



Q2 2010 Investor Call

August 4, 2010

- Q2 2010 Highlights
- Financial Results
- Q & A

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

Forward-Looking Statements: This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including our expectations with respect to our 2010 outlook and future growth prospects, including our continued ability to increase our organic RGU additions, further grow the penetration of our advanced services, increase our ARPU per customer and improve our OCF margins; our assessment of our liquidity and access to capital markets, including our borrowing availability, potential uses of our excess capital, including for continued stock buybacks, and our ability to continue to do opportunistic refinancings and debt maturity extensions; our expectations with respect to the timing and impact of our expanded roll-out of advanced products and services, including our next-generation broadband services and advanced digital video features; our insight and expectations regarding competitive and economic factors in our markets, the availability of accretive M&A opportunities and the impact of our M&A activity on our operations and financial performance; our expectations with respect to tax payments arising from the J:COM Transaction 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 and willingness to upgrade to our more advanced offerings, our ability to meet challenges from competition and economic factors, the continued growth in services for digital television at a reasonable cost, the effects of changes in technology and regulation, any lingering impact from the Chilean earthquake, our ability to achieve expected operational efficiencies and economies of scale, our ability to generate expected revenue and operating cash flow, control capital expenditures as measured by percentage of revenue, achieve assumed margins and control the phasing of our FCF, our ability to access cash of our subsidiaries and the impact of our future financial performance, or market conditions generally, on the availability, terms and deployment of capital, as well as other factors detailed from time to time in the Company's filings with the Securities and Exchange Commission ("SEC") including our most recently filed Forms 10-K and 10-Q. These forward-looking statements speak only as of the date of this presentation. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any 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.

Additional Information Relating to Defined Terms:

Please refer to the Appendix at the end of this presentation, as well as the Company's Press Release dated August 3, 2010 and SEC filings, for the definitions of the following terms which may be used herein including: Rebased Growth, Operating Cash Flow ("OCF"), Free Cash Flow ("FCF"), Adjusted Free Cash Flow ("Adjusted FCF"), Revenue Generating Units ("RGUs"), Average Monthly Subscription Revenue per Average RGU ("ARPU"), as well as GAAP reconciliations, where applicable.

Additional Information Relating to Accounting Treatment of UPC Slovenia and J:COM:

UPC Slovenia was sold on July 15, 2009 and our interest in J:COM was sold on February 18, 2010. We have treated UPC Slovenia and J:COM as discontinued operations in our consolidated financial statements. Thus, the results of operations and cash flows of UPC Slovenia and J:COM have been reclassified to discontinued operations and are excluded from the financial amounts included in this presentation for all periods presented. Additionally, we are reporting subscriber metrics excluding the impact of these discontinued operations.

Organic Growth

- ▶ 169,000 organic RGU adds in Q2, up 80% YoY
- ▶ Record Q2 broadband adds
- ▶ 267,000 digital adds in Q2, now above 40% penetration
- ▶ Q2 rebased growth of 5% for both revenue & OCF
- ▶ YTD Adjusted FCF of \$358mm

Balance Sheet

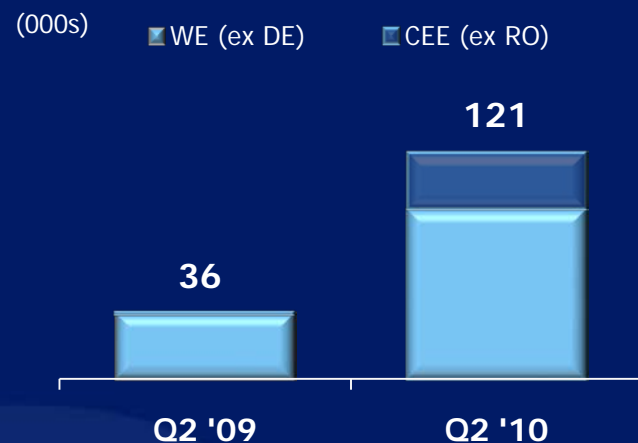
- ▶ Consolidated cash position of \$3.5bn at June 30
- ▶ Gross & net debt of 5x & 4x
- ▶ >\$1.6bn LT debt extended YTD
- ▶ Over 75% of debt maturities due 2015 & beyond
- ▶ Repurchased ~\$575mm of stock & \$87mm of convert YTD

(1) Please see Appendix for the definitions of organic growth, rebased growth, OCF and Adjusted FCF, as well as the relevant reconciliations.

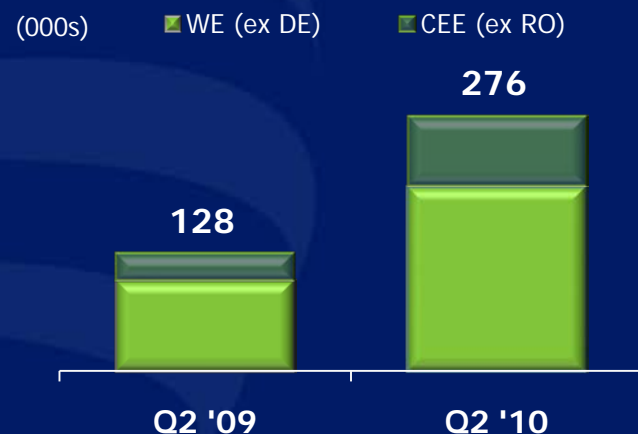
Subscriber Growth⁽¹⁾

- ▶ Improved RGU performance in 7 of 9 European markets in Q2
- ▶ Broadband speeds & digital TV are key differentiators
- ▶ Same-store analog video losses stable; DTV penetration growing
- ▶ Advanced service adds of 817k YTD
- ▶ 3rd straight quarter of strong growth in The Netherlands

Q2 Organic RGU Additions⁽¹⁾



YTD Organic RGU Additions⁽¹⁾



(1) Excludes Germany and Romania. Please see Appendix for definitions of organic growth and advanced services.

Broadband Data

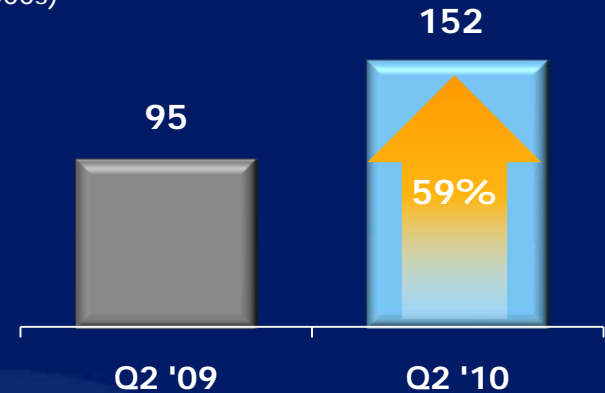
- ▶ Fiber Power driving growth & market share
- ▶ ~80% of European footprint 3.0 ready YE
- ▶ 6mm data RGUs & 23% penetration globally

Fixed Voice

- ▶ Experiencing "halo effect" from 3.0 bundles
- ▶ 4mm voice RGUs & 17% penetration
- ▶ Key driver of 34% bundled penetration

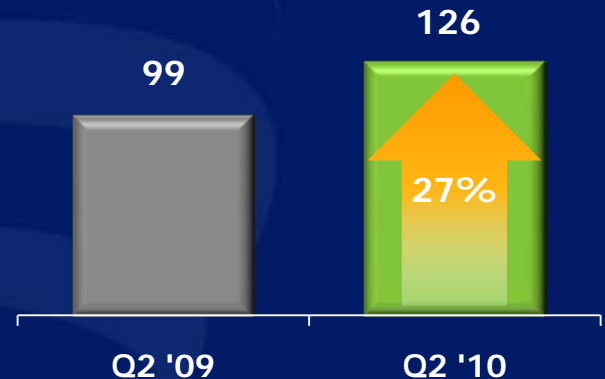
Organic Broadband Adds

(000s)



Organic Voice Adds

(000s)



(1) Please see Appendix for the definitions of organic growth, and broadband internet and voice penetrations.

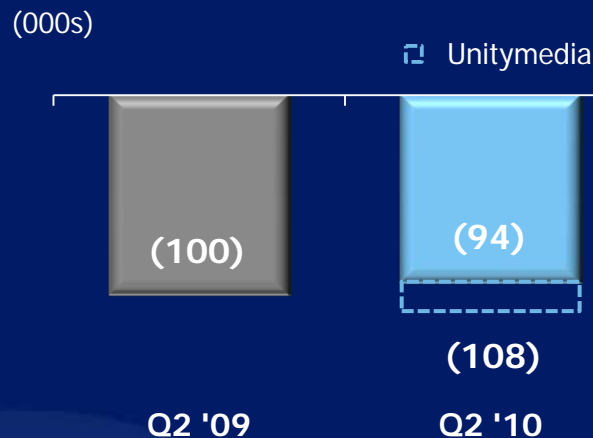
Total Video

- ▶ Improved video losses on same-store basis
- ▶ Romania accounts for 38% of Q2 video loss
- ▶ Lowest loss quarter in NL since Q2 '07

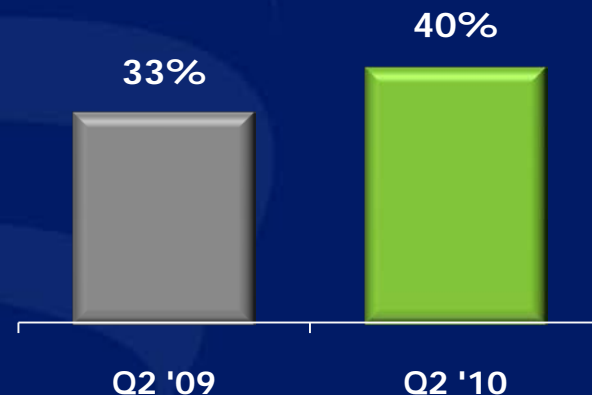
Digital Cable

- ▶ 267,000 organic digital additions in Q2
- ▶ Digital penetration up 700 bps YoY
- ▶ 9mm analog RGU conversion opportunity

Total Video Losses



Digital Penetration



(1) Please see Appendix for the definitions of organic growth and digital penetration.

High Definition RGU Adds⁽²⁾

(000s)



- ▶ Boosted by more HD broadcast content and the World Cup
- ▶ 2.4 mm combined HD & DVR subscribers
- ▶ 49% HD & DVR penetration (excluding Germany)

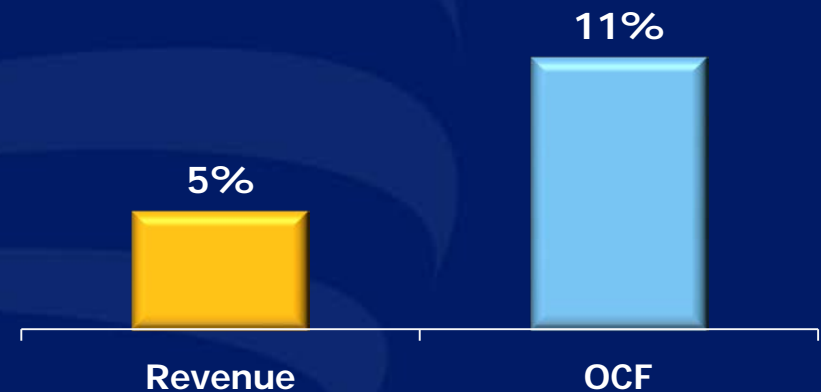
(1) Please see Appendix for the definitions of DVR and HD as well as digital penetration. Refers to HD digital cable subscriptions only.

(2) Includes HD-only and HD/DVR subscriptions added by a combination of new digital customers, and existing digital customers upgrading from a standard-definition service.

- ▶ 138,000 RGU adds since acquisition
 - ▶ Launched HD ahead of World Cup
 - ▶ Expanding 128 Mbps broadband
- ▶ Significant penetration opportunity for all 3 advanced services
- ▶ ARPU per customer up ~6% YoY
- ▶ YTD rebased revenue & OCF growth of 5% & 11%, respectively
- ▶ Arena business closing in Fall
- ▶ Integration & synergies on track



YTD Rebased Growth Rates



(1) Please see Appendix for the definitions of rebased growth, advanced services, HD and OCF, as well as the reconciliation of OCF.

- ▶ Multimedia Home Gateway
- ▶ Market-by-market mobile plans developing
 - Belgian MVNO producing results
 - Dutch spectrum acquired
 - Chilean 3G project green-lighted
- ▶ M&A pipeline active in Europe
- ▶ Prudent buy back initiative continuing

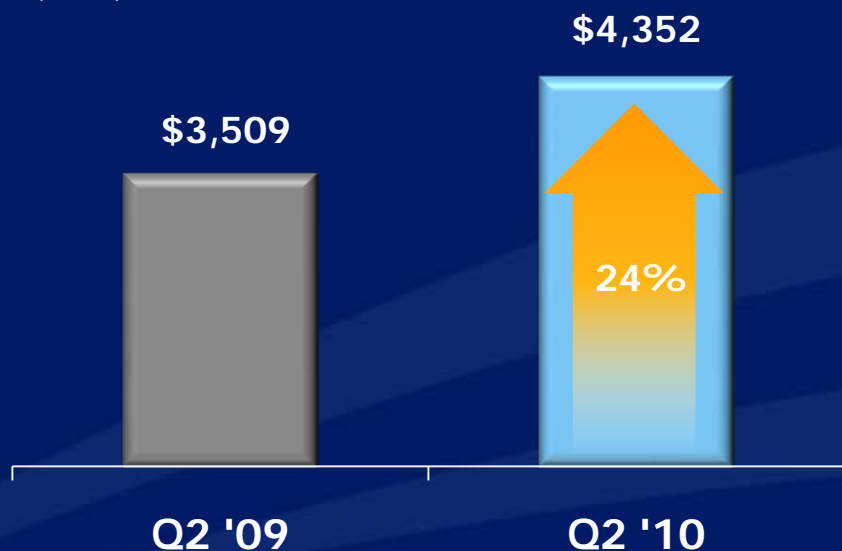
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YTD Financial Summary⁽¹⁾

Revenue

Rebased Growth of 4%

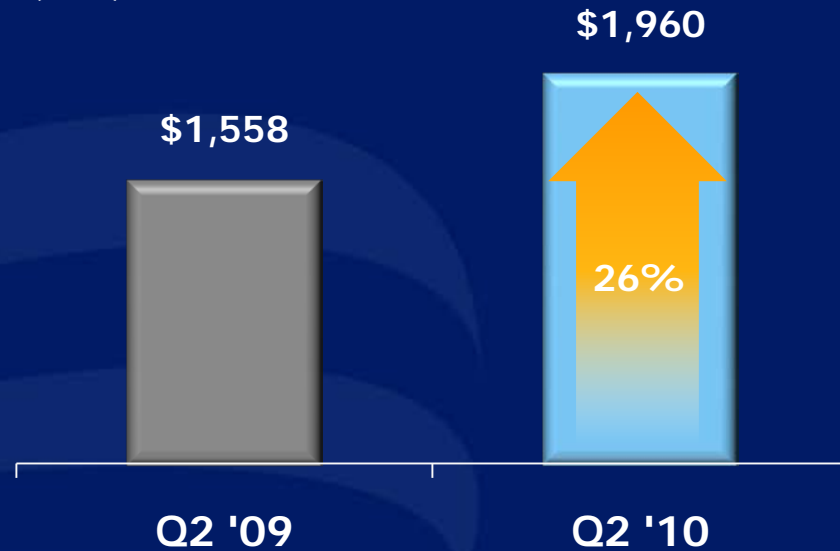
(\$mm)



OCF

Rebased Growth of 5%

(\$mm)



(1) Please see Appendix for the definition and reconciliation of OCF and for information on rebased growth.

Q2 Regional Summary

Quarter ended June 30, 2010

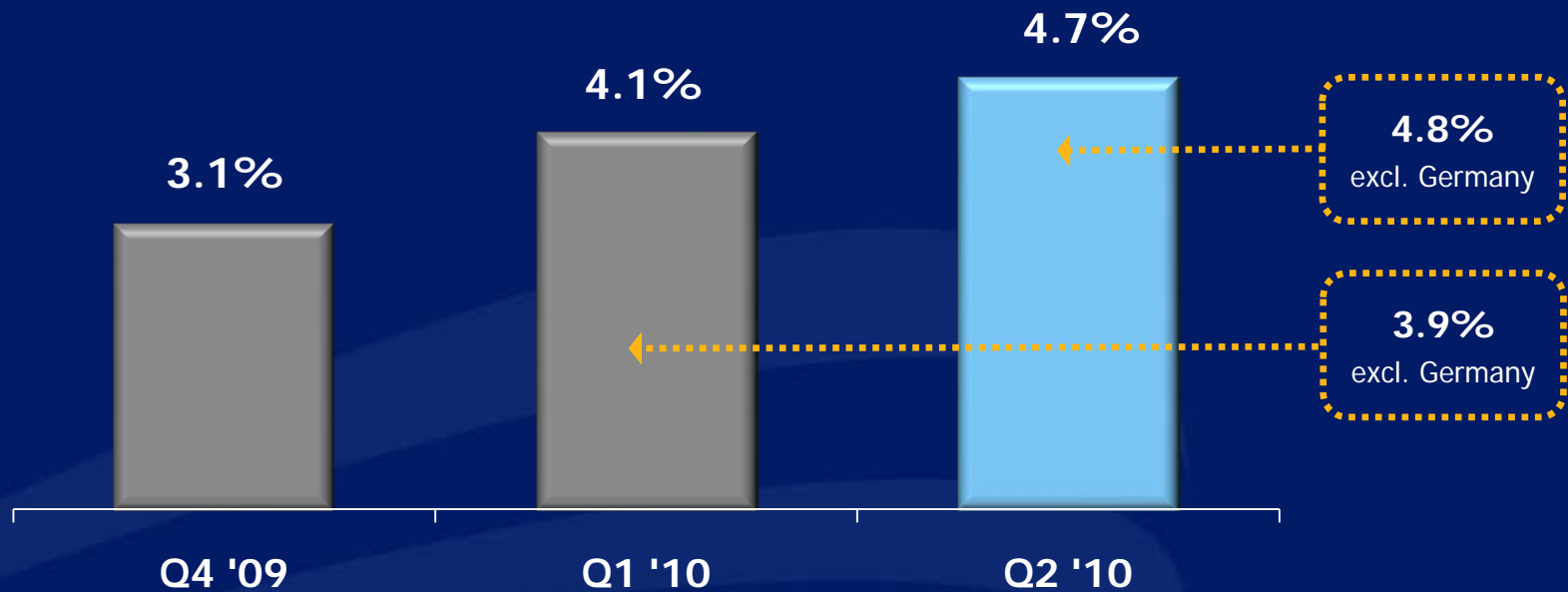
| | Revenue (\$mm) | Rebased Growth ⁽¹⁾ | OCF (\$mm) ⁽¹⁾ | Rebased Growth ⁽¹⁾ |
|--------------------------------|-------------------|----------------------------------|------------------------------|----------------------------------|
| UPC Broadband | \$1,279 | 3% | \$639 | 2% |
| Belgium | <u>410</u> | <u>8%</u> | <u>209</u> | <u>8%</u> |
| Europe⁽²⁾ | 1,689 | 4% | 848 | 3% |
| Chile | 191 | 4% | 80 | 7% |
| Australia | 157 | 6% | 53 | 0% |
| Total LGI⁽³⁾ | 2,173 | 5% | 985 | 5% |

(1) Please see Appendix for information on rebased growth, and the definition and reconciliation of OCF.

(2) Europe consists of UPC Broadband (including Germany) and Belgium.

(3) Consolidated figures include the Corporate and Other category, totaling \$136 mm of revenue and \$4 mm of OCF, respectively.

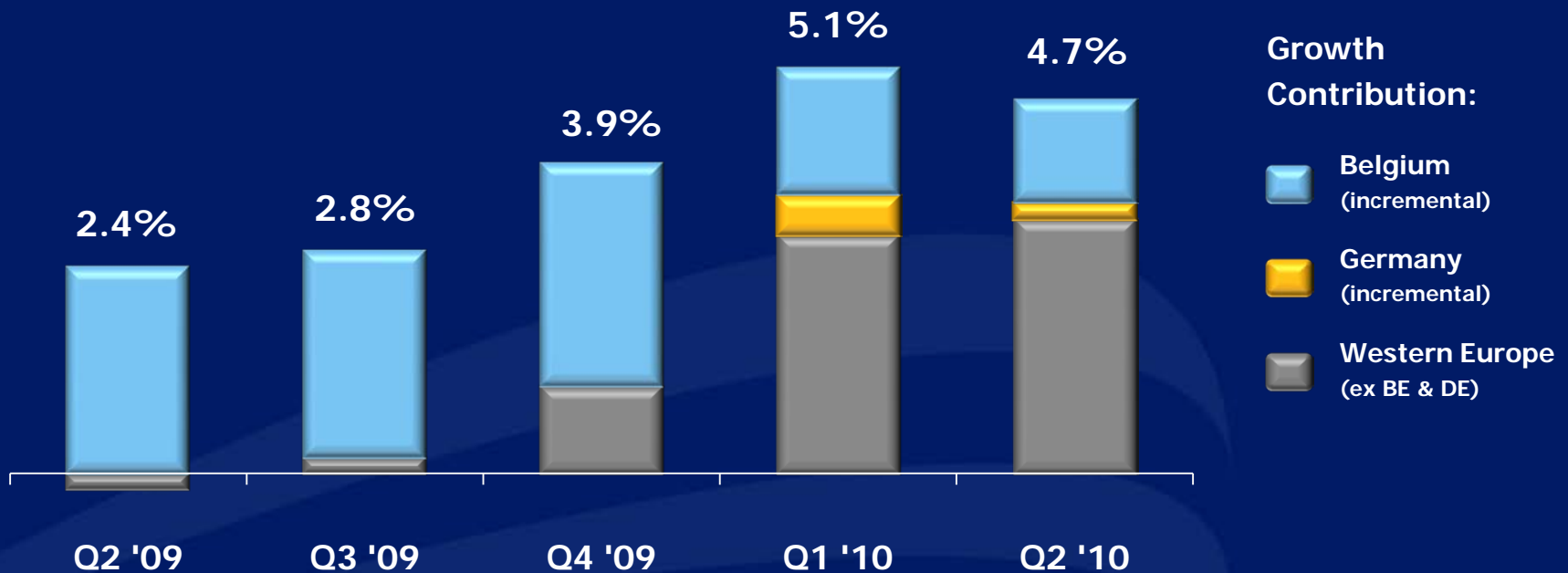
Quarterly Rebased Growth⁽¹⁾



Top-line momentum continued through Q2

(1) Rebased growth rates adjusted to exclude Japan from all stated quarterly periods. Please see Appendix for the definition of rebased growth.

WE Rebased Revenue Growth⁽¹⁾

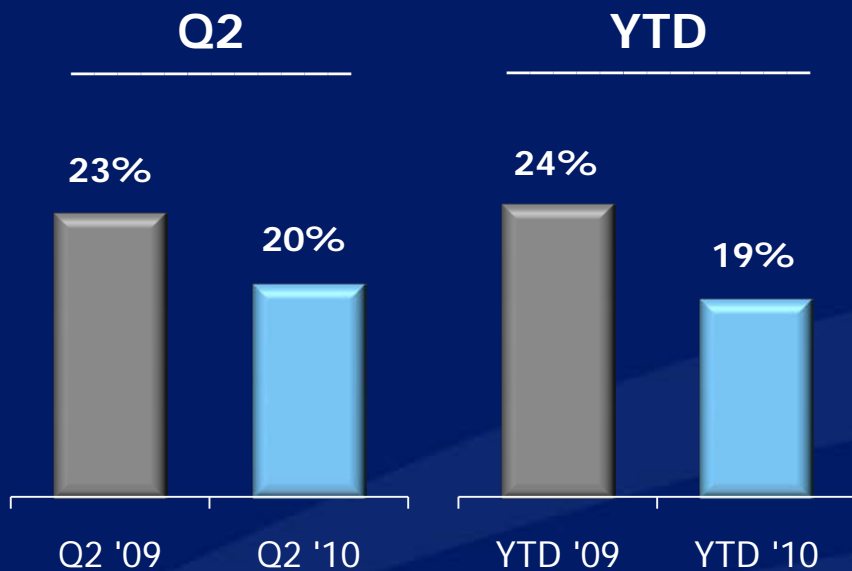


BE and DE accretive to Western European growth profile

(1) Western Europe ("WE") includes Germany (excluding arena), Netherlands, Switzerland, Austria, Ireland and Belgium. Please see Appendix for the definition of rebased growth.

CapEx and FCF Profile⁽¹⁾

CapEx / Revenue (%)



Adjusted FCF (\$mm)



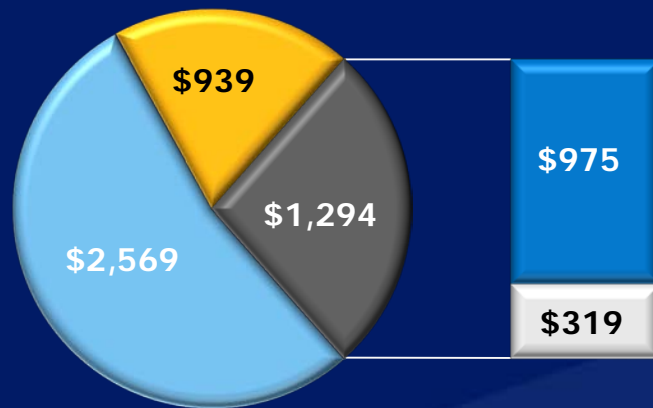
- YTD capital spend in USD flat to prior year
- Expect higher CapEx / Revenue in H2

- 2010 Adj. FCF normalized for J:COM / Unity
- Higher YoY cash interest & derivatives

(1) Please see Appendix for the definition and reconciliation of Adjusted FCF.

\$4.8 bn Total Liquidity⁽¹⁾

(\$mm)

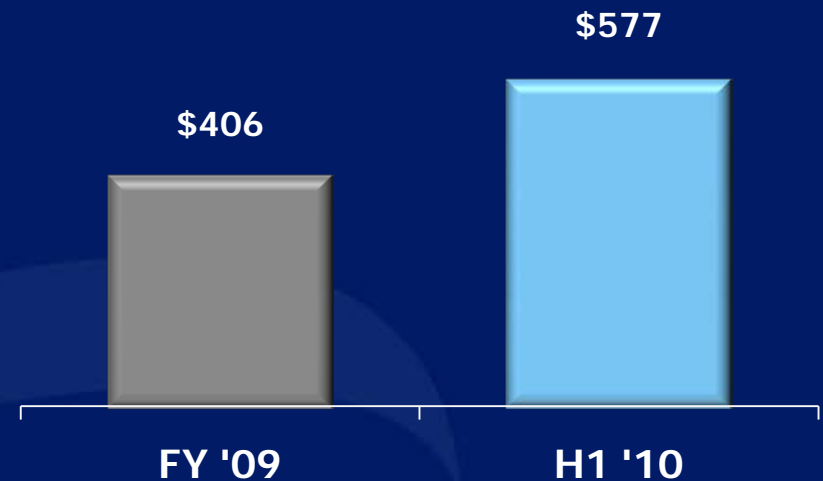


- LGI & non-operating subs cash
- Operating subs cash
- UPC borrowing capacity
- Other borrowing capacity

- Gross debt of \$20.4 bn at June 30
- Adjusted ratios: 4.9x gross, 4.0x net
- Substantial liquidity for buybacks & M&A

Stock Repurchase Activity

(\$mm)



- ~\$210 mm remaining at June 30
- \$7 bn of buybacks since inception
- \$87 mm of UGC convert repurchased in '10

(1) Please see Appendix for accompanying footnotes.

- ▶ Digital TV & Fiber Power driving advanced RGU additions
- ▶ Top-line acceleration continuing through Q2
- ▶ Active share repurchases & strong liquidity position
- ▶ Expect second half RGU acceleration to be driven by Q4



Appendix

Definitions and Additional Information

Revenue Generating Unit (“RGU”) is separately an Analog Cable Subscriber, Digital Cable Subscriber, DTH Subscriber, MMDS Subscriber, Internet Subscriber or Telephony Subscriber. A home, residential multiple dwelling unit, or commercial unit may contain one or more RGUs. For example, if a residential customer in our Austrian system subscribed to our digital cable service, telephony service and broadband internet service, the customer would constitute three RGUs. Total RGUs is the sum of Analog Cable, Digital Cable, DTH, MMDS, Internet and Telephony Subscribers. RGUs generally are counted on a unique premise basis such that a given premise does not count as more than one RGU for any given service. On the other hand, if an individual receives our service in two premises (e.g. a primary home and a vacation home), that individual will count as two RGUs. Each bundled cable, internet or telephony service is counted as a separate RGU regardless of the nature of any bundling discount or promotion. Non-paying subscribers are counted as subscribers during their free promotional service period. Some of these subscribers may choose to disconnect after their free service period. Services offered without charge on a permanent basis (e.g. VIP subscribers, free service to employees) are not counted as RGUs.

Average Revenue Per Unit (“ARPU”) refers to the average monthly subscription revenue per average RGU. ARPU per customer relationship refers to the average monthly subscription revenue per average customer relationship. In both cases, the amounts are calculated by dividing the average monthly subscription revenue (excluding installation, late fees and mobile telephony revenue) for the indicated period, by the average of the opening and closing balances for RGUs or customer relationships, as the case may be, for the period. Unless otherwise indicated, the growth rate for ARPU per customer relationship for LGI and UPC is not adjusted for currency impacts.

Organic changes exclude RGUs of acquired entities at the date of acquisition but include the impact of changes in RGUs from the date of acquisition. Organic figures represent changes on a net basis.

Advanced service RGUs represent our services related to digital video, including digital cable and direct-to-home satellite (“DTH”), broadband internet and telephony.

Digital penetration is calculated by dividing digital cable RGUs by the total of digital and analog cable RGUs.

Broadband internet and telephony penetration is calculated by dividing the broadband internet and telephony RGUs by their respective homes serviceable.

HD and DVR refer to digital video recorder and high definition digital services, respectively.

HD/DVR penetration is calculated by dividing the sum of DVR and HD customers by total digital cable RGUs.

Definition and Additional Information

Information on Rebased Growth For purposes of calculating rebased growth rates on a comparable basis for all businesses that we owned during 2010, we have adjusted our historical revenue and OCF for the three and six months ended June 30, 2009 to (i) include the pre-acquisition revenue and OCF of certain entities acquired during 2009 and 2010 in our rebased amounts for the three and six months ended June 30, 2009 to the same extent that the revenue and OCF of such entities are included in our results for the three and six months ended June 30, 2010, (ii) exclude the pre-disposition revenue and OCF of certain entities that were disposed or otherwise deconsolidated during 2009 and 2010 from our rebased amounts for the three and six months ended June 30, 2009 to the same extent that the revenue and OCF of such entities are excluded from our results for the three and six months ended June 30, 2010, and (iii) reflect the translation of our rebased amounts for the three and six months ended June 30, 2009 at the applicable average exchange rates that were used to translate our results for the three and six months ended June 30, 2010. The acquired entities that have been included in whole or in part in the determination of our rebased revenue and OCF for the three and six months ended June 30, 2009 include Unitymedia and four small acquisitions in Europe. The disposed and deconsolidated entities that were excluded in whole or in part from the determination of our rebased revenue and OCF for the three and the six months ended June 30, 2009 were three of Chellomedia's programming distribution businesses. For the three months and six months ended June 30, 2010, we consolidated approximately \$4 million and \$7 million of revenue, respectively, and no appreciable OCF in either period from arena. For the comparable periods in 2009, arena revenue was approximately \$111 million and \$207 million, respectively, and OCF was approximately \$4 million and \$18 million, respectively. The revenue and OCF decline reflects the substantial changes in arena's business during 2009, including the expiration of its right to broadcast certain premium sports broadcasting content during June 2009. On June 15, 2010, we announced that we would close down arena effective September 30, 2010. As a result, we are excluding arena from our rebase growth calculations unless otherwise noted and we expect arena will be treated as a discontinued operation beginning in our third quarter 2010 reporting. In terms of acquired entities, we have reflected the revenue and OCF of these acquired entities in our 2009 rebased amounts based on what we believe to be the most reliable information that is currently available to us (generally pre-acquisition financial statements), as adjusted for the estimated effects of (i) any significant differences between GAAP and local generally accepted accounting principles, (ii) any significant effects of post-acquisition purchase accounting adjustments, (iii) any significant differences between our accounting policies and those of the acquired entities and (iv) other items we deem appropriate. We do not adjust pre-acquisition periods to eliminate non-recurring items or to give retroactive effect to any changes in estimates that might be implemented during post-acquisition periods. As we did not own or operate the acquired businesses during the pre-acquisition periods, no assurance can be given that we have identified all adjustments necessary to present the revenue and OCF of these entities on a basis that is comparable to the corresponding post-acquisition amounts that are included in our historical 2009 results or that the pre-acquisition financial statements we have relied upon do not contain undetected errors. The adjustments reflected in our 2009 rebased amounts have not been prepared with a view towards complying with Article 11 of the SEC's Regulation S-X. In addition, the rebased growth percentages are not necessarily indicative of the revenue and OCF that would have occurred if these transactions had occurred on the dates assumed for purposes of calculating our rebased 2009 amounts or the revenue and OCF that will occur in the future. The rebased growth percentages have been presented as a basis for assessing 2010 growth rates on a comparable basis, and are not presented as a measure of our pro forma financial performance for 2009. Therefore, we believe our rebased data is not a non-GAAP financial measure as contemplated by Regulation G or Item 10 of Regulation S-K.

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. Operating cash flow is also a key factor that is used by our internal decision makers to (i) determine how to allocate resources to segments and (ii) evaluate the effectiveness of our management for purposes of annual and other incentive compensation plans. As we use the term, operating cash flow is defined as revenue less operating and SG&A expenses (excluding stock-based compensation, depreciation and amortization, provisions for litigation, and impairment, restructuring and other operating charges or credits). Other operating charges or credits include (i) gains and losses on the disposition of long-lived assets, (ii) direct acquisition costs, such as third-party due diligence, legal and advisory costs, and (iii) other acquisition-related items, such as gains and losses on settlement of contingent consideration. 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 that is unaffected by our capital structure and allows management to (i) readily view operating trends, (ii) perform analytical comparisons and benchmarking between segments and (iii) identify strategies to improve operating performance in the different countries in which we operate. We believe our operating cash flow measure is useful to investors because it is one of the bases for comparing our performance with the performance of other companies in the same or similar industries, although our measure may not be directly comparable to similar measures used by other public companies. Operating cash flow should be viewed as a measure of operating performance that is a supplement to, and not a substitute for, operating income, net earnings (loss), cash flow from operating activities and other GAAP measures of income or cash flows. A reconciliation of total segment operating cash flow to our operating income is presented below.

| | Three months ended June 30, | | Six months ended June 30, | |
|---|--------------------------------|-----------------|------------------------------|-----------------|
| | 2010 | 2010 | 2010 | 2009 |
| | in millions | | | |
| Total segment operating cash flow from continuing operations..... | \$ 985.0 | \$ 812.3 | \$ 1,960.2 | \$ 1,558.4 |
| Stock-based compensation expense | (32.7) | (33.3) | (66.7) | (58.8) |
| Depreciation and amortization | (590.9) | (507.0) | (1,180.1) | (990.3) |
| Impairment, restructuring and other operating charges, net..... | (34.9) | (123.3) | (83.3) | (124.0) |
| Operating income | <u>\$ 326.5</u> | <u>\$ 148.7</u> | <u>\$ 630.1</u> | <u>\$ 385.3</u> |

Free Cash Flow and Adjusted Free Cash Flow Definitions and Reconciliations*

We define FCF as net cash provided by the operating activities of our continuing operations less the capital expenditures of our continuing operations, each as reported in our consolidated statements of cash flows. We also present Adjusted FCF which adjusts FCF to include Unitymedia's FCF for the pre-acquisition Q1 2010 period and to eliminate certain material non-recurring impacts of the Unitymedia and J:COM Transactions, specifically the costs associated with Unitymedia's pre-acquisition debt, direct acquisition costs of the Unitymedia Transaction, U.S. cash tax payments resulting from the gain on the J:COM Transaction and the related recognition of accumulated excess tax benefits from stock-based compensation. FCF and Adjusted FCF are not GAAP measures of liquidity.

We believe that our presentation of FCF provides useful information to our investors because this measure can be used to gauge our ability to service debt and fund new investment opportunities. In addition, we believe that Adjusted FCF is meaningful because it provides investors with a better baseline for comparing our ongoing FCF profile. FCF and Adjusted FCF should not be understood to represent our ability to fund discretionary amounts, as we have various mandatory and contractual obligations, including debt repayments, which are not deducted to arrive at this amount. Investors should view FCF and Adjusted FCF as supplements to, and not substitutes for, GAAP measures of liquidity included in our consolidated cash flow statements. The following table highlights the reconciliation of our continuing operations' net cash provided by operating activities to FCF and FCF to Adjusted FCF for the indicated periods:

| | Three months ended June 30, | | Six months ended June 30, | |
|---|--------------------------------|----------------|------------------------------|-----------------|
| | 2010 | 2009 | 2010 | 2009 |
| | in millions | | | |
| Net cash provided by operating activities from continuing operations | \$ 351.1 | \$ 520.1 | \$ 985.3 | \$ 957.8 |
| Capital expenditures | <u>(434.4)</u> | <u>(423.1)</u> | <u>(839.4)</u> | <u>(835.6)</u> |
| FCF | <u>\$ (83.3)</u> | <u>\$ 97.0</u> | <u>\$ 145.9</u> | <u>\$ 122.2</u> |
| FCF | \$ (83.3) | \$ 97.0 | \$ 145.9 | \$ 122.2 |
| Unitymedia FCF adjustment for pre-acquisition Q1 2010 period ⁽¹⁾ | — | — | (42.0) | — |
| Post-acquisition payments associated with Unitymedia's old capital structure ⁽²⁾ | 7.2 | — | 44.8 | — |
| Unitymedia direct acquisition costs ⁽³⁾ | 12.4 | — | 49.3 | — |
| Excess tax benefits from stock-based compensation ⁽⁴⁾ | — | — | 34.3 | — |
| Tax payments on J:COM disposal ⁽⁵⁾ | <u>126.0</u> | <u>—</u> | <u>126.0</u> | <u>—</u> |
| Adjusted FCF | <u>\$ 62.3</u> | <u>\$ 97.0</u> | <u>\$ 358.3</u> | <u>\$ 122.2</u> |

(*) Please see next page for accompanying footnotes.

Free Cash Flow and Adjusted Free Cash Flow

- (1) Represents the estimated FCF of Unitymedia (exclusive of interest and derivative payments associated with Unitymedia's pre-acquisition debt) during the pre-acquisition Q1 2010 period.
- (2) Represents interest and derivative payments on Unitymedia's pre-acquisition debt during the post-acquisition period. These payments were reflected as a reduction of cash provided by operations in our condensed consolidated cash flow statement. Unitymedia's pre-acquisition debt was repaid on March 2, 2010 in connection with the push down of the UPC Germany notes. Payments on one of Unitymedia's legacy derivative instruments will continue into 2011.
- (3) Represents the direct acquisition costs that were paid in connection with the Unitymedia Transaction. These payments were reflected as a reduction of cash provided by operations in our condensed consolidated cash flow statement.
- (4) The Q1 2010 adjustment relates to previously accumulated excess tax benefits from stock-based compensation that were recognized in the quarter as a result of the tax liability arising from the J:COM Transaction. These excess tax benefits recognized for accounting purposes are reported as an increase to cash flows from financing activities and a corresponding decrease in cash flows from operating activities in our cash flow statements.
- (5) We anticipate that our U.S. tax payments during 2010 will range from \$225 million to \$300 million. The actual income taxes to be paid by our U.S. tax group during 2010 will be a function of (i) the U.S. tax attributes available at December 31, 2010 to offset the liability resulting from the taxable gain and (ii) our other 2010 taxable activities in the U.S.

Balance Sheet and Liquidity

- (1) Our adjusted gross and net debt leverage ratios are defined as total debt and net debt to annualized OCF of the latest quarter. Gross and net debt exclude our \$1.0 billion loan that is backed by the shares we hold in Sumitomo Corporation.
- (2) Total liquidity refers to our consolidated cash plus the aggregate unused borrowing capacity, as represented by the maximum undrawn commitments under our subsidiaries' applicable facilities without regard to covenant compliance calculations.