

Liberty Cablevision of Puerto Rico offers four tiers of high-speed Internet access with download speeds ranging from 64 Kbps to 1.5 Mbps. Approximately 14% of Liberty Cablevision of Puerto Rico s basic cable subscribers also receive Internet service, representing approximately 82% of its Internet subscribers.

Liberty Cablevision of Puerto Rico has begun offering telephony service using IP-based technology. Currently, 7% of Liberty Cablevision of Puerto Rico s basic cable subscribers also receive telephony service, representing approximately 95% of its telephony subscribers.

Pramer S.C.A.

Pramer S.C.A., a wholly owned subsidiary of LMI, is an Argentine programming company which supplies programming services to cable television and DTH satellite distributors in Latin America and Spain. At December 31, 2004, Pramer owned or had an equity interest in 11 channels and produced, marketed, distributed or otherwise represented 12 additional channels, including two of Argentina s five terrestrial broadcast stations. Subscription units for 2004 ranged from approximately 24,000 for the smallest premium service to approximately 9.6 million for the most popular basic service. Pramer s wholly owned channels include *Canal (a)*, the first Latin-American quality arts channel, *Film & Arts,* offering quality films, concerts, operas and interviews with artists, *elgourmet.com,* a channel for the lovers of the good things in life, and *Magic Kids,* an entertainment children s channel, all of which are offered as basic television services. Pramer s represented channels include *Hallmark* and *Cosmopolitan Channel* (in which we own a 50% interest through another subsidiary).

Pramer s affiliation agreements with cable television and satellite distributors provide for payments based on the number of subscribers that receive Pramer s services. Cablevisión S.A., an Argentine cable provider, represented approximately 13% of Pramer s consolidated revenue for 2004. Pramer s affiliation agreement with Cablevisión expired in December 2004, but the parties subsequently agreed to extend this agreement until June 30, 2005 with Cablevisión paying Pramer a fixed monthly fee which represents an approximate 35% discount from the applicable fees in 2004. In April 2004, the parties negotiated a new affiliation agreement, which is subject to ratification by the board of directors of Cablevisión. The new affiliation agreement would expire June 30, 2007. If the new affiliation agreement is ratified, Cablevisión will continue to pay Pramer, through May 2006, a fixed monthly fee which represents an approximate 35% discount from the applicable fees in 2004, and thereafter the fixed monthly fee may be adjusted upward based upon Cablevisión basic subscriber increases and service fee increases.

Pramer handles affiliate sales for the 12 channels it represents and advertising sales for 6 of such channels. Pramer collects the revenue for the represented channels and pays the channel owners either a fixed fee or a fee based on amounts collected. Pramer s representation of the *Hallmark* channel, including the provision of satellite uplinking and other services, accounted for approximately 9% of Pramer s consolidated revenue for 2004. The representation agreement for the *Hallmark* channel expires on December 31, 2005, subject to earlier termination under certain circumstances.

Pramer has two sources of content: rights that are purchased from various distributors and its own productions. Pramer s own productions are usually contracted with independent producers.

All of Pramer s satellite transponder capacity is provided pursuant to contracts expiring in 2014.

Latin America Other

Metrópolis-Intercom S.A. is Chile s second largest cable operator based on the number of subscribers served. Metrópolis operates cable systems in nine of the most densely populated cities within Chile, including Santiago (the capital of Chile), Viña del Mar, Concepción and Temuco. At December 31, 2004, Metrópolis served approximately

224,800 basic cable subscribers, 38,200 Internet subscribers and 10,800 telephony subscribers. As discussed under VTR GlobalCom S.A. above, on April 13, 2005, VTR completed its previously announced business combination with Metrópolis, a company in which we owned a 50% equity interest and CristalChile Comunicaciones S.A., a large publicly traded Chilean company with significant media interests, owned the remaining 50% equity interest. As a result of this combination, VTR has obtained control of the business operations of Metrópolis.

Regulatory Matters

Overview

Video distribution, Internet, telephony and content businesses are regulated in each of the countries in which we operate. The scope of regulation varies from country to country, although in some significant respects regulation in European markets is harmonized under the regulatory structure of the European Union or EU. Adverse regulatory developments could subject our businesses to a number of risks. Regulation could limit growth, revenue and the number and types of services offered. In addition, regulation may restrict our operations and subject them to further competitive pressure, including pricing restrictions, interconnect and open-network obligations, and restrictions on content, including content provided by third parties. Failure to comply with current or future regulation could expose our businesses to various penalties.

Foreign regulations affecting distribution and programming businesses fall into several general categories. Our businesses are required to obtain licenses, permits or other governmental authorizations from (or to notify or register with) relevant local or regulatory authorities to own and operate their respective distribution systems. In many countries, these licenses are non-exclusive and of limited duration. In some countries where we provide video programming services, we must comply with restrictions on programming content. Local or national regulatory authorities in some countries where we provide video services also impose pricing restrictions and subject certain price increases to approval by the relevant local or national authority.

Our telecommunications businesses generally are required to register with the appropriate regulatory authority where we offer telephony services, although, in some instances, we may be required to obtain a license. Our telephony businesses to date have not been subject to rate regulation but could become subject to such regulation in a number of jurisdictions if they are deemed to hold significant market power. Under the EU s new regulatory framework discussed below, a company will be deemed to have significant market power if it has the power to behave to an appreciable extent independently of competitors, customers and consumers. In some countries, we must notify the regulatory authority of our tariff structure and any subsequent price increases.

European Union

Austria, Belgium, Cyprus, The Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden and the United Kingdom are Member States of the European Union or EU. As such, these countries are required to enact national legislation that implements EU directives. Although not an EU Member State, Norway is a member of the European Economic Area and generally has implemented or is implementing the same principles on the same timetable as EU Member States. In addition, Romania is seeking to join the EU in 2007 and its laws are strongly influenced by EU directives since it will need to comply with these directives in order to join the EU. As a result, most of the markets in Europe in which our businesses operate have been significantly affected by the regulatory framework that has been developed by the EU.

Communications Services and Competition Directives

A number of legal measures, which we refer to as the Directives, have revised the regulatory regime concerning communications services across the EU. They include the following:

Directive for a New Regulatory Framework for Electronic Communications Networks and Services (referred to as the Framework Directive);

Directive on the Authorization of Electronic Communications Networks and Services (referred to as the Authorization Directive);

Directive on Access to and Interconnection of Electronic Communications Networks and Services (referred to as the Access Directive);

Directive on Universal Service and Users Rights relating to Electronic Networks and Services (referred to as the Universal Service and Users Rights Directive);

Directive on Privacy and Electronic Communications (referred to as the Privacy Directive); and

Directive on Competition in the Markets for Electronic Communications and Services (referred to as the Competition Directive).

In addition to the Directives, the European Parliament and European Council made a decision intended to ensure the efficient use of radio spectrum within the EU. Existing EU member countries were required to implement the Framework, Authorization, Access and the Universal Service and Users Rights Directives by July 25, 2003. The Privacy Directive was to have been implemented by October 31, 2003. The Competition Directive is self-implementing and does not require any national measures to be adopted. The 10 countries that joined the EU on May 1, 2004 were to ensure compliance with the Directives as of the date of accession. Measures seeking to implement the Directives are in force in most Member States. Of those countries that we operate in only Belgium and the Czech Republic still need to bring into force laws seeking substantially to implement the Directives.

The Directives seek, among other things, to harmonize national regulations and licensing systems and further increase market competition. These policies seek to harmonize licensing procedures, reduce administrative fees, ease access and interconnection, and reduce the regulatory burden on telecommunications companies. Another important objective of the new Directives is to implement one new regime for the development of communications networks and communications services, including the delivery of video services, irrespective of the technology used.

Many of the obligations included within the Directives apply only to operators or service providers with Significant Market Power in a relevant market. For example, the provisions of the Access Directive allow Member States to mandate certain access obligations only for those operators and service providers that are deemed to have Significant Market Power. For purposes of the Directives, an operator or service provider will be deemed to have Significant Market Power where, either individually or jointly with others, it enjoys a position of significant economic strength affording it the power to behave to an appreciable extent independently of competitors, customers and consumers. As part of the implementation of certain of the Directives, the National Regulatory Authority or NRA is obliged to analyze 18 predefined markets to determine if any operator or service provider has Significant Market Power. We may be found to have Significant Market Power in some markets and in some countries. In particular, in those markets where we offer telephony services, we may be found to have Significant Market Power in the termination of calls on our own network. In addition, in some countries we may be found to have Significant Market Power in the wholesale distribution of television channels. Some national regulators may also seek to find that we have Significant Market Power in the retail broadband Internet market. Although we would vigorously dispute this last finding, there can be no assurance that such finding will not be made. In the event that we are found to have Significant Market Power in any particular market, a NRA could impose certain conditions on us to prevent abusive behavior by us.

The European Commission has adopted a Recommendation on relevant markets susceptible to ex-ante regulation under the Directives. Under the Directives, the European Commission has the power to veto the assessment by a NRA of Significant Market Power in any market not set out in this Recommendation as well as any finding by a NRA of Significant Market Power in any market whether or not it is set out in the Recommendation.

Certain key elements introduced by the Directives are set forth below, followed by a discussion of certain other regulatory matters and a description of regulation for three countries where we have large operations. This is not intended to be a comprehensive description of all aspects of regulation in this area.

Licensing. Individual licenses for electronic communications services are not required for the operation of an electronic communications network or the offering of electronic communications services. A simple registration is required in these cases. Member States are limited in the obligations that they may place on someone who has so registered; the only obligations that may be imposed are specifically set out in the Authorizations Directive.

Access Issues. The Access Directive sets forth the general framework for interconnection of, and third party access to, networks, including cable networks. Public telecommunications network operators are required to negotiate interconnection agreements on a non-discriminatory basis with each other. In addition, some specific obligations are provided for in this Directive such as an obligation to distribute wide-screen television broadcasts in that format and certain requirements to provide access to conditional access systems. Other access obligations can be imposed on operators identified as having Significant Market Power in a particular market. These obligations are based on the outcomes that would occur under general competition law.

Must Carry Requirements. In most countries where we provide video and radio services, we are required to transmit to subscribers certain must carry channels, which generally include public national and local channels. In some European countries, we may be obligated to transmit quite a large number of channels by virtue of these requirements. Until recently, there was no meaningful oversight of this issue at the EU level. This changed when the

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Directives came into effect. Member States are only permitted to impose must carry obligations where they are necessary to meet clearly defined general interest objectives and where they are proportionate and transparent. Any such obligations must be subject to periodic review. It is not clear what effect this new rule will have in practice but we expect it to lead to a reduction of the size of must-carry packages in some countries.

API Standards. The Directives require Member States to encourage the use of open Application Programming Interfaces or APIs. The European Commission is required to conduct a review to ascertain whether interoperability and freedom of choice have been adequately achieved in the Member States with respect to digital interactive video services. If the European Commission reaches a negative conclusion on this issue with respect to one or more Member States, it has the power to mandate use of a particular API.

Consumer Protection Issues and Pricing Restrictions. Under the Directives, we may face various consumer protection restrictions if we are in a dominant position in a particular market. However, before the implementation of the Directives, local or national regulatory authorities in many European countries where we provide video services already imposed pricing restrictions. This is often a contractual provision rather than a regulatory requirement. Often, the relevant local or national authority must approve basic tier price increases. In certain countries, price increases will only be approved if the increase is justified by an increase in costs associated with providing the service or if the increase is less than or equal to the increase in the consumer price index. Even in countries where rates are not regulated, subscriber fees may be challenged if they are deemed to constitute anti-competitive practices.

Other. Our European operating companies must comply with both specific and general legislation concerning data protection, content provider liability and electronic commerce. These issues are broadly harmonized at the EU level. This is an area that may become more significant over time.

Broadcasting. Broadcasting is an area outside the scope of the Directives. Generally, broadcasts originating in and intended for reception within a country must respect the laws of that country. However, pursuant to another Directive, EU Member States are required to allow broadcast signals of broadcasters in another EU Member State to be freely transmitted within their territory so long as the broadcaster complies with the law of the originating EU Member State. An international convention extends this right beyond the EU s borders into the majority of territories in which we operate. An EU directive also establishes quotas for the transmission of European-produced programming and programs made by European producers who are independent of broadcasters. The EU legal framework governing broadcast television currently is under review.

Competition Law and Other Matters

EU directives and national consumer protection and competition laws in our Western European and certain other markets impose limitations on the pricing and marketing of bundled packages of services, such as video, telephony and Internet access services. Although our businesses may offer their services in bundled packages in European markets, they are generally not permitted to make subscription to one service, such as cable television, conditional upon subscription to another service, such as telephony. In addition, providers cannot abuse or enhance a dominant market position through unfair anti-competitive behavior. For example, cross-subsidization having this effect would be prohibited.

As our businesses become larger throughout the EU and in individual countries in terms of service area coverage and number of subscribers, they may face increased regulatory scrutiny. Regulators may prevent certain acquisitions or permit them only subject to certain conditions.

Austria

Austria has recently brought into effect a communications law that broadly transposes the Directives. The NRA is in the process of analyzing the 18 predefined markets to determine if any operator or service provider has Significant Market Power. We have been notified that the regulator s intention is to define us as having Significant Market Power in the call termination market on our own telecommunications network, together with all other network operators. It is unknown if and which conditions the NRA will impose on the parties that have been determined to have Significant Market Power.

France

France has recently brought into effect a communications law that broadly transposes the Directives. The NRA is in the process of analyzing the 18 predefined markets to determine if any operator or service provider has Significant Market Power.

The Netherlands

The Netherlands has recently brought into effect a communications law that broadly transposes the Directives. The NRA is currently analyzing the 18 predefined markets to determine if any operator or service provider has Significant Market Power, which could lead to obligations being placed on us, especially with respect to television distribution (where we faced obligations under the old regime). In the last quarter of 2004, the incumbent telecommunications operator, KPN, requested access to our network to distribute television programming. The NRA has denied the request of KPN, stating that we have no obligation to lease capacity on our network to KPN. There have been long-standing debates in The Netherlands regarding the desirability of requiring cable operators to open their networks to unaffiliated Internet service providers. To date these discussions have not led to a requirement for cable operators to offer such an access service.

The Dutch competition authority, NMA, is still investigating the price increases that we made with respect to our video services in 2004 to determine whether we abused our dominant position. If the NMA were to find that the price increases amount to an abuse of a dominant position, the NMA could impose fines of up to 10% of our 2003 video revenue in The Netherlands and we would be obliged to reconsider the price increases. Historically, in many parts of the Netherlands, we are a party to contracts with local municipalities that seek to control aspects of our Dutch business including, in some cases, pricing and package composition. Most of these contracts have been eliminated by agreement, although some contracts are still in force and under negotiation. In some cases there is litigation ongoing where some municipalities have resisted our attempts to move away from the contracts.

Japan

Regulation of the Cable Television Industry. The two key laws governing cable television broadcasting services in Japan are the Cable Television Broadcast Law and the Wire Telecommunications Law. The Cable Television Broadcast Law was enacted in 1972 to regulate the installation and operation of cable television facilities and the provision of cable television services. The Wire Telecommunications Law is the basic law in Japan governing wire telecommunications, and it regulates all wire telecommunications equipment, including cable television facilities. Under the Cable Television Broadcast Law, any business seeking to install cable television facilities with more than 500 drop terminals must obtain a license from the Ministry of Internal Affairs and Communications, commonly referred to as the MIC. Under the Wire Telecommunications Law, if these facilities have fewer than 500 drop terminals, only prior notification to the MIC is required. If a license is required, the license application must provide an installation plan, including details of the facilities to be constructed and the frequencies to be used, financial estimates, and other relevant information. Generally, the license holder must obtain prior permission from the MIC in order to change any of the items included in the original license application. The Cable Television Broadcast Law also provides that any business that wishes to furnish cable television services must file prior notification with the MIC before commencing service. This notification must identify the service areas, facilities and frequencies to be used (unless the facilities are owned by the provider) and outline the proposed cable television broadcasting services and other relevant information, regardless of whether these facilities are leased or owned. Generally, the cable television provider must notify the MIC of any changes to these items.

Prior to the commencement of operations, a cable television provider must notify the MIC of all charges and tariffs for its cable television services. Those charges and tariffs to be incurred in connection with the mandatory re-broadcasting of television content require the approval of the MIC. A cable television provider must also give prior notification to the MIC of all amendments to existing tariffs or charges (but MIC approval of these amendments is not required).

A cable television provider must comply with specific guidelines, including: (1) editing standards; (2) making its facilities available for third party use for cable television broadcasting services, subject to the availability of broadcast capacity; (3) providing service within its service area to those who request it absent reasonable grounds for refusal; (4) obtaining retransmission consent where retransmission of television broadcasts occur, unless such retransmission is required under the Cable Television Broadcast Law for areas having difficulties receiving television signals; and (5) obtaining permission to use public roads for the installation and use of cable.

The MIC may revoke a facility license if the license holder breaches the terms of its license; fails to comply with technical standards set forth in, or otherwise fails to meet the requirements of, the Cable Television Broadcast Law; or fails to implement a MIC improvement order relating to its cable television facilities or its operation of cable television services.

Regulation of the Telecommunications Industry. As providers of high-speed Internet access and telephony, our businesses in Japan also are subject to regulation by the MIC under the Telecommunications Business Law. The Telecommunications Business Law previously regulated Type I and Type II carriers. Type I carriers were allowed to carry data over telecommunications circuit facilities which they install or on which they hold long-term leases meeting certain criteria. Type I carriers included common carriers, as well as wireless operators. Type II carriers, including telecommunications circuit resale carriers and Internet service providers, carried data over facilities installed by others. Under the Telecommunications Business Law, Type I carriers were allowed to offer the same kinds and categories of services as Type II carriers. Because our businesses carry data over telecommunications circuit facilities they installed in connection with their telephony and high-speed Internet access and existing cable lines, our businesses were Type I carriers.

Effective April 1, 2004, amendments to the Telecommunications Business Law eliminated the distinction between Type I (facilities-based) and Type II (service-based) carriers. Type I carriers previously were subject to more stringent licensing and tariff requirements than Type II carriers. The amendments will make it easier for entities to enter the Japanese telecommunications market, particularly those carriers who wish to own and operate their own facilities on a limited scale. Larger carriers with facilities exceeding a certain size will be required to register with the MIC, while smaller carriers may enter the market just by providing notice to the MIC. The amendments also allow any carrier to discontinue business by providing notice to their users and ex post notification to the MIC.

Under these amendments, carriers who provide Basic Telecommunications Services, defined as telecommunications that are indispensable to the lives of the citizenry as specified in MIC ordinances, will be required to provide such services in an appropriate, fair and stable manner. Carriers providing Basic Telecommunications Services must do so pursuant to terms and conditions and for rates that have been filed in advance with the MIC. The MIC may order modifications to contract terms and conditions it deems inappropriate for certain specified reasons. The terms and conditions as well as charges and tariffs for the provision of telecommunications services for Type I carriers were strictly regulated, but under these amendments, carriers may generally negotiate terms and conditions with their users (including fees and charges) except those relating to Basic Telecommunications Services.

Under these amendments, interconnection with telecommunications carriers was also deregulated. Telecommunications carriers, other than those exceeding certain standards specified in the Telecommunications Business Law (such as NTT), may set interconnection tariffs and terms and conditions through independent negotiations without MIC approval.

Telecommunication carriers that own their telecommunication circuit facilities are required to maintain such facilities in conformity with specified technical standards. The MIC may order a carrier that fails to meet such standards to improve or repair its telecommunication facilities.

Latin America

Chile

Cable and telephony applications for permits and concessions are submitted to the Ministry of Transportation and Telecommunications, which, through the Subsecretary of Telecommunications or Subtel, is responsible for regulating, granting permits and concessions, registering and supervising all telecommunications providers. The Antitrust Court (*Tribunal de Defensa de la Libre Competencia)* also plays an important role in regulating telecommunications in Chile through its judgments. Wireline cable television permits are non-exclusive and granted for indefinite terms. Wireless television permits have renewable terms of 10 years, while telecommunication concessions (for example, for fixed or mobile telephony) have renewable 30-year terms. Wireline and wireless permits and concessions require operation in accordance with a technical plan submitted by the licensee together with the permit or concession application. Our businesses have cable permits in most major and medium sized markets in Chile. Cross ownership between cable television, Internet access and telephony is also permitted.

In general, the General Telecommunications Law of Chile allows telecommunications companies to provide service and develop telecommunication infrastructure without geographic restrictions or exclusive rights to serve. Chile currently has a competitive, multi-carrier system for international and local long distance telecommunications services. Regulatory authorities currently determine prices charged to customers for local telecommunications services provided by incumbent local fixed telephony operators until the market is determined to be competitive. Charges for access (prices for terminating calls in fixed or mobile networks), other interconnection services and unbundling services are determined for all operators, whether or not incumbent. To date, the regulatory authorities have determined prices charged to customers by the dominant local wireline telephony providers and the interconnection tariffs for several other operators. In all cases, the authorities determine a maximum rate structure that shall be in force for a five year period. Local service providers with concessions are obligated to provide service to all customers that are within their service area or are willing to pay for an extension to receive service. Local providers, whether or not incumbent, must also give long distance service providers equal access to their network connections at regulated prices.

Puerto Rico

U.S. Federal Communications Commission Regulation. The Communications Act of 1934, as amended, and the regulations of the Federal Communications Commission (FCC) significantly affect the cable system operations of our subsidiary Liberty Cablevision of Puerto Rico, including, for example, subscriber rates; carriage of broadcast television stations; leased access and public, educational and government access; customer service; program packaging to subscribers; obscene programming; technical operating standards; use of utility poles and conduit; and ownership transfers. Thus, the FCC limits the price that cable systems that are not subject to effective competition may charge for basic services and equipment. Cable systems also must carry, without compensation, certain commercial and non-commercial television station programming within their geographic markets. Alternatively, local television stations may insist that a cable operator negotiate for retransmission consent. In addition, the FCC initiated a further notice of proposed rulemaking to determine whether a television station may assert rights to carriage on cable systems of both analog and digital signals during the transition to digital television and to carriage of all digital signals transmitted by a station. On February 10, 2005, the FCC denied mandatory dual carriage of a television station s analog and digital signals during the digital television transition and mandatory carriage of all digital signals, other than its primary signal.

Liberty Cablevision of Puerto Rico also offers high-speed Internet access over portions of its network. The FCC has classified high-speed Internet access service as an interstate information service which the FCC traditionally has not regulated. However, a federal appellate court vacated the FCC s classification, and rehearing was denied. On December 3, 2004, the United States Supreme Court decided to review the federal appellate court s decision. Thus, it is uncertain how Internet access services ultimately will be classified and regulated. The FCC also adopted a notice of proposed rulemaking to examine whether local franchising authorities should be allowed to impose regulatory requirements on high-speed Internet access, among other issues.

Puerto Rico Regulation. The Puerto Rico Telecommunications Regulatory Board awards franchises for and regulates cable television systems in Puerto Rico. Such franchises are non-exclusive and renewable for periods up to 10 years. The regulatory board may revoke a franchise for various reasons, including, for example, substantial noncompliance with franchise terms and conditions, violations of applicable regulations, or continuing failure to satisfy required customer service standards. Cable systems may be charged a franchise fee of up to 5% of their gross revenue.

Argentina

The Comité Federal de Radiodifusión exercises broad regulatory authority over broadcast television, cable system and DTH satellite licensees. Our businesses provide programming to such distributors. Programming must comply with restrictions on obscene, violent and advertising content, among other matters. Licensed distributors are responsible for complying with these restrictions.

Competition

Markets for broadband distribution, including cable and satellite distribution, Internet access and telephony services, and video programming generally are highly competitive and rapidly evolving. Consequently, our businesses expect to face increased competition in these markets in the countries in which they operate, and specifically as a result of deregulation in the EU.

Broadband Distribution

Video Distribution

Our businesses compete directly with a wide range of providers of news, information and entertainment programming to consumers. Depending upon the country and market, these may include: (1) over-the-air broadcast television services; (2) DTH satellite service providers (systems that transmit satellite signals containing video programming, data and other information to receiving dishes of varying sizes located on the subscriber s premises); (3) satellite master antenna television systems, commonly known as SMATVs, which generally serve condominiums, apartment and office complexes and residential developments; (4) MMDS operators; (5) digital television terrestrial broadcasters; (6) other cable operators in the same communities that we serve; (7) other fixed-line telecommunications carriers and broadband providers, including the incumbent telecommunications operators, offering video products using DSL or ADSL technology or over fiber optic lines of fiber-to-the-home, or FTTH, networks; and (8) movie theaters, video stores and home video products. Our businesses also compete to varying degrees with more traditional sources of information and entertainment, such as newspapers, magazines, books, live entertainment/concerts and sporting events.

In some countries, our businesses face significant competition from other cable operators, while in other countries the primary competition is from DTH satellite service providers, digital television terrestrial broadcasters and/or other distributors of video programming using broadband networks. In some of our largest markets, including The Netherlands, France and Japan, we are facing increasing competition from video services offered by or over the network of the incumbent telecommunications operator. In Austria, the primary competition for video services is from satellite television service providers.

Internet

With respect to Internet access services and online content, our businesses face competition in a rapidly evolving marketplace from incumbent and non-incumbent telecommunications companies, other cable-based Internet service providers, non-cable-based Internet service providers and Internet portals, many of which have substantial resources. The Internet services offered by these competitors include both traditional dial-up Internet services and high-speed Internet access services using DSL or ADSL technology or fiber optic lines, in a range of product offerings with varying speeds and pricing, as well as interactive computer-based services, data and other non-video services to homes and businesses.

Telephony

With respect to telephony services, our businesses face competition from the incumbent telecommunications operator in each country. These operators have substantially more experience in providing telephony services, greater resources to devote to the provision of telephony services and longstanding customer relationships. In many countries, our businesses also face competition from other cable telephony providers, wireless telephony providers, FTTH-based providers or other indirect access providers. Competition in both the residential and business telephony markets will increase with certain market trends and regulatory changes, such as general price competition, the introduction of carrier pre-selection, number portability, continued deregulation of telephony markets, the replacement of fixed-line with mobile telephony, and the growth of VoIP services.

Programming Services

The business of providing programming for cable and satellite television distribution is highly competitive. Our programming businesses directly compete with other programmers for distribution on a limited number of channels. Once distribution is obtained, these programming services compete, to varying degrees, for viewers and advertisers with other cable and over the air broadcast television programming services as well as with other entertainment media, including home video (generally video rentals), online activities, movies and other forms of news, information and entertainment.

Employees

As of December 31, 2004, our consolidated subsidiaries and we had an aggregate of approximately 11,800 employees. We believe that our employee relations are good.

Properties

We lease our executive offices in Englewood, Colorado from Liberty. All of our other real or personal property is owned or leased by our subsidiaries and affiliates.

UGC leases its executive offices in Denver, Colorado. UGC s various operating companies lease or own their respective administrative offices, headend facilities, rights of way and other property necessary for their operations. The physical components of their broadband networks require maintenance and periodic upgrades to support the new services and products they introduce.

Liberty Cablevision of Puerto Rico owns its main office in Luquillo, Puerto Rico, its headends and certain other equipment in Cayey, Humacao and Lares, Puerto Rico. Liberty Cablevision of Puerto Rico also leases additional customer service offices, warehouses, headends and other equipment throughout Puerto Rico.

Pramer leases its offices in Buenos Aires, Argentina.

Our other subsidiaries and affiliates own or lease the fixed assets necessary for the operation of their respective businesses, including office space, transponder space, headends, cable television and telecommunications distribution equipment, telecommunications switches and customer equipment (including converter boxes). Our management believes that our current facilities are suitable and adequate for our business operations for the foreseeable future.

Legal Proceedings

From time to time, our subsidiaries and affiliates have become involved in litigation relating to claims arising out of their operations in the normal course of business. The following is a description of certain legal proceedings to which one of our subsidiaries or another company in which we hold an interest is a party. In our opinion, the ultimate resolution of these legal proceedings would not likely have a material adverse effect on our business, results of operations, financial condition or liquidity.

Old UGC Reorganization. On January 12, 2004, Old UGC, Inc., a wholly owned subsidiary of UGC, filed a voluntary petition for relief under Chapter 11 of the U.S. Bankruptcy Code with the U.S. Bankruptcy Court for the Southern District of New York. On September 21, 2004, UGC and Old UGC filed with the Bankruptcy Court a plan of reorganization, which was subsequently amended on October 5, 2004. On November 10, 2004, the Bankruptcy Court confirmed the amended plan of reorganization.

On November 24, 2004, Old UGC completed the restructuring of its indebtedness and other obligations pursuant to the terms of the approved plan of reorganization. In the restructuring, Old UGC acquired (i) $638.0 million face amount of Old UGC senior notes held by UGC in consideration for newly issued common stock of Old UGC and (ii) $599.2 million face amount of Old UGC senior notes held by IDT United, Inc. in consideration for newly issued preferred stock of Old UGC. At the time, UGC owned a 33% common equity interest and a 94% fully diluted interest in IDT United. The Old UGC senior notes held by third parties ($24.6 million face amount) were left outstanding (after cure, through the repayment of approximately $5.1 million in unpaid interest, and reinstatement) and were subsequently redeemed in February 2005. In addition, Old UGC paid approximately $3.1 million in settlement of certain outstanding guarantee obligations.

Following the restructuring, UGC acquired the interests in IDT United that it did not previously own for a total cash purchase price of approximately $22.7 million. As a result of Old UGC s restructuring and UGC s purchase of the IDT United interests, UGC continues to hold 100% of Old UGC s outstanding equity securities.

Movieco. On December 3, 2002, Europe Movieco Partners Limited (Movieco) filed a request for arbitration against United Pan-Europe Communications, N.V., a subsidiary of UGC that we refer to as UPC, with the International Court of Arbitration of the International Chamber of Commerce. The request contained claims that were based on a cable affiliation agreement entered into between the parties on December 21, 1999. In the proceedings, Movieco claimed (1) unpaid license fees due under the affiliation agreement, plus interest, (2) an order for specific performance of the affiliation agreement or, in the alternative, damages for breach of that agreement, and (3) legal and arbitration costs plus interest. On January 13, 2005, the Arbitral Tribunal rendered an award in which Movieco s claim for the unpaid license fees as described above was sustained and determined that UPC must pay unpaid license fees, plus interest and legal fees. These amounts, which aggregated $49.3 million, were paid during the first quarter of 2005. All other claims and counterclaims were dismissed.

Excite@Home. In 2000, certain of UGC s subsidiaries, including UPC, pursued a transaction with Excite@Home which, if completed, would have merged UPC s chello broadband subsidiary with Excite@Home s international broadband operations to form a European Internet business. The transaction was not completed, and discussions between the parties ended in late 2000. On November 3, 2003, UGC received a complaint filed on September 26, 2003 by Frank Morrow, on behalf of the General Unsecured Creditors Liquidating Trust of At Home in the United States Bankruptcy Court for the Northern District of California, styled as *In re At Home Corporation, Frank Morrow v. UnitedGlobalCom, Inc. et al.* (Case No. 01-32495-TC). In general, the complaint alleged breach of contract and fiduciary duty by UGC and Old UGC, Inc. The plaintiff filed a claim in the Old UGC bankruptcy proceedings of approximately $2.2 billion. On September 16, 2004, the Bankruptcy Court in the Old UGC bankruptcy proceedings estimated the claim against Old UGC at zero. On November 10, 2004, the Bankruptcy Court confirmed Old UGC s plan of reorganization, which provided that the claim of Excite@Home would receive no distribution and released both Old UGC and UGC from any liability in connection with such claim. The reorganization became effective on November 24, 2004. On February 15, 2005, the parties involved in the California proceeding agreed to dismiss the Excite@Home complaint.

Cignal. On April 26, 2002, UPC received a notice that certain former shareholders of Cignal Global Communications filed a lawsuit against UPC in the District Court in Amsterdam, The Netherlands, claiming $200 million on the basis that UPC failed to honor certain option rights that were granted to those shareholders in connection with the acquisition of Cignal by Priority Telecom. UPC believes that it has complied in full with its obligations to these shareholders through the successful completion of the initial public offering of Priority Telecom on September 27, 2001. Accordingly, UPC believes that the Cignal shareholders claims are without merit and intends to defend this suit vigorously. In December 2003, certain members and former members of the Supervisory Board of Priority Telecom were put on notice that a tort claim may be filed against them for their cooperation in the initial public offering. A hearing was held on March 8, 2005 and a decision is expected in April 2005.

Class Action Lawsuits Relating to the Merger Transaction with UGC. Since January 18, 2005, twenty-one lawsuits have been filed in the Delaware Court of Chancery, and one lawsuit has been filed in the Denver District Court, State of Colorado, all purportedly on behalf of the public stockholders of UGC regarding the announcement on January 18, 2005 of the execution by UGC and us of the agreement and plan of merger for the combination of our companies under a new parent company. The defendants named in these actions include UGC, Gene W. Schneider, Michael T. Fries, David B. Koff, Robert R. Bennett, John C. Malone, John P. Cole, Bernard G. Dvorak, John W. Dick, Paul A. Gould and Gary S. Howard (directors of UGC) and us. The allegations in each of the complaints, which are substantially similar, assert that the defendants have breached their fiduciary duties of loyalty, care, good faith and candor and that various defendants have engaged in self-dealing and unjust enrichment, affirmed an unfair price, and impeded or discouraged other offers for UGC or its assets in bad faith and for improper motives. In addition to seeking to enjoin the transaction, the complaints seek remedies including damages for the public holders of UGC stock and an award of attorney s fees to plaintiffs counsel. In connection with the Delaware lawsuits, defendants have been served with one request for production of documents. On February 11, 2005, the Delaware Court of Chancery consolidated all twenty-one Delaware lawsuits into a single action. Under the terms of the court s consolidation order, the plaintiffs are required to file a consolidated amended complaint as soon as practicable, and the defendants are not required to respond to any other complaints filed in the twenty-one constituent actions. As of the date of this joint proxy statement/ prospectus, the plaintiffs have not filed a consolidated amended complaint and, pursuant to the terms of the court order, the defendants have not filed an answer or other response. The defendants believe the lawsuits are without merit.

APPENDIX A: INFORMATION CONCERNING LIBERTY MEDIA INTERNATIONAL, INC.
PART 2: CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Agreements with or relating to UGC

In connection with the spin off of LMI from Liberty, Liberty contributed substantially all of its shares of UGC common stock and related contract rights and obligations to LMI. Accordingly, we have described below certain contracts, agreements and arrangements entered into by Liberty prior to the date of the spin off and contributed or assigned by Liberty to LMI in connection with the spin off.

UGC Merger Agreement

On January 30, 2002, pursuant to an Amended and Restated Agreement and Plan of Merger, dated December 31, 2001, among Liberty, UGC, UGC s predecessor (Old UGC) and certain of their respective subsidiaries, Liberty contributed to UGC all of the Class B common stock of Old UGC and some of the Class A common stock of Old UGC that it held in exchange for newly issued shares of UGC Class C common stock. Immediately after these contributions and contributions to UGC by the founding stockholders of Old UGC (the founders), UGC acquired Old UGC by merger of a subsidiary of UGC with and into Old UGC. As a result of the merger, UGC became a publicly traded company. Immediately following the merger, Liberty contributed to UGC certain assets, including $200 million in cash, in exchange for additional shares of UGC common stock. After giving effect to the contributions as well as certain other transactions, Liberty owned approximately 74% of UGC s outstanding equity and approximately 94% of UGC s outstanding voting power, subject to limitations on Liberty s voting rights.

In connection with these transactions, on January 30, 2002, Liberty, UGC, Old UGC and the founders entered into other agreements relating to the governance of UGC and Old UGC, which, among other things, ensured that the founders remained in control of UGC, as well as agreements relating to UGC securities. These agreements included a stockholders agreement, a standstill agreement and a registration rights agreement. Except for the provisions described below, each of these agreements was terminated on January 5, 2004, in connection with Liberty s acquisition of all of the outstanding shares of UGC Class B common stock from the founders.

Senior Notes

Also on January 30, 2002, UGC acquired from Liberty approximately $751.2 principal amount at maturity of the senior notes of Old UGC held by Liberty, as well as the debt and equity interests owned by Liberty in an entity that held approximately $598.8 million principal amount at maturity of the senior notes of Old UGC, in exchange for approximately $304.6 million of indebtedness owed by Liberty to Old UGC and cash in the amount of approximately $143.9 million.

Registration Rights Agreement

On January 30, 2002, UGC, Liberty and certain subsidiaries of Liberty entered into a registration rights agreement. In connection with the spin off, LMI became entitled to the benefits of the demand and piggy-back registration rights set forth in the registration rights agreement. The registration rights agreement is expected to be terminated in connection with the consummation of the mergers.

Old Standstill Agreement; Letter Agreement

On January 30, 2002, UGC, Liberty and certain subsidiaries of Liberty entered into a standstill agreement (which we refer to as the old standstill agreement). Pursuant to the old standstill agreement, Liberty was entitled to, among other things, certain preemptive rights with respect to issuances of shares of UGC Class A common stock. On November 12, 2003, Liberty entered into a letter agreement with UGC pursuant to which Liberty agreed to a limited waiver of its preemptive rights in connection with the consummation of the acquisition of UGC Europe, Inc. by UGC, provided that Liberty s preemptive rights under the old standstill agreement would survive the termination of the old standstill agreement, subject to modification. These preemptive rights were contributed to LMI in connection with the spin off. Pursuant to these preemptive rights, if UGC issued any shares of its Class A common stock or rights to acquire such common stock, LMI has the right, but not the obligation, to purchase a portion of such issuance (subject to certain exceptions), on terms at least as favorable as those given to any third party purchasers, sufficient to permit LMI and its affiliates to hold an amount of UGC equity securities, in each case after giving effect to such offering, equal to the lesser of (1) 55% of UGC s issued and outstanding shares of common stock and (2) the equity percentage in UGC

held by LMI and its affiliates in UGC immediately prior to such issuance. The old standstill agreement and the letter agreement are expected to be terminated in connection with the consummation of the mergers.

Founders Transaction

On January 5, 2004, Liberty acquired approximately 8.2 million shares of UGC Class B common stock from the founders, including Gene W. Schneider, Chairman of the Board and former Chief Executive Officer of UGC, and certain trusts for the benefit of Mr. Schneider s family, representing all of the outstanding shares of UGC Class B common stock, in exchange for approximately 12.6 million shares of Liberty Series A common stock and approximately $12.9 million in cash. We refer to this transaction as the founders transaction. Upon the consummation of the founders transaction, the material terms of the old standstill agreement terminated, but the preemptive rights set forth therein survived in accordance with and as modified by the letter agreement, and Liberty obtained the power to elect all of the members of UGC s board of directors and, generally, to control UGC.

Noncompetition and Nonsolicitation Agreements

On December 19, 2003, in connection with the founders transaction, Liberty entered into noncompetition and nonsolicitation agreements with Michael T. Fries, Chief Executive Officer and a director of UGC, Mark L. Schneider, former director of UGC and former Chief Executive Officer of the chellomedia division of UGC Europe, Ellen P. Spangler, Senior Vice President of Business and Legal Affairs and Secretary of UGC, and Tina M. Wildes, former director and former Senior Vice President of Business Administration of UGC, providing for the issuance of, respectively, 228,750 shares, 228,750 shares, 134,935 shares and 134,934 shares of Liberty Series A common stock to such persons in exchange for certain noncompetition and nonsolicitation covenants from such persons to Liberty. In connection with the spin off of LMI from Liberty, the benefits of these agreements were assigned to LMI.

New Standstill Agreement

On January 5, 2004, in connection with the founders transaction, Liberty and UGC entered into a standstill agreement (which we refer to as the new standstill agreement). The new standstill agreement, which Liberty assigned to LMI in connection with the spin off, generally limits LMI s ownership of UGC s common stock to 90% or less, unless LMI makes an offer or effects another transaction to acquire all of UGC s common stock. Except in the case of a short-form merger in which UGC s stockholders are entitled to statutory appraisal rights, such offer or transaction must be at a price at or above a fair value of UGC s shares determined through an appraisal process if a majority of UGC s independent directors has voted against approval or acceptance of such transaction. The mergers comply with LMI s obligations under the new standstill agreement. The new standstill agreement is expected to be terminated in connection with the consummation of the mergers.

UGC Services Agreement

On June 7, 2004, LMI and UGC entered into an agreement pursuant to which they agreed to obtain certain services from each other. Pursuant to the UGC services agreement, UGC provides LMI with specified services and benefits, including employee benefit administration, payroll, tax withholding, workers compensation administration and enrollment in UGC s benefit plans, in each case with respect to persons employed by LMI, and such other services as LMI and UGC may from time to time mutually determine to be necessary or desirable. Also, pursuant to the UGC services agreement, LMI provides to UGC certain services typically performed by accounting and tax department personnel, which may include services provided to LMI by Liberty s accounting and tax department personnel pursuant to a facilities and services agreement that LMI entered into with Liberty. See Agreements with Liberty Liberty Services Agreement below.

Pursuant to the UGC services agreement, LMI pays UGC an annual fee of $20,000 for providing the foregoing benefits and services to LMI and its employees. In addition, LMI reimburses UGC for direct out-of-pocket costs incurred by UGC for third party services in providing the foregoing benefits and services to LMI and LMI s employees. UGC pays LMI the portion of any accounting or tax department personnel costs (taking into account wages and fringe benefits) that is expected to be attributable to time spent performing services for UGC under the UGC services agreement. LMI and UGC evaluate all charges for reasonableness periodically and make any adjustments as they mutually agree upon.

The UGC services agreement was renewed automatically on January 1, 2005. The UGC services agreement is expected to be terminated in connection with the consummation of the mergers.

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Other

In addition to the foregoing, LMI and certain of its subsidiaries have from time to time entered into transactions with UGC and certain of its subsidiaries. For more information regarding these transactions, please see Appendix A: Information Concerning Liberty Media International, Inc. Part 1: Description of Business Recent Developments. During the past two years, LMI has, and prior to LMI s spin off Liberty has, from time to time acquired securities of UGC. For information regarding these share acquisitions, please see Special Factors Fairness Determinations of the Boards of Directors of LMI, Liberty Global, LMI Merger Sub and UGC Merger Sub Fairness Determination of the LMI Board.

Interests of Certain Directors and Executive Officers of LMI and UGC in the Mergers

Certain directors and executive officers of LMI and UGC have material interests in addition to or different from those of the public stockholders of LMI and UGC relating to the mergers. For information regarding these interests, please see Special Factors Interests of Certain Persons in the Mergers and Management of LMI Director Compensation in the joint proxy statement/ prospectus.

Agreements with Liberty

In connection with LMI s spin off from Liberty, LMI and Liberty entered into a series of agreements, under which LMI has certain rights and liabilities. The following is a summary of the terms of the material agreements LMI entered into with Liberty. This summary is qualified by reference to the full text of the agreements which have been included as exhibits to the registration statement on Form S-4 being filed by Liberty Global in connection with the mergers.

Reorganization Agreement

On June 7, 2004, LMI, Liberty and certain subsidiaries of Liberty entered into a reorganization agreement to provide for, among other things, the principal corporate transactions required to effect the spin off of LMI. Pursuant to the reorganization agreement, Liberty transferred to LMI, or caused its subsidiaries to transfer to LMI, substantially all of the assets comprising Liberty s International Group not already held by LMI, cash and certain financial assets. The reorganization agreement provides for mutual indemnification obligations, which are designed to make LMI financially responsible for substantially all of the liabilities relating to the businesses of Liberty s International Group prior to the spin off, as well as for all liabilities incurred by LMI after the spin off, and to make Liberty financially responsible for all of LMI s potential liabilities which are not related to LMI s businesses, including, for example, liabilities arising as a result of LMI having been a subsidiary of Liberty. In addition, the reorganization agreement provides for each of LMI and Liberty to preserve the confidentiality of all confidential or proprietary information of the other party for three years following the spin off, subject to customary exceptions, including disclosures required by law, court order or government regulation.

Liberty Services Agreement

On June 7, 2004, LMI and Liberty entered into a facilities and services agreement pursuant to which Liberty provides LMI with specified services and benefits, including:

- the lease of office space at Liberty s executive headquarters, including furniture and furnishings and the use of building services;
- telephone, utilities, technical assistance (including information technology, management information systems, network maintenance and data storage), computers, office supplies, postage, courier service, cafeteria access and other office and administrative services;
- insurance administration and risk management services;
- other services typically performed by Liberty s accounting, treasury, engineering, legal, investor relations and tax department personnel; and
- such other services as LMI and Liberty may from time to time mutually determine to be necessary or desirable.

LMI makes payments to Liberty under the Liberty services agreement based upon an annual per-square foot occupancy charge and an allocated portion of Liberty s personnel costs (taking into account wages and fringe benefits) of the departments expected to provide services to LMI. The allocated portion of these personnel costs will be based upon the anticipated percentages of time to be spent by Liberty personnel in each department performing services for LMI under the Liberty services agreement. LMI also reimburses Liberty for direct out-of-pocket costs incurred by Liberty for third party services provided to LMI that are not included in LMI s occupancy charge. LMI and Liberty evaluate all charges for reasonableness semi-annually and make any adjustments to these charges as they mutually agree upon. LMI paid Liberty approximately $1.325 million in fees under the Liberty services agreement for the period beginning on the date of the spin off and ending on December 31, 2004.

The Liberty services agreement will continue in effect for two years, unless earlier terminated (1) by LMI at any time on at least 30 days prior written notice, (2) by Liberty at any time on at least 180 days prior notice, (3) by Liberty upon written notice to LMI, following certain changes in control of LMI or LMI being the subject of certain bankruptcy or insolvency-related events, or (4) by LMI upon written notice to Liberty, following certain changes in control of Liberty or Liberty being the subject of certain bankruptcy or insolvency-related events. The mergers do not result in a change in control of LMI under the Liberty services agreement.

Agreements for Aircraft Joint Ownership and Management

Prior to the spin off, Liberty transferred to LMI a 25% ownership interest in two of Liberty s aircraft. In connection with the transfer, LMI and Liberty entered into certain agreements pursuant to which, among other things, LMI and Liberty share the costs of Liberty s flight department and the costs of maintaining and operating the jointly owned aircraft. Costs are allocated based upon either LMI s and Liberty s respective usage or ownership of such aircraft, depending on the type of cost. LMI s allocable share of costs under these agreements amounted to approximately $229,000 for the period beginning on the date of the spin off and ending on December 31, 2004.

Tax Sharing Agreement

Prior to the spin off, LMI entered into a tax sharing agreement with Liberty that governs Liberty s and LMI s respective rights, responsibilities and obligations with respect to taxes and tax benefits, the filing of tax returns, the control of audits and other tax matters. References in this summary description of the tax sharing agreement to the terms tax or taxes mean taxes as well as any interest, penalties, additions to tax or additional amounts in respect of such taxes.

Prior to the spin off, LMI and its eligible subsidiaries joined with Liberty in the filing of a consolidated return for U.S. federal income tax purposes and also joined with Liberty in the filing of certain consolidated, combined, and unitary returns for state, local, and foreign tax purposes. However, for periods (or portions thereof) beginning after the spin off, LMI no longer joins with Liberty in the filing of any federal, state, local or foreign consolidated, combined or unitary tax returns.

Under the tax sharing agreement, except as described below, Liberty is responsible for all U.S. federal, state, local and foreign income taxes reported on a consolidated, combined or unitary return that includes LMI or one of LMI s subsidiaries, on the one hand, and Liberty or one of its subsidiaries, on the other hand. In addition, except for certain liabilities relating to dual consolidated losses and gain recognition agreements that are described below, Liberty will indemnify LMI and its subsidiaries against any liabilities arising under its tax sharing agreement with AT&T Corp. LMI is responsible for all other taxes (including income taxes not reported on a consolidated, combined, or unitary return by Liberty or its subsidiaries) that are attributable to LMI or one of its subsidiaries, whether accruing before, on or after the spin off. LMI has no obligation to reimburse Liberty for the use, in any period following the spin off, of a tax benefit created before the spin off, regardless of whether such benefit arose with respect to taxes reported on a consolidated, combined or unitary basis.

Notwithstanding the tax sharing agreement, under U.S. Treasury Regulations, each member of a consolidated group is severally liable for the U.S. federal income tax liability of each other member of the consolidated group. Accordingly, with respect to periods in which LMI (or LMI s subsidiaries) have been included in Liberty s, AT&T Corp. s or Tele-Communications, Inc. s consolidated group, LMI (or LMI s subsidiaries) could be liable to the U.S. government for any U.S. federal income tax liability incurred, but not discharged, by any other member of such consolidated group. However, if any such liability were imposed, LMI would generally be entitled to be indemnified by Liberty for tax liabilities allocated to Liberty under the tax sharing agreement.

LMI s ability to obtain a refund from a carryback of a tax benefit to a year in which LMI and Liberty (or any of their respective subsidiaries) joined in the filing of a consolidated, combined or unitary return will be at the discretion of

Liberty. Moreover, any refund that LMI may obtain will be net of any increase in taxes resulting from the carryback for which Liberty is otherwise liable under the tax sharing agreement.

The tax sharing agreement provides that LMI will enter into a closing agreement with the Internal Revenue Service with respect to unrecaptured dual consolidated losses attributable to LMI or any of its subsidiaries under Section 1503(d) of the Code. Moreover, LMI agreed to be liable for any deemed adjustment to taxes resulting from the recapture of any dual consolidated loss so attributed to LMI, if such loss is required to be recaptured as a result of one or more specified events described in the U.S. Treasury Regulations occurring after the distribution date. For purposes of the tax sharing agreement, the deemed adjustment to taxes generally will be an amount equal to the recaptured dual consolidated loss multiplied by the highest applicable statutory rate for the applicable taxing jurisdiction, plus interest and any penalties. LMI must also indemnify and hold harmless Liberty and its subsidiaries against any liability arising under Liberty s tax sharing agreement with AT&T Corp. with respect to such recaptured dual consolidated loss.

The tax sharing agreement provides that LMI is liable for any deemed adjustment to taxes resulting from the recognition of gain pursuant to a gain recognition agreement entered into by Liberty (or any parent of a consolidated group of which LMI or any of its subsidiaries were formerly a member) in accordance with Treasury Regulations Section 1.367(a)-8(b), but only if the recognition of such gain results in an adjustment to the basis of any property held by LMI or any of its subsidiaries. For purposes of the tax sharing agreement, the deemed adjustment to taxes generally will be an amount equal to the gain recognized multiplied by the highest applicable statutory rate for the applicable taxing jurisdiction, plus interest and any penalties. LMI must also indemnify and hold harmless Liberty and its subsidiaries against any liability arising under its tax sharing agreement with AT&T Corp. with respect to such recognition of gain. However, the amount LMI is required to indemnify Liberty and its subsidiaries for any deemed adjustment to taxes or any liability arising under Liberty s tax sharing agreement with AT&T Corp. will be reduced by any amount that Liberty or any of its subsidiaries receives pursuant to any indemnification arrangement with any other person arising from or relating to recognition of gain under such gain recognition agreement.

To the extent permitted by applicable tax law, LMI and Liberty will treat any payments made under the tax sharing agreement as a capital contribution or distribution (as applicable) made immediately prior to the spin off, and accordingly, as not includible in the taxable income of the recipient. However, if any payment causes, directly or indirectly, an increase in the taxable income of the recipient (or its affiliates), the payor s payment obligation will be grossed up to take into account the deemed taxes owed by the recipient (or its affiliates).

LMI is responsible for preparing and filing all tax returns that include LMI or one of its subsidiaries other than any consolidated, combined or unitary income tax return that includes LMI or one of its subsidiaries, on the one hand, and Liberty or one of its subsidiaries, on the other hand, and LMI has the authority to respond to and conduct all tax proceedings, including tax audits, involving any taxes or any deemed adjustment to taxes reported on such tax returns. Liberty is responsible for preparing and filing all consolidated, combined or unitary income tax returns that include LMI or one of its subsidiaries, on the one hand, and Liberty or one of its subsidiaries, on the other hand, and Liberty has the authority to respond to and conduct all tax proceedings, including tax audits, relating to taxes or any deemed adjustment to taxes reported on such tax returns. Liberty also has the authority to respond to and conduct all tax proceedings relating to any liability arising under its tax sharing agreement with AT&T Corp. LMI is entitled to participate in any tax proceeding involving any taxes or deemed adjustment to taxes, or any liabilities under Liberty s tax sharing agreement with AT&T Corp., for which LMI is liable under the tax sharing agreement. The tax sharing agreement further provides for cooperation between Liberty and LMI with respect to tax matters, the exchange of information and the retention of records that may affect the tax liabilities of the parties to the agreement.

Finally, the tax sharing agreement requires that neither LMI nor any of its subsidiaries will take, or fail to take, any action where such action, or failure to act, would be inconsistent with or prohibit the spin off from qualifying as a tax-free transaction to Liberty and to Liberty s stockholders as of the record date for the spin off under Section 355 of the Code. Moreover, LMI must indemnify Liberty and its subsidiaries, officers and directors for any loss, including any deemed adjustment to taxes of Liberty, resulting from (1) such action or failure to act, if such action or failure to act precludes the spin off from qualifying as a tax-free transaction or (2) any breach of any representation or covenant given by LMI or one of its subsidiaries in connection with the tax opinion delivered to Liberty by Skadden, Arps, Slate, Meagher & Flom LLP and any other tax opinion delivered to Liberty, in each case relating to the qualification of the spin off as a tax-free distribution described in Section 355 of the Code. For purposes of the tax sharing agreement, the deemed adjustment to taxes generally will be an amount equal to the gain recognized by Liberty multiplied by the highest applicable statutory rate for the applicable taxing jurisdiction, plus interest and any penalties.

Transfer of Interests in Cablevisión S.A.

On November 2, 2004, Liberty, VLG Acquisition LLC, Liberty Media International Holdings, LLC (a subsidiary of LMI) and Mr. Fred A. Vierra, the then-sole shareholder of VLG Acquisition, entered into an agreement with a third party to transfer to the third party, for aggregate cash consideration of $65 million, all outstanding equity interests in

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VLG Argentina and all of LMI s indirect rights and obligations pursuant to Cablevisión S.A. s debt restructuring agreement to contribute $27,500,000 to Cablevisión in exchange for newly issued Cablevisión shares representing approximately 40.0% of Cablevisión s fully diluted post-restructuring equity. Liberty owned a 78.2% economic and non-voting interest in VLG Argentina, and VLG Acquisition owned a 21.8% economic interest and all of the voting interests in VLG Argentina. VLG Argentina owns a 50% interest in Cablevisión. Of the aggregate consideration deliverable by the third party under this agreement, LMI was allocated $40.5 million, Liberty was allocated $13.4 million and VLG Acquisition was allocated $11.1 million. Each of LMI, Liberty and VLG Acquisition received 50% of its allocable amount in November 2004 upon signing of the agreement and the remaining 50% of its allocable amount in March 2005 upon consummation of the transaction.

David J. Leonard is an executive officer of LMI, and John H. Gowen is an officer of LMI. Prior to joining LMI, Messrs. Leonard and Gowen held indirect equity interests in VLG Acquisition, which they sold to Mr. Vierra. In connection with this sale, Messrs. Leonard and Gowen each retained a contractual right to 33% of any proceeds in excess of $100,000 from the sale of VLG Acquisition s interest in VLG Argentina or from distributions to VLG Acquisition by VLG Argentina in connection with a sale of VLG Argentina s interest in Cablevisión. As a result of these rights, Messrs. Leonard and Gowen each received approximately $3.64 million in cash consideration in connection with the transfer to the third party by VLG Acquisition of its interests in VLG Argentina, as described above.

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APPENDIX A: INFORMATION CONCERNING LIBERTY MEDIA INTERNATIONAL, INC. PART 3 MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Management s Discussion and Analysis of Financial Condition and Results of Operations

The capitalized terms used below have been defined in the notes to the accompanying consolidated financial statements. In the following text, the terms, we, our, our company and us may refer, as the context requires, to LMC International (prior to June 7, 2004), LMI and its consolidated subsidiaries (on and subsequent to June 7, 2004) or both. Unless otherwise indicated, convenience translations into U.S. dollars are calculated as of December 31, 2004.

The following discussion and analysis provides information concerning our results of operations and financial condition. This discussion should be read in conjunction with our accompanying consolidated financial statements and the notes thereto included elsewhere herein.

Overview

We own majority and minority interests in international broadband distribution and programming companies. On June 7, 2004, Liberty completed the spin off of LMI to Liberty s shareholders. In connection with the spin off, holders of Liberty common stock on the June 1, 2004 Record Date received 0.05 of a share of LMI Series A common stock for each share of Liberty Series A common stock owned on the Record Date and 0.05 of a share of LMI Series B common stock for each share of Liberty Series B common stock owned on the Record Date. The spin off was intended to qualify as a tax-free spin off. For financial reporting purposes, the spin off is deemed to have occurred on June 1, 2004.

Following the spin off, we and Liberty operate independently, and neither has any stock ownership, beneficial or otherwise, in the other.

Our operating subsidiaries and most significant equity method investments are set forth below:

Operating subsidiaries at December 31, 2004:

UGC

Liberty Cablevision Puerto Rico

Pramer

Our most significant subsidiary is UGC, an international broadband communications provider of video, voice, and Internet access services with operations in 13 European countries and three Latin American countries. UGC s largest operating segments are located in The Netherlands, France, Austria and Chile. At December 31, 2004, we owned approximately 423.8 million shares of UGC common stock, representing an approximate 53.6% economic interest and a 91.0% voting interest. As further described in note 5 to the accompanying consolidated financial statements, we began consolidating UGC on January 1, 2004. Prior to that date, we used the equity method to account for our investment in UGC. As discussed in greater detail in note 1 to the accompanying consolidated financial statements, we have entered into a merger agreement with UGC, whereby Liberty Global, a newly-formed holding company, would acquire all of the capital stock of our company and all of the capital stock of UGC not owned by our company.

Liberty Cablevision Puerto Rico is a wholly-owned subsidiary that owns and operates cable television systems in Puerto Rico. Pramer is a wholly-owned Argentine programming company that supplies programming services to cable television and DTH satellite distributors in Latin America and Spain.

Significant equity method investments at December 31, 2004:

Super Media

JPC

On December 28, 2004, our 45.45% ownership interest in J-COM, and a 19.78% interest in J-COM owned by Sumitomo were combined in Super Media. As a result of these transactions, we held a 69.68% noncontrolling interest in Super Media, and Super Media held a 65.23% controlling interest in J-COM at December 31, 2004. At December 31, 2004, we accounted for our 69.68% interest in Super Media using the equity method. As a result of a change in the corporate governance of Super Media that occurred on February 18, 2005, we began accounting for Super Media as a consolidated subsidiary effective January 1, 2005. J-COM owns and operates broadband businesses in Japan. On March 23, 2005, J-COM completed its initial public offering of its common shares. Also on March 23, 2005, Sumitomo contributed to Super Media a portion of the 12.25% equity interest in J-COM that Sumitomo retained following the December 2004 contributions, decreasing LMI s interest in Super Media to 67.6%. Sumitomo is obligated to contribute all of its remaining interest in J-COM to Super Media during 2005. After giving effect to the J-COM initial public offering, including the subsequent exercise of the underwriters over-allotment option, and the March 2005 contribution by Sumitomo, Super Media s ownership interest in J-COM was approximately 54.46%. For additional information, see note 6 to the accompanying consolidated financial statements.

JPC is a joint venture between Sumitomo and our company that primarily develops, manages and distributes pay television services in Japan on a platform-neutral basis through various distribution infrastructures, principally cable and DTH service providers.

We believe our primary opportunities in our international markets include continued growth in subscribers; increasing the average revenue per unit by continuing to rollout broadband communication services such as telephone, Internet access and digital video; developing foreign programming businesses; and maximizing operating efficiencies on a regional basis. Potential impediments to achieving these goals include increasing price competition for broadband services; competition from alternative video distribution technologies; and availability of sufficient capital to finance the rollout of new services.

Results of Operations

Due to the January 1, 2004 change from the equity method to the consolidation method of accounting for our investment in UGC, our historical revenue and expenses for 2004 are not comparable to prior year periods. Accordingly, in addition to a discussion of our historical results of operations, we have also included an analysis of our operating results based on the approach we use to analyze our reportable operating segments. As further described below, we believe that our operating segment discussion provides a more meaningful basis for comparing UGC s operating results than does our historical discussion.

Changes in foreign currency exchange rates have a significant impact on our operating results as all of our operating segments, except Liberty Cablevision Puerto Rico, have functional currencies other than the U.S. dollar. Our primary exposure is currently to the euro as over 50% of our U.S. dollar revenue during 2004 was derived from countries where the euro is the functional currency. In addition, our operating results are also significantly impacted by changes in the exchange rates for the Japanese yen, Chilean peso and, to a lesser degree, other local currencies in Europe.

Discussion and Analysis of Historical Operating Results

Years ended December 31, 2004 and 2003

As noted above, we began consolidating UGC effective January 1, 2004. Unless otherwise indicated in the discussion below, the significant increases in our historical revenue, expenses and other items during 2004, as compared to 2003, are primarily attributable to this change in our consolidated reporting entities.

Stock-based compensation charges

We incurred stock-based compensation expense of $142,762,000 and $4,088,000 during 2004 and 2003, respectively. The 2004 amount, which includes $116,661,000 of compensation expense related to UGC stock incentive awards, is primarily a function of higher UGC and LMI stock prices and additional vesting of stock incentive awards. As a result of adjustments to certain terms of UGC and LMI stock incentive awards that were outstanding at the time of their respective rights offerings in February 2004 and July 2004, most of the UGC and LMI stock incentive awards outstanding at December 31, 2004 are accounted for as variable-plan awards. A $50,409,000 first quarter 2004 charge was recorded by UGC to reflect a change from fixed-plan accounting to variable-plan accounting. Due to the use of variable-plan accounting by LMI and UGC, stock compensation expense with respect to LMI and Liberty options held by LMI employees and UGC stock incentive awards held by UGC employees is subject to adjustment based on the market value of the underlying common stock and vesting schedules, and ultimately on the final determination of market value when the incentive awards are exercised.

Impairment of long-lived assets

We recorded charges to reflect the impairment of long-lived assets of $69,353,000 during 2004. This amount includes a $26,000,000 charge to write-off enterprise level goodwill associated with Pramer. This charge was triggered by our third quarter 2004 determination that it was more-likely-than-not that we would sell Pramer. Other impairment charges during 2004 include $16,111,000 related to the write-down of certain of UGC s long-lived telecommunications assets in Norway and $10,955,000 related to the write-down of certain of UGC s tangible fixed assets in The Netherlands.

Restructuring and other charges

During 2004, UGC recorded aggregate restructuring and other charges of $29,018,000, including (i) $21,660,000 related to its operations in The Netherlands, (ii) $4,172,000 relating to certain of its other operations in Europe and (iii) $3,186,00 for certain benefits of the former Chief Executive Officer of UGC. For additional information, see note 17 to the accompanying consolidated financial statements.

Interest and dividend income

Interest and dividend income increased $40,733,000 during 2004, as compared to 2003. The increase includes $23,823,000 that is attributable to the January 1, 2004 consolidation of UGC. The remaining increase is primarily attributable to dividend income on the ABC Family preferred stock, a 99.9% interest in which was contributed by Liberty to our company in connection with the spin off.

Share of earnings of affiliates, net

Our share of earnings of affiliates increased $24,971,000 during 2004, as compared to 2003. Such increase primarily is attributable to increases in our share of the net earnings of J-COM and, to a lesser extent, JPC. Such increases were partially offset by write-downs of our investments in Torneos y Competencias S.A., (Torneos) and another programming entity that operates in Latin America to reflect other-than-temporary declines in the fair values of these investments. The increase in J-COM s net earnings is primarily attributable to revenue growth due to increases in the subscribers to J-COM s telephone, Internet and cable television services. For additional discussion of J-COM s operating results, see Discussion and Analysis of Reportable Segments below. During 2003, we did not recognize our share of UGC s losses as our investment in UGC previously had been reduced to zero and we had no commitment to make additional investments in UGC. For additional information, see note 6 to the accompanying consolidated financial statements.

Realized and Unrealized Gains (Losses) on Derivative Instruments, Net

The details of our realized and unrealized gains (losses) on derivative instruments are as follows:

Year ended December 31,