

## LIBERTY GLOBAL REPORTS FISCAL 2005 RESULTS

### Record Subscriber Growth Continues

### New \$250 Million Stock Repurchase Program Announced

**Denver, Colorado** – March 14, 2006: Liberty Global, Inc. (“Liberty Global”) (NASDAQ: LBTYA, LBTYB, LBTYK), today announces financial and operating results for the fourth quarter and year-ended December 31, 2005. Highlights for the year compared to the results of Liberty Global’s predecessor Liberty Media International, Inc. (“LMI”) for the same period last year (unless noted) include<sup>1</sup>:

- An organic<sup>2</sup> increase of nearly 500,000 RGUs in the fourth quarter to bring our full year net gain to 1.25 million new RGUs<sup>3</sup>, a 50% pro forma increase in net additions
- Pro forma<sup>4</sup> revenue growth of 28% to \$5.15 billion
- Pro forma operating cash flow (OCF) growth of 24% to \$1.77 billion<sup>5</sup>
- Net loss from continuing operations increased to \$84 million or \$0.20 per share

President and CEO Mike Fries said, “We had a very productive year in 2005 across all fronts. Most importantly, we achieved the aggressive goals that we set for ourselves in our core broadband cable operations, consistent with our full year guidance targets. We added nearly 500,000 organic RGUs in the fourth quarter which brought our full year total organic additions to over 1.25 million new RGUs, a 50% increase from our growth in the prior year. This success was driven in large part by continued strength in our broadband data business and accelerating growth in our voice over IP (VoIP) and digital TV product lines. As a result, our subscriber base at December 31, 2005 consisted of 19.2 million total RGUs and 14.8 million customer relationships, up 42% and 39% over last year, respectively.”

“Our financial results were also strong. On a pro forma basis, revenue increased 28% to \$5.15 billion for the full year, driven primarily by acquisitions and our success increasing advanced services RGUs. On an organic basis, we continue to grow our revenue at double digit rates. Operating cash flow for the full year was \$1.77 billion, an increase of 24% on a pro forma basis over 2004. As foreshadowed, OCF was modestly impacted in the fourth quarter primarily as a result of better than expected RGU additions which affected marketing costs. Excluding results in the Netherlands, where we have a strategic digital TV initiative underway, our pro forma organic operating cash flow growth was approximately 16% for the full year, consistent with our long-term growth target.”

“In terms of strategic developments, we had a busy and successful year on the M&A front, in particular during the fourth quarter when we closed the purchases of Cablecom in Switzerland, Astral in Romania, NTL in Ireland, Setamachi (Odakyu) and Kobe in Japan, and took a controlling stake in Austar’s pay-TV operation in Australia. Our 2005 acquisitions added over 4.0 million RGUs to our consolidated footprint. We also completed the sale of our Norwegian cable system in January at a very attractive price. We will continue to evaluate rebalancing our operations, specifically exiting sub-scale markets and increasing our presence in existing or new markets that fit our operating business model.”

<sup>1</sup> Results from UPC Norway are treated as a discontinued operation in the historical financial figures, thus UPC Norway’s revenue and operating cash flow for all historical periods are retroactively removed from such figures. We have separately identified Norway as a discontinued operation in our historical subscriber tables and are reporting subscriber metrics excluding the impact of Norway.

<sup>2</sup> Organic figures exclude RGUs at the date of acquisition but include the impact of changes in RGUs from the date of acquisition.

<sup>3</sup> Please see footnote 4 on page 21 for more detail on the definition of Revenue Generating Units.

<sup>4</sup> All pro forma data assumes J:COM was consolidated for the comparable period in the preceding year.

<sup>5</sup> Please see page 15 for an explanation of operating cash flow and the required reconciliation.

"In terms of product strategy, we are excited about the acceleration of growth in our digital video business. In Japan, we're now at 37% digital penetration driven by strong demand for our high-definition product. In the Netherlands, our "digital-for-all" (D4A) project is on track and by early March, we had more than 170,000 digital video subscribers in that market, double our total base at the end of December 2005.<sup>6</sup> Later this year we'll be expanding our product offerings in the Netherlands to include video-on-demand (VOD), personal video recorders (PVRs), and high-definition TV services."

"We have been actively repurchasing shares under our pre-existing \$200 million stock buyback program, spending a total of \$168 million to date. In addition to the \$32 million that remains under our previous program, the Liberty Global Board recently authorized an additional \$250 million for stock repurchases<sup>7</sup>. We believe that our current stock price levels are very attractive and do not reflect the underlying values inherent in our business."

### **Fiscal 2005 Results**

Our consolidated operations in Europe include our broadband cable division with operations in 13 countries, and chellomedia - our media and programming division. In the Asia/Pacific region, our consolidated operations include J:COM, the largest broadband cable operator in Japan. In the Americas, our primary consolidated operation is VTR, the largest broadband cable operator in Chile. Although we consolidated 100% of their revenue and OCF during 2005, we owned at December 31, 2005, an indirect 80% interest in VTR and through our interest in Super Media, an indirect 36.8% interest in J:COM. Beginning with the first quarter of 2006, we will begin consolidating 100% of Austar's revenue and OCF, a 54% owned pay TV provider in Australia that we acquired in December 2005. Please refer to the appropriate sections herein for additional segment financial information.

### **Operating Statistics**

We had 19.2 million total RGUs at December 31, 2005, including an organic increase of more than 1.25 million RGUs from the end of the prior year. The organic RGU additions represent a 50% improvement from last year's pro forma net additions driven by our success in adding advanced services RGUs. In the fourth quarter alone, we added 491,000 organic RGUs, a record result for the period which is typically our strongest quarter of the year. Including acquisitions, our total subscriber base increased by 42% or 5.7 million RGUs during 2005.

In terms of RGU additions by product, the breakdown of our 1.25 million organic RGU additions for the full year 2005 includes over 600,000 broadband Internet subscribers, 480,000 telephony subscribers and 170,000 net new video subscribers, including 537,000 new digital TV subscribers<sup>8</sup>. Our organic broadband Internet, telephony, and digital TV subscriber growth increased 58%, 73% and 48%, respectively, from our pro forma net additions in these categories in the prior year.

The majority of our telephony additions were driven by growth in our VoIP customers as we continue to expand our serviceable footprint across new markets. We have recently launched VoIP services in Austria, Poland, and Romania, expanding our footprint to 7 European markets. As a result, we continue to see steady growth, recently averaging over 9,000 weekly European VoIP RGU additions, an increase of approximately 50% from our run-rate in the middle of last year's fourth quarter. Including our upgraded networks in Japan and the Americas, our total VoIP-ready homes passed now exceeds 11 million worldwide.

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<sup>6</sup> In our D4A project, we provide a digital interactive television box and digital service at the analog rate for six months to analog subscribers who accept the box and agree to accept the service. Upon acceptance of the box, the subscriber is counted as a digital cable subscriber rather than an analog cable subscriber. After the six month promotional period, the subscriber will have the option to discontinue the digital service or pay an additional amount, on top of the analog rate, to receive the digital service.

<sup>7</sup> The stock repurchase program may be effected through open market transactions and/or privately negotiated transactions, which may include derivative transactions. We may alter or discontinue the program at any time.

<sup>8</sup> Includes DTH subscribers.

Our video subscriber base increased organically by approximately 170,000 video subscribers, primarily as a result of 537,000 digital video RGU additions in 2005. Our digital video growth was driven by our continued success in Japan and by the early efforts of our D4A initiative in the Netherlands. In Japan, J:COM added approximately 350,000 organic digital subscribers during 2005, ending the year with 37% digital penetration. In the Netherlands, we added over 30,000 digital subscribers in Q4 alone, and we've added over 80,000 additional digital RGUs during the first two months of 2006.

## Revenue

Revenue for the year ended December 31, 2005 increased 28% on a pro forma basis to \$5.15 billion as compared to the same period last year. This increase was principally due to the impact of acquisitions and pro forma organic<sup>9</sup> revenue growth of 11%. Pro forma organic revenue growth was driven primarily by higher average RGUs during the period as well as solid growth in our central and eastern European operations and in Chile. For the three months ended December 31, 2005, revenue increased 24% on a pro forma basis to \$1.4 billion compared to the same period last year, with acquisitions and pro forma organic growth of 10% driving this improvement.

In terms of average monthly revenue (ARPU<sup>10</sup>) per RGU and ARPU per customer relationship, Europe Broadband, VTR and J:COM experienced sequential growth over the third quarter in both metrics. For the three months ended December 31, 2005, ARPU per RGU and ARPU per customer relationship for Europe Broadband was €17.98 and €22.11, reflecting increases of 7.0% and 9.7% sequentially over the third quarter, respectively. Those increases were due, in part, to the acquisition of Cablecom. Similarly, VTR's metrics improved as well as it further integrated the Metr polis acquisition, with ARPU per RGU and ARPU per customer relationship of CLP 16,444 and CLP 25,507, representing improvements of 1.1% and 3.2% over the third quarter, respectively. Additionally, J:COM generated ARPU per RGU and ARPU per customer relationship of ¥4,907 and ¥8,429 for the three months ended December 31, 2005, which was an increase of 0.1% and 0.2% over the third quarter, respectively.

## Operating Cash Flow

Operating cash flow for the year ended December 31, 2005 increased 24% on a pro forma basis to \$1.77 billion as compared to the same period last year. This increase was principally due to acquisitions, including Cablecom and NTL Ireland, and pro forma organic<sup>9</sup> OCF growth of 11% for the year ended December 31, 2005. The pro forma organic figure does not reflect growth rates that would be derived from comparing 2005 and 2004 results, after rebasing both periods for the full year effect of acquisitions. Operating cash flow for the three months ended December 31, 2005 also increased 25% to \$471 million compared to the prior year period pro forma for J:COM. A portion of this increase in the fourth quarter was due to organic growth of 11%.

Excluding results of the Netherlands where we have our D4A project underway, our pro forma organic OCF growth rates for the year and the quarter improve to 16% and 18%, respectively. As expected, our D4A initiative has significantly impacted our Netherlands OCF results, particularly in terms of higher operating, marketing and customer care costs as we invest in the roll-out of digital boxes to drive future growth in that market.

Our reported OCF margin<sup>11</sup> for the year ended December 31, 2005 was 34.4%. The margin declined as compared to the pro forma OCF margin of 35.5% for the year ended December 31, 2004. The decline in margin was due primarily to increases in marketing expenses, costs associated with new service launches around digital video and

<sup>9</sup> Pro forma organic growth rate is calculated by excluding the effects of FX movements and acquisitions. The FX adjustment and acquisition impact, when taken together, yield an organic growth calculation that incorporates the impact of acquisitions only when they are included in both comparable periods. For example, the organic growth calculation shown above, excludes results from Noos in France during the first six months of 2005 when we owned and managed the asset. The organic growth calculation as it relates to Noos includes the last six months of 2005 as compared to the last six months of 2004 for both periods when we owned the asset.

<sup>10</sup> Average monthly revenue (ARPU) is calculated as follows: average total monthly revenue from all sources (including non-subscription revenue such as installation fees or advertising revenue) for the period as indicated, divided by the average of the opening and closing RGUs or customer relationships, as applicable, for the period.

<sup>11</sup> OCF margin is calculated by dividing OCF for the respective period by total revenue.

VoIP services, and the impact of acquired businesses, which are generally at an earlier stage of development and have lower margins. The increases in marketing expenses primarily were attributable to our successful efforts to increase RGUs, as evidenced by the fact that our organic additions in 2005 increased 50% year over year.

### **Net Loss from Continuing Operations**

Our net loss from continuing operations for the year ended December 31, 2005 was \$84 million or \$0.20 per share. The fiscal 2005 loss compares to a net loss from continuing operations of \$14 million or \$0.04 per share for the same period last year. The increased loss from continuing operations was in large part due to higher interest expense, increased foreign currency transaction losses, and higher minority interests in earnings of subsidiaries, partially offset by positive changes in operating income and realized and unrealized gains on derivative instruments.

### **Free Cash Flow and Capital Expenditures**

Our Free Cash Flow<sup>12</sup> (FCF) for the year-ended ended December 31, 2005 was \$207 million, including payments of approximately \$75 million relating to the settlement and termination of a Dutch programming contract (MovieCo). Excluding those payments, FCF for the year-ended ended December 31, 2005 would have been approximately \$282 million, which compares to FCF for the year ended December 31, 2004 of \$235 million.

Capital expenditures and capital lease additions for the year ended December 31, 2005 were \$1.35 billion, an increase of 176% compared to last year. The primary reason for the increase was the consolidation of J:COM's results in 2005, as well as an increase in spending on customer premise equipment to support our faster unit growth in the current period.

### **Balance Sheet, Leverage, and Liquidity**

Total debt (including capital lease obligations) was \$10.1 billion at December 31, 2005. Our consolidated leverage ratio, defined as gross debt (including capital lease obligations) to Q4 annualized operating cash flow, was 5.4x at December 31, 2005. Based upon reported numbers, our leverage ratio during the period increased in part because of the acquisition of Cablecom in October and the consolidation of Austar, which occurred on December 31, 2005. Giving effect to fourth quarter acquisitions as if they had occurred on October 1, 2005, and to the partial debt repayment with a portion of the proceeds from the Norwegian asset sale, our Q4 2005 leverage ratio would have been approximately 4.7x.

At December 31, 2005, we had \$1.2 billion of cash and cash equivalents. Adjusting for the sale of Norway, at December 31, 2005, our cash and cash equivalents would have been approximately \$1.5 billion and our consolidated debt would have been approximately \$9.9 billion.

In addition to our cash balances at December 31, 2005, we had approximately \$271 million (€229 million) of availability under our €1.0 billion in revolvers at UPC Broadband Holding B.V., subject to the completion of fourth quarter bank reporting requirements and \$254 million (¥30 billion) of availability under our ¥30 billion Japanese revolver. Subject to their terms, the undrawn amounts under those revolvers may be borrowed to finance acquisitions.

We have also made good progress in terms of rationalizing our non-strategic investments. We received approximately \$326 million in proceeds from the disposition of our ownership interest in SBS Broadcasting during the fourth quarter, and subsequent to December 31, we have received \$88 million in proceeds from the sale of our ownership interest in Sky Mexico.

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<sup>12</sup> Free Cash Flow is defined as net cash provided by operating activities including net cash provided by discontinued operations less capital expenditures and capital lease additions. Please see page 17 for more information and the required GAAP reconciliation.

Based on our December 31, 2005 results, the ratio of Senior Debt to Annualized EBITDA (last two quarters annualized) for UPC Broadband Holding B.V., as defined in and calculated in accordance with the UPC Broadband Holding credit facility was 3.83x. The ratio of Total Debt to Annualized EBITDA (last two quarters annualized), as defined and calculated in accordance with the UPC Broadband Holding credit facility was 4.77x.

## 2006 Guidance

For full year 2006, we are providing consolidated guidance for Liberty Global. In terms of RGU additions, we expect to add 1.6 million RGUs on an organic basis (excluding the impact of acquisitions at closing). The RGU addition forecast assumes continued demand for our broadband Internet, telephony, and digital video products.

Our guidance targets for 2006 consist of consolidated revenue of \$6.8 billion and consolidated operating cash flow of \$2.4 billion. These financial targets assume full year 2006 average exchange rates of approximately 1.20 dollars per Euro, 115 yen per dollar, 550 Chilean pesos per dollar and 1.28 Swiss Francs per dollar. Our revenue and OCF targets represent growth of approximately 11% and 14%, respectively, over "rebased" 2005 figures which adjust for the full year impact of acquisitions made during 2005 and which assume foreign exchange rates consistent with our 2006 guidance rates noted above.<sup>13</sup> Additionally, we expect flat growth in the Netherlands in local currency, which may be impacted by the pace and success of our D4A roll-out. To the extent that our organic RGU growth exceeds our target range, we would expect to report lower OCF due to the associated increase in marketing and subscriber acquisition costs.

In terms of capital expenditures (including capital lease additions) for 2006, our guidance target is for full year 2006 capital expenditures to be approximately 27% of revenue. The majority of our capital spend is expected to be customer premise and related equipment to support our RGU growth across Europe, Japan, and Chile, as well as network upgrade and rebuild investment.

## About Liberty Global

Liberty Global is the leading international cable operator offering advanced video, voice, and Internet-access services to connect our 15 million customers to the world of information, communications and entertainment. The Company operates state-of-the-art broadband communications networks in 19 countries principally located in Europe, Japan, Chile, and Australia. Liberty Global's operations also include significant media and programming businesses such as Jupiter TV in Japan and chellomedia in Europe.

## Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including 2006 guidance for Liberty Global, anticipated product trends and strategy and associated subscriber growth, the level of our anticipated M&A activity, possible activity under our stock repurchase program, and other information and statements that are not historical fact. These forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements. These risks and uncertainties include the continued use by subscribers and potential subscribers of the Company's services, changes in technology, regulation and competition, our ability to achieve expected operational efficiencies and economies of scale, the long-term success of our D4A program, our ability to generate expected revenue and operating cash flow and achieve assumed margins including, to the extent annualized figures imply forward-looking projections, continued performance comparable

<sup>13</sup> The 2005 rebased pro forma revenue and operating cash flow have been adjusted to reflect the following acquisitions, as if they had occurred on January 1, 2005: Cablecom, NTL Ireland, Astral, IPS, ZoneVision, Canal+, Métropolis, Telemach, Austar, Chofu, Setamachi (Odakyu) and Kobe. The pro forma adjustments are based on currently available information and on estimates and assumptions that management believes are reasonable. The 2005 rebased pro forma revenue and operating cash flow have been presented as a basis for assessing the growth rates implied by our 2006 guidance and are not necessarily indicative of the revenue or operating cash flow that would have occurred if these transactions had occurred on January 1, 2005 or the revenue or operating cash flow that will occur in future periods. We believe the foregoing rebased pro forma data is not a non-GAAP measure as contemplated by Regulation G or Item 10 of Regulation S-K.

with the period annualized, as well as other factors detailed from time to time in the Company's filings with the Securities and Exchange Commission. These forward-looking statements speak only as of the date of this release. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any guidance and other forward-looking statement contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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**Liberty Global, Inc.  
Consolidated Balance Sheets**

|  | <u>December 31,</u>  |                      |
|--|----------------------|----------------------|
|  | <u>2005</u>          | <u>2004</u>          |
|  |                      | as adjusted          |
|  |                      | amounts in thousands |
| <b><u>Assets</u></b>   |                      |                      |
| Current assets:  |                      |                      |
| Cash and cash equivalents .....  | \$ 1,202,200         | \$ 2,529,115         |
| Trade receivables, net .....   | 534,243              | 203,890              |
| Other receivables, net .....   | 112,537              | 165,631              |
| Current assets of discontinued operations .....  | 14,686               | —                    |
| Other current assets .....   | <u>398,719</u>       | <u>293,947</u>       |
| Total current assets .....   | <u>2,262,385</u>     | <u>3,192,583</u>     |
| Investments in affiliates, accounted for using the equity method, and related<br>receivables ..... | 789,066              | 1,865,642            |
| Other investments .....  | 569,059              | 838,608              |
| Property and equipment, net .....  | 7,991,292            | 4,303,099            |
| Goodwill .....   | 9,020,071            | 2,667,279            |
| Franchise rights and other intangible assets not subject to amortization .....                     | 218,002              | 230,674              |
| Intangible assets subject to amortization, net .....   | 1,601,806            | 382,599              |
| Long-term assets of discontinued operations .....  | 329,871              | —                    |
| Other assets, net .....  | <u>596,977</u>       | <u>221,879</u>       |
| Total assets .....   | <u>\$ 23,378,529</u> | <u>\$ 13,702,363</u> |

**Liberty Global, Inc.**  
**Consolidated Balance Sheets (Continued)**

|  | <b>December 31,</b>         |               |
|--|-----------------------------|---------------|
|  | <b>2005</b>                 | <b>2004</b>   |
|  | <b>as adjusted</b>          |               |
|  | <b>amounts in thousands</b> |               |
| <b><u>Liabilities and Stockholders' Equity</u></b>   |                             |               |
| Current liabilities:   |                             |               |
| Accounts payable .....   | \$ 715,599                  | \$ 363,549    |
| Accrued liabilities and other .....  | 669,060                     | 556,015       |
| Deferred revenue and advance payments from subscribers and others .....  | 595,982                     | 353,069       |
| Accrued interest .....   | 145,457                     | 89,612        |
| Current liabilities of discontinued operations .....   | 35,266                      | —             |
| Current portion of debt and capital lease obligations .....  | 269,947                     | 36,827        |
| Total current liabilities.....   | 2,431,311                   | 1,399,072     |
| Long-term debt and capital lease obligations .....   | 9,845,025                   | 4,955,919     |
| Deferred tax liabilities .....   | 546,049                     | 464,661       |
| Long-term liabilities of discontinued operations.....  | 9,599                       | —             |
| Other long-term liabilities .....  | 933,591                     | 432,018       |
| Total liabilities.....   | 13,765,575                  | 7,251,670     |
| Commitments and contingencies  |                             |               |
| Minority interests in subsidiaries .....   | 1,796,508                   | 1,213,610     |
| Stockholders' Equity:  |                             |               |
| Series A common stock, \$.01 par value. Authorized 500,000,000 shares; issued 232,334,708 and 168,514,962 shares at December 31, 2005 and 2004, respectively .....           | 2,323                       | 1,685         |
| Series B common stock, \$.01 par value. Authorized 50,000,000 shares; issued and outstanding 7,323,570 and 7,264,300 shares at December 31, 2005 and 2004, respectively..... | 73                          | 73            |
| Series C common stock, \$.01 par value. Authorized 500,000,000 shares; 239,820,997 and 175,779,262 shares issued at December 31, 2005 and 2004, respectively.....            | 2,398                       | 1,758         |
| Additional paid-in capital .....   | 9,992,236                   | 6,999,877     |
| Accumulated deficit.....   | (1,732,527)                 | (1,652,430)   |
| Accumulated other comprehensive earnings (loss), net of taxes .....  | (262,889)                   | 14,010        |
| Deferred compensation .....  | (15,592)                    | —             |
| Treasury stock, at cost .....  | (169,576)                   | (127,890)     |
| Total stockholders' equity .....   | 7,816,446                   | 5,237,083     |
| Total liabilities and stockholders' equity.....  | \$ 23,378,529               | \$ 13,702,363 |



**Liberty Global, Inc.**  
**Consolidated Statements of Operations**

|  | <u>Year Ended December 31,</u>                                   |                    |
|--|--|--------------------|
|  | <u>2005</u>  | <u>2004</u>        |
|  | as adjusted<br>amounts in thousands,<br>except per share amounts |                    |
| Revenue  | \$ 5,151,332   | \$ 2,531,889       |
| Operating costs and expenses:  |  |                    |
| Operating (other than depreciation) .....  | 2,185,515  | 1,050,493          |
| Selling, general and administrative (SG&A) .....   | 1,194,972  | 639,609            |
| Stock-based compensation charges - primarily SG&A .....  | 59,231   | 142,676            |
| Depreciation and amortization .....  | 1,454,863  | 915,748            |
| Impairment of long-lived assets .....  | 8,320  | 69,353             |
| Restructuring and other operating charges (credits) .....  | <u>(2,753)</u>   | <u>28,901</u>      |
|  | <u>4,900,148</u>   | <u>2,846,780</u>   |
| Operating income (loss) .....  | <u>251,184</u>   | <u>(314,891)</u>   |
| Other income (expense):  |  |                    |
| Interest expense .....   | (433,467)  | (286,321)          |
| Interest and dividend income .....   | 77,649   | 65,494             |
| Share of earnings (losses) of affiliates, net .....  | (22,949)   | 38,710             |
| Realized and unrealized gains (losses) on derivative instruments,<br>net .....   | 309,973  | (35,775)           |
| Foreign currency transaction gains (losses), net .....   | (209,400)  | 117,514            |
| Gain on exchange of investment securities .....  | —  | 178,818            |
| Other-than-temporary declines in fair values of investments .....  | (3,403)  | (18,542)           |
| Gains (losses) on extinguishment of debt .....   | (33,700)   | 27,977             |
| Gains (losses) on disposition of non-operating assets, net .....   | 115,169  | 43,714             |
| Other income (expense), net .....  | <u>(263)</u>   | <u>(7,931)</u>     |
|  | <u>(200,391)</u>   | <u>123,658</u>     |
| Earnings (loss) before income taxes, minority interests and<br>discontinued operations .....                             | 50,793   | (191,233)          |
| Income tax benefit (expense) .....   | (29,849)   | 13,800             |
| Minority interests in losses (earnings) of subsidiaries .....  | <u>(104,535)</u>   | <u>163,724</u>     |
| Earnings (loss) from continuing operations .....   | <u>(83,591)</u>  | <u>(13,709)</u>    |
| Discontinued operations:   |  |                    |
| Earnings (loss) from operations, net of tax expense of \$565,000<br>and \$2,874,000 in 2005 and 2004, respectively ..... | <u>3,494</u>   | <u>(7,772)</u>     |
| Net earnings (loss) .....  | <u>\$ (80,097)</u>   | <u>\$ (21,481)</u> |
| Historical and pro forma earnings (loss) per common share, basic and<br>diluted:   |  |                    |
| Continuing operations .....  | \$ (0.20)  | \$ (0.04)          |
| Discontinued operations .....  | <u>0.01</u>  | <u>(0.03)</u>      |
|  | <u>\$ (0.19)</u>   | <u>\$ (0.07)</u>   |

**Liberty Global, Inc.**  
**Consolidated Statements of Cash Flows**

|   | <u>Year ended December 31,</u> |                     |
|---|--------------------------------|---------------------|
|   | <u>2005</u>                    | <u>2004</u>         |
|   | as adjusted                    |                     |
|   | amounts in thousands           |                     |
| Cash flows from operating activities:   |                                |                     |
| Net earnings (loss) .....   | \$ (80,097)                    | \$ (21,481)         |
| Net loss (earnings) from discontinued operations .....  | (3,494)                        | 7,772               |
| Net earnings (loss) from continuing operations .....  | (83,591)                       | (13,709)            |
| Adjustments to reconcile earnings (loss) from continuing operations to net cash provided by operating activities: |                                |                     |
| Stock-based compensation expense .....  | 59,231                         | 142,676             |
| Depreciation and amortization .....   | 1,454,863                      | 915,748             |
| Impairment of long-lived assets .....   | 8,320                          | 69,353              |
| Restructuring and other charges (credits) .....   | (2,753)                        | 28,901              |
| Amortization of deferred financing costs and non-cash interest .....  | 103,800                        | 40,218              |
| Share of losses (earnings) of affiliates, net .....   | 22,949                         | (38,710)            |
| Realized and unrealized losses (gains) on derivative instruments, net ..  | (309,973)                      | 35,775              |
| Foreign currency transaction losses (gains), net .....  | 209,400                        | (117,514)           |
| Gain on exchange of investment securities .....   | —                              | (178,818)           |
| Other-than-temporary declines in fair values of investments .....   | 3,403                          | 18,542              |
| Losses (gains) on extinguishment of debt .....  | 33,700                         | (27,977)            |
| Gains on disposition of investments, net .....  | (115,169)                      | (43,714)            |
| Deferred income tax expense (benefit) .....   | (74,740)                       | (80,500)            |
| Minority interests in earnings (losses) of subsidiaries .....   | 104,535                        | (163,724)           |
| Non-cash recognition of deferred revenue .....  | (30,298)                       | —                   |
| Non-cash charges from Liberty Media Corporation .....   | —                              | 15,490              |
| Other non-cash items .....  | 4,152                          | —                   |
| Changes in operating assets and liabilities, net of the effects of acquisitions and dispositions:                 |                                |                     |
| Receivables and other operating assets .....  | 60,409                         | (61,426)            |
| Payables and accruals .....   | 77,886                         | 167,840             |
| Net cash provided by operating activities of discontinued operations ..   | <u>49,978</u>                  | <u>34,857</u>       |
| Net cash provided by operating activities .....   | <u>1,576,102</u>               | <u>743,308</u>      |
| Cash flows from investing activities:   |                                |                     |
| Cash paid in connection with LGI Combination .....  | (703,535)                      | —                   |
| Cash paid in connection with acquisitions, net of cash acquired .....   | (3,584,442)                    | (509,696)           |
| Cash paid for acquisition to be refunded by seller .....  | —                              | (52,128)            |
| Return of cash previously paid into escrow in connection with 2004 acquisition .....                              | 56,883                         | —                   |
| Investments in and loans to affiliates and others .....   | (133,749)                      | (256,959)           |
| Proceeds received upon repayment of principal amounts loaned to affiliates .....                                  | —                              | 535,074             |
| Proceeds received upon repayment of debt securities .....   | —                              | 115,592             |
| Purchases of short-term liquid investments .....  | (55,103)                       | (293,734)           |
| Proceeds received from sale of short-term liquid investments .....  | 101,489                        | 246,981             |
| Capital expended for property and equipment .....   | (1,194,993)                    | (487,617)           |
| Net cash received (paid) to purchase or settle derivative instruments .....                                       | 82,414                         | (158,949)           |
| Proceeds received upon dispositions of assets .....   | 464,501                        | 315,792             |
| Deposits received in connection with pending asset sales .....  | —                              | 80,264              |
| Change in restricted cash .....   | 24,734                         | (27,335)            |
| Other investing activities, net .....   | 29,343                         | (13,732)            |
| Net cash used by investing activities of discontinued operations .....  | <u>(22,249)</u>                | <u>(19,833)</u>     |
| Net cash used by investing activities .....   | <u>\$ (4,934,707)</u>          | <u>\$ (526,280)</u> |

**Liberty Global, Inc.**  
**Consolidated Statements of Cash Flows (Continued)**

|   | <u>Year ended December 31,</u> |                     |
|---|--------------------------------|---------------------|
|   | <u>2005</u>                    | <u>2004</u>         |
|   | as adjusted                    |                     |
|   | amounts in thousands           |                     |
| Cash flows from financing activities:                               |                                |                     |
| Borrowings of debt.....   | \$ 6,968,835                   | \$ 2,301,211        |
| Repayments of debt and capital lease obligations .....              | (5,413,584)                    | (1,857,184)         |
| Net proceeds received from rights offering .....                    | —                              | 735,661             |
| Proceeds from issuance of stock by subsidiaries.....                | 873,554                        | 488,437             |
| Change in cash collateral.....                                      | (57,209)                       | 41,700              |
| Contributions from Liberty Media Corporation .....                  | —                              | 704,250             |
| Treasury stock purchase.....  | (78,893)                       | (127,890)           |
| Payment of deferred financing costs.....                            | (101,293)                      | (65,951)            |
| Other financing activities, net .....                               | 7,876                          | 12,351              |
| Net cash used by financing activities of discontinued operations .. | <u>(7,444)</u>                 | <u>(7)</u>          |
| Net cash provided by financing activities.....                      | <u>2,191,842</u>               | <u>2,232,578</u>    |
| Effect of exchange rates on cash.....                               | <u>(160,152)</u>               | <u>66,756</u>       |
| Net increase (decrease) in cash and cash equivalents:               |                                |                     |
| Continuing operations .....   | (1,347,200)                    | 2,501,345           |
| Discontinued operations .....                                       | <u>20,285</u>                  | <u>15,017</u>       |
| Net increase (decrease) in cash and cash equivalents .....          | <u>(1,326,915)</u>             | <u>2,516,362</u>    |
| Cash and cash equivalents:  |                                |                     |
| Beginning of period .....   | <u>2,529,115</u>               | <u>12,753</u>       |
| End of period.....  | <u>\$ 1,202,200</u>            | <u>\$ 2,529,115</u> |
| Cash paid for interest .....  | <u>\$ 286,656</u>              | <u>\$ 280,815</u>   |
| Net cash paid for taxes.....  | <u>\$ 35,565</u>               | <u>\$ 4,264</u>     |

## Revenue and Operating Cash Flow

The tables presented below provide revenue and operating cash flow, as defined below, (OCF), by reportable segment for the three months and year-ended December 31, 2005, as compared to corresponding prior year periods. In each case, the tables present (i) the amounts reported by each of our reportable segments for the comparative periods, (ii) the U.S. dollar change and percentage change from period to period, (iii) the percentage change from period to period, after removing foreign currency effects (FX), and (iv) the percentage change from period to period, after removing FX and the effects of acquisitions. The comparisons that exclude FX assume that exchange rates remained constant during the periods that are included in each table. The acquisition impact is calculated as the difference between current and prior year amounts that are attributable to the timing of an acquisition. The FX adjustment and acquisition impact, when taken together, yield an organic growth calculation that incorporates the impact of acquisitions only when they are included in both comparable periods. Other Western Europe includes our operating segments in Ireland, Sweden and Belgium. Other Central and Eastern Europe includes our operating segments in Poland, Czech Republic, Slovak Republic, Romania and Slovenia. Our corporate and other category includes (i) certain less significant operating segments that provide direct-to-home satellite services in Australia, video programming and other services in Europe and Argentina and broadband services in Puerto Rico, Brazil and Peru and (ii) our corporate segment.

### Revenue

| Revenue - Fourth Quarter                             | Three Months ended<br>December 31,     |            | Increase<br>(decrease) |        | Increase (decrease)<br>excluding |                          |
|--|--|------------|------------------------|--------|----------------------------------|--------------------------|
|  | 2005                                   | 2004       | \$                     | %      | FX %                             | FX and<br>Acquisitions % |
|  | amounts in thousands, except % amounts |            |                        |        |                                  |                          |
| Europe (Europe Broadband)                            |  |            |                        |        |                                  |                          |
| The Netherlands .....                                | \$ 188,021                             | \$ 200,399 | \$ (12,378)            | (6.2)  | 2.1                              | 2.1                      |
| Switzerland.....                                     | 122,078                                | —          | 122,078                | N.M.   | N.M.                             | —                        |
| France.....  | 126,219                                | 129,772    | (3,553)                | (2.7)  | 4.1                              | 4.1                      |
| Austria .....  | 76,869                                 | 80,268     | (3,399)                | (4.2)  | 4.5                              | 4.5                      |
| Other Western Europe .....                           | 92,529                                 | 56,187     | 36,342                 | 64.7   | 74.7                             | 6.4                      |
| Total Western Europe .....                           | 605,716                                | 466,626    | 139,090                | 29.8   | 38.0                             | 3.6                      |
| Hungary .....  | 68,040                                 | 61,908     | 6,132                  | 9.9    | 22.2                             | 22.2                     |
| Other Central and Eastern Europe.....                | 118,005                                | 71,384     | 46,621                 | 65.3   | 66.4                             | 13.8                     |
| Total Central and Eastern Europe .....               | 186,045                                | 133,292    | 52,753                 | 39.6   | 45.9                             | 17.7                     |
| Total Europe (Europe Broadband) .....                | 791,761                                | 599,918    | 191,843                | 32.0   | 39.7                             | 6.7                      |
| Japan (J:COM) .....                                  | 424,313                                | 414,233    | 10,080                 | 2.4    | 15.7                             | 10.3                     |
| Chile (VTR) .....                                    | 130,901                                | 83,414     | 47,487                 | 56.9   | 39.5                             | 17.8                     |
| Corporate and other .....                            | 116,181                                | 76,509     | 39,672                 | 51.9   | 60.9                             | 33.2                     |
| Intersegment eliminations .....                      | (20,051)                               | (12,398)   | (7,653)                | (61.7) | (76.3)                           | (76.3)                   |
| Total LGI before elimination of equity affiliates .. | 1,443,105                              | 1,161,676  | 281,429                | 24.2   | 32.2                             | 9.8                      |
| Elimination of equity affiliate (J:COM) .....        | —                                      | (414,233)  | 414,233                | —      | —                                | —                        |
| Total consolidated LGI .....                         | \$ 1,443,105                           | \$ 747,443 | \$ 695,662             | 93.1   | 98.0                             | 9.5                      |

N.M. – Not meaningful.

| Revenue - Full Year                                  | Year ended<br>December 31, |              | Increase<br>(decrease) |        | Increase (decrease)<br>excluding |                          |
|--|----------------------------|--------------|------------------------|--------|----------------------------------|--------------------------|
|  | 2005                       | 2004         | \$                     | %      | FX %                             | FX and<br>Acquisitions % |
| amounts in thousands, except % amounts               |                            |              |                        |        |                                  |                          |
| Europe (Europe Broadband)                            |                            |              |                        |        |                                  |                          |
| The Netherlands .....                                | \$ 780,934                 | \$ 730,483   | \$ 50,451              | 6.9    | 6.9                              | 6.9                      |
| Switzerland.....                                     | 122,078                    | —            | 122,078                | N.M.   | N.M.                             | —                        |
| France.....  | 513,762                    | 312,948      | 200,814                | 64.2   | 64.2                             | 6.5                      |
| Austria .....  | 322,196                    | 306,479      | 15,717                 | 5.1    | 5.0                              | 5.0                      |
| Other Western Europe .....                           | 321,377                    | 174,389      | 146,988                | 84.3   | 85.1                             | 7.0                      |
| Total Western Europe .....                           | 2,060,347                  | 1,524,299    | 536,048                | 35.2   | 35.2                             | 6.4                      |
| Hungary.....   | 281,707                    | 217,429      | 64,278                 | 29.6   | 27.7                             | 27.7                     |
| Other Central and Eastern Europe.....                | 370,560                    | 252,064      | 118,496                | 47.0   | 35.6                             | 13.9                     |
| Total Central and Eastern Europe .....               | 652,267                    | 469,493      | 182,774                | 38.9   | 31.9                             | 20.3                     |
| Total Europe (Europe Broadband) .....                | 2,712,614                  | 1,993,792    | 718,822                | 36.1   | 34.5                             | 9.7                      |
| Japan (J:COM) .....                                  | 1,662,105                  | 1,504,709    | 157,396                | 10.5   | 13.5                             | 11.0                     |
| Chile (VTR) .....                                    | 444,161                    | 299,951      | 144,210                | 48.1   | 35.6                             | 17.6                     |
| Corporate and other .....                            | 407,564                    | 285,507      | 122,057                | 42.8   | 43.2                             | 20.7                     |
| Intersegment eliminations .....                      | (75,112)                   | (47,361)     | (27,751)               | (58.6) | (58.9)                           | (58.9)                   |
| Total LGI before elimination of equity affiliates .. | 5,151,332                  | 4,036,598    | 1,114,734              | 27.6   | 27.1                             | 11.0                     |
| Elimination of equity affiliate (J:COM) .....        | —                          | (1,504,709)  | 1,504,709              | —      | —                                | —                        |
| Total consolidated LGI .....                         | \$ 5,151,332               | \$ 2,531,889 | \$ 2,619,443           | 103.5  | 100.8                            | 11.0                     |

**Operating Cash Flow**

| OCF - Fourth Quarter                                 | Three Months ended<br>December 31, |            | Increase<br>(decrease) |        | Increase (decrease)<br>excluding |                          |
|--|------------------------------------|------------|------------------------|--------|----------------------------------|--------------------------|
|  | 2005                               | 2004       | \$                     | %      | FX %                             | FX and<br>Acquisitions % |
| amounts in thousands, except % amounts               |                                    |            |                        |        |                                  |                          |
| Europe (Europe Broadband)                            |                                    |            |                        |        |                                  |                          |
| The Netherlands .....                                | \$ 81,936                          | \$ 98,250  | \$ (16,314)            | (16.6) | (9.4)                            | (9.4)                    |
| Switzerland.....                                     | 43,525                             | —          | 43,525                 | N.M.   | N.M.                             | —                        |
| France <sup>14</sup> .....                           | 19,297                             | 22,156     | (2,859)                | (12.9) | (8.3)                            | (8.3)                    |
| Austria .....  | 30,964                             | 28,967     | 1,997                  | 6.9    | 16.5                             | 16.5                     |
| Other Western Europe .....                           | 29,588                             | 17,336     | 12,252                 | 70.7   | 81.6                             | 13.4                     |
| Total Western Europe .....                           | 205,310                            | 166,709    | 38,601                 | 23.2   | 30.8                             | (2.4)                    |
| Hungary.....   | 25,640                             | 22,326     | 3,314                  | 14.8   | 27.2                             | 27.2                     |
| Other Central and Eastern Europe.....                | 45,453                             | 22,401     | 23,052                 | 102.9  | 104.7                            | 39.6                     |
| Total Central and Eastern Europe .....               | 71,093                             | 44,727     | 26,366                 | 58.9   | 66.0                             | 33.4                     |
| Total Europe (Europe Broadband) .....                | 276,403                            | 211,436    | 64,967                 | 30.7   | 38.3                             | 5.2                      |
| Japan (J:COM) .....                                  | 155,118                            | 156,485    | (1,367)                | (0.9)  | 12.0                             | 8.6                      |
| Chile (VTR) .....                                    | 47,223                             | 33,810     | 13,413                 | 39.7   | 24.7                             | 17.7                     |
| Corporate and other .....                            | (7,388)                            | (23,343)   | 15,955                 | 68.4   | 67.2                             | 43.2                     |
| Intersegment eliminations .....                      | —                                  | —          | —                      | —      | —                                | —                        |
| Total LGI before elimination of equity affiliates .. | 471,356                            | 378,388    | 92,968                 | 24.6   | 32.7                             | 10.7                     |
| Elimination of equity affiliate (J:COM) .....        | —                                  | (156,485)  | 156,485                | —      | —                                | —                        |
| Total consolidated LGI .....                         | \$ 471,356                         | \$ 221,903 | \$ 249,453             | 112.4  | 117.2                            | 12.2                     |

<sup>14</sup> In July 2004, we acquired an 80% interest in Noos. In April 2005, we increased our interest in Noos to 100%. As we did not own 100% of Noos during 2004, the amount of overhead allocated by Europe Broadband to Noos during the fourth quarter of 2004 is significantly less than the amount allocated to Noos during the fourth quarter of 2005. Excluding the impact of all overhead allocations and FX, the operating cash flow of France increased approximately 13.6% during the fourth quarter of 2005, as compared to the fourth quarter of 2004.

| OCF - Full Year                                      | Year ended<br>December 31,             |                   | Increase<br>(decrease) |              | Increase (decrease)<br>excluding |                          |
|--|--|-------------------|------------------------|--------------|----------------------------------|--------------------------|
|  | 2005                                   | 2004              | \$                     | %            | FX %                             | FX and<br>Acquisitions % |
|  | amounts in thousands, except % amounts |                   |                        |              |                                  |                          |
| Europe (Europe Broadband)                            |  |                   |                        |              |                                  |                          |
| The Netherlands .....                                | \$ 360,924                             | \$ 375,738        | \$ (14,814)            | (3.9)        | (4.2)                            | (4.2)                    |
| Switzerland.....                                     | 43,525                                 | —                 | 43,525                 | N.M.         | N.M.                             | —                        |
| France.....  | 97,247                                 | 45,774            | 51,473                 | 112.5        | 111.4                            | 28.8                     |
| Austria .....  | 137,247                                | 122,307           | 14,940                 | 12.2         | 11.9                             | 11.9                     |
| Other Western Europe .....                           | <u>111,168</u>                         | <u>63,680</u>     | <u>47,488</u>          | <u>74.6</u>  | <u>74.9</u>                      | <u>10.5</u>              |
| Total Western Europe .....                           | <u>750,111</u>                         | <u>607,499</u>    | <u>142,612</u>         | <u>23.5</u>  | <u>23.2</u>                      | <u>3.1</u>               |
| Hungary .....  | 108,378                                | 82,455            | 25,923                 | 31.4         | 29.1                             | 29.1                     |
| Other Central and Eastern Europe.....                | <u>147,270</u>                         | <u>94,478</u>     | <u>52,792</u>          | <u>55.9</u>  | <u>43.5</u>                      | <u>20.1</u>              |
| Total Central and Eastern Europe .....               | <u>255,648</u>                         | <u>176,933</u>    | <u>78,715</u>          | <u>44.5</u>  | <u>36.8</u>                      | <u>24.3</u>              |
| Total Europe (Europe Broadband) .....                | 1,005,759                              | 784,432           | 221,327                | 28.2         | 26.3                             | 7.9                      |
| Japan (J:COM) .....                                  | 636,297                                | 589,597           | 46,700                 | 7.9          | 10.7                             | 9.3                      |
| Chile (VTR) .....                                    | 151,450                                | 108,752           | 42,698                 | 39.3         | 27.7                             | 20.3                     |
| Corporate and other .....                            | <u>(22,661)</u>                        | <u>(51,397)</u>   | <u>28,736</u>          | <u>55.9</u>  | <u>55.3</u>                      | <u>26.6</u>              |
| Total LGI before elimination of equity affiliates .. | 1,770,845                              | 1,431,384         | 339,461                | 23.7         | 22.9                             | 10.6                     |
| Elimination of equity affiliate (J:COM) .....        | <u>—</u>                               | <u>(589,597)</u>  | <u>589,597</u>         | <u>—</u>     | <u>—</u>                         | <u>—</u>                 |
| Total consolidated LGI .....                         | <u>\$ 1,770,845</u>                    | <u>\$ 841,787</u> | <u>\$ 929,058</u>      | <u>110.4</u> | <u>107.0</u>                     | <u>11.6</u>              |

**Quarterly Information:**

The following table summarizes the Company's revenue and operating cash flow by quarter for 2005. It is important to note that the first three quarters will differ from previously reported figures, since Norway has been classified as a discontinued operation.

|                          | Three Months Ended   |                |               |                |
|--------------------------|----------------------|----------------|---------------|----------------|
|                          | Dec. 31, 2005        | Sept. 30, 2005 | June 30, 2005 | March 31, 2005 |
|                          | amounts in thousands |                |               |                |
| Revenue .....            | \$ 1,443,105         | \$ 1,262,405   | \$ 1,242,593  | \$ 1,203,229   |
| Operating Cash Flow..... | 471,356              | 450,712        | 413,050       | 435,727        |

## Operating Cash Flow Definition and Reconciliation

Operating cash flow is not a GAAP measure. Operating cash flow is the primary measure used by our chief operating decision maker to evaluate segment operating performance and to decide how to allocate resources to segments. As we use the term, operating cash flow is defined as revenue less operating and SG&A expenses (excluding depreciation and amortization, stock-based compensation and impairment, restructuring and other operating charges or credits). We believe operating cash flow is meaningful because it provides investors a means to evaluate the operating performance of our segments and our company on an ongoing basis using criteria that is used by our internal decision makers. Our internal decision makers believe operating cash flow is a meaningful measure and is superior to other available GAAP measures because it represents a transparent view of our recurring operating performance and allows management to readily view operating trends, perform analytical comparisons and benchmarking between segments in the different countries in which we operate and identify strategies to improve operating performance. For example, our internal decision makers believe that the inclusion of impairment and restructuring charges within operating cash flow would distort the ability to efficiently assess and view the core operating trends in our segments. In addition, our internal decision makers believe our measure of operating cash flow is important because analysts and investors use it to compare our performance to other companies in our industry. A reconciliation of total segment operating cash flow to our consolidated earnings (loss) before income taxes, minority interests and discontinued operations, is presented below. Investors should view operating cash flow as a measure of operating performance that is a supplement to, and not a substitute for, operating income, net earnings, cash flow from operating activities and other GAAP measures of income.

We are unable to provide a reconciliation of forecasted Operating Cash Flow, to the most directly comparable GAAP measure, net income (loss), as applicable, because certain items are out of our control and/or cannot be reasonably predicted. For example, it is impractical to: (1) estimate future fluctuations in interest rates on our variable-rate debt facilities; (2) estimate the fluctuations in exchange rates relative to the U.S. dollar and its impact on our results of operations; (3) estimate the financial results of our non-consolidated affiliates; and (4) estimate changes in circumstances that lead to gains and/or losses such as sales of investments in affiliates and other assets. Any and/or all of these items could be significant to our financial results. The table below highlights the reconciliation of operating cash flow to consolidated earnings (loss) before income taxes, minority interests and discontinued operations for the periods indicated below:

|   | Year ended December 31, |                     | Three months ended   |                    |                     |                  |                     |
|---|-------------------------|---------------------|----------------------|--------------------|---------------------|------------------|---------------------|
|   | 2005                    | 2004                | Dec. 31,<br>2005     | Sept. 30,<br>2005  | June 30,<br>2005    | Mar. 31,<br>2005 | Dec. 31,<br>2004    |
|   | amounts in thousands    |                     | amounts in thousands |                    |                     |                  |                     |
| Total segment operating cash flow .....   | \$ 1,770,845            | \$ 841,787          | \$ 471,356           | \$ 450,712         | \$ 413,050          | \$ 435,727       | \$ 221,903          |
| Stock-based compensation.....   | (59,231)                | (142,676)           | 63,078               | (60,784)           | (42,871)            | (18,654)         | (76,556)            |
| Depreciation and amortization.....  | (1,454,863)             | (915,748)           | (447,894)            | (354,273)          | (335,327)           | (317,369)        | (253,577)           |
| Impairment of long-lived assets .....   | (8,320)                 | (69,353)            | (8,170)              | 17                 | (167)               | —                | (26,730)            |
| Restructuring and other operating credits (charges)                                       | <u>2,753</u>            | <u>(28,901)</u>     | <u>6,313</u>         | <u>(947)</u>       | <u>2,250</u>        | <u>(4,863)</u>   | <u>(18,277)</u>     |
| Operating income (loss).....  | 251,184                 | (314,891)           | 84,683               | 34,725             | 36,935              | 94,841           | (153,237)           |
| Interest expense .....  | (433,467)               | (286,321)           | (130,658)            | (131,235)          | (83,673)            | (87,901)         | (78,711)            |
| Interest and dividend income.....   | 77,649                  | 65,494              | 16,032               | 18,827             | 22,280              | 20,510           | 21,490              |
| Share of earnings (losses) of affiliates, net.....  | (22,949)                | 38,710              | (8,197)              | 2,055              | 4,517               | (21,324)         | (15,808)            |
| Realized and unrealized gains (losses) on derivative instruments, net .....               | 309,973                 | (35,775)            | 183,982              | (29,178)           | 69,301              | 85,868           | (122,415)           |
| Foreign currency transaction gains (losses), net..  | (209,400)               | 117,514             | (15,102)             | 7,349              | (136,885)           | (64,762)         | 118,768             |
| Gains on exchanges of investment securities.....  | —                       | 178,818             | —                    | —                  | —                   | —                | 10,517              |
| Other-than-temporary declines in fair values of investments.....                          | (3,403)                 | (18,542)            | (3,403)              | —                  | —                   | —                | (3,427)             |
| Gains (losses) on extinguishment of debt.....   | (33,700)                | 27,977              | (21,069)             | —                  | (651)               | (11,980)         | (3,567)             |
| Gains (losses) on disposition of non-operating assets, net.....                           | 115,169                 | 43,714              | 89,314               | 277                | (43,994)            | 69,572           | 31,082              |
| Other income (expense), net .....   | <u>(263)</u>            | <u>(7,931)</u>      | <u>(1,525)</u>       | <u>4</u>           | <u>583</u>          | <u>675</u>       | <u>(396)</u>        |
| Earnings (loss) before income taxes, minority interests and discontinued operations ..... | <u>\$ 50,793</u>        | <u>\$ (191,233)</u> | <u>\$ 194,057</u>    | <u>\$ (97,176)</u> | <u>\$ (131,587)</u> | <u>\$ 85,499</u> | <u>\$ (195,704)</u> |

**Capital Expenditures**

The following table highlights capital expenditures by reporting segment:

| <b>Capital Expenditures</b>                            | <b>Year ended December 31,</b> |                   |
|--|--------------------------------|-------------------|
|  | <b>2005</b>                    | <b>2004</b>       |
|  | <b>amounts in thousands</b>    |                   |
| Europe Broadband                                       |                                |                   |
| The Netherlands .....                                  | \$ 152,575                     | \$ 84,698         |
| Switzerland.....                                       | 27,001                         | —                 |
| France.....  | 128,655                        | 65,435            |
| Austria .....  | 48,325                         | 53,660            |
| Other Western Europe.....                              | <u>73,544</u>                  | <u>46,626</u>     |
| Total Western Europe                                   | 430,100                        | 250,419           |
| Hungary .....  | 70,941                         | 39,833            |
| Other Central and Eastern Europe.....                  | <u>84,473</u>                  | <u>39,776</u>     |
| Total Central and Eastern Europe .....                 | <u>155,414</u>                 | <u>79,609</u>     |
| Total Europe Broadband .....                           | 585,514                        | 330,028           |
| Japan (J:COM) .....                                    | 354,705                        | 295,914           |
| Chile (VTR) .....                                      | 98,576                         | 41,685            |
| Corporate and other .....                              | <u>156,198</u>                 | <u>115,904</u>    |
| Total LGI before elimination of equity affiliates..... | 1,194,993                      | 783,531           |
| Elimination of equity affiliates .....                 | <u>—</u>                       | <u>(295,914)</u>  |
| Total consolidated LGI .....                           | <u>\$ 1,194,993</u>            | <u>\$ 487,617</u> |

**Capital Expenditures and Capital Lease Additions**

The table below highlights our capital expenditures per NCTA cable industry guidelines, as well as capital lease additions:

|  | <b>Three months ended</b>   |                          | <b>Percent Change</b> | <b>Year ended Dec. 31, 2005</b> |
|--|-----------------------------|--------------------------|-----------------------|---------------------------------|
|  | <b>Dec. 31, 2005</b>        | <b>Sept. 30, 2005</b>    |                       |                                 |
|  | <b>amounts in thousands</b> |                          |                       |                                 |
| Customer Premises Equipment .....                | \$ 121,371                  | \$ 87,646                | 38.5%                 | \$ 416,208                      |
| Scaleable Infrastructure.....                    | 37,419                      | 46,935                   | (20.3%)               | 177,306                         |
| Line Extensions .....                            | 56,998                      | 27,472                   | 107.5%                | 131,206                         |
| Upgrade/Rebuild .....                            | 32,692                      | 40,663                   | (19.6%)               | 131,142                         |
| Support Capital .....                            | 80,850                      | 52,495                   | 54.0%                 | 241,527                         |
| Cablecom.....                                    | 27,001                      | 0                        | N.M.                  | 27,001                          |
| NTL Ireland.....                                 | 9,572                       | 9,663                    | (0.9%)                | 23,740                          |
| Other including chellomedia .....                | <u>11,189</u>               | <u>10,846</u>            | <u>3.2%</u>           | <u>46,863</u>                   |
| <b>Total Capital Expenditures (Capex) .....</b>  | <b><u>\$ 377,092</u></b>    | <b><u>\$ 275,720</u></b> | <b><u>36.8%</u></b>   | <b><u>\$ 1,194,993</u></b>      |
| <i>Percent of Revenue .....</i>                  | <u><i>26.1%</i></u>         | <u><i>21.8%</i></u>      | <u><i>19.6%</i></u>   | <u><i>23.2%</i></u>             |
| Add: Capital Lease Additions <sup>15</sup> ..... | <u>47,043</u>               | <u>34,790</u>            | <u>35.2%</u>          | <u>153,247</u>                  |
| <b>Total Capex and Capital Leases .....</b>      | <b><u>\$ 424,135</u></b>    | <b><u>\$310,510</u></b>  | <b><u>36.6%</u></b>   | <b><u>\$ 1,348,240</u></b>      |
| <i>Percent of Revenue .....</i>                  | <u><i>29.4%</i></u>         | <u><i>24.6%</i></u>      | <u><i>19.5%</i></u>   | <u><i>26.2%</i></u>             |

N.M. – Not meaningful.

<sup>15</sup> Relates primarily to customer premise equipment for J:COM.



### Free Cash Flow Definition and Reconciliation

Free Cash Flow is not a GAAP measure of liquidity. We define Free Cash Flow as net cash provided by operating activities including net cash provided by discontinued operations less capital expenditures and capital lease additions. Our definition of free cash flow includes capital lease additions which are used to finance capital expenditures. From a financial reporting perspective, capital expenditures that are financed by capital lease arrangements are treated as non-cash activities and accordingly are not included in the capital expenditure amounts presented in our consolidated statements of cash flows. We believe our presentation of free cash flow provides useful information to our investors because it can be used to gauge our ability to service debt and fund new investment opportunities. Investors should view free cash flow as a supplement to, and not a substitute for, GAAP cash flows from operating, investing and financing activities as a measure of liquidity. The table below highlights the reconciliation of net cash flows from operating activities to Free Cash Flow:

|   | <u>Three months ended</u>   |                           | <u>Year ended</u>        |                          |
|---|-----------------------------|---------------------------|--------------------------|--------------------------|
|   | <u>Dec. 31,<br/>2005</u>    | <u>Sept. 30,<br/>2005</u> | <u>Dec. 31,<br/>2005</u> | <u>Dec. 31,<br/>2004</u> |
|   | <b>amounts in thousands</b> |                           |                          |                          |
| Net cash provided by operating activities <sup>16</sup> ..... | \$ 551,364                  | \$ 356,610                | \$ 1,526,124             | \$ 708,451               |
| Capital expenditures .....                                    | <u>(377,092)</u>            | <u>(275,720)</u>          | <u>(1,194,993)</u>       | <u>(487,617)</u>         |
| Free cash flow of continuing operations .....                 | 174,272                     | 80,890                    | 331,131                  | 220,834                  |
| Free cash flow of discontinued operations .....               | <u>2,115</u>                | <u>4,841</u>              | <u>28,992</u>            | <u>14,127</u>            |
| Consolidated free cash flow before capital lease additions .. | 176,387                     | 85,731                    | 360,123                  | 234,961                  |
| Capital lease additions .....                                 | <u>(47,043)</u>             | <u>(34,790)</u>           | <u>(153,247)</u>         | <u>0</u>                 |
| Free cash flow .....  | <u>\$ 129,344</u>           | <u>\$ 50,941</u>          | <u>\$ 206,876</u>        | <u>\$ 234,961</u>        |

### Summary of Debt, Capital Lease Obligations and Cash

The following table details the U.S. dollar equivalent balances of our consolidated debt, capital lease obligations and cash at December 31, 2005:

|  | <u>Debt</u>                 | <u>Capital Lease<br/>Obligations</u> | <u>Debt and<br/>Capital Lease<br/>Obligations</u> | <u>Cash</u>         |
|--|-----------------------------|--------------------------------------|---|---------------------|
|  | <b>amounts in thousands</b> |                                      |   |                     |
| LGI and its non-operating subsidiaries                           | \$ 1,289,218                | \$ ---                               | \$ 1,289,218                                      | \$ 660,763          |
| Europe Broadband   |                             |                                      |   |                     |
| UPC Holding .....  | 946,634                     | ---                                  | 946,634   | 14,556              |
| UPC Broadband Holding and its<br>unrestricted subsidiaries ..... | 4,070,948                   | 40,077                               | 4,111,025   | 48,154              |
| Cablecom Luxembourg and its<br>unrestricted subsidiaries .....   | 1,380,317                   | 21,707                               | 1,402,024   | 85,479              |
| J:COM .....  | 1,242,931                   | 326,603                              | 1,569,534   | 299,140             |
| VTR .....  | 341,437                     | 18                                   | 341,455   | 41,263              |
| Other operating subsidiaries .....                               | <u>454,708</u>              | <u>374</u>                           | <u>455,082</u>                                    | <u>52,845</u>       |
| LGI Total .....  | <u>\$ 9,726,193</u>         | <u>\$ 388,779</u>                    | <u>\$ 10,114,972</u>                              | <u>\$ 1,202,200</u> |

<sup>16</sup> Excludes net cash provided by operating activities of discontinued operations.

### ARPU<sup>17</sup> Table

The following table provides ARPU per RGU and per customer relationship for the three months ended December 31, 2005 and September 30, 2005, respectively.

|                                      | As of         |        | As of          |        | Percent |
|--------------------------------------|---------------|--------|----------------|--------|---------|
|                                      | Dec. 31, 2005 |        | Sept. 30, 2005 |        | Change  |
| <b>Europe Broadband<sup>18</sup></b> |               |        |                |        |         |
| ARPU per RGU .....                   | €             | 17.98  | €              | 16.80  | 7.0%    |
| ARPU per Customer Relationship ...   | €             | 22.11  | €              | 20.15  | 9.7%    |
| <b>J:COM</b>                         |               |        |                |        |         |
| ARPU per RGU .....                   | ¥             | 4,907  | ¥              | 4,900  | 0.1%    |
| ARPU per Customer Relationship ...   | ¥             | 8,429  | ¥              | 8,413  | 0.2%    |
| <b>VTR</b>                           |               |        |                |        |         |
| ARPU per RGU .....                   | CLP           | 16,444 | CLP            | 16,261 | 1.1%    |
| ARPU per Customer Relationship ...   | CLP           | 25,507 | CLP            | 24,720 | 3.2%    |
| <b>Liberty Global Consolidated</b>   |               |        |                |        |         |
| ARPU per RGU .....                   | \$            | 26.15  | \$             | 26.72  | (2.1%)  |
| ARPU per Customer Relationship ...   | \$            | 34.05  | \$             | 35.06  | (2.9%)  |

### RGUs per Customer Relationship

The following table highlights RGUs per customer relationship, excluding the impact of Norway from all calculations:

|                                   | As of         |      | As of         |      | Percent |
|-----------------------------------|---------------|------|---------------|------|---------|
|                                   | Dec. 31, 2005 |      | Dec. 31, 2004 |      | Change  |
| Europe .....                      |               | 1.22 |               | 1.17 | 4.3%    |
| J:COM .....                       |               | 1.73 |               | 1.67 | 3.6%    |
| VTR .....                         |               | 1.58 |               | 1.59 | (0.6%)  |
| Liberty Global Consolidated ..... |               | 1.30 |               | 1.27 | 2.4%    |

### Jupiter TV Co., Ltd ("Jupiter TV") Supplemental Financial Information

Liberty Global owned 50% of Jupiter TV at December 31, 2005. Jupiter TV is the largest multi-channel pay television programming and content provider in Japan based upon the number of subscribers receiving the channels. Jupiter TV currently owns or has investments in 18 channels. Summary financial information is presented below, as well as a reconciliation of operating cash flow to operating income calculated in accordance with GAAP for the periods presented therein:

|  | Year Ended         |               | Year Ended       |                | Percent Change |
|--|--------------------|---------------|------------------|----------------|----------------|
|  | Dec. 31, 2005      | Dec. 31, 2004 | Dec. 31, 2005    | Dec. 31, 2004  |                |
|  | amount in millions |               |                  |                |                |
| Revenue .....  | \$ 793             | \$ 567        | ¥ 87,644         | ¥ 60,481       | 45%            |
| Operating Cash Flow .....                                | \$ 147             | \$ 81         | ¥ 16,173         | ¥ 8,602        | 88%            |
| Depreciation, Amortization and Impairment                | (23)               | (13)          | (2,584)          | (1,380)        | (87%)          |
| Operating Income .....                                   | <u>\$ 124</u>      | <u>\$ 68</u>  | <u>¥ 13,589</u>  | <u>¥ 7,222</u> | <u>88%</u>     |
| Outstanding Net Debt (Cash) <sup>19</sup> at year end    | <u>\$ (62)</u>     | <u>\$ 17</u>  | <u>¥ (7,352)</u> | <u>¥ 1,698</u> |                |
| Cumulative Subscribers <sup>20</sup> (in thousands) .... | 56,103             | 46,307        |                  |                |                |

<sup>17</sup> Average monthly revenue (ARPU) is calculated as follows: average total monthly revenue from all sources (including non-subscription revenue such as installation fees or advertising revenue) for the period as indicated, divided by the average of the opening and closing RGUs or customer relationships, as applicable, for the period.

<sup>18</sup> Europe Broadband's ARPU excludes Norway in both periods.

<sup>19</sup> Includes shareholder debt of \$10 million at December 31, 2004.

<sup>20</sup> Includes subscribers at all consolidated and equity owned Jupiter TV channels. Shop Channel subscribers are stated on a full-time equivalent basis. Shop Channel prior year full-time equivalent subscriber numbers have been restated for comparability with the current year presentation.

December 31, 2005

|                                       | Homes Passed <sup>(1)</sup> | Two-way Homes Passed <sup>(2)</sup> | Customer Relationships <sup>(3)</sup> | Total RGUs <sup>(4)</sup> | Video                                   |  |                                |                                 | Internet                         |                             | Telephone                         |                             |
|---------------------------------------|-----------------------------|-------------------------------------|---------------------------------------|---------------------------|---|--|--------------------------------|---------------------------------|----------------------------------|-----------------------------|-----------------------------------|-----------------------------|
|                                       |                             |                                     |                                       |                           | Analog Cable Subscribers <sup>(5)</sup> | Digital Cable Subscribers <sup>(6)</sup> | DTH Subscribers <sup>(7)</sup> | MMDS Subscribers <sup>(8)</sup> | Homes Serviceable <sup>(9)</sup> | Subscribers <sup>(10)</sup> | Homes Serviceable <sup>(11)</sup> | Subscribers <sup>(12)</sup> |
| <b>Europe</b>                         |                             |                                     |                                       |                           |   |  |                                |                                 |                                  |                             |                                   |                             |
| The Netherlands.....                  | 2,645,800                   | 2,521,600                           | 2,239,500                             | 3,009,700                 | 2,150,300                               | 85,300                                   | -                              | -                               | 2,521,600                        | 478,100                     | 2,396,300                         | 296,000                     |
| Switzerland (13).....                 | 1,802,200                   | 1,710,100                           | 1,571,300                             | 2,043,900                 | 1,410,900                               | 106,300                                  | -                              | -                               | 1,467,400                        | 340,500                     | 1,417,600                         | 186,200                     |
| France.....                           | 4,611,700                   | 3,361,600                           | 1,618,800                             | 1,921,800                 | 928,600                                 | 563,800                                  | -                              | -                               | 3,361,600                        | 295,000                     | 2,370,500                         | 134,400                     |
| Austria.....                          | 957,500                     | 954,200                             | 584,100                               | 926,100                   | 455,900                                 | 44,000                                   | -                              | -                               | 954,200                          | 275,900                     | 920,500                           | 150,300                     |
| Ireland.....                          | 887,200                     | 225,800                             | 576,900                               | 601,800                   | 321,500                                 | 141,000                                  | -                              | 113,900                         | 225,800                          | 25,000                      | 24,200                            | 400                         |
| Sweden.....                           | 421,600                     | 287,500                             | 298,500                               | 389,100                   | 240,000                                 | 58,600                                   | -                              | -                               | 287,500                          | 90,500                      | -                                 | -                           |
| Belgium.....                          | 156,600                     | 156,600                             | 146,500                               | 167,800                   | 127,000                                 | 5,500                                    | -                              | -                               | 156,600                          | 35,300                      | -                                 | -                           |
| Total Western Europe.....             | 11,482,600                  | 9,217,400                           | 7,035,600                             | 9,060,200                 | 5,634,200                               | 1,004,500                                | -                              | 113,900                         | 8,974,700                        | 1,540,300                   | 7,129,100                         | 767,300                     |
| Poland.....                           | 1,914,800                   | 932,200                             | 1,023,300                             | 1,124,600                 | 1,000,900                               | -  | -                              | -                               | 932,200                          | 122,500                     | 825,200                           | 1,200                       |
| Hungary.....                          | 1,035,700                   | 885,700                             | 996,300                               | 1,145,900                 | 731,400                                 | -  | 171,100                        | -                               | 885,700                          | 135,200                     | 888,200                           | 108,200                     |
| Czech Republic.....                   | 743,000                     | 402,100                             | 431,400                               | 486,400                   | 298,300                                 | -  | 112,500                        | -                               | 402,100                          | 75,600                      | -                                 | -                           |
| Romania.....                          | 1,913,800                   | 944,100                             | 1,338,100                             | 1,411,600                 | 1,333,900                               | 4,000                                    | -                              | -                               | 818,800                          | 55,200                      | 661,100                           | 18,500                      |
| Slovak Republic.....                  | 429,200                     | 238,000                             | 305,000                               | 323,300                   | 256,900                                 | -  | 17,300                         | 28,300                          | 223,200                          | 20,800                      | -                                 | -                           |
| Slovenia.....                         | 125,300                     | 79,300                              | 108,300                               | 126,400                   | 108,300                                 | -  | -                              | -                               | 79,300                           | 18,100                      | -                                 | -                           |
| Total Central and Eastern Europe..... | 6,161,800                   | 3,481,400                           | 4,202,400                             | 4,618,200                 | 3,729,700                               | 4,000                                    | 300,900                        | 28,300                          | 3,341,300                        | 427,400                     | 2,374,500                         | 127,900                     |
| Total Europe.....                     | 17,644,400                  | 12,698,800                          | 11,238,000                            | 13,678,400                | 9,363,900                               | 1,008,500                                | 300,900                        | 142,200                         | 12,316,000                       | 1,967,700                   | 9,503,600                         | 895,200                     |
| <b>Japan:</b>                         |                             |                                     |                                       |                           |   |  |                                |                                 |                                  |                             |                                   |                             |
| J-Com.....                            | 7,296,600                   | 7,288,000                           | 2,002,800                             | 3,460,400                 | 1,064,100                               | 620,800                                  | -                              | -                               | 7,288,000                        | 864,200                     | 6,624,200                         | 911,300                     |
| <b>The Americas:</b>                  |                             |                                     |                                       |                           |   |  |                                |                                 |                                  |                             |                                   |                             |
| Chile.....                            | 2,171,900                   | 1,285,100                           | 900,400                               | 1,425,700                 | 751,200                                 | 6,800                                    | -                              | -                               | 1,285,100                        | 303,000                     | 1,281,700                         | 364,700                     |
| Puerto Rico.....                      | 331,000                     | 331,000                             | 114,400                               | 160,700                   | 56,700                                  | 55,600                                   | -                              | -                               | 331,000                          | 32,000                      | 331,000                           | 16,400                      |
| Brazil.....                           | 15,100                      | 15,100                              | 15,100                                | 16,600                    | -                                       | -  | -                              | 15,100                          | 15,100                           | 1,500                       | -                                 | -                           |
| Peru.....                             | 66,800                      | 30,300                              | 12,300                                | 14,100                    | 10,800                                  | -  | -                              | -                               | 30,300                           | 3,300                       | -                                 | -                           |
| Total The Americas.....               | 2,584,800                   | 1,661,500                           | 1,042,200                             | 1,617,100                 | 818,700                                 | 62,400                                   | -                              | 15,100                          | 1,661,500                        | 339,800                     | 1,612,700                         | 381,100                     |
| <b>Australia:</b>                     |                             |                                     |                                       |                           |   |  |                                |                                 |                                  |                             |                                   |                             |
| Austar.....                           | 2,417,500                   | -                                   | 471,900                               | 474,800                   | -                                       | 8,000                                    | 466,800                        | -                               | -                                | -                           | -                                 | -                           |
| Total Continuing Operations           | 29,943,300                  | 21,648,300                          | 14,754,900                            | 19,230,700                | 11,246,700                              | 1,699,700                                | 767,700                        | 157,300                         | 21,265,500                       | 3,171,700                   | 17,740,500                        | 2,187,600                   |
| Disc Operations - Norway.....         | 523,000                     | 270,800                             | 375,700                               | 464,300                   | 334,300                                 | 31,000                                   | -                              | -                               | 270,800                          | 69,500                      | 178,200                           | 29,500                      |
| Grand Total                           | 30,466,300                  | 21,919,100                          | 15,130,600                            | 19,695,000                | 11,581,000                              | 1,730,700                                | 767,700                        | 157,300                         | 21,536,300                       | 3,241,200                   | 17,918,700                        | 2,217,100                   |

December 31, 2005 vs. September 30, 2005

|  | Homes Passed <sup>(1)</sup> | Two-way Homes Passed <sup>(2)</sup> | Customer Relationships <sup>(3)</sup> | Total RGUs <sup>(4)</sup> | Video                                   |  |                                | Internet                        |                                  | Telephone                   |                                   |                             |
|--|-----------------------------|-------------------------------------|---------------------------------------|---------------------------|---|--|--------------------------------|---------------------------------|----------------------------------|-----------------------------|-----------------------------------|-----------------------------|
|  |                             |                                     |                                       |                           | Analog Cable Subscribers <sup>(5)</sup> | Digital Cable Subscribers <sup>(6)</sup> | DTH Subscribers <sup>(7)</sup> | MMDS Subscribers <sup>(8)</sup> | Homes Serviceable <sup>(9)</sup> | Subscribers <sup>(10)</sup> | Homes Serviceable <sup>(11)</sup> | Subscribers <sup>(12)</sup> |
| Europe                                       |                             |                                     |                                       |                           |   |  |                                |                                 |                                  |                             |                                   |                             |
| The Netherlands.....                         | 8,900                       | 7,300                               | (12,500)                              | 30,600                    | (45,200)                                | 32,800                                   | -                              | -                               | 7,300                            | 20,400                      | 6,300                             | 22,600                      |
| Switzerland (13).....                        | 1,802,200                   | 1,710,100                           | 1,571,300                             | 2,043,900                 | 1,410,900                               | 106,300                                  | -                              | -                               | 1,467,400                        | 340,500                     | 1,417,600                         | 186,200                     |
| France.....                                  | 7,800                       | 7,700                               | 5,800                                 | 45,800                    | (19,100)                                | 15,800                                   | -                              | -                               | 7,700                            | 16,600                      | 428,600                           | 32,500                      |
| Austria.....                                 | 3,100                       | 3,100                               | 8,300                                 | 16,900                    | (500)                                   | 2,400                                    | -                              | -                               | 3,100                            | 15,000                      | 2,800                             | -                           |
| Ireland.....                                 | 559,300                     | 180,900                             | 377,500                               | 400,700                   | 232,700                                 | 119,900                                  | -                              | 25,100                          | 180,900                          | 23,000                      | -                                 | -                           |
| Sweden.....                                  | -                           | 1,600                               | 1,400                                 | 5,800                     | (5,800)                                 | 7,300                                    | -                              | -                               | 1,600                            | 4,300                       | -                                 | -                           |
| Belgium.....                                 | 200                         | 200                                 | 500                                   | 500                       | (2,400)                                 | 2,000                                    | -                              | -                               | 200                              | 900                         | -                                 | -                           |
| Total Western Europe.....                    | 2,381,500                   | 1,910,900                           | 1,952,300                             | 2,544,200                 | 1,570,600                               | 286,500                                  | -                              | 25,100                          | 1,668,200                        | 420,700                     | 1,855,300                         | 241,300                     |
| Poland.....                                  | 19,000                      | 118,800                             | 15,800                                | 39,000                    | 13,000                                  | -  | -                              | -                               | 118,800                          | 24,800                      | 825,200                           | 1,200                       |
| Hungary.....                                 | 11,200                      | 23,300                              | 34,000                                | 65,000                    | 8,600                                   | -  | 19,400                         | -                               | 23,300                           | 20,400                      | 29,300                            | 16,600                      |
| Czech Republic.....                          | 3,700                       | 19,900                              | 23,500                                | 33,000                    | 7,100                                   | -  | 16,500                         | -                               | 19,900                           | 9,400                       | -                                 | -                           |
| Romania.....                                 | 1,344,700                   | 810,400                             | 948,500                               | 1,016,200                 | 944,400                                 | 4,000                                    | -                              | -                               | 685,100                          | 49,300                      | 661,100                           | 18,500                      |
| Slovak Republic.....                         | 2,800                       | 9,100                               | 5,900                                 | 9,300                     | 7,000                                   | -  | 2,100                          | (3,800)                         | 9,200                            | 4,000                       | -                                 | -                           |
| Slovenia.....                                | 400                         | 1,000                               | 900                                   | 3,100                     | 900                                     | -  | -                              | -                               | 1,000                            | 2,200                       | -                                 | -                           |
| Total Central and Eastern Europe.....        | 1,381,800                   | 982,500                             | 1,028,600                             | 1,165,600                 | 981,000                                 | 4,000                                    | 38,000                         | (3,800)                         | 857,300                          | 110,100                     | 1,515,600                         | 36,300                      |
| Total Europe.....                            | 3,763,300                   | 2,893,400                           | 2,980,900                             | 3,709,800                 | 2,551,600                               | 290,500                                  | 38,000                         | 21,300                          | 2,525,500                        | 530,800                     | 3,370,900                         | 277,600                     |
| Japan:                                       |                             |                                     |                                       |                           |   |  |                                |                                 |                                  |                             |                                   |                             |
| J-Com.....                                   | 579,500                     | 579,500                             | 137,800                               | 239,900                   | (16,000)                                | 126,500                                  | -                              | -                               | 579,500                          | 72,500                      | 339,100                           | 56,900                      |
| The Americas:                                |                             |                                     |                                       |                           |   |  |                                |                                 |                                  |                             |                                   |                             |
| Chile.....                                   | 150,200                     | 46,300                              | 1,200                                 | 59,500                    | 11,700                                  | 2,400                                    | -                              | -                               | 46,300                           | 23,700                      | 42,900                            | 21,700                      |
| Puerto Rico.....                             | 1,300                       | 1,300                               | 300                                   | 3,600                     | (4,500)                                 | 4,200                                    | -                              | -                               | 1,300                            | 2,900                       | 1,300                             | 1,000                       |
| Brazil.....                                  | 200                         | 200                                 | 200                                   | 300                       | -                                       | -  | -                              | 200                             | 200                              | 100                         | -                                 | -                           |
| Peru.....                                    | -                           | -                                   | -                                     | (100)                     | (100)                                   | -  | -                              | -                               | -                                | -                           | -                                 | -                           |
| Total The Americas.....                      | 151,700                     | 47,800                              | 1,700                                 | 63,300                    | 7,100                                   | 6,600                                    | -                              | 200                             | 47,800                           | 26,700                      | 44,200                            | 22,700                      |
| Australia:                                   |                             |                                     |                                       |                           |   |  |                                |                                 |                                  |                             |                                   |                             |
| Austar.....                                  | 2,417,500                   | -                                   | 471,900                               | 474,800                   | -                                       | 8,000                                    | 466,800                        | -                               | -                                | -                           | -                                 | -                           |
| Total Continuing Operations                  | 6,912,000                   | 3,520,700                           | 3,592,300                             | 4,487,800                 | 2,542,700                               | 431,600                                  | 504,800                        | 21,500                          | 3,152,800                        | 630,000                     | 3,754,200                         | 357,200                     |
| Disc Operations - Norway                     | 1,200                       | 5,100                               | 400                                   | 3,900                     | (1,300)                                 | 1,200                                    | -                              | -                               | 5,100                            | 4,400                       | 4,500                             | (400)                       |
| Grand Total.....                             | 6,913,200                   | 3,525,800                           | 3,592,700                             | 4,491,700                 | 2,541,400                               | 432,800                                  | 504,800                        | 21,500                          | 3,157,900                        | 634,400                     | 3,758,700                         | 356,800                     |
| <b>Organic growth by region</b>              |                             |                                     |                                       |                           |   |  |                                |                                 |                                  |                             |                                   |                             |
| Europe                                       |                             |                                     |                                       | 303,500                   | (19,800)                                | 63,700                                   | 38,000                         | (3,400)                         | -                                | 135,400                     | -                                 | 89,600                      |
| Japan  |                             |                                     |                                       | 126,500                   | (60,900)                                | 94,200                                   | -                              | -                               | -                                | 36,300                      | -                                 | 56,900                      |
| The Americas                                 |                             |                                     |                                       | 60,500                    | 4,300                                   | 6,600                                    | -                              | 200                             | -                                | 26,700                      | -                                 | 22,700                      |
| Australia                                    |                             |                                     |                                       | -                         | -                                       | -  | -                              | -                               | -                                | -                           | -                                 | -                           |
| Organic growth from Continuing Operations    |                             |                                     |                                       | 490,500                   | (76,400)                                | 164,500                                  | 38,000                         | (3,200)                         | 3,152,800                        | 198,400                     | 3,754,200                         | 169,200                     |
| Organic growth from Discontinued Operations  |                             |                                     |                                       | 3,900                     | (1,300)                                 | 1,200                                    | -                              | -                               | 5,100                            | 4,400                       | 4,500                             | (400)                       |
| Total Organic Growth                         |                             |                                     |                                       | 494,400                   | (77,700)                                | 165,700                                  | 38,000                         | (3,200)                         | 3,157,900                        | 202,800                     | 3,758,700                         | 168,800                     |
| Acquisitions and Dispositions and Other (14) |                             |                                     |                                       |                           |   |  |                                |                                 |                                  |                             |                                   |                             |
| Switzerland (CableCom)                       |                             |                                     |                                       | 2,033,400                 | 1,409,000                               | 106,800                                  | -                              | -                               | -                                | 338,800                     | -                                 | 178,800                     |
| Romania (Astral and RCT)                     |                             |                                     |                                       | 972,700                   | 926,300                                 | 2,900                                    | -                              | -                               | -                                | 34,300                      | -                                 | 9,200                       |
| Japan (Odakyu and Kobe)                      |                             |                                     |                                       | 113,400                   | 44,900                                  | 32,300                                   | -                              | -                               | -                                | 36,200                      | -                                 | -                           |
| Chile (Metropolis Adj)                       |                             |                                     |                                       | 2,800                     | 2,800                                   | -  | -                              | -                               | -                                | -                           | -                                 | -                           |
| Ireland (NTL)                                |                             |                                     |                                       | 400,200                   | 236,100                                 | 117,100                                  | -                              | 24,700                          | -                                | 22,300                      | -                                 | -                           |
| Australia (Austar)                           |                             |                                     |                                       | 474,800                   | -                                       | 8,000                                    | 466,800                        | -                               | -                                | -                           | -                                 | -                           |
| Subtotal                                     |                             |                                     |                                       | 3,997,300                 | 2,619,100                               | 267,100                                  | 466,800                        | 24,700                          | -                                | 431,600                     | -                                 | 188,000                     |
| Net Adds from Continuing Operations          |                             |                                     |                                       | 4,487,800                 | 2,542,700                               | 431,600                                  | 504,800                        | 21,500                          | 3,152,800                        | 630,000                     | 3,754,200                         | 357,200                     |
| Net Adds from Discontinued Operations        |                             |                                     |                                       | 3,900                     | (1,300)                                 | 1,200                                    | -                              | -                               | 5,100                            | 4,400                       | 4,500                             | (400)                       |
| Total Net Adds                               |                             |                                     |                                       | 4,491,700                 | 2,541,400                               | 432,800                                  | 504,800                        | 21,500                          | 3,157,900                        | 634,400                     | 3,758,700                         | 356,800                     |

Footnotes for pages 19 & 20

- (1) Homes Passed are homes that can be connected to our networks without further extending the distribution plant, except for DTH and MMDS homes. Our Homes Passed counts are based on census data that can change based on either revisions to the data or from new census results. With the exception of Austar, we do not count homes passed for DTH. With respect to Austar, we count all homes in the areas that Austar is authorized to serve. With respect to MMDS, one home passed is equal to one MMDS subscriber.
- (2) 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, telephone services.
- (3) Customer Relationships are the number of customers who receive at least one level of service without regard to which service(s) they subscribe. We exclude mobile customers from customer relationships.
- (4) Revenue Generating Unit is separately an Analog Cable Subscriber, Digital Cable Subscriber, DTH Subscriber, MMDS Subscriber, Internet Subscriber or Telephone Subscriber. A home may contain one or more RGUs. For example, if a residential customer in our Austrian system subscribed to our digital cable service, telephone service and high-speed broadband Internet access service, the customer would constitute three RGUs. Total RGUs is the sum of Analog, Digital Cable, DTH, MMDS, Internet and Telephone Subscribers. In some cases, non-paying subscribers are counted as subscribers during their free promotional service period. Some of these subscribers choose to disconnect after their free service period.
- (5) Analog Cable Subscriber is comprised of video cable customers that are counted on a per connection basis. In Europe, we have 1.37 million "lifeline" customers that are counted on a per connection basis, representing the least expensive regulated tier of basic cable service, with only a few channels. An analog cable subscriber is not counted as a digital cable subscriber.
- (6) Digital Cable Subscriber is a customer with one or more digital converter boxes that receives our digital video service. We count a subscriber with one or more digital converter boxes that receives our digital video service as just one subscriber. A digital subscriber is not counted as an analog subscriber. In the Netherlands where our mass digital migration project is underway, a subscriber is moved from the analog subscriber count to the digital subscriber count when such subscriber accepts delivery of our digital converter box and agrees to accept digital video service regardless of when the subscriber begins to receive our digital video service. The digital video service and the digital converter box are provided at the analog rate for six months after which the subscriber has the option to discontinue the digital service or pay an additional amount to continue to receive the digital service.
- (7) DTH Subscriber is a home or commercial unit that receives our video programming broadcast directly to the home via a geosynchronous satellite.
- (8) MMDS Subscriber is a home or commercial unit that receives our video programming via a multipoint microwave (wireless) distribution system.
- (9) Internet Homes Serviceable are homes that can be connected to our broadband networks, where customers can request and receive Internet access services.
- (10) Internet Subscriber is a home or commercial unit or EBU with one or more cable modems connected to our broadband networks, where a customer has requested and is receiving high-speed Internet access services. Such numbers do not include customers that receive services via resale arrangements.
- (11) Telephone Homes Serviceable are homes that can be connected to our networks, where customers can request and receive voice services.
- (12) Telephone Subscriber is a home or commercial unit or EBU connected to our networks, where a customer has requested and is receiving voice services. Telephone subscribers as of December 31, 2005, exclude an aggregate of 92,800 mobile telephone subscribers in the Netherlands, Switzerland and Australia. Mobile telephone services generate a significantly lower ARPU than broadband or Voice-over-Internet Protocol or "VoIP" telephone services. Also, such numbers do not include customers that receive services via resale arrangements.
- (13) Included in the subscribers for Switzerland are 25,000 digital cable, 35,800 Internet access and 19,300 telephony subscribers serviced over partner networks, but for which we have the direct customer billing relationship.
- (14) Subscriber information for recently acquired entities is preliminary and subject to adjustment until we have completed our review of such information and determined that it is presented in accordance with our policies.

**Additional General Notes to Tables:**

Tables exclude systems owned by affiliates that were not consolidated for financial reporting purposes as of December 31, 2005, or that were acquired after December 31, 2005. Also, excludes 3.1 million households to which J:COM provides only retransmission services of terrestrial television signals.

With respect to Japan, Chile and Puerto Rico, residential multiple dwelling units with a discounted pricing structure for video, Internet or telephony services 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 most prevalent price charged to non-bulk residential customers in that market for the comparable tier of service.