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As Filed With the Securities and Exchange Commission on February 14, 2002

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT
Under The Securities Act of 1933

UnitedGlobalCom, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**4841**	**84-1602895**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

UnitedGlobalCom, Inc.
4643 South Ulster Street, Suite 1300
Denver, Colorado 80237
(303) 770-4001
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Michael T. Fries
President
4643 South Ulster Street, Suite 1300
Denver, Colorado 80237
(303) 770-4001
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:
Garth B. Jensen, Esq.
Holme Roberts & Owen LLP
1700 Lincoln, Suite 4100
Denver, Colorado 80203
(303) 861-7000

Approximate Date of Commencement of Proposed Sale to the Public: As soon as practicable after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. / /

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. /x/

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. / /

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per share	Proposed maximum aggregate offering price(2)	Amount of registration fee(2)
Class A common stock, $.01 par value per share(1)	9,581,178 shares	$4.685	$44,887,819	$4,130

(1) Includes 8,870,332 shares of Class A common stock issuable upon conversion of 8,870,332 shares of registrant's Class B common stock, par value $0.01 per share.
(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c), based on the average of the high and low prices of our Class A common stock as reported on the Nasdaq National Market on February 8, 2002.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

PROSPECTUS (SUBJECT TO COMPLETION) DATED FEBRUARY 14, 2002

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offering to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

9,581,178 Shares of Class A Common Stock

UnitedGlobalCom:

- Through our 99.5% economic interest in UGC Holdings, we are the largest broadband communications provider outside the United States; we provide video distribution services in 26 countries and telephone and Internet access services in a growing number of international markets.
- UnitedGlobalCom, Inc.
  4643 South Ulster Street, Suite 1300
  Denver, Colorado 80237
  (303) 770-4001

The Offering:

- Selling securityholders may sell, from time to time, 9,581,178 shares of our Class A common stock, which includes shares of our Class A common stock issuable upon conversion of Class B common stock held by the selling securityholders. We are registering these shares pursuant to an exercise of contractual registration rights of the selling securityholders.
- Use of Proceeds: We will not receive any proceeds from the sale of shares by the selling securityholders.

Symbol and Market:

- UCOMA
- Nasdaq National Market
- The last reported sales price of our Class A common stock on the Nasdaq National Market on February 13, 2002 was $4.90 per share.

This investment involves risks. See "Risk Factors" beginning on page 5.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.

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SUMMARY

This summary highlights selected information from this prospectus and does not contain all of the information that may be important to you. To fully understand our company and the offering of our stock, you should read carefully this entire document and the other documents to which you have been referred. In particular, please read "Where You Can Find Information." When we use the terms "we," "us," "our" or similar terms, or the term "United," we refer to UnitedGlobalCom, Inc., formerly known as New UnitedGlobalCom, Inc. and, where appropriate, to our 99.5%-owned subsidiary, UGC Holdings, Inc., or "UGC Holdings," which was formerly known as UnitedGlobalCom, Inc.

When we refer to operating system information as "aggregate," we mean that the information is given in respect of all operating systems in which we hold any equity interest as though we wholly own them. All references to "dollars" and "$" are to United States dollars. For your convenience, we have converted some amounts in non-dollar currencies to United States dollars. All references to "euros" and "E" are to European Union euros. Foreign currency translations for amounts prior to December 31, 2000 use the same exchange rates used in our December 31, 2000 financial statements, except where stated otherwise. For amounts after December 31, 2000, we have used September 30, 2001 exchange rates, except where stated otherwise. These translated amounts may not currently equal such dollar amounts nor may they necessarily be converted into dollars at the translation exchange rates used.

Our Company

We are the largest broadband communications provider outside the United States. We provide video distribution services in 26 countries worldwide and telephone and Internet access services in a growing number of our international markets. Our operations are grouped into three major geographic regions: Europe, Latin America and Asia/Pacific.

- Our European operations are held through United Pan-Europe Communications N.V., or "UPC", our 52.8% owned, publicly traded subsidiary. UPC is the largest pan-European broadband communications company. UPC provides video, telephone and Internet access services in 17 countries in Europe and Israel.
- Our primary Latin American operation is our 99.5% owned Chilean operation, VTR GlobalCom S.A., or "VTR." VTR is Chile's largest multi-channel television provider and a growing provider of telephone services.
- Our Asia/Pacific operations are primarily held through our 55.5% owned, publicly traded affiliate, Austar United Communications Limited. Austar United owns the largest provider of video services in regional Australia, various Australian programming interests and an approximate 42.0% interest in the only full-service provider of broadband communications in New Zealand.

Our operating companies consist primarily of highly penetrated, mature broadband systems that generate stable cash flow. We also operate a number of earlier stage broadband businesses. Our primary goal in the majority of these markets is to capitalize on the opportunity to increase revenues and cash flows through the introduction of new and expanded video services and the delivery of telephone and Internet access services over our broadband communications networks. Today, we are a full-service provider of these video, voice and Internet access services in most of our Western European markets and in Chile and New Zealand.

We are a Delaware corporation formed on February 5, 2001 to effect the merger and restructuring transaction described below. Our offices are located at 4643 South Ulster Street, Suite 1300 Denver, Colorado 80237. Our telephone number is (303) 770-4001.

Recent Developments

On January 30, 2002 we closed a merger and restructuring transaction along with related transactions. We refer to the merger and restructuring transaction as the "merger transaction." One of our subsidiaries merged with and into UGC Holdings, Inc. Stockholders of UGC Holdings became our stockholders as a result of the merger. We now own an approximate 99.5% economic interest, 50.0% voting interest in the election of directors and 99.5% voting interest in other matters, in UGC Holdings. Immediately following the merger, we changed our name to "UnitedGlobalCom, Inc." from "New UnitedGlobalCom, Inc." and UGC Holdings changed its name to "UGC Holdings, Inc." from "UnitedGlobalCom, Inc." Immediately following the merger, Liberty Media Corporation and certain of its affiliates, or "Liberty" contributed to us:

- notes issued by two of our Dutch subsidiaries having an approximate accreted value of $891.7 million,
- $200.0 million in cash, and

- approximately $1,435.3 million and *E*263.1 million face amount of senior notes and senior discount notes issued by UPC.

In exchange for these assets, we issued to Liberty approximately 281.3 million shares of our Class C common stock.

On January 30, 2002, we also acquired from Liberty approximately $751.2 million aggregate principal amount at maturity of $10^3/4$% senior secured discount notes of UGC Holdings. We also acquired all of Liberty's interest in IDT United, Inc. The purchase price for the $10^3/4$% notes and the interest in IDT United was:

- our assumption of approximately $304.6 million of indebtedness owed by Liberty to UGC Holdings,
- cash in the amount of approximately $128.9 million, and
- a promissory note to Liberty in the amount of approximately $17.3 million.

Following January 30, 2002, Liberty loaned us an additional approximately $80.1 million, which was used to fund IDT United's purchase of additional $10^3/4$% notes tendered to IDT United. In return for the contribution of cash to IDT United, we received additional shares of preferred stock and promissory notes issued by IDT United. Currently, IDT United owns approximately $599.7 million aggregate principal amount at maturity of the $10^3/4$% notes.

The Offering

All of the shares of our Class A common stock offered by this prospectus are being sold by selling securityholders. We will not receive any proceeds from the sale of shares by the selling securityholders.

Summary Selected Historical and Pro Forma Financial Data

Summary Selected Historical Financial Data of UGC Holdings

In the table below, we provide you with summary selected historical consolidated financial data of UGC Holdings, which holds all of our interests in our primary operating subsidiaries, UPC, VTR and Austar United. Prior to the merger transaction we had no material operations. Currently we operate through UGC Holdings. We prepared this information using UGC Holdings' consolidated financial statements as of the dates indicated and for each of the fiscal years in the five-year period ended December 31, 2000, and for the nine month periods ended September 30, 2001 and 2000. We derived UGC Holdings' consolidated statement of operations and balance sheet data below for the fiscal periods ended December 31, 2000, 1999 and 1998, February 28, 1998 and 1997 from its audited

financial statements. The unaudited financial data as of September 30, 2001 and for the nine month periods ended September 30, 2001 and 2000 contain only normal recurring accruals that, in the opinion of management, are necessary for a fair presentation of UGC Holdings' results for these periods. The interim results of operations are not necessarily indicative of results that may be expected for a full year.

The summary selected historical consolidated financial data presented below are not necessarily comparable from period to period as a result of several transactions, including acquisitions and dispositions of consolidated and equity investees. For this and other reasons, you should read it together with the historical consolidated financial statements and related notes of UGC Holdings beginning on page F-4 and the discussion under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	(Unaudited) Nine Months Ended September 30,		Year Ended December 31,		Ten Months Ended December 31, 1998	Year Ended February 28,	
	2001	2000	2000	1999		1998	1997
	(In thousands, except per share data)						
Statement of Operations Data:							
Revenue	$ 1,185,860	$ 901,048	$ 1,251,034	$ 720,762	$ 254,466	$ 98,622	$ 31,555
Operating loss	$ (1,302,875)	$ (802,263)	$ (1,140,803)	$ (775,625)	$ (327,383)	$ (150,021)	$ (87,677)
Net (loss) income	$ (2,098,782)	$ (884,841)	$ (1,220,890)	$ 636,318	$ (545,532)	$ (342,532)	$ (138,825)
Basic net (loss) income per share	$ (21.66)	$ (9.63)	$ (13.24)	$ 7.53	$ (7.43)	$ (4.46)	$ (1.79)
Diluted net (loss) income per share	$ (21.66)	$ (9.63)	$ (13.24)	$ 6.67	$ (7.43)	$ (4.46)	$ (1.79)

	(In thousands)						
	(Unaudited) September 30, 2001	December 31,			February 28,		
		2000	1999	1998	1998	1997	
Balance Sheet Data:							
Current assets	$ 2,263,483	$ 3,080,200	$ 2,986,266	$ 188,527	$ 410,999	$ 169,677	
Total assets	$ 11,410,375	$ 13,003,773	$ 9,002,853	$ 1,542,095	$ 1,679,835	$ 819,936	
Senior notes and other long-term debt, including current portion	$ 10,902,406	$ 9,738,849	$ 6,041,635	$ 2,001,953	$ 1,866,096	$ 680,360	
Stockholders' (deficit) equity	$ (2,294,598)	$ (74,218)	$ 1,114,306	$ (983,665)	$ (392,280)	$ 15,096	

Unaudited Summary Selected Pro Forma Condensed Consolidated Financial Information

In the table below, we provide you with our unaudited summary selected pro forma condensed consolidated financial information as if the merger transaction had been completed on January 1, 2000, for purposes of the statements of operations, and as if it had been completed on September 30, 2001, for balance sheet purposes. This unaudited summary selected pro forma condensed consolidated financial information is derived from our and UGC Holdings' historical financial statements and related notes, included elsewhere herein, in addition to certain assumptions and adjustments. You should not rely on the unaudited summary selected pro forma condensed consolidated financial information as being indicative of the historical results that we would have had or the future results that we will experience after the merger transaction. The actual financial position and results of operations may differ, perhaps significantly, from the pro forma amounts reflected herein because of a variety of factors, including access to additional information, changes in value not currently identified, changes in operating results between the dates of the pro forma financial information and the date on which the merger transaction took place and potential changes with respect to the accounting treatment for the merger transaction. We have included detailed unaudited pro forma financial statements and related

notes that provide further information on the merger transaction and related assumptions and adjustments elsewhere herein. See "Unaudited Pro Forma Financial Information."

	Nine Months Ended September 30, 2001	Year Ended December 31, 2000
	(In thousands, except per share data)	
Unaudited Pro Forma Condensed Consolidated Statement of Operations Data:		
Revenue	$ —	$ —
Operating loss	$ —	$ —
Net loss from continuing operations	$ (1,887,453)	$ (890,271)
Basic and diluted net loss from continuing operations per common share	$ (5.87)	$ (3.64)

	September 30, 2001
	(In thousands)
Unaudited Pro Forma Condensed Consolidated Balance Sheet Data:	
Current assets	$ 74,912
Total assets	$ 74,912
Short-term debt	$ 105,000
Senior notes and other long-term debt, including current portion	$ —
Total liabilities	$ 907,287
Minority interest	$ 10,000

Stockholders' (deficit) equity	$ (842,375)

RISK FACTORS

An investment in our stock is subject to a number of risks. You should consider carefully the following risk factors, as well as the more detailed descriptions cross-referenced to the body of this prospectus and all of the other information in this prospectus.

Our affiliates' substantial indebtedness could adversely affect our financial condition

Together with its consolidated subsidiaries, UGC Holdings is highly leveraged. As of September 30, 2001, pro forma for the repurchase of the United senior notes due 2009 in the amount of approximately $270.1 million, UGC Holdings had consolidated long-term debt of approximately $10.6 billion, which includes UGC Holdings' debt of approximately $1.2 billion and debt of UGC Holdings' subsidiaries of approximately $9.4 billion. We hold directly or indirectly approximately $1.351 billion of a total of $1.375 billion face amount of UGC Holdings' senior notes and approximately $1.670 billion of a total of $5.162 billion face amount of UPC's senior notes.

We cannot assure you that circumstances will not require us to sell assets or obtain additional equity or debt financing at our level or those of our subsidiaries and affiliates. We may not at such time be able to sell assets or obtain additional financing on reasonable terms or at all.

The degree to which our subsidiaries are leveraged could have important consequences to you, including, but not limited to, the following:

- a substantial portion of cash flow from operations is required to be dedicated to debt service and is not available for other purposes;
- our ability to obtain additional financing for our subsidiaries in the future could be limited;
- some of our subsidiaries' borrowings are at variable rates of interest, which could result in higher interest expense in the event of increases in interest rates; and
- our ability to execute our business plan, compete effectively, respond adequately to unforeseen events and take advantage of opportunities could be limited.

Three of our affiliates, UPC, United Australia/Pacific, Inc. and Austar United, are in default under the terms of some of their indebtedness

We have executed a Memorandum of Understanding with UPC regarding a recapitalization that is intended to result in a substantial reduction of UPC's existing indebtedness. In connection with the recapitalization, UPC has not made timely interest payments on certain senior notes. Under the notes, UPC has until March 3, 2002 to cure the non-payment. If UPC fails to make the interest payment by the expiration of the grace period on March 3, 2002, the payment default on the notes would cause a cross-default under UPC's bank credit agreement, unless UPC obtains a waiver from the bank lenders prior to that date. UPC has entered into negotiations with some of the holders of its senior notes and bank indebtedness. Our commitment to effect the recapitalization is subject to certain conditions, including agreement on the final ownership structure for UPC's ordinary shares. Though we believe that the proposed recapitalization of UPC will be successful, there can be no assurance that it will occur on terms that are satisfactory to us, or at all.

Two of our affiliates, United Australia/Pacific, Inc. and Austar United, are also in default under the terms of their senior indebtedness and bank facility, respectively, and are negotiating the terms on which their indebtedness will be restructured. Though we believe that the restructurings will be successful, there can be no assurance that they will occur on terms that are satisfactory to us, or at all.

If any or all of these subsidiaries fail to obtain necessary default waivers and restructure their indebtedness, their respective lenders would have certain enforcement rights, including the right to commence involuntary bankruptcy proceedings and, in the case of UPC's bank lenders, to foreclose

upon UPC's major operating companies. The commencement of bankruptcy proceedings or the exercise of foreclosure rights could significantly harm the price of our common stock. In addition, any recapitalization or restructuring may occur on terms that are less favorable than those that we expect to achieve, whether because our resulting indirect interests in any or all of these subsidiaries is less than anticipated or otherwise. Any such unfavorable restructuring could be harmful to the price of our common stock, and could adversely affect our ability or the ability of our subsidiaries, including UGC Holdings, to obtain new or alternative financing.

We will likely experience net losses for the next several years

UGC Holdings has experienced significant operating losses every year since it started business through the year ended December 31, 2000. As of September 30, 2001, it had an accumulated deficit of approximately $4.0 billion and expects to have continued losses. It had net losses of $138.8 million, $342.5 million and $545.5 million, for the fiscal years ended February 28, 1997 and 1998 and the ten months ended December 31, 1998, respectively. It had a net loss of $872.5 million for the year ended December 31, 1999 and $1.3 billion for the year ended December 31, 2000, prior to accounting for a gain of $1.5 billion and $0.1 million, respectively, from the issuance of subsidiary stock. It had a net loss of $2.1 billion for the nine months ended September 30, 2001. We expect that we and UGC Holdings will incur substantial additional losses for the indefinite future. Continuing net operating losses could materially harm our results of operations and increase our need for additional capital in the future.

The multi-channel television, telephone and Internet/data business is capital intensive because it requires expensive telecommunications infrastructure, equipment and labor; we may not have, or have access to, sufficient capital to remain competitive

The development, construction and operation of multi-channel television, telephone and Internet/data systems requires substantial capital investment. It requires constructing telecommunications infrastructure by laying cable over great distances, as well as expensive labor and equipment. In addition, many of our operating companies are expanding and upgrading their respective networks to increase channel capacity and to be able to offer additional services. For example, some of our operating companies are upgrading their existing one-way video distribution infrastructure to full two-way capability. In some systems we are buying equipment to offer telephone service. As technology changes in the multi-channel television, telephone and Internet/data industry, we may need to make additional system upgrades to compete effectively in markets beyond what we currently plan. We may not have enough capital available from cash on hand, existing credit facilities and cash to be generated from operations for future capital needs. Our inability to continue upgrading our networks or to make our other planned or unplanned capital expenditures could adversely affect our operations and competitive position.

The complexities of our operating systems, large numbers of customers and rapid growth could disrupt our operations and harm our financial condition

We may not plan for or be able to overcome all of the problems we encounter in introducing our new local telephone and Internet access services, or the problems we encounter in providing other services to such a large number of customers. Our new services may not meet our performance expectations. This would impede our planned revenue growth and materially harm our financial condition. Problems with the existing or new systems could delay the introduction of the new services, increase their costs, or slow down successful marketing. We cannot be sure whether our Internet access business will be able to handle a large number of online subscribers at high data transmission speeds. As the number of subscribers goes up, we may have to add more fiber connection points in order to maintain high speeds. This would require more capital, which we may be unable to raise. If we cannot offer high data transmission speeds, customer demand for our Internet access services would go down. This would

harm our Internet access services business, our operating results and our financial condition. We have not yet tested the technology that we plan to use for telephone services for the numbers of subscribers we expect. It may not function successfully at these scales. This would harm our telephone operations. We plan to use back-up batteries for our cable phones for operation during power failures. These batteries may run out in prolonged power failures. This would interrupt service and could lead to customer dissatisfaction. We may not be able to manage our growth effectively, which would harm our business, operating results and financial condition.

We are establishing customer care facilities in our markets to support the launch of telephone and other new services. We may not be able to establish well-running customer care facilities staffed with appropriate personnel. This could harm the introduction of our new services.

We cannot be certain that we will be successful in integrating acquired businesses into our businesses

Our success depends, in part, upon the successful integration of businesses we have acquired and any future acquisitions we make. The integration of these businesses will also present significant challenges, including:

- realizing economies of scale in interconnection, programming and network operations, and eliminating duplicate overheads; and
- integrating networks, financial systems and operational systems.

We cannot assure you, with respect to past or future acquisitions by us, that we:

- will realize any anticipated benefits; or
- will successfully integrate any acquired business with our operations.

Since the telecommunications industry in which we will operate is highly regulated, adverse regulation of our services and arrangements with other companies could decrease the value of our assets, limit our growth and harm our stock price

The video, telephone and Internet access industries in which we will operate are regulated far more extensively than some other industries. In most of our markets, regulation of video services takes the form of price controls, programming content restrictions and ownership restrictions. To operate our telephone services, we are generally required to obtain licenses from appropriate regulatory authorities and have to comply with interconnection requirements. The growth of our Internet access services may decline if more extensive laws and regulations are adopted with respect to electronic commerce.

We have begun facing increased competition regulatory review of our operations in some countries because we own interests in both video distribution and Internet access systems as well as companies that provide content for video services and Internet subscribers. For example, in Europe, local operators with whom UPC Media, one of UPC's subsidiaries, has long term content agreements are subject to exclusivity obligations that allow UPC Media to offer its content products to them to the exclusion of other competing providers. These exclusivity obligations may cause the European Union and national regulatory agencies or national courts to reduce the period of exclusivity, declare that our agreements are null and void, or impose fines or civil liability to third parties. In The Netherlands, and at the European Union level, there are also debates ongoing on the question of what rights should be afforded to third parties in terms of access to cable networks. If we are required to offer third parties access to our distribution infrastructure for the delivery of Internet services without being able to specify the terms and conditions of such access, Internet service providers could potentially provide services that compete with our services over our network infrastructure. Providing third parties access to this distribution system may also diminish the value of our assets because we may not realize a full return on the capital that we invested in the distribution system. See "Business — Regulation." Even if

regulatory changes do not, in fact, harm our business, the mere perception that these changes will hurt our business may harm our stock price.

Our business is almost entirely dependent on various telecommunications and media licenses granted and renewed by various national regulatory authorities in the territories in which we will do business and without these licenses, a number of our businesses could be severely curtailed or prevented

Licenses are granted for a limited term and they may not be renewed when they expire. Regulatory authorities may have the power, at their discretion, to terminate a license (or amend any provisions, including those related to license fees) without cause. If we were to breach a license or applicable law, regulatory authorities could revoke, suspend, cancel or shorten the term of a license or impose fines. Regulatory authorities may grant new licenses to third parties, resulting in greater competition in territories where we may already be licensed. New technologies may permit new competitors to compete in areas where we hold exclusive licenses. National authorities may pass new laws or regulations requiring us to re-bid or re-apply for licenses or interpret present laws against us, adversely affecting our business. Licenses may be granted on a temporary basis, and there is no assurance that these licenses will be continued on the same terms. Licenses may require us to grant access to bandwidth, frequency capacity, facilities or services to other businesses that compete for our customers. Accordingly, a number of our businesses could be severely curtailed if those licenses were no longer available or were available at unfavorable terms.

Our ability to offer telephone services depends on having interconnect arrangements with other telephone providers

In the markets where we will offer telephone services, we will compete with the incumbent telecommunications operators. All of these operators are more established and have more resources in their respective markets than we do. To offer telephone service effectively in markets where we do not offer cable telephone services, we must be able to interconnect with their systems so that our customers can call customers served by those operators. Regulatory frameworks in some countries in which we operate, or may operate, may not include the requirement that other telephone providers interconnect with us. In such cases, we may be unable to provide telephone service. In addition, if we are able to interconnect, we may be unable to obtain interconnection on terms that are acceptable to us.

Changes in technology may limit the competitiveness of our new services; sufficient demand may not develop for our new services

Technology in the multi-channel television and telecommunications services industry is changing rapidly. This influences the demand for our products and services. Our ability to anticipate changes in technology and regulatory standards and to develop and introduce new and enhanced products successfully on a timely basis will affect our ability to continue to grow and to remain competitive. Upon completion of the upgrade of some of our systems, we may offer a range of new services in those systems' markets. For example, we may provide additional channels and tiers of premium channels beyond our basic package, impulse pay-per-view services, high-speed data services, Internet access and telephone services. We may not be able to implement the technological advances that may be necessary for us to remain competitive. We are also subject in all of our markets to the risks generally associated with new product introductions and applications. These risks include lack of market acceptance, delays in development and failure of new products to operate properly or meet customer expectations. There is no proven market for some of the advanced services we refer to above. There may not be sufficient demand for our telephone, Internet/data and other enhanced services.

The success of our telephone and Internet/data services depends on whether we continue to achieve technological advances

Technology in the cable television and telecommunications industry is changing very rapidly. These changes influence the demand for our products and services. We need to be able to anticipate these changes and to develop successful new and enhanced products quickly enough for the changing market. This will determine whether we can continue to increase our revenues and the number of our subscribers and be competitive.

We have introduced new services, including:

- additional video channels and tiers;
- pay-per-view services with frequent starting times, which are known as "impulse" pay-per-view; and
- high speed data and Internet access services, and cable telephone services.

The technologies used to provide these services are in operation in some of our systems as well as systems of other providers. However, we cannot be sure that demand for our services will develop or be maintained in light of other new technological advances.

Lack of necessary equipment could delay or impair the expansion of our new services

If we cannot obtain the equipment needed for our existing and planned services, our operating results and financial condition may be harmed. For example, a customer will need a digital set-top computer to access the Internet or receive our other enhanced services through a television set. These computers are being developed by several suppliers. If there are not enough affordable set-top computers for subscribers, however, we may have to delay our expansion plans.

Low demand, competition, unplanned costs, regulation and difficulties with interconnection could hinder the profitability of our telephone services

Our telephone services may not become profitable for a number of reasons. Customer demand could be low, or we may encounter competition and pricing pressure from incumbent and other telecommunications operators. Our network upgrade may cost more than planned. In addition, our operating companies will need to obtain and retain licenses and other regulatory approvals for our existing and new services. They may not succeed. Furthermore, our operating systems need to interconnect their networks with those of the incumbent telecommunications operators in order to provide telephone services. Problems in negotiating interconnection agreements could delay the introduction or impede the profitability of our telephone services. Not all of our systems have interconnection agreements in place, and interconnection agreements have limited duration and may be subject to regulatory and judicial review. We are negotiating interconnection agreements for planned telephone markets where we do not yet have them. This may involve time-consuming negotiations and regulatory proceedings. While incumbent telecommunications operators in the European Union are required by law to provide interconnection, incumbent telecommunications operators may not agree to interconnect on a time scale or on terms that will permit us to offer profitable telephone services. After interconnection agreements are concluded, we will remain reliant upon the good faith and cooperation of the other parties to these agreements for reliable interconnection. We are currently involved in a dispute with the Austrian telecommunications operator in the Austrian courts over our interconnection arrangement there.

Customers may not want our video services if we cannot obtain attractive programming

Our success depends on obtaining or developing affordable and popular programming for our video subscribers. We may not be able to obtain or develop enough competitive programming to meet our

needs. This would reduce demand for our video services, limiting our revenues. We rely on other programming suppliers for almost all of our programming. In some of our markets, including Eastern Europe, there is only a limited amount of local language programming available. In these markets we must repackage other programming in the local language.

We will likely encounter increased competition

The multi-channel television and telephone industries in many of the markets in which we operate are competitive and often are rapidly changing. We are likely to encounter increased competition as new entrants with competing technologies, including but not limited to, direct to home, or "DTH," satellite master antenna television, MMDS and local multipoint distribution service, enter our markets and launch new services. Multi-channel television also competes with the direct reception of broadcast television signals and, in varying degrees, with other communications and entertainment media. The success of our operating systems is dependent, in part, on our ability to provide services and programming not otherwise available to subscribers. We may also have to compete initially in certain areas with unlicensed operators. In many of our markets, we will compete with other multi-channel television and telephone operators, many of which have substantially more resources than us.

The loss of key personnel could weaken our technological and operational expertise, delay the introduction of our new business lines and lower the quality of our service

Our success and growth strategy depends, in large part, on our ability to attract and retain key management, marketing and operating personnel, both at the corporate and operating company levels. We may find it difficult to attract and retain these personnel. Retaining a successful international management team may be particularly difficult because key employees may be required to live and work outside of their home countries and because experienced local managers are often unavailable. We may not be able to attract and retain the qualified personnel we need for our business.

We are exposed to numerous risks inherent to foreign investment

We will operate our businesses outside of the United States. Risks inherent in foreign operations include loss of revenue, property and equipment from expropriation, nationalization, war, insurrection, terrorism, general social unrest and other political risks, currency fluctuations, risks of increases in taxes and governmental royalties and fees and involuntary renegotiation of contracts with foreign governments. We also will be exposed to the risk of changes in foreign and domestic laws and policies that govern operations of foreign-based companies. In addition, our operations have been adversely affected by downturns in global economic conditions. In recent times, the economies of many of our markets, especially in emerging markets such as Eastern Europe and Latin America, have not been as strong as the United States' economy. Downturns in these economies could hurt our revenues and profitability.

We are exposed to significant foreign currency exchange rate and conversion risk against which we generally will not hedge

Our operating companies have attempted, and will continue to attempt, to match costs with revenues and borrowings with repayments in terms of their respective local currencies. However, payment for a majority of purchased equipment has been, and may continue to be, required to be made in United States dollars. In addition, the value of our investment in an operating company is partially a function of the currency exchange rate between the dollar and the applicable local currency. In general, we and many of our operating companies do not execute hedge transactions to reduce exposure to foreign currency exchange rate risks. Accordingly, we may experience economic loss and reduced earnings solely as a result of foreign currency exchange rate fluctuations. For the years ended February 28, 1997 and 1998, the ten months ended December 31, 1998, and the years ended December 31, 1999 and

2000, UGC Holdings had foreign exchange gains (losses) of approximately ($0.4) million, approximately ($1.4) million, approximately $1.6 million, approximately ($39.5) million, and approximately ($215.9) million, respectively. UGC Holdings also experienced a change in cumulative translation adjustments (resulting in decreases of stockholders' equity) of approximately $8.4 million, approximately $50.3 million, approximately $24.7 million, approximately $127.2 million, and approximately $47.6 million for the years ended February 28, 1997 and 1998, the ten months ended December 31, 1998, and the years ended December 31, 1999 and 2000, respectively.

Some of our operating companies have notes payable, notes receivable and other contractual commitments that are denominated in currencies other than their own functional currency or loans linked to the dollar. We may also experience economic loss and reduced earnings related to these monetary assets and liabilities.

We may be limited in claiming foreign tax credits; we will do business in countries that do not have tax treaties with the United States

In general, a United States corporation may claim a foreign tax credit against its United States federal income tax expense for foreign income taxes paid or accrued. A United States corporation may also claim a credit for foreign income taxes paid or accrued on the earnings of a foreign corporation paid to the United States corporation as a dividend. Because we must calculate our foreign tax credit separately for dividends received from certain of our foreign subsidiaries from those of other foreign subsidiaries and because of certain other limitations, our ability to claim a foreign tax credit may be limited. Some of our operating companies are located in countries with which the United States does not have income tax treaties. Because we lack treaty protection in these countries, we may be subject to high rates of withholding taxes on distributions and other payments from these operating companies and may be subject to double taxation on our income. Limitations on our ability to claim a foreign tax credit, our lack of treaty protection in some countries, and our inability to offset losses in one foreign jurisdiction against income earned in another foreign jurisdiction could result in a high effective United States federal tax rate on our earnings.

We have no significant assets other than stock of our subsidiaries and the proceeds generated from sales of our securities; once these proceeds are spent, we will depend on our subsidiaries to generate the funds needed to operate our business

All of our operations will be conducted through our subsidiaries. Our only material assets will consist of the stock of our subsidiaries and the proceeds raised from the sale of our equity and debt securities, all of which we intend to loan or contribute, to our subsidiaries. We rely upon dividends and other payments from our subsidiaries to generate the funds necessary to make cash dividend payments, if any. Our subsidiaries, however, are legally distinct from us and have no obligation, contingent or otherwise, to make funds available for dividend payments to us. The ability of our subsidiaries to make dividend and other payments to us is subject to, among other things, the availability of funds, the terms of its subsidiaries' indebtedness and applicable state and foreign laws. There are significant restrictions on the payment of dividends to us contained in the instruments that govern our obligations and the obligations of our subsidiaries. As many of our subsidiaries are currently in early stages of development, they likely will not have the ability to make such payments to us regardless of any restrictions in debt instruments for the foreseeable future.

Our ability to issue senior preferred stock in the future could adversely affect the rights of holders of our common stock

We are authorized to issue preferred stock in one or more series on terms that may be determined at the time of issuance by our board of directors. A series of preferred stock could include voting rights,

preferences as to dividends and liquidation, conversion and redemption rights senior, in all instances, to our common stock. The future issuance of preferred stock could adversely affect our common stock.

The price of our stock may be subject to wide fluctuations

The stock market has recently experienced significant price and volume fluctuations that have affected the market prices of common stock of telecommunications, Internet and other technology companies. The market price of our Class A common stock could be subject to such wide fluctuations in response to factors such as the following, some of which are beyond our control:

- quarterly variations in our operating results;
- operating results that vary from the expectations of securities analysts and investors;
- announcements by us or our competitors of significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments;
- downgrades in the ratings of our or our subsidiaries' outstanding debt;
- announcements by third parties of significant claims or proceedings against us;
- future sales of our Class A common stock; and
- overall stock market price and volume fluctuations.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

We caution you that, in addition to the historical financial information included in this prospectus, this prospectus includes certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that are based on management's beliefs, as well as on assumptions made by and information currently available to management. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from what we say or imply with such forward-looking statements. All statements other than statements of historical fact included in this prospectus, including, without limitation, budgeted, future, and certain other statements under "Summary," and located in other sections of this prospectus regarding our financial position and business strategy, may constitute forward-looking statements.

In addition, when we use the words "may," "will," "expects," "intends," "estimates," "anticipates," "believes," "plans," "seeks," or "continues" or the negative thereof or similar expressions in this prospectus, we intend to identify forward-looking statements. Such forward-looking statements involve known and unknown risks, including, but not limited to, national and international economic and market conditions, competitive activities or other business conditions, and customer reception of our existing and future services. These forward-looking statements may include, among other things, statements concerning our plans, objectives and future economic prospects, potential restructuring of our subsidiaries' capital structure, expectations, beliefs, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. You should be aware that the multi-channel television, telephone and Internet/data services industries are changing rapidly, and, therefore, the forward-looking statements and statements of expectations, plans and intent in this prospectus are subject to a greater degree of risk than similar statements regarding certain other industries.

Although we believe that our expectations with respect to the forward-looking statements are based upon reasonable assumptions within the bounds of our knowledge of our business and operations as of the date of this prospectus, we cannot assure you that our actual results, performance or achievements will not differ materially from any future results, performance or achievements expressed or implied from such forward-looking statements. Important factors that could cause actual results to differ

materially from our expectations are disclosed in this prospectus, including without limitation in conjunction with the forward-looking statements included in this prospectus and under "Risk Factors." These factors include, among other things, changes in television viewing preferences and habits by our subscribers and potential subscribers, and their acceptance of new technology, programming alternatives and new video services we may offer. They also include subscribers' acceptance of our newer digital video, telephone and Internet access services, our ability to manage and grow our newer digital video, telephone and Internet access services, our ability to secure adequate capital to fund other system growth and development and our planned acquisitions, our ability to successfully close proposed transactions and restructurings, risks inherent in investment and operations in foreign countries, changes in government regulation and changes in the nature of key strategic relationships with joint venturers. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by our discussion of these factors. Other than as may be required by applicable law, we undertake no obligation to release publicly the results of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances. We caution you, however, that this list of risk factors and other cautionary language contained in this prospectus may not be exhaustive.

USE OF PROCEEDS

We will not receive any proceeds from the sale of the shares by the selling securityholders. The selling securityholders will receive all net proceeds from the sale of the shares under this prospectus.

DIVIDEND POLICY

We have never declared or paid cash dividends on our shares of common stock. We do not intend to pay dividends in the foreseeable future.

COMPARATIVE PER SHARE MARKET INFORMATION

Our Class A common stock trades on The Nasdaq National Market under the symbol "UCOMA." Prior to the merger transactions, UGC Holdings' Class A common stock also traded on The Nasdaq National Market under the same symbol. On November 11, 1999, the board of directors of UGC Holdings authorized a two-for-one stock split effected in the form of a stock dividend distributed on November 30, 1999, to shareholders of record on November 22, 1999. The effect of the stock split has been recognized retroactively in all share and per share amounts in this prospectus. The following table shows the range of high and low sales prices reported on The Nasdaq National Market for the periods indicated:

	High	Low
Year ending December 31, 1999		
First Quarter	$ 33.00	$ 9.38
Second Quarter	$ 37.56	$ 21.75
Third Quarter	$ 46.00	$ 32.00
Fourth Quarter	$ 72.50	$ 35.50
Year ended December 31, 2000		
First Quarter	$ 114.63	$ 56.06
Second Quarter	$ 74.38	$ 31.31
Third Quarter	$ 62.00	$ 26.31
Fourth Quarter	$ 33.81	$ 11.50
Year ended December 31, 2001		
First Quarter	$ 22.61	$ 8.38
Second Quarter	$ 17.44	$ 7.07
Third Quarter	$ 9.09	$ 1.35
Fourth Quarter	$ 5.25	$ 0.50
Year ended December 31, 2002		
First Quarter (through February 13, 2002)	$ 6.22	$ 3.65

You are advised to obtain current market quotations for United Class A common stock. No assurance can be given as to the market prices of our Class A common stock at any time after the date of this prospectus.

SELECTED FINANCIAL DATA

In the table below, we provide you with selected historical consolidated financial data of UGC Holdings. We acquired a 99.5% economic interest in UGC Holdings on January 30, 2002 and will account for this interest in UGC Holdings using the equity method of accounting. We prepared this information using UGC Holdings' consolidated financial statements as of the dates indicated and for each of the years ended December 31, 2000 and December 31, 1999, the ten months ended December 31, 1998, the years ended February 29, 1998 and 1997, and for the nine month periods ended September 30, 2001 and 2000. We derived the consolidated statement of operations and balance sheet data below for the fiscal periods ended December 31, 2000, 1999, 1998, February 28, 1998 and 1997 from UGC Holdings' audited financial statements. The unaudited financial data as of September 30, 2001 and for the nine-month periods ended September 30, 2001 and 2000 contain only normal recurring accruals that in the opinion of management, are necessary for a fair presentation of our results for these periods. The interim results of operations are not necessarily indicative of results that may be expected for a full year. The financial data presented below is not necessarily comparable from period to period as a result of several transactions, including acquisitions and dispositions of consolidated and equity investees. For this and other reasons, you should read it together with UGC Holdings' historical financial statements and related notes and also with management's discussion and analysis of financial condition and results of operations contained elsewhere herein.

	(Unaudited) Nine Months Ended September 30,		Year Ended December 31,		Ten Months Ended December 31,	Year Ended February 28,	
	2001	2000	2000	1999	1998	1998	1997
			(In thousands)				
UGC Holdings Statement of Operations Data:							
Revenue	$ 1,185,860	$ 901,048	$ 1,251,034	$ 720,762	$ 254,466	$ 98,622	$ 31,555
Operating expense	(841,080)	(630,867)	(876,234)	(458,748)	(122,811)	(65,631)	(26,251)
Selling, general and administrative expense	(518,463)	(506,148)	(700,081)	(618,925)	(299,993)	(91,356)	(54,020)
Depreciation and amortization	(823,824)	(566,296)	(815,522)	(418,714)	(159,045)	(91,656)	(38,961)
Impairment and restructuring charges	(305,368)	–	–	–	–	–	–
Operating loss	(1,302,875)	(802,263)	(1,140,803)	(775,625)	(327,383)	(150,021)	(87,677)
Interest income	88,148	101,213	133,297	54,375	10,681	7,806	13,329
Interest expense	(811,918)	(637,145)	(928,783)	(399,999)	(163,227)	(124,288)	(79,659)
Foreign currency exchange (loss) gain, net	(29,643)	(292,606)	(215,900)	(39,501)	1,582	(1,419)	(350)
Proceeds from litigation settlement	194,830	–	–	–	–	–	–
Gain on issuance of common equity securities by subsidiaries	–	127,731	127,731	1,508,839	–	–	–
Provision for losses on investment related costs	(334,660)	–	(5,852)	(7,127)	(9,686)	(14,793)	(5,859)
(Loss) gain on sale of investments in affiliates	1,764	–	6,194	–	–	90,020	65,249
Other expense, net	(7,736)	(2,306)	(4,305)	(14,641)	(3,518)	(3,669)	(641)
(Loss) income before income taxes and other items	(2,202,090)	(1,505,376)	(2,028,421)	326,321	(491,551)	(196,364)	(95,608)
Income tax benefit (expense), net	773	6,932	2,897	(198)	(610)	–	–
Minority interests in subsidiaries	192,698	692,935	934,548	360,444	1,410	1,568	4,358
Share in results of affiliates, net	(122,737)	(79,332)	(129,914)	(50,249)	(54,781)	(68,645)	(47,575)
Extraordinary charge for early retirement of debt	–	–	–	–	–	(79,091)	–
Cumulative effect of change in accounting principle	32,574	–	–	–	–	–	–
Net (loss) income	$ (2,098,782)	$ (884,841)	$ (1,220,890)	$ 636,318	$ (545,532)	$ (342,532)	$ (138,825)
Net (loss) income per common share:							
Basic net (loss) income	$ (21.66)	$ (9.63)	$ (13.24)	$ 7.53	$ (7.43)	$ (4.46)	$ (1.79)
Diluted net (loss) income	$ (21.66)	$ (9.63)	$ (13.24)	$ 6.67	$ (7.43)	$ (4.46)	$ (1.79)
Weighted-average number of common shares outstanding:							
Basic	98,683,319	95,940,658	96,114,927	82,024,077	73,644,728	77,033,786	78,071,552
Diluted	98,683,319	95,940,658	96,114,927	95,331,929	73,644,728	77,033,786	78,071,552

Other Financial Data:							
Operating loss	$ (1,302,875)	$ (802,263)	$ (1,140,803)	$ (775,625)	$ (327,383)	$ (150,021)	$ (87,677)
Depreciation and amortization	823,824	566,296	815,522	418,714	159,045	91,656	38,961
Stock-based compensation	982	(960)	(43,183)	223,734	164,793	–	–
Impairment and restructuring charges	305,368	–	–	–	–	–	–
Consolidated Adjusted EBITDA (1)	$ (172,701)	$ (236,927)	$ (368,464)	$ (133,177)	$ (3,545)	$ (58,365)	$ (48,716)

(1) Adjusted EBITDA represents net operating earnings before depreciation, amortization and stock-based compensation charges. Stock-based compensation charges result from variable plan accounting for our subsidiaries' regular and phantom stock option plans and are generally non-cash charges. Industry analysts generally consider Adjusted EBITDA to be a helpful way to measure the performance of cable television operations and communications companies. Adjusted EBITDA should not, however, be considered a replacement for net income, cash flows or for any other measure of performance or liquidity under generally accepted accounting principles, or as an indicator of a company's operating performance. Our presentation of Adjusted EBITDA may not be comparable to statistics with a similar name reported by other companies. Not all companies and analysts calculate Adjusted EBITDA in the same manner.

	(Unaudited) September 30, 2001	December 31,			February 28,	
		2000	1999	1998	1998	1997
			(In thousands)			
UGC Holdings Balance Sheet Data:						
Cash, cash equivalents, restricted cash and short-term liquid investments	$ 1,218,077	$ 2,235,524	$ 2,573,821	$ 94,321	$ 358,122	$ 140,743
Other current assets, net	1,045,406	844,676	412,445	94,206	52,877	28,934
Investments in affiliates, net	345,421	756,322	309,509	429,490	341,252	253,108
Property, plant and equipment, net	3,743,597	3,748,804	2,379,837	451,442	440,735	219,342
Goodwill and other intangible assets, net	4,490,339	5,154,907	2,944,802	424,934	409,190	132,636
Other non-current assets	567,535	263,540	382,439	47,702	77,659	45,173
Total assets	$ 11,410,375	$ 13,003,773	$ 9,002,853	$ 1,542,095	$ 1,679,835	$ 819,936
Current liabilities	$ 1,266,011	$ 1,553,765	$ 908,700	$ 326,552	$ 291,390	$ 88,941
Senior notes and other long-term debt	10,699,677	9,544,926	5,989,455	1,939,289	1,702,771	675,183

Other non-current liabilities	152,402	66,615	95,502	184,928	30,204	9,116
Total liabilities	12,118,090	11,165,306	6,993,657	2,450,769	2,024,365	773,240
Minority interests in subsidiaries	1,557,373	1,884,568	867,970	18,705	15,186	307
Preferred stock	29,510	28,117	26,920	56,286	32,564	31,293
Stockholders' (deficit) equity	(2,294,598)	(74,218)	1,114,306	(983,665)	(392,280)	15,096
Total liabilities and stockholders' (deficit) equity	$ 11,410,375	$ 13,003,773	$ 9,002,853	$ 1,542,095	$ 1,679,835	$ 819,936

UNAUDITED PRO FORMA FINANCIAL INFORMATION

In the tables below, we provide you with our unaudited pro forma consolidated statements of operations for the year ended December 31, 2000 and the nine months ended September 30, 2001, and our unaudited pro forma consolidated balance sheet as of September 30, 2001, to give you a better understanding of what our operations might have looked like had we consummated the merger transaction as of January 1, 2000, and what our financial position might have looked like had we consummated the merger transaction as of September 30, 2001. This unaudited pro forma financial information is derived from our and UGC Holdings' historical financial statements and related notes included elsewhere herein, in addition to certain assumptions and adjustments, which are described in the accompanying notes to the pro forma information.

For purposes of the unaudited pro forma statements of operations we have assumed the following as of January 1, 2000, and for purposes of the unaudited pro forma balance sheet we have assumed the following as of September 30, 2001:

- IDT United acquired approximately $1.351 billion of the total $1.375 billion face amount outstanding at $400 per $1,000 principal amount at maturity of UGC Holdings' $10^3/4$% senior secured notes, and transferred approximately $751.2 million face amount of these senior secured notes to Liberty, which in turn transferred these notes to us in consideration for our assumption of part of an approximate $304.6 million obligation ($293.8 million as of September 30, 2001) to UGC Holdings owed by Liberty;
- Liberty received approximately 21.9 million shares of our Class C common stock in exchange for the approximately 9.9 million shares of UGC Holdings Class B common stock and approximately 12.0 million of the shares of UGC Holdings Class A common stock owned by Liberty;
- Certain other stockholders of UGC Holdings, or "Founders", received approximately 8.9 million shares of our Class B common stock in exchange for an equal number of shares of UGC Holdings Class B common stock owned by them;
- UGC Holdings became a 99.5%-owned subsidiary of ours;
- The holders of UGC Holdings outstanding Class A and Class B common stock acquired an equal number of shares of our common stock;
- The holders of UGC Holdings preferred stock, other than holders of UGC Holdings Series E preferred stock, received approximately 23.3 million shares of our Class A common stock equal to the number of shares of UGC Holdings Class A common stock they would have received had they converted the preferred stock immediately prior to the merger;
- Liberty contributed to us notes issued by two of UGC Holdings' Dutch subsidiaries having an approximate accreted value of $891.7 million as of January 30, 2002, or the "Belmarken Notes", which were recorded by us at their estimated fair value of approximately $851.8 million;
- Liberty contributed $200.0 million in cash to us;
- Liberty contributed to us approximately $1.435 billion and E263.1 million face amount of senior notes and senior discount notes issued by UPC, or the "Liberty UPC Bonds", which were recorded by us at their estimated fair value as of January 30, 2002 of approximately $354.7 million;
- Liberty acquired approximately 281.3 million shares of our Class C common stock, all in exchange for the Belmarken Notes, cash and the Liberty UPC Bonds, all of which was recorded at $5.00 per share, which was the approximate fair value of our Class A common stock as of January 30, 2002;
- Liberty sold and we purchased all of Liberty's remaining interest in IDT United. The purchase price of this interest was equal to Liberty's net investment in IDT United and related expenses plus interest on those amounts at a rate of 8.0% per annum, which was paid for by the assumption of Liberty's remaining obligations under the loan from UGC Holdings, cash of approximately

$128.4 million, and a loan of approximately $105.0 million from LBTW I, Inc., or "LBTW," a subsidiary of Liberty;

- We consolidate the financial position and results of operations of IDT United;

We were formed as part of a series of planned transactions intended to accomplish a restructuring and recapitalization of our business. Our 99.5%-owned subsidiary, UGC Holdings, holds the operating assets that comprise our business. The consolidated financial statements of UGC Holdings are presented separately herein and are important to your understanding of our business activities. Our financial statements present our investment in UGC Holdings under the equity method of accounting, applied as described below. We are required to follow this presentation because we presently do not directly control the UGC Holdings board of directors. We have the right to appoint 50.0% of its members, and certain of the Founders, who collectively own only a 0.5% economic interest in UGC Holdings, appoint the remaining members.

In accordance with the terms of the certificate of incorporation of UGC Holdings, such 0.5% economic interest will automatically convert into UGC Holdings Class C common stock, which is not entitled to vote in the election of directors (resulting in 100% voting control over UGC Holdings by us), as soon as certain of UGC Holdings' subsidiaries are no longer required under their respective indentures to repurchase bonds issued thereunder upon a change of control of UGC Holdings (either by redemption of the applicable bonds, defeasance in accordance with the terms of the indentures, waiver or amendment), or such change of control occurs other than by reason of a breach by Liberty of the standstill agreement to which it and we are parties. Following conversion, we will consolidate UGC Holdings and its subsidiaries. The timing of that conversion is uncertain, but is expected to occur as soon as it can occur without triggering a "change of control" as defined in certain indentures of UGC Holdings' subsidiaries.

In applying the equity method of accounting for the accompanying pro forma financial statements, we have viewed the merger transaction as a partially completed reorganization of entities under common control. Consequently, our investment and share in results of our unconsolidated subsidiaries (i.e. UGC Holdings) are based on their historical cost financial statements. No adjustments that would result from the application of purchase accounting have been made because no purchase transaction has occurred or will occur. Effective with the merger transaction, we will reflect a negative investment in UGC Holdings equal to the deficit in shareholders' equity of UGC Holdings. Further, we will continue to record our share of their losses because it is deemed probable that we will obtain 100% voting control over UGC Holdings' board of director elections in the foreseeable future.

As described elsewhere in this prospectus, we acquired debt securities of UGC Holdings and certain of its subsidiaries at significant discounts from the accreted value of those debt securities as reflected in their separate financial statements. We include these bonds in our investment in UGC Holdings account, at cost, and will recognize interest income using the effective interest method. When we resume consolidation, we expect to recognize extraordinary gains from the effective retirement of this debt equal to the excess of the then accreted value of the bonds over our amortized cost. Except for bond discount accretion and the timing of recognition of gains from extinguishment of debt, our net losses and total shareholders' equity will be reported at substantially the same amounts that would have resulted if we had continued to consolidate UGC Holdings and its subsidiaries during the period we did not have the requisite control.

We believe the accounting described above is appropriate in our circumstances. It is possible that the staff of the SEC will not agree with our conclusions because the circumstances are unique and subject to interpretation. If the Staff were to disagree with our conclusions with respect to the accounting for the merger transaction and the application of the equity method of accounting as a result of the merger transaction, the resulting pro forma financial statements could be materially different than those reflected herein.

The pro forma financial information should be read together with the historical financial statements of us and UGC Holdings and related notes, and other financial information pertaining to us and UGC Holdings, included elsewhere in this registration statement. You should not rely on the unaudited pro forma financial information as being indicative of the historical results that we would have had or the future results that we will experience after the merger transaction. The actual financial position and results of operations may differ, perhaps significantly, from the pro forma amounts reflected herein because of a variety of factors, including access to additional information, changes in value not currently identified, changes in operating results between the dates of the pro forma financial information and the date on which the merger transaction took place and changes as a result of the matters discussed in the preceding paragraph.

UnitedGlobalCom, Inc.
Unaudited Pro Forma Consolidated Balance Sheet
September 30, 2001

	United(1)	Pro Forma Adjustments	United Pro Forma
		(In thousands)	
Assets			
Current assets			
Cash and cash equivalents	$ –	$ 74,912(2)	$ 74,912
Other current assets	–	–	–
Total current assets	–	74,912	74,912
Other assets	–	–	–

Total assets	$ –	$ 74,912	$ 74,912
Liabilities and Stockholders' (Deficit) Equity			
Current liabilities			
Accounts payable	$ –	$ –	$ –
Note payable to Liberty	–	105,000(3)	105,000
Total current liabilities	–	–	–
Investment in UGC Holdings	–	802,287(4)	802,287
Total liabilities	–	907,287	907,287
Minority interest in IDT United	–	10,000(5)	10,000
Stockholders' (deficit) equity	–	(842,375)(6)	(842,375)
Total liabilities and stockholders' (deficit) equity	$ –	$ 74,912	$ 74,912

UnitedGlobalCom, Inc.
Unaudited Pro Forma Consolidated Statements of Operations

	Nine Months Ended September 30, 2001		
	United(1)	Pro Forma Adjustments	United Pro Forma
	(In thousands, except share and per share information)		
Revenue	$ –	$ –	$ –
Expense	–	–	–
Operating loss	–	–	–
Interest income, net	–	223,312(7)	223,312
Loss before income taxes and other items	–	–	–
Share in results of UGC Holdings	–	(2,110,765)(8)	(2,110,765)
Net loss from continuing operations	$ –	$ (1,887,453)	$ (1,887,453)
Basic and diluted net loss from continuing operations per common share	$ –		$ (5.87)
Weighted-average common shares — basic and diluted	1		321,767,049(9)

	Year Ended December 31, 2000		
	United(1)	Pro Forma Adjustments	United Pro Forma
	(In thousands, except share and per share information)		
Revenue	$ –	$ –	$ –
Expense	–	–	–
Operating loss	–	–	–
Interest income, net	–	305,549(7)	305,549
Loss before income taxes and other items	–	–	–
Share in results of UGC Holdings	–	(1,195,820)(8)	(1,195,820)
Net loss from continuing operations	$ –	$ (890,271)	$ (890,271)
Basic and diluted net loss from continuing operations per common share	$ –		$ (3.64)
Weighted-average common shares — basic and diluted	1		244,409,680(9)

UnitedGlobalCom, Inc.
Notes to Unaudited Pro Forma Financial Information

(1) Represents the financial position and historical results of operations of United. As of September 30, 2001 the only transaction of United was the issuance of one share of common stock to UIPI for $100.00.

(2) Represents the pro forma effect on United's cash as follows (in thousands):

Cash received from Liberty for United Class C common stock	$ 200,000
Acquisition of UGC Holdings senior secured notes held directly by Liberty ($300,480), net of the assumption by United of loans from UGC Holdings to Liberty ($293,837)	(6,643)
Cash consideration for a portion of Liberty's interest in IDT United	(128,445)
Consolidation of IDT United	10,000
	$ 74,912

(3) Represents the loan from LBTW, the proceeds of which were used as consideration for the remainder of Liberty's interest in IDT United. This loan has a term of one year and bears interest at 8.0% per annum.

(4) Represents the pro forma effect on United's negative investment in UGC Holdings as follows (in thousands):

Stockholders' deficit of UGC Holdings as of September 30, 2001	$ 2,294,598
UGC Holdings Series C and D preferred stock not held by us	712,500
Negative investment in UGC Holdings as of September 30, 2001, equal to UGC Holdings' common stockholders' deficit as of such date	3,007,098
Adjustments to UGC Holdings' historical stockholders' deficit:	
Extraordinary gain on early retirement of UGC Holdings' 1999 Notes in December 2001	(8,778)
Issuance of approximately 12.0 million shares of UGC Holdings Class A common stock to Liberty in December 2001	(20,025)

Estimated merger transaction costs		25,000
Issuance of approximately 16.9 million shares of United Class A common stock to existing holders of UGC Holdings Series B, C and D preferred stock		(736,721)
Issuance of approximately 3.0 million shares of United Class A common stock for accrued dividends as of September 30, 2001 to holders of UGC Holdings Series B, C and D preferred stock		(17,758)
Issuance of approximately 241.3 million shares of United Class C common stock to Liberty in consideration for:		
Belmarken Notes (at approximate fair value as of January 30, 2002)		(851,791)
Liberty UPC Bonds (at approximate fair value as of January 30, 2002)		(354,650)
Acquisition of UGC Holdings senior secured notes held directly by Liberty for cash ($300,480), net of the assumption by United of loans from UGC Holdings to Liberty ($293,837)		(6,643)
Purchase of Liberty's interest in IDT United		(233,445)
	$	802,287

(5) Represents the minority interest's share of the net assets of IDT United upon consolidation of IDT United by United.

(6) Represents the pro forma effect on stockholders' (deficit) equity as follows (in thousands):

Stockholders' deficit of UGC Holdings as of September 30, 2001	$	(2,294,598)
UGC Holdings Series C and D preferred stock not held by us		(712,500)
Negative investment in UGC Holdings as of September 30, 2001, equal to UGC Holdings' common stockholders' deficit as of such date		(3,007,098)
Adjustments to UGC Holdings' historical stockholders' deficit:		
Extraordinary gain on early retirement of UGC Holdings' 1999 Notes in December 2001		8,778
Issuance of approximately 12.0 million shares of UGC Holdings Class A common stock to Liberty in December 2001		20,025
Estimated merger transaction costs		(25,000)
Issuance of approximately 16.9 million shares of United Class A common stock to existing holders of UGC Holdings Series B, C and D preferred stock		736,721
Issuance of approximately 3.0 million shares of United Class A common stock for accrued dividends as of September 30, 2001 to holders of UGC Holdings Series B, C and D preferred stock		17,758
Issuance of approximately 281.3 million shares of United Class C common stock to Liberty, valued at $5.00 per share (fair value at closing January 30, 2002), in consideration for:		
Belmarken Notes (at approximate fair value as of January 30, 2002)		851,791
Liberty UPC Bonds (at approximate fair value as of January 30, 2002)		354,650
Cash		200,000
	$	(842,375)

(7) Represents the pro forma effect on interest income, net as follows (in thousands):

	Nine Months Ended September 30, 2001	Year Ended December 31, 2000
Interest expense from:		
Assumption of the loan from UGC Holdings to Liberty	$ (24,101)	$ (1,045)
LBTW loan (assumed refinanced at the expiration of its one-year term)	(6,300)	(8,400)
Interest income from:		
Liberty UPC bonds	121,926	162,007
UGC Holdings senior secured notes	112,193	152,987
Belmarken Loan	19,594	–
	$ 223,312	$ 305,549

(8) Represents the pro forma effect on share in results of UGC Holdings as follows (in thousands):

	Nine Months Ended September 30, 2001	Year Ended December 31, 2000
Historical net loss from continuing operations of UGC Holdings	$ (2,131,356)	$ (1,220,890)
Elimination of historical interest expense as a result of the redemption on December 3, 2001 of UGC Holdings' senior notes issued in 1999	20,591	25,070
	$ (2,110,765)	$ (1,195,820)

(9) The weighted-average common shares — basic and diluted is computed as follows:

	Nine Months Ended September 30, 2001	Year Ended December 31, 2000
Historical weighted-average shares of UGC Holdings	98,683,319	96,114,927
Treasury shares add back under equity method of accounting	5,569,240	5,569,240
New shares of UGC Holdings issued to Liberty in exchange for $20.0 million on December 3, 2001	11,976,048	11,976,048
United Class C common stock issued to Liberty for:		
$200.0 million in cash	40,000,000	40,000,000
Belmarken Notes (issued May 30, 2001)	76,754,760	–
Liberty UPC Bonds	70,930,033	70,930,033
United Class A common stock issued to holders of Series B, C and D preferred stock of UGC Holdings	19,914,857	19,914,857
UGC Holdings common shares previously issued for preferred dividends, included in historical weighted-average shares of UGC Holdings	(2,061,208)	(95,425)
	321,767,049	244,409,680

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations cover the nine months ended September 30, 2001 and 2000 (unaudited), the years ended December 31, 2000 and 1999 and the ten months ended December 31, 1998 and should be read together with our consolidated financial statements and related notes included elsewhere herein. These consolidated financial statements provide additional information regarding our financial activities and condition. Although we were incorporated in February 2001 and did not commence material operations until the completion of the merger transaction, UGC Holdings operated previously as our predecessor entity. Consequently, when we use the term "we," "us" or similar words in this section, we refer, as the context requires, to the business, financial condition and operations of us and/or UGC Holdings.

Introduction

Prior to the ten months ended December 31, 1998, our fiscal year-end was the last day of February, and we accounted for our share of the income or loss of our operating companies based on the calendar year results of each operating company. This created a two-month delay in reporting the operating company results in our consolidated results for our fiscal year-end. On February 24, 1999, we changed our fiscal year-end from the last day in February to the last day in December, effective December 31, 1998. To effect the transition to the new fiscal year-end, the combined results of operations of the operating companies for January and February 1998, a loss of $50.4 million, was reported as a one-time adjustment to our retained deficit as of March 1, 1998, in our consolidated statement of stockholders' (deficit) equity. Consequently, the consolidated statement of operations and comprehensive (loss) income presents the consolidated results of the Company and its subsidiaries for the ten months ended December 31, 1998.

Services

To date, our primary source of revenue has been video entertainment services to residential customers. We believe that an increasing percentage of our future revenues will come from telephone and Internet access services within the residential and business markets. Within a decade, video services may only account for half of our total revenue, as our other services increase. The introduction of telephone and Internet access services had a significant negative impact on operating earnings and Adjusted EBITDA during 1998, 1999 and 2000. We expected this negative impact due to the high costs associated with obtaining subscribers, branding, and launching these new services against the incumbent operator. We expect this negative impact to decline in the future. We intend for these new businesses to be Adjusted EBITDA positive after two to three years following introduction of the service, but there can be no assurance this will occur.

Video. Our operating systems generally offer a range of video service subscription packages including a basic tier and an expanded basic tier. In some systems, we also offer mini-tiers and other premium programming. Historically, video services revenue has increased as a result of acquisitions of systems, subscriber growth from both well-established and developing systems, and increases in revenue per subscriber from basic rate increases and the introduction of expanded basic tiers and pay-per-view services.

Voice. Our operating systems that have launched telephone service offer a full complement of telephone products, including caller ID, call waiting, call forwarding, call blocking, distinctive ringing and three-way calling.

Internet. Our local operating companies provide subscribers with high-speed Internet access via their broadband network for a fee.

Content. We provide content for video service providers in Europe, Latin America, Australia and New Zealand. In addition to being provided on our systems, content is also sold to third-party operators.

Pricing

Video. We usually charge a one-time installation fee when we connect video subscribers, a monthly subscription fee that depends on whether basic or expanded-basic tier service is offered, and incremental amounts for those subscribers purchasing pay-per-view and premium programming.

Voice. Revenue from residential telephone usually consists of a flat monthly line rental and a usage charge based upon minutes. In order to achieve high growth from early market entry, we price our telephone service at a discount compared to services offered by incumbent telecommunications operators. In addition, we may waive or substantially discount our installation fees.

Internet. Generally, our services are offered to residential subscribers at flat subscription fees. Our flat fee is designed to be competitive with fees for dial-up Internet access. For business subscribers to services other than our standard broadband Internet access services, we generally agree on the pricing with local operators on a case-by-case basis, depending on the size and capacity requirements of the businesses.

Content. We charge video service providers a per-subscription fee for our video channels.

Costs of Operations

Video. Operating costs include the direct costs of programming, franchise fees and operating expenses necessary to provide service to the subscriber. Direct costs of programming are variable, based on the number of subscribers. The cost per subscriber is established by negotiation between us and the program supplier or rates negotiated by cable associations. Franchise fees, where applicable, are typically based upon a percentage of revenue. Other direct operating expenses include operating personnel, service vehicles, maintenance and plant electricity. Selling, general and administrative expenses include salaries, marketing, sales and commissions, legal and accounting, office facilities and other overhead costs.

Voice. Operating costs include interconnect costs, fees for our customers to move their telephone number from the incumbent's network to our network, network operations, customer operations and customer care. Interconnect costs are variable based upon usage as determined through negotiated interconnect agreements. Selling, general and administrative expenses include salaries, branding, marketing and customer acquisition costs, legal and accounting, human resources, office facilities and other overhead costs.

Internet. Operating costs consist primarily of leased-line and network development and management costs, as well as portal design and development, local connectivity costs, help desk and customer care costs. Selling, general and administrative expenses include branding, customer acquisition costs, personnel-related costs, legal and accounting, office facilities and other overhead.

Content. Operating costs include distribution costs such as transponder fees. A significant portion of these costs are fixed in nature through contractual commitments. Selling, general and administrative expenses include salaries, marketing and subscription acquisition costs, legal and accounting, office facilities and other overhead costs.

Results of Operations

Revenue

	Nine Months Ended September 30,		Year Ended December 31,		Ten Months Ended December 31,
	2001	2000	2000	1999	1998
			(In thousands)		
UPC	$ 924,372	$ 652,896	$ 918,634	$ 473,422	$ 172,287
Austar United	132,925	133,248	177,313	151,722	74,209
VTR	123,933	109,203	148,167	87,444	–
Other Latin America	4,488	5,623	6,818	7,655	4,757
Corporate and other	142	78	102	277	–
Other Asia/Pacific	–	–	–	242	3,213
Total revenue	$ 1,185,860	$ 901,048	$ 1,251,034	$ 720,762	$ 254,466

Revenue increased $284.8 million, or 31.6%, for the nine months ended September 30, 2001 compared to the nine months ended September 30, 2000, and increased $530.3 million, or 73.6%, and $466.3 million, or 183.2%, during the years ended December 31, 2000 and 1999, respectively, the detail of which is as follows:

	Nine Months Ended September 30,		Year Ended December 31,		
	2001	2000	2000	1999	1998
			(In thousands)		
UPC revenue:					
Video	$ 564,993	$ 470,457	$ 641,071	$ 392,569	$ 189,863
Voice	227,778	120,877	187,103	42,606	267
Internet	113,714	52,560	77,655	26,507	4,756
Content	7,232	4,239	4,606	3,853	677
Other	10,655	4,763	8,199	7,887	9,955
Consolidated UPC revenue	$ 924,372	$ 652,896	$ 918,634	$ 473,422	$ 205,518
Consolidated UPC revenue in euros	E 1,033,385	E 695,466	E 1,000,825	E 447,501	E 185,582
Austar United revenue:(1) Video	$ 113,989	$ 125,240	$ 163,938	$ 146,881	$ 89,819
Voice	2,451	3,166	3,898	4,107	–
Internet	8,061	2,532	5,067	–	–
Content	8,210	–	–	–	–
Other	214	2,310	4,410	734	–

Consolidated Austar United revenue	$ 132,925	$ 133,248	$ 177,313	$ 151,722	$ 89,819
Consolidated Austar United revenue in A$	A$ 256,600	A$ 222,600	A$ 305,260	A$ 232,080	A$ 138,765
VTR revenue:(2)					
Video	$ 81,643	$ 86,325	$ 113,400	$ 113,004	$ 116,488
Voice	38,308	22,412	33,497	14,467	2,516
Internet	3,982	466	1,270	–	–
Consolidated VTR revenue	$ 123,933	$ 109,203	$ 148,167	$ 127,471	$ 119,004
Consolidated VTR revenue in Chilean pesos	CP 76,475,615	CP 57,713,492	CP 80,028,242	CP 63,665,347	CP 54,806,926

(1) As a result of the sale of 50.0% of our interest in the holding company through which we held the largest portion of our interest in Austar United, we will de-consolidate the results of operations of Austar United effective November 15, 2001.

(2) Represents 100% of the operating results of VTR for all periods reflected. We began consolidating the results of operations of VTR effective May 1, 1999.

The first nine months of 2001 compared to the first nine months of 2000. Revenue for UPC in U.S. dollar terms increased $71.4 million, or 30.6%, from $233.5 million for the three months ended September 30, 2000 to $304.9 million for the three months ended September 30, 2001. Revenue for UPC in U.S. dollar terms increased $271.5 million, or 41.6%, from $652.9 million for the nine months ended September 30, 2000 to $924.4 million for the nine months ended September 30, 2001. On a functional currency basis, UPC's revenue increased E84.5 million, or 32.8%, from E257.9 million for the three months ended September 30, 2000 to E342.4 million for the three months ended September 30, 2001. UPC's revenue increased E337.9 million, or 48.6%, from E695.5 million for the nine months ended September 30, 2000 to E1,033.4 million for the nine months ended September 30, 2001. Video revenue accounted for E31.1 and E130.9 million of this increase for the three and nine months ended September 30, 2001, respectively, primarily due to organic subscriber growth, increases in average revenue per subscriber and new revenue from UPC's acquisition of K&T (The Netherlands), which we included in our consolidated results effective March 31, 2000, and the acquisition of EWT (Germany), which we included in our consolidated results effective October 1, 2000. Video revenue also increased due to the launch of DTH services in Hungary, the Czech Republic and the Slovak Republic, offset by increased churn in Poland due to a significant rate increase for UPC's DTH service. UPC will deconsolidate the results of its DTH operations in Poland upon closure of the transaction with Canal+, which closed prior to December 31, 2001. Voice revenue accounted for E24.9 million and E125.6 million of the total increase in revenue for the three and nine months ended September 30, 2001, respectively, primarily due to the acquisition of Cignal, and organic subscriber growth (445,600 subscribers at September 30, 2001 compared to 365,300 subscribers at September 30, 2000), offset by Priority Telecom's decision in the third quarter to exit the wholesale voice business in order to refocus on the high margin data business. The increase in Internet revenue for the three and nine months ended September 30, 2001 compared to the same periods in the prior year was primarily due to organic subscriber growth in Internet access services (507,200 subscribers at September 30, 2001 compared to 278,100 subscribers at September 30, 2000).

Revenue for Austar United in Australian dollars increased A$9.7 million, or 12.6%, from A$76.8 ($44.1) million for the three months ended September 30, 2000 to A$86.5 ($44.3) million for the three months ended September 30, 2001, due primarily to the launch of its mobile telephone business in the fourth quarter 2000 and revenue from TVSN, a national shopping channel in Australia and New Zealand, acquired in October 2000. Revenue for Austar United increased A$34.0 million, or 15.3%, from A$222.6 ($133.2) million for the nine months ended September 30, 2000 to A$256.6 ($132.9) million for the nine months ended September 30, 2001. Video revenue accounted for A$10.5 million of this increase, due to organic subscriber growth (average of 428,691 subscribers for the nine months ended September 30, 2001 compared to an average of 401,216 subscribers for the nine months ended September 30, 2000), offset by a reduction in the average monthly revenue per video subscriber from A$55.78 ($33.04) for the nine months ended September 30, 2000 to A$54.74 ($28.36) for the nine months ended September 30, 2001, due to lower premium revenues in the current period. The remaining increase was due to the launch of wireless data services in late first quarter 2000, the launch of its mobile telephone business in the fourth quarter 2000 and revenue from TVSN. The total increase in revenue for the nine months ended September 30, 2001 compared to the same period in the prior year was offset by a A$7.9 ($4.9) million reduction in revenue as a result of the de-consolidation of TelstraSaturn effective April 1, 2000.

Revenue for VTR in U.S. dollar terms increased $4.2 million, or 11.4%, from $37.0 million for the three months ended September 30, 2000 to $41.2 million for the three months ended September 30,

2001. Revenue for VTR in U.S. dollar terms increased $14.7 million, or 13.5% from $109.2 million for the nine months ended September 30, 2000 to $123.9 million for the nine months ended September 30, 2001. On a functional currency basis, VTR's revenue increased CP7.22 billion, or 35.4%, from CP20.42 billion for the three months ended September 30, 2000 to CP27.64 billion for the three months ended September 30, 2001. VTR's revenue increased CP18.77 billion, or 32.5%, from CP57.71 billion for the nine months ended September 30, 2000 to CP76.48 billion for the nine months ended September 30, 2001. Voice revenue accounted for CP4.32 billion and CP11.84 billion of this increase for the three and nine months ended September 30, 2001, respectively, primarily due to telephone subscriber growth (173,000 subscribers at September 30, 2001 compared to 102,700 subscribers at September 30, 2000), as well as an increase in the average monthly revenue per telephone subscriber from CP15,399 and CP15,166 for the three and nine months ended September 30, 2000, respectively, to CP16,316 and CP15,933 for the three and nine months ended September 30, 2001, respectively. On a functional currency basis, video revenue for the three and nine months ended September 30, 2001 compared to the prior periods increased 12.4% and 10.3%, respectively, primarily due to an increase in the number of video subscribers from 408,500 subscribers as of September 30, 2000 to 445,100 subscribers as of September 30, 2001. Average monthly revenue per video subscriber remained flat on a functional currency basis.

2000 Compared to 1999. Revenue for UPC in U.S. dollar terms increased $445.2 million, or 94.0%, from $473.4 million for the year ended December 31, 1999 to $918.6 million for the year ended December 31, 2000, despite a 14.0% devaluation of the euro to the U.S. dollar from year to year. On a functional currency basis, UPC's revenue increased E553.3 million, or 123.6%, from E447.5 million for the year ended December 31, 1999 to E1,000.8 million for the year ended December 31, 2000. This increase was primarily due to acquisitions. The increase in video revenue for the year ended December 31, 2000 compared to the prior year attributable to acquisitions totaled 90.3% of the total increase. Of this increase, acquisitions in The Netherlands represent 40.8%, the acquisition in Poland represents 21.8%, acquisitions in France represent 12.5%, the acquisition in Sweden represents 9.9%, the acquisition in the Czech Republic represents 9.4% and other acquisitions represent 5.6%. The remaining increase in video revenue of 9.7% came from organic subscriber growth and increased revenue per subscriber. The increase in telephone revenue for the year ended December 31, 2000 compared to the prior year is primarily from its acquisitions of A2000 in The Netherlands (September 1999), Kabel Plus in the Czech Republic (November 1999) and Monor in Hungary (December 1999), which total approximately 51.2% of the increase. The remaining increase in telephone revenue is due to organic subscriber growth in UPC's Austrian, Dutch, French, Norwegian and Swedish systems. The increase in Internet revenue for the year ended December 31, 2000 compared to the prior year is primarily due to organic subscriber growth in its residential and business high-speed cable modem Internet access services.

Revenue for Austar United in U.S. dollar terms increased $25.6 million, or 16.9%, from $151.7 million for the year ended December 31, 1999 to $177.3 million for the year ended December 31, 2000, despite a 12.2% devaluation of the Australian dollar to the U.S. dollar from year to year. This increase was primarily due to video subscriber growth (421,200 at December 31, 2000 compared to 381,800 at December 31, 1999). The average monthly revenue per video subscriber remained flat from an average per subscriber of A$53.71 ($34.71) for the year ended December 31, 1999 to an average of A$53.68 ($30.92) per subscriber for the year ended December 31, 2000.

Revenue for VTR in U.S. dollar terms increased $20.7 million, or 16.2%, from $127.5 million for the year ended December 31, 1999 to $148.2 million for the year ended December 31, 2000, despite a 6.3% devaluation of the Chilean peso to the U.S. dollar from year to year. This increase was primarily due to telephone subscriber growth (135,500 at December 31, 2000 compared to 66,700 at December 31, 1999), as well as an increased average monthly revenue per telephone subscriber of $28.97 for the year ended December 31, 2000, compared to $26.09 for the prior year. Video revenue remained flat on a U.S. dollar basis, despite a 9.2% increase in the number of video subscribers from 387,000 as of December 31, 1999 to 422,700 as of December 31, 2000, due to the weakening Chilean peso. Average

monthly revenue per video subscriber also remained relatively flat on a U.S. dollar basis ($23.94 for the year ended December 31, 2000 compared to $23.64 for the prior year), but increased 7.3% on a functional currency basis.

1999 Compared to 1998. Revenue for UPC in U.S. dollar terms increased $267.9 million, or 130.4%, from $205.5 million for the year ended December 31, 1998 to $473.4 million for the year ended December 31, 1999, despite a 5.5% devaluation of the euro to the U.S. dollar from year to year. On a functional currency basis, UPC's revenue increased E261.9 million, or 141.1%, from E185.6 million for the year ended December 31, 1998 to E447.5 million for the year ended December 31, 1999, primarily due to the increase in video revenue, of which 83.8% related to acquisitions. Of this increase, acquisitions in The Netherlands represent 59.3%, the acquisition in Poland represents 15.8%, acquisitions in France represent 12.7% and acquisitions in Sweden and other countries represent 12.2%. The remaining increase in video revenue of 16.2% came from organic subscriber growth, increased revenue per subscriber in Austria, Norway, France, and Eastern Europe and the inclusion of a full year of operations in 1999 for acquisitions completed in 1998. The increase in telephone revenue for the year ended December 31, 1999 compared to the prior year is primarily due to the launch of local telephone services in our Austrian, Dutch, French and Norwegian systems. In addition, A2000, which we consolidated effective September 1, 1999, had an existing telephone service. The increase in Internet revenue for the year ended December 31, 1999 compared to the prior year is primarily due to the launch of residential and business high-speed cable modem Internet access services in Austria, Belgium, France, The Netherlands, Norway and Sweden in 1999.

Revenue for Austar United in U.S. dollar terms increased $61.9 million, or 68.9%, from $89.8 million for the year ended December 31, 1998 to $151.7 million for the year ended December 31, 1999, including a 3.0% strengthening of the Australian dollar to the U.S. dollar from year to year. This increase was primarily due to video subscriber growth (381,800 at December 31, 1999 compared to 288,700 at December 31, 1998), as well as an increased average monthly revenue per video subscriber as Austar United continued to expand the content of its television service. The average monthly revenue per video subscriber increased from A$47.00 ($29.45) for the year ended December 31, 1998 to A$53.71 ($34.71) per subscriber for the year ended December 31, 1999, a 14.3% increase.

Revenue for VTR in U.S. dollar terms increased $8.5 million, or 7.1%, from $119.0 million for the year ended December 31, 1998 to $127.5 million for the year ended December 31, 1999, despite a 6.3% devaluation in the Chilean peso to the U.S. dollar from year to year. This increase was primarily due to telephone subscriber growth (66,700 at December 31, 1999 compared to 21,000 at December 31, 1998), as well as an increased average monthly revenue per telephone subscriber of $26.09 for the year ended December 31, 1999, compared to $22.78 for the prior year. VTR experienced increased churn and lower sales volume than expected for its video service during the year ended December 31, 1999 due to an economic recession in Chile and increased competition. The number of video subscribers decreased from 393,900 as of December 31, 1998 to 387,000 as of December 31, 1999. The average monthly revenue per video subscriber also decreased on a U.S. dollar basis ($23.64 for the year ended December 31, 1999, compared to $25.63 for the prior year).

Adjusted EBITDA

	Nine Months Ended September 30,	Year Ended December 31,		Ten Months Ended

	2001	2000	2000	1999	December 31, 1998
			(In thousands)		
UPC	$ (135,579)	$ (217,741)	$ (334,498)	$ (125,763)	$ 42,608
Austar United	(36,129)	(28,077)	(45,304)	(16,511)	(31,093)
VTR	18,591	11,620	12,582	15,140	–
Corporate	(17,713)	(10,063)	(13,020)	109	(2,907)
Eliminations and other	(1,871)	7,334	11,776	(6,152)	(12,153)
Consolidated Adjusted EBITDA	$ (172,701)	$ (236,927)	$ (368,464)	$ (133,177)	$ (3,545)

(1) Adjusted EBITDA represents net operating earnings before depreciation, amortization and stock-based compensation charges. Stock-based compensation charges result from variable plan accounting of our subsidiaries' regular and phantom stock option plans and are generally non-cash charges. Industry analysts generally consider Adjusted EBITDA to be a helpful way to measure the performance of cable television operations and communications companies. Adjusted EBITDA should not, however, be considered a replacement for net income, cash flows or for any other measure of performance or liquidity under generally accepted accounting principles, or as an indicator of a company's operating performance. The presentation of Adjusted EBITDA may not be comparable to statistics with a similar name reported by other companies. Not all companies and analysts calculate Adjusted EBITDA in the same manner.

Adjusted EBITDA increased $64.2 million and decreased $235.3 and $129.6 million during the nine months ended September 30, 2001 compared to the nine months ended September 30, 2000 and during the years ended December 31, 2000 and 1999, respectively, the detail of which is as follows:

	Nine Months Ended September 30,		Year Ended December 31,		
	2001	2000	2000	1999	1998
			(In thousands)		
UPC Adjusted EBITDA:					
Video	$ 180,844	$ 148,793	$ 199,405	$ 94,503	$ 84,828
Voice	(91,150)	(77,883)	(131,787)	(44,185)	(5,813)
Internet	(53,660)	(129,138)	(170,538)	(80,045)	(12,493)
Content	(69,256)	(70,292)	(107,218)	(52,581)	(5,061)
Corporate and other	(102,357)	(89,221)	(124,360)	(43,455)	(5,463)
Consolidated UPC Adjusted EBITDA	$ (135,579)	$ (217,741)	$ (334,498)	$ (125,763)	$ 55,998
Austar United Adjusted EBITDA:					
Video	$ (9,783)	$ (10,054)	$ (12,586)	$ (10,923)	$ (27,166)
Voice	(1,235)	(1,260)	(3,839)	(1,160)	–
Internet	(16,715)	(14,914)	(21,007)	–	–
Content	(5,984)	–	–	–	–
Management fees and other	(2,412)	(1,849)	(7,872)	(4,428)	(4,124)
Consolidated Austar United Adjusted EBITDA	$ (36,129)	$ (28,077)	$ (45,304)	$ (16,511)	$ (31,290)
VTR Adjusted EBITDA:(1)					
Video	$ 13,754	$ 18,634	$ 36,672	$ 27,725	$ 30,763
Voice	8,959	2,033	(8,890)	(4,388)	(2,741)
Internet	(1,872)	(2,103)	(2,350)	–	–
Management fees and other	(2,250)	(6,944)	(12,850)	(5,218)	–
Consolidated VTR Adjusted EBITDA	$ 18,591	$ 11,620	$ 12,582	$ 18,119	$ 28,022

(1) Represents 100% of the operating results of VTR for all periods reflected. We began consolidating the results of operations of VTR effective May 1, 1999.

The First Nine Months of 2001 Compared to the First Nine Months of 2000. Adjusted EBITDA for UPC in U.S. dollar terms increased $54.6 million, from negative $87.4 million for the three months ended September 30, 2000 to negative $32.8 million for the three months ended September 30, 2001. Adjusted EBITDA for UPC increased $82.1 million, from negative $217.7 million for the nine months ended September 30, 2000 to negative $135.6 million for the nine months ended September 30, 2001. On a functional currency basis, UPC's Adjusted EBITDA increased E59.8 million from negative E96.6 million for the three months ended September 30, 2000 to negative E36.8 million for the three months ended September 30, 2001. UPC's Adjusted EBITDA increased E80.0 million, from negative E232.0 million for the nine months ended September 30, 2000 to negative E152.0 million for the nine months ended September 30, 2001. Video Adjusted EBITDA accounted for E21.0 million and E44.2 million of this increase for the three and nine months ended September 30, 2001, respectively, due to the acquisitions of K&T and EWT, improved Adjusted EBITDA generally due to a continued focus on costs controls, improved Adjusted EBITDA from the DTH systems in Hungary and the Czech Republic as they gained subscribers and realized economies of scale and improved Adjusted EBITDA from its DTH operations in Poland due to lower marketing and customer acquisition costs. UPC will deconsolidate the results of its DTH operations in Poland upon closure of the transaction with Canal+, which closed prior to

December 31, 2001. The deterioration in UPC's Adjusted EBITDA from its voice business for the three and nine months ended September 30, 2001 compared to the same periods in the prior year was primarily due to the acquisition of Cignal and associated costs for the development and launch of products within new markets, offset by achieving certain economies of scale in the cable telephone business, lower start-up costs and cost savings achieved from continued integration and restructuring of operations. The improvement in UPC's Adjusted EBITDA from its Internet business for the three and nine months ended September 30, 2001 compared to the same periods in the prior year was primarily due to continued subscriber growth and achieving certain economies of scale in its Internet access business, in addition to lower start-up costs and cost savings from continued integration and restructuring of operations. UPC's corporate and other Adjusted EBITDA decreased for the nine months ended September 30, 2001. The decrease was primarily due to costs incurred for the development of UPC's digital set-top computer, as well as investigation of new technologies such as near video-on-demand and voice-over Internet Protocol telephone. UPC also continued to incur system costs for the development and rollout of UPC's pan-European financial and customer care systems. UPC ended the broadcasting of the paid sports channel, Sport 1, in the Czech Republic and Slovakia as of October 31, 2001.

Adjusted EBITDA for Austar United improved A$2.6 million, from negative A$22.9 ($14.2) million for the three months ended September 30, 2000 to negative A$20.3 ($10.4) million for the three months ended September 30, 2001, due primarily to improved video EBITDA from the reduction of programming cost per subscriber effective July 1, 2001, as a result of negotiations with XYZ Entertainment. Adjusted EBITDA for Austar United decreased A$23.9 million, from negative A$45.9 ($28.1) million for the nine months ended September 30, 2000 to negative A$69.8 ($36.1) million for the nine months ended September 30, 2001, primarily due to an incremental increase in video programming costs, as the Australian dollar continued to weaken from period to period and development and start-up costs associated with TVSN, offset by the de-consolidation of TelstraSaturn and the resulting removal of approximately A$2.5 ($1.7) million of negative Adjusted EBITDA.

Adjusted EBITDA for VTR in U.S. dollar terms increased $5.1 million and $7.0 million for the three and nine months ended September 30, 2001, respectively, compared to the prior periods. On a functional currency basis, VTR's Adjusted EBITDA increased CP3.76 billion from CP1.58 billion for the three months ended September 30, 2000 to CP5.34 billion for the three months ended September 30, 2001. VTR's Adjusted EBITDA increased CP5.5 billion from CP6.11 billion for the nine months ended September 30, 2000 to CP11.61 billion for the nine months ended September 30, 2001. Telephone Adjusted EBITDA accounted for CP2.41 billion and CP4.55 billion for the total increase for the three and nine months ended September 30, 2001, respectively, primarily due to telephone subscriber growth outpacing development costs. Video Adjusted EBITDA on a functional currency basis remained flat from period to period. Although VTR experienced revenue growth, additional promotional and marketing costs were incurred as a result of increased competition for video subscribers. Internet Adjusted EBITDA on a functional currency basis also remained flat from period to period, as development costs kept pace with revenue growth. We expect these costs as a percentage of revenue to decline in future periods because development costs in general will taper off and certain costs have already been incurred and are fixed in relation to subscriber volumes.

2000 Compared to 1999. Adjusted EBITDA for UPC in U.S. dollar terms decreased $208.7 million, from negative $125.8 million for the year ended December 31, 1999 to negative $334.5 million for the year ended December 31, 2000. On a functional currency basis, UPC's Adjusted EBITDA decreased E243.4 million from a negative E119.8 million for the year ended December 31, 1999 to negative E363.2 million for the year ended December 31, 2000. Video Adjusted EBITDA in U.S. dollar terms increased 111.0% for the year ended December 31, 2000 compared to the prior year, primarily due to acquisitions made during 1999 and 2000. These acquisitions generated 67.7% of the increase from year to year. The remaining increase is due to achieving certain operating efficiencies while continuing incremental organic subscriber growth. The increase in UPC's negative Adjusted EBITDA from its telephone service and Internet service for the year ended December 31, 2000 compared to the prior

year was primarily due to high customer acquisition costs. In order to achieve high growth from early market entry, UPC prices its services at a discount compared to services offered by incumbent telecommunications operators. UPC may also waive or discount installation fees. The increase in UPC's negative Adjusted EBITDA from its content business is primarily due to significant start up and restructuring costs related to UPC Polska. UPC expects to incur additional operating losses related to its content business for at least the next two years, while UPC develops and expands it subscriber base. UPC's $80.9 million increase in corporate and other negative Adjusted EBITDA primarily relates to costs incurred for the development of UPC's digital set-top computer, as well as investigation of new technologies such as near video on demand and IP telephony. UPC also continued to incur system costs for the development of UPC's pan-European IT platform, as well as continued branding and facilities costs. Salary costs also increased due to the necessary growth of UPC's corporate functions such as investor relations, finance, legal and engineering.

Adjusted EBITDA for Austar United in U.S. dollar terms decreased $28.8 million, or 174.5%, from negative $16.5 million for the year ended December 31, 1999 to negative $45.3 million for the year ended December 31, 2000. This decrease was primarily due to development and start-up costs associated with the launch of Austar United's Internet business, increased programming costs payable in U.S. dollars as the Australian dollar continued to weaken during the year, higher costs for new branding and product launch, higher costs for marketing and advertising during the Olympics, increased churn following the Olympics and increased churn from partial absorption of the new Australian goods and services tax.

Adjusted EBITDA for VTR in U.S. dollar terms decreased $5.5 million, or 30.4%, from $18.1 million for the year ended December 31, 1999 to $12.6 million for the year ended December 31, 2000. Video Adjusted EBITDA increased $8.9 million, or 32.3%, for the year ended December 31, 2000 compared to the prior year as revenue growth outpaced expenses. VTR's Adjusted EBITDA from its telephone business continued to be negative during the year 2000. Although revenues from telephone services increased significantly from the comparable period in 1999, development expenses of this new business continue to exist. We expect these operating and selling, general and administrative expenses as a percentage of telephone revenue to decline in future periods because development costs in general will taper off and certain costs have already been incurred and are fixed in relation to subscriber volumes. VTR's Adjusted EBITDA is also affected by management fees payable to ULA. These fees increased from $5.2 million in 1999 to $12.9 million for the year ended December 31, 2000. As VTR's revenues increase, these fees will continue to increase.

1999 Compared to 1998. Adjusted EBITDA for UPC in U.S. dollar terms decreased $181.8 million from $56.0 million for the year ended December 31, 1998 to negative $125.8 million for the year ended December 31, 1999. On a functional currency basis, UPC's Adjusted EBITDA decreased E170.4 million from E50.6 million for the year ended December 31, 1998 to negative E119.8 million for the year ended December 31, 1999, primarily due to the continued introduction of its telephone and Internet businesses. In addition, as a percentage of revenue, operating expense for video increased 6.9% from 32.5% for the year ended December 31, 1998 to 39.4% for the year ended December 31, 1999. This increase is primarily due to higher operating costs as a percentage of revenue for systems we acquired during 1999. As a percentage of revenue, operating expenses in our new acquisitions was approximately 38.3%. We expect to reduce this percentage in future years through revenue growth and operating efficiencies. During the year ended December 31, 1999, UPC's significant negative Adjusted EBITDA from its local telephone services was due to high customer acquisition costs related to the launch of *Priority Telecom* in its Austrian, Dutch, French and Norwegian systems. During the year ended December 31, 1999, UPC's significant negative Adjusted EBITDA from its Internet service was due to high customer acquisition costs related to the launch of *chello broadband* on the upgraded portion of its networks in Austria, Belgium, France, The Netherlands, Norway and Sweden in 1999. UPC expects to incur substantial operating losses related to its content business while it develops and expands its subscriber base.

Adjusted EBITDA for Austar United in U.S. dollar terms increased $14.8 million, or 47.3%, from negative $31.3 million for the year ended December 31, 1998 to negative $16.5 million for the year ended December 31, 1999. This increase was primarily due to Austar United achieving incremental video subscriber growth while keeping certain costs fixed, such as its national customer operations center, corporate management staff and media-related marketing costs.

Adjusted EBITDA for VTR in U.S. dollar terms decreased $9.9 million, or 35.4%, from $28.0 million for the year ended December 31, 1998 to $18.1 million for the year ended December 31, 1999. This decrease was primarily due to management fees of $5.2 million incurred in 1999 compared to nil in the prior year, as well as increases in operating expense and selling, general and administrative expense that outpaced the revenue increases, primarily due to the focus on the continued development of telephone services and an increase in senior management personnel hired from the former shareholders of VTR.

Stock-Based Compensation

	Nine Months Ended September 30,		Year Ended December 31,		Ten Months Ended December 31,
	2001	2000	2000	1999	1998
			(In thousands)		
UPC and subsidiaries	$ 448	$ (25,849)	$ (68,616)	$ 202,227	$ 162,124
Austar United	4,010	6,685	9,439	4,910	–
ULA	(4,729)	9,218	8,024	(1,033)	2,669
VTR	1,253	8,986	7,970	–	–
Other Asia/Pacific	–	–	–	17,630	–
Total stock-based compensation	$ 982	$ (960)	$ (43,183)	$ 223,734	$ 164,793

Comparison of the first nine months of 2001 to the first nine months of 2000. Stock-based compensation credit (included in selling, general and administrative expense) increased $4.1 million and $1.9 million for the three and nine months ended September 30, 2001, respectively, compared to the prior periods. Stock-based compensation expense (credit) is recorded as a result of applying variable-plan accounting to our subsidiaries' stock-based compensation plans. These plans include the UPC phantom stock option plan, the *chello* phantom stock option plan, the *Priority Telecom* stock option plan, the Austar United stock option plan, the ULA phantom stock option plan and the VTR phantom stock option plan. Under variable-plan accounting, increases in the fair market value of these vested options result in non-cash compensation charges to the statement of operations, while decreases in the fair market value to these vested options will cause a reversal of previous charges taken.

Comparison of Fiscal Years 2000, 1999 and 1998. Stock-based compensation decreased $266.9 million for the year ended December 31, 2000, compared to an increase of $58.9 million in the prior year, due primarily to decreases in the market value of UPC's common stock during the year 2000. Stock-based compensation is recorded as a result of applying variable plan accounting to our subsidiaries' stock-based compensation plans. These plans include the UPC phantom stock option plan, the *chello* phantom stock option plan, the *Priority Telecom* stock option plan, the Austar United stock option plan, the ULA phantom stock option plan and the VTR phantom stock option plan. Under variable plan accounting, increases in the fair market value of these vested options result in non-cash compensation charges to the statement of operations, while decreases in the fair market value of these vested options will cause a reversal of previous charges taken.

Depreciation and Amortization

	Nine Months Ended September 30,		Year Ended December 31,		Ten Months Ended December 31,
	2001	2000	2000	1999	1998
			(In thousands)		
Europe	$ 686,971	$ 447,386	$ 657,470	$ 280,442	$ 76,550
Asia/Pacific	87,509	79,642	105,629	104,723	79,746
Latin America	48,053	38,136	50,909	32,142	1,637
Corporate and other	1,291	1,132	1,514	1,407	1,112
Total depreciation and amortization expense	$ 823,824	$ 566,296	$ 815,522	$ 418,714	$ 159,045

Comparison of the First Nine Months of 2001 to the First Nine Months of 2000. Depreciation and amortization expense increased $68.1 and $257.5 million for the three and nine months ended September 30, 2001, respectively, compared to the prior periods. On a functional currency basis, UPC's depreciation and amortization expense increased E75.0 million from E187.4 million for the three months ended September 30, 2000 to E262.4 million for the three months ended September 30, 2001. UPC's depreciation and amortization expense increased E290.7 million from E477.3 million for the nine months ended September 30, 2000 to E768.0 million for the nine months ended September 30, 2001. The increase resulted primarily from amortization of goodwill created in connection with acquisitions in 2000, as well as additional depreciation related to additional capital expenditures to upgrade the network in UPC's Western European systems and new-build for developing systems.

Comparison of Fiscal Years 2000, 1999 and 1998. UPC's depreciation and amortization expense in U.S. dollar terms increased $377.1 million, from $280.4 million for the year ended December 31, 1999 to $657.5 million for the year ended December 31, 2000. On a functional currency basis, UPC's depreciation and amortization expense increased E452.6 million, or 170.1%, from E266.1 million for the year ended December 31, 1999 to E718.7 million for the year ended December 31, 2000. The increase resulted primarily from goodwill created in connection with acquisitions completed during 1999 in The Netherlands and Poland, as well as additional depreciation related to additional capital expenditures to upgrade the network in UPC's Western European systems and new-build for developing systems.

UPC's depreciation and amortization expense in U.S. dollars increased $186.1 million, or 197.3%, from $94.3 million for the year ended December 31, 1998 to $280.4 million for the year ended December 31, 1999, including a positive impact from the 5.5% devaluation of the euro to the U.S. dollar from period to period. On a functional currency basis, UPC's depreciation and amortization expense increased E180.9 million, or 212.3%, from E85.2 million for the year ended December 31, 1998 to E266.1 million for the year ended December 31, 1999. This increase resulted primarily from acquisitions completed during 1999 in the Netherlands and Poland, as well as additional depreciation related to additional capital expenditures to upgrade the network in UPC's Western European systems and new-build for developing systems.

Impairment and Restructuring Charges

2001. During the second quarter of 2001, UPC identified indicators of possible impairment of long-lived assets, principally Indefeasible Rights of Use, or "IRUs," and related goodwill within its subsidiary, *Priority Telecom*. Such indicators included significant declines in the market value of publicly traded telecommunications providers and a change, subsequent to the acquisition of Cignal, in the way that certain assets from the Cignal acquisition would be used within *Priority Telecom* because of reduced

levels of private equity funding activity for CLEC businesses generally and UPC's inability to obtain financing for *Priority Telecom* in the second half of 2001 as previously planned. The changes in strategic plans included a decision to phase-out the legacy international wholesale voice operations of Cignal. When UPC and *Priority Telecom* reached an agreement to acquire Cignal in the second quarter of 2000, the companies originally intended to continue the international wholesale voice operations of Cignal for the foreseeable future. This original plan for the international wholesale voice operations was considered in the determination of the consideration to be paid for Cignal and the subsequent allocation of the purchase price. This allocation was completed by an independent third party in November 2000. Using the strategic plan prepared for the contemplated financing, an impairment assessment test and measurement in accordance with SFAS No. 121 was completed, resulting in the recording of a write-down of tangible assets and related goodwill and other impairment charges of E319.0 ($278.9) million.

Priority Telecom recorded restructuring and other impairment charges in connection with operations in Spain and other countries of E10.3 ($9.2) million for the three months ended September 30, 2001.

A subsidiary of UPC has impaired the value of DTH boxes leased to certain former customers for which the recovery of the value of the boxes is unlikely. The amount of the impairment is based on the number of disconnected customers to whom the DTH boxes were rented, decreased by the number of collected boxes and multiplied by the net book value of the box at the end of the corresponding period. The amount of impairment charges for the three months ended September 30, 2001 totaled E19.4 ($17.3) million.

We expect to record additional impairments under SFAS No. 121 as of December 31, 2001, although the exact nature and amount have yet to be determined. In addition, we expect to record a cumulative effect adjustment effective January 1, 2002 upon the adoption of SFAS No. 142, to reflect the impairment of previously recognized goodwill and other intangible assets. While we have not yet determined what the impact will be on our financial position and results of operations, it is possible the impact will be substantial.

Gain on Issuance of Common Equity Securities by Subsidiaries

	Year Ended December 31,		Ten Months Ended December 31,
	2000	1999	1998
	(In thousands)		
Austar United secondary offering	$ 66,771	$ –	$ –
Stjärn note conversion	54,085	–	–
UPC initial public offering	–	822,067	–
UPC secondary offering	–	403,500	–
Austar United initial public offering	–	248,361	–
Other	6,875	34,911	–
Total gain on issuance of common equity securities by subsidiaries	$ 127,731	$ 1,508,839	$ –

2000. In March 2000, Austar United sold 20.0 million shares in a second public offering on the Australian Stock Exchange, raising gross and net proceeds at $5.20 per share of $104.0 and $102.4 million, respectively. Based on the carrying value of our investment in Austar United as of March 29, 2000, we recognized a gain of $66.8 million from the resulting step-up in the carrying amount of our investment in Austar United. In August 2000, Stjärn exercised its option to convert its $100.0 million note into 4.1 million ordinary shares of UPC. Based on the carrying value of our

investment in UPC as of August 23, 2000, we recognized a gain of $54.1 million from the resulting step-up in the carrying amount of our investment in UPC. No deferred taxes were recorded related to these gains due to our intent to hold our investment in UPC and Austar United indefinitely.

1999. In February 1999, UPC successfully completed an initial public offering selling 133.8 million shares on Euronext Amsterdam, N.V. and Nasdaq, raising gross and net proceeds at $10.93 per share of $1,463.0 and $1,364.1 million, respectively. Concurrent with the offering, a third party exercised an option and acquired approximately 4.7 million ordinary shares of UPC, resulting in proceeds to UPC of $45.0 million. Based on the carrying value of our investment in UPC as of February 11, 1999, we recognized a gain of $822.1 million from the resulting step-up in the carrying amount of our investment in UPC. In October 1999, UPC completed a second public offering of 45.0 million ordinary shares, raising gross and net proceeds at $21.58 per share of $970.9 and $922.4 million, respectively. Based on the carrying value of our investment in UPC as of October 19, 1999, we recognized a gain of $403.5 million from the resulting step-up in the carrying amount of our investment in UPC. In July 1999, Austar United successfully completed an initial public offering selling 103.5 million shares on the Australian Stock Exchange, raising gross and net proceeds at $3.03 per share of $313.6 and $292.8 million, respectively. Based on the carrying value of our investment in Austar United as of July 27, 1999, we recognized a gain of $248.4 million from the resulting step-up in the carrying amount of our investment in Austar United. No deferred taxes were recorded related to these gains due to our intent to hold our investment in UPC and Austar United indefinitely.

Interest Income

	Nine Months Ended September 30,		Year Ended December 31,		Ten Months Ended December 31,
	2001	2000	2000	1999	1998
			(In thousands)		
Europe	$ 40,252	$ 30,090	$ 42,134	$ 29,458	$ 3,440
Asia/Pacific	4,690	13,419	16,600	7,296	1,069
Latin America	1,790	536	784	181	1,121
Corporate and other	41,416	57,168	73,779	17,440	5,051
Total interest income	$ 88,148	$ 101,213	$ 133,297	$ 54,375	$ 10,681

Comparison of Fiscal Years 2000, 1999 and 1998. Interest income increased $78.9 and $43.7 million during the years ended December 31, 2000 and 1999, respectively, compared to the corresponding periods in the prior year, due to higher cash and short-term investment balances related to the issuance of new debt and equity in late 1999 and early 2000.

Interest Expense

	Nine Months Ended September 30,		Year Ended December 31,		Ten Months Ended December 31,
	2001	2000	2000	1999	1998
			(In thousands)		
Europe	$ (615,306)	$ (456,057)	$ (682,321)	$ (194,512)	$ (38,524)
Asia/Pacific	(68,296)	(59,620)	(80,303)	(69,511)	(47,164)
Latin America	(14,792)	(19,458)	(28,332)	(19,068)	(1,175)
Corporate and other	(113,524)	(102,010)	(137,827)	(116,908)	(76,364)
Total interest expense	$ (811,918)	$ (637,145)	$ (928,783)	$ (399,999)	$ (163,227)

Interest expense increased $174.8, $528.8 and $236.8 million during the nine months ended September 30, 2001 compared to the nine months ended September 30, 2000, and the years ended December 31, 2000 and 1999, respectively, the detail of which is as follows:

	Nine Months Ended September 30,		Year Ended December 31,		Ten Months Ended
	2001	2000	2000	1999	

					December 31, 1998
		(In thousands)			
Cash Pay:					
UPC Senior Notes	$ (196,919)	$ (198,850)	$ (258,752)	$ (57,556)	$ –
UPC Bank Facility and other	(194,998)	(68,494)	(155,001)	(48,643)	(32,190)
UPC other	–	(13,843)	(25,127)	(5,522)	(1,498)
UAP Notes	(25,876)	–	–	–	–
VTR Bank Facility	(9,538)	(14,443)	(19,166)	(16,918)	–
Austar Bank Facility	(15,484)	(13,543)	(18,463)	(13,426)	(5,337)
Other Latin America	(2,493)	(2,489)	(5,218)	(559)	(894)
Other Asia/Pacific	–	–	–	–	(44)
	(445,308)	(311,662)	(481,727)	(142,624)	(39,963)
Non Cash:					
UPC Senior Discount Notes accretion	(177,866)	(154,850)	(208,479)	(59,475)	–
United 1998 and 1999 Notes accretion	(110,535)	(99,526)	(134,513)	(114,052)	(74,731)
UAP Notes accretion	(24,512)	(43,323)	(58,296)	(51,305)	(40,060)
Amortization of deferred financing costs	(35,102)	(19,182)	(44,952)	(20,503)	(7,467)
Exchangeable Loan	(17,648)	–	–	–	–
Other	(947)	(8,602)	(816)	(12,040)	(1,006)
	(366,610)	(325,483)	(447,056)	(257,375)	(123,264)
Total interest expense	$ (811,918)	$ (637,145)	$ (928,783)	$ (399,999)	$ (163,227)

Foreign Currency Exchange (Loss) Gain

	Nine Months Ended September 30,		Year Ended December 31,		Ten Months Ended December 31,
	2001	2000	2000	1999	1998
			(In thousands)		
Europe	$ 115,257	$ (262,849)	$ (180,157)	$ (13,714)	$ 3,244
Asia/Pacific	1,552	(4,151)	(2,212)	270	(1,832)
Latin America	(146,452)	(25,606)	(33,531)	(26,057)	170
Total foreign currency exchange (loss) gain, net	$ (29,643)	$ (292,606)	$ (215,900)	$ (39,501)	$ 1,582

Comparison of First Nine Months of 2001 to the First Nine Months of 2000. Foreign currency exchange loss improved $353.4 million and $263.0 million for the three and nine months ended September 30, 2001, respectively, compared to the same periods in the prior year, primarily due to significant gains on UPC's derivatives. These gains were offset by the strengthening of the U.S. dollar to the Chilean peso during the three and nine months ended September 30, 2001 compared to the same periods in the prior year, as well as a loss of $41.9 million related to our entering into foreign currency exchange forward contracts during the nine months ended September 30, 2001 to reduce our currency exposure to the euro.

Comparison of Fiscal Years 2000, 1999, and 1998. Foreign currency exchange loss increased $176.4 million, from $39.5 million for the year ended December 31, 1999 to $215.9 million for the year ended December 31, 2000. This increase was primarily due to UPC, which has E2.4 ($2.2) billion of senior notes as of December 31, 2000 that are denominated in U.S. dollars. Foreign currency exchange loss increased $41.1 million from a $1.6 million gain for the ten months ended December 31, 1998 to a $39.5 million loss for the year ended December 31, 1999, primarily due to VTR, which has notes payable that are denominated in U.S. dollars.

Proceeds from Litigation Settlement

2001. In May 2001, the United States Supreme Court affirmed the decision of the 10th Circuit U.S. Court of Appeals, which in April 2000 found in favor of us in our lawsuit against Wharf Holdings Limited. The lawsuit consisted of our claims of fraud, breach of fiduciary duty, breach of contract and negligent misrepresentation related to Wharf's grant to us in 1992 of an option to purchase a 10.0% equity interest in Wharf's cable television franchise in Hong Kong. The United States Supreme Court's decision affirms the 1997 U.S. District Court judgment in our favor, which, together with accrued interest, totaled gross and net proceeds of approximately $201.2 and $194.8 million, respectively, which was received during the second and third quarter of 2001.

Provision for Loss on Investments

We evaluate our investments in publicly traded securities accounted for under the equity method for impairment in accordance with APB 18 and SAB 59. Under APB 18, a loss in value of an investment accounted for under the equity method which is other than a temporary decline should be recognized as a realized loss, establishing a new carrying value for the investment. Based on our analysis of specific quantitative and qualitative factors as of September 30, 2001, we determined the decline in market value of SBS and PrimaCom to be other than temporary, and as a result, we recorded a write-down of

the book value of our investment in SBS and PrimaCom of E114.6 ($102.0) million and E261.3 ($232.6) million, respectively.

Minority Interests in Subsidiaries

	Nine Months Ended September 30,		Year Ended December 31,		Ten Months Ended December 31,
	2001	2000	2000	1999	1998
			(In thousands)		
UPC	$ 54,050	$ 650,735	$ 862,663	$ 344,185	$ –
Subsidiaries of UPC	98,855	6,548	21,160	1,719	793
Austar United	36,750	35,417	49,781	13,610	–
Other	3,043	235	944	930	617
Total minority interests in subsidiaries	$ 192,698	$ 692,935	$ 934,548	$ 360,444	$ 1,410

Comparison of the First Nine Months of 2001 to the First Nine Months of 2000. The minority interests' share of losses decreased $250.1 million and $500.2 million for the three and nine months ended September 30, 2001, respectively, compared to the prior periods, primarily due to the reduction of the minority interests' basis in the common equity of UPC to nil in January 2001. We can no longer allocate a portion of UPC's net losses to the minority shareholders once the minority shareholders' common equity basis has been exhausted. We will consolidate 100% of the net losses of UPC until such time as the preference shareholders convert their holdings into common equity, or until additional common equity is contributed by third-party investors.

Comparison of Fiscal Years 2000, 1999 and 1998. The minority interests' share of losses increased $574.1 million, or 159.3% from $360.4 million for the year ended December 31, 1999 to $934.5 million for the year ended December 31, 2000, due to increased net losses by UPC and Austar United. The initial public offering of UPC in February 1999 and subsequent issuances of UPC's common stock reduced our ownership interest in UPC from 100% to a cumulative 52.6% as of December 31, 2000. Austar United's initial public offering in July 1999 and a second offering in March 2000 reduced our ownership interest in Austar United from 100% to a cumulative 72.9% as of December 31, 2000. For accounting purposes, we continue to consolidate 100% of the results of operations of UPC and Austar United, then deduct the minority interests' share of (loss) income before arriving at net (loss) income.

Share in Results of Affiliates

	Nine Months Ended September 30,		Year Ended December 31,		Ten Months Ended December 31,
	2001	2000	2000	1999	1998
	(In thousands)				
Europe	$ (97,072)	$ (66,942)	$ (106,099)	$ (31,908)	$ (25,679)
Asia/Pacific	(24,849)	(9,189)	(18,156)	(6,586)	(13,769)
Latin America	(816)	(3,201)	(5,659)	(11,755)	(15,333)
Total share in results of affiliates, net	$ (122,737)	$ (79,332)	$ (129,914)	$ (50,249)	$ (54,781)

Comparison of the First Nine Months of 2001 to the First Nine Months of 2000. Our share in results of affiliates increased $9.6 million and $43.4 million for the three and nine months ended September 30, 2001, respectively, compared to the same periods in the prior year, primarily due to the recognition of increased losses for TelstraSaturn, SBS, PrimaCom and Tevel.

Comparison of Fiscal Years 2000, 1999 and 1998. The increase in losses from recording our share in results of affiliates of $79.7 million for the year ended December 31, 2000 is primarily due to the recognition of losses for SBS and PrimaCom for the entire year of 2000, compared to five months and none in 1999 for SBS and PrimaCom, respectively.

Liquidity and Capital Resources

Sources and Uses

We have financed our acquisitions and funding of our video, voice, Internet and content businesses in the three main regions of the world in which we operate primarily through public and private debt and equity as well as cash received from the sale of non-strategic assets by certain subsidiaries. These resources have also been used to refinance certain debt instruments and facilities as well as to cover corporate overhead. The following table outlines the sources and uses of cash, cash equivalents,

restricted cash and short-term liquid investments (for purposes of this table only, "cash") for United (parent only) from inception to date:

	Inception to December 31, 2000	Nine Months Ended September 30, 2001	Total
		(In millions)	
United (Parent Only)			
Financing Sources:			
Gross bond proceeds	$ 1,347.0	$ –	$ 1,347.0
Gross equity proceeds	1,697.4	0.3	1,697.7
Asset sales, dividends and note payments	369.9	0.3	370.2
Interest income and other	181.5	33.6	215.1
Total sources	3,595.8	34.2	3,630.0
Application of Funds:			
Investment in:			
UPC	(717.8)	–	(717.8)
Asia/Pacific	(320.3)	(101.7)	(422.0)
ULA	(1,049.3)(1)	(432.5)(2)	(1,481.8)
Other	(44.5)	(2.2)	(46.7)
Total	(2,131.9)	(536.4)	(2,668.3)
Repayment of bonds	(532.1)	–	(532.1)
Offering costs	(102.2)	–	(102.2)
Litigation settlement	–	195.5	195.5
Corporate equipment and development	(31.0)	–	(31.0)
Corporate overhead and other	(166.0)	(28.9)	(194.9)
Total uses	(2,963.2)	(369.8)	(3,333.0)
Period change in cash	632.6	(335.6)	297.0
Cash, beginning of period	—	632.6	—
Cash, end of period	$ 632.6	$ 297.0	$ 297.0
United's Subsidiaries			
Cash, end of period:			
UPC			822.6
Asia/Pacific			63.5
ULA			26.8
Other			8.2
Total United's subsidiaries			921.1
Total consolidated cash, cash equivalents, restricted cash and short-term liquid investments			$ 1,218.1

(1) Includes loans to Liberty totaling $242.4 million.

(2) Includes loans to Liberty totaling $267.6 million.

United Parent. We had $297.0 million of cash, cash equivalents, restricted cash and short-term liquid investments on hand as of September 30, 2001. The primary use of cash in the next year will include continued funding to the Latin America region to meet the existing growth plans of our systems. We and/or our shareholders are considering making purchases of our outstanding equity and debt securities

on the open market or in negotiated transactions. The timing and amount of such purchases, if any, will depend upon cash needs and market conditions, among other things. We believe that our existing capital resources will enable us to assist in satisfying the operating and development requirements of our subsidiaries and to cover corporate overhead for the next 12 months. To the extent we pursue new acquisitions or development opportunities, we will need to raise additional capital or seek strategic partners. As we do not currently generate positive operating cash flow, our ability to repay our long-term obligations will be dependent on developing one or more additional sources of cash.

In April 1999, we sold $355.0 million principal amount of our senior discount notes for net proceeds of $208.9 million to a small group of institutions. On December 3, 2001, we repurchased all of the United 1999 Notes for $20.0 million. As part of the original distribution arrangements for the United 1999 Notes, we agreed to assist the group in reselling the United 1999 Notes and to pay them the difference if the notes are sold for less than the price the institutions paid plus the then additional accreted value and they agreed in turn to pay us the difference (less reimbursable expenses) if the notes were resold for a greater price than the institutions paid plus the then additional accreted value. Pursuant to a subsequent agreement, the parties agreed that the payment obligation would be satisfied for an amount equal to the difference between the fair market value of the United 1999 Notes and the accreted value of the United 1999 Notes as of December 2, 2001. Accordingly, on December 3, 2001 we paid $241.3 million to these institutions in satisfaction of this obligation.

UPC. UPC had $822.6 million in cash, cash equivalents, restricted cash and short-term liquid investments on hand as of September 30, 2001. UPC has incurred substantial operating losses and negative cash flows from operations which have been driven by its continuing development efforts, including the introduction of new services such as digital video, telephone and Internet. Additionally, substantial capital expenditures have been required to deploy these services and to acquire businesses. UPC expects to incur operating losses at least through 2003, primarily as a result of the continued introduction of these new services and continued depreciation and amortization expense. UPC's business plan calls for substantial growth in the number of subscribers that will use these new services. In order for UPC to achieve consolidated operating profitability and positive operating cash flows, this growth requires the availability of capital resources that are sufficient to fund expected capital expenditures and operating losses. The Company believes that UPC can achieve the anticipated growth in subscribers if there are sufficient capital resources to fund expected capital expenditures and operating losses. UPC's estimates of the cash flows generated by these new services and the capital resources needed and available to complete their deployment could change, and such change could differ materially from the estimates used by UPC to evaluate its ability to realize its investments.

We have executed a Memorandum of Understanding with UPC regarding a recapitalization that is intended to result in a substantial reduction of UPC's existing indebtedness. In connection with the recapitalization, UPC has not made timely interest payments on certain senior notes. Under the notes, UPC has until March 3, 2002 to cure the non-payment. If UPC fails to make the interest payment by the expiration of the grace period on March 3, 2002, the payment default on the notes would cause a cross-default under UPC's bank credit agreement unless UPC obtains a waiver from the bank lenders prior to that date. UPC has entered into negotiations with some of the holders of its senior notes and bank indebtedness. Our commitment to effect the recapitalization is subject to certain conditions, including agreement on the final ownership structure for UPC's ordinary shares. Though we believe that the proposed recapitalization of UPC will be successful, there can be no assurance that it will occur on terms that are satisfactory to us, or at all. If UPC fails to obtain necessary default waivers and restructure its indebtedness, its lenders would have certain enforcement rights, including the right to commence involuntary bankruptcy proceedings and, in the case of UPC's bank lenders, to foreclose upon UPC's major operating companies. Any recapitalization or restructuring that occurs on terms that are less favorable than those that we expect to achieve could adversely affect our ability or the ability of UGC Holdings and subsidiaries to obtain new or alternative financing.

ULA. ULA had $26.8 million of cash, cash equivalents, restricted cash and short-term liquid investments on hand as of September 30, 2001, held almost exclusively by VTR. We believe VTR's

working capital and projected operating cash flow as of September 30, 2001 are sufficient to fund its operations through the remainder of 2001. To the extent VTR's budgeted capital expenditures exceed net projected operating cash flow, VTR will need to seek funding from us or reduce its planned expenditures. VTR intends to refinance its $176.0 million VTR Bank Facility by the end of first quarter 2002. If VTR is unable to refinance this facility, it will become due and payable on April 29, 2002. VTR may need to sell assets or obtain funding from external sources to repay this amount when due. To the extent ULA pursues additional acquisitions or development opportunities, ULA will need to raise additional capital or seek strategic partners.

Asia/Pacific. Asia/Pacific had $63.5 million of cash, cash equivalents and short-term liquid investments on hand as of September 30, 2001, held almost exclusively by Austar United. The UAP Notes began to accrue interest on a cash-pay basis May 15, 2001, with the first payment of $34.5 million due November 15, 2001. UAP did not have enough cash to make this interest payment on November 15, 2001. The trustee under the Indenture governing the UAP Notes declared the entire unpaid principal and accrued interest of the UAP Notes to be due and payable. The trustee, either independently or at the request of the UAP Note holders, could initiate bankruptcy proceedings against UAP, sue to recover the amount of the UAP Notes or take any other action available to creditors. Based upon current market prices, the value of UAP's assets is significantly less than the amount of the outstanding principal and accrued interest on the UAP Notes. UAP is negotiating the terms on which the UAP Notes will be restructured. Though UAP believes the restructuring will be successful, there can be no assurance that it will occur on terms that are satisfactory to us, or at all. Any recapitalization or restructuring that occurs on terms that are less favorable than those that we expect to achieve could adversely affect our ability or the ability of UGC Holdings and subsidiaries to obtain new or alternative financing.

We believe Austar United's working capital and projected operating cash flow as of September 30, 2001 are sufficient to fund Austar United's operations and meet Austar United's budgeted capital expenditure requirements through March 31, 2002. Management expects Austar United to continue to incur operating losses in the near future, especially from its newer services such as Content, telephone and Internet. In late 2001, Austar United's high-speed broadband Internet access service was cancelled. Austar United plans to continue to provide a traditional dial-up Internet service using a third-party network. We cannot be assured that Austar United will be able to achieve consolidated operating profitability and/or positive operating cash flows from its video, telephone and Internet businesses. Austar United is in default under the terms of its A$400.0 ($196.6) million Austar Bank Facility, and is negotiating the terms on which this facility will be restructured. Though Austar United believes the restructuring will be successful, there can be no assurance that it will occur on terms that are satisfactory to us, or at all. If Austar United fails to restructure its indebtedness, its lenders would have certain enforcement rights, including the right to commence involuntary bankruptcy proceedings.

Prior to November 15, 2001, Asia/Pacific owned 28,460,876 shares, or approximately 99.99%, of UAP's outstanding common stock. On November 15, 2001, Asia/Pacific entered into a series of transactions, pursuant to which it transferred 14,230,413 shares of UAP's common stock (representing an approximate 49.99% interest in UAP). As a result of these transactions, Asia/Pacific now holds 14,230,463 shares, or 50.00%, of UAP's outstanding common stock. Third parties that are unaffiliated with Asia/Pacific hold the remainder of UAP's outstanding common stock.

Statements of Cash Flows

We had cash and cash equivalents of $1,010.2 million as of September 30, 2001, a decrease of $866.6 million from $1,876.8 million as of December 31, 2000. Cash and cash equivalents of $444.6 million as of September 30, 2000 represented a decrease of $1,481.3 million from $1,925.9 million as of December 31, 1999. We had cash and cash equivalents of $1,876.8 million as of December 31, 2000, a decrease of $49.1 million from $1,925.9 million as of December 31, 1999. Cash and cash equivalents as of December 31, 1999 represented an increase of $1,890.3 million from $35.6 million as of December 31, 1998, and cash and cash equivalents as of December 31, 1998 represented a decrease of $267.8 million from $303.4 million as of February 28, 1998.

	Nine Months Ended September 30,		Year Ended December 31,		For the Ten Months Ended December 31,
	2001	2000	2000	1999	1998
			(In thousands)		
Cash flows from operating activities	$ (619,310)	$ (522,278)	$ (504,912)	$ (116,361)	$ 1,988
Cash flows from investing activities	(980,289)	(3,280,833)	(3,869,193)	(4,354,087)	(433,460)
Cash flows from financing activities	717,420	2,470,690	4,427,924	6,308,415	158,815
Effect of exchange rates on cash	(38,201)	(148,867)	(102,906)	52,340	4,824
Net (decrease) increase in cash and cash equivalents	(920,380)	(1,481,288)	(49,087)	1,890,307	(267,833)
Cash and cash equivalents at beginning of period	1,876,828	1,925,915	1,925,915	35,608	303,441
Cash and cash equivalents at end of period	$ 956,448	$ 444,627	$ 1,876,828	$ 1,925,915	$ 35,608

Nine Months Ended September 30, 2001. The principle source of cash during the nine months ended September 30, 2001 was proceeds from UPC's Exchangeable Loan of $856.8 million. Additional sources of cash included $584.1 million of borrowings on the UPC Bank Facility, $274.7 million of net proceeds from the sale of short-term liquid investments, $4.6 million from the exercise of stock options and $9.3 million from affiliate dividends and other investing and financing sources.

Principal uses of cash during the nine months ended September 30, 2001 included $706.5 million for the repayment of debt, $703.3 million of capital expenditures, $274.6 million in loans to Liberty and other affiliates and $38.2 million negative exchange rate effect on cash. Additional uses of cash included $98.4 million cash put on deposit with one of the institutions that hold the United 1999 Notes, $87.5 million cash put on deposit as collateral for our forward foreign exchange contracts and for the VTR Bank Facility, $59.8 million for investments in affiliates, $39.9 million for new acquisitions, $22.4 million for deferred financing costs and $619.3 million for operating activities.

Nine Months Ended September 30, 2000. Principal sources of cash during the nine months ended September 30, 2000 included $1,612.2 million in proceeds from the issuance of senior notes and senior discount notes by UPC and $1,215.4 million of borrowings, including $469.3 million under a UPC bridge loan and $620.2 million under various UPC subsidiary bank facilities. Additional sources of cash included net proceeds of $102.4 million from Austar United's second public offering of common equity securities, $11.5 million from the exercise of stock options and $13.7 million from affiliate dividends and other investing and financing sources.

Principal uses of cash during the nine months ended September 30, 2000 included $1,006.0 million for the acquisition of the K&T Group in The Netherlands, $381.5 million for other acquisitions, $1,186.2 million of capital expenditures for system upgrade and new-build activities, $389.2 million of net cash invested in short-term liquid investments, $414.7 million for repayments of debt, $160.6 million for an additional investment in SBS, $122.1 million for shares in Primacom, $48.9 million of other investments in affiliates, $148.9 million negative exchange rate effect on cash, $56.1 million for deferred financing costs and $522.3 million for operating activities.

Year Ended December 31, 2000. Principal sources of cash during the year ended December 31, 2000 included $4,328.3 million of borrowings on various subsidiary facilities, $1,612.2 million in proceeds from the issuance of senior notes and senior discount notes by UPC and $990.0 million in proceeds from UPC's issuance of convertible preference shares. The borrowings under subsidiary facilities included $2,206.7 million under UPC's bank facilities, $1,151.2 million from UPC's bridge loans, $259.2 million from the UPC senior credit facility, $213.1 million from the new A2000 facility, $209.4 million under the UPC corporate facility and $136.3 million under the new France facility. Additional sources of cash

included $194.9 million of net proceeds from short-term liquid investments, $102.4 million from Austar United's second public offering of common equity securities, $13.3 million from the exercise of stock options and $57.2 million from payments on notes receivable, affiliate dividends and other investing sources.

Principal uses of cash during the year ended December 31, 2000 included $2,468.9 million for repayments of debt, $1,813.4 million of capital expenditures for system upgrade and new-build activities, $1,006.0 million for the acquisition of the K&T Group in The Netherlands, $207.4 million for EWT/TSS in Germany, $490.3 million for other acquisitions and $348.1 million for investments in affiliates, including $160.6 million for additional investments in SBS and $122.1 million for shares in PrimaCom. Additional uses of cash included $256.2 million in loans to affiliates, $149.3 million for deferred financing costs, $102.9 million negative exchange rate effect on cash and $504.9 million for operating activities.

Year Ended December 31, 1999. Principal sources of cash during the year ended December 31, 1999 included $2,540.8 million in proceeds from the issuance of senior notes and senior discount notes by UPC, $1,409.1 million in proceeds from UPC's initial public offering and a related exercise of an option to acquire shares in UPC, $922.4 million in net proceeds from UPC's second public offering of equity securities, $571.4 million in net proceeds from the issuance of our Class A Common Stock in a public offering, $381.6 million in net proceeds from the issuance of our Series C Convertible Preferred Stock, $375.3 million of borrowings on UPC's senior credit facility, $292.8 million in net proceeds from the Austar United initial public offering, $257.2 million of borrowings on the Telekabel Group facility, $259.9 million in net proceeds from the issuance of our Series D Convertible Preferred Stock, $229.9 million of borrowings on Austar's bank facility and Saturn's bank facility, $208.9 million in proceeds from the private issuance of our debt securities due 2009, $61.0 million of borrowings on VTR's bank facility, $141.2 million of other borrowings, $50.0 million from the exercise of stock options and warrants, $18.0 million of proceeds from the sale of UPC's Hungarian programming assets, $52.3 million positive exchange rate effect on cash and $3.1 million from other investing and financing sources.

Principal uses of cash during the year ended December 31, 1999 included $848.2 million of net cash invested in short-term liquid investments, $794.2 million of capital expenditures for system upgrade and

new-build activities, $744.5 million for the acquisition of UPC Polska, $521.7 million for the repayment of UPC's existing senior revolving credit facility, $306.1 million for the repayment of an existing facility at UPC Nederland, $293.2 million for the acquisition of Stjärn, $252.7 million for the acquisition of the additional 66.0% interest in VTR, $252.0 million for the acquisition of the additional 49.0% interest in UTH, $228.5 million for the acquisition of A2000, $150.0 million for the acquisition of Kabel Plus, $109.7 million for the acquisition of GelreVision, $291.2 million for other acquisitions, $373.5 million of investments in affiliates, including UPC's acquisition of an interest in PrimaCom for $227.9 million and SBS for $100.2 million, $129.1 million for the repayment of Austar United's existing bank facility, $320.1 million for the repayment of other loans, $100.7 million for deferred financing costs, $18.0 million for payment of a note, and $151.2 million for operating activities and other investing and financing uses.

Ten Months Ended December 31, 1998. Principal sources of cash during the ten months ended December 31, 1998 included $321.2 million from short-term and long-term borrowings, primarily on UPC's senior revolving credit facility and Austar United's bank facility, $27.9 million from the net release of restricted funds, $20.0 million from the sale of systems in Portugal and other systems, $12.2 million from the issuance of our equity securities and $6.8 million from operating activities and other investing and financing sources.

Principal uses of cash during the ten months ended December 31, 1998 included capital expenditures totaling $217.1 million for system upgrades and new-build activities, $168.4 million of debt repayments, primarily on UPC's bridge bank facility and other bank facilities, $139.0 million of funding to our operating systems including the acquisition of additional interests in Tevel, Melita, and TV Show Brasil, $109.9 million primarily for the new acquisitions of Combivisie (The Netherlands) and Kabelkom (Hungary) and $21.5 million for other investing and financing uses.

Consolidated Capital Expenditures

In recent years we have been upgrading our existing cable television system infrastructure and constructing our new-build infrastructure with two-way high-speed capacity technology to support digital video, telephone and Internet access services. Capital expenditures for the upgrade and new-build construction can be reduced at our discretion, although such reductions require lead time in order to complete work in progress and can result in higher total costs of construction. In addition to the network infrastructure and related equipment and capital resources described above, development of UPC's newer businesses such as *chello broadband, Priority Telecom*, its digital distribution platform and DTH require capital expenditures. In addition, expansion into Central Europe, construction and development of UPC's pan-European distribution and programming facilities, network operating center and related support systems require capital expenditures.

Restrictions under Indentures

UGC Holdings and its subsidiaries, unless designated as "unrestricted subsidiaries," are restricted by the covenants in UGC Holdings' indenture dated February 5, 1998, as supplemented by a supplemental indenture dated as of January 24, 2002. UGC Holdings has designated certain of its subsidiaries, such as UAP and UPC, as "unrestricted subsidiaries" pursuant to the terms of its indenture. The indenture places certain limitations on UGC Holdings and its subsidiaries from selling certain assets or merging with or into other companies. Furthermore, UPC's activities are restricted by the covenants under UPC's indentures dated July 30, 1999, October 29, 1999 and January 20, 2000 and UAP's activities are restricted by the covenants under UAP's indentures dated May 14, 1996 and September 23, 1997. UPC's and UAP's indentures place certain limitations on UPC, UAP and their respective subsidiaries, unless designated as "unrestricted subsidiaries," from borrowing money, paying dividends or repurchasing stock, making investments, creating certain liens, engaging in certain transactions with affiliates, and selling certain assets or merging with or into other companies. These indentures generally place limitations on the additional amount of debt that UPC, UAP, and their respective subsidiaries

may borrow, preferred shares that they may issue, and the amount and type of investments that they may make.

Information about UPC Stock Listing

As of September 30, 2001 UPC has negative shareholders equity. We believe this does not affect the fundamentals of UPC's business and is a function of the significant capital investment that is typical of the telecommunications industry, that results in large depreciation and amortization charges. Upon occurrence of the event, UPC reported this deficit to the Euronext. It is expected that the Euronext will put UPC's shares on the "penalty bench" until such moment that UPC returns to positive shareholders equity. UPC's shares could be removed from the AEX index after three months. This would not, however, result in a delisting of UPC's shares. UPC believes this trading measure will not have an impact on its business operations. In accordance with the Dutch Civil Code, UPC will address the issue of its negative equity at the next general shareholders' meeting.

UPC's ordinary shares A are traded in the form of American Depositary Shares on the Nasdaq National Market under the symbol "UPCOY". Nasdaq has traditionally maintained certain rules regarding bid prices for continued listing on the market. The minimum bid applicable to UPC for continued listing has been $1.00. On September 27, 2001, Nasdaq announced a suspension of the minimum bid requirements for continued listing. The suspension of these requirements ended on January 2, 2002, and Nasdaq reinstated the minimum bid requirements for continued listing on the market. On August 16, 2001, UPC's stock began trading below the $1.00 minimum bid price and has not traded above $1.00 to date. If UPC's shares continue to trade below that minimum bid requirement, UPC would potentially be subject to having its ADRs no longer eligible for trading on Nasdaq's National Market.

Selected Quarterly Financial Data

The following table presents selected unaudited operating results for each of the last eleven quarters through September 30, 2001. The Company believes that all necessary adjustments have been included in the amounts stated to present fairly the quarterly results when read in conjunction with the Company's consolidated financial statements and related notes included elsewhere herein. Results of operations for any particular quarter are not necessarily indicative of results of operations for a full year or predictive of future periods.

	Three Months Ended			
	March 31, 2000	June 30, 2000	September 30, 2000	December 31, 2000
	(In thousands)			
Statement of Operations Data:				
Revenue	$ 281,856	$ 303,201	$ 316,153	$ 349,824
Operating loss	$ (296,584)	$ (195,380)	$ (305,184)	$ (343,655)
Net loss	$ (244,938)	$ (285,966)	$ (353,937)	$ (336,049)
Net loss per common share:				
Basic net loss	$ (2.70)	$ (3.12)	$ (3.81)	$ (3.61)
Diluted net loss	$ (2.70)	$ (3.12)	$ (3.81)	$ (3.61)
Weighted-average number of common shares outstanding:				
Basic	95,529,552	95,939,285	96,348,642	96,633,957
Diluted	95,529,552	95,939,285	96,348,642	96,633,957

	Three Months Ended		
	March 31, 2001	June 30, 2001	September 30, 2001

	(In thousands)		
Statement of Operations Data:			
Revenue	$ 394,745	$ 399,250	$ 391,865
Operating loss	$ (345,426)	$ (592,841)	$ (355,408)
Net loss	$ (603,422)	$ (746,622)	$ (748,738)
Net loss per common share:			
Basic net loss	$ (6.33)	$ (7.72)	$ (7.66)
Diluted net loss	$ (6.33)	$ (7.72)	$ (7.66)
Weighted-average number of common shares outstanding:			
Basic	97,439,092	98,328,251	99,485,929
Diluted	97,439,092	98,328,251	99,485,929

	Three Months Ended			
	March 31, 1999	June 30, 1999	September 30, 1999	December 31, 1999
	(In thousands)			
Statement of Operations Data:				
Revenue	$ 107,918	$ 145,996	$ 206,732	$ 260,116
Operating loss	$ (72,317)	$ (122,574)	$ (155,105)	$ (425,629)
Net income (loss)	$ 688,351	$ (146,488)	$ 61,993	$ 32,462
Net income (loss) per common share:				
Basic net income (loss)	$ 8.82	$ (1.82)	$ 0.66	$ 0.27
Diluted net income (loss)	$ 8.17	$ (1.82)	$ 0.61	$ 0.25
Weighted-average number of common shares outstanding:				
Basic	77,935,846	80,976,454	82,545,254	86,538,469
Diluted	84,254,290	80,976,454	89,670,968	92,961,177

UNITED QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Investment Portfolio

We do not use derivative financial instruments in our non-trading investment portfolio. We place our cash and cash equivalent investments in highly liquid instruments that meet high credit quality standards with original maturities at the date of purchase of less than three months. We also place our short-term investments in liquid instruments that meet high credit quality standards with original maturities at the date of purchase of between three and twelve months. We also limit the amount of credit exposure to any one issue, issuer or type of instrument. These investments are subject to interest rate risk and will fall in value if market interest rates increase. We do not expect, however, any material loss with respect to our investment portfolio.

Equity Prices

We are exposed to equity price fluctuations related to our investment in equity securities. Changes in the price of the stock are reflected as unrealized gains (losses) in our statement of shareholders' deficit until such time as the stock is sold and any unrealized gain (loss) will be reflected in the statement of operations and comprehensive income (loss). The table below provides information about these equity securities.

	Number of Shares	Fair Value September 30, 2001
		(In thousands)
PrimaCom	4,948,039	$ 18,456
SBS	6,000,000	$ 96,000

As of September 30, 2001, we are also exposed to equity price fluctuations related to UPC's debt which is convertible into UPC ordinary shares. The table below provides information about this convertible debt, including expected cash flows and related weighted-average interest rates.

	September 30, 2001		Expected Repayment as of December 31,	
	Book Value	Fair Value	2001	2002
	(In thousands)			
DIC Loan, 10.0% per annum	$ 49,024	$ 49,024	$ –	$ 49,024

Impact of Foreign Currency Rate Changes

The functional currency of our major systems UPC, Austar United and VTR is the Euro, Australian dollar and Chilean peso, respectively. We are exposed to foreign exchange rate fluctuations related to our operating subsidiaries' monetary assets and liabilities and the financial results of foreign subsidiaries when their respective financial statements are translated into U.S. dollars during consolidation. Foreign currency rate changes also affect our share in results of our unconsolidated affiliates. Our exposure to foreign exchange rate fluctuations also arises from items such as the cost of equipment, management fees, programming costs and certain other charges that are denominated in U.S. dollars but recorded in the functional currency of the foreign subsidiary. The relationship between

these foreign currencies and the U.S. dollar, which is our reporting currency, is shown below, per one U.S. dollar:

	Spot Rate			Quarter-to-Date Average Rate			Year-to-Date Average Rate		
	Euro	Australian Dollar	Chilean Peso	Euro	Australian Dollar	Chilean Peso	Euro	Australian Dollar	Chilean Peso
September 30, 2001	1.0932	2.0348	693.1500	1.1233	1.9507	670.9250	1.1212	1.9305	617.6969
September 30, 2000	–	–	–	1.1046	1.7408	522.9413	1.0654	1.6882	528.7113
December 31, 2000	1.0770	1.7897	573.7500	–	–	–	1.0858	1.7361	539.6638
December 31, 1999	0.9938	1.5244	529.7500	–	–	–	0.9528	1.5475	507.8951

December 31, 1998	0.8576	1.6332	472.5000	–	–	–	0.9030	1.5958	459.7378

The table below presents the impact of foreign currency fluctuations on revenue and Adjusted EBITDA.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2001	2000	2001	2000
	(In thousands)			
UPC:				
Revenue	$ 304,855	$ 233,457	$ 924,372	$ 652,896
Adjusted EBITDA	$ (32,791)	$ (87,413)	$ (135,579)	$ (217,741)
Revenue based on prior year exchange rates	$ 310,016	$ 233,457	$ 969,950	$ 652,896
Adjusted EBITDA based on prior year exchange rates	$ (33,346)	$ (87,413)	$ (142,679)	$ (217,741)
Revenue impact	$ (5,161)	$ –	$ (45,578)	$ –
Adjusted EBITDA impact	$ 555	$ –	$ 7,100	$ –
Austar United:				
Revenue	$ 44,325	$ 44,053	$ 132,925	$ 133,248
Adjusted EBITDA	$ (10,387)	$ (14,185)	$ (36,129)	$ (28,077)
Revenue based on prior year exchange rates	$ 49,670	$ 44,053	$ 151,996	$ 133,248
Adjusted EBITDA based on prior year exchange rates	$ (11,640)	$ (14,185)	$ (41,317)	$ (28,077)
Revenue impact	$ (5,345)	$ –	$ (19,071)	$ –
Adjusted EBITDA impact	$ 1,253	$ –	$ 5,188	$ –
VTR:				
Revenue	$ 41,244	$ 36,960	$ 123,933	$ 109,203
Adjusted EBITDA	$ 7,965	$ 2,882	$ 18,591	$ 11,620
Revenue based on prior year exchange rates	$ 49,996	$ 36,960	$ 144,645	$ 109,203
Adjusted EBITDA based on prior year exchange rates	$ 9,659	$ 2,882	$ 21,958	$ 11,620
Revenue impact	$ (8,752)	$ –	$ (20,712)	$ –
Adjusted EBITDA impact	$ (1,694)	$ –	$ (3,367)	$ –

The table below presents the foreign currency translation adjustments arising from translating our foreign subsidiaries' assets and liabilities into U.S. dollars for the three quarters ended September 30, 2001 and 2000.

	For the Three Months Ended					
	March 31,		June 30,		September 30,	
	2001	2000	2001	2000	2001	2000
	(In thousands)					
Foreign Currency Translation Adjustments	$ (43,753)	$ (23,149)	$ 46,833	$ (42,599)	$ (125,208)	$ (30,627)

Certain of our operating companies have notes payable and notes receivable which are denominated in a currency other than their own functional currency, as follows:

	September 30, 2001
	(In thousands)
U.S. dollar-denominated debt:	
UPC 12.5% Senior Discount Notes due 2009(1)	$ 521,240
UPC 13.375% Senior Discount Notes due 2009(1)	320,601
UPC 13.75% Senior Discount Notes due 2010(1)	642,335
UPC 11.25% Senior Discount Notes due 2010(1)	596,267
UPC Polska Senior Discount Notes(1)	337,399
UPC Bank Facility(1)	–
Exchangeable Loan(1)	874,166
VTR Bank Facility(2)	176,000
Intercompany Loan to VTR(2)	326,475
	$ 3,794,483

(1) Functional currency is euros.

(2) Functional currency is Chilean Pesos.

Occasionally we will execute hedge transactions to reduce our exposure to foreign currency exchange rate risk. In connection with UPC's offering of senior notes in July 1999, October 1999 and January 2000, UPC entered into cross-currency swap agreements, exchanging dollar-denominated notes into euro-denominated notes. In connection with the anticipated closing of the Liberty transaction and the previously anticipated rights offering of UPC, we entered into forward contracts with Toronto Dominion Securities to purchase E1.0 billion at a fixed conversion rate of 1.0797. For the nine months ended September 30, 2001, the total unrealized and realized loss on the forward contracts was $41.9 million. Subsequent to September 30, 2001, the remaining notional amount was settled for $0.9 million, resulting in a cumulative realized loss of $42.8 million.

Interest Rate Sensitivity

The table below provides information about our primary debt obligations. The variable-rate financial instruments are sensitive to changes in interest rates. The information is presented in U.S. dollar equivalents, which is our reporting currency.

	As of September 30, 2001		Expected payment as of December 31,						
	Book Value	Fair Value	2001	2002	2003	2004	2005	Thereafter	Total
			(In thousands, except interest rates)						
Fixed rate United 1998 Notes (dollar)	$ 1,190,955	$ 398,750	$ –	$ –	$ –	$ –	$ –	$ 1,190,955	$ 1,190,955
Average interest rate	10.75%	–							
Fixed rate United 1999 Notes (dollar)	$ 270,087	$ 35,500	$ –	$ –	$ –	$ –	$ –	$ 270,087	$ 270,087
Average interest rate	10.875%	–							
Variable rate UPC Senior Notes due 2009 (dollar)	$ 799,996	$ 118,000	$ –	$ –	$ –	$ –	$ –	$ 799,996	$ 799,996
Average interest rate	10.875%	–							
Fixed rate UPC Senior Notes due 2009 (euro)	$ 274,424	$ 38,419	$ –	$ –	$ –	$ –	$ –	$ 274,424	$ 274,424
Average interest rate	10.875%	–							
Fixed rate UPC Senior Discount Notes due 2009 (dollar)	$ 521,240	$ 32,574	$ –	$ –	$ –	$ –	$ –	$ 521,240	$ 521,240
Average interest rate	12.5%	–							
Variable rate UPC Senior Notes due 2007 (dollar)	$ 199,999	$ 29,500	$ –	$ –	$ –	$ –	$ –	$ 199,999	$ 199,999
Average interest rate	10.875%	–							
Fixed rate UPC Senior Notes due 2007 (euro)	$ 91,475	$ 12,806	$ –	$ –	$ –	$ –	$ –	$ 91,475	$ 91,475
Average interest rate	10.875%	–							
Variable rate UPC Senior Notes due 2009 (dollar)	$ 250,495	$ 37,170	$ –	$ –	$ –	$ –	$ –	$ 250,495	$ 250,495
Average interest rate	11.25%	–							
Fixed rate UPC Senior Notes due 2009 (euro)	$ 91,838	$ 12,935	$ –	$ –	$ –	$ –	$ –	$ 91,838	$ 91,838
Average interest rate	11.25%	–							
Fixed rate UPC Senior Discount Notes due 2009 (dollar)	$ 320,601	$ 20,029	$ –	$ –	$ –	$ –	$ –	$ 320,601	$ 320,601
Average interest rate	13.375%	–							
Fixed rate UPC Senior Discount Notes due 2009 (euro)	$ 117,247	$ 8,785	$ –	$ –	$ –	$ –	$ –	$ 117,247	$ 117,247
Average interest rate	13.375%	–							
Fixed rate UPC Senior Notes due 2010 (dollar)	$ 596,267	$ 88,500	$ –	$ –	$ –	$ –	$ –	$ 596,267	$ 596,267
Average interest rate	11.25%	–							
Fixed rate UPC Senior Notes due 2010 (euro)	$ 181,812	$ 25,613	$ –	$ –	$ –	$ –	$ –	$ 181,812	$ 181,812
Average interest rate	11.25%	–							
Fixed rate UPC Senior Notes due 2010 (dollar)	$ 298,151	$ 44,250	$ –	$ –	$ –	$ –	$ –	$ 298,151	$ 298,151
Average interest rate	11.5%	–							
Fixed rate UPC Senior Discount Notes due 2010 (dollar)	$ 642,335	$ 39,323	$ –	$ –	$ –	$ –	$ –	$ 642,335	$ 642,335
Average interest rate	13.75%	–							

Fixed rate UPC DIC Loan (dollar)	$ 49,024	$ 49,024	$ –	$ 49,024	$ –	$ –	$ –	$ –	$ 49,024
Average interest rate	10.0%	–							
Fixed rate UPC Polska Senior Discount Notes	$ 337,399	$ 42,220	$ –	$ –	$ 14,506	$ –	$ –	$ 322,893	$ 337,399
Average interest rate	7.0% - 14.5%								
Fixed rate UAP Notes	$ 490,753	$ 73,930	$ –	$ –	$ –	$ –	$ –	$ 490,753	$ 490,753
Average interest rate	14.0%	–							
Exchangeable Loan	$ 874,166	$ 874,166	$ –	$ –	$ –	$ –	$ –	$ 874,166	$ 874,166
Average interest rate	6.0%	–							
Variable rate UPC Bank Facility	$ 2,721,273	$ 2,721,273	$ –	$ –	$ –	$ 290,202	$ 518,889	$ 1,912,182	$ 2,721,273
Average interest rate	7.46%	–							
Variable rate VTR Bank Facility	$ 176,000	$ 176,000	$ 176,000	$ –	$ –	$ –	$ –	$ –	$ 176,000
Average interest rate	9.74%	–							
Variable rate Austar Bank Facility (Australian dollar)	$ 196,580	$ 196,580	$ –	$ 6,313	$ 34,719	$ 55,462	$ 66,734	$ 33,352	$ 196,580
Average interest rate	6.68%	–							
	$ 10,692,117	$ 5,075,347	$ 176,000	$ 55,337	$ 49,225	$ 345,664	$ 585,623	$ 9,480,268	$ 10,692,117

Other Financial Instruments

We use interest rate swap agreements from time to time, to manage interest rate risk on our floating-rate debt facilities. Interest rate swaps are entered into depending on our assessment of the market, and generally are used to convert the floating-rate debt to fixed-rate debt. Interest differentials paid or received under these swap agreements are recognized over the life of the contracts as adjustments to the effective yield of the underlying debt, and related amounts payable to, or receivable from, the counterparties are included in the consolidated balance sheet. Currently we have interest rate swaps managing interest rate exposure on the UPC Bank Facility and the Austar Bank Facility.

Inflation and Foreign Investment Risk

Certain of our operating companies operate in countries where the rate of inflation is extremely high relative to that in the United States. While our affiliated companies attempt to increase their subscription rates to offset increases in operating costs, there is no assurance that they will be able to do so. Therefore, operating costs may rise faster than associated revenue, resulting in a material negative impact on reported earnings. We are also impacted by inflationary increases in salaries, wages, benefits and other administrative costs, the effects of which to date have not been material.

Our foreign operating companies are all directly affected by their respective countries' government, economic, fiscal and monetary policies and other political factors. We believe that our operating companies' financial conditions and results of operations have not been materially adversely affected by these factors.

BUSINESS

Our business consists of the businesses previously operated or held by UGC Holdings.

Operating Data

Operating System Data of UGC Holdings

Video

			September 30, 2001				
	United Ownership	System Ownership	Homes in Service Area	Homes Passed	Two-way Homes Passed	Basic Subscribers	Basic Penetration
UPC (Europe):							
The Netherlands	53.1%	100.0%	2,644,500	2,514,500	2,209,300	2,369,300	94.2%
Germany(1)	13.3-27.1%	25.0-51.0%	2,641,200	2,641,200	430,100	1,901,800	72.0%
Poland	53.1%	100.0%	1,851,800	1,851,800	181,000	1,318,800	71.2%
Hungary	52.5-53.1%	98.9-100.0%	1,001,100	910,600	362,800	704,800	77.4%
Austria	50.4%	95.0%	1,081,400	923,300	920,100	493,200	53.4%
Israel	24.7%	46.6%	680,000	660,400	405,000	426,800	64.6%
Czech Republic	53.1%	100.0%	913,000	786,400	179,300	381,300	48.5%
France	48.9%	92.0%	2,656,500	1,290,700	536,700	433,900	33.6%
Norway	53.1%	100.0%	529,000	476,300	155,300	332,200	69.7%
Slovak Republic	50.4-53.1%	95.0-100.0%	517,800	373,200	17,300	317,300	85.0%
Romania	27.1-37.2%	51.0-70.0%	648,500	450,700	–	289,100	64.1%
Sweden	53.1%	100.0%	770,000	421,600	244,400	260,900	61.9%
Belgium	53.1%	100.0%	530,000	152,300	152,300	122,400	80.4%
Malta	26.6%	50.0%	184,500	182,800	35,000	91,000	49.8%
Total			16,649,300	13,635,800	5,828,600	9,442,800	
Latin America:							

Chile	100.0%	100.0%	2,350,000	1,652,100	836,300	445,100	26.9%
Mexico	90.3%	90.3%	395,300	277,700	87,300	75,800	27.3%
Brazil (Jundiai)	49.0%	49.0%	70,200	67,900	–	16,900	24.9%
Brazil (TV Show Brasil)	100.0%	100.0%	463,000	390,000	–	15,100	3.9%
Peru	100.0%	100.0%	140,000	64,500	–	8,700	13.5%
Total			3,418,500	2,452,200	923,600	561,600	
Asia/Pacific:							
Australia(2)	81.3%	100.0%	2,085,000	2,083,100	–	434,700	20.9%
Philippines	19.6%	49.0%	600,000	517,500	29,500	181,600	35.1%
New Zealand(2)	40.7%	50.0%	146,900	128,200	128,200	26,000	20.3%
Total			2,831,900	2,728,800	157,700	642,300	
Total			22,899,700	18,816,800	6,909,900	10,646,700	
Total Based On Consolidated Systems(3)			18,895,700	15,055,200	5,806,900	8,515,900	
Total Based On Proportionate Data(4)			12,610,300	10,134,300	3,727,000	5,057,900	

Voice

			September 30, 2001			
			Subscribers		Lines	
	United Ownership	System Ownership	Residential	Business	Residential	Business
UPC:						
The Netherlands	53.1%	100.0%	166,200	–	207,300	–
Austria	50.4%	95.0%	130,200	–	131,300	–
Hungary	52.5-53.1%	98.9-100.0%	67,300	–	72,700	–
France	48.9%	92.0%	59,800	–	62,400	–
Norway	53.1%	100.0%	18,600	–	20,200	–
Czech Republic	53.1%	100.0%	3,400	–	3,400	–
Germany	27.1%	51.0%	100	–	100	–
Total			445,600	–	497,400	–
VTR:						
Chile	100.0%	100.0%	171,300	1,700	190,100	3,400
Austar United:						
New Zealand(2)	40.7%	50.0%	39,900	2,000	46,900	6,600
Australia(2)	81.3%	100.0%	11,000	–	11,000	–
Total			50,900	2,000	57,900	6,600
Total			667,800	3,700	745,400	10,000
Total Based On Consolidated Systems(3)			627,900	1,700	698,500	3,400
Total Based On Proportionate Data(4)			427,000	2,500	476,000	6,100

Internet

	September 30, 2001		
	United Ownership	System Ownership	Subscribers
UPC:			
The Netherlands	53.1%	100.0%	219,600
Austria	50.4%	95.0%	129,500
Sweden	53.1%	100.0%	44,100
Germany	13.3-27.1%	25.0-51.0%	27,300
Norway	53.1%	100.0%	22,300
Belgium	53.1%	100.0%	20,300
France	48.9%	92.0%	19,900
Hungary	52.5-53.1%	98.9-100.0%	10,500
Czech Republic	53.1%	100.0%	4,200
Poland	53.1%	100.0%	5,500
Malta	26.6%	50.0%	4,000
Total			507,200
Latin America:			
Chile	100.0%	100.0%	21,300
Mexico	90.3%	90.3%	1,000
Total			22,300
Austar United:			
Australia(2)	81.3%	100.0%	78,100
New Zealand(2)	40.7%	50.0%	65,300
Total			143,400
Total			672,900
Total Based On Consolidated Systems(3)			575,600
Total Based On Proportionate Data(4)			365,300

	September 30, 2001		
	United Ownership	System Ownership	Subscribers
UPC:			
UPCtv	53.1%	100.0%	8,688,000
Spain/Portugal	26.6%	50.0%	7,873,000
Ireland	42.5%	80.0%	5,689,000
MTV Joint Venture	26.6%	50.0%	2,881,000
Poland	53.1%	100.0%	950,000
Hungary	53.1%	100.0%	30,000
Czech Republic	53.1%	100.0%	15,000
Slovak Republic	53.1%	100.0%	2,000
Total			26,128,000
MGM Networks LA:			
Latin America	50.0%	50.0%	15,009,900
Austar United:			
Australia(2)	40.7%	50.0%	7,077,800
Total			48,215,700
Total Based On Consolidated Systems(3)			15,374,000
Total Based On Proportionate Data(4)			20,796,800

(1) Includes 299,900 subscribers in The Netherlands.

(2) On November 15, 2001, we sold 50.0% of our interest in the holding company through which we held the largest portion of our interests in the Australia and New Zealand systems. Following the sale, our ownership interests in the Australia and New Zealand systems are 55.8% and 27.9%, respectively.

(3) Summation of the operating system data for those systems that we consolidate in our financial statements due to majority ownership and control.

(4) Summation of the operating system data multiplied by our ownership percentage.

Overview of Our Business

We are the largest broadband communications provider outside the United States. We provide video distribution services in 26 countries worldwide and voice and Internet access services in a growing number of our international markets. Our operations are grouped into three major geographic regions: Europe, Latin America and Asia/Pacific. Our European operations are held through our 52.8% owned, publicly traded subsidiary, UPC, which is the largest pan-European broadband communications company providing video, voice and Internet access services to 17 countries in Europe and Israel. Our primary Latin America operation is our 99.5% owned Chilean operation, VTR, Chile's largest multi-channel television provider and a growing provider of voice services. Our Asia/Pacific operations are primarily held through our 55.5% owned, publicly traded affiliate, Austar United, which owns the largest provider of video services in regional Australia, various Australian programming interests and an approximate 42.0% interest in the only full-service provider of broadband communications in New Zealand.

Our primary goal in the majority of these markets is to capitalize on the opportunity to increase revenues and cash flows through the introduction of new and expanded video services and the delivery of voice and Internet access services over our broadband communications networks. Today we are a full-service provider of these video, voice and Internet access services in most of our Western European markets and in Chile and New Zealand.

Our European Operations

UPC owns and operates broadband communications networks or services in 17 countries in Europe, and in Israel. UPC's operations are organized into three principal divisions. UPC Distribution, which comprises UPC's local operating systems, delivers video and, in many of UPC's Western European systems, telephone and Internet services, or "the triple play," to residential customers. UPC Media comprises UPC's Internet access business and converging Internet content and programming businesses, which provide their products and services to UPC, as well as third parties. The *Priority Telecom* brand is used for UPC's residential, wireless local loop, or "WLL," and competitive local exchange carrier, or "CLEC" businesses. UPC has spun-off *Priority Telecom* CLEC as the provider of telephone and data network solutions to the business market. *Priority Telecom* CLEC or *"Priority Telecom,"* is UPC's third division. UPC's subscriber base is the largest of any group of broadband communications networks operated across Europe. UPC's goal is to enhance its position as a leading pan-European distributor of video programming services and to become a leading pan-European provider of telephone, Internet and enhanced video services, offering a one-stop shopping solution for residential and business communication needs. UPC plans to reach this goal by increasing the penetration of its new services, such as digital video, telephone and Internet, primarily within its existing customer base.

UPC Distribution

As of September 30, 2001, UPC's operating systems had approximately 7.15 million aggregate subscribers to their basic tier video services, excluding an additional 413,000 subscribers for UPC's digital DTH service in Poland, Hungary, the Czech Republic and the Slovak Republic.

During 2000, UPC launched its digital video services in the Netherlands, UPC's largest market. The digital services are currently offered in the Netherlands, France and Austria. Full digitalization of UPC's television signals will be made possible by UPC's network upgrade to full two-way capability. The rollout of digital services via the set-top computers installed in customers' homes will involve significant capital investment and the use of new technologies. UPC cannot assure that they will be able to complete the rollout of digital services on the planned schedule.

UPC Distribution — Video

UPC plans to continue increasing its revenue per subscriber by expanding its video services program offerings through digital and expanded basic tier services, pay-per-view and digital audio.

UPC offers some of the most advanced analog video services available today and a large choice of radio programs. In many systems, for example, UPC has introduced impulse pay-per-view services. UPC plans to continue improving its expanded basic tier offerings by adding new channels and, where possible, migrating popular commercial channels into an expanded basic tier service. Generally, basic tier pricing is regulated while the expanded basic tier is not price-regulated. In addition, UPC plans to offer subscribers additional choice by offering thematic groupings of tiered video services in a variety of genres and by increasing the number and time availability of pay-per-view offerings.

The increased channel capacity provided by digitalization will enable UPC to offer subscribers more choice in video products, such as NVOD, digital expanded basic tiers, and additional premium channels. In addition, digitalization will allow UPC to provide value-added services such as digital music, walled garden, interactive television and basic e-mail functionality. The increased channel capacity provided by digitalization will enable subscribers to customize their subscriptions for UPC's products and services to suit their lifestyles and personal interests. UPC also intends to provide its subscribers with customizable programming guides that would enable them to program their favorite channels and also allow parents to restrict their children's viewing habits.

UPC Distribution — Voice

UPC offers local telephone services over its network, under the brand name *Priority Telecom,* to the residential market in its Austrian, Dutch, French and Norwegian systems. UPC also has a traditional telephone network in Hungary and the Czech Republic. UPC offers its residential telephone customers local, national and international voice services in addition to several value-added features.

Traditional telephone service is carried over twisted copper pair in the local loop. The cable telephone technology that UPC is using allows telephone traffic to be carried over its upgraded network without requiring the installation of twisted copper pair. This technology only requires the addition of equipment at the master telecom center, the distribution hub and in the customer's home to transform voice communication into signals capable of transmission over the fiber and coaxial cable. UPC is currently working on alternative telephone technologies, including Voice over Internet Protocol, or "VOIP." VOIP is well suited for many of UPC's networks, as the technology used is similar to its existing Internet service. Because of these similarities, UPC believes it can minimize its capital expenditures for the introduction of VOIP as compared to other technologies. Because VOIP services are commercially available from other operators, there can be no assurances that UPC will be able to successfully launch VOIP services to its customers.

UPC generally prices its telephone services at a discount compared to services offered by incumbent telecommunications operators. Because of relatively high local tariff rates, UPC believes potential customers will be receptive to its telephone services at a lower price. In addition to offering competitive pricing, UPC offers a full complement of services to telephone subscribers including custom local access services, or "CLASS," including caller ID, call waiting, call forwarding, call blocking, distinctive ringing and three-way calling. UPC also provides voice mail and second lines. The introduction of number portability in some of its markets, including The Netherlands, Norway and France, provides an even greater opportunity as potential customers will be able to subscribe to UPC's service without having to change their existing telephone numbers.

Each of UPC's operating companies that offers telephone services has entered into an interconnection agreement with either the incumbent national telecommunications service provider or, in most cases, with *Priority Telecom* N.V., UPC's publicly listed CLEC company. In addition, certain of these operating companies have also entered into interconnection agreements with other telecommunications service providers, providing alternative routes and additional flexibility. Even though UPC has secured these interconnection arrangements, UPC may still experience difficulty operating under them. In UPC's Amsterdam system, for example, capacity constraints at the interconnection have lowered the quality of its telephone service, resulting in a higher rate of customer loss than its system has experienced before. In Austria, while UPC secured its interconnection arrangement with the support of the Austrian telecommunications regulator, the Austrian incumbent telecommunications operator is challenging the arrangement in the Austrian courts. *Priority Telecom* will manage UPC interconnection relationships in the future.

UPC Distribution — Internet

UPC initially launched its broadband Internet business in a few of its operating systems in September 1997. Cable modem technology allows access to the Internet over UPC's existing upgraded network. All that is required is to transform data communication into signals capable of transmission over fiber and coaxial cable is the addition of incremental electronic equipment, including servers, routers and switches at the master telecom center. Cable modems allow Internet access at speeds significantly faster than dial-up access. Although a number of different technologies designed to provide much faster access than traditional dial-up modems have been proposed and are being introduced, such as digital subscriber lines, or "DSL," UPC believes that cable modem access technology is superior. Cable modem technology, unlike most other high-speed technologies, is based on the widely used

Transport Control Protocol/ Internet Protocol, "TCP/IP," which is used on local area networks and the Internet. A global standard for TCP/IP has been created and accepted.

UPC's local operating companies have entered into franchise agreements with *chello broadband,* which provides UPC's local systems access to the Internet gateway and the *chello* portal. Under the franchise agreements, *chello broadband* provides UPC's affiliates with high-speed connectivity, caching, local language broadband portals, and marketing support for a fee based upon a percentage of subscription and installation revenue. In the future, the franchise agreement further provides that the local operator will receive a percentage of the revenue from *chello broadband's* e-commerce and advertising.

Western Europe

Austria: Telekabel Group. UPC owns 95.0% of the Telekabel Group, which provides communications services to Vienna and other Austrian cities and is the largest video distribution system in Austria with over 40.0% of the market. UPC is capitalizing on Telekabel Group's strong market position and positive perception by its customers by aggressively expanding Telekabel Group's service offerings as its network is upgraded to full two-way capability. The upgraded network enabled Telekabel Group to launch an expanded basic tier, impulse pay-per-view services and Internet access services in 1997. Telekabel Group launched *Priority Telecom* cable telephone services in Vienna on a commercial basis in early 1999, Internet access service in September 1997 and *chello broadband* service in June 1999. UPC launched digital video services in Austria in the fourth quarter of 2001.

Belgium: UPC Belgium. UPC Belgium, UPC's 100% owned subsidiary, provides cable television and communications services in selected areas of Brussels and Leuven. UPC Belgium plans to increase revenues through the introduction of new services that currently are not subject to price regulations. UPC Belgium offers an expanded basic tier cable television, impulse pay-per-view as well as UPC's *chello broadband* Internet access service.

France: UPC France. UPC France is one of the largest cable television providers in France. UPC France's major operations are located in suburban Paris, the Marne-la-Vallee area east of Paris, Lyon and in other towns and cities throughout France. UPC's interest in UPC France is approximately 92.0%. In June 1998, UPC France obtained a 15-year telephone and network operator license for an area that includes 1.5 million homes in the eastern suburbs of Paris. UPC France began offering telephone services in its existing cable television franchise area in March 1999 and has continued to roll-out telephone services in 2000 in suburban Lyon and Limoges. UPC France launched *chello broadband's* Internet access services over the upgraded portions of its network in 1999. One of UPC's recently acquired systems began offering Internet services at the end of 1997. UPC launched *chello broadband's* Internet access service on its systems in the suburban Lyon and Limoges areas in the second quarter of 2000.

Germany: UPC Germany. In October 2000, UPC's 51.0% owned subsidiary, UPC Germany, acquired EWT/TSS Group, the fourth largest independent German broadband cable operator. EWT/TSS has cable operations throughout Germany, with the greatest concentration in Nordrhein-Westfalen, Berlin/Brandenberg and Sachsen/Thueringen. EWT/TSS is the second largest cable provider in Berlin, and has introduced cable telephone services in Berlin on a trial basis. UPC also owns approximately 25.0% of PrimaCom, which owns and operates cable television networks in Germany. PrimaCom's footprint shares a significant geographic overlap with EWT/TSS.

The Netherlands: UPC Nederland. UPC's Dutch systems are its largest group of cable television systems. UPC has had operations in The Netherlands since it was formed in 1995, but substantially all of its operations in The Netherlands have come from acquisitions. As UPC's subscribers are located in large clusters, including the major cities of Amsterdam, Rotterdam and Eindhoven, UPC has constructed a fiber backbone to interconnect these region-wide networks. In addition to cable television services, UPC Nederland offers Internet access and telephone services over its upgraded network. As a result of UPC Nederland's high penetration in its Dutch systems and the rate regulation of basic tier

services in many of UPC Nederland's franchise areas, UPC has focused its efforts on increasing revenue per subscriber in these systems through the introduction of new video, telephone and Internet access services. Many of UPC's Dutch systems have offered an expanded basic tier service since late 1996. UPC initially launched impulse pay-per-view services in April 1997. In the fourth quarter of 2000, UPC commenced the soft rollout of digital video services in Amsterdam and Rotterdam. In 2001, UPC continues to focus on the bundling of its new services to achieve increased revenue per subscriber. UPC's Amsterdam system launched its cable telephone service in July 1997. UPC Nederland launched *Priority Telecom* cable telephone service in many other parts of its network in May 1999. In some of UPC's recently acquired systems, UPC launched cable television services in 2000. Some of UPC's Dutch systems had Internet access services as early as 1997. UPC launched *chello broadband's* Internet services in UPC Nederland's existing systems in early 1999 and in its new systems in 2000. UPC has launched digital video services in Amsterdam and Haarlem in the fourth quarter of 2001.

Norway: UPC Norge. UPC Norge is Norway's largest cable television operator. UPC Norge's main network is located in Oslo and its other systems are located primarily in the southeast and along the southwestern coast. UPC Norge has been upgrading its network to two-way capacity since 1998. UPC Norge offers cable television subscribers four tiers of video services. UPC Norge introduced *Priority Telecom's* cable telephone service in April 1999 in the upgraded portions of its network. UPC Norge launched Internet access service in March 1998 and introduced *chello broadband* service in June 1999. UPC has migrated all of UPC Norge's existing Internet access subscribers to *chello broadband*. UPC has launched digital video services in Oslo in the fourth quarter of 2001.

Sweden: UPC Sweden. In July 1999, UPC acquired Stjärn, now called UPC Sweden. UPC Sweden operates cable television systems servicing the greater Stockholm area, currently offering six tiers of programming. Upon upgrade of its networks, UPC Sweden plans to offer additional tiers of programming. UPC Sweden launched Internet access service in one area in the City of Stockholm in April 1999 and introduced *chello broadband* service in November 1999. UPC Sweden leases the fiber optic cables it uses to link to its main headend under agreements with Stokab, a city-controlled entity with exclusive rights to lay ducts for cables for communications or broadcast services in the City of Stockholm. The main part of the leased ducting and fiber optic cables is covered by an agreement, which expires in January 2019. Additional fiber optic cables are leased under several short-term agreements, most of which have three-year terms, but some of which have ten-year terms. UPC has launched digital video services in Stockholm in the fourth quarter of 2001.

Central and Eastern Europe

Czech Republic: UPC Czech provides cable and "wireless" cable television services in the cities of Prague and Brno, the Czech Republic's second largest city. In October 1999, UPC acquired 94.6% of Kabel Plus, the leading provider of cable television services in the Czech Republic. UPC recently acquired DattelKabel, a Prague-based cable television operator. UPC offers a number of tiers of programming services in the Czech Republic. UPC launched satellite direct-to-home, or "DTH," service in the Czech Republic during the third quarter of 2000, leveraging its existing DTH platform in Poland. UPC has plans to launch Internet access services and telephone services in its Czech systems in 2002, once the market has deregulated for telephone services.

Hungary: UPC Magyarorszag. UPC has owned and operated systems in Hungary for nearly a decade. In June 1998, UPC combined its Hungarian operations with Kabeltel, Hungary's then second-largest operator of cable television systems, creating Telekabel Hungary, in which UPC retained a 79.3% interest. In February 2000, UPC acquired the 20.8% of UPC Magyarorszag that it did not own. UPC launched DTH service in Hungary during the third quarter of 2000, leveraging its existing DTH platform in Poland. In the fourth quarter of 2000, UPC Magyarorszag launched Internet access services.

Hungary: Monor. Monor, one of UPC's Hungarian operating companies, has offered traditional telephone services since December 1994. Through 2002, Monor has the exclusive, local-loop telephone

concession for the region of Monor. UPC has an economic ownership interest in Monor of approximately 98.9%.

Poland: UPC Polska. In August 1999, UPC acquired @Entertainment, now called UPC Polska, which owns and operates the largest cable television system in Poland. UPC Polska's subscribers are located in regional clusters encompassing eight of the 10 largest cities in Poland. UPC Polska has DTH broadcasting service for Poland, targeted at homes outside of its cable network coverage area. UPC Polska has been able to avoid constructing its own underground conduits in certain areas by entering into a series of agreements with TPSA, the Polish national telephone company, which permit UPC Polska to use TPSA's infrastructure for an indefinite period or for fixed periods up to 20 years. Over 80.0% of UPC Polska's cable television plant has been constructed using pre-existing conduits from TPSA. A substantial portion of these contracts to use TPSA conduit allow for termination by TPSA without penalty upon breaches of specified regulations. Any termination by TPSA of such contracts could result in UPC Polska losing its permits, the termination of agreements with co-op authorities and programmers, and an inability to service customers with respect to the areas where its networks utilize the conduits that were the subject of such TPSA contracts. In addition, some conduit agreements with TPSA provide that cables can be installed in the ducts only for the use of cable television. If UPC Polska uses the cables for a purpose other than cable television, such as data transmission, telephone, or Internet access, such use could be considered a violation of the terms of certain conduit agreements, unless this use is expressly authorized by TPSA. There is no guarantee that TPSA would give its approval to permit other uses of the conduits.

In August 2001, UPC and Canal+ Group, or "Canal+," the television and film division of Vivendi Universal, announced the signing of definitive agreements to merge their respective Polish DTH satellite television platforms, as well as the Canal+ Polska premium channel, to form a common Polish DTH platform. In the merger agreements, UPC Polska agreed to contribute its Polish and United Kingdom DTH assets to TKP, the Polish subsidiary of Canal+, and fund a maximum of E30.0 ($27.4) million in the form of a note receivable from TKP at closing. For this, UPC Polska will receive a 25.0% ownership interest in TKP and E150.0 ($137.2) million in cash. As part of this transaction, through a carriage agreement, the Canal+ Polska premium channel will also be available on UPC Polska's cable network. TKP will be managed and controlled by Canal+, who will own 75.0%. UPC will own the remaining 25.0%. For accounting purposes, TKP will be deemed the acquirer. UPC Polska's investment in the merged companies will be recorded at fair value as of the date of the transaction. UPC Polska's carrying value of the Polish DTH assets being contributed may be significantly higher than the determined fair value of its investment in the merged companies if and when the transaction is consummated, leading to a write-down at the date the transaction is consummated. On November 13, 2001, the company received the regulatory approval necessary to complete the merger, which closed prior to December 31, 2001. UPC will deconsolidate the DTH operations upon closure of the merger.

Romania. UPC recently entered into a joint venture with the owners of two Romanian cable television companies, collectively "AST," to which UPC's and AST's Romanian assets were contributed. UPC holds a 70.0% interest in the joint venture. UPC's Romanian systems offer subscribers two or three different tiers of programming. The minority shareholders in UPC Romania have exercised their option which requires UPC to purchase all of their partnership interests effective December 31, 2001 for consideration of approximately E22.7 ($20.8) million, which is payable before February 15, 2002.

Slovak Republic: UPC Slovensko. UPC is the largest cable operator in the Slovak Republic. UPC offers subscribers three tiers of cable television service. UPC launched DTH service in the Slovak Republic during the fourth quarter of 2000, leveraging its existing DTH platform in Poland. UPC plans to launch telephone and Internet access services as regulation permits.

UPC Media

In February 2001, UPC formed a new division, UPC Media, combining UPC's Internet and content businesses. Due to the convergence of various media forms, UPC believes these businesses will operate

more efficiently if combined. UPC Media will focus on four key areas: (i) *chello broadband* Internet access; (ii) interactive services; (iii) transactional television and (iv) pay television.

chello broadband

In March 1998, UPC formed *chello broadband* for the purpose of developing a global broadband Internet operation. *chello broadband* provides UPC's affiliates and non-affiliated local operators with high-speed connectivity, caching, local-language broadband portals, and marketing support for a fee based upon percentage of subscription and installation revenue. Certain of UPC's operating companies in March 1999 launched *chello broadband. chello broadband* has long-term agreements for the distribution of Internet access services to residential and business customers using cable television and fixed wireless infrastructure of local operators, including our companies and those of United, covering 13.4 million homes in Europe and Latin America. *chello broadband* currently provides its services through UPC's operating companies in Austria, Belgium, France, The Netherlands, Norway, Sweden, Hungary and Poland. *chello broadband's* agreements with UPC's affiliates cover all the homes in their territory. Therefore, as the affiliates' network expand, other than through acquisitions, *chello broadband's* exclusive rights to distribute its services will expand as well.

During 2001 *chello broadband* plans to introduce bandwidth monitoring tools in conjunction with UPC Distribution, which are critical for effective network cost control. In addition, *chello broadband* launched a "*chello plus*" product for heavy users in Austria.

Interactive Services

UPC expects the development of interactive services to play an important role in UPC's digital strategy. UPC's interactive services group within UPC Media is responsible for core digital products, such as electronic program guide, or "EPG," walled garden, television email and other applications like enhanced news and on-screen betting. The technical platform launch, which will allow UPC to begin its offering of interactive service, is nearing completion.

Interactive services will also be responsible for continued development of the *chello* portal. UPC's strategy is to initially create a "thin portal" internally, and then work with strong partners to develop deep content. To date *chello broadband* has developed nine local language portals. Each of these portals brings together locally relevant content with broadband content and is managed and supported locally by a *chello broadband* office. *chello broadband* plans to offer an expanding variety of multimedia content, e-commerce and services specifically designed to take advantage of the speed and versatility provided by broadband access.

Transactional Television

Transactional television, consisting of NVOD and video on demand, or "VOD," is another component of UPC's digital services. In addition to movies, VOD will provide a broad product offering such as events, local drama, music, kids, subscriptions and other.

Pay Television

The core of UPC Media's existing pay television business is the eight-channel thematic bouquet launched by UPCtv since May 1999. Content acquired from third parties created the channels. The channels include various genres, such as Extreme Sports Channel, Expo Film1, Avante, Sport1, Club, Reality TV, and Innergy and are distributed from the digital media center, or "DMC," throughout Europe. UPC also plans to distribute these channels to entities that are not affiliated with UPC and in countries where UPC does not currently operate. UPC currently has over 20 non-UPC distribution contracts. UPC has already reached agreement to distribute one or more of its channels to non-affiliated systems in Germany, Sweden, The Netherlands, Israel, and Turkey. UPC is reviewing the

success of the channels that it launched. The review may lead to closing or merging some of the channels. UPC has decided to close the Sports 1 channel.

In October 2000, UPC officially opened the DMC in Amsterdam. The DMC is a state-of-the-art production facility that provides UPCtv and other broadcasters with production and post-production playout and transmission facilities. The DMC combines the ability to produce high quality, customized content by integrating various video segments, language dubbing, sub-titling and special effects, with up and downlink facilities for delivery to customers.

In addition to the UPCtv channels, UPC has been involved in branded equity ventures for the development of country-specific content, including:

- an 80.0% interest in Tara TV, a company that produces an Irish-thematic general entertainment channel for the United Kingdom market;
- a 50.0% interest in Iberian Programming Services, which produces a movie channel, a documentary channel, a children's channel and a music channel independently, as well as a history channel in joint venture with A&E Networks for the Spanish and Portuguese markets;
- a 50.0% interest in Xtra Music, which provides an 80 channel digital audio service by satellite in Europe in joint venture with DMX;
- a 10.0% interest in Cinenova, which produces a premium movie channel in the Netherlands and Belgium in joint venture with Disney and Sony;
- a 50.0% interest in MTV Networks Polska, a joint venture with MTV Networks Europe which produces and distributes two 24-hour music channels, MTV Polska which is specifically targeted at the Polish marketplace, and VH1 Polska; and
- a 26.0% interest in ATV, which produces a general entertainment channel for the Austrian market.

UPC has a strategic investment of approximately 23.0% in SBS which creates, acquires, packages and distributes programming and other media content in many of UPC's territories and elsewhere in Europe via television channels, radio stations and the Internet.

***Priority Telecom* Overview**

In 1998, UPC founded *Priority Telecom* for the purpose of providing telephone services to business customers passed through UPC's upgraded networks. In November 2000, *Priority Telecom* merged with Cignal Global Communications Inc., or "Cignal," a global carriers' carrier. *Priority Telecom* acquired 100% of Cignal in exchange for a 16.0% interest in its shares. With the intent of unlocking the value of UPC's business customers, UPC decided to spin off the business customers of its local systems to *Priority Telecom*, which is now positioned to become UPC's solutions provider for the business market. *Priority Telecom* is currently focused on eight cities in three European countries — Austria, the Netherlands and Norway. *Priority Telecom* was listed on September 27, 2001 on the Euronext Amsterdam Stock Exchange.

In addition to transport type services, *Priority Telecom* has developed its product portfolio towards advanced hosting services, IP-virtual private network services, or "IP-VPN," and Applications Service Provider, or "ASP," enabling services. Management believes this process is necessary to anticipate and meet changing business customer requirements. *Priority Telecom* decided to close its international wholesale business during the third quarter of 2001.

UPC expects *Priority Telecom* to be able to leverage substantially from UPC's operating companies' existing infrastructure, allowing for efficient, cost-effective growth. For operations with UPC's affiliates network areas, *Priority Telecom's* network will consist of 12 metropolitan area networks, or "MANs," including national and international networks. Contrary to "regular" CLEC-built networks, which target a selected business area only, *Priority Telecom's* MANs are a denser "general-purpose" network. This

creates strategic advantages for *Priority Telecom* since it can, for instance, serve the headquarters of a large bank in Amsterdam, and also serve their branch offices across the city with on-net solutions. In addition, the dense network enables *Priority Telecom* to execute a "smart build" strategy. It allows "regular" CLEC extensions to the current footprint and addition of local tails for limited capital expenditure with a short time-to-market. In addition, *Priority Telecom* obtained a pan-European backbone network, providing connectivity to its 14 target cities through its merger with Cignal. These MANs and national networks are based on 25-year indefeasible rights of use, or "IRUs," over UPC's affiliates' European network. As part of the agreement, *Priority Telecom* will pay an annual administration, operations and maintenance fee to UPC's affiliates.

UPC's affiliates have also agreed to provide certain services relating to *Priority Telecom's* operations through outsourcing contracts. Services include the maintenance, upgrade and configuration of network termination devices, network operations center management, network management services and fault resolution for the local hybrid fiber coaxial, or "HFC," infrastructure.

Our Latin American Operations

VTR

Video. Our largest operation in Latin America is our 99.5% owned Chilean operation, VTR. Through VTR we are the largest provider of wireline cable television, Microwave Multi-point Distribution System, or "MMDS," and DTH technologies in Chile. Wireline cable is VTR's primary business representing approximately 94.7% of VTR's video subscribers. VTR has an estimated 58.0% market share of cable television services throughout Chile and an estimated 50.0% market share within Santiago, Chile's largest city. VTR's channel line-up consists of 50 to 65 channels segregated into two tiers of service — a basic service with 40 to 54 channels and a premium service with 14 channels. VTR offers basic tier programming similar to the basic tier program line-up in the United States plus more premium-like channels such as HBO, Cinemax and Cinecanal on the basic tier. As a result, subscription to VTR's existing premium service package is limited because VTR's basic cable package contains similar channels. In order to better differentiate VTR's premium service and increase the number of subscribers to premium service and, therefore, average monthly revenues per subscriber, VTR anticipates gradually moving some channels out of its basic tier and into premium tiers or pay-per-view events. VTR launched the Playboy channel as a premium service in January 2000. VTR is also considering offering additional movies and believes it may be possible to offer additional adult programming on premium tiers in the future. For the programming services necessary to compile its channel lineups, we rely mainly on international sources including the United States, Europe, Argentina and Mexico. Domestic cable television programming is only just beginning to develop around local events such as soccer matches.

Voice. VTR began marketing cable telephone service to residential customers in several communities within Santiago in 1997, and today continues its wide-scale rollout of residential cable telephone service in 18 communities within Santiago and five cities outside Santiago. As of September 30, 2001, 50.6% of VTR's television homes passed were capable of using VTR's telephone services and approximately 36.8% of VTR's telephone subscribers also subscribe to VTR's cable television services. VTR's plan is to be technologically capable of providing telephone service to approximately 0.9 million homes by the end of 2001 and to be able to provide telephone service to 1.0 million homes by the end of 2002,

although achieving these objectives depends on several factors, many of which are outside the control of VTR. VTR offers basic dial tone service as well as several value-added services including voice mail, caller I.D., 3-way calling, speed dial, wake-up service, call waiting, call forwarding, local bill detail, unlisted number and directory assistance. VTR primarily provides service to residential customers who require one or two telephone lines. VTR also provides service to small businesses and home offices requiring up to 12 telephone lines. In general, VTR has been able to achieve approximately 20.0% to 25.0% penetration of its new telephone markets within the first year of marketing. VTR has the necessary interconnect agreements with local carriers, cellular operators and long distance carriers to

allow VTR to provide its telephone services. Interconnect agreements are mandatory for all local carriers.

Internet. VTR began offering Internet access services in 1999. VTR projects that there will be increasing demand for Internet services.

Other ULA Operations

We have ownership interests in two systems in Brazil: (i) a 49.0% interest in Jundiai, which holds nonexclusive cable television licenses for the city of Jundiai in southern Brazil and (ii) a 100% interest in TV Show Brasil, an owner and operator of a 31-channel exclusive license MMDS system in Fortaleza, on the Northeast coast of Brazil. We also have a 90.3% interest in Telecable, a regional cable television system based in Cuernavaca, Mexico and 100% of Star GlobalCom, a cable television system in Peru.

We provide content to various Latin American countries through our 50.0% ownership interest in MGM Networks LA. MGM Networks LA currently produces and distributes three pan-regional channels including: MGM Gold, a Portuguese language movie and television series channel for Brazil; MGM, a Spanish language movie and television series channel; and Casa Club TV, a Spanish and Portuguese language lifestyle channel dedicated to home, food and lifestyle programming featuring a significant block of original productions. These three channels are currently distributed on most major cable and satellite systems in 17 countries throughout Latin America.

Our Asia/Pacific Operations

Our Asia/Pacific operations are primarily held through our 55.5% owned affiliate, Austar United. Austar United provides video, voice, Internet access and content services through its three core businesses: Austar, XYZ Entertainment and TelstraClear (formerly TelstraSaturn). Austar United completed an initial public offering in July 1999 and is publicly traded on the Australian Stock Exchange under the symbol "AUN."

Austar (Australia)

Austar is the largest provider of pay television services in regional Australia with a service area encompassing approximately 2.1 million homes, or approximately one-third of Australia's total homes. Austar is the only pay television provider in substantially all of its service area.

Distribution Systems. Austar primarily uses digital DTH and, to a lesser extent, wireless cable and cable distribution technologies for delivery of pay television services. At present, approximately 85.0% of Austar's subscribers are serviced by digital DTH technologies, while the balance receive service via wireless cable and cable. Austar has recently commenced the migration of customers from the wireless cable service to the digital DTH service.

Programming and Pricing. Austar offers some of the widest range of programming available in Australia. Its programming agreements allow Austar to establish different service levels of tiers at multiple price points. By tiering its services, Austar permits its subscribers to select programming that is customized to their interests, which we believe is a valuable tool in ensuring our product meets customer value expectations. Tiering also provides customers with a lower-priced basic service that both enhances sales opportunities and helps reduce the level of customer churn.

Programming Agreements. Austar's programming agreement with Foxtel provides it with the exclusive rights to distribute Showtime, Encore and TV-1 via digital DTH and wireless cable throughout Austar's service area until December 2006. In addition, Austar has an agreement with a News Corporation Limited subsidiary pursuant to which Austar has the exclusive right to distribute Fox Sports and Fox Sports Two over the same technologies throughout Austar's service area until 2006. Austar has also

entered into an agreement with C&W Optus that provides Austar with non-exclusive distribution rights for the three C&W Optus movie channels until December 2006.

Austar has exclusive rights in its service area to distribute, via DTH and wireless cable, six channels of programming supplied by XYZ Entertainment: *Discovery Channel, Nickelodeon, The Lifestyle Channel, Channel [V], MusicMAX* and *arena.* The Disney Channel is provided to Austar under a licensing agreement that runs until September 2005. Austar also obtains at competitive price levels additional programming from a number of independent sources, including Time Warner, ESPN, Seven Network, National Geographic, Music Country and Sky Racing. The Weather Channel, the Adults Only channel and certain pay-per-view events are derived from entities in which we have an interest. Effective November 1, 2001 Austar made available the ABC National channel as well as two youth channels, ABC Kids and Fly, for no additional charge.

In October 2001, Austar commercially launched a broad range of interactive services including subscription games, "T-Mail," interactive advertising and retail shopping applications, as well as an enhanced electronic programming guide. Austar has licensed from Open TV, Inc. its operating systems for interactive applications through Austar's set top boxes.

New Business Opportunities. Austar launched high-speed and traditional Internet access services in its markets in early 2000 using wireless cable technologies, and began delivering these services in some of its operating areas via digital DTH at the end of 2000. In late 2001, the provision of these services was reviewed and it was determined that the high speed, broadband service should be cancelled and the network terminated. Austar will continue to provide a traditional Internet service, to complement the pay television service, using a third party network. Austar also launched a mobile telephone service in late 2000.

TelstraClear (New Zealand)

On November 15, 2001, TelstraSaturn, now known as TelstraClear, announced that it had agreed to acquire Clear Communications from British Telecom. The acquisition was completed on December 12, 2001 and Austar United's interest in TelstraClear was diluted to approximately 42.0%. TelstraClear is the only provider of integrated telephone, pay television and Internet access services in New Zealand. These services are currently provided in the greater Wellington area over a hybrid fiber cable network with an overlay of traditional telephone lines. TelstraClear plans to create a state-of-the-art national broadband network, which will include a submarine fiber backbone linking Auckland, Wellington and Christchurch during the next five years. On October 1, 2001, Austar United announced that it had restructured the shareholders agreement with Telstra whereby Telstra agreed to fund TelstraClear by way of subordinated debt. In addition, subsequent to 2004, Austar United will have the right to sell its shares in TelstraClear to Telstra and Telstra will have the right to acquire Austar United's shares.

Other UAP Operations

We also provide multi-channel television services via wireline cable in the Philippines, through our 19.6% economic interest in Pilipino Cable Corporation.

Competition

In areas where our cable television franchises are exclusive, our operating companies generally face competition only from DTH satellite service providers and terrestrial television broadcasters. We have faced the most competition from DTH providers in France, Poland and Sweden. In those areas where our cable television franchises are nonexclusive, including Chile, New Zealand, France, Sweden and Poland, our operating companies face competition from other cable television service providers, DTH satellite service providers and television broadcasters.

In the provision of telephone services, our operating companies face competition from the incumbent telecommunications operator in each country. These operators have substantially more experience in providing telephone services and have greater resources to devote to the provision of telephone services. In many countries, our operating companies also face competition from other new telephone service providers like us, including traditional wireline providers, other cable telephone providers, wireless telephone providers and indirect access providers.

In the provision of Internet access, services and online content, *chello broadband* faces competition from incumbent telecommunications companies and other telecommunications operators, other cable-based Internet service providers, non cable-based Internet service providers and Internet portals. The Internet services offered by these competitors include both traditional dial-up Internet services and high-speed access services. We have recently encountered competition from a new technology, DSL, which provides high-speed Internet access over traditional telephone lines. Both incumbent and alternative providers offer DSL services. We expect DSL to be a strong competitor to our Internet service in the future.

In the provision of CLEC services, *Priority Telecom* faces competition from the incumbent telecommunications operator in each country and other CLEC operators. Certain of these operators have substantially more experience in providing telephone services and have greater resources to devote to the provision of telephone services.

Employees

As of September 30, 2001, we, together with UGC Holdings' consolidated subsidiaries, had approximately 15,000 employees. Certain of our operating subsidiaries, including our Austrian, Dutch, Norwegian and Australian systems are parties to collective bargaining agreements with some of their respective employees. We believe that our relations with our employees are good.

Regulation

The distribution of video, telephone and content businesses are regulated in each of the countries in which we operate. The scope of regulation varies from country to country, although in some significant respects regulation in UPC's Western European markets is harmonized under the regulatory structure of the European Union, or "EU." Adverse regulatory developments could subject us to a number of risks. These regulations could limit our growth plans, limit our revenues, and limit the number and types of services we offer in different markets. In addition, regulation may impose certain obligations on our systems that subject them to competitive pressure, including pricing restrictions, interconnect obligations, open-network provision obligations and restrictions on content we deliver, including content provided by third parties. Failure to comply with current or future regulation could expose us to various penalties.

In general, the regulatory environment in the EU countries in which we operate is to an increasing degree shaped by the EU framework. Since January 1, 1998, EU directives have set out a framework for telecommunications regulation, which all Member States must follow. These directives are the subject of regular implementation reports from the European Commission which assess the compliance of Member States with the various requirements of the directives. In addition, the Commission has taken action to enforce compliance on Member States.

The European Union is taking steps to substantially increase the level of harmonization across the whole range of communications and broadcasting services early in 2003.

In addition, all EU legislation is required to be implemented in those countries seeking EU membership as part of their accession to the EU. Thus, EU rules have a strong influence and foreshadowing effect in almost all UPC's countries of operation.

European Union

Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Portugal, Spain, Sweden and the United Kingdom are all Member States of the EU. As such, these countries are required to enact national legislation to implement directives issued by the European Commission and other EU bodies. Although not an EU Member State, Norway is a member of the European Economic Area and has generally implemented or is implementing the same principles on the same timetable as EU Member States. The Czech Republic, Hungary, Malta, Poland, Romania and Slovak Republic, which are in the process of negotiating their memberships into the EU, started adjusting their regulatory systems to EU requirements. As a result, most of the European markets in which UPC operates or has pending acquisitions have been significantly affected by regulation initiated at the EU level.

On July 12, 2000, the European Commission proposed a suite of new directives, which, if implemented by the European Parliament and European Council would re-write the regulatory regime concerning communications services across the EU. The proposed regulatory framework would attempt, among other things, to decrease national variations in regulations and licensing systems and further increase market competition. These policies would seek to harmonize licensing procedures, reduce administrative fees, ease access and interconnection, and reduce the regulatory burden for telecommunications companies. The European Commission is also proposing to use competition laws rather than regulation to prevent dominant carriers from abusing their market power. Specifically, the various provisions of the proposed directives would: extend the protection of personal data and privacy rules to data services and Internet connections; define universal service goals and user rights policies; require several measures for consumer protection, including number portability and the establishment of a European emergency number; and require that, except in cases of limited resources such as the licensing of spectrum rights, national regulatory agencies issue general authorizations in place of individual operator licenses. These directives are expected to be adopted in some form or other in 2001 or 2002 and come in force in the Member States in 2003.

Conditional Access for Video Services. EU Member States regulate the offering of conditional access systems, such as set-top computers used for the expanded basic tier services offered by many of our operating companies. Providers of such conditional access systems are required to make them available on a fair, reasonable and non-discriminatory basis to other video service providers, such as broadcasters.

Separation of Video and Telephone Operations. In June 1999, the European Commission adopted a directive requiring Member States to enact legislation directing certain telecommunications operators to separate their cable television and telecommunications operations into distinct legal entities. This directive is intended to aid the development of the cable television sector and to encourage competition and innovation in local telecommunications and high speed Internet access. The directive includes competition safeguards to deter anticompetitive cross-subsidies or discrimination by incumbent telecommunications operators as they enter into cable television or broadband services.

Telephone Interconnection. An EU directive sets forth the general framework for interconnection, including general obligations for telecommunications operators to allow interconnection with their networks. Public telecommunications network operators are required to negotiate interconnection agreements on a non-discriminatory basis. Public telecommunications network operators with significant market power (which, although it may vary, is generally presumed when an operator has 25.0% or more of the relevant market) are subject to additional obligations. They must offer interconnection without discriminating between operators that offer similar services, and their interconnection charges must follow the principles of transparency and be based on the actual cost of providing the interconnection and carriage of telephone traffic. The directive also contains provisions on collocation of facilities, number portability with certain exceptions, supplementary charges to contribute to the costs of universal service obligations and other interconnection standards. As a result, if the principles in the directive are fully applied, our operating companies in the EU and Norway should be able to

interconnect with the public fixed network and other major telecommunications networks on reasonable terms in order to provide their services.

Telephone Licensing. EU Member States are required to adopt national legislation so that providers of telecommunications services generally require either no authorization or a general authorization which is conditional upon "essential requirements," such as the security and integrity of the network's operation. Licensing conditions and procedures must be objective, transparent and non-discriminatory. In addition, telecommunications operators with significant market power may be required by Member States to hold individual licenses carrying more burdensome conditions than the authorizations held by other providers. Significant market power is typically 25.0% of the relevant market. License fees can only include administrative costs except in the case of scarce resources where additional fees are allowed.

Broadcasting. Generally, broadcasts emanating from and intended for reception within a country must respect the laws of that country. EU Member States are required to allow broadcast signals of broadcasters in other Member States to be freely transmitted within their territory so long as the broadcaster complies with the law of the originating Member States. To some degree such cross-border broadcasting rights are permitted outside the EU. For example, programs originating in the UK or The Netherlands may be broadcast into Poland. An EU directive also establishes quotas for the transmission of European-produced programming and programs made by European producers who are independent of broadcasters.

Member States are required to permit a satellite broadcaster to obtain the necessary copyright license for its programs in just one country (generally, the country in which the broadcaster is established), rather than obtaining copyright licenses in each country in which the broadcast is received.

Set forth below is an overview of the types of regulation affecting our various businesses, as well as a summary of the regulatory environment in the EU and certain countries where we operate a significant proportion of our major systems.

Distribution Infrastructure and Video Business

Licenses. Our operating companies are generally required to either obtain licenses, permits or other governmental authorizations from, or notify or register with relevant local or regulatory authorities to own and operate their respective distribution systems. Generally, these licenses are non-exclusive. In many countries, licenses are granted for a specified number of years. For example, most of the licenses of UPC's Israeli system expire in 2002 and UPC will seek renewal.

In some countries, including Austria, France and Israel, UPC pays annual franchise fees based on the amount of UPC's revenues. In other countries, the fee consists of a payment upon initial application and/or nominal annual payments.

Broadcasters such as SBS and our Polish DTH video service operate pursuant to licenses granted by national or local regulatory authorities that allow use of certain radio frequencies in a specified geographic area, generally for a limited duration but which can be renewed. Broadcasters operate subject to various regulatory conditions, such as limitations on advertising, program content, program sponsorship and ownership.

Video "Must Carry" Requirements. In most countries where UPC provides video and radio service, UPC is required to transmit to subscribers certain "must carry" channels, which generally include public national and local channels. Certain countries have adopted additional programming requirements. For example, in France various laws restrict the content of programming UPC is allowed to offer. In parts of Belgium UPC must seek authorization for distribution of non-EU programming. In Israel, cable television providers must obtain an authorization from the relevant regulatory authority to add or remove channels from their cable programming offerings and must spend at least 15% of their programming expenses on local programming.

Pricing Restrictions. Local or national regulatory authorities in many countries where we provide video services also impose pricing restrictions. Often, the relevant local or national authority must approve basic tier price increases. In certain countries, price increases will only be approved if the increase is justified by an increase in costs associated with providing the service or if the increase is less than or equal to the increase in the consumer price index. Even in countries where rates are not regulated, subscriber fees may be challenged if they are deemed to constitute anti-competitive practices.

Telephone

The liberalization of the telecommunications market in Europe and Chile allowed new entrants like us to enter the telephone services market. The regulatory situation in most of the Eastern European markets in which we operate and in Israel currently precludes us from offering traditional switched telephone services.

Generally, our operating companies are required to obtain licenses to offer telephone services, although, in some countries we need only register with the appropriate regulatory authority. Our operating companies have, to date, not been subject to telephone rate regulation but would become subject to such regulation in a number of jurisdictions if they are deemed to hold significant market power, typically defined as at least 25.0% market share in a relevant market. In some countries, we must notify the regulatory authority of our tariff structure and any subsequent price increases.

Incumbent telephone providers in each EU market are required to offer new entrants into the telephone market interconnection with their networks. Interconnection must be offered on a non-discriminatory basis and in accordance with certain principles set forth in the relevant EU directive, including cost-based pricing.

Content Business

Internet. UPC's internet-related businesses must comply with both EU regulation and with relevant domestic law in the provision of Internet access services and on-line content. In several countries, including Norway and France, the provision of Internet access services does not require any sort of license or notification to a regulatory body. Other countries, including Austria, Belgium and The Netherlands, require that providers of these services register with or notify the relevant regulatory authority of the services they provide and, in some cases, the prices charged to subscribers for such services.

Our operating companies that provide Internet services must comply with both Internet-specific and general legislation concerning data protection, content provider liability and electronic commerce. For example, in June 2000, the EU issued a directive establishing several principles for the regulation of e-commerce activities, including that companies providing network services or storage of information have limited obligations and liability for information transmitted or stored on their systems. As regulation in this area develops, it will likely have a significant impact on the provision of Internet services by our operating companies.

Programming. The Independent Television Commission in the United Kingdom licenses the Polish programming we produce and one of our UPCtv channels as satellite television services. Some of our UPCtv channels are licensed in The Netherlands. As such, this programming is then retransmitted under the European Convention on Transfrontier Broadcasting.

Competition Law and Other Matters

EU directives and national consumer protection and competition laws in UPC's Western European and certain other markets impose limitations on the pricing and marketing of integrated packages of services, such as video, telephone and Internet access services. These limitations are common in developed market economies and are designed to protect consumers and ensure a fair competitive

market. While UPC may offer our services in integrated packages in our Western European markets, UPC is generally not permitted to make subscription to one service, such as cable television, conditional upon subscription to another service, such as telephone, that a subscriber might not otherwise take. In addition, we must not abuse or enhance a dominant market position through unfair anti-competitive behavior. For example, cross-subsidization between our business lines that would have this effect would be prohibited. We have to be careful, therefore, in accounting for discounts in services provided in integrated packages.

As we become larger throughout the EU and in individual countries in terms of service area coverage and number of subscribers, we may face regulatory scrutiny as we continue to acquire new systems or expand operations. Regulators may prevent certain acquisitions or permit them only subject to certain conditions.

In a number of non-EU jurisdictions where our operating companies have a significant market presence, we are subject to certain limitations. For example, in Hungary a single cable operator may not provide service to homes exceeding in the aggregate one-sixth of the Hungarian population. On November 8, 1999, the Israeli Restrictive Trade Practices Tribunal announced its determination that all Israeli cable television operating companies, including Tevel and Gvanim, were monopolies in their respective franchise areas in the field of supplying multi-channel pay television. Tevel and Gvanim are contesting this declaration which would subject Tevel to the provisions of the Israeli Anti-trust law applicable to monopolies.

Israel

According to the terms and conditions of its current franchise, Tevel makes royalty payments equal to 5% of Tevel's income to the State of Israel. The Ministry of Communications has announced its intention to lower the current rate of royalties expected from cable companies to a rate of 4% in years 2002 and 2003, and 3.5% from 2004 and afterwards.

On July 25, 2001, the Israeli parliament passed amendment number 25 to the Communications Law — 1982, which became effective as of August 9, 2001. The amendment requires that broadcast services and telecommunication services provided by the cable companies be provided through separate entities. The amendment to the Communications law also gives the Minister of Communications expansive authority to order license holders to open access to other license holders, including the use of broadcast centers and infrastructure which has been built on the property of subscribers.

Under the amendment, a holder of a general license to broadcast via cable will be obligated to invest in local content production. The amount of this investment will be decided by the Cable Television Commission, but can be no lower than 8% and no greater than 12% of the amount of income received by the license holder from its subscribers.

The Netherlands

In the Netherlands, the Dutch government is debating the question of what rights regulation should afford third parties in terms of access to cable networks. In the summer of 2000, the Dutch government committed to adopt a law on cable access, in line with the EU framework within two years. The early stages of consultation on this law are ongoing.

In addition, in March of 2001 OPTA (the Dutch communications regulator) and the NMa (the Dutch competition authority) published a joint consultation paper regarding access to cable networks. It is likely that the findings of this joint consultation will inform the ongoing legislative process.

There can be no certainty at the moment as to the final form of any such law, if passed, nor how it will be implemented by regulatory authorities should it come into force. We expect debate on this issue at national and European levels to continue.

Poland Regulatory Issues

In addition to many of the issues discussed above, Poland has certain foreign ownership restrictions. Programming may be broadcast in Poland only by Polish entities in which foreign persons hold no more than 33.0% of the share capital, ownership interest and voting rights. The majority of the management and supervisory boards of any company holding a broadcasting license must be comprised of Polish citizens residing in Poland. We believe that the ownership structure of UPC Polska and its subsidiaries comply with Poland's regulatory restrictions on foreign ownership of broadcasts.

Television operators, including cable and DTH operators, in Poland are subject to the provisions of the Polish Copyright Act. Recent legislation has increased the rights of authors in their copyrighted materials, which could lead to a significant increase of fees to be paid by television operators.

On January 1, 2001, a new Telecommunications Law came into force. Under the new Telecommunications Law, only the operation of public telephone networks and the operation of public networks used for the broadcast or distribution of radio and TV programs would require a telecommunications permit to be issued by the new regulatory authority, the Office of Telecommunications Regulation, or "OTR." Other types of telecommunication activities, such as data transmission and Internet access services, are subject to registration with the OTR.

The new Telecommunications Law may affect UPC Polska's ability to obtain required radio frequencies allocations in case such frequencies would be assigned by way of public tenders. The new Telecommunications Law also contains provisions regarding the access to networks and infrastructure sharing, and eliminates foreign ownership limitations with respect to the provision of cable television and domestic telecommunications services.

Chile

Cable and telephone applications for concessions and permits are submitted to the Ministry of Transportation and Telecommunications, which, through the Subsecretary of Telecommunications, is the government body responsible for regulating, granting concessions and registering all telecommunications. Wireline cable television licenses are non-exclusive and granted for indefinite terms, based on a business plan for a particular geographic area. There is an 18.0% value added tax levied on multi-channel television services but no royalty or other charges associated with the re-transmission programming from broadcasting television networks. Wireless licenses have renewable terms of 10 years. VTR has cable permits in most major and medium sized markets in Chile. Cross ownership between cable television and telephone is also permitted.

The General Telecommunications Law of Chile allows telecommunications companies to provide service and develop telecommunications infrastructure without geographic restriction or exclusive rights to serve. Chile currently has a competitive, multi-carrier system for international and local long distance telecommunications services. Regulatory authorities currently determine prices for local services until the market is determined to be competitive. The maximum rate structure is determined every five years. Local service providers with concessions are obligated to provide service to all concessionaires who are willing to pay for an extension to get service. Local providers must also give long distance service providers equal access to their network connections.

Australia

The Australian federal government under various Commonwealth statutes regulates the provision of subscription television services in Australia. In addition, State and Territory laws, including environmental and consumer contract legislation, may impact the construction and maintenance of a transmission system for subscription television services, the content of those services, as well as various aspects of the subscription television business itself.

The Australia Broadcasting Services Act 1992, or "BSA," regulates the ownership and operation of all categories of television and radio services in Australia. The technical delivery of broadcasting services is separately licensed under the Radiocommunications Act 1992 or the Telecommunications Act 1997, depending on the delivery technology utilized, such as wireline cable, DTH, MMDS or any other means of transmission. The BSA regulates subscription television broadcasting services by requiring each service to have an individual license. Companies associated with Austar hold approximately 152 television broadcasting licenses issued under the BSA. Each license is issued subject to certain conditions. The government may vary or revoke license conditions or may, by written notice, specify additional conditions.

Those companies also hold a carrier license, and operate as carriage service providers, under the Telecommunications Act for the provision of broadband Internet services and certain pay television services; as well as hold a mixture of spectrum and apparatus licenses issued under the Radiocommunications Act.

Under the BSA, foreign ownership of "company interests" of pay television broadcasting licenses is limited to 20.0% by a single foreign person and an aggregate of 35.0% by all foreign persons. Australian companies hold the BSA licenses authorizing Austar's pay television services for the purposes of the BSA.

Litigation

UPC is currently engaged in arbitration proceedings in France. A minority shareholder in UPC's subsidiary, Médiaréseaux S.A., has instituted arbitration proceedings under ICC Rules alleging breach of contract under a certain Business Combination Agreement dated December 15, 1999 and entered into between, inter alia, UPC and Intercomm France CVOHA, or "ICH." As part of the arbitration proceedings, ICH obtained an attachment of the shares held by UPC in Médiaréseaux. In emergency proceedings, UPC obtained a release of this attachment. UPC is vigorously defending the arbitration proceedings and has filed appropriate counter claims.

On November 28, 2001, a class action law suit was filed in the United States District Court, Southern District of New York, against UPC and certain of its officers and underwriters. The suit was filed on behalf of certain purchasers of UPC's common stock. The complaint alleges violations of securities laws incident to UPC's initial public offering of its shares of common stock. The alleged violations are said to involve commissions that the underwriters received from certain investors, wrongful allocations of shares by the underwriters to their customers, and inadequate disclosure. UPC and its officers deny the plaintiffs' claims and intend to vigorously defend the lawsuit.

SECURITY OWNERSHIP OF CERTAIN
BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth as of January 30, 2002, certain information concerning the ownership of United common stock of all classes by (i) each stockholder who is known by us to own beneficially more than 5.0% of the outstanding United Class A common stock or United Class B common stock at December 3, 2001, (ii) each of our directors, (iii) each of our named executive officers, and (iv) all of our directors and named executive officers as a group. Shares of United Class B common stock are convertible immediately into shares of United Class A common stock on a one-for-one basis, and accordingly, holders of our Class B common stock are deemed to be owners of the same number of shares of our Class A common stock and are reflected as such in the table.

Shares issuable within 60 days of January 30, 2002 upon exercise of options, conversion of convertible securities, exchange of exchangeable securities or upon vesting of restricted stock awards are deemed to be outstanding for the purpose of computing the percentage ownership and overall voting power of persons beneficially owning such securities, but are not been deemed to be outstanding for the purpose of computing the percentage ownership or overall voting power of any other person. So far as we know, the persons indicated below have sole voting and investment power with respect to the shares indicated as owned by them, except as otherwise stated below and in the notes to the table. The number of shares indicated as owned by Gene W. Schneider, Michael T. Fries, and Mark L. Schneider, each one of our named executive officers, and by Ms. Wildes, one of our directors, includes interests in shares held by the trustee of our defined contribution 401(k) plan, or the "401(k) Plan" as of December 31, 2001. The shares held by the trustee of our 401(k) Plan for the benefit of these persons are voted at the discretion of the trustee.

Certain Founders are deemed to have beneficial ownership of other Founders' voting securities under a Founders Agreement dated as of January 30, 2002 (the "Founders Agreement"), which provides that the parties thereto will vote their shares in favor of the election of four directors nominated by four of the Founders.

Beneficial Ownership

	Class A Common Stock		Class B Common Stock		Class C Common Stock	
Beneficial Owner	**Number of Shares**	**Percent of Number of Shares(1)**	**Number of Shares**	**Percent of Number of Shares(1)**	**Number of Shares**	**Percent of Number of Shares(1)**
Gene W. Schneider(2)(13)	6,043,390	5.5%	5,216,728	5.9%	–	–
Robert R. Bennett	100,000	*	–	–	–	–
Albert M. Carollo(3)(13)	334,503	*	222,420	2.5%	–	–
John P. Cole(4)	252,635	*	–	–	–	–
Michael T. Fries(5)(13)	666,762	*	91,580	1.0%	–	–
Gary S. Howard	–	–	–	–	–	–
John C. Malone(6)	72,083	*	–	–	–	–
John F. Riordan(7)	1,306,818	1.2%	410,000	4.6%	–	–
Curtis W. Rochelle(8)(13)	2,427,525	2.3%	2,019,508	2.3%	–	–
Mark L. Schneider(9)(13)	405,270	*	170,836	1.9%	–	–
Tina M. Wildes(10)(13)	660,068	*	16,956	*	–	–
Charles H. R. Bracken	–	–	–	–	–	–
All directors and executive officers as a group	12,655,487	11.0%	7,515,360	84.7%	–	–
Liberty Media Corporation(11)	304,301,512	74.7%	303,123,542	97.2%	303,123,542	100%
Founders(12)(13)	11,333,862	9.9%	8,870,332	100%	–	–
AXA Financial, Inc., Mutuelles AXA as a group, AXA and their subsidiaries(14)	8,635,521	8.3%	–	–	–	–
Capital Research and Management Company(15)	11,546,120	11.1%	–	–	–	–
Gabelli Group(16)	6,307,141	6.1%	–	–	–	–
Smith Barney Fund Management LLC ("SB Fund") and parent entities(17)	8,442,556	8.1%	–	–	–	–

* Less than 1%.

(1) The figures for the percent of number of shares are based on 104,101,643 shares of United Class A common stock (after elimination of shares of United held by its subsidiaries), 8,870,332 shares of United Class B common stock and 303,123,542 shares of United Class C common stock, respectively, outstanding on January 30, 2002.

(2) Includes 816,493 shares of United Class A common stock that are subject to presently exercisable options and 4,345 shares of United Class A common stock held by the trustee of United's 401(k) Plan for the benefit of Mr. Schneider. Also includes 4,806,728 shares of United Class B common stock of which 3,063,512 shares are owned by the G. Schneider Holdings Co. In addition, includes 410,000 shares of United Class B common stock held by the MLS Family Partnership LLLP, or the "MLS Partnership," of which Mr. Schneider is a co-trustee of the trust that is the general partner of the MLS Partnership.

(3) Includes 112,083 shares of United Class A common stock that are subject to presently exercisable options and 222,420 shares of United Class B common stock owned by the Carollo Company, a general partnership of which Mr. Carollo is the general partner.

(4) Includes 113,541 shares of United Class A common stock that are subject to presently exercisable options.

(5) Includes 414,208 shares of United Class A common stock that are subject to presently exercisable options and 4,048 shares of United Class A common stock held by the trustee of United's 401(k) Plan for the benefit of Mr. Fries. Also includes 140,792 shares of United Class A common stock and 91,580 shares of United Class B common stock owned by The Fries Family Partnership LLLP, or the "Fries Partnership," of which a trust is the general partner and the trustee of said trust can be replaced by Mr. Fries.

(6) Includes 72,083 shares of United Class A common stock that are subject to presently exercisable options.

(7) Includes 114,635 shares of United Class A common stock that are subject to presently exercisable options and 748,903 shares of United Class A common stock owned by Riordan Communications Limited, a corporation held by a discretionary trust for the benefit of Mr. Riordan and his immediate family. Mr. Riordan is a director of the corporation. Also includes 410,000 shares of United Class B common stock held by the MLS Partnership of which Mr. Riordan is a co-trustee of the trust that is the general partner of the MLS Partnership.

(8) Includes 112,083 shares of United Class A common stock that are subject to presently exercisable options. Also includes 222,368 shares of United Class B common stock and 142,134 shares of United Class A common stock owned by the Marian H. Rochelle Revocable Trust of which Mr. Rochelle's spouse Marian Rochelle is the trustee; 1,796,940 shares of United Class B common stock and 150,000 shares of United Class A common stock owned by the Rochelle Limited Partnership of which the Curtis Rochelle Trust is the general partner and Mr. Rochelle is the trustee of said Trust; and 4,000 shares of Class A common stock owned by K&R Enterprises or which Mr. Rochelle is a director and greater than 10% stockholder. Mr. Rochelle disclaims beneficial ownership of the securities held by K&R Enterprises, except to the extent of his pecuniary interest therein.

(9) Includes 107,848 shares of United Class A common stock that are subject to presently exercisable options and 2,268 shares of United Class A common stock held by the trustee of United's 401(k) Plan for the benefit of Mr. Schneider. Also includes 170,736 shares of United Class B common stock owned by Mr. Schneider.

(10) Includes 177,636 shares of United Class A common stock that are subject to presently exercisable stock options. Also includes 16,956 shares of United Class B common stock owned by Ms. Wildes, 400,000 shares of United Class B common stock held by The Gene W. Schneider Family Trust of which Ms. Wildes is a trustee and a beneficiary, and the following securities owned by her spouse: 26,000 shares of United Class A common stock, 2,525 shares of United Class A common stock held by the trustee of United's 401(k) Plan and 12,333 shares of United Class A common stock that are subject to presently exercisable stock options. Ms. Wildes disclaims beneficial ownership of such shares owned by her spouse and the shares held by The Gene W. Schneider Family Trust, except to the extent of her pecuniary interest therein.

(11) Includes 303,123,542 shares of United Class C common stock owned by Liberty that may be converted into Class A common stock or Class B common stock, as the case may be, in accordance with the terms of the Class C common stock as more fully described in "Description of Capital Stock-Certain Other Rights of Holders of Class C Common Stock" below. The address of Liberty is 12300 Liberty Boulevard, Englewood, Colorado 80112. Robert R. Bennett, Gary S. Howard and John C. Malone, all directors of United, are also officers and directors of Liberty.

(12) The Founders are: Albert M. Carollo, Sr., Carollo Company, Albert & Carolyn Company, James R. Carollo Living Trust, John B. Carollo Living Trust, Michael T. Fries, Kathleen Jaure, April Brimmer Kunz, Curtis Rochelle, Rochelle Limited Partnership, Marian Rochelle, Marian H. Rochelle Revocable Trust (the "MHR Trust"), Jim Rochelle, Gene W. Schneider, G. Schneider Holdings Co., Mark L. Schneider, the Fries Partnership, The Gene W. Schneider Family Trust (the "GWS Trust"), the MLS Partnership and Tina M. Wildes. Each of such Founder beneficially owns (assuming conversion of Class B Stock for Class A Stock and the exercise of options for Class A Stock) the number and percentage of Class A Stock indicated below (in each case after elimination of United shares held by its subsidiaries)

- Albert M. Carollo: 334,503 shares, which represents less than 1% of outstanding United Class A common stock; includes 222,420 owned by Carollo Company;
- Carollo Company: 222,420 shares, which represents less than 1% of outstanding United Class A common stock;

- Albert & Carolyn Company: 222,412 shares, which represents less than 1% of outstanding United Class A common stock;
- James R. Carollo Living Trust: 222,412 shares, which represents less than 1% of outstanding United Class A common stock;
- John B. Carollo Living Trust: 111,200 shares, which represents less than 1% of outstanding United Class A common stock;
- Michael T. Fries: 666,762 shares, which represents less than 1% of outstanding United Class A common stock; includes 232,372 shares owned by the Fries Partnership;
- The Fries Partnership: 232,372 shares, which represents less than 1% of outstanding United Class A common stock;
- Curtis Rochelle: 2,063,023 shares, which represents 1.8% of outstanding United Class A common stock; includes 1,946,940 owned by the Rochelle Limited Partnership and 4,000 shares owned by K & R Enterprises, a corporation;
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Rochelle Limited Partnership: 1,946,940 shares, which represents 1.7% of outstanding United Class A common stock;

- Marian Rochelle: 368,502 shares, which represents less than 1% of outstanding United Class A common stock; includes 364,502 owned by the MHR Trust and 4,000 shares owned by K & R Enterprises, a corporation;
- MHR Trust: 364,502 shares, which represents less than 1% of outstanding United Class A common stock;
- Jim Rochelle: 66,912 shares, which represents less than 1% of outstanding United Class A common stock;
- Kathleen Jaure: 76,912 shares, which represents less than 1% of outstanding United Class A common stock;
- April Brimmer Kunz: 99,956 shares which represents less than 1% of outstanding United Class A common stock; includes 4,000 shares owned by K & R Enterprises, a corporation;
- Gene W. Schneider: 5,633,390 shares, which represents 5% of outstanding United Class A common stock; includes 3,063,512 owned by the G. Schneider Holdings Co.;
- G. Schneider Holdings Co.: 3,063,512 shares, which represents 2.7% of outstanding United Class A common stock;
- Mark L. Schneider: 405,270 shares, which represents less than 1% of outstanding United Class A common stock;
- The GWS Trust: 400,000 shares, which represents less than 1% of outstanding United Class A common stock;
- The MLS Partnership: 410,000 shares, which represents less than 1% of outstanding United Class A common stock;
- Tina M. Wildes: 260,608 shares, which represents less than 1% of outstanding United Class A common stock; includes 38,333 owned by her spouse.

(13) Albert M. Carollo, Sr., Carollo Company, Albert & Carolyn Company, and the John B. Carollo Living Trust each has its principal business office at 602 Broadway, Rock Springs, Wyoming 82901. The James R. Carollo Living Trust has its principal business office at Box 772870, Steamboat Springs, CO 80477. Curtis Rochelle, Rochelle Limited Partnership, Marian Rochelle and MHR Trust each has its principal business office at 2717 Carey Avenue, Cheyenne, Wyoming 82001. Gene W. Schneider, G. Schneider Holdings Co., Mark L. Schneider, the GWS Trust, the

MLS Partnership, Michael T. Fries, the Fries Partnership and Tina M. Wildes each has its principal business office at 4643 S. Ulster Street, Suite 1300, Denver, Colorado 80237. The address for Ms. K. Jaure is Box 321, Rawlins, Wyoming 82301. The address for Ms. A. Kunz is 6210 Brimmer Road, Cheyenne, Wyoming 82009. The address for Mr. J. Rochelle is Box 967, Gillette, Wyoming 82717.

(14) The number of shares of Class A common stock in the table is based upon Amendment No. 3 to the Schedule 13G dated February 12, 2001, filed by AXA Financial, Inc.; AXA Assurances I.A.R.D. Mutuelle, AXA Assurances Vie Mutuelle, AXA Conseil Vie Assurance Mutuelle and AXA Courtage Assurance Mutuelle (collectively "Mutuelles AXA") as a group; AXA and its subsidiaries, Alliance Capital Management L.P., ("Alliance") and The Equitable Life Assurance Society of the US ("Equitable") with respect to UGC Holdings. As a result of the merger, such shares are now shares of United Class A common stock. AXA Financial, Inc., Mutuelles AXA and AXA filed as parent holding companies and are beneficial owners of the shares of United Class A common stock as a result of Alliance, acting on behalf of client discretionary investment advisory accounts, and Equitable. The address of AXA Financial, Inc. is 1290 Avenue of the Americas, New York, NY 10104. The address of Mutuelles AXA is 370 Saint Honore, 75001 Paris, France and the address of AXA is 25 Avenue Matignon, 75008 Paris, France.

(15) The number of shares of United Class A common stock in the table is based upon a Schedule 13G dated February 9, 2001, filed by Capital Research and Management Company ("Capital Research") with respect to the Class A common stock of UGC Holdings. As a result of the merger, such shares are now shares of United Class A common stock. Capital Research, an investment advisor, is the beneficial owner of 11,546,120 shares of United Class A common stock, as a result of acting as investment advisor to various investments companies. The Schedule 13G reflects that Capital Research has no voting power over said shares and sole dispositive power over the shares of United Class A common stock. The address of Capital Research is 333 South Hope Street, Los Angeles, California 90071.

(16) The number of shares of Class A common stock in the table is based upon a Schedule 13D (Amendment No. 7) dated December 28, 2001, filed by Mario J. Gabelli, Marc J. Gabelli and various entities which either one directly or indirectly controls or for which either one acts as chief investment officer (collectively, the "Gabelli Group") with respect to Class A common stock of UGC Holdings. As a result of the merger, such shares are now shares of United Class A common stock. The Schedule 13D reflects that GAMCO Investors, Inc. has no voting power over 24,000 shares of United Class A common stock and under certain circumstances a committee of the Gabelli Funds LLC will vote its 1,743,000 shares of United Class A common stock. Except as stated below, for certain Gabelli Group members, the address of the Gabelli Group is One Corporate Center, Rye, NY 10580. The address of Gabelli Performance Partnership L.P., MJG Associates, Inc. and Gemini Capital Management LLC is 401 Theodora Fremd Ave., Rye, NY 10580. The address of Gabelli International Limited is c/o Fortis Fund Services (Cayman) Limited, Grand Pavilion, Commercial Centre, 802 West Bay Road, Grand Cayman, British West Indies and the address of Gabelli International II Limited is c/o Coutts & Company (Cayman) Limited, West Bay Road, Grand Cayman, British West Indies.

(17) The number of shares of Class A common stock in the table is based upon Amendment No. 1 to a Schedule 13G dated July 31, 2001, filed by SB Fund and its parent entities Salomon Smith Barney Holdings Inc. ("SSB Holdings") and Citigroup Inc. ("Citigroup") with respect to Class A common stock of UGC Holdings. As a result of the merger, such shares are now shares of United Class A common stock. Citigroup is the sole stockholder of SSB Holdings which is the sole stockholder of SB Fund. Citigroup and SSB Holdings filed as parent holding companies of subsidiaries. The address of SB Fund and SSB Holdings is 388 Greenwich Street, New York, NY 10013, and the address of Citigroup is 399 Park Avenue, New York, NY 10043.

No equity securities in any of our subsidiaries, including directors' qualifying shares, are owned by any of our executive officers or directors, except as stated below. The following discussion sets forth ownership information as of January 30, 2002 and within 60 days thereof with respect to stock options.

The following of our executive officers and directors own ordinary shares A, options to purchase ordinary shares A and phantom options based on ordinary shares A of UPC: (i) Mr. Gene W. Schneider — 98,000 ordinary shares A and phantom options based on 562,500 ordinary shares A of which all are exercisable; (ii) Mr. Fries — 9,153 ordinary shares A and phantom options based on 225,000 ordinary shares A of which 192,188 are exercisable; (iii) Mr. Mark L. Schneider — 2,015,000 ordinary shares A and options to purchase 3,500,000 ordinary shares A of which 1,729,166 are exercisable; (iv) Mr. Bracken — options to purchase 1,200,000 ordinary shares A of which 693,750 are exercisable; (v) Mr. Riordan — 908,754 ordinary shares A and options to purchase 1,759,375 ordinary shares A of which 838,541 are exercisable; (vi) Mrs. Wildes — 9,153 ordinary shares A and phantom options based on 153,000 ordinary shares A of which all are exercisable; (vii) Mr. Carollo — 30,000 ordinary shares A; (viii) Mr. Cole — 14,575 ordinary shares A; and (ix) Mr. Rochelle — 32,034 ordinary shares A. UPC may elect to pay phantom options in cash, in ordinary shares A of UPC, or in shares of our Class A common stock. In each case and as a group, the ownership is less than 1.0% of UPC's outstanding ordinary shares.

The following executive officers and directors beneficially own options to purchase ordinary shares of Austar United: (i) Mr. Gene W. Schneider — options to purchase 2,403,316 ordinary shares of which 2,136,903 are exercisable; (ii) Mr. Fries — options to purchase 6,529,285 ordinary shares of which 5,920,829 are exercisable; (iii) Mr. Riordan — options to purchase 50,000 ordinary shares of which 15,625 are exercisable; and (iv) Mrs. Wildes — options to purchase 706,288 ordinary shares of which 675,348 are exercisable. In each case and as a group, the ownership is less than 1.0% of Austar United's outstanding ordinary shares.

MANAGEMENT

Our Directors

We currently have 11 directors, with one vacancy. Holders of our Class A common stock and Class B common stock, voting as a single class, elect eight of our directors and holders of our Class C common stock have the right to elect the remaining four of our directors. We have a classified board of three classes, with each class having at least one member elected by the holders of our Class C common stock. Each director serves for a term ending on the date of the third annual stockholders' meeting after his or her election or until his or her successor shall have been duly elected and qualified. Holders of our Class C common stock, voting as a separate class, have the right to appoint four members, or the "Class C directors," to our 12 member board of directors. Holders of our Class C common stock have currently only appointed three out of such four members of our board of directors. Through their ownership of Class C common stock, Liberty and its affiliates control the appointment of the Class C directors. The other eight directors are appointed by the holders of the Class A common stock and Class B common stock voting as a single class. At such time as all the shares of Class C common stock have been converted to Class A common stock or Class B common stock, all 12 directors will be elected by Class A and B common stock voting as a single class.

Our board of directors consists of the following individuals:

United Class I Directors (term expires at annual meeting in 2003)	**United Class II Directors (term expires at annual meeting in 2004)**	**United Class III Directors (term expires at annual meeting in 2005)**
Gary S. Howard*	Robert R. Bennett*	John C. Malone*
John F. Riordan	Albert M. Carollo, Sr.	Gene W. Schneider
Tina M. Wildes	Curtis Rochelle	Michael T. Fries
Person to be named*	Mark L. Schneider	John P. Cole

* Directors elected by United Class C stockholders

Gene W. Schneider, 75, became Chairman and Chief Executive Officer of United on February 5, 2001. Mr. Schneider has served as Chairman of UGC Holdings since May 1989 and has served as Chief Executive Officer of that company since 1995. He also serves as an officer and/or director of various direct and indirect subsidiaries of United, including a director of Austar United since 1999; a director of ULA since 1998; and an advisor to the supervisory board of UPC since 1999. In addition, from 1995 until 1999, Mr. Schneider served as a member of the UPC Supervisory Board. Mr. Schneider has been with United and UGC Holdings since their inception. Mr. Schneider is also the Chairman of the Board for Advanced Displayed Technologies, Inc.

Robert R. Bennett, 43, became our director on January 30, 2002. He serves as an officer and/or director of various direct and indirect subsidiaries of Liberty, and he has served as the President and Chief Executive Officer of Liberty since 1997. Prior to being named President in 1997, Mr. Bennett served in numerous executive capacities at Liberty, including as principal financial officer. Mr. Bennett's directorships include: Liberty, USANi, LLC, Telewest Communications plc, Liberty Livewire Corporation, Liberty Satellite and Technology, Inc. or "LSAT," and Chairman of the Board of Liberty Digital, Inc.

Albert M. Carollo, 88, became our director on January 30, 2002 and has served as a director of UGC Holdings since 1993. Mr. Carollo is the Chairman of Sweetwater Television Co., a cable television company, and served as its President until 1997.

John P. Cole, Jr., 72, became our director on January 30, 2002. Mr. Cole became a director of UGC Holdings in 1998 and became a member of the UPC Supervisory Board in 1999. Mr. Cole is a principal of the law firm of Cole, Raywind and Braverman, a firm he founded in 1966, which specializes in all

aspects of telecommunications and media law. Over the years Mr. Cole has been counsel in many landmark proceedings before the U.S. Federal Communications Commission, reflecting the development of the cable television industry.

Michael T. Fries, 38, became our President and director on February 5, 2001. He became the Chief Operating Officer of United on September 10, 2001. Mr. Fries has also served as a director of UGC Holdings since November 1999 and as President and Chief Operating Officer of that company since 1998. In addition, he serves as an officer and/or director of various direct and indirect subsidiaries of United, including as a member of the UPC Supervisory Board since September 1998 and as Chairman thereof since 1999; Executive Chairman of Austar United since 1999; a member of the *Priority Telecom* Supervisory Board since November 2000; and President of ULA since 1998 and a director thereof since 1999. Through these positions, Mr. Fries is responsible for overseeing the day-to-day operations of United on a global basis and for the development of United's business opportunities worldwide. Mr. Fries has been with United since its inception and with UGC Holdings since 1990.

Gary Howard, 50, became our director on January 30, 2002. Mr. Howard has served as Executive Vice President and Chief Operating Officer of Liberty since 1998. He also serves as an officer and/or director of various direct and indirect subsidiaries of Liberty. From June 1997 to March 1999, Mr. Howard served as Chairman and Chief Executive Officer of United Video Satellite Group, now known as Gemstar-TV Guide International, Inc., and, during the past five years, he served, at different times, as Chief Executive Officer and President of LSAT. From December 1997 until March 1999, Mr. Howard served as President and Chief Executive Officer of TCI Ventures Group, a technology business development unit. Mr. Howard is a director of Liberty, LSAT, Liberty Livewire Corporation, Liberty Digital, Inc. and On Command Corporation.

John C. Malone, 61, became our director on January 30, 2002 and has served as a director of UGC Holdings since November 1999. He has served as Chairman of Liberty since 1990. From 1996 to 1999, Mr. Malone served as Chairman of Tele-Communications, Inc., or "TCI," and from 1994 to 1999, he served as Chief Executive Officer of TCI. Mr. Malone is also a director of Liberty Media Corporation, The Bank of New York, USANi, LLC and Cendant Corporation.

John F. Riordan, 59, became our director on January 30, 2002. Mr. Riordan served as a director of UGC Holdings from 1998 until January 30, 2002 and has served on UPC's Board of Management since September 1998 as President of UPC since June 1999 and as Chief Executive Officer since September 2001. Mr. Riordan is also a director and officer of various subsidiaries of UPC, including a member of the Supervisory Board of *Priority Telecom* since November 2000. He has also been a director of Austar United since June 1999. From March 1998 to June 1999, Mr. Riordan served as Executive Vice President of UPC and from September 1998 to June 1999, he also served as President of Advanced Communications for UPC. Prior to joining UPC, Mr. Riordan served as Chief Executive Officer of Princess Holdings Ltd., a multi-channel television operating company in Ireland, since 1992.

Curtis W. Rochelle, 86, became our director on January 30, 2002 and has served as a director of UGC Holdings since April 1993. Mr. Rochelle is the owner of Rochelle Livestock and a private investor.

Mark L. Schneider, 46, became our director on January 30, 2002. Mr. Schneider has served as a director of UGC Holdings since April 1993, and has served as an executive officer thereof since August 2001. He served as the Chairman of the Management Committee of UPC from April 1997 until August 2001. Mr. Schneider also has served as a member of the Supervisory Board of *Priority Telecom* since July 2000. From April 1997 to September 1998, he served as President of UPC and from September 1998 until August 2001, he served as Chief Executive Officer of UPC. From May 1996 to December 1996 he served as the Chief of Strategic Planning and Operations Oversight for UGC Holdings and from December 1996 until December 1999 he served as an Executive Vice President of that company. Mr. Schneider is Director of Advanced Display Technologies, Inc. and of SBS Broadcasting S.A.

Tina M. Wildes, 41, became our director on January 30, 2002. She has served as a director of UGC Holdings since November 1999. Except for one year during which Ms. Wildes served as a consultant to UGC Holdings, she has also served as Senior Vice President of Business Administration of that company since May 1998. In addition, Ms. Wildes has served as a member of the Supervisory Board of UPC since February 1999. From October 1997 until May 1998, Ms. Wildes served as Senior Vice President of Programming for UGC Holdings, providing oversight of that company's programming operations for various European subsidiaries. Ms. Wildes has been with UGC Holdings since 1989.

Gene W. Schneider is the father of Mark L. Schneider and Tina M. Wildes, who are brother and sister. No other family relationships exist between any other named executive officer or director of United.

Board Committees

Our board of directors has an audit committee and a compensation committee. We do not have a standing nomination committee of the board of directors.

Audit Committee. The audit committee operates under a charter substantially identical to the charter adopted by UGC Holdings' board of directors in May 2000. The members of the audit committee are Messrs. Carollo, Cole and Rochelle, all of whom are independent as required by the audit committee charter and the listing standards of the National Association of Securities Dealers. The audit committee is charged with reviewing and monitoring our financial reports and accounting practices to ascertain that they are within acceptable limits of sound practice, to receive and review audit reports submitted by our independent auditors and to make such recommendations to the board of directors as may seem appropriate by the audit committee to assure that our interests are adequately protected and to review all related party transactions and potential conflict-of-interest situations.

Compensation Committee. The members of the compensation committee consist of all outside directors. The members of the Compensation Committee are Messrs. Bennett, Carollo, Cole, Howard, Malone and Rochelle. The committee administers our employee stock option plans, and in this capacity approves all option grants to executive officers and management. The committee also makes recommendations to the board of directors with respect to the compensation of the Chairman of the Board and Chief Executive Officer and approve the compensation paid to other senior executives.

Executive Officers

The following lists our executive officers. Messers Riordan and Bracken are not officers of United but are officers of our significant subsidiaries. All our officers are appointed for an indefinite term, serving at the pleasure of the board of directors.

Name	Age
Gene W. Schneider	75
Michael T. Fries	38
Mark L. Schneider	46
John F. Riordan	59
Charles H.R. Bracken	35

Charles H.R. Bracken became a member of UPC's Board of Management in July 1999 and a member of *Priority Telecom's* Supervisory Board in July 2000. Mr. Bracken has been the Chief Financial Officer of UPC since November 1999. From March 1999 to November 1999, Mr. Bracken served as Managing Director of Strategy, Acquisitions and Corporate Development of UPC. From 1994 until joining UPC, he held a number positions at Goldman Sachs International in London, most recently as Executive Director, Communications, Media and Technology. While at Goldman Sachs International, he was responsible for providing merger and corporate finance advice to a number of communications companies, including UPC.

Senior Management

The following lists other officers who are not executive officers of United but who make significant contributions to United and its subsidiaries.

James Clark became Vice President, Regional Operations of UGC Holdings, Inc., on May 1, 1999, where he oversees all operations in Asia/Pacific and Latin America. Mr. Clark has also served as a Vice President of Asia/Pacific since August 1999 and of ULA since June 1999. Prior to his current positions he served as the Regional Manager for Austar Entertainment Pty Limited ("Austar") from 1997 to May 1999. From January 1996 to 1997, Mr. Clark served as Satellite Operations Manager at Austar where he was responsible for launching direct broadcast satellite service in rural Australia.

Valerie L. Cover became a Vice President for United in February, 2001 and the Controller for United in September 2001. She has served as Controller for UGC Holdings since October 1990 and as Vice President of that company since December 1996. Ms. Cover is responsible for the accounting, financial reporting and information technology functions of United and UGC Holdings. She has also served as a Vice President and Controller for Asia/Pacific since January 1997. Ms. Cover has been with United since inception, and with UGC Holdings since 1990.

John C. Porter became the Chief Executive Officer and a director of Austar United in June 1999. He served as a Managing Director of Austar from July 1997 to December 1999. In these positions, Mr. Porter is senior operating liaison for telecommunications projects in the Asia/Pacific region. From January 1997 to August 1999, he also served as the Chief Operating Officer of Asia/Pacific. From 1995 until January 1997, Mr. Porter served as the Chief Operating Officer for Austar, where he was responsible for the design and deployment of that company's multi-channel multi-point distribution system/satellite/cable television network. Mr. Porter has been with UGC Holdings since 1995.

Ellen P. Spangler became Senior Vice President of Business and Legal Affairs and Secretary of United in September 2001. She has served as Senior Vice President of Business and Legal Affairs and Secretary of UGC Holdings since December 1996 and as a member of the Supervisory Board of UPC since February 1999. Ms. Spangler is responsible for the legal operations of United and UGC Holdings. Ms. Spangler has been with UGC Holdings since 1991.

Blas Tomic became the President of VTR in April 1999. From 1994 to 1999, Mr. Tomic served as Executive Member of the board of VTR, Cia. Nacional de Teléfonos and Cia. Teléfonos de Coyhaique S.A. During 1996 and 1997, Mr. Tomic served as Executive Member of the board of CTC-VTR Comunicaciones Móviles S.A. Mr. Tomic has also represented the Government of Chile, Ministry of Finance, in the United States and served as executive director of, and Chilean representative at, the Inter-American Development Bank.

Frederick G. Westerman III became Chief Financial Officer of United in September 2001. He has served as Chief Financial Officer of UGC Holdings since June 1999. His responsibilities include oversight and planning of United's financial and treasury operations. He also serves as an officer and/or director of various subsidiaries, including a director, Vice President and Treasurer of UAP and a Vice President and Treasurer of Asia/Pacific and of ULA. From December 1997 to June 1999, Mr. Westerman served as Treasurer for EchoStar Communications Corporation where he was responsible for oversight of the company's treasury operations as well as investor relations and corporate budgeting. From June 1993 to September 1997, Mr. Westerman served as Vice President of Equity Research for UBS Securities LLC (a subsidiary of Union Bank of Switzerland) where he was responsible for research coverage of cable television, satellite communications and media and entertainment industries.

Tina M. Wildes became our director on January 30, 2002. She has served as a director of UGC Holdings since November 1999. Except for one year during which Ms. Wildes served as a consultant to UGC Holdings, she has also served as Senior Vice President of Business Administration of that company since May 1998. In addition, Ms. Wildes has served as a member of the Supervisory Board of UPC since February 1999. From October 1997 until May 1998, Ms. Wildes served as Senior Vice President of Programming for UGC Holdings, providing oversight of that company's programming operations for various European subsidiaries. Ms. Wildes has been with UGC Holdings since 1989.

EXECUTIVE COMPENSATION

Since inception, United has paid no separate compensation to its officers. All of the officers of United are employed by UGC Holdings or its significant subsidiaries. The following table sets forth the aggregate annual compensation for United's Chief Executive Officer and each of the four other most highly compensated executive officers for services rendered during the fiscal years ended December 31, 2000 and December 31, 1999, and the ten months ended December 31, 1998 ("Fiscal 2000," "Fiscal 1999" and "Fiscal 1998," respectively). In February 1999, the board of directors approved a change in United's fiscal year end from the last day in February to December 31, commencing December 31, 1998. As a result, the information in the table for Fiscal 1998 reflects only the 10-month period of March 1, 1998 through December 31, 1998. In addition, the information in this section reflects compensation received by the named executive officers for all services performed for United and its subsidiaries.

Summary Compensation Table

		Annual Compensation			Long-Term Compensation	
Name and Principal Position	Year	Salary($)	Bonus($)	Other Annual Compensation(1)	Securities Underlying Options(#)(2)	All Other Compensation($)
Gene W. Schneider Chairman of the Board, President (until 9/98) and Chief Executive Officer	2000 1999 1998	$ 558,413 $ 498,548 $ 375,000	$ – $ – $ –	$ – $ – $ 5,793(6)	100,000(3) 2,568,839(5) 762,500(7)	$ 6,371(4) $ 6,155(4) $ 4,327(4)
Michael T. Fries President (from 9/98) and Senior Vice President (until 9/98) (until 9/98)	2000 1999 1998	$ 448,173 $ 332,365 $ 250,000	$ – $ – $ 275,000(11)	$ 2,714(6) 4,497(6) 217(6)	200,000(8) 6,204,285(10) 725,000(12)	$ 6,371(9) $ 6,155(9) $ 4,309(9)
Mark L. Schneider Office of Chairman (from 8/01); Chief Executive Officer, UPC (until 8/01); Executive Vice President (until 12/99)	2000 1999 1998	$ 516,585 $ 415,421 $ 301,923	$ – $ – $ –	$ 136,772(13) 113,815(16) 112,699(18)	300,000(14) 258,419(17) 2,925,000(19)	$ 6,356(15) $ 6,140(15) $ 5,412(15)
John F. Riordan Chief Executive Officer, UPC (from 9/01); President, UPC (from 6/99) and Executive Vice President, UPC (until 6/99)	2000 1999 1998	$ 493,350 $ 336,599(22) $ 251,507(22)	$ – $ – $ –	$ 57,598(20) 31,008(23) 40,000(23)	200,000(21) 300,000(24) 1,675,000(26)	$ – $ 25,420(25) $ –
Charles H.R. Bracken Chief Financial Officer, UPC (from 11/99) and Managing Director, UPC (from 3/99 to 11/99)	2000 1999	$ 409,683 $ 316,665(27)	$ – $ –	$ 14,819(28) 13,544(28)	– 775,000(29)	$ 29,166(30) $ 21,091(30)

(1) With respect to U.S. employees on foreign assignment, United tax equalizes them for taxes due at the foreign location and in the U.S. When such tax equalization results in a net payment by United for the employee in a particular year, it will be included in "Other Annual Compensation" and the benefit will be so noted in a footnote for such employee.

(2) The number of shares underlying options have been adjusted for (i) United's 2-for-1 stock split on November 30, 1999, (ii) the relinquishment of options under UAP's phantom stock option plan in exchange for options under the Austar United Executive Share Option Plan (the "Austar United Plan") in July 1999, and (iii) UPC's 3-for-1 stock split on March 20, 2000.

(3) Pursuant to the ULA Stock Option Plan, Mr. Schneider was granted phantom options based on 100,000 shares of ULA Class A common stock on December 6, 2000.

(4) Amounts consist of matching employer contributions made by United under the 401(k) Plan of $5,100, $4,800, and $3,734 for Fiscal 2000, Fiscal 1999 and Fiscal 1998, respectively, with the remainder consisting of term life insurance premiums paid by United for Mr. Schneider's benefit.

(5) Pursuant to United's Employee Plan, Mr. Schneider was granted options to acquire 290,523 shares of Class A common stock on December 17, 1999. Pursuant to the Austar United Plan, Mr. Schneider was granted options to acquire 2,153,316 ordinary shares of Austar United on July 20, 1999. Pursuant to the *chello broadband* Phantom Stock Option Plan, Mr. Schneider was granted phantom options based on 125,000 ordinary shares of *chello broadband* on June 11, 1999.

(6) Represents the value of the personal use of United's airplane.

(7) Pursuant to the Employee Plan, Mr. Schneider was granted options to acquire 200,000 shares of Class A common stock on October 8, 1998. Pursuant to the UPC Phantom Stock Option Plan, Mr. Schneider was granted phantom options based on 562,500 ordinary shares A of UPC on September 24, 1998.

(8) Pursuant to the ULA Stock Option Plan, Mr. Fries was granted phantom options based on 200,000 shares of ULA Class A common stock on December 6, 2000.

(9) Amounts consist of matching employer contributions made by United under United's 401(k) Plan of $5,100, $4,800 and $3,616 for Fiscal 2000, Fiscal 1999 and Fiscal 1998, respectively, with the remainder consisting of term life insurance premiums paid by United for Mr. Fries' benefit.

(10) Pursuant to the Employee Plan, Mr. Fries was granted options to acquire 100,000 shares of Class A common stock on December 17, 1999. Pursuant to the Austar United Plan, Mr. Fries was granted options to acquire 6,029,285 ordinary shares of Austar United on July 20, 1999. Pursuant to the *chello broadband* Phantom Stock Option Plan, Mr. Fries was granted phantom options based on 75,000 ordinary shares of *chello broadband* on June 11, 1999.

(11) Includes a $25,000 moving allowance when Mr. Fries was relocated from United's Australia offices back to its principal office in Denver, Colorado.

(12) Pursuant to the Employee Plan, Mr. Fries was granted options to acquire 200,000 shares of Class A common stock on September 18, 1998. Pursuant to the UPC Phantom Stock Option Plan, Mr. Fries was granted phantom options based on 225,000 ordinary shares A of UPC on September 24, 1998. Pursuant to the ULA Stock Option Plan, Mr. Fries was granted phantom options based on 300,000 shares of ULA Class A common stock on September 18, 1998.

(13) Includes $21,270, which represents the value of the personal use of UPC's airplane based on the Standard Industry Fare Level method for valuing flights for personal use. Also includes payments related to foreign assignment consisting of a housing allowance of $114,507 and tax preparation fees.

(14) Pursuant to the Employee Plan, Mr. Schneider was granted options based on 300,000 shares of Class A common stock on December 6, 2000.

(15) Amounts consist of matching employer contributions made by UGC Holdings under the 401(k) Plan of $5,100, $4,800, and $4,800 for Fiscal 2000, Fiscal 1999, and Fiscal 1998, respectively, with the remainder consisting of term life insurance premiums paid by UGC Holdings for Mr. Schneider's benefit.

(16) Includes $4,430, which represents the value of Mr. Schneider's personal use of UGC Holdings' airplane, and includes payments related to foreign assignment consisting of a housing allowance of $109,385.

(17) Pursuant to the Employee Plan, Mr. Schneider was granted options to acquire 8,419 shares of Class A common stock on December 17, 1999, and pursuant to the *chello broadband* Stock

Option Plan, Mr. Schneider was granted options to acquire 250,000 ordinary shares of *chello broadband* on March 26, 1999.

(18) Includes $723, which represents the value of Mr. Schneider's personal use of UGC Holdings' airplane, and includes payments related to foreign assignment consisting of a housing allowance of $111,976.

(19) Pursuant to UPC's Stock Option Plan, Mr. Schneider was granted options to acquire 2,925,000 ordinary shares of UPC on September 24, 1998.

(20) Includes $19,110, which represents of the value of the personal use of UGC Holdings' airplane based on the Standard Industry Fare Level method for valuing flights for personal use. Also includes $38,488, which represents monthly payments for the housing allowance provided by UPC.

(21) Pursuant to the Employee Plan, Mr. Riordan was granted options based on 200,000 shares of Class A common stock on December 6, 2000.

(22) For Fiscal 1998, represents monthly consulting fees paid to Mr. Riordan and for Fiscal 1999 includes consulting fees paid to Mr. Riordan in January through March 1999. Mr. Riordan became an employee of UPC on April 1, 1999.

(23) Consists of monthly payments for the housing allowance provided by UPC.

(24) Pursuant to the *chello broadband* Stock Option Plan, Mr. Riordan was granted options to acquire 300,000 ordinary shares of *chello broadband* on March 26, 1999.

(25) Includes pension contributions made by UPC for Fiscal 1999.

(26) Pursuant to the Employee Plan, Mr. Riordan was granted options to acquire 100,000 shares of Class A common stock on October 8, 1998, and pursuant to UPC's Stock Option Plan, he was granted options to acquire 1,575,000 ordinary shares A of UPC on September 24, 1998.

(27) Mr. Bracken commenced his employment with UGC Holdings in March 1999. Accordingly, the salary information included in the table represents only ten months of employment during Fiscal 1999.

(28) Consists of car allowance provided by UPC.

(29) Pursuant to the UPC Stock Option Plan, Mr. Bracken was granted options to acquire 750,000 ordinary shares A of UPC on March 25, 1999, and pursuant to the chello broadband Phantom Stock Option Plan, Mr. Bracken was granted phantom options based on 25,000 ordinary shares of chello broadband on December 17, 1999.

(30) Includes $19,147 of pension contributions made by UPC for Fiscal 1999, and $25,308 of pension contributions made by UPC for fiscal 2000, with the remainder consisting of health, life and disability insurance payments.

The following table sets forth information concerning options granted to each of the executive officers named in the Summary Compensation Table above during Fiscal 2000. The table sets forth information concerning options to purchase shares of Class A common stock, ordinary shares A of UPC, ordinary shares of Austar United, ordinary shares of *chello broadband* and shares of ULA Class A common stock granted to such officers in Fiscal 2000.

Option Grants in Last Fiscal Year(1)

	Individual Grants					Potential Realizable Value at Assumed Annual Rate of Stock Price Appreciation for Option Term(2)		
	Number of Securities Underlying Options Granted(#)	Percentage of Total Options Granted to Employees in Fiscal Year(3)	Exercise Price ($/Sh)	Market Price on Grant Date	Expiration Date	0%($)	5%($)	10%($)
Gene W. Schneider								
ULA Shares	100,000(3)	15.87%	$ 19.23	$ 19.23(4)	12/06/10	–	$ 1,209,364	$ 3,064,767
Michael T. Fries								
ULA Shares	200,000(3)	31.75%	$ 19.23	$ 19.23(4)	12/06/10	–	$ 2,418,729	$ 6,129,534
Mark L. Schneider								
Class A Common Stock	272,996(5)	21.10%	$ 14.8125	$ 14.8125	12/06/10	–	$ 2,543,095	$ 6,444,701
Class A Common Stock	27,004(5)	2.08%	$ 16.2938	$ 14.8125	12/06/05	–	$ 70,511	$ 204,201
John F. Riordan								
Class A Common Stock	200,000(5)	15.46%	$ 14.8125	$ 14.8125	12/06/10	–	$ 1,863,100	$ 4,721,462
Charles H. R. Bracken								
Class A Common Stock	–	–	–	–	–	–	–	–

(1) Except as otherwise noted, all the stock options and phantom options granted during Fiscal 2000 vest in 48 equal monthly increments following the date of the grant. Vesting of the options granted would be accelerated upon a change of control of United as defined in the respective option plans.

(2) The potential gains shown are net of the option exercise price and do not include the effect of any taxes associated with exercise. The amounts shown are for the assumed rates of appreciation only, do not constitute projections of future stock price performance and may not necessarily be realized. Actual gains, if any, on stock option exercises depend on the future performance of the underlying securities of the respective options, continued employment of the optionee through the term of the options and other factors.

(3) Upon exercise, ULA may pay these phantom options in cash, shares of Class A common stock of United or, if publicly traded, its shares of Class A common stock.

(4) Market price based on fair market value of ULA shares of common stock as determined by its board of directors at the time of grant.

(5) Options vest as to 1/8th of the shares six months after grant date and thereafter in 42 equal monthly increments.

The following table sets forth information concerning the exercise of options and concerning unexercised options held by each of the executive officers named in the Summary Compensation Table above as of the end of Fiscal 2000.

Aggregated Option Exercises in Last Fiscal Year and FY-End Option Values

Name	Shares Acquired on Exercise(#)	Value Realized($)	Number of Securities Underlying Unexercised Options at FY-End(#)(1)		Value of Unexercised In-the-Money Options at FY-End($)(2)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Gene W. Schneider						
Class A common stock	–	–	753,421	241,666(3)	$ 5,655,015	$ 847,959
UPC Shares(3)	–	–	515,625	46,875	$ 4,532,043	$ 412,004
Austar United Shares	–	–	1,635,345	517,971	A$ 588,724	A$ 186,470
ULA common stock(4)	–	–	109,375	115,625	$ 1,637,344	$ 233,906
chello Shares(5)	–	–	46,875	78,125	E 558,964	E 931,607
Michael T. Fries						
Class A common stock	140,792(6)	$ 5,060,616(6)	326,708	162,500(3)	$ 2,414,690	$ 738,281
UPC Shares(3)	–	–	121,875	103,125	$ 1,043,989	$ 883,375
Austar United Shares	–	–	4,578,964	1,450,321	A$ 1,648,427	A$ 522,116
ULA common stock(4)	–	$ 1,665,625	6,250	331,250	$ 64,063	$ 1,345,313
chello Shares(5)	–	$ 654,425	9,275	46,875	E 110,600	E 558,964
Mark L. Schneider						
Class A common stock	–	–	43,878	300,000	$ 297,727	$ –
UPC Shares	–	–	2,681,250	243,750	$ 23,566,623	$ 2,142,420
chello Shares	88,541	$ 3,073,922	20,834	140,625	E 248,436	E 1,676,892
John F. Riordan						
Class A common stock	33,280	$ 3,356,078	20,886	245,834	$ 197,763	$ 433,988
UPC Shares	1,115,625	$ 45,251,647	328,125	131,250	$ 2,884,027	$ 1,153,611
chello Shares			131,250	168,750	E 1,565,099	E 2,012,270
Charles H.R. Bracken						
Class A common stock	–	–	–	–	–	–
UPC Shares	–	–	328,125	421,875	$ 456,069	$ 586,375
chello Shares	–	–	6,250	18,750	E 62,103	E 236,011

(1) The number of securities underlying options have been adjusted to reflect UGC Holdings' 2-for-1 stock split on November 30, 1999, the relinquishment of options under UAP's phantom stock option plan in exchange for options under the Austar United Plan in July 1999, and UPC's 3-for-1 stock split on March 20, 2000.

(2) The value of the options reported above is based on the following December 31, 2000 closing prices: $13.625 per share of Class A common stock as reported by NASDAQ; $10.50 per UPC ordinary A share (in the form of American Depositary Receipts) as reported by NASDAQ; and A$2.16 (US$1.21 based on a 1.7897 conversion rate on December 31, 2000) per Austar United ordinary share as reported by the Australian Stock Exchange Limited. In addition, the exercise prices for UPC options have been converted from euro to U.S. dollars based on a conversion rate of 1.0611 on December 31, 2000. The value for the phantom options of ULA is based on the fair market value of $19.23 per share as determined by the board of directors at or prior to December 31, 2000, and the value for the options of *chello broadband* is based on the fair market value of E21.00 per share (US$19.79 based on a conversion rate of 1.0611 on December 31, 2000) as determined by the Supervisory Board of *chello broadband*.

(3) Represents the number of shares underlying phantom stock options, which UPC may pay in cash or shares of Class A common stock of United or ordinary shares A of UPC, at its election upon exercise thereof.

(4) Represents the number of shares underlying phantom stock options, which ULA may pay in cash or shares of Class A common stock of United or, if publicly traded, shares of ULA, at its election upon exercise thereof.

(5) Represents the number of shares underlying phantom stock options, which *chello broadband* may pay in cash or shares of Class A common stock of United or ordinary shares of UPC or, if publicly traded, ordinary shares of *chello broadband*, at its election upon exercise thereof.

(6) Options exercised by the Fries Family Partnership LLLP, of which the general partner is a trust and the trustee of the trust may be replaced at Mr. Fries' option.

Executive Officer Agreements

Charles H.R. Bracken. On March 5, 1999, UPC entered into an Executive Service Agreement with Charles H.R. Bracken in connection with Mr. Bracken becoming the Managing Director of Development, Strategy and Acquisitions of UPC. Subsequently, Mr. Bracken became a member of the UPC Board of Management and Chief Financial Officer for UPC. Mr. Bracken's Executive Service Agreement is for a term expiring March 5, 2003. Under the Executive Service Agreement, Mr. Bracken's initial base salary is £250,000 per year. Such salary is subject to periodic adjustments and in January 2000 UPC adjusted Mr. Bracken's salary to £282,486 per year. In addition to his salary, Mr. Bracken received UPC options for 750,000 ordinary shares A (adjusted for UPC's 3-for-1 stock split) and participation in a pension plan. In addition to his salary, UPC provides a car to Mr. Bracken for his use valued at £8,400 per year.

The Executive Service Agreement may be terminated for cause by UPC. Also, UPC may suspend Mr. Bracken's employment for any reason. If his employment is suspended, Mr. Bracken will be entitled to receive the balance of payments due under the Executive Service Agreement until such Agreement is terminated. In the event Mr. Bracken becomes incapacitated, by reason of injury or ill-health for an aggregate of 130 working days or more in any 12-month period, UPC may discontinue future payments under the Executive Service Agreement, in whole or in part, until such incapacitation ceases.

Stock Option Plans

Employee Plan. On June 1, 1993, UGC Holdings' board of directors adopted the Employee Plan. The stockholders of UGC Holdings approved and ratified the Employee Plan, which is effective as of June 1, 1993. We adopted the Employee Plan incident to the merger. The Employee Plan provides for the grant of options to purchase shares of Class A common stock and up to 3,000,000 shares of Class B common stock to United's employees and consultants who are selected for participation in the Employee Plan. The Employee Plan is construed, interpreted and administered by United's Compensation Committee. The committee has discretion to determine the employees and consultants to whom options are granted, the number of shares subject to the options (subject to the 3,000,000 share limit on the number of shares of Class B common stock), the exercise price of the options (which may be below fair market value of the Class A or Class B common stock on the date of grant), the period over which the options become exercisable, the term of the options (including the period after termination of employment during which an option may be exercised), and certain other provisions relating to the options.

At September 30, 2001, UGC Holdings had options to purchase an aggregate of 4,865,147 shares of Class A common stock of UGC Holdings outstanding under the Employee Plan at exercise prices ranging from $2.2500 to $86.5000 per share; however, incentive options must be at least equal to fair market value of the Class A or Class B common stock on the date of grant (at least equal to 110% of fair market value in the case of an incentive option granted to an employee who owns common stock having more than 10% of the voting power). Following the merger, these options are now exercisable

for shares of our Class A and Class B common stock (subject to the 3,000,000 share limit on the number of shares of Class B common stock).

UPC Stock Option Plan. UPC adopted a Stock Option Plan on June 13, 1996, as amended, or the "UPC Plan." Under the UPC Plan, UPC's Supervisory Board may grant stock options to UPC employees. At September 30, 2001, UPC had options for approximately 25,531,230 total ordinary shares A outstanding under the UPC Plan. UPC may from time to time increase the number of shares available for grant under the UPC Plan. Options under the UPC Plan are granted at fair market value at the time of the grant unless determined otherwise by UPC's Supervisory Board.

All options are exercisable upon grant and for the next five years. In order to introduce the element of "vesting" of the options, the UPC Plan provides that the options are subject to repurchase rights reduced by equal monthly amounts over a "vesting" period of 36 months for options granted in 1996 and 48 months for all other options. If the employee's employment terminates other than in the case of death, disability or the like, all unvested options previously exercised must be resold to UPC at the original purchase price and all vested options must be exercised within 30 days of the termination date.

UPC Phantom Stock Option Plan. Effective March 20, 1998, UPC adopted a Phantom Stock Option Plan, or the "UPC Phantom Plan." Under the UPC Phantom Plan, UPC's Supervisory Board may grant employees the right to receive an amount in cash or stock, at UPC's option, equal to the difference between the fair market value of the ordinary shares A and the stated grant price for a specified number of phantom options. Through September 30, 2001, options based on approximately 3,391,012 ordinary shares remained outstanding. The phantom options have a four-year vesting period and vest 1/48th each month. The phantom options may be exercised during the period specified in the option certificate, but in no event later than 10 years following the date of the grant. Upon exercise of the phantom options, UPC may elect to issue such number of ordinary shares A or shares of Class A common stock as is equal to the value of the cash difference in lieu of paying the cash.

chello broadband Foundation Stock Option Plan. chello broadband adopted its Foundation Stock Option Plan, or the "*chello* Plan," on June 23, 1999. Under the *chello* Plan, *chello broadband's* Supervisory Board may grant stock options to employees subject to approval of *chello broadband's* priority shareholders. To date, *chello broadband* has granted options for 550,000 ordinary shares B under its Plan. Options under the *chello* Plan are granted at fair market value at the time of grant unless determined otherwise by its Supervisory Board. All the shares underlying the *chello* Plan are held by *Stichting Administratiekantoor chello broadband,* a stock option foundation, which administers the *chello* Plan. Each option represents the right to acquire from the foundation a certificate representing the economic value of one share.

All options are exercisable upon grant and for the next five years. In order to introduce the element of "vesting" of the options, the *chello* Plan provides that the options are subject to repurchase rights reduced by equal monthly amounts over a "vesting" period of 48 months following the date of grant. If the employee's employment terminates other than in the case of death, disability or the like, all unvested options previously exercised must be resold to the foundation at the original purchase price and all vested options must be exercised within 30 days of the termination date.

chello broadband Phantom Stock Option Plan. Effective June 19, 1998, *chello broadband* adopted its Phantom Stock Option Plan, or the "*chello* Phantom Plan." The *chello* Phantom Plan is administered by its Supervisory Board. The phantom options have a four-year vesting period and vest 1/48th each month and may be exercised during the period specified in the option certificate. All options must be exercised within 90 days after the end of employment. If such employment continues, all options must be exercised not more than 10 years following the effective date of grant. The *chello* Phantom Plan gives the employee the right to receive payment equal to the difference between the fair market value of a share and the exercise price for the portion of the rights vested. *chello broadband,* at its sole discretion, may make the required payment in cash, freely tradable shares of Class A common stock or UPC ordinary shares A, or, if *chello broadband*'s shares are publicly traded, its freely tradable ordinary

shares A. At September 30, 2001, options representing approximately 1,271,941 phantom shares remained outstanding.

Priority Telecom Stock Option Plan. In 2000, *Priority Telecom* adopted a stock option plan or the "*Priority Telecom* Plan" for its employees and those of its subsidiaries. There are approximately 20.0 million shares available for the granting of options under the *Priority Telecom* Plan, which are held by the *Priority Telecom* Foundation, which administers the *Priority Telecom* Plan. Each option represents the right to acquire from the *Priority Telecom* Foundation a certificate representing the economic value of one share. *Priority Telecom* appoints the board members of the *Priority Telecom* Foundation and thus controls the voting of the *Priority Telecom* Foundation's common stock. The options are granted at fair market value at the time of grant. The maximum term that the options can be exercised is five years from the date of grant. The vesting period for any new grants of options is four years, vesting in equal monthly increments. The *Priority Telecom* Plan provides that, in the case of a change of control, the acquiring company has the right to require *Priority Telecom* to acquire all of the options outstanding at the per share value determined in the transaction giving rise to the change of control. At September 30, 2001, approximately 439,865 (post-split) options were outstanding under the *Priority Telecom* Plan.

United Latin America Stock Option Plan. Effective June 6, 1997, ULA adopted a stock option plan for its employees, or the "ULA Plan." The ULA Plan permits grants of phantom stock options and incentive stock options. To date, only phantom stock options have been granted. The ULA Plan is administered by United's board of directors. The number of shares available for grant under the ULA Plan are 2,500,000. Phantom options may be granted for a term of up to 10 years and have a four-year vesting period and vest 1/48th each month. Upon exercise and at the sole discretion of ULA, the options may be awarded in cash or in shares of Class A common stock, or, if publicly traded, shares of ULA stock. If the employee's employment terminates other than in the case of death, disability or the like, all unvested options lapse and all vested options must be exercised within 90 days of the termination date. At September 30, 2001, approximately 1,167,285 options were outstanding under the ULA Plan.

VTR GlobalCom Phantom Stock Option Plan. Effective May 1, 1999 VTR adopted a stock option plan or the "VTR Plan." Under the VTR Plan, VTR's Board of Directors may grant stock options to purchase up to 1,505,000 shares of VTR's common stock. The options vest in equal monthly increments over a four-year period following the date of grant. Concurrent with approval of the VTR Plan, VTR's Board granted phantom stock options to certain employees which gives the employee the right with respect to vested options to receive a cash payment equal to the difference between the fair market value of a share of VTR stock and the option base price per share. The phantom options may be exercised during the period specified in the option certificate, but in no event later than 10 years following the date of grant. At September 30, 2001, approximately 716,593 options were outstanding under the VTR plan.

Compensation of Directors

We compensate our directors similarly to how UGC Holdings' directors have been compensated. We compensate our outside directors at $500 per month and $1,000 per board and committee meeting ($500 for certain telephonic meetings) attended. Directors who are also employees of United or UGC Holdings receive no additional compensation for serving as directors. We reimburse all of our directors for travel and out-of-pocket expenses in connection with their attendance at meetings of the board of directors. In addition, under the Stock Option Plan for Non-Employee Directors effective June 1, 1993, or the "1993 Director Plan," each non-employee director received options for 20,000 shares of UGC Holdings Class A common stock upon the effective date of the 1993 Director Plan or upon election to the board of directors, as the case may be. Options for UGC Holdings stock options granted under the 1993 Director Plan prior to the merger are now exercisable for shares of our stock since we assumed the 1993 Director Plan incident to the merger. Options for an aggregate of 960,000 shares of Class A

common stock may be granted under the 1993 Director Plan. As of September 30, 2001, under the 1993 Director Plan, UGC Holdings had granted options for an aggregate of 820,000 shares of Class A common stock, adjusted for stock splits in 1994 and in 1999. In addition, options for 171,667 shares had been cancelled, and 311,667 were available for future grants. Options granted under the 1993 Director Plan vest 25.0% on the first anniversary of the respective dates of grant

and thereafter in 36 equal monthly increments. Such vesting is accelerated upon a "change of control" of United. Upon becoming directors of United, each of Messrs. Bennett and Howard have been granted options to acquire an aggregate of 20,000 shares of our Class A common stock under the 1993 Director Plan.

The non-employee directors also participate in United's Stock Option Plan for Non-Employee Directors Plan effective March 20, 1998, or the "1998 Director Plan." Pursuant to the 1998 Director Plan, Messrs. Carollo, DeGeorge and Rochelle have each been granted options to acquire an aggregate of 40,000 shares of our Class A common stock. Messrs. Cole and Malone have each been granted options for an aggregate of 80,000 shares of our Class A common stock. All options under the 1998 Director Plan have been granted at the fair market value of the shares at the time of grant. Additional participation in the 1998 Director Plan is at the discretion of the board of directors. Options for an aggregate of 3,000,000 shares of Class A common stock may be granted under the 1998 Director Plan. At September 30, 2001, options for an aggregate of 420,000 shares of Class A common stock had been granted, adjusted for the two-for-one stock split in November 1999. In addition, options for 97,500 shares have been cancelled, and 677,500 shares are available for future grants. All options under the 1998 Director Plan vest in 48 equal monthly installments commencing the respective dates of grant. In December 2001, Messrs. Cole, Carollo, DeGeorge (a former director of UGC Holdings), Rochelle, and Malone each were granted an option for 100,000 shares of Class A common stock under the 1998 Director Plan. Upon becoming directors of United, each of Messrs. Bennett and Howard have been granted an aggregate of 80,000 shares of our Class A common stock under the 1998 Director Plan.

There are no other arrangements whereby any of United's directors received compensation for services as a director during Fiscal 2000 in addition to or in lieu of that specified by the aforementioned standard arrangement.

Compensation Committee Interlocks and Insider Participation

UGC Holdings' board of directors in April 1993 established the compensation committee composed of members of the board of directors who are not employees of UGC Holdings. In June 1997, the board of directors passed a resolution appointing all outside directors of UGC Holdings to be members of the committee. During Fiscal 2000, UGC Holdings committee consisted of Messrs. Carollo, Cole, DeGeorge, Malone, Rochelle and Henry P. Vigil (from his March 2000 appointment until his resignation in November 2001). Each of such committee members is not and has not been an officer of UGC Holdings or United or any of its subsidiaries. Incident to the merger, Messrs. Carollo, Cole, Malone and Rochelle were appointed to our compensation committee, in addition to Gary Howard and Robert R. Bennett. Mr. Fries, an executive officer and director of United, is a member of UPC's compensation committee and Mr. Riordan, an executive officer of UPC, is a member of United's board of directors. Except as stated in the foregoing sentence, none of the executive officers of United has served as a director or member of a compensation committee of another company that had an executive officer also serving as a director or member of United's compensation committee.

Limitation of Liability and Indemnification

Our certificate of incorporation eliminates the personal liability of our directors to us and our stockholders for monetary damages for breach of the directors' fiduciary duties in certain circumstances. Our certificate of incorporation and bylaws provide that we shall indemnify our officers and directors to the fullest extent permitted by law. We believe that such indemnification covers at least negligence and gross negligence on the part of indemnified parties.

During the past five years, neither the above named executive officers nor any director of United has had any involvement in such legal proceedings as would be material to an evaluation of his ability or integrity.

CERTAIN TRANSACTIONS

Subscription for UGC Holdings Series E Preferred Stock

On January 30, 2002, prior to the merger transaction, UGC Holdings issued 1,500 shares of its Series E preferred stock to each of Messers. Gene W. Schneider, Mark L. Schneider, Albert M. Carollo, Sr. and Curtis Rochelle for an aggregate purchase price of $3,000,000, paid for with $6,000 cash and promissory notes. In the merger transaction, all of the 1,500 shares of Series E preferred stock were converted into an aggregate of 1,500 shares of Class A common stock of UGC Holdings, as the surviving entity in the merger transaction.

Transactions with Liberty

The Merger Transaction. As a result of the merger transaction:

- Liberty received approximately 21.9 million shares of our Class C common stock in exchange for the approximately 9.9 million shares of UGC Holdings Class B common stock and approximately 12.0 million of the shares of UGC Holdings Class A common stock owned by Liberty prior to the merger;
- The Founders received approximately 8.9 million shares of our Class B common stock in exchange for an equal number of shares of UGC Holdings Class B common stock owned by them prior to the merger;
- UGC Holdings became our 99.5%-owned subsidiary;
- The holders of UGC Holdings Class A and Class B common stock outstanding prior to the merger acquired an equal number of shares of our common stock;
- The holders of UGC Holdings preferred stock, other than holders of UGC Holdings Series E preferred stock, received approximately 23.3 million shares of our Class A common stock which amount is equal to the number of shares of UGC Holdings Class A common stock such holders would have received had they converted the preferred stock immediately prior to the merger;
- Liberty has the right to elect four of our 12 directors;
- The Founders have the effective voting power to elect eight of our 12 directors;
- We will have the right to elect half of UGC Holdings' directors and four of the Founders, Gene W. Schneider, Mark L. Schneider, Albert M. Carollo, Sr. and Curtis Rochelle, have the right to elect the other half of UGC Holdings' directors;
- Liberty contributed the Belmarken Notes to us and, as a result, two of UGC Holdings' Dutch subsidiaries owe the amounts payable under such notes, which had an approximate accreted value of $891.7 million as of January 30, 2002, to us rather than to Liberty;
- Liberty contributed $200.0 million in cash to us;
- Liberty contributed to us the Liberty UPC Bonds and, as a result, UPC owes the obligations represented by approximately $1.435 billion and E263.1 million face amount of its senior notes and senior discount notes to us rather than to Liberty; and
- Liberty acquired approximately 281.3 million shares of our Class C common stock, all in exchange for $200.0 million in cash, Belmarken Notes and Liberty UPC Bonds.

Loan Transactions. On January 30, 2002, we acquired from Liberty approximately $751.2 million aggregate principal amount at maturity of the $10^3/4$% notes of UGC Holdings, as well as all of Liberty's interest in IDT United. The purchase price for the $10^3/4$% notes and Liberty's interest in IDT United was:

- our assumption of approximately $304.6 million of indebtedness owed by Liberty to UGC Holdings;
- cash in the amount of approximately $128.4 million; and
- a loan from LBTW in the amount of approximately $17.3 million.

Following January 30, 2002, LBTW loaned United Programming Argentina II, Inc. an additional $2,082,000, $6,696,000, $ 34,759,200 and $36,417,600, as evidenced by promissory notes dated January 31, 2002, February 1, 2002, February 4, 2002 and February 5, 2002, respectively. These notes accrue interest at 8% annually, compounded and payable quarterly, and each note matures on its first anniversary. We have used the proceeds of these loans to fund IDT United's purchase of additional $10^3/4$% notes tendered to IDT United, and in return, we received additional shares of preferred stock and promissory notes issued by IDT United.

United Class A Common Stock Purchase. On December 3, 2001, UGC Holdings issued 11,991,018 shares of Class A common stock to Liberty in consideration of $20.0 million of cash.

United Senior Secured Notes Tender Offer and Consent Solicitation. In January 2002, IDT United commenced a cash tender offer for all of the $1.375 billion $10^3/4$% notes of UGC Holdings. This tender offer expired at 5:00 p.m., New York City time, on February 1, 2002. Mellon Investor Services LLC, the depositary for the tender offer, has advised us that, as of the expiration of the tender offer, holders of the notes had validly tendered and not withdrawn notes representing $1,350,373,000 aggregate principal amount at maturity of the notes.

Stockholders Agreement

At the closing of the merger, Liberty and Liberty Global, Inc. (together with their permitted transferees, the "Liberty Parties") and certain Founders, including Gene W. Schneider, our Chief Executive Officer, Mark L. Schneider, various Schneider family trusts (such Founders together with their permitted transferees, the "Founder Parties") and us entered into a stockholders agreement, the material terms of which include the following:

Limitations on Conversion. Until such time as the provisions of UGC Holdings' indenture that require UGC Holdings to offer to repurchase the bonds issued thereunder upon a change of control of UGC Holdings are rendered inapplicable (either by redemption of the bonds, defeasance in accordance with the terms of the indenture, waiver or amendment) or such a change of control occurs, other than as a result of a breach of the standstill agreement by Liberty, the Liberty Parties will not convert any shares of our Class C common stock into our Class A common stock if, after giving effect to the conversion, the Liberty Parties would have more than 50.0% of the combined voting power of our Class A common stock and our Class B common stock outstanding or would have more voting power than our Class A common stock and our Class B common stock owned by the Founder Parties. This limitation on the Liberty Parties' right to convert (a) will terminate if the aggregate voting power of our shares of Class A common stock and Class B common stock beneficially owned by any person or group (other than a group that is controlled by certain of the Founders and that consists solely of Founders) exceeds either 50.0% of our total voting power or the voting power held by the Founder Parties and (b) will not apply to conversions made by the Liberty Parties in connection with sale or hedging transactions or any related pledges of their shares.

Change of Control Covenants. Subject to specified exceptions for governmental licenses, we will not take or permit any action that would result in us being subject to any covenants restricting the ability of UGC Holdings, us or any of our affiliates to effect a change of control, other than such covenants contained in UGC Holdings' indenture, unless any such change of control involving or caused by the

action of any Liberty Party (other than a transfer of control, if control were obtained, by a Liberty Party to a third party) is exempted from the application and effects of any such restrictive covenants. We will not take or permit any action to extend or perpetuate the existing change of control covenants beyond the maturity date of the bonds issued under our outstanding indenture.

Rights of First Offer. Subject to specified exceptions, which are summarized below, no Liberty Party may transfer any shares of our Class B or Class C common stock, or convert any such shares to our Class A common stock, unless it first offers the Founders the opportunity to purchase the shares, and no Founder Party may transfer any shares of our Class B common stock, or convert any such shares to our Class A common stock, unless it first offers the Liberty Parties the opportunity to purchase the shares. If either the Liberty Parties or the Founder Parties decline to exercise their right of first offer, then the party proposing to transfer shares of our Class B or Class C common stock to a third party must convert the shares to our Class A common stock immediately prior to such transfer, unless, in the case of a proposed transfer by the Founder Parties, the number of shares being transferred by all Founder Parties to the same transferee represents at least a majority of all shares of our Class B common stock owned by the Founder Parties, their permitted transferees, and any other person that the Founder Parties have designated to purchase shares from the Liberty Parties pursuant to the Founder Parties' right of first offer. Prior to any event that permits the conversion of our Class C common stock into our Class B common stock, the number of shares that the Liberty Parties may transfer to a third party, when taken together with the number of shares of our Class A common stock previously transferred to a third party following their conversion from our Class C common stock, shall not exceed the number of shares of our Class A common stock acquired after the closing of the merger from parties other than us (including upon conversion of our Class C common stock) or the Founder Parties, plus the number of shares of our Class A common stock that the Liberty Parties receive in the merger upon conversion of any of our Class A common stock of UGC Holdings acquired after December 3, 2001.

Permitted Transfers. The Liberty Parties and Founder Parties may transfer their shares of our Class B common stock and Class C common stock to permitted transferees without having to first offer them to any other party. The Founder Parties' permitted transferees include other Founders, family members and heirs of the Founders and partnerships or trusts owned by or for the benefit of the Founders. The Liberty Parties' permitted transferees include Liberty and any entity controlled by Liberty. The parties may pledge their shares of New United Class B common stock in loan and hedging transactions; provided that the applicable pledgee does not become a registered holder of the shares and agrees to comply with the right of first offer provisions of the stockholders agreement, with shortened notice and exercise periods, in connection with any foreclosure on the pledged shares. Pledges of the Founders' shares that were in existence prior to May 25, 2001 are also allowed under the agreement. The stockholders agreement specifies some transactions that are not considered to be transfers for purposes of the agreement, and thus are generally not subject to the rights of first offer and other restrictions on transfer. Such transactions include: conversions of our Class C common stock to our Class B common stock or our Class B or Class C common stock to our Class A common stock, transfers pursuant to a tender or exchange offer approved by a majority of the our board of directors, transfers by operation of law in connection a merger, consolidation, statutory share exchange or similar transaction involving us, transfers pursuant to a liquidation approved by a majority of the our board of directors and, in the case of Liberty, a transfer of (or control of) a Liberty Party that results in voting securities representing at least a majority of the outstanding voting power of such party or any ultimate parent entity of such party or its successor being beneficially owned by persons who prior to such transaction were beneficial owners of a majority of the outstanding voting power of the outstanding voting securities of Liberty (or any publicly traded class of voting securities of Liberty designed to track a specified group of assets or businesses), or who are control persons of any combination of the foregoing, as long as such ultimate parent entity of such transferred party becomes a party to the stockholders agreement and the standstill agreement with the same rights and obligations as Liberty.

Tag-Along Rights. If the Liberty Parties propose to transfer a majority of their shares of our Class B and Class C common stock to persons other than permitted transferees, and the Founder Parties do not purchase such shares, then the Founder Parties will be entitled to transfer a proportionate amount of their shares of our Class B common stock to the same purchaser on no less favorable terms. If the Founder Parties propose to transfer a majority of their shares of our Class B common stock to persons other than permitted transferees, and the Liberty Parties do not purchase such shares, then the Liberty Parties will be entitled to transfer a proportionate amount of their Class A, Class B and/or Class C common stock to the same purchaser on no less favorable terms.

Drag-Along Rights. If the Founder Parties propose to transfer a majority of their Class B common stock to an unaffiliated third party that is not a permitted transferee, and the Liberty Parties do not purchase such shares, then the Founder Parties can require the Liberty Parties to transfer to the same transferee on terms no less favorable than those on which the Founder Parties transfer their shares, at the election of the Liberty Parties, either (i) all of their shares of our Class B and Class C common stock, (ii) all of their common stock or (iii) a proportionate amount of each class of our common stock that they own; provided that the Liberty Parties will be required to transfer all of their United common stock if, in connection with the proposed transfer by the Founder Parties, Mr. Gene W. Schneider, G. Schneider Holdings, Co., The Gene W. Schneider Family Trust, Mr. Mark L. Schneider and The MLS Family Partnership LLLP propose to transfer all shares of our common stock beneficially owned by them, which shares of common stock include shares of our Class B common stock representing at least 40% of the greater of the number of shares of our Class B common stock owned by them on the date of the stockholders agreement and the number of shares of UGC Holdings Class B common stock owned by them on June 25, 2000.

Exchange of Shares. We will, on request, permit Liberty and its affiliates to exchange any shares of our Class A common stock owned by them for shares of our Class C common stock, or, following the conversion of our Class C common stock, our Class B common stock, on a one-for-one basis. We will, upon request and subject to applicable laws, permit Liberty and its affiliates to exchange any shares of capital stock of UPC, and any other affiliate of us (which shares were acquired from UPC or such affiliate), for shares of our Class C common stock or, following the conversion of the Class C common stock, Class B common stock. Without limiting the generality of the foregoing, at anytime after UPC is entitled to convert shares of its Series 1 Convertible Preference Shares held by Liberty to UPC ordinary shares, (i) Liberty will be entitled to exchange such shares for our Class C common stock or, following the conversion of our Class C common stock, our Class B common stock, and (ii) we will be entitled to call such shares from Liberty in exchange for shares of our Class C common stock or, following the conversion of our Class C Common stock, our Class B common stock, provided such exchange is tax-free to Liberty, in either case on terms specified in the stockholders agreement.

Termination. The tag-along provisions, the drag-along provisions and the limitations on the conversion of shares of our Class C common stock to shares of our Class A common stock terminate on June 25, 2010, unless the stockholders agreement is terminated earlier. The stockholders agreement will terminate as to any Liberty Party or Founder Party the voting power of whose equity securities is reduced below 10% of the voting power of UGC Holdings such party held on June 25, 2000. The stockholders agreement will terminate in its entirety on the first to occur of (a) all of the Founders and their permitted transferees or Mr. Gene W. Schneider and Mr. Mark L. Schneider and their permitted transferees (other than the other Founders) holding less than 40% of the greater of the number of shares of our Class B common stock owned by them on the date of the stockholders agreement and the number of shares of UGC Holdings Class B common stock owned by them on June 25, 2000 (assuming for such purpose that any shares transferred by such persons to a Liberty Party continue to be owned by such person) or (b) the transfer by the Founder Parties of a majority of their United Class B common stock to one or more Liberty Parties or one or more unaffiliated third parties.

Standstill Agreement

At the closing of the merger, Liberty, Liberty Global and us entered into a standstill agreement, the material terms of which include the following:

Limitation on Acquiring Securities. The Liberty Parties will not acquire our common stock in an amount that would cause their percentage of our total common stock outstanding, on a fully-diluted basis, to exceed the greater of (a) the sum of (i) the percentage beneficially owned by them immediately after the closing of the transactions contemplated by the merger agreement, plus (ii) the percentage represented by any shares acquired by them from (x) other parties to the stockholders agreement, including us, and (y) from UPC pursuant to a release agreement, dated February 22, 2001, among UPC, UGC Holdings, Liberty and LMI, or the "UPC Release," plus (iii) the percentage represented by an additional 25 million shares; provided that the number determined by clauses (a)(i) and (a)(iii) shall not exceed 81%, and (b) the sum of 81% plus the percentage determined by clause (a)(ii)(x). Liberty will not (a) solicit proxies with respect to our voting securities, (b) form, join or participate in a group if the group's ownership of our voting securities would exceed the maximum share ownership percentage described in this paragraph, unless certain Founders are part of such group, (c) deposit any of our voting securities into a voting trust or subject them to a voting agreement or similar arrangements, (d) solicit or encourage offers for us from persons other than Liberty Parties or Founders or (e) call a meeting of stockholders or seek amendments to United's bylaws without the consent of United's board of directors. Liberty will not be in breach of the restrictions on its maximum share ownership if its share ownership exceeds the maximum percentage specified solely because of any action taken by us in respect of which no Liberty Party takes any action other than in its capacity as a holder of equity securities of us, including, for example, a tender offer by United to acquire shares of its common stock that Liberty elects not to accept or the issuance of a dividend by us payable in cash or stock that the Liberty Parties elect to receive in stock.

Appraisal; Voting Rights. No Liberty Party will exercise appraisal rights as to any matter. Liberty will cause its shares to be present at meetings of our stockholders so as to be counted for quorum purposes. Except for matters as to which Liberty or the directors elected by the holders of our Class C common stock have approval rights under the United certificate of incorporation, the standstill agreement, the stockholders agreement or the United Covenant Agreement, or which, pursuant to our bylaws are required to be approved by the board of directors prior to being submitted to the stockholders (in any such case, if such approval has not been obtained), Liberty will vote its shares of common stock on all matters submitted to a vote of stockholders, other than the election or removal of directors or a merger, sale or similar transaction involving us, either as recommended by our board of directors or in the same proportion as all other holders of our common stock. Liberty will vote its shares of our common stock against any merger, consolidation, recapitalization, dissolution or sale of all or substantially all of our assets not approved by our board of directors.

Until such time as the provisions of UGC Holdings' indenture that require UGC Holdings to offer to repurchase the bonds issued thereunder upon a change of control of UGC Holdings are rendered inapplicable (either by redemption of the applicable bonds, defeasance in accordance with the terms of the indenture, waiver or amendment) or such a change of control occurs, other than as a result of a breach of the standstill agreement by Liberty, Liberty will vote its shares in the election of directors in its sole discretion. Following such time (unless, in the case of the occurrence of a change of control as to which a defeasance or waiver of the change of control restrictions has not occurred, more than $200 million remains outstanding under our indenture), Liberty will be entitled to nominate four members of our board of directors or, if greater, a number equal to at least $33^{1}/_{3}$% of our board of directors, and the Founder Parties will be entitled to nominate the same number of directors. United's board of directors will nominate the remaining members of the board of directors. The Liberty Parties will then be obligated to vote their shares of our common stock in favor of such nominees to the board of directors and, unless requested to do so by the Founders, will not vote to remove any board members nominated by the Founders except for cause.

Limitations on Issuing High Vote Securities. We will not issue any of our Class B common stock or other equity security having more votes per share than United Class A common stock, or rights to acquire any such securities, other than to Liberty Parties and their controlled affiliates, except that we may issue up to an aggregate of 3 million shares of our Class B common stock upon exercise of options outstanding at the time of the closing of the merger or subsequently issued options, and we may, on a majority vote of our board of directors, issue preferred stock convertible into our Class B common stock (but with no other conversion rights, no voting rights other than as are customary in preferred stocks and no special rights), provided that such preferred stock cannot be so converted prior to such time as UGC Holdings is no longer subject to the change of control provisions of the indentures described above, and the total number of shares of our United Class B common stock issuable upon conversion of such options and preferred stock must be less than the number of shares that would, if issued after such time as UGC Holdings is no longer subject to such change of control provisions in such indentures, entitle the Liberty Parties to exercise the purchase rights described below.

Limitations on Transfer. Subject to certain exceptions, no Liberty Party may transfer any of our equity securities, unless the transfer is (i) to Liberty or a controlled affiliate of Liberty that is or becomes a party to the standstill agreement, (ii) to one or more underwriters in connection with a public offering (iii) to one or more Founders or purchasers designated thereby pursuant to the right of first offer provisions of the stockholders agreement, provided that any such transferee, if other than a Founder, becomes subject to the stockholders agreement and, if other than a Founder or permitted transferee of a Founder, the standstill agreement, (iv) pursuant to the tag-along and drag-along provisions of the stockholders agreement, (v) otherwise made in accordance with the provisions of the stockholders agreement; provided that in the case of a transfer pursuant to clause (ii) or (v), if the transfer is to a non-affiliate, the transferring Liberty Party has no reason to believe that any person or group would obtain more than ten percent of our voting power in the election of directors as a result of the transfer. The Liberty Parties may pledge their equity securities to financial institutions in connection with loan and hedging transactions that comply with the stockholders agreement.

Offers for United. If any person makes an offer to (i) acquire our equity securities from us or from one or more of our stockholders by public offer, (ii) acquire all or substantially all of our assets or (iii) effect a merger, consolidation, share exchange or similar transaction, we will give Liberty notice of such offer promptly upon receipt thereof, or, if giving such notice would violate any applicable law or agreement, promptly after public announcement of such offer. In no event will we give Liberty notice of such an offer less than 10 days prior to accepting it. If we do not reject such an offer within 5 days, then any Liberty Party or its affiliates may propose a competing offer to our board of directors, and the board of directors will in the exercise of its fiduciary duties consider in good faith waiving any provision of the standstill agreement that would restrict actions that might be taken by a Liberty Party or its affiliates in support of such a competing offer.

If we propose to sell all or substantially all of our assets, effect a merger, consolidation, share exchange or similar transaction or issue Class B common stock in an amount that would not trigger Liberty's purchase rights described below, then we will give Liberty notice of such proposal and will give Liberty an opportunity to propose an alternative transaction to our board of directors.

Purchase Right. If, following such time as UGC Holdings is no longer subject to the change of control provisions of certain indentures, we issue equity securities having more votes per share than our Class A common stock and such issuance, together with any prior issuance of high vote securities as to which the Liberty Parties did not have purchase rights, results in the voting power of the Liberty Parties' equity securities being reduced below 90% of their voting power prior to such issuance or the first such issuance, the Liberty Parties will be entitled to acquire a number of additional shares of Class B common stock from us that would restore the Liberty Parties' voting power to 100% of what it was prior to such issuance or the first such issuance (whichever is greater). Liberty may acquire such Class B common stock by purchasing it from us for cash or other form of consideration acceptable to us and/or by exchanging shares of Class A common stock on a one-for-one basis. The Liberty Parties will not be entitled to the foregoing purchase rights in respect of any issuance of our Class B common

stock in an amount such that, immediately following such issuance, the persons who were holders of equity securities immediately prior to such issuance then hold less than 30% of the voting power of outstanding equity securities in the election of directors generally.

Preemptive Right. If, at any time after the signing of the standstill agreement, we propose to issue any Class A common stock or rights to acquire Class A common stock, the Liberty Parties will have the right, but not the obligation, to purchase a portion of such issuance sufficient to maintain their then existing equity percentage in us on terms at least as favorable as those given to any third party purchasers. This preemptive right will not apply to (i) the issuance of Class A common stock or rights to acquire Class A common stock in connection with the acquisition of a business from a third party not affiliated with us or any Founder that is directly related to our then existing business and our subsidiaries, (ii) the issuance of options to acquire Class A common stock to employees pursuant to employee benefit plans approved by our board of directors (such options and all shares issued pursuant thereto not to exceed 10.0% of our outstanding common stock), (iii) equity securities issued as a dividend on all equity securities or upon a subdivision or combination of all outstanding equity securities, or (iv) equity securities issued upon the exercise of rights outstanding as of the closing of the merger or as to the issuance of which the Liberty Parties had the right to exercise their preemptive rights.

Termination. The standstill agreement will terminate on June 25, 2010, except for the restrictions on our ability to issue additional high vote securities and the Liberty Parties' purchase and preemptive rights; provided that the agreement will terminate in its entirety upon termination of the stockholders agreement.

United Covenant Agreement

We have agreed that, without the consent of Liberty, we will not:

- enter into any contract that purports to be binding on Liberty or its affiliates;
- enter into any material contract with respect to which an act or omission by Liberty or its affiliates that would result in a default or cancellation, or give rise to a repayment obligation or a loss of a material benefit;
- enter into any contract between ourself and our subsidiaries, on the one hand, and UGC Holdings and its controlled affiliates, on the other;
- transfer, pledge or otherwise dispose of the Belmarken notes unless such transaction has been reviewed and approved by our board of directors including, in the case of any transfer to any of our affiliates, including UGC Holdings or any of its affiliates, a majority of the directors elected by Liberty; or
- amend the provision of our bylaws that requires approval by the board of directors or a board committee of expenditures exceeding $10.0 million.

We will also provide Liberty with certain financial information for use by Liberty in connection with the preparation of its financial statements.

Registration Rights Agreements

Liberty has entered into a registration rights agreement with us at the closing of the merger providing Liberty and its affiliates certain registration rights with respect to our securities owned by them. The Founders entered into a substantially identical registration rights agreement (provided that the Founders are entitled to demand up to two registrations rather than five). The registration statement of which this prospectus forms a part was filed by us pursuant to the exercise of certain of the Founders' demand rights.

Under the terms of its registration rights agreement, Liberty is entitled to demand up to five registrations with respect to our securities or any successor entity now owned or hereafter acquired by Liberty or its affiliates provided the securities to be registered in any such registration equal a minimum of the lower of 10.0% of the number of our shares beneficially owned by Liberty immediately after giving effect to the merger, or all of the our securities owned by Liberty. The Founders are entitled to demand up to five registrations with similar minimum requirements. Neither Liberty nor the Founders may make more than two demands for registration in any 12 month period and we, subject to certain limitations, may preempt and in certain instances postpone registration of securities owned by Liberty or the Founders, or an offering of securities registered under a shelf registration. Liberty and the Founders may demand that the securities they own be offered and sold on a continuous or delayed basis in accordance with relevant securities laws. We have agreed to use our reasonable best efforts to cause each registration statement to remain effective for such a period, not to exceed 180 days (or two years, in the case of a shelf registration), as may be reasonably necessary to effect the sale of the securities. Each registration rights agreement also provides that a registration will not count as a demand registration until it has become effective and at least 90.0% of our securities requested to be included in such registration have been registered and sold. We have agreed to use our reasonable best efforts to permit a period of at least 180 consecutive days during which a demand registration may be effected or an offering of securities may be effected under an effective shelf registration.

Each registration rights agreement also provides Liberty and the Founders unlimited "piggyback" rights for our securities owned by them. "Piggyback" rights will permit Liberty and the Founders to include our securities they own in our registration of other securities. Such piggyback rights will be subject to cutback by the underwriters involved in such registration, priority of the party initiating the registration and certain lockup limitations. Each registration rights agreement also limits us from granting other piggyback registration rights superior to Liberty's and the Founders' rights.

Although we will be responsible for all expenses incurred in connection with any registration, we will not be responsible for applicable underwriting discounts, selling commissions or stock transfer taxes. Each registration rights agreement also includes customary indemnification and contribution provisions.

Founders Agreement for UGC Holdings

At the closing of the merger, certain Founders entered into a founders agreement that sets forth the manner in which holders of UGC Holdings' Class A common stock will select one-half of the members of UGC Holdings' board of directors for so long as such stock remains outstanding. The founders agreement also regulates the voting of the Class A common stock on other matters, and puts in place restrictions on the transfer of the Class A common stock.

Founders Agreement for United

At the closing of the merger, certain Founders entered into an agreement that establishes certain rights and obligations among themselves as holders of our common stock. Founders who are parties to this agreement will vote for director nominees who are selected under the agreement's terms, and are subject to first offer rights in the event they wish to transfer shares of our Class B common stock other than to permitted transferees. The agreement will terminate as to any Founder when he and his permitted transferees together hold less than 10% of our Class B common stock they held as of the closing.

Riordan Transactions

Pursuant to the terms of four promissory notes, UGC Holdings loaned $4,000,000 on November 22, 2000, $1,200,000 on January 29, 2001, and $3,500,000 on April 4, 2001, respectively, to John F. Riordan, a director and named executive officer. Such loans allowed Mr. Riordan to meet certain personal obligations in lieu of selling his shares in UGC Holdings or in UPC. The notes are payable upon

demand and in any event on November 22, 2002. The notes accrue interest until paid at 90-day LIBOR plus either 2.5% or 3.5% as determined in accordance with the terms of each note.

Mr. Riordan has pre-paid to United $93,794 in the aggregate for interest accrued through February 22, 2001 on the loans. The aggregate outstanding balance on the loans as of November 21, 2001 is $9,181,446.

M. Schneider Transactions

Indebtedness. At December 31, 2000, Mr. Mark L. Schneider, a director and named executive officer, was indebted to UGC Holdings for an aggregate of $653,210. Such debt occurred from the settlement of his tax equalization for the years 1999 and 1998. On March 21, 2001, Mr. Schneider paid this debt in full. Also at December 31, 2000, Mr. Schneider was indebted to UPC for an aggregate of £291,298. Such debt was incurred through UPC making payments on behalf of Mr. Schneider for his housing costs and taxes in the United Kingdom. On February 14, 2001, Mr. Schneider paid £196,298 on this debt, leaving an outstanding balance of £95,000.

Company Loans. Pursuant to the terms of two promissory notes, UGC Holdings loaned $1,110,866 on November 22, 2000 and $330,801 on December 21, 2000 to Mark L. Schneider, a director and named executive officer. Such loans allowed Mr. Schneider to meet certain personal obligations in lieu of selling his shares in UGC Holdings or in UPC. The notes are payable upon demand and in any event on November 22, 2002. The notes accrue interest until paid at 90-day LIBOR plus either 2.5% or 3.5% as determined in accordance with the terms of each note.

Mr. Schneider has pre-paid to UGC Holdings $30,876 in the aggregate for interest accrued through February 22, 2001 on the loans. The aggregate outstanding balance on the loans, including accrued interest, as of November 22, 2001 is $1,526,936.

House Loan. In September 1999, UGC Holdings loaned to Mark L. Schneider, a director and named executive officer of United, $723,356 in connection with the purchase of his home. The loan bears interest at 9.0% per annum and is payable monthly. Interest payments are deducted monthly from the cost of living differentials paid by UGC Holdings to Mr. Schneider related to his foreign assignment. Following the sale of the home, Mr. Schneider paid the loan in full, including interest, in December 2001.

chello broadband Loan. On August 5, 1999, *chello broadband* loaned Mark L. Schneider E2,268,901 to enable Mr. Schneider to acquire ordinary shares of *chello broadband* pursuant to stock options granted to Mr. Schneider in 1999. This recourse loan bears no interest. Interest, however, is imputed and the tax payable on the imputed interest is added to the principal amount of the loan. This loan is payable upon exercise or expiration of the options. On September 28, 2000, Mr. Schneider exercised *chello broadband* options through the sale of the shares acquired with the loan proceeds. Of the funds received, E823,824 was withheld for payment of the portion of the loan associated with the options exercised. As of May 31, 2001, the outstanding balance is E1,719,392.

Fries Transactions

Pursuant to the terms of various promissory notes, UGC Holdings loaned $186,941 on November 22, 2000, $205,376 on December 21, 2000 and $24,750 on June 25, 2001 to Michael T. Fries, a director and named executive officer, and $668,069 on November 22, 2000, $450,221 on December 21, 2000, $275,000 on April 4, 2001, and $1,366,675 on June 25, 2001 to The Fries Family Partnership LLLP, a limited liability limited partnership, or the "Fries Partnership"), for the benefit, directly and indirectly, of Mr. Fries and members of his family. Such loans allowed Mr. Fries and the Fries Partnership to meet certain obligations in lieu of selling their shares in UGC Holdings. Mr. Fries has guaranteed the loans to the Fries Partnership if the Fries Partnership fails to pay. The notes are payable upon demand

and in any event on November 22, 2002. The notes accrue interest until paid at 90-day LIBOR plus either 2.5% or 3.5% as determined in accordance with the terms of each note.

Mr. Fries has pre-paid to UGC Holdings $7,542 and the Fries Partnership has pre-paid to UGC Holdings $22,507 in the aggregate for interest accrued through February 22, 2001 on the loans. The aggregate outstanding balance on the loans as of November 22, 2001 is $439,929 for Mr. Fries, and $2,875,966 for the Fries Partnership.

MLS Family Partnership Transactions

Pursuant to the terms of two promissory notes, UGC Holdings loaned $1,916,305 on November 22, 2000 and $1,349,599 on December 21, 2000 to The MLS Family Partnership LLLP, a limited liability limited partnership, or the "MLS Partnership," of which a trust is the general partner. The trustees of said trust are Gene W. Schneider, Chief Executive Officer and Chairman of United, and John Riordan, a director and a named executive officer of United. Such loans allowed the MLS Partnership to meet certain obligations in lieu of selling its shares in UGC Holdings. In connection with the foregoing loans, Mr. Mark L. Schneider has guaranteed the loans to the MLS Partnership if the MLS Partnership fails to pay. The notes are payable upon demand and in any event on November 22, 2002. The notes accrue interest until paid at 90-day LIBOR plus either 2.5% or 3.5% as determined in accordance with the terms of each note.

The MLS Partnership has paid to UGC Holdings $65,472 in the aggregate for interest accrued through February 22, 2001 on the loans. The aggregate outstanding balance on the loans as of November 21, 2001 is $3,459,069.

G. Schneider Transaction

On February 8, 2001, UGC Holdings' board of directors approved a "Split-Dollar" policy on the lives of Gene W. Schneider, Chairman and Chief Executive Officer of United, and his wife, Louise Schneider, for a total amount of $30.0 million. UGC Holdings will pay the premium for such policy, which is anticipated to be approximately $1.8 million annually, with a roll-out period of approximately fifteen years. The Gene W. Schneider 2001 Trust (the "Trust") is the sole owner and beneficiary of the policy, but will assign to UGC Holdings policy benefits in the amount of the premiums paid by UGC Holdings. The Trust will contribute an amount equal to the annual economic benefit provided the policy. The trustees of the Trust are Mark L. Schneider, a director and named executive officer of United, Tina Wildes, a director of United, and Carla Shankle. Upon termination of the policy, UGC Holdings will recoup the premiums that it has paid. Such policy will terminate upon the death of both insureds, on the elapse of the roll-out period or at such time as the Trust fails to make its contributions towards the premiums due on the policy.

Wildes Transaction

On October 1, 2000, UGC Holdings entered into a Consulting Agreement with Tina M. Wildes, a director and former officer of UGC Holdings. The Consulting Agreement was for a term of one year and expired on October 1, 2001. UGC Holdings engaged Ms. Wildes based on her prior experience in UGC Holdings and its telecommunications operations. The Consulting Agreement provided for payment of a consulting fee by UGC Holdings to Ms. Wildes in the amount of $15,000 per month. In addition, all options previously awarded to Ms. Wildes continued to vest in accordance with their terms. In addition to the consulting fee, for the period of October 1, 2000 to January 31, 2001, UGC Holdings paid the monthly premium amount for a whole life policy on the life of Ms. Wildes for an aggregate of $3,064. Upon expiration of the Consulting Agreement, Ms. Wildes rejoined UGC Holdings as Senior Vice President of Business Administration.

DESCRIPTION OF CAPITAL STOCK

Our authorized capital stock consists of:

- 1,000,000,000 shares of Class A common stock;
- 1,000,000,000 shares of Class B common stock;
- 400,000,000 shares of Class C common stock; and
- 10,000,000 shares of preferred stock, all $0.01 par value per share.

As of January 30, 2002, we had outstanding:

- 109,670,883 shares of Class A common stock;
- 8,870,332 shares of Class B common stock;
- 303,123,542 shares of Class C common stock; and
- no shares of preferred stock

The description of our capital stock in this prospectus is a summary of the terms of our certificate of incorporation.

Common Stock

Our Class A common stock, Class B common stock and Class C common stock have identical economic rights. They do, however, differ in the following respects:

- Each share of Class A common stock, Class B common stock and Class C common stock entitles the holders thereof to one, ten and ten votes, respectively, on each matter to be voted on by our stockholders;
- Each share of Class B common stock is convertible, at the option of the holder, into one share of Class A common stock. At the option of the holder, each share of Class C common stock is convertible into one share of Class A common stock at any time or, under certain circumstances, into one share of Class B common stock. The Class A common stock is not convertible into Class B or Class C common stock. If the Class C common stock does not become convertible in full into Class B common stock by June 25, 2010, each share of Class C common stock shall be convertible, at the option of the holder, into 1.645 shares of Class A common stock or, under certain circumstances relating to the indentures of UGC Holdings and its subsidiaries, 1.645 shares of Class B common stock.
- The approval of a majority of Class C directors is required for certain acquisitions or dispositions of assets, issuances of equity or debt securities, selection of a our CEO not specified in our certificate of incorporation, amendment of our charter or bylaws in a manner adverse to holders of Class B or Class C common stock, amendment of our charter in a manner adverse to us or the holders of Class C common stock, certain related party transactions and changes in our principal independent accounting firm.

Holders of our Class A, Class B and Class C common stock vote as one class on all matters to be voted on by our stockholders, except for the election of directors or as specified by the Delaware General Corporation Law. Shares of our Class C common stock vote separately to elect four of our 12 person board of directors until such time as the shares of Class C common stock become convertible in full into shares of Class B common stock. Holders of Class A and B common stock, voting together, elect the other eight directors. After all shares of Class C common stock become convertible in full into shares of Class B common stock, all 12 of our 12-person board of directors will be elected by the holders of shares of Class A common stock, Class B common and Class C common stock voting together. Shares of Class C common stock will become convertible in full into shares of Class B

common stock upon the occurrence of certain events relating to the indentures of UGC Holdings and certain of its subsidiaries.

Holders of our Class A, Class B and Class C common stock are entitled to receive any dividends that are declared by our board of directors out of funds legally available for that purpose. In the event of our liquidation, dissolution or winding up, holders of our Class A, Class B and Class C common stock will be entitled to share in all assets available for distribution to holders of common stock. Holders of our Class A, Class B and Class C common stock have no preemptive right under our certificate of incorporation. Holders of shares of Class C common stock have purchase rights to prevent the dilution of the voting power of the Class C common stock by 10.0% or more of its voting power immediately prior to a dilutive issuance or issuances of Class B common stock. Our certificate of incorporation provides that if there is any dividend, subdivision, combination or reclassification of any class of common stock, a proportionate dividend, subdivision, combination or reclassification of one other class of common stock will be made at the same time.

We have appointed Mellon Investor Services LLC as the transfer agent and registrar for the Class A common stock.

Certain Other Rights of Holders of Class C Common Stock

Under the terms of our certificate of incorporation, we must have the approval of the majority of directors elected by the holders of Class C common stock, before we can:

- acquire or dispose of assets or issue equity or debt securities, in any consecutive 12-month period, in an amount exceeding 30.0% of our market capitalization (excluding our sale by merger or otherwise, sale of all or substantially all of our assets, or a reorganization among affiliated entities, provided that the Class C common stockholders are treated equally with the Class B common stockholders and all Class B common stockholders are treated equally);
- issue any additional shares of Class C common stock (other than upon the exercise of Liberty's preemptive rights or rights under the stockholders agreement or the exercise of the proportional purchase right granted to holders of Class C common stock under our certificate of incorporation);
- issue any options exercisable for Class B common stock (other than upon the exercise of certain options that have been assumed by us or that are permitted under the terms of our certificate of incorporation);
- remove or replace our Chief Executive Officer, except in the case of one of four candidates pre-approved by Liberty;
- amend our charter or bylaws in a manner adverse to Liberty or the holders of Class B or Class C common stock or their affiliates;
- enter into any material transaction between us or any of its controlled affiliates (including UGC Holdings), on the one hand, and any of our directors of or any of our controlled affiliates (including UGC Holdings), any Founder or any family member or other affiliate of any of the foregoing, on the other hand, excluding transactions between us and any of our controlled affiliates and employee matters in the ordinary course of business;
- amend, alter or repeal any provision of UGC Holdings' charter that would be adverse to us or the holders of the Class C common stock or their affiliates;
- issue any shares of UGC Holdings' preferred stock;
- sell, assign, transfer or otherwise dispose of, or take any action in exercise of, or waive or amend any rights with respect to any debt securities issued or indebtedness incurred by UPC, or any of its subsidiaries, which debt is held by or which indebtedness is owed to us; or
- change our principal accounting firm.

If any issuance of additional Class B common stock dilutes the voting power of the outstanding Class C common stock by 10.0% or more (on an as-converted basis), the holders of the Class C common stock will have the right to maintain their voting power by purchasing additional shares of Class C common stock at the same per share price as the Class B common stock per share issue price or by exchanging shares of Class A common stock for shares of Class C common stock on a one-for-one basis. At the option of the holder, each share of Class C common stock can be converted into one share of Class A common stock at any time or, upon the occurrence of certain events related to UGC Holdings' outstanding indebtedness, into one share of Class B common stock. If no conversion event has occurred by June 25, 2010, each share of Class C common stock may be converted into 1.645 shares of Class A common stock or, in some cases, 1.645 shares of Class B common stock, which could result in the issuance of a substantial number of additional shares.

The terms of the Class C common stock are set out in our restated certificate of incorporation.

Preferred Stock

We are authorized to issue 10,000,000 shares of preferred stock. Our board of directors is authorized, without any further action by the stockholders, to determine the following for any unissued series of preferred stock:

- voting rights;
- dividend rights;
- dividend rates;
- liquidation preferences;
- redemption provisions;
- sinking fund terms;
- conversion or exchange rights;
- the number of shares in the series; and
- other rights, preferences, privileges and restrictions.

In addition, the preferred stock could have other rights, including economic rights senior to common stock, so that the issuance of the preferred stock could adversely affect the market value of common stock. The issuance of preferred stock may also have the effect of delaying, deferring or preventing a change in control of us without any action by the stockholders. We have no current plans to issue any preferred shares.

Market Listings

Our Class A common stock is listed for trading on The Nasdaq National Market. Our Class B common stock and Class C common stock have no established trading market. We may elect to list any class or series of securities on an exchange or other trading system, and in the case of Class A common stock, on an exchange or additional trading system, but, are not obligated to do so. No assurance can be given as to the liquidity of the trading market for any of our securities.

Certificate of Incorporation and Bylaws

The provisions of our certificate of incorporation and bylaws summarized below may have an anti-takeover effect and may delay or prevent a tender offer or takeover attempt that a stockholder might consider in its best interest, including attempts that might result in a premium over the market price for the shares held by stockholders.

Our certificate of incorporation or bylaws provide:

- for a classified board of directors, with each class containing as nearly as possible one-third of the number of directors on the board and the members of each class serving for three-year terms;
- that vacancies on the board of directors may be filled only by the remaining directors;
- that the stockholders may take action only at an annual or special meeting of stockholders, and not by written consent of the stockholders;
- that special meetings of stockholders generally can be called only by the board of directors;
- that our stockholders may adopt, amend or repeal the bylaws only with the approval of holders of at least $66^2/3\%$ of the voting power; and
- for an advance notice procedure for the nomination, other than by the board of directors or a committee of the board of directors, of candidates for election as directors as well as for other stockholder proposals to be considered at annual meetings of stockholders. In general, we must receive notice of intent to nominate a director or raise business at meetings not less than 90 nor more than 120 days before the meeting, and must contain certain information concerning the person to be nominated or the matters to be brought before the meeting and concerning the stockholder submitting the proposal. The affirmative vote of the holders of at least $66^2/3\%$ of the voting power is required to amend or repeal these provisions or to provide for cumulative voting.

Delaware General Corporation Law, Section 203

We have elected not to be governed by Section 203 of the Delaware General Corporation Law.

SELLING SECURITYHOLDERS

The following table sets forth information with respect to the number of shares beneficially owned by the selling securityholders named below. The table also shows the number of shares of our Class A common stock being registered with respect to each selling securityholders and shares beneficially owned by the selling securityholders in the event the registered shares are actually sold. Each share of Class B common stock is convertible into one share of Class A common stock. The information in the table below is current as of the date of this prospectus. The shares are being registered to permit public secondary trading of the shares, and the selling securityholders may offer the shares for resale from time to time. Except as expressly set forth in footnotes to the table, the table does not reflect stock option ownership.

	Beneficial Ownership Before The Offering			Number of Shares To Be Registered in This Offering			Beneficial Ownership After The Offering(1)		
	Number of Shares of			Number of Shares of			Number of Shares of		
Selling Securityholders	Class A Stock	Class A Stock Underlying Class B Stock(2)	Percentage of Total Common	Class A Stock	Class A Stock Underlying Class B Stock(2)	Percentage of Total Common	Class A Stock	Class A Stock Underlying Class B Stock(2)	Percentage of Total Common
Gene W. Schneider	10,169(3)	1,743,216	1.6%	10,169	1,743,216	1.6%	0	0	0
The Gene W. Schneider Family Trust	0	400,000	*	0	400,000	*	0	0	0
G. Schneider Holdings, Co	0	3,063,512	2.7	0	3,063,512	2.7	0	0	0
The MLS Family Partnership LLP	0	410,000	*	0	410,000	*	0	0	0
Carollo Company	0	222,420		0	222,420	*	0	0	0
Mark L. Schneider	126,686(4)	170,736	*	126,686	170,736	*	0	0	0
Rochelle Limited Partnership	150,000	1,796,940	1.7	150,000	1,796,940	1.7	0	0	0
Marian H. Rochelle Revocable Trust	142,134	222,368	*	142,134	222,368	*	0	0	0
Jim Rochelle	0	66,912	*	0	66,912	*	0	0	0
April Brimmer Kunz	67,200(7)	32,756	*	67,200	32,756	*	0	0	0
Kathleen Jaure	0	76,912	*	0	76,912	*	0	0	0
Albert & Carolyn Company	0	222,412	*	0	222,412	*	0	0	0
James R. Carollo Living Trust	0	222,412	*	0	222,412	*	0	0	0
John B. Carollo Living Trust	0	111,200	*	0	111,200	*	0	0	0
The Fries Family Partnership LLLP	140,792	91,580	*	140,792	91,580	*	0	0	0
Michael T. Fries	20,182(5)	0		20,182	0	*	0	0	0
Tina M. Wildes	53,683(6)	16,956	*	53,683	16,956	*	0	0	0
TOTAL	710,846	8,870,332	8.5	710,846	8,870,332	8.5	0	0	0

* Less than one percent.

(1) Assumes all offered shares are sold.

(2) Shares of Class A common stock into which Class B common stock is convertible.

(3) Gene W. Schneider also owns options to acquire 941,493 shares of our Class A common stock.

(4) Mark L. Schneider also owns options to acquire 320,348 shares of our Class A common stock.

(5) Michael T. Fries owns options to acquire 489,208 shares of our Class A common stock.

(6) Includes 26,000 shares of our Class A common stock owned by her spouse. Also, Tina M. Wildes owns options to acquire 302,553 shares of our Class A common stock of which options for 74,000 are held by her spouse. Ms. Wildes disclaims beneficial ownership of the shares held by her spouse.

(7) Of these shares, 4,000 shares are held by K&R Enterprises of which Ms. Kunz is a director and greater than 10% shareholder. Ms. Kunz disclaims beneficial ownership to these shares except to the extent of pecuniary interest therein.

Each of the selling securityholders is a long-time holder of UGC Holdings Class B common stock or an affiliate of such a long-time holder. We refer to the selling securityholders as "founders" of our company and UGC Holdings, our predecessor company. The founders retain effective control over the selection of eight members of our 12 member board of directors (which currently has one vacancy). The founders have effectively controlled UGC Holdings and us since each company's formation. Several selling securityholders, or affiliates of selling securityholders, are officers and directors of our company. For a more detailed description of our relationships with selling securityholders, please carefully read "Beneficial Ownership of Certain Securityholders and Management," "Management," "Executive Compensation," and "Certain Transactions."

The Gene W. Schneider Family Trust, or the "GWS Trust," is a trust organized pursuant to the laws of the State of Colorado. Tina M. Wildes is a beneficiary of the GWS Trust. The trustees of the GWS Trust are Ms. Wildes, Carla G. Shankle and W. Dean Salter.

G. Schneider Holdings, Co. is a partnership organized pursuant to the laws of the State of Colorado of which Gene W. Schneider is the general partner.

The MLS Family Partnership LLLP, or the "MLS Partnership" is a limited liability limited partnership organized pursuant to the laws of the State of Colorado. The general partner of the MLS Partnership is The Nicole Schneider Trust of which Gene W. Schneider and John F. Riordan are the trustees and the sole beneficiary of such Trust is Mark L. Schneider's spouse.

Rochelle Limited Partnership is a limited partnership organized under the laws of the State of Wyoming of which the Curtis Rochelle Trust is the general partner and Curtis Rochelle is the trustee.

Marian H. Rochelle Revocable Trust, or the "MHR Trust," is a trust organized pursuant to the laws of the State of Wyoming of which Marian Rochelle, the wife of Curtis Rochelle, is the trustee.

The Carollo Company is a partnership organized under the laws of the State of Wyoming of which Albert M. Carollo, Sr. is the general partner.

Albert & Carolyn Company is a trust organized under the laws of the State of Wyoming of which Albert M. Carollo, Jr. is a trustee.

James R. Carollo Living Trust is a trust organized under the laws of the State of Wyoming of which James R. Carollo, the son of Albert Carollo, is the trustee.

John B. Carollo Living Trust is a trust organized under the laws of the State of Wyoming of which John B. Carollo, the son of Albert Carollo, is the trustee.

The Fries Family Partnership LLLP, or the "Fries Partnership," is a limited liability limited partnership organized pursuant to the laws of the State of Colorado. The general partner of the partnership is The Amber L. Fries Trust of which William H. Hunscher, Jr. is the trustee. The sole beneficiary of the Fries Partnership is Mr. Fries' spouse.

PLAN OF DISTRIBUTION

This registration statement will permit certain shares pledged by some selling securityholders to be freely tradeable if the pledgees of such securityholders elect to sell such shares. The selling securityholders or their pledgees, donees, transferees or other successors in interest may offer the shares from time to time. They may sell the shares on the Nasdaq National Market or in the over-the-counter market or otherwise, at prices and on terms then prevailing or related to the then-current market price, or in negotiated transactions. They may sell the shares using one or more of the following methods or other methods, or in any combination of such methods.

- to broker-dealers acting as principals;
- through broker-dealers acting as agents;
- in underwritten offerings;
- in block trades;
- in agency placements;
- in exchange distributions; and
- in brokerage transactions.

The selling securityholders or the purchasers of the shares may pay compensation in the form of discounts, concessions or commissions to broker-dealers or others who act as agents or principals or both. The amounts of compensation may be negotiated at the time and may be in excess of customary commissions. Broker-dealers and any other persons participating in a distribution of the shares may be underwriters as that term is defined in the Securities Act, and any discounts, concessions or commissions may be underwriting discounts or commissions under the Securities Act. The selling securityholders may grant a security interest in shares owned by them. If the secured parties foreclose on the shares, they may be selling securityholders. In addition, the selling securityholders may sell short the shares. This prospectus may be delivered in connection with short sales and the shares offered may be used to cover short sales.

Any or all of the sales or other transactions involving the shares described above, whether completed by the selling securityholders, any broker-dealer or others, may be made using this prospectus. Sales and certain other transactions involving the shares described above are subject to the provisions of the Stockholders Agreement and Founders Agreement for United, including the rights of first offer, tag-along rights, drag along rights and other rights and obligations set forth in such agreements. See "Certain Transactions — Stockholders Agreement," and "Certain Transactions — Founders Agreement for United." In addition, any shares that qualify for sale under Rule 144 of the Securities Act may be sold under Rule 144 rather than by using this prospectus. The shares may also be offered in one or more underwritten offerings, on a firm commitment or best efforts basis. We will not receive any proceeds from the sale of the shares by the selling securityholders. The shares may be sold in one or more transactions at a fixed offering price, which may be changed, or at varying prices determined at the time of sale or at negotiated prices. The prices will be determined by the selling securityholders or by agreement between the selling securityholders and their underwriters, dealers, brokers or agents.

If required under the Securities Act, the number of the shares being offered and the terms of the offering, the names of any agents, brokers, dealers or underwriters and any commission with respect to a particular offer will be set forth in a prospectus supplement. Any underwriters, dealers, brokers or agents participating in the distribution of the shares may receive compensation in the form of underwriting discounts, concessions, commissions or fees from selling securityholders or purchasers of the shares or both. In addition, sellers of shares may be underwriters as that term is defined in the Securities Act and any profits on the sale of shares by them may be discount commissions under the

Securities Act. The selling securityholders may have other business relationships with us and our subsidiaries or affiliates in the ordinary course of business.

The selling securityholders also may enter into hedging transactions with broker-dealers and the broker-dealers may engage in short sales of the shares in the course of hedging the positions they assume with the selling securityholders. The selling securityholders may also enter into option or other transactions with broker-dealers that involve the delivery of the shares to the broker-dealers, who may then resell or otherwise transfer the shares. The selling securityholders may also pledge the shares to a broker-dealer and the broker-dealer may sell those shares upon a default.

We will pay all costs associated with this offering, other than fees and expense of counsel for the selling securityholders and any underwriting discounts and commissions, brokerage commissions and fees and transfer taxes.

We cannot assure you that the selling securityholders will sell any or all of the shares offered by them under this prospectus.

CERTAIN LEGAL INFORMATION

Legal Matters

The validity of the shares of United stock offered by this prospectus will be passed upon for us by Holme Roberts & Owen LLP, Denver, Colorado.

Experts

The consolidated financial statements of UGC Holdings (formerly known as UnitedGlobalCom, Inc.) included in this prospectus and elsewhere in the registration statement for the years ended December 31, 2000 and 1999 and the ten months ended December 31, 1998 have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto, and are included herein in reliance upon the authority of said firm as experts in giving said reports.

Our balance sheet as of September 30, 2001 included in this prospectus and elsewhere in the registration statement has been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto, and is included herein in reliance upon the authority of said firm as experts in giving said reports.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 to register the securities offered by the selling securityholders. The registration statement, including the attached exhibits and schedules, contains additional relevant information about us and our securities. The rules and regulations of the SEC allow us to omit certain information included in the registration statement from this prospectus.

We file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission under the Securities Exchange Act of 1934. You may read and copy this information as well as the complete S-4 registration statement at the following locations of the SEC:

Judiciary Plaza, Room 10024
450 Fifth Street, N.W. Street
Washington, D.C. 20549

Citicorp Center
500 West Madison Street
Suite 1400
Chicago, Illinois 60661

You can also obtain copies of this information by mail from the Public Reference Room of the SEC, 450 Fifth Street, N.W., Room 10024, Washington D.C. 20549, at prescribed rates. You may obtain information on the operation of the Public Reference Room by calling the SEC at (800) SEC-0330.

The SEC also maintains an Internet world wide web site that contains reports, proxy statements and other information about issuers, like us that file electronically with the SEC. The address of that site is *http://www.sec.gov.* Our Class A common stock is traded on The Nasdaq National Market, and copies of reports, proxy statements and other information can be inspected at the offices of the National Association of Securities Dealers, Inc., 1735 K Street, N.W., Washington, D.C. 20006.

INDEX TO FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To New UnitedGlobalCom, Inc.:

We have audited the accompanying balance sheet of New UnitedGlobalCom, Inc. (a Delaware corporation) as of September 30, 2001. This balance sheet is the responsibility of the Company's management. Our responsibility is to express an opinion on this balance sheet based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of New UnitedGlobalCom, Inc. as of September 30, 2001, in conformity with accounting principles generally accepted in the United States.

ARTHUR ANDERSEN LLP

Denver, Colorado
December 7, 2001

NEW UNITEDGLOBALCOM, INC.
BALANCE SHEET

	September 30, 2001
ASSETS	
Related party receivable	$ 100
STOCKHOLDER'S EQUITY	
Common stock, $0.01 par value, 1 share authorized, issued and outstanding	$ –
Additional paid-in capital	100
Total stockholder's equity	$ 100

New UnitedGlobalCom, Inc. ("New United") was formed under Delaware law on February 5, 2001, for the purpose of effectuating the merger of UnitedGlobalCom, Inc. ("United") and a newly created subsidiary of New United ("Merger"). New United will issue its own stock in connection with this Merger and the transaction with Liberty Media Corporation ("Liberty"). Liberty or some of its subsidiaries will contribute to New United an approximate $891.7 million loan (including accrued interest of $34.9 million through January 30, 2002, the assumed closing date of the transaction) to one of United's subsidiaries, $200.0 million cash and senior notes and senior discount notes of one of United's subsidiaries, all in exchange for approximately 281.4 million shares of New United Class C common stock. In addition, on December 3, 2001, Liberty purchased 11,991,018 shares of United Class A common stock for approximately $20.0 million in cash, and repaid approximately $241.3 million of its outstanding debt to United. United used the cash proceeds of the stock sale to repurchase all of its senior notes due 2009. United also paid $241.3 million in satisfaction of a contractual obligation in connection with these senior notes. New United's operations will be conducted through United, which currently owns, manages and develops video, voice and data operations outside the United States.

As of September 30, 2001, the only transaction of New United was the issuance of one share of common stock to United International Properties, Inc. ("UIPI") for $100.00.

On December 2, 2001, UIPI sold to Gene W. Schneider its one share of outstanding common stock for $10.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To UnitedGlobalCom, Inc.:

We have audited the accompanying consolidated balance sheets of UnitedGlobalCom, Inc. (a Delaware corporation) and subsidiaries as of December 31, 2000 and 1999 and the related consolidated statements of operations and comprehensive (loss) income, stockholders' (deficit) equity and cash flows for the years ended December 31, 2000 and 1999 and the ten months ended December 31, 1998 (see Note 2). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform these audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of UnitedGlobalCom, Inc. and subsidiaries as of December 31, 2000 and 1999, and the results of their operations and their cash flows for the years ended December 31, 2000 and 1999 and the ten months ended December 31, 1998 in conformity with accounting principles generally accepted in the United States.

ARTHUR ANDERSEN LLP

Denver, Colorado
March 30, 2001

UNITEDGLOBALCOM, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except par value and number of shares)

	September 30, 2001	December 31, 2000	December 31, 1999
	(Unaudited)		
ASSETS			
Current assets			
Cash and cash equivalents	$ 956,448	$ 1,876,828	$ 1,925,915
Restricted cash	197,621	11,612	18,217
Short-term liquid investments	64,008	347,084	629,689
Subscriber receivables, net of allowance for doubtful accounts of $92,182, $66,559 and $27,808, respectively	116,717	169,532	83,388
Notes receivable, related party	560,510	256,947	723
Other receivables, including related party receivables of $17,202, $21,478 and $26,578, respectively	101,910	175,198	151,547
Inventory	129,513	131,853	82,995
Deferred taxes	7,584	2,896	2,119
Prepaid expenses and other current assets	129,172	108,250	91,673
Total current assets	2,263,483	3,080,200	2,986,266
Marketable equity securities and other investments	37,276	38,560	235,917
Investments in affiliates, accounted for under the equity method, net	345,421	756,322	309,509
Property, plant and equipment, net of accumulated depreciation of $1,393,498, $920,972 and $482,524, respectively	3,743,597	3,748,804	2,379,837
Goodwill and other intangible assets, net of accumulated amortization of $725,231, $448,012 and $170,133, respectively	4,490,339	5,154,907	2,944,802
Deferred financing costs, net of accumulated amortization of $72,492, $52,180 and $17,062, respectively	188,434	207,573	130,704
Derivative securities	306,277	–	–
Deferred taxes	6,142	5,057	3,698
Other assets	29,406	12,350	12,120
Total assets	$ 11,410,375	$ 13,003,773	$ 9,002,853
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY			
Current liabilities			
Accounts payable, including related party payables of $438, $1,555 and $390, respectively	$ 304,616	$ 578,399	$ 306,760
Accrued liabilities	565,909	619,609	324,431
Subscriber prepayments and deposits	140,213	96,296	41,466
Short-term debt	35,908	51,208	173,296
Current portion of other long-term debt	202,729	193,923	52,180
Other current liabilities	16,636	14,330	10,567
Total current liabilities	1,266,011	1,553,765	908,700
Senior discount notes and senior notes	6,675,074	6,190,741	4,385,004
Other long-term debt	4,024,603	3,354,185	1,604,451
Deferred compensation	9,149	27,460	54,825
Deferred taxes	90,310	8,237	17,074
Other long-term liabilities	52,943	30,918	23,603
Total liabilities	12,118,090	11,165,306	6,993,657
Commitments and contingencies (Notes 16 and 17)			
Minority interests in subsidiaries	1,557,373	1,884,568	867,970
Series B Convertible Preferred Stock, stated at liquidation value, 113,983, 113,983 and 116,185 shares issued and outstanding, respectively	29,510	28,117	26,920
Stockholders' (deficit) equity			
Class A Common Stock, $0.01 par value, 210,000,000 shares authorized, 86,104,679, 83,820,633 and 81,574,815 shares issued and outstanding, respectively	862	838	816
Class B Common Stock, $0.01 par value, 30,000,000 shares authorized, 19,027,134, 19,221,940 and 19,323,940 shares issued and outstanding, respectively	190	192	193
Series C Convertible Preferred Stock, 425,000 shares issued and outstanding	425,000	425,000	410,125
Series D Convertible Preferred Stock, 287,500 shares issued and outstanding	287,500	287,500	268,773

Additional paid-in capital	1,538,284	1,542,609	1,416,635
Deferred compensation	(87,393)	(117,136)	(119,996)
Treasury stock, at cost, 5,604,948, 5,604,948 and 5,569,240 shares of Class A Common Stock, respectively	(29,984)	(29,984)	(29,061)
Accumulated deficit	(4,028,894)	(1,892,706)	(621,941)
Other cumulative comprehensive income (loss)	(400,163)	(290,531)	(211,238)
Total stockholders' (deficit) equity	(2,294,598)	(74,218)	1,114,306
Total liabilities and stockholders' (deficit) equity	$ 11,410,375	$ 13,003,773	$ 9,002,853

The accompanying notes are an integral part of these consolidated financial statements.

UNITEDGLOBALCOM, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME
(In thousands, except per share amounts and number of shares)

	Nine Months Ended September 30,		Year Ended December 31,		Ten Months Ended December 31,
	2001	2000	2000	1999	1998
	(Unaudited)				
Revenue	$ 1,185,860	$ 901,048	$ 1,251,034	$ 720,762	$ 254,466
Operating expense	(841,080)	(630,867)	(876,234)	(458,748)	(122,811)
Selling, general and administrative expense	(518,463)	(506,148)	(700,081)	(618,925)	(299,993)
Depreciation and amortization	(823,824)	(566,296)	(815,522)	(418,714)	(159,045)
Impairment and restructuring charges	(305,368)	–	–	–	–
Operating loss	(1,302,875)	(802,263)	(1,140,803)	(775,625)	(327,383)
Gain on issuance of common equity securities by subsidiaries	–	127,731	127,731	1,508,839	–
Interest income, including related party income of $25,735, $524, $1,918, $561 and $497, respectively	88,148	101,213	133,297	54,375	10,681
Interest expense	(811,918)	(637,145)	(928,783)	(399,999)	(163,227)
Foreign currency exchange (loss) gain, net	(29,643)	(292,606)	(215,900)	(39,501)	1,582
Proceeds from litigation settlement	194,830	–	–	–	–
Provision for losses on investment related costs	(334,660)	–	(5,852)	(7,127)	(9,686)
Gain on sale of investments in affiliates	1,764	–	6,194	–	–
Other expense, net	(7,736)	(2,306)	(4,305)	(14,641)	(3,518)
(Loss) income before income taxes and other items	(2,202,090)	(1,505,376)	(2,028,421)	326,321	(491,551)
Income tax benefit (expense), net	773	6,932	2,897	(198)	(610)
Minority interests in subsidiaries	192,698	692,935	934,548	360,444	1,410
Share in results of affiliates, net	(122,737)	(79,332)	(129,914)	(50,249)	(54,781)
(Loss) income before cumulative effect of change in accounting principle	(2,131,356)	(884,841)	(1,220,890)	636,318	(545,532)
Cumulative effect of change in accounting principle	32,574	–	–	–	–
Net (loss) income	$ (2,098,782)	$ (884,841)	$ (1,220,890)	$ 636,318	$ (545,532)
Foreign currency translation adjustments	$ (122,128)	$ (96,375)	$ (47,625)	$ (127,154)	$ (24,713)
Unrealized holding gains (losses) arising during period	36,625	(10,898)	(31,668)	6,858	(505)
Change in fair value of derivative assets	(24,471)	–	–	–	–
Cumulative effect of change in accounting principle	523	–	–	–	–
Amortization of cumulative effect of change in accounting principle	(181)	–	–	–	–
Comprehensive (loss) income	$ (2,208,414)	$ (992,114)	$ (1,300,183)	$ 516,022	$ (570,750)
Basic net (loss) income attributable to common stockholders	$ (2,137,581)	$ (923,567)	$ (1,272,482)	$ 617,926	$ (547,155)
Diluted net (loss) income attributable to common stockholders	$ (2,137,581)	$ (923,567)	$ (1,272,482)	$ 636,318	$ (547,155)
Net (loss) income per common share:					
Basic net (loss) income before cumulative effect of change in accounting principle	$ (21.99)	$ (9.63)	$ (13.24)	$ 7.53	$ (7.43)
Cumulative effect of change in accounting principle	0.33	–	–	–	–
Basic net (loss) income	$ (21.66)	$ (9.63)	$ (13.24)	$ 7.53	$ (7.43)
Diluted net (loss) income before cumulative effect of change in accounting principle	$ (21.99)	$ (9.63)	$ (13.24)	$ 6.67	$ (7.43)
Cumulative effect of change in accounting principle	0.33	–	–	–	–
Diluted net (loss) income	$ (21.66)	$ (9.63)	$ (13.24)	$ 6.67	$ (7.43)
Weighted-average number of common shares outstanding:					
Basic	98,683,319	95,940,658	96,114,927	82,024,077	73,644,728
Diluted	98,683,319	95,940,658	96,114,927	95,331,929	73,644,728

The accompanying notes are an integral part of these consolidated financial statements.

UNITEDGLOBALCOM, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' (DEFICIT) EQUITY
(In thousands, except number of shares)

	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Deferred Compensation	Treasury Stock		Accumulated Deficit	Other Cumulative Comprehensive Loss	Total
	Shares	Amount	Shares	Amount			Shares	Amount			
Balances, February 28, 1998	52,762,186	$ 528	25,726,646	$ 257	$ 351,860	$ (42)	6,338,302	$ (33,074)	$ (646,085)	$ (65,724)	$ (392,280)
Issuance of Class A Common Stock in connection with public offering, net of offering costs	900,000	9	–	–	7,395	–	–	–	–	–	7,404
Issuance of Class A Common Stock in connection with Company's stock option plan	906,288	9	–	–	4,779	–	–	–	–	–	4,788
Issuance of Class A Common Stock in connection with Company's 401(k) plan	35,716	–	–	–	260	–	–	–	–	–	260
Exchange of Class B Common Stock for Class A Common Stock	5,894,886	59	(5,894,886)	(59)	–	–	–	–	–	–	–
Exchange of Series A Convertible Preferred Stock for Class A Common Stock	850,914	9	–	–	7,436	–	–	–	–	–	7,445
Accrual of dividends on convertible preferred stock	–	–	–	–	(1,623)	–	–	–	–	–	(1,623)
Repricing of stock options	–	–	–	–	1,380	(1,380)	–	–	–	–	–
Amortization of deferred compensation	–	–	–	–	–	743	–	–	–	–	743
Gain on deemed issuance of stock by subsidiary	–	–	–	–	5,786	–	–	–	–	–	5,786
Class A Common Stock issued by subsidiary for additional interest in	–	–	–	–	918	–	(769,062)	4,013	–	–	4,931

Ireland systems														
Elimination of historical two month reporting difference due to change in fiscal year	–	–	–	–	–	–	–	–	(50,369)	–	(50,369)			
Net loss	–	–	–	–	–	–	–	–	(545,532)	–	(545,532)			
Change in cumulative translation adjustments	–	–	–	–	–	–	–	–	–	(24,713)	(24,713)			
Change in unrealized gain on available-for-sale securities	–	–	–	–	–	–	–	–	–	(505)	(505)			
Balances, December 31, 1998	61,349,990	$ 614	19,831,760	$ 198	$ 378,191	$ (679)	5,569,240	$ (29,061)	$ (1,241,986)	$ (90,942)	$ (983,665)			

The accompanying notes are an integral part of these consolidated financial statements.

UNITEDGLOBALCOM, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' (DEFICIT) EQUITY (Continued)
(In thousands, except number of shares)

	Class A Common Stock		Class B Common Stock		Series C Preferred Stock		Series D Preferred Stock		Additional Paid-In Capital	Deferred Compensation	Treasury Stock		Accumulated Deficit	Other Cumulative Comprehensive Loss	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			Shares	Amount			
Balances, December 31, 1998	61,349,990	$ 614	19,831,760	$ 198	–	$ –	–	$ –	$ 378,191	$ (679)	5,569,240	$ (29,061)	$ (1,241,986)	$ (90,942)	$ (983,665)
Exchange of Class B Common Stock for Class A Common Stock	507,820	5	(507,820)	(5)	–	–	–	–	–	–	–	–	–	–	–
Issuance of Class A Common Stock in connection with exercise of warrants	2,883,600	29	–	–	–	–	–	–	21,598	–	–	–	–	–	21,627
Issuance of Class A Common Stock in connection with Company's stock option plans	1,838,089	18	–	–	–	–	–	–	10,184	–	–	–	–	–	10,202
Issuance of Class A Common Stock in connection with Company's 401(k) plan	1,502	–	–	–	–	–	–	–	51	–	–	–	–	–	51
Exchange of Series A Convertible Preferred Stock for Class A Common Stock	3,006,404	30	–	–	–	–	–	–	26,276	–	–	–	–	–	26,306
Exchange of Series B Convertible Preferred Stock for Class A Common Stock	487,410	5	–	–	–	–	–	–	5,173	–	–	–	–	–	5,178
Issuance of Series C Convertible Preferred Stock, net of offering costs	–	–	–	–	425,000	395,250	–	–	(13,642)	–	–	–	–	–	381,608
Issuance of Class A Common Stock in connection with public offering, net of offering costs	11,500,000	115	–	–	–	–	–	–	571,325	–	–	–	–	–	571,440
Issuance of Series D Convertible Preferred Stock	–	–	–	–	–	–	287,500	267,375	(7,446)	–	–	–	–	–	259,929
Accrual of dividends on Series A, B, C and D Convertible Preferred Stock	–	–	–	–	–	14,875	–	1,398	(2,119)	–	–	–	(16,273)	–	(2,119)
Equity transactions of subsidiaries	–	–	–	–	–	–	–	–	427,044	(221,640)	–	–	–	–	205,404
Amortization of deferred compensation	–	–	–	–	–	–	–	–	–	102,323	–	–	–	–	102,323
Net income	–	–	–	–	–	–	–	–	–	–	–	–	636,318	–	636,318
Change in cumulative translation adjustments	–	–	–	–	–	–	–	–	–	–	–	–	–	(127,154)	(127,154)
Change in unrealized gain on available-for-sale securities	–	–	–	–	–	–	–	–	–	–	–	–	–	6,858	6,858
Balances, December 31, 1999	81,574,815	$ 816	19,323,940	$ 193	425,000	$ 410,125	287,500	$ 268,773	$ 1,416,635	$ (119,996)	5,569,240	$ (29,061)	$ (621,941)	$ (211,238)	$ 1,114,306

The accompanying notes are an integral part of these consolidated financial statements.

UNITEDGLOBALCOM, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' (DEFICIT) EQUITY (Continued)
(In thousands, except number of shares)

UNITEDGLOBALCOM, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' (DEFICIT) EQUITY (Continued)
(In thousands, except number of shares)

	Class A Common Stock		Class B Common Stock		Series C Preferred Stock		Series D Preferred Stock		Additional Paid-In Capital	Deferred Compensation
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount		
Balances, December 31, 1999	81,574,815	$ 816	19,323,940	$ 193	425,000	$ 410,125	287,500	$ 268,773	$ 1,416,635	$ (119,996
Exchange of Class B Common Stock for Class A Common Stock	102,000	1	(102,000)	(1)	–	–	–	–	–	–
Issuance of Class A Common Stock in connection with Company's stock option plans	1,024,325	10	–	–	–	–	–	–	7,934	–
Issuance of Class A Common Stock in connection with Company's 401(k) plan	3,497	–	–	–	–	–	–	–	59	–
Conversion of Series B Convertible Preferred Stock into Class A Common Stock	48,996	1	–	–	–	–	–	–	519	–
Accrual of dividends on Series B, C and D Convertible Preferred Stock	–	–	–	–	–	29,750	–	23,758	(1,717)	–
Issuance of Class A Common Stock as dividends on Series C Convertible Preferred Stock	722,359	7	–	–	–	(14,875)	–	–	14,868	–
Issuance of Class A Common Stock as dividends on Series D Convertible Preferred Stock	344,641	3	–	–	–	–	–	(5,031)	5,028	–
Equity transactions of subsidiaries	–	–	–	–	–	–	–	–	127,927	7,467
Amortization of deferred compensation	–	–	–	–	–	–	–	–	(28,644)	(4,607
Purchase of treasury shares	–	–	–	–	–	–	–	–	–	–
Net loss	–	–	–	–	–	–	–	–	–	–
Change in cumulative translation adjustments	–	–	–	–	–	–	–	–	–	–
Change in unrealized gain on available-for-sale securities	–	–	–	–	–	–	–	–	–	–

Balances, December 31, 2000	83,820,633	$ 838	19,221,940	$ 192	425,000	$ 425,000	287,500	$ 287,500	$ 1,542,609	$ (117,136

The accompanying notes are an integral part of these consolidated financial statements.

UNITEDGLOBALCOM, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' (DEFICIT) EQUITY (Continued)
(In thousands, except number of shares)
(Unaudited)

	Class A Common Stock		Class B Common Stock		Series C Preferred Stock		Series D Preferred Stock		Additional Paid-In Capital	Deferred Compensation
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount		
Balances, December 31, 2000	83,820,633	$ 838	19,221,940	$ 192	425,000	$ 425,000	287,500	$ 287,500	$ 1,542,609	$ (117,136
Exchange of Class B Common Stock for Class A Common Stock	194,806	2	(198,806)	(2)	–	–	–	–	–	–
Issuance of Class A Common Stock in connection with Company's stock option plans	72,783	1	–	–	–	–	–	–	315	–
Issuance of Class A Common Stock in connection with Company's 401(k) plan	57,213	1	–	–	–	–	–	–	286	–
Accrual of dividends on Series B, C and D Convertible Preferred Stock	–	–	–	–	–	14,875	–	10,063	(1,393)	–
Issuance of Class A Common Stock in lieu of cash dividends on Series C Convertible Preferred Stock	1,168,673	12	–	–	–	(14,875)	–	–	14,863	–
Issuance of Class A Common Stock in lieu of cash dividends on Series D Convertible Preferred Stock	790,571	8	–	–	–	–	–	(10,063)	10,055	–
Equity transactions of subsidiaries	–	–	–	–	–	–	–	–	(27,210)	15,978
Amortization of deferred compensation	–	–	–	–	–	–	–	–	(1,241)	13,765
Net loss	–	–	–	–	–	–	–	–	–	–
Cumulative effect of change in accounting principle	–	–	–	–	–	–	–	–	–	–
Amortization of cumulative effect of change in accounting principle	–	–	–	–	–	–	–	–	–	–
Change in fair value of derivative assets	–	–	–	–	–	–	–	–	–	–
Change in cumulative translation adjustments	–	–	–	–	–	–	–	–	–	–
Change in unrealized gain on available-for-sale securities	–	–	–	–	–	–	–	–	–	–
Balances, September 30, 2001	86,104,679	$ 862	19,027,134	$ 190	425,000	$ 425,000	287,500	$ 287,500	$ 1,538,284	$ (87,393

The accompanying notes are an integral part of these consolidated financial statements.

UNITEDGLOBALCOM, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Nine Months Ended September 30,		Year Ended December 31,		Ten Months Ended December 31,
	2001	2000	2000	1999	1998
	(Unaudited)				
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net (loss) income	$ (2,098,782)	$ (884,841)	$ (1,220,890)	$ 636,318	$ (545,532)
Elimination of historical two month reporting difference due to change in fiscal year	–	–	–	–	(50,369)
Adjustments to reconcile net (loss) income to net cash flows from operating activities:					
Gain on issuance of common equity securities by subsidiaries	–	(127,731)	(127,731)	(1,508,839)	–
Share in results of affiliates, net	122,737	79,332	129,914	49,638	66,326
Minority interests in subsidiaries	(192,698)	(692,935)	(934,548)	(360,444)	(1,186)
Unrealized foreign exchange gains and losses	79,493	263,915	165,173	35,820	(6,359)
Impairment and restructuring charges	305,368	–	–	–	–
Cumulative effect of change in accounting principle	(32,574)	–	–	–	–
Unrealized gain on derivative assets	(48,862)	–	–	–	–
Depreciation and amortization	823,824	566,296	815,522	418,714	192,968
Accretion of interest on senior notes and amortization of deferred financing costs	365,403	334,840	488,257	224,569	130,803
Stock-based compensation expense (credit)	982	(960)	(43,183)	223,734	164,793
Gain on sale of investments in affiliates	(1,764)	–	(6,194)	–	–
Provision for losses on investment related costs	334,660	–	5,852	7,127	9,473
Decrease (increase) in receivables, net	39,820	(119,654)	(67,984)	(82,888)	(12,755)
Decrease (increase) in other assets	11,154	(130,716)	(61,220)	(28,918)	(8,528)
(Decrease) increase in accounts payable, accrued liabilities and other	(328,071)	190,176	352,120	268,808	62,354
Net cash flows from operating activities	(619,310)	(522,278)	(504,912)	(116,361)	1,988
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of short-term liquid investments	(1,024,127)	(2,734,064)	(3,049,476)	(988,380)	(149,601)
Proceeds from sale of short-term liquid investments	1,298,874	2,344,894	3,244,389	140,216	141,834
Restricted cash (deposited) released, net	(185,898)	(5)	3,801	(3,259)	27,904
Investments in affiliates and other investments	(59,816)	(331,576)	(348,077)	(373,526)	(139,011)
Proceeds from sale of investments in affiliated companies	1,539	–	–	18,000	19,968
New acquisitions, net of cash acquired	(39,920)	(1,387,548)	(1,703,660)	(2,321,799)	(109,881)
Capital expenditures	(703,332)	(1,186,244)	(1,813,380)	(794,177)	(217,057)
Increase in notes receivable from affiliates	(274,616)	–	(256,224)	(723)	–
Other	7,007	13,710	53,434	(30,439)	(7,616)
Net cash flows from investing activities	(980,289)	(3,280,833)	(3,869,193)	(4,354,087)	(433,460)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Issuance of common stock by subsidiaries	731	102,403	102,403	2,624,306	–
Issuance of common stock in connection with public offerings, net of financing costs	–	–	–	571,440	7,402
Issuance of Series C Convertible Preferred Stock	–	–	–	381,608	–
Issuance of Series D Convertible Preferred Stock	–	–	–	259,929	–
Issuance of convertible preferred stock by subsidiary	–	–	990,000	–	–
Issuance of common stock in connection with Company's and subsidiaries' stock option plans	4,593	11,509	13,263	28,355	4,789
Issuance of common stock in connection with exercise of warrants	–	–	–	21,627	–
Proceeds from offering of senior notes and senior discount notes	–	1,612,200	1,612,200	2,749,752	–
Retirement of existing senior notes	–	–	–	(435)	–
Proceeds from short-term and long-term borrowings	1,440,916	1,215,360	4,328,269	1,064,579	321,167
Deferred financing costs	(22,371)	(56,089)	(149,259)	(100,679)	(5,932)
Repayments of short-term and long-term borrowings	(706,449)	(414,693)	(2,468,561)	(1,277,038)	(168,358)
Payment of sellers notes	–	–	(391)	(18,000)	–
Cash contributed from (paid to) minority interest partners	–	–	–	2,971	(253)
Net cash flows from financing activities	717,420	2,470,690	4,427,924	6,308,415	158,815
EFFECT OF EXCHANGE RATES ON CASH	(38,201)	(148,867)	(102,906)	52,340	4,824
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(920,380)	(1,481,288)	(49,087)	1,890,307	(267,833)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1,876,828	1,925,915	1,925,915	35,608	303,441

CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 956,448	$ 444,627	$ 1,876,828	$ 1,925,915	$ 35,608

The accompanying notes are an integral part of these consolidated financial statements.

	Nine Months Ended September 30,		Year Ended December 31,		Ten Months Ended December 31,
	2001	2000	2000	1999	1998
	(Unaudited)				
SUPPLEMENTAL CASH FLOW DISCLOSURES:					
Cash paid for interest	$ 437,807	$ 283,943	$ 363,594	$ 101,121	$ 40,929
Cash received for interest	$ 59,442	$ 90,767	$ 125,943	$ 41,633	$ 9,074
NON-CASH INVESTING AND FINANCING ACTIVITIES:					
Acquisition of EWT/TSS via issuance of subsidiary shares	$ –	$ –	$ 622,261	$ –	$ –
Acquisition of Cignal Global Communications via issuance of subsidiary shares	$ –	$ –	$ 205,117	$ –	$ –
Issuance of preferred stock utilized in purchase of Australian investments	$ –	$ –	$ –	$ –	$ 29,544
Seller note for purchase of system in Hungary	$ –	$ –	$ –	$ –	$ 18,000

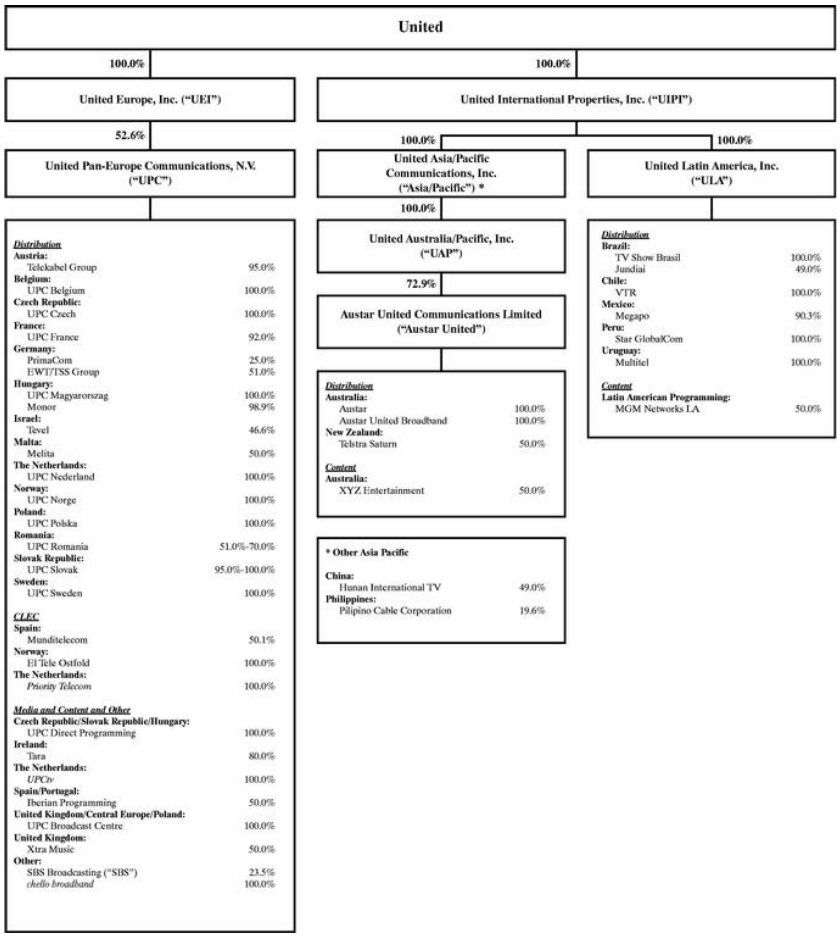
The accompanying notes are an integral part of these consolidated financial statements.

UNITEDGLOBALCOM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Nature of Operations

UnitedGlobalCom, Inc. (together with its majority-owned subsidiaries, the "Company" or "United") provides video, telephone and Internet access services, which the Company refers to as "Distribution," in numerous countries worldwide, and related content and other media services in a growing number of international markets. The following chart presents a summary of the Company's significant investments in telecommunications as of December 31, 2000.



2. Summary of Significant Accounting Policies

Basis of Presentation

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

For the nine months ended September 30, 2001 (Unaudited). The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles and with the instructions to Form 10-Q and Article 10 of Regulation S-X for interim financial information. Accordingly, these statements do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. All significant intercompany accounts and transactions have been eliminated in consolidation. Operating results for the nine months ended September 30, 2001 are not necessarily indicative of the results that may be expected for the year ending December 31, 2001. Certain prior year amounts have been reclassified to conform with the current year presentation.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and all subsidiaries where it exercises a controlling financial interest through the ownership of a majority voting interest. The following illustrates those subsidiaries for which the Company did not consolidate the results of operations for the entire fiscal years ended December 31, 2000, 1999 and the ten months ended December 31, 1998:

Entity	Effective Date of Consolidation	Reason
K&T Group (UPC Nederland)	March 31, 2000	Acquisition
El Tele Ostfold	March 1, 2000	Acquisition
Intercomm (UPC France)	February 1, 2000	Acquisition of 92.0% interest
Tebecai (UPC Nederland)	February 1, 2000	Acquisition
Monor	December 1, 1999	Acquisition
Kabel Plus (UPC Czech)	October 1, 1999	Acquisition
A2000 (UPC Nederland)	September 1, 1999	Acquisition of remaining 50.0% interest
Time Warner Cable France (UPC France)	September 1, 1999	Acquisition
@Entertainment (UPC Polska)	August 1, 1999	Acquisition
Saturn(1)	August 1, 1999	Acquisition of remaining 35.0% interest
Stjärn (UPC Sweden)	August 1, 1999	Acquisition
Videopole (UPC France)	August 1, 1999	Acquisition
GelreVision (UPC Nederland)	June 1, 1999	Acquisition
RCF (UPC France)	June 1, 1999	Acquisition
UPC Slovensko (UPC Slovak)	June 1, 1999	Acquisition
VTR	May 1, 1999	Acquisition of remaining 66.0% interest
UTH (UPC Nederland)(2)	February 1, 1999	Acquisition of remaining 49.0% interest

(1) Saturn was deconsolidated effective April 1, 2000 in connection with the formation of the 50/50 joint venture, TelstraSaturn.

(2) Prior to the acquisition date, the equity method of accounting was used because of certain minority shareholder's rights.

All significant intercompany accounts and transactions have been eliminated in consolidation.

Change in Fiscal Year-End

Prior to the ten months ended December 31, 1998, the Company's fiscal year-end was February 28, and it accounted for its share of the income or loss of its operating companies based on the calendar year results of each operating company. This created a two month delay in reporting the operating company results in the Company's consolidated results for its fiscal year-end. On February 24, 1999, the Company changed its fiscal year-end from the last day in February to the last day in December, effective December 31, 1998. To effect the transition to the new fiscal year, the combined results of operations of the operating companies for January and February 1998, a loss of $50.4 million, has been reported as a one-time adjustment to retained deficit as of March 1, 1998 in the consolidated statement of stockholders' (deficit) equity. Consequently, the consolidated statement of operations and comprehensive (loss) income presents the consolidated results of the Company and its subsidiaries for the ten months ended December 31, 1998. For comparative purposes, the Company's consolidated revenue, net operating loss and net loss were $84.3, $125.4 and $206.4 million, respectively, for the ten months ended December 31, 1997 and the Company's consolidated revenue, net operating loss and net loss were $298.6, $350.7 and $595.9 million, respectively, for the year ended December 31, 1998.

Cash and Cash Equivalents and Short-Term Liquid Investments

Cash and cash equivalents include cash and investments with original maturities of less than three months. Short-term liquid investments include certificates of deposit, commercial paper, corporate bonds and government securities which have original maturities greater than three months but less than twelve months. Short-term liquid investments are classified as available-for-sale and are reported at fair market value.

Restricted Cash

Cash held as collateral for letters of credit and other loans is classified based on the expected expiration of such facilities. Cash held in escrow and restricted to a specific use is classified based on the expected timing of such disbursement.

Inventory

Inventory is stated at the lower of cost (first-in, first-out basis) or market.

Investments in Affiliates, Accounted for under the Equity Method

For those investments in unconsolidated subsidiaries and companies in which the Company's voting interest is 20.0% to 50.0%, its investments are held through a combination of voting common stock, preferred stock, debentures or convertible debt and/or the Company exerts significant influence through board representation and management authority, the equity method of accounting is used. Under this method, the investment, originally recorded at cost, is adjusted to recognize the Company's proportionate share of net earnings or losses of the affiliate, limited to the extent of the Company's investment in and advances to the affiliate, including any debt guarantees or other contractual funding commitments. The Company's proportionate share of net earnings or losses of affiliates includes the amortization of the excess of its cost over its proportionate interest in each affiliate's net assets.

Investment in Publicly Traded Securities Accounted for Under the Equity Method — For the nine months ended September 30, 2001 (Unaudited)

The Company evaluates its investments in publicly traded securities accounted for under the equity method for impairment in accordance with Accounting Principles Board Opinion No. 18, "The Equity Method of Accounting for Investments in Common Stock" ("APB 18") and Staff Accounting Bulletin No. 59, "Accounting for Noncurrent Marketable Equity Securities" ("SAB 59"). Under APB 18, a loss in value of an investment accounted for under the equity method which is other than a temporary decline should be recognized as a realized loss, establishing a new carrying value for the investment. Factors the Company considers in making this evaluation include: the length of time and the extent to which the market value has been less than cost, the financial condition and near-term prospects of the issuer, including any specific events which may influence the operations of the issuer and the intent and ability of the Company to retain its investments for a period of time sufficient to allow for any anticipated recovery in market value.

Marketable Equity Securities and Other Investments

The cost method of accounting is used for the Company's other investments in affiliates in which the Company's ownership interest is less than 20.0% and where the Company does not exert significant influence, except for those investments in marketable equity securities. The Company classifies its investments in marketable equity securities in which its interest is less than 20.0% and where the Company does not exert significant influence as available-for-sale and reports such investments at fair market value. Unrealized gains and losses are charged or credited to equity, and realized gains and losses and other-than-temporary declines in market value are included in operations.

Property, Plant and Equipment

Property, plant and equipment is stated at cost. Additions, replacements, installation costs and major improvements are capitalized, and costs for normal repair and maintenance of property, plant and equipment are charged to expense as incurred. Assets constructed include overhead expense and interest charges incurred during the period of construction; investment subsidies are deducted. Depreciation is calculated using the straight-line method over the economic life of the asset.

The economic lives of property, plant and equipment at acquisition are as follows:

Cable distribution networks	3-20 years
Subscriber premises equipment and converters	3-10 years
Microwave multi-point distribution system ("MMDS") and satellite direct-to-home ("DTH") facilities	5-20 years
Office equipment, furniture and fixtures	3-10 years
Buildings and leasehold improvements	3-33 years
Other	3-10 years

Leasehold improvements are depreciated over the shorter of the expected life of the improvements or the initial lease term.

Goodwill and Other Intangible Assets

The excess of investments in consolidated subsidiaries over the net tangible asset value at acquisition is amortized on a straight-line basis over 15 years. Licenses in newly-acquired companies are recognized

at the fair market value of those licenses at the date of acquisition. Licenses in new franchise areas include the capitalization of direct costs incurred in obtaining the license. The license value is amortized on a straight-line basis over the initial license period, up to a maximum of 20 years.

Recoverability of Tangible and Intangible Assets

The Company evaluates the carrying value of all long-lived tangible and intangible assets whenever events or circumstances indicate the carrying value of assets may exceed their recoverable amounts. An impairment loss is recognized when the estimated future cash flows (undiscounted and without interest) expected to result from the use of an asset are less than the carrying amount of the asset. Measurement of an impairment loss is based on fair value of the asset computed using discounted cash flows if the asset is expected to be held and used. Measurement of an impairment loss for an asset held for sale would be based on fair market value less estimated costs to sell.

Deferred Financing Costs

Costs to obtain debt financing are capitalized and amortized over the life of the debt facility using the effective interest method.

Subscriber Prepayments and Deposits

Payments received in advance for distribution services are deferred and recognized as revenue when the associated services are provided. Deposits are recorded as a liability upon receipt and refunded to the subscriber upon disconnection.

Revenue Recognition

Revenue from the provision of video, voice and Internet access services to customers is recognized in the period the related services are provided.

Initial installation fees are recognized as revenue in the period in which the installation occurs, to the extent installation fees are equal to or less than direct selling costs, which are expensed. To the extent installation fees exceed direct selling costs, the excess fees are deferred and amortized over the average contract period. All installation fees and related costs with respect to reconnections and disconnections are recognized in the period in which the reconnection or disconnection occurs because reconnection fees are charged at a level equal to or less than related reconnection costs.

Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of subscriber receivables. Concentrations of credit risk with respect to subscriber receivables are limited due to the Company's large number of customers and their dispersion across many different countries worldwide.

SEC Staff Accounting Bulletin No. 51 ("SAB 51") Accounting Policy

Gains realized as a result of common stock sales by the Company's subsidiaries are recorded in the consolidated statements of operations and comprehensive (loss) income, except for any transactions which must be credited directly to equity in accordance with the provisions of SAB 51.

Stock-Based Compensation

Stock-based compensation is recognized using the intrinsic value method for the Company's stock option plans, which results in compensation expense for the difference between the grant price and the fair market value of vested options at each new measurement date. UPC, *chello broadband, Priority Telecom* and Austar United have also adopted similar stock-based compensation plans for their employees whereby compensation expense is recognized for the difference between the grant price and the fair market value of vested options at each new measurement date. UPC, *chello broadband,* ULA and VTR have also adopted phantom stock-based compensation plans for their employees whereby the rights conveyed to employees are the substantive equivalents to stock appreciation rights. Accordingly, compensation expense is recognized at each financial statement date based on the difference between the grant price and the estimated fair value of the respective subsidiary's common stock. Subsequent decreases in the estimated fair value of these vested options will cause a reversal of previous charges taken, until the options are exercised or expire.

Income Taxes

The Company accounts for income taxes under the asset and liability method which requires recognition of deferred tax assets and liabilities for the expected future income tax consequences of transactions which have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and income tax basis of assets, liabilities and loss carryforwards using enacted tax rates in effect for the year in which the differences are expected to reverse. Net deferred tax assets are then reduced by a valuation allowance if management believes it more likely than not they will not be realized. Withholding taxes are taken into consideration in situations where the income of subsidiaries is to be paid out as dividends in the near future. Such withholding taxes are generally charged to income in the year in which the dividend income is generated.

Basic and Diluted Net (Loss) Income Per Share

Basic net (loss) income per share is determined by dividing net (loss) income available to common stockholders by the weighted-average number of common shares outstanding during each period. Net (loss) income available to common stockholders includes the accrual of dividends on convertible preferred stock which is charged directly to additional paid-in capital and/or accumulated deficit. Diluted net (loss) income per share includes the effects of potentially issuable common stock, but only if dilutive. On November 11, 1999 the Board of Directors authorized a two-for-one stock split effected in the form of a stock dividend distributed on November 30, 1999 to stockholders of record on November 22, 1999. All historical weighted-average share and per share amounts have been restated to reflect the stock split.

Foreign Operations and Foreign Exchange Rate Risk

The functional currency for the Company's foreign operations is the applicable local currency for each affiliate company, except for countries which have experienced hyper-inflationary economies. For countries which have hyper-inflationary economies, the financial statements are prepared in U.S. dollars. Assets and liabilities of foreign subsidiaries for which the functional currency is the local currency are translated at exchange rates in effect at period-end, and the statements of operations are translated at the average exchange rates during the period. Exchange rate fluctuations on translating foreign currency financial statements into U.S. dollars that result in unrealized gains or losses are referred to as translation adjustments. Cumulative translation adjustments are recorded as a separate

component of stockholders' (deficit) equity and are included in Other Cumulative Comprehensive Loss. Transactions denominated in currencies other than the local currency are recorded based on exchange rates at the time such transactions arise. Subsequent changes in exchange rates result in transaction gains and losses which are reflected in income as unrealized (based on period-end translations) or realized upon settlement of the transactions. Cash flows from the Company's operations in foreign countries are translated at actual exchange rates when known, or at the average rate for the period. As a result, amounts related to assets and liabilities reported in the consolidated statements of cash flows will not agree to changes in the corresponding balances in the consolidated balance sheets. The effects of exchange rate changes on cash balances held in foreign currencies are reported as a separate line below cash flows from financing activities. Certain of the Company's foreign operating companies have notes payable and notes receivable that are denominated in a currency other than their own functional currency. Accordingly, the Company may experience economic loss and a negative impact on earnings and equity with respect to its holdings solely as a result of foreign currency exchange rate fluctuations.

New Accounting Principle

The Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"), which requires that companies recognize all derivatives as either assets or liabilities in the balance sheet at fair market value. Under SFAS 133, accounting for changes in fair market value of a derivative depends on its intended use and designation. In June 1999, the FASB approved Statement of Financial Accounting Standards No. 137, "Accounting for Derivative Instruments and Hedging Activities — Deferral of the Effective Date of FASB Statement No. 133" ("SFAS 137"). SFAS 137 amends the effective date of SFAS 133, which will now be effective for the Company's first quarter 2001.

For the nine months ended September 30, 2001 (Unaudited). Effective January 1, 2001, the Company adopted SFAS 133, as amended. UPC has cross-currency swaps related to its dollar-denominated senior notes, as well as warrants in a publicly traded company that qualify as derivatives under SFAS 133. The impact of recording the cross-currency swaps and the warrants at fair market value effective January 1, 2001 was a gain (loss) of $66.3 million and $(33.7) million, respectively, which was recorded in the condensed consolidated statement of operations as a cumulative effective of a change in accounting principle.

New Accounting Principles in 2001 (Unaudited)

In June 2001, the Financial Accounting Standards Board authorized the issuance of Statement of Financial Accounting Standards No. 141, *Business Combinations* ("SFAS No. 141"). SFAS No. 141 requires the use of the purchase method of accounting for all business combinations initiated after June 30, 2001. SFAS No. 141 requires intangible assets acquired in a business combination to be recognized if they arise from contractual or legal rights or are "separable", that is, feasible that they may be sold, transferred, licensed, rented, exchanged or pledged. As a result, it is likely that more intangible assets will be recognized under SFAS No. 141 than its predecessor, Accounting Principles Board Opinion No. 16 although in some instances previously recognized intangibles will be subsumed into goodwill. The Company is currently evaluating the potential impact, if any, the adoption of SFAS 141 will have on its financial position and results of operations, as well as the impact on future business combinations that are currently being negotiated or contemplated.

In June 2001, the Financial Accounting Standards Board authorized the issuance of Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets* ("SFAS 142"). Under SFAS No. 142, goodwill and intangible assets with indefinite lives will no longer be amortized, but will be tested for impairment on an annual basis and whenever indicators of impairment arise. The goodwill

impairment test, which is based on fair value, is to be performed on a reporting unit level. Goodwill will no longer be tested for impairment under No. 121, *Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of* ("SFAS 121"). Additionally, goodwill on equity method investments will no longer be amortized; however, it will continue to be tested for impairment in accordance with Accounting Principles Board Opinion No. 18, *The Equity Method of Accounting for Investments in Common Stock.* Under SFAS No. 142, intangible assets with indefinite lives will not be amortized. Instead they will be carried at the lower of cost or market value and tested for impairment at least annually. All other recognized intangible assets will continue to be amortized over their estimated useful lives. SFAS No. 142 is effective for fiscal years beginning after December 15, 2001, although goodwill on business combinations consummated after July 1, 2001 will not be amortized. On adoption, the Company expects to record a cumulative effect adjustment to reflect the impairment of previously recognized goodwill and other intangible assets. While the Company has not yet determined what the impact will be on its financial position and results of operations, it is possible that a substantial cumulative effect adjustment may be required.

In August 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* ("SFAS 144"), which is effective for fiscal periods beginning after December 15, 2001, and interim periods within those fiscal years. SFAS 144 supercedes SFAS 121, and establishes an accounting model for impairment or disposal of long-lived assets to be disposed of by sale. Under SFAS 144 there is no longer a requirement to allocate goodwill to long-lived assets to be tested for impairment. It also establishes a probability weighted cash flow estimation approach to deal with situations in which there are a range of cash

flows that may be generated by the asset being tested for impairment. SFAS 144 also establishes criteria for determining when an asset should be treated as held for sale. The Company is currently evaluating the potential impact, if any, the adoption of SFAS 144 will have on its financial position and results of operations.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Risks and Uncertainties — For the nine months ended September 30, 2001 (Unaudited)

UPC. UPC has incurred substantial operating losses and negative cash flows from operations which has been driven by its continuing development efforts including the introduction of new services such as digital video, telephone and Internet. Additionally, substantial capital expenditures have been required to deploy these services and to acquire businesses. UPC expects to incur operating losses at least through 2003, primarily as a result of the continued introduction of these new services and continued depreciation and amortization expense. UPC's business plan calls for substantial growth in the number of subscribers that will use these new services. In order for UPC to achieve consolidated operating profitability and positive operating cash flows, this growth requires the availability of capital resources that are sufficient to fund expected capital expenditures and operating losses. The Company believes that UPC can achieve the anticipated growth in subscribers if there are sufficient capital resources to fund expected capital expenditures and operating losses. UPC's estimates of the cash flows generated by these new services and the capital resources needed and available to complete their deployment could change, and such change could differ materially from the estimates used by UPC to evaluate its ability to realize its investments.

In July 2001, UPC engaged a strategic consultant to review its current and long-term strategic plan for all segments of the business. The final conclusions are currently being prepared and will be presented to UPC's Supervisory Board for consideration in due course. As a result of this strategic review and

related decisions made by the Supervisory Board, further reorganization of UPC's business might occur and significant charges for asset impairments and various organizational restructuring measures may be recorded.

UPC is involved in a process of recapitalization that is intended to result in a substantial reduction of UPC's existing indebtedness. In connection with the recapitalization, UPC has not made timely interest payments on certain senior notes. Under the notes, UPC has until March 3, 2002 to cure the non-payment. If UPC fails to make the interest payment by the expiration of the grace period on March 3, 2002, the payment default on the notes would cause a cross-default under UPC's bank credit agreement unless UPC obtains a waiver from the bank lenders prior to that date. UPC has entered into negotiations with some of the holders of its senior notes and bank indebtedness. If UPC fails to obtain necessary default waivers and restructure its indebtedness, its lenders would have certain enforcement rights, including the right to commence involuntary bankruptcy proceedings and, in the case of UPC's bank lenders, to foreclose upon UPC's major operating companies.

UAP. UAP's senior discount notes (the "UAP Notes") began to accrue interest on a cash-pay basis May 15, 2001, with the first payment of $34.5 million due November 15, 2001. UAP did not have enough cash to make this interest payment on November 15, 2001. The trustee under the Indenture governing the UAP Notes declared the entire unpaid principal and accrued interest of the UAP Notes to be due and payable. The trustee, either independently or at the request of the UAP Note holders, could initiate bankruptcy proceedings against UAP, sue to recover the amount of the UAP Notes or take any other action available to creditors. Based upon current market prices, the value of UAP's assets is significantly less than the amount of the outstanding principal and accrued interest on the UAP Notes. UAP is negotiating the terms on which the UAP Notes will be restructured. Though UAP believes the restructuring will be successful, there can be no assurance that it will occur on terms that are satisfactory to the Company, or at all. Any recapitalization or restructuring that occurs on terms that are less favorable than expected could adversely affect the ability of the Company and subsidiaries to obtain new or alternative financing.

Austar United. Management believes Austar United's working capital and projected operating cash flow as of September 30, 2001 are sufficient to fund Austar United's operations and meet Austar United's budgeted capital expenditure requirements through March 31, 2002. Management expects Austar United to continue to incur operating losses in the near future, especially from its newer services such as Content, telephone and Internet. In late 2001, Austar United's high-speed broadband Internet access service was cancelled. Austar United plans to continue to provide a traditional dial-up Internet service using a third-party network. The Company cannot be assured that Austar United will be able to achieve operating profitability and/or positive operating cash flows from its video, telephone and Internet businesses. Austar United is in default under the terms of its A$400.0 ($196.6) million Austar Bank Facility, and is negotiating the terms on which this facility will be restructured. Though Austar United believes the restructuring will be successful, there can be no assurance that it will occur on terms that are satisfactory to the Company, or at all. If Austar United fails to restructure its indebtedness, its lenders would have certain enforcement rights, including the right to commence involuntary bankruptcy proceedings. In addition, if any recapitalization or restructuring occurs on terms that are less favorable than expected, the Company's indirect interest in Austar United may be significantly reduced.

VTR. Management believes VTR's working capital and projected operating cash flow as of September 30, 2001 are sufficient to fund its operations through the remainder of 2001. To the extent VTR's budgeted capital expenditures exceed net projected operating cash flow, VTR will need to seek funding from external sources or reduce its planned expenditures. VTR intends to refinance its $176.0 million VTR Bank Facility by the end of first quarter 2002. If VTR is unable to refinance this

facility, it will become due and payable on April 29, 2002. VTR may need to sell assets or obtain funding from external sources to repay this amount when due.

3. Acquisitions and Other

For the nine months ended September 30, 2001 (Unaudited)

In January 2001, UPC acquired DeAlkmaarse Kabel in The Netherlands for a purchase price of $46.2 million. The purchase price was paid in cash of $21.5 million and a note, bearing interest at 8.0% per annum. The note is due in one year, and is payable in cash or shares of UPC, at UPC's option.

In March 2001, UPC announced an agreement with PrimaCom to merge its German assets, including EWT/TSS and the TeleColumbus option, as well as its Alkmaar subsidiary located in the Netherlands, with those of PrimaCom. The TeleColumbus option expired at the end of August 2001 and no longer forms part of the discussions. UPC's interest in EWT is held through its 51.0% owned subsidiary, UPC Germany. Due to changes in market conditions, the parties are currently re-evaluating the merger. UPC's carrying value of the assets subject to this proposed transaction, (E939.1 ($859.0) million), is significantly greater than the fair value of the consideration that would be received should the PrimaCom transaction be completed. As a result, UPC Germany could record a significant write-down if the transaction is closed.

In August 2001, UPC and Canal+ Group ("Canal+"), the television and film division of Vivendi Universal, announced the signing of definitive agreements to merge their respective Polish direct-to-home ("DTH") satellite television platforms, as well as the Canal+ Polska premium channel, to form a common Polish DTH platform. In the merger agreements, UPC Polska agreed to contribute its Polish and United Kingdom DTH assets to TKP, the Polish subsidiary of Canal+, and fund a maximum of E30.0 ($27.4) million in the form of a note receivable from TKP at closing. For this, UPC Polska will receive a 25.0% ownership interest in TKP and E150.0 ($137.2) million in cash. As part of this transaction, through a carriage agreement, the Canal+ Polska premium channel will also be available on UPC Polska's cable network. TKP will be managed and controlled by Canal+, who will own 75.0%. UPC will own the remaining 25.0%. For accounting purposes, TKP will be deemed the acquirer. UPC Polska's investment in the merged companies will be recorded at fair value as of the date of the transaction. UPC Polska's carrying value of the Polish DTH assets being contributed may be significantly higher than the determined fair value of its investment in the merged companies if and when the transaction is consummated, leading to a write-down at the date the transaction is consummated. On November 13, 2001, the Company received the regulatory approval necessary to complete the merger, which closed prior to December 31, 2001. UPC will deconsolidate the DTH operations upon closure of the merger.

On September 27, 2001, *Priority Telecom* listed its 3,986,519 issued and outstanding ordinary shares on the Euronext Amsterdam ("Euronext"). UPC owns 2,596,021 of these ordinary shares and all of the 2,728,605 *Priority Telecom* class A shares, for an ownership interest (not including shares held by the *Priority Telecom* Foundation) of 87.0%.

In May 2001, Austar United successfully completed a rights offering selling 214.2 million shares and raising gross and net proceeds at A$0.95 ($0.49) per share of A$203.5 ($106.3) million and A$202.3 ($105.7) million, respectively. Asia/Pacific and United Austar, Inc. accepted their full entitlement under the pro rata rights offer and United Austar, Inc. accepted the shortfall subscriptions by other rights holders for a total share acquisition of 213.3 million shares, increasing United's indirect interest in Austar United from 73.4% to 81.3%.

In May 2001, the Company announced a revised transaction with Liberty, the terms of which have been disclosed. The Company is continuing to work towards closing this binding transaction. The Company is also continuing to review some alternative transaction ideas proposed by Liberty.

In October 2000, UPC acquired, through its subsidiary, UPC Germany, 100% of EWT for a preliminary purchase price of E238.4 million in cash and 49.0% of UPC Germany. In the third quarter of 2001, the purchase price was finalized and UPC recorded the necessary adjustments to the initial purchase price allocation. Under the UPC Germany Shareholders Agreement, the 49.0% shareholder has an option to put his interest in UPC Germany to UPC in exchange for approximately 10.6 million of UPC's ordinary shares A as adjusted for final settlement. The option expires March 31, 2003. UPC has the option to pay for the put, if exercised, in either its 10.6 million shares or the equivalent value of cash on such date. If the option is not exercised, upon its expiration, the 49.0% shareholder has the right to demand that UPC contribute cash and/or other assets (including stock) to UPC Germany equal to approximately E358.8 ($328.2) million, representing the remainder of UPC's contribution obligation to UPC Germany.

The minority shareholders in UPC Romania have exercised their option which requires UPC to purchase all of their partnership interests effective December 31, 2001 for consideration of approximately E22.7 ($20.8) million, which is payable before February 15, 2002.

In November 2000, UPC's subsidiary, *Priority Telecom*, acquired through a merger and exchange offer Cignal Global Communications ("Cignal"). In the stock-based transaction, *Priority Telecom* acquired 100.0% of Cignal in exchange for a 16.0% interest in *Priority Telecom*. Under the terms of the Shareholder's Agreement, UPC granted the Cignal shareholders an option to put their interest in *Priority Telecom* back to UPC if a public listing for *Priority Telecom* is not consummated by October 1, 2001. The value to be paid by UPC upon exercise of the put is the greater of the fair market value of the Cignal shareholder's interest in *Priority Telecom* or $200.0 million. UPC has the option to pay for the put, if exercised, in either its shares or cash.

2000

In February 2000, UPC acquired Intercomm France Holding S.A. for $35.6 million in cash and shares in UPC France. Following the transaction, UPC controls 92.0% of UPC France. In connection with this acquisition, UPC issued shares worth $20.0 million. Based on the carrying value of United's investment in UPC as of February 23, 2000, United recognized a gain of $6.8 million from the resulting step-up in the carrying amount of United's investment in UPC, in accordance with SAB 51.

In February 2000, UPC acquired 100% of Tebecai in The Netherlands for $70.4 million.

In February 2000, UPC acquired 100% of the equity of El Tele Ostfold and Vestfold from certain energy companies in Norway for $39.2 million.

In March 2000, UPC acquired 100% of Kabel Haarlem in The Netherlands for $59.8 million.

In March 2000, UPC acquired K&T Group in The Netherlands for consideration of $1.0 billion. Details of the net assets acquired, based on the preliminary purchase price allocation, were as follows (in thousands):

Property, plant and equipment	$	227,845
Investments in affiliated companies		8,430
Goodwill		786,436
Long-term liabilities		(225,439)
Net current liabilities		(8,129)
Receivables acquired		216,904
Net cash paid	$	1,006,047

In March 2000, Austar United sold 20.0 million shares to the public, raising gross and net proceeds at $5.20 per share of $104.0 and $102.4 million, respectively. Based on the carrying value of the Company's investment in Austar United as of March 29, 2000, United recognized a gain of $66.8 million from the resulting step-up in the carrying amount of United's investment in Austar United, in accordance with SAB 51. No deferred taxes were recorded related to this gain due to the Company's intent to hold its investment in Austar United indefinitely.

In April 2000, Saturn merged with Telstra New Zealand Limited, a wholly owned subsidiary of Telstra Corporation Limited, to form TelstraSaturn.

In October 2000, UPC acquired, through its subsidiary UPC Germany, 100% of the EWT/TSS Group for $829.7 million in cash and 49.0% of UPC Germany. Under the UPC Germany shareholders agreement, the 49.0% shareholder has been provided with an option to put his interest in UPC Germany to UPC in exchange for 13.2 million of UPC's ordinary shares A. The option expires March 31, 2003. UPC has the option to pay for the put, if exercised, in either its shares or cash. Details of the net assets acquired, based on the preliminary purchase price allocation, were as follows (in thousands):

Property, plant and equipment	$	67,930
Goodwill and other intangibles		828,689
Long-term liabilities		(40,286)
Net current liabilities and other		(26,651)
Total consideration		829,682
UPC Germany shares		(622,261)
Net cash paid	$	207,421

In November 2000, *Priority Telecom* acquired through a merger and exchange offer Cignal Global Communications ("Cignal"), a United States based provider of global network services. In the stock-based deal, *Priority Telecom* acquired 100% of Cignal in exchange for a 16.0% interest in *Priority Telecom*. Under the terms of the shareholder's agreement, UPC granted the Cignal shareholders an option to put their interest in *Priority Telecom* back to UPC if an initial public offering for *Priority Telecom* is not consummated by October 1, 2001. The value to be paid by UPC upon exercise of the put is the greater of the fair market value of the Cignal shareholders' interest in *Priority Telecom* or $200.0 million. UPC has the option to pay for the put, if exercised, in either UPC shares or cash.

1999

In February 1999, UPC successfully completed an initial public offering selling 133.8 million shares on the Amsterdam Stock Exchange and The Nasdaq Stock Market, Inc. ("Nasdaq"), raising gross and net proceeds at $10.93 per share of $1,463.0 and $1,364.1 million, respectively. Concurrent with the offering, a third party exercised an option and acquired approximately 4.7 million ordinary shares of UPC, resulting in proceeds to UPC of $45.0 million. Based on the carrying value of the Company's investment in UPC as of February 11, 1999, United recognized a gain of $822.1 million from the resulting step-up in the carrying amount of United's investment in UPC, in accordance with SAB 51. No deferred taxes were recorded related to this gain due to the Company's intent to hold its investment in UPC indefinitely.

In August 1998, UPC merged its Dutch cable television and telecommunications assets with those of the Dutch energy company NUON, forming a new company, UTH (the "UTH Transaction"). The transaction was accounted for as a formation of a joint venture with NUON's and UPC's net assets recorded at their historical carrying values. Although UPC retained a 51.0% economic and voting interest in UTH, because of joint governance on most significant operating decisions, UPC accounted for its investment in UTH using the equity method of accounting. Details of the net assets contributed were as follows (in thousands):

Working capital	$	1,871
Investments in affiliated companies		(96,866)
Property, plant and equipment		(85,037)
Goodwill and other intangible assets		(78,515)
Senior secured notes and other debt		111,553
Other liabilities		17,417
Total net assets contributed	$	(129,577)

On February 17, 1999, UPC acquired the remaining 49.0% of UTH from NUON (the "NUON Transaction") for $265.7 million. In addition, UPC repaid NUON a $17.1 million subordinated loan, including accrued interest, dated December 23, 1998, owed by UTH to NUON. The purchase of NUON's interest and payment of the loan were funded with proceeds from UPC's initial public offering. Effective February 1, 1999, UPC began consolidating the results of operations of UTH. Details of the net assets acquired were as follows (in thousands):

Property, plant and equipment	$	210,013
Investments in affiliated companies		46,830
Goodwill		256,749
Long-term liabilities		(242,536)
Net current liabilities		(5,384)
Total cash paid		265,672
Cash acquired		(13,629)
Net cash paid	$	252,043

The following unaudited pro forma condensed consolidated operating results for the year ended December 31, 1999 and the ten months ended December 31, 1998 give effect to the UTH Transaction and the NUON Transaction as if they had occurred at the beginning of the periods presented. This unaudited pro forma condensed consolidated financial information does not purport to represent what the Company's results of operations would actually have been if such transactions had in fact occurred on such dates. The pro forma adjustments are based upon currently available information and upon certain assumptions that management believes are reasonable.

	For the Year Ended December 31, 1999		For the Ten Months Ended December 31, 1998	
	Historical	Pro Forma	Historical	Pro Forma
	(In thousands, except share and per share amounts)			
Revenue	$ 720,762	$ 730,879	$ 254,466	$ 335,474
Net income (loss)	$ 636,318	$ 631,623	$ (545,532)	$ (581,388)
Net income (loss) per common share:				
Basic net income (loss)	$ 7.53	$ 7.48	$ (7.43)	$ (7.92)

Diluted net income (loss)	$ 6.67	$ 6.63	$ (7.43)	$ (7.92)
Weighted-average number of common shares outstanding:				
Basic	82,024,077	82,024,077	73,644,728	73,644,728
Diluted	95,331,929	95,331,929	73,644,728	73,644,728

In April 1999, an indirect wholly owned subsidiary of ULA acquired a 66.0% interest in VTR. This acquisition, combined with the interest in VTR that is owned by another indirect wholly owned subsidiary of the Company, gives the Company an indirect 100% interest in VTR. The purchase price for the 66.0% interest in VTR was approximately $258.2 million in cash. In addition, the Company provided capital for VTR to prepay approximately $125.8 million of existing bank indebtedness and a promissory note from the Company to one of the other shareholders of VTR. Details of the net assets acquired were as follows (in thousands):

Working capital	$ 10,381
Property, plant and equipment	203,154
Goodwill and other intangible assets	244,981
Other long-term assets	14,685
Elimination of equity investment in Chilean joint venture	(69,381)
Long-term liabilities	(145,641)
Total cash paid	258,179
Cash acquired	(5,498)
Net cash paid	$ 252,681

In June 1999, UPC acquired SKT spol s.r.o. in the Slovak Republic for $43.3 million.

In June 1999, UPC acquired 100% of GelreVision in The Netherlands for $109.8 million. Details of the net assets acquired were as follows (in thousands):

Property, plant and equipment	$ 49,407
Goodwill	67,335
Net current liabilities	(2,682)
Long-term liabilities	(4,236)
Total cash paid	109,824
Cash acquired	(136)
Net cash paid	$ 109,688

In June 1999, UPC acquired 95.7% of RCF in France for $27.1 million.

In June 1999, the Company's interest in Austar, XYZ Entertainment and Saturn were contributed to Austar United in exchange for new shares issued by Austar United. On July 27, 1999, Austar United acquired a 35.0% interest in Saturn in exchange for approximately 13.7 million of Austar United's shares, thereby increasing Austar United's ownership interest in Saturn from 65.0% to 100%. In addition, Austar United successfully completed an initial public offering selling 103.5 million shares on the Australian Stock Exchange, raising gross and net proceeds at $3.03 per share of $313.6 and $292.8 million, respectively. Based on the carrying value of the Company's investment in Austar United as of July 27, 1999, United recognized a gain of $248.4 million from the resulting step-up in the carrying amount of United's investment in Austar United, in accordance with SAB 51. No deferred taxes were recorded related to this gain due to the Company's intent to hold its investment in Austar United indefinitely.

In July 1999, UPC acquired UPC Sweden (formerly known as Stjärn) for a purchase price of $397.0 million, of which $100.0 million was paid in the form of a one-year note with interest at 8.0% per year, and the balance was paid in cash. Details of the net assets acquired were as follows (in thousands):

Property, plant and equipment	$ 43,171
Goodwill	442,094
Net current liabilities	(55,997)
Long-term liabilities	(32,268)
Total purchase price	397,000
Seller's note	(100,000)
Total cash paid	297,000
Cash acquired	(3,792)
Net cash paid	$ 293,208

In August 1999, UPC acquired through UPC France 100% of Videopole for a total purchase price of $135.1 million. The purchase price was paid in cash ($69.9 million) and 2.9 million ordinary shares of UPC ($65.2 million). Based on the carrying value of the Company's investment in UPC as of July 31, 1999, United recognized a gain of $34.9 million from the resulting step-up in the carrying amount of United's investment in UPC, in accordance with SAB 51. No deferred taxes were recorded related to this gain due to the Company's intent to hold its investment in UPC indefinitely.

In August 1999, UPC acquired 100% of UPC Polska (formerly known as @Entertainment) for $807.0 million in cash. Details of the net assets acquired were as follows (in thousands):

Net current assets	$ 51,239
Property, plant and equipment	196,178
Goodwill	986,814
Long-term liabilities	(448,566)
Other	21,335
Total cash paid	807,000
Cash acquired	(62,507)
Net cash paid	$ 744,493

The following unaudited pro forma condensed consolidated operating results for the year ended December 31, 1999 and the ten months ended December 31, 1998 give effect to the acquisition of UPC Polska as if it had occurred at the beginning of each period presented. This unaudited pro forma condensed consolidated financial information does not purport to represent what the Company's results of operations would actually have been if such transaction had in fact occurred on such dates. The pro forma adjustments are based upon currently available information and upon certain assumptions that management believes are reasonable.

	For the Year Ended December 31, 1999		For the Ten Months Ended December 31, 1998	
	Historical	Pro Forma	Historical	Pro Forma
	(In thousands, except share and per share amounts)			
Revenue	$ 720,762	$ 767,741	$ 254,466	$ 304,844

Net income (loss)	$ 636,318	$ 444,151	$ (545,532)	$ (725,398)
Net income (loss) per common share:				
Basic net income (loss)	$ 7.53	$ 5.19	$ (7.43)	$ (9.87)
Diluted net income (loss)	$ 6.67	$ 4.66	$ (7.43)	$ (9.87)
Weighted-average number of common shares outstanding:				
Basic	82,024,077	82,024,077	73,644,728	73,644,728
Diluted	95,331,929	95,331,929	73,644,728	73,644,728

In August 1999, UPC acquired through UPC France 100% of Time Warner Cable France for $71.1 million in cash. Simultaneous with the acquisition of Time Warner Cable France, UPC acquired an additional 47.6% interest in one of its operating systems, RCF, in which Time Warner Cable France had a 49.9% interest, for $14.6 million, increasing UPC's ownership in that system to 97.5%.

In September 1999, UPC acquired through UPC Nederland the remaining 50.0% of A2000 that it did not already own for $229.0 and $13.1 million in cash and assumed receivables, respectively. Details of the net assets acquired were as follows (in thousands):

Receivables assumed	$ 13,062
Property, plant and equipment	96,539
Goodwill	274,361
Net current liabilities	(25,044)
Long-term liabilities	(129,918)
Total cash paid	229,000
Cash acquired	(521)
Net cash paid	$ 228,479

In October 1999, UPC acquired a 94.6% interest in Kabel Plus in the Czech Republic for a purchase price of $150.0 million.

In October 1999, UPC completed a second public offering of 45.0 million ordinary shares, raising gross and net proceeds at $21.58 per share of $970.9 and $922.4 million, respectively. Based on the carrying value of the Company's investment in UPC as of October 19, 1999, United recognized a gain of $403.5 million from the resulting step-up in the carrying amount of United's investment in UPC, in accordance with SAB 51. No deferred taxes were recorded related to this gain due to the Company's intent to hold its investment in UPC indefinitely.

In December 1999, UPC acquired an additional 48.0% economic interest in Monor from its partner and several small minority shareholders for $45.0 million, increasing UPC's ownership to 97.1%.

1998

In January 1998, UPC acquired certain assets (including the Dutch cable systems) of Combivisie for $88.0 million. Subsequent to the transaction, the assets and liabilities of UPC's other Dutch systems and Combivisie were merged, forming CNBH, a wholly-owned subsidiary of UPC Nederland. Details of the assets acquired were as follows (in thousands):

Property, plant and equipment and other long-term assets	$ 51,632
Goodwill and other intangible assets	36,416
Total cash paid	$ 88,048

In May 1998, ULA entered into a joint venture with a division of Metro-Goldwyn-Mayer, Inc. ("MGM") to form MGM Networks LA. Under the terms of the joint venture, ULA contributed its 100% interest in a Latin American programming venture for a 50.0% interest in MGM Networks LA, and MGM acquired a 50.0% interest in MGM Networks LA by contributing its Brazil channel (MGM Gold Brazil) and committing to fund the first $9.9 million ($6.7 million of which was funded at closing) required by MGM Networks LA. MGM Networks LA has also entered into a trademark license agreement with MGM for the use of the MGM brand name and also into a program license agreement to acquire programming from MGM.

In June 1998, UPC acquired certain Hungarian multi-channel television system assets for $9.5 million in cash and a non-interest bearing promissory note in the amount of $18.0 million. These assets are now part of UPC Magyarorszag.

In July 1998, Austar acquired certain Australian pay television assets for $6.1 million of the Company's Series B Convertible Preferred Stock.

In September 1998, Asia/Pacific acquired an additional 25.0% interest in XYZ Entertainment, increasing its ownership interest to 50.0%. The purchase price consisted of $1.2 million in cash and $23.4 million of the Company's Series B Convertible Preferred Stock.

In October 1998, ULA increased its ownership interest in TV Show Brasil from 45.0% to 100% for $11.4 million, half of which was paid in cash, with the remainder financed by the seller.

In November 1998, UPC (i) acquired from Tele-Communications International, Inc. ("TINTA") its indirect 23.3% and 25.0% interests in the Tevel and Melita systems, respectively, for $91.5 million, doubling UPC's ownership interests to 46.6% and 50.0%, respectively, (ii) purchased an additional 5.0% interest in Princes Holdings, an Irish telecommunications company, and 5.0% of Tara in consideration for 769,062 shares of United Class A Common Stock held by UPC, and (iii) sold the 5.0% interest in Princes Holdings, together with its existing 20.0% interest, to TINTA for $20.5 million.

4. Cash and Cash Equivalents, Restricted Cash and Short-Term Liquid Investments

	As of December 31, 2000			
	Cash and Cash Equivalents	**Restricted Cash**	**Short-term Liquid Investments**	**Total**
	(In thousands)			
Cash	$ 1,500,570	$ 11,023	$ –	$ 1,511,593
Certificates of deposit	48,685	120	126,029	174,834
Commercial paper	326,378	–	54,296	380,674
Corporate bonds	1,195	–	142,763	143,958
Government securities	–	469	23,996	24,465
Total	$ 1,876,828	$ 11,612	$ 347,084	$ 2,235,524

	As of December 31, 1999			
	Cash and Cash Equivalents	**Restricted Cash**	**Short-term Liquid Investments**	**Total**
	(In thousands)			
Cash	$ 1,046,827	$ 18,217	$ –	$ 1,065,044
Certificates of deposit	52,000	–	293,497	345,497
Commercial paper	803,088	–	182,486	985,574

Corporate bonds	24,000	–	126,179	150,179
Government securities	–	–	27,527	27,527
Total	$ 1,925,915	$ 18,217	$ 629,689	$ 2,573,821

5. Investments in Affiliates

	As of September 30, 2001					
	Contributions	Cumulative Dividends Received	Cumulative Share in Results of Affiliates	Cumulative Translation Adjustments	Impairment(1)	Total
			(Unaudited) (In thousands)			
Europe:						
PrimaCom	$ 341,017	$ –	$ (59,033)	$ (30,905)	$ (232,623)	$ 18,456
SBS	264,675	–	(66,523)	(115)	(102,037)	96,000
Tevel	120,877	(6,180)	(76,931)	1,385	–	39,151
Melita	14,105	–	(798)	(3,553)	–	9,754
Iberian Programming	11,947	(2,560)	9,125	2,912	–	21,424
Xtra Music	14,546	–	(6,978)	(1,013)	–	6,555
Other	54,148	(695)	(10,879)	(4,576)	–	37,998
Asia/Pacific:						
TelstraSaturn	100,073	–	(51,557)	(9,270)	–	39,246
XYZ Entertainment	44,306	(11,712)	(7,775)	(4,379)	–	20,440
Pilipino Cable Corporation	18,354	–	(3,623)	(2,587)	–	12,144
Hunan International TV	6,394	–	(2,351)	16	–	4,059
Other	2,954	–	(1,744)	(493)	–	717
Latin America:						
Telecable	71,819	(20,862)	(5,131)	(9,480)	–	36,346
MGM Networks LA	15,086	–	(15,086)	–	–	–
Jundiai	7,438	(1,572)	216	(2,951)	–	3,131
Total	$ 1,087,739	$ (43,581)	$ (299,068)	$ (65,009)	$ (334,660)	$ 345,421

	As of December 31, 2000				
	Contributions	Cumulative Dividends Received	Cumulative Share in Results of Affiliates	Cumulative Translation Adjustments	Total
			(In thousands)		
Europe:					
PrimaCom	$ 341,017	$ –	$ (28,482)	$ (21,114)	$ 291,421
SBS	264,675	–	(36,433)	(4,138)	224,104
Tevel	99,385	(6,180)	(39,587)	3,848	57,466
Melita	14,052	–	592	(3,480)	11,164
Iberian Programming	11,947	(2,560)	5,103	2,319	16,809
Xtra Music	14,491	–	(6,367)	(986)	7,138
Other	44,900	(695)	(9,772)	(6,242)	28,191
Asia/Pacific:					
XYZ Entertainment	44,306	(5,464)	(11,515)	(1,387)	25,940
TelstraSaturn	66,629	–	(24,503)	(5,007)	37,119
Pilipino Cable Corporation	17,346	–	(3,388)	(2,588)	11,370
Hunan International TV	6,061	–	(2,181)	16	3,896
Other	2,860	–	(614)	(314)	1,932
Latin America:					
Telecable	71,819	(20,862)	(5,282)	(10,135)	35,540
MGM Networks LA(2)	14,076	–	(14,076)	–	–
Jundiai	7,438	(1,572)	174	(1,808)	4,232
Total	$ 1,021,002	$ (37,333)	$ (176,331)	$ (51,016)	$ 756,322

	As of December 31, 1999				
	Contributions	Cumulative Dividends Received	Cumulative Share in Results of Affiliates	Cumulative Translation Adjustments	Total
			(In thousands)		
Europe:					
SBS	$ 99,621	$ –	$ (5,421)	$ 2,858	$ 97,058
Tevel	100,679	(6,180)	(12,108)	3,761	86,152
Melita	14,062	–	2,066	(2,417)	13,711
Iberian Programming	11,947	–	(460)	2,828	14,315
Xtra Music	9,913	–	(2,476)	(640)	6,797
Other	27,447	–	(65)	(1,048)	26,334
Asia/Pacific:					
XYZ Entertainment	44,306	–	(18,564)	2,804	28,546
Pilipino Cable Corporation	14,950	–	(3,004)	(2,588)	9,358
Hunan International TV	6,061	–	(2,477)	16	3,600
Other	350	–	–	–	350
Latin America:					
Telecable	32,496	(1,408)	(1,618)	(9,382)	20,088
MGM Networks LA(2)	11,988	–	(11,988)	–	–
Jundiai	6,032	(1,572)	72	(1,334)	3,198
Other	2	–	–	–	2
Total	$ 379,854	$ (9,160)	$ (56,043)	$ (5,142)	$ 309,509

(1) Based on our analysis of specific quantitative and qualitative factors as of September 30, 2001, the Company determined the decline in market value of PrimaCom and SBS to be other than temporary, and as a result, the Company reduced its carrying value in these investments to market value as of September 30, 2001. This provision has been separately presented as "Provision for Loss on Investments" in the accompanying condensed consolidated statement of operations.

(2) Includes an accrued funding obligation of $2.6 and $3.0 million at December 31, 2000 and 1999, respectively. The Company would face significant and punitive dilution if it did not make the requested fundings.

As of December 31, 2000 and 1999, the Company had the following differences related to the excess of its cost over its proportionate interest in each affiliate's net tangible assets included in the above table. Such differences are being amortized over 15 years.

	As of December 31,			
	2000		1999	
	Basis Difference	Accumulated Amortization	Basis Difference	Accumulated Amortization
	(In thousands)			
Europe:				
PrimaCom	$ 251,167	$ (15,678)	$ –	$ –
SBS	109,149	(17,364)	109,080	(2,828)
Tevel	83,271	(11,625)	82,010	(7,947)
Iberian Programming	11,586	(1,189)	11,941	(521)
Melita	11,098	(1,349)	11,673	(1,242)
Xtra Music	5,069	(462)	5,511	(246)
Asia/Pacific:				
XYZ Entertainment	22,483	(3,159)	25,791	(1,609)
TelstraSaturn	21,405	(995)	–	–
Latin America:				
Telecable	33,392	(9,514)	20,518	(6,983)
Total	$ 548,620	$ (61,335)	$ 266,524	$ (21,376)

6. Property, Plant and Equipment

	As of September 30, 2001	As of December 31,	
		2000	1999
	(Unaudited)		
		(In thousands)	
Cable distribution networks	$ 3,318,393	$ 3,147,285	$ 1,913,511
Subscriber premises equipment and converters	967,207	757,385	451,505
MMDS/DTH distribution facilities	256,924	261,896	144,593
Information technology systems, office equipment, furniture and fixtures	296,050	254,721	103,869
Buildings and leasehold improvements	166,738	142,334	127,584
Other	131,783	106,155	121,299
	5,137,095	4,669,776	2,862,361
Accumulated depreciation	(1,393,498)	(920,972)	(482,524)
Net property, plant and equipment	$ 3,743,597	$ 3,748,804	$ 2,379,837

7. Goodwill and Other Intangible Assets

	As of September 30, 2001	As of December 31,	
		2000	1999
	(Unaudited)		
		(In thousands)	
Europe:			
UPC Nederland	$ 1,258,622	$ 1,590,868	$ 763,714
UPC Polska	959,415	951,225	935,867
UPC Germany	819,769	883,928	–
Priority Telecom	408,420	337,247	–
UPC Sweden	352,883	388,884	430,606
UPC N.V	192,639	193,630	29,406
Telekabel Group	165,646	167,317	177,800
UPC France	152,302	164,010	117,787
UPC Magyarorszag	133,076	131,164	55,068
Priority Wireless	98,139	100,297	–
UPC Czech	95,729	95,161	85,330
UPC Norge	69,208	67,249	85,405
Other	122,824	89,914	81,372
Asia/Pacific:			
Austar United	208,745	225,433	114,882
Latin America:			
VTR	172,276	208,725	223,484
TV Show Brasil	5,614	7,688	8,298
Star GlobalCom	–	–	5,916
Multitel	166	179	–
Other:			
Corporate and other	97	–	–
	5,215,570	5,602,919	3,114,935
Accumulated amortization	(725,231)	(448,012)	(170,133)
Net goodwill and other intangible assets	$ 4,490,339	$ 5,154,907	$ 2,944,802

8. Short-Term Debt

	As of September 30, 2001	As of December 31, 2000	As of December 31, 1999
	(Unaudited)		
		(In thousands)	
Other UPC	$ 35,908	$ 48,151	$ 164,263
Other ULA and Asia/Pacific	–	3,057	9,033
Total short-term debt	$ 35,908	$ 51,208	$ 173,296

9. Senior Discount Notes and Senior Notes

	As of September 30, 2001	As of December 31, 2000	As of December 31, 1999
	(Unaudited)		
		(In thousands)	
United 1998 Notes	$ 1,190,955	$ 1,101,010	$ 991,568
United 1999 Notes	270,087	249,497	224,426
UPC July 1999 Senior Notes:			
UPC 10.875% dollar Senior Notes due 2009	799,996	700,759	759,442
UPC 10.875% euro Senior Notes due 2009	274,424	278,551	301,878
UPC 12.5% dollar Senior Discount Notes due 2009	521,240	475,854	421,747
UPC October 1999 Senior Notes:			
UPC 10.875% dollar Senior Notes due 2007	199,999	177,027	191,852
UPC 10.875% euro Senior Notes due 2007	91,475	92,851	100,625
UPC 11.25% dollar Senior Notes due 2009	250,495	221,411	239,905
UPC 11.25% euro Senior Notes due 2009	91,838	93,168	100,894
UPC 13.375% dollar Senior Discount Notes due 2009	320,601	290,974	255,786
UPC 13.375% euro Senior Discount Notes due 2009	117,247	108,017	102,847
UPC January 2000 Senior Notes:			
UPC 11.25% dollar Senior Notes due 2010	596,267	595,742	–
UPC 11.25% euro Senior Notes due 2010	181,812	184,443	–
UPC 11.5% dollar Senior Notes due 2010	298,151	273,780	–
UPC 13.75% dollar Senior Discount Notes due 2010	642,335	581,253	–
UPC Polska Senior Discount Notes	337,399	300,163	286,089
UAP Notes (see Note 2)	490,753	466,241	407,945
Total senior discount notes and senior notes	$ 6,675,074	$ 6,190,741	$ 4,385,004

For the nine months ended September 30, 2001 (Unaudited). The fair value (derivative asset) of UPC's cross-currency swap derivatives embedded in the July 1999 Senior Notes, the October 1999 Senior Notes, the January 2000 Senior Notes and UPC's Bank Facility as of September 30, 2001, was E334.8 ($306.3) million (including both the fair value of the foreign currency portion and the interest portion of the swaps) compared to nil at December 31, 2000. Of this amount, E185.8 ($170.0) million has been added to the carrying value of the related long-term debt, resulting from fluctuations in exchange rates subsequent to the initial borrowings. All non-euro denominated borrowings are recorded each period using the period-end spot rate with the result recorded as foreign exchange gain or loss.

United 1998 Notes

In February 1998, the Company sold in a private transaction $1,375.0 million principal amount at maturity of 10.75% senior secured discount notes due 2008. The United 1998 Notes were issued at a discount from their principal amount at maturity, resulting in gross proceeds to United of approximately $812.2 million. The Company used approximately $531.8 million of the proceeds from the United 1998 Notes to complete a tender offer for the Company's existing 14.0% senior secured

discount notes due 1999 and the consent solicitation that the Company conducted concurrently therewith.

The United 1998 Notes accrete at 10.75% per annum, compounded semi-annually to an aggregate principal amount of $1,375.0 million on February 15, 2003, at which time cash interest will commence to accrue. Commencing August 15, 2003, cash interest on the United 1998 Notes will be payable on February 15 and August 15 of each year until maturity at a rate of 10.75% per annum. The United 1998 Notes will mature on February 15, 2008, and will be redeemable at the option of the Company on or after February 15, 2003.

The United 1998 Notes are senior secured obligations of the Company that rank senior in right of payment to all future subordinated indebtedness of the Company. The United 1998 Notes are effectively subordinated to all future indebtedness and other liabilities and commitments of the Company's subsidiaries. Under the terms of the indenture governing the United 1998 Notes (the "Indenture"), the Company's subsidiaries are generally prohibited and/or restricted from incurring any liens against their assets other than liens incurred in the ordinary course of business, from paying dividends, and from making investments in entities that are not "restricted" by the terms of the Indenture. The Company has the option to invest in "unrestricted entities" in an aggregate amount equal to the sum of $100.0 million plus the aggregate amount of net cash proceeds from sales of equity, net of payments made on its preferred stock plus net proceeds from certain litigation settlements. The Indenture generally prohibits the Company from incurring additional indebtedness with the exception of a general allowance of $75.0 million for debt maturing on or after February 15, 2008, certain guarantees totaling $15.0 million, refinancing indebtedness, normal indebtedness to restricted affiliates and other letters of credit in the ordinary course of business. The Indenture also limits the amount of additional debt that its subsidiaries or controlled affiliates may borrow, or preferred shares that they may issue. Generally, additional borrowings, when added to existing indebtedness, must satisfy, among other conditions, at least one of the following tests: (i) 7.0 times the borrower's consolidated operating cash flow; (ii) 1.75 times its consolidated interest expense; or (iii) 225% of the borrower's consolidated invested equity capital. In addition, there must be no existing default under the Indenture at the time of the borrowing. The Indenture also restricts its subsidiaries' ability to make certain asset sales and certain payments.

United 1999 Notes

On April 29, 1999, the Company sold in a private transaction $355.0 million principal amount at maturity of 10.875% senior discount notes due 2009. The United 1999 Notes were issued at a discount from their principal amount at maturity, resulting in gross proceeds to United of approximately $208.9 million. The United 1999 Notes will accrete at 10.875% per annum, compounded semi-annually, to an aggregate principal amount of $355.0 million on May 1, 2004. Commencing November 1, 2004, cash interest on the United 1999 Notes will begin to accrue, payable on May 1 and November 1 of each year until maturity at a rate of 10.875% per annum. The United 1999 Notes will mature on May 1, 2009, and are redeemable after May 1, 2004 at premiums declining to par on May 1, 2007. Additionally, subject to certain limitations, prior to May 1, 2002, United may redeem an aggregate of 35.0% of the United 1999 Notes at the Company's option with the net proceeds from one or more public offerings or certain asset sales. The United 1999 Notes are senior, general, unsecured obligations, ranking equally in right of payment to existing and future senior, unsecured obligations, senior to all future junior obligations and effectively junior to existing secured obligations, including the United 1998 Notes.

For the nine months ended September 30, 2001 (Unaudited). As part of the original distribution arrangements for the United 1999 Notes, the Company agreed to assist the group in reselling the

United 1999 Notes and to pay them the difference if the notes are sold for less than the price the institutions paid plus the then additional accreted value and they agreed in turn to pay the Company the difference if the notes were resold for a greater price than the institutions paid plus the then additional accreted value. In May 2001, the Company agreed to modifications of these distribution arrangements that provide, among other things, that: (1) the resale of the United 1999 Notes will not occur before May 23, 2002, except in certain circumstances, (2) the Company or New United (the new holding company of which the Company will become a subsidiary in connection with its transaction with Liberty) will deposit and maintain up to $150.0 million in an account with one of the institutions that hold the United 1999 Notes, and (3) New United and certain of its subsidiaries will also guarantee the Company's obligations under the United 1999 Notes and the Company's obligations to pay the institutions the difference if the United 1999 Notes are sold for less than the price the institutions paid plus the then accreted value. The United 1999 Notes were repaid on December 3, 2001 for approximately $261.3 million in cash.

UPC Senior Notes July 1999 Offering

In July 1999, UPC completed a private placement bond offering consisting of $800.0 million ten-year 10.875% Senior Notes due 2009, E300.0 million of ten-year 10.875% Senior Notes due 2009 and $735.0 million aggregate principal amount of ten-year 12.5% Senior Discount Notes due 2009. The UPC Senior Discount Notes due 2009 were sold at 54.5% of face value amount yielding gross proceeds of approximately $400.7 million, and will accrue but not pay interest until 2005. Interest payments on the Senior Notes due 2009 will be due semi-annually, commencing February 1, 2000. Concurrent with the closing of the UPC July 1999 Notes offering, UPC entered into a cross-currency swap, swapping the $800.0 million UPC Senior Notes due 2009 into fixed and variable rate euro notes with a notional amount totaling E754.7 million. One half of the euro notes have a fixed interest rate of 8.54% through August 1, 2004, thereafter switching to a variable interest rate of Euro Interbank Offered Rate ("EURIBOR") plus 4.15%, for an initial rate of 7.1%. The indentures governing these notes place certain limitations on UPC's ability, and the ability of its subsidiaries, to borrow money, issue capital stock, pay dividends in stock or repurchase stock, make investments, create certain liens, engage in certain transactions with affiliates, and sell certain assets or merge with or into other companies.

UPC Senior Notes October 1999 Offering

In October 1999, UPC completed a private placement bond offering consisting of six tranches: $200.0 million and E100.0 million of eight-year 10.875% Senior Notes due 2007; $252.0 million and E101.0 million of ten-year 11.25% Senior Notes due 2009 and $478.0 million and E191.0 million aggregate principal amount of ten-year 13.375% Senior Discount Notes due 2009. The Senior Discount Notes were sold at 52.3% of the face amount yielding gross proceeds of $250.0 million and E100.0 million and will accrue but not pay interest until November 2004. UPC then entered into cross-currency swaps, swapping the $252.0 million 11.25% coupon into fixed-rate and variable-rate euro notes with a notional amount totaling E240.2 million, and swapping the $200.0 million 10.875% coupon into fixed-rate and variable-rate euro notes with a notional amount totaling E190.7 million. Of the former swap, E120.1 million have a fixed interest rate of 9.9% through November 1, 2004, thereafter switching to a variable rate of EURIBOR + 4.8%. The remaining E120.1 million have a variable interest rate of EURIBOR + 4.8%. Of the latter swap, E95.4 million have a fixed interest rate of 9.9% through November 1, 2004, thereafter switching to a variable rate of EURIBOR + 4.8%. The remaining E95.4 million have a variable interest rate of EURIBOR + 4.8%. The indentures governing these notes place certain limitations on UPC's ability, and the ability of its subsidiaries, to borrow money, issue capital stock, pay dividends in stock or repurchase stock, make investments, create certain liens, engage in certain transactions with affiliates, and sell certain assets or merge with or into other companies.

UPC Senior Notes January 2000 Offering

In January 2000, UPC completed a private placement bond offering consisting of $600.0 million and E200.0 million of ten-year 11.25% Senior Notes due 2010, $300.0 million of ten-year 11.5% Senior Notes due 2010 and $1.0 billion aggregate principal amount of ten-year 13.75% Senior Discount Notes due 2010. The Senior Discount Notes were sold at 51.2% of the face amount yielding gross proceeds of $512.2 million and will accrue but not pay interest until 2005. UPC has entered into cross-currency swaps, swapping a total of $300.0 million of the 11.25% Senior Notes into fixed euro notes with a notional amount of E297.0 million. The indentures governing these notes place certain limitations on UPC's ability, and the ability of its subsidiaries, to borrow money, issue capital stock, pay dividends in stock or repurchase stock, make investments, create certain liens, engage in certain transactions with affiliates, and sell certain assets or merge with or into other companies.

UPC Polska Senior Discount Notes

In January 1999, UPC Polska sold 256,800 units consisting of Senior Discount Notes due 2009 and warrants to purchase 1,813,665 shares of UPC Polska's common stock. The UPC Polska 1999 Senior Discount Notes were issued at a discount to their aggregate principal amount at maturity yielding gross proceeds of approximately $100.0 million. Cash interest on the UPC Polska 1999 Senior Discount Notes will not accrue prior to February 1, 2004. Thereafter, cash interest will accrue at a rate of 14.5% per annum, payable semi-annually in arrears on August 1 and February 1 of each year, commencing August 1, 2004. In connection with the acquisition of UPC Polska, UPC acquired all of the existing warrants held in connection with the UPC Polska 1999 Senior Discount Notes. In July 1998, UPC Polska sold 252,000 units, consisting of 14.5% Senior Discount Notes due 2008 and warrants entitling the warrant holders to purchase 1,824,514 shares of UPC Polska common stock. This offering generated approximately $125.1 million in gross proceeds to UPC Polska. The UPC Polska 1998 Senior Discount Notes are unsubordinated and unsecured obligations of UPC Polska. Cash interest will not accrue prior to July 15, 2003. After that, cash interest will accrue at a rate of 14.5% per year and will be payable semi-annually in arrears on January 15 and July 15 of each year, beginning January 15, 2004. The UPC Polska 1998 Senior Discount Notes will mature on July 15, 2008. In connection with the acquisition of UPC Polska, UPC acquired all of the existing warrants held in connection with the UPC Polska 1998 Senior Discount Notes. Pursuant to the terms of the UPC Polska indenture, UPC Polska repurchased $49.1 million aggregate principal amount at maturity of these notes for $26.5 million as a result of UPC's acquisition of UPC Polska. In January 1999, UPC Polska sold $36.0 million aggregate principal amount at maturity of Series C Senior Discount Notes generating approximately $9.8 million of gross proceeds. The UPC Polska 1999 Series C Senior Discount Notes are senior unsecured obligations of UPC Polska. Original issue discount will accrete from January 20, 1999, until maturity on July 15, 2008. Cash interest will accrue beginning July 15, 2004 at a rate of 7.0% per year on the principal amount at maturity, and will be payable semi-annually in arrears, on July 15 and January 15 of each year beginning January 15, 2005. Poland Communications, Inc ("PCI"), UPC Polska's major operating subsidiary, sold $130.0 million of discount notes in October 1996. The PCI Discount Notes bear interest at 9.875%, payable on May 1 and November 1 of each year. The PCI Discount Notes mature on November 1, 2003. Pursuant to the terms of the PCI indenture, UPC Polska repurchased a majority of the PCI Discount Notes in November 1999 as a result of UPC's acquisition of UPC Polska.

UAP Notes

The 14.0% senior notes were issued by UAP in May 1996 and September 1997 at a discount from their principal amount of $488.0 million, resulting in gross proceeds of $255.0 million. On and after May 15,

2001, cash interest will accrue and will be payable semi-annually on each May 15 and November 15, commencing November 15, 2001. The UAP Notes are due May 15, 2006. Effective May 16, 1997, the interest rate on these notes increased by an additional 0.75% per annum to 14.75%. On October 14, 1998, UAP consummated an equity sale resulting in gross proceeds to UAP of $70.0 million, reducing the interest rate from 14.75% to 14.0% per annum. Due to the increase in the interest rate effective May 16, 1997 until consummation of the equity sale, the UAP Notes will accrete to an aggregate principal amount at maturity of $492.9 million.

In November 1997, pursuant to the terms of the indentures governing the UAP Notes, UAP issued warrants to purchase 488,000 shares of its common stock. The warrants are exercisable through May 15, 2006 at a price of $10.45 per share, which would result in gross proceeds of $5.1 million upon exercise. The warrants were valued at $3.7 million and have been reflected as an additional discount to the UAP Notes on a pro-rata basis and as an increase in additional paid-in capital. Warrants to acquire 50 shares were exercised November 24, 1999.

10. Other Long-Term Debt

	As of September 30, 2001	As of December 31, 2000	As of December 31, 1999
	(Unaudited)		
		(In thousands)	
UPC Bank Facility	$ 2,721,273	$ 2,224,696	$ –
Exchangeable Loan	874,166	–	–
UPC Bridge Facility	–	696,379	–
DIC Loan	49,024	51,401	–
UPC Senior Credit Facility	–	–	359,720
UPC Nederland Facilities	–	–	588,310
UPC France Facilities	–	–	146,157
Other UPC	202,409	170,801	123,199
VTR Bank Facility (see Note 2)	176,000	176,000	176,000
Austar Bank Facility (see Note 2)	196,580	223,501	202,703
Other UAP	4,310	4,759	59,948
Other ULA	3,570	571	594
	4,227,332	3,548,108	1,656,631
Less current portion	(202,729)	(193,923)	(52,180)
Total other long-term debt	$ 4,024,603	$ 3,354,185	$ 1,604,451

UPC Bank Facility

In October 2000, UPC closed a $3.4 billion operating and term loan facility with a group of banks. The UPC Bank Facility is guaranteed by existing operating companies, excluding Polish and German assets. The UPC Bank Facility bears interest at EURIBOR +0.75% to 4.0% depending on certain ratios, and UPC pays an annual commitment fee of 0.5% over the undrawn amount. The UPC Bank Facility refinanced the UPC Senior Credit Facility, UPC Nederland Facilities, UPC France Facilities and other existing operating company bank debt totaling $1.7 billion and will finance further digital rollout and triple play by UPC's existing companies, excluding Polish and German operations. Borrowing availability is linked to certain performance criteria. Principal repayment will begin in 2004, with final maturity in 2009. The UPC Bank Facility indenture contains certain financial covenants and restrictions

on UPC's companies regarding payment of dividends, ability to incur indebtedness, dispose of assets and enter into affiliate transactions.

For the nine months ended September 30, 2001 (Unaudited). UPC was in compliance with these covenants as of September 30, 2001. Concurrent with the closing of the facility, UPC entered into cross currency and interest rate swaps, pursuant to which a $347.5 million obligation under the UPC Bank Facility was effectively changed into a E408.1 million obligation until November 29, 2002. UPC entered into an interest rate swap of E1,725.0 million to fix the EURIBOR portion of the interest calculation to 4.55% for the period ending April 15, 2003.

Exchangeable Loan — For the nine months ended September 30, 2001 (Unaudited)

In May 2001, UPC completed a placement with Liberty of $1.2 billion 6.0% Guaranteed Discount Notes due 2007, receiving proceeds of $856.8 (E1,000.0) million ("the Exchangeable Loan"). Liberty has the right to exchange the notes, which were issued by a wholly-owned subsidiary of UPC, into ordinary shares of UPC under certain circumstances at E8.0 ($6.85) per share after May 29, 2002.

The principal terms of the Exchangeable Loan are as follows:

- Exchangeable at any time into UPC ordinary shares at E8.0 ($6.85) per share.
- Callable in cash at any time in the first year at accreted value, then not callable until May 29, 2004, thereafter callable at descending premiums in cash, ordinary shares or a combination (at UPC's option) at any time prior to May 29, 2007.
- UPC has the right, at its option, to require exchange of the Exchangeable Loan into UPC ordinary shares at E8.00 per share on a E1.00 for E1.00 basis for any equity raised by UPC at a price at or above E8.00 per share during the first two years, E10.00 per share during the third year, E12.00 per share during the fourth year, and E15.00 per share during and after the fifth year.
- UPC has the right, at its option, to require exchange of the Exchangeable Loan into UPC ordinary shares, if on or after November 15, 2002, its ordinary shares trade at or above $10.28 for at least 20 out of 30 trading days, or if on or after May 29, 2004, UPC ordinary shares trade at or above $8.91 for at least 20 out of 30 trading days.

Foreign Exchange Contract — For the nine months ended September 30, 2001 (Unaudited)

In connection with the anticipated closing of the Liberty transaction and the previously anticipated rights offering of UPC, the Company entered into forward contracts with Toronto Dominion Securities to purchase E1.0 billion at a fixed conversion rate of 1.0797. For the nine months ended September 30, 2001, the total unrealized and realized loss on the forward contracts was $41.9 million. Subsequent to September 30, 2001, the remaining notional amount was settled for $0.9 million, resulting in a cumulative realized loss of $42.8 million.

UPC Bridge Facility

In March 2000, a fully committed $1.9 billion standby revolving credit facility was executed. The facility is guaranteed by UPC and certain subsidiaries. When drawn, the facility bears interest at EURIBOR +6.0% to 7.0%, with periodic increases after March 31, 2001, capped at an annual rate of 18.0% until maturity in March 2007.

DIC Loan

In November 1998, a subsidiary of Discount Investment Corporation ("DIC") loaned UPC a total of $90.0 million to acquire the additional interests in Tevel and Melita. In connection with the DIC Loan, UPC granted to an affiliate of DIC an option to acquire a total of $90.0 million, plus accrued interest, of ordinary shares of UPC at a price equal to 90.0% of UPC's initial public offering price. In February 1999, the option agreement was amended, resulting in a grant of two options of $45.0 million each to acquire ordinary shares of UPC. DIC then exercised the first option for $45.0 million, paying in cash and acquiring 4.7 million ordinary shares of UPC. UPC repaid $45.0 million of the DIC Loan and accrued interest with proceeds received from the option exercise. In October 2000, the remaining $45.0 million DIC Loan was refinanced by a two-year convertible note in the amount of $51.1 million at an annual interest rate of 10.0%. The note is convertible into UPC shares at the average closing price for 30 trading days before the conversion date.

VTR Bank Facility

In April 1999, VTR entered into a $220.0 million term loan facility in connection with the VTR Acquisition. The facility was amended in June 2000, reducing the aggregate principal amount to $176.0 million. The VTR Bank Facility bears interest at London Interbank Offered Rate ("LIBOR") plus a margin of 5.0%, and matures on April 29, 2001. The VTR Bank Facility indenture restricts certain investments and payments, including a ceiling on capital expenditures per fiscal year, as well as requires VTR to maintain certain financial ratios on a quarterly basis, such as total debt to EBITDA (as defined by the term loan agreement), debt service coverage, senior debt to EBITDA, interest coverage and minimum telephone revenue amounts.

Austar Bank Facility

In April 1999, Austar executed a A$400.0 million syndicated senior secured debt facility to refinance the existing bank facility and to fund Austar's subscriber acquisition and working capital needs. The Austar Bank Facility consists of two sub-facilities: (i) A$200.0 million amortizing term facility ("Tranche 1") and (ii) A$200.0 million cash advance facility ("Tranche 2"). Tranche 1 was used to refinance the existing bank facility, and Tranche 2 is available upon the contribution of additional equity on a 2:1 debt-to-equity basis. The Austar Bank Facility bears interest at the professional market rate in Australia plus a margin ranging from 1.75% to 2.25% based upon certain debt to cash flow ratios. The Austar Bank Facility is fully repayable pursuant to an amortization schedule beginning December 31, 2002 and ending March 31, 2006. As of December 31, 2000, Austar has drawn the entire amount of the facility.

Fair Value of Senior Discount Notes, Senior Notes and Other Long-Term Debt

Fair value is based on market prices for the same or similar issues.

	Carrying Value	Fair Value
	(In thousands)	
As of December 31, 2000:		
United 1998 Notes	$ 1,101,010	$ 591,250
United 1999 Notes	249,497	152,650
UPC Senior Notes July 1999 Offering:		
UPC 10.875% dollar Senior Notes due 2009	700,759	525,447
UPC 10.875% euro Senior Notes due 2009	278,551	175,487
UPC 12.5% dollar Senior Discount Notes due 2009	475,854	227,850
UPC Senior Notes October 1999 Offering:		
UPC 10.875% dollar Senior Notes due 2007	177,027	133,000
UPC 10.875% euro Senior Notes due 2007	92,851	59,424
UPC 11.25% dollar Senior Notes due 2009	221,411	165,196
UPC 11.25% euro Senior Notes due 2009	93,168	60,019
UPC 13.375% dollar Senior Discount Notes due 2009	290,974	143,400
UPC 13.375% euro Senior Discount Notes due 2009	108,017	53,203
UPC Senior Notes January 2000 Offering:		
UPC 11.25% dollar Senior Notes due 2010	595,742	387,000
UPC 11.25% euro Senior Notes due 2010	184,443	120,706
UPC 11.5% dollar Senior Notes due 2010	273,780	195,000
UPC 13.75% dollar Senior Discount Notes due 2010	581,253	290,000
UPC Polska Senior Discount Notes	300,163	235,749
UAP Notes	466,241	320,365
UPC Bank Facility	2,224,696	2,224,696
UPC Bridge Facility	696,379	696,379
DIC Loan	51,401	51,401
Other UPC	170,801	170,801
VTR Bank Facility	176,000	176,000
Austar Bank Facility	223,501	223,501
Other Asia/Pacific and ULA	5,330	5,330
Total	$ 9,738,849	$ 7,383,854

As of December 31, 1999:		
United 1998 Notes	$ 991,568	$ 880,000
United 1999 Notes	224,426	205,265
UPC Senior Notes July 1999 Offering:		
UPC 10.875% dollar Senior Notes due 2009	759,442	775,969
UPC 10.875% euro Senior Notes due 2009	301,878	305,652
UPC 12.5% dollar Senior Discount Notes due 2009	421,747	415,275

UPC Senior Notes October 1999 Offering:		
UPC 10.875% dollar Senior Notes due 2007	191,852	206,525
UPC 10.875% euro Senior Notes due 2007	100,625	102,639
UPC 11.25% dollar Senior Notes due 2009	239,905	262,080
UPC 11.25% euro Senior Notes due 2009	100,894	103,665
UPC 13.375% dollar Senior Discount Notes due 2009	255,786	272,460
UPC 13.375% euro Senior Discount Notes due 2009	102,847	106,669
UPC Polska Senior Discount Notes	286,089	322,253
UAP Notes	407,945	414,008
UPC Senior Credit Facility	359,720	359,720
UPC Nederland Facilities	588,310	588,310
UPC France Facilities	146,157	146,157
Other UPC	123,199	123,199
VTR Bank Facility	176,000	176,000
Austar Bank Facility	202,703	202,703
Other Asia/Pacific and ULA	60,542	60,542
Total	$ 6,041,635	$ 6,029,091

Debt Maturities

The maturities of the Company's senior discount notes, senior notes and other long-term debt are as follows (in thousands):

Year Ended December 31, 2001	$ 193,923
Year Ended December 31, 2002	92,851
Year Ended December 31, 2003	76,721
Year Ended December 31, 2004	399,461
Year Ended December 31, 2005	739,844
Thereafter	8,236,049
Total	$ 9,738,849

Other Financial Instruments

Interest rate swap agreements are used by the Company from time to time to manage interest rate risk on its floating rate debt facilities. Interest rate swaps are entered into depending on the Company's assessment of the market, and generally are used to convert floating-rate debt to fixed-rate debt. Interest differentials paid or received under these swap agreements are recognized over the life of the contracts as adjustments to the effective yield of the underlying debt, and related amounts payable to, or receivable from, the counterparties are included in the consolidated balance sheet. Currently, the

Company has interest rate swaps managing interest rate exposure on the UPC Bank Facility and the Austar Bank Facility. The swaps related to the UPC Bank Facility effectively convert a principal amount of $1.6 billion of variable-rate debt into fixed-rate borrowings at EURIBOR + 4.65%. The swaps related to the Austar Bank Facility effectively convert an aggregate principal amount of $83.8 million of variable-rate, long-term debt into fixed-rate borrowings.

UPC has entered into cross-currency swaps related to $1.8 billion of dollar-denominated senior notes. Under SFAS 133 these cross-currency swaps will not qualify for hedge accounting, and therefore the cross-currency swaps, as well as the senior notes which they relate to, must be presented separately on the balance sheet. The senior notes must be revalued at spot rates based on the dollar/euro exchange rate at each balance sheet date, with changes recorded as foreign exchange gains/losses in the consolidated statements of operations and comprehensive (loss) income. The cross-currency swaps likewise must be marked to market at each balance sheet date with changes recorded in the consolidated statements of operations and comprehensive (loss) income. If the Company were to implement SFAS 133 to cross-currency swaps in place at December 31, 2000, the impact for the year ended December 31, 2000 would be a net gain of between $51.1 and $78.9 million.

11. Convertible Preferred Stock

Series A Preferred Stock

In connection with the Company's acquisition of certain interests in Australia in 1995, the Company issued 170,513 shares of par value $0.01 per share Series A Preferred Stock. The Series A Preferred Stock had an initial liquidation value of $175.00 per share and accrued dividends at a rate of 4.0% per annum, compounded quarterly. Each share of Series A Preferred Stock was convertible into the number of shares of the Company's Class A Common Stock equal to the liquidation value at the time of conversion divided by $8.75. During the ten months ended December 31, 1998 a total of 38,369 shares of Series A Preferred Stock were converted into 850,914 shares of Class A Common Stock. During the year ended December 31, 1999, the remaining 132,144 shares of Series A Preferred Stock were converted into 3,006,404 shares of Class A Common Stock.

Series B Preferred Stock

In connection with the Company's acquisition of certain assets in Australia in July 1998, and the acquisition of an additional interest in XYZ Entertainment in September 1998, the Company issued a total of 139,031 shares of par value $0.01 per share Series B Preferred Stock. The Series B Preferred Stock had an initial liquidation value of $212.50 per share (approximately $29.5 million) and accrues dividends at a rate of 6.5% per annum, compounded quarterly. Each share of Series B Preferred Stock is convertible into the number of shares of the Company's Class A Common Stock equal to the liquidation value at the time of conversion divided by $10.63. The Company is required to redeem the Series B Preferred Stock on June 30, 2008 at a redemption price equal to its then liquidation value plus accrued dividends. During the year ended December 31, 1999 a total of 22,846 shares of Series B Preferred Stock were converted into 487,410 shares of Class A Common Stock. During the year ended December 31, 2000, a total of 2,202 shares of Series B Preferred Stock were converted into 48,996 shares of Class A Common Stock. Assuming none of the remaining 113,983 shares of Series B Preferred Stock is converted prior to redemption, the total cost to the Company upon redemption would be approximately $45.6 million. The Company has granted certain rights to holders of the Series B Preferred Stock to register under the Securities Act of 1933 the sale of shares of Class A Common Stock into which the Series B Preferred Stock may be converted.

Series C Preferred Stock

In July 1999, the Company issued 425,000 shares of par value $0.01 per share Series C Preferred Stock, resulting in gross and net proceeds to the Company of $425.0 and $381.6 million, respectively. The purchasers of the Series C Preferred Stock deposited $29.75 million into an account from which the holders were entitled to quarterly payments in an amount equal to $17.50 per preferred share commencing on September 30, 1999 through June 30, 2000, in cash or Class A Common Stock at United's option. On September 30, 1999, December 31, 1999, March 31, 2000 and June 30, 2000 the holders received their quarterly payment in cash. The Series C Preferred Stock had an initial liquidation value of $1,000 per share, and accrues dividends perpetually at a rate of 7.0% per annum, payable quarterly on March 31, June 30, September 30 and December 31 of each year, commencing September 30, 2000, payable in cash or Class A Common Stock at the Company's option. On September 30, 2000 and December 31, 2000 the holders received their quarterly payment in 212,889 and 509,470 shares of Class A Common Stock, respectively. Each share of Series C Preferred Stock is convertible any time at the option of the holder into the number of shares of the Company's Class A Common Stock equal to the liquidation value at the time of conversion divided by $42.15. The conversion price is subject to adjustment upon the occurrence of certain events. The Company has the right to require conversion on or after December 31, 2000 if the closing price of United's Class A Common Stock has equaled or exceeded 150.0% of the conversion price for a certain period of time, or on or after June 30, 2002 if the closing price of United's Common Stock has equaled or exceeded 130.0% of the conversion price for a certain period of time. On or after June 30, 2002, the Company has the option to redeem the Series C Preferred Stock in certain circumstances in cash or Class A Common Stock. The Series C Preferred Stock ranks senior to United's Class A Common Stock and *pari passu* with the Company's existing preferred stock. The Company has registered under the Securities Act of 1933 (i) the resale by holders of the Series C Preferred Stock, (ii) the shares of Class A Common Stock issuable in lieu of cash payment of amounts due on a change of control, redemption and dividend payment date and (iii) the shares of Class A Common Stock issuable upon conversion of the Series C Preferred Stock.

Series D Preferred Stock

In December 1999, the Company issued 287,500 shares of par value $0.01 per share Series D Preferred Stock, resulting in gross and net proceeds to the Company of $287.5 and $259.9 million, respectively. The purchasers of the Series D Preferred Stock deposited $20.1 million into an account from which the holders will be entitled to quarterly payments in an amount equal to $17.50 per preferred share per quarter commencing on December 31, 1999 through September 30, 2000 in cash or Class A Common Stock at United's option. On December 31, 1999, March 31, 2000, June 30, 2000 and September 30, 2000 the holders received their payment in cash. The Series D Preferred Stock had an initial liquidation value of $1,000 per share, and accrues dividends perpetually at a rate of 7.0% per annum, payable quarterly on March 31, June 30, September 30 and December 31 of each year, commencing December 31, 2000, payable in cash or Class A Common Stock at the Company's option. On December 31, 2000 the holders received their quarterly payment in 344,641 shares of Class A Common Stock. Each share of Series D Preferred Stock is convertible any time at the option of the holder into the number of shares of the Company's Class A Common Stock equal to the liquidation value at the time of conversion divided by $63.79. The conversion price is subject to adjustment upon the occurrence of certain events. The Company has the right to require conversion on or after June 30, 2001 if the closing price of United's Common Stock has equaled or exceeded 150.0% of the conversion price for a certain period of time, or on or after December 31, 2002 if the closing price of United's Common Stock has equaled or exceeded 130.0% of the conversion price for a certain period of time. On or after December 31, 2002, the Company has the option to redeem the Series D Preferred Stock

in certain circumstances in cash or Class A common stock. The Series D Preferred Stock ranks senior to United's common stock and *pari passu* with the Company's existing preferred stock. The Company has registered under the Securities Act of 1933 (i) the resale by holders of the Series D Preferred Stock, (ii) the shares of common stock issuable in lieu of cash payment of amounts due on a change of control, redemption and dividend payment date and (iii) the shares of common stock issuable upon conversion of the Series D Preferred Stock.

For the nine months ended September 30, 2001 (Unaudited). Pursuant to the terms of the Company's 7.0% Series C Senior Cumulative Convertible Preferred Stock and 7.0% Series D Senior Cumulative Convertible Preferred Stock, the dividends thereon cumulate, whether or not earned or declared, on a quarterly basis on March 31, June 30, September 30 and December 31 of each year. The dividends accrue from the last dividend payment date until paid in arrears, in cash or Class A Common Stock at United's option, although paying a cash dividend is prohibited under the terms of the Company's indentures. The Company's Board of Directors has not declared a dividend on the Series C Preferred Stock or Series D Preferred Stock for the quarter ended September 30, 2001 and the quarter ended December 31, 2001. Therefore, such dividend continued to accrue. In connection with the closing of the transaction with Liberty, the holders of the Series B, C and D preferred stock received an aggregate of approximately 23.3 million shares of Class A common stock of the new entity created to effect the merger transaction, which represented the number of shares of the Company's Class A common stock they would have received had they converted the Series B, C and D preferred stock immediately prior to the merger.

12. Stockholders' (Deficit) Equity

Common Stock

In April 1993, the Company adopted a Restated Certificate of Incorporation pursuant to which the Company authorized the issuance of two classes of common stock, Class A Common Stock and Class B Common Stock. Each share of Class A Common Stock is entitled to one vote per share while each share of Class B Common Stock is entitled to ten votes per share. Each share of Class B Common Stock is convertible at any time at the option of the holder into one share of Class A Common Stock. The two classes of common stock are identical in all other respects.

Common Stock Split

On November 11, 1999, the Board of Directors authorized a two-for-one stock split effected in the form of a stock dividend distributed on November 30, 1999 to shareholders of record on November 22, 1999. The effect of the stock split has been recognized retroactively in all share and per share amounts in the accompanying consolidated financial statements and notes.

Cumulative Translation Adjustments

During the year ended December 31, 2000, the Company recorded a negative change in cumulative translation adjustments of $47.6 million, primarily due to (i) the strengthening of the U.S. dollar compared to the Australian dollar of approximately 12.2% and (ii) the strengthening of the U.S. dollar compared to the Chilean peso of approximately 6.3%.

Equity Transactions of Subsidiaries

The issuance of warrants, the issuance of convertible debt with an equity component, variable plan accounting for stock options and the recognition of deferred compensation expense by the Company's subsidiaries affects the equity accounts of the Company. The following represents the effect on additional paid-in capital and deferred compensation as a result of these equity transactions:

	For the Nine Months Ended September 30, 2001		
	UPC	Austar United	Total
		(Unaudited) (In thousands)	
Variable plan accounting for stock options	$ (15,784)	$ (194)	$ (15,978)
Deferred compensation expense	15,784	194	15,978
Amortization of deferred compensation	8,614	5,151	13,765
Amortization of deferred compensation (minority interest)	–	(1,241)	(1,241)
Issuance of shares of subsidiary of UPC	(11,232)	–	(11,232)
Total	$ (2,618)	$ 3,910	$ 1,292

	For the Year Ended December 31, 2000			
	UPC	Austar United	United Corporate	Total
		(In thousands)		
Variable plan accounting for stock options	$ (7,467)	$ –	$ –	$ (7,467)
Deferred compensation expense	7,467	–	–	7,467
Amortization of deferred compensation	(14,046)	9,439	–	(4,607)
Amortization of deferred compensation (minority interest)	(25,712)	(2,932)	–	(28,644)
Issuance of warrants by UPC	59,912	–	–	59,912
Issuance of shares by subsidiary of UPC	75,482	–	–	75,482
Total	$ 95,636	$ 6,507	$ –	$ 102,143

	For the Year Ended December 31, 1999			
	UPC	Austar United	United Corporate	Total
		(In thousands)		
Variable plan accounting for stock options	$ 338,261	$ 40,883	$ –	$ 379,144
Deferred compensation expense	(180,757)	(40,883)	–	(221,640)
Amortization of deferred compensation	79,104	22,540	679	102,323
Issuance of warrants by UPC	33,025	–	–	33,025
Issuance of convertible debt (DIC Loan)	14,875	–	–	14,875
Total	$ 284,508	$ 22,540	$ 679	$ 307,727

Other Cumulative Comprehensive Loss

	As of September 30, 2001	As of December 31, 2000	As of December 31, 1999
	(Unaudited)	(In thousands)	
Foreign currency translation adjustments	$ (387,695)	$ (265,567)	$ (217,942)
Unrealized gain (loss) on available-for-sale securities	11,661	(24,964)	6,704
Change in fair value of derivatives	(24,471)	–	–
Cumulative effect of change in accounting principle	342	–	–
Total	$ (400,163)	$ (290,531)	$ (211,238)

United Stock Option Plans

In May 1993, the Company adopted a stock option plan for certain of its employees (the "Employee Plan"). The Employee Plan is construed, interpreted and administered by the compensation committee (the "Committee"), consisting of all members of the Board of Directors who are not employees of the Company. Members of the Company's Board of Directors who are not employees are not eligible to receive option grants under the Employee Plan. The Committee has the discretion to determine the employees and consultants to whom options are granted, the number of shares subject to the options, the exercise price of the options, the period over which the options become exercisable, the term of the options

(including the period after termination of employment during which an option may be exercised) and certain other provisions relating to the option. The maximum number of shares subject to options that may be granted to any one participant under the Employee Plan during any calendar year is 500,000 shares. The maximum term of options granted under the Employee Plan is ten years. Options granted may be either incentive stock options under the Internal Revenue Code of 1986, as amended, or non-qualified stock options. For grants prior to December 1, 2000, options vest in equal monthly increments over 48 months. For grants subsequent to December 1, 2000, options vest 12.5% six months from the date of grant and then in equal monthly increments over the next 42 months. Vesting would be accelerated upon a change of control in the Company as defined in the Employee Plan. Under the Employee Plan, options to purchase a total of 9,200,000 shares of Class A Common Stock have been authorized, of which 498,929 were available for grant as of December 31, 2000.

The Company adopted a stock option plan for non-employee directors effective June 1, 1993 (the "1993 Director Plan"). The 1993 Director Plan provides for the grant of an option to acquire 20,000 shares of the Company's Class A Common Stock to each member of the Board of Directors who was not also an employee of the Company (a "non-employee director") on June 1, 1993, and to each person who is newly elected to the Board of Directors as a non-employee director after June 1, 1993, on the date of their election. To allow for additional option grants to non-employee directors, the Company adopted a second stock option plan for non-employee directors effective March 20, 1998 (the "1998 Director Plan," and together with the 1993 Director Plan, the "Director Plans"). Options under the 1998 Director Plan are granted at the discretion of the Company's Board.

The maximum term of options granted under the Director Plans is ten years. Under the 1993 Director Plan, options vest 25% on the first anniversary of the date of grant and then evenly over the next 36-month period. Under the 1998 Director Plan, options vest in equal monthly increments over the four-year period following the date of grant. Vesting under both Director Plans would be accelerated

upon a change in control of the Company as defined in the respective Director Plans. Under the Director Plans, options to purchase a total of 1,960,000 shares of Class A Common Stock have been authorized, of which 989,167 were available for grant as of December 31, 2000.

Pro forma information regarding net (loss) income and net (loss) income per share is required by Statement of Financial Accounting Standards No. 123 ("SFAS 123"). This information is required to be determined as if the Company had accounted for its Employee Plan's and Director Plans' options granted on or after March 1, 1995 under the fair value method of SFAS 123. The fair value of options granted for the years ended December 31, 2000 and 1999 and the ten months ended December 31, 1998 reported below has been estimated at the date of grant using the Black-Scholes single-option pricing model and the following weighted-average assumptions:

	For the Year Ended December 31,		For the Ten Months Ended December 31,
	2000	1999	1998
Risk-free interest rate	5.36%	6.24%	4.60%
Expected lives	6 years	5 years	7 years
Expected volatility	67.42%	70.44%	55.34%
Expected dividend yield	0%	0%	0%

Based on the above assumptions, the total fair value of options granted was $16.8, $47.7, and $3.7 million for the years ended December 31, 2000 and 1999 and the ten months ended December 31, 1998, respectively. For purposes of the pro forma disclosures, the estimated fair value of the options is amortized using the straight-line method over the vesting period of the options. Had the Company's Employee Plan and Director Plans been accounted for under SFAS 123, net (loss) income and basic and diluted net (loss) income per share would have been reduced to the following pro forma amounts:

	For the Year Ended December 31,		For the Ten Months Ended December 31,
	2000	1999	1998
	(In thousands, except per share amounts)		
Net (loss) income:			
As reported	$ (1,220,890)	$ 636,318	$ (545,532)
Pro forma	$ (1,233,516)	$ 624,619	$ (548,226)
Net (loss) income per common share:			
Basic	$ (13.24)	$ 7.53	$ (7.43)
Diluted	$ (13.24)	$ 6.67	$ (7.43)
Pro forma basic	$ (13.37)	$ 7.39	$ (7.47)
Pro forma diluted	$ (13.37)	$ 6.55	$ (7.47)

A summary of stock option activity for the Employee Plan is as follows:

	For the Year Ended December 31,				For the Ten Months Ended December 31, 1998	
	2000		1999			
	Number	Weighted-Average Exercise Price	Number	Weighted-Average Exercise Price	Number	Weighted-Average Exercise Price
Outstanding at beginning of the period	4,402,287	$ 14.84	5,309,526	$ 5.53	5,894,952	$ 5.92
Granted during the period	1,293,800	$ 16.96	1,467,445	$ 34.11	739,000	$ 4.94
Cancelled during the period	(65,587)	$ 20.51	(624,095)	$ 6.75	(498,138)	$ 9.34
Exercised during the period	(860,284)	$ 6.00	(1,750,589)	$ 5.67	(826,288)	$ 5.44
Outstanding at end of the period	4,770,216	$ 16.95	4,402,287	$ 14.84	5,309,526	$ 5.53
Exercisable at end of the period	2,305,039	$ 10.76	2,436,077	$ 6.17	3,362,324	$ 5.55

A summary of stock option activity for the Director Plans is as follows:

	For the Year Ended December 31,				For the Ten Months Ended December 31, 1998	
	2000		1999			
	Number	Weighted-Average Exercise Price	Number	Weighted-Average Exercise Price	Number	Weighted-Average Exercise Price
Outstanding at beginning of the period	718,333	$ 15.84	770,000	$ 5.73	520,000	$ 6.08
Granted during the period	80,000	$ 38.66	150,000	$ 54.66	330,000	$ 4.94
Cancelled during the period	(40,000)	$ 52.94	(114,167)	$ 4.30	–	$ –
Exercised during the period	(128,333)	$ 7.27	(87,500)	$ 8.47	(80,000)	$ 4.75
Outstanding at end of the period	630,000	$ 18.13	718,333	$ 15.84	770,000	$ 5.73
Exercisable at end of the period	386,874	$ 8.75	436,874	$ 5.67	463,956	$ 6.29

The combined weighted-average fair values and weighted-average exercise prices of options granted are as follows:

	For the Year Ended December 31,								
	2000			1999			For the Ten Months Ended December 31, 1998		
Exercise Price	Number	Fair Value	Exercise Price	Number	Fair Value	Exercise Price	Number	Fair Value	Exercise Price
Less than market price	4,250	$ 38.22	$ 5.74	–	$ –	$ –	150,000	$ 6.61	$ 5.19
Equal to market price	1,342,546	$ 12.23	$ 18.30	1,486,279	$ 27.54	$ 38.41	919,000	$ 3.00	$ 4.90
Greater than market price	27,004	$ 9.44	$ 16.29	131,166	$ 51.88	$ 8.92	–	$ –	$ –
Total	1,373,800	$ 12.26	$ 18.22	1,617,445	$ 29.52	$ 36.02	1,069,000	$ 3.50	$ 4.94

The following table summarizes information about employee and director stock options outstanding and exercisable at December 31, 2000:

	Options Outstanding			Options Exercisable	
Exercise Price Range	Number	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Number	Weighted-Average Exercise Price
$ 2.25 - $ 6.38	2,337,126	5.63	$ 5.03	1,881,792	$ 5.08
$ 6.84 - $ 16.29	1,726,079	8.45	$ 12.91	412,654	$ 7.57
$19.28 - $ 43.13	634,176	8.53	$ 26.50	225,341	$ 25.22
$52.94 - $114.13	702,835	8.92	$ 58.96	172,126	$ 57.14
Total	5,400,216	7.30	$ 17.09	2,691,913	$ 10.48

Subsidiary Stock Option Plans

UPC Plan

In June 1996, UPC adopted a stock option plan (the "UPC Plan") for certain of its employees and those of its subsidiaries. There are 18,000,000 total shares available for the granting of options under the UPC Plan, which are held by Stichting Administratiekantoor UPC (the "Foundation"), which administers the UPC Plan. Each option represents the right to acquire from the Foundation a certificate representing the economic value of one share. Following consummation of the initial public offering, any certificates issued to employees who have exercised their options are convertible into UPC common stock. United appoints the board members of the Foundation and thus controls the voting of the Foundation's common stock. The options are granted at fair market value determined by UPC's Supervisory Board at the time of the grant. The maximum term that the options can be exercised is five years from the date of the grant. In order to introduce the element of "vesting" of the options, the UPC Plan provides that even though the options are exercisable immediately, the shares to be issued for options granted in 1996 vest in equal monthly increments over a three-year period from the effective date set forth in the option grant. In March 1998, the UPC Plan was revised to increase the vesting period for any new grants of options to four years, vesting in equal monthly increments. Upon termination of an employee (except in the case of death, disability or the like), all unvested options previously exercised must be resold to the Foundation at the original purchase price, or all vested options must be exercised, within 30 days of the termination date. UPC's Supervisory Board may alter these vesting schedules in its discretion. An employee has the right at any time to put his certificates or shares from exercised vested options to the Foundation at a price equal to the fair market value. UPC can also call such certificates or shares for a cash payment upon termination in order to avoid dilution, except for certain awards, which cannot be called by UPC until expiration of the underlying options. The UPC Plan also contains anti-dilution protection and provides that, in the case of change of control, the acquiring company has the right to require UPC to acquire all of the options outstanding at the per share value determined in the transaction giving rise to the change of control.

Pro forma information regarding net (loss) income and net (loss) income per share is required by SFAS 123. This information is required to be determined as if UPC had accounted for the UPC Plan under the fair value method of SFAS 123. The fair value of options granted for the years ended

December 31, 2000 and 1999 reported below has been estimated at the date of grant using the Black-Scholes single-option pricing model and the following weighted-average assumptions:

	For the Year Ended December 31,	
	2000	1999
Risk-free interest rate	4.60%	5.76%
Expected lives	5 years	5 years
Expected volatility	74.14%	56.82%
Expected dividend yield	0%	0%

Based on the above assumptions, the total fair value of options granted was approximately $129.7 and $38.8 million for the years ended December 31, 2000 and 1999, respectively. For purposes of the pro forma disclosures, the estimated fair value of the options is amortized using the straight-line method over the vesting period of the options. Had the UPC Plan been accounted for under SFAS 123, net (loss) income and basic and diluted net (loss) income per share would have been reduced to the following pro forma amounts:

	For the Year Ended December 31,	
	2000	1999
	(In thousands, except per share amounts)	
Net (loss) income:		
As reported	$ (1,220,890)	$ 636,318
Pro forma	$ (1,258,190)	$ 630,126
Net (loss) income per common share:		
Basic	$ (13.24)	$ 7.53
Diluted	$ (13.24)	$ 6.67
Pro forma basic	$ (13.63)	$ 7.46
Pro forma diluted	$ (13.63)	$ 6.61

A summary of stock option activity for the UPC Plan is as follows:

	For the Year Ended December 31,		
	2000	1999	1998

	Number	Weighted-Average Exercise Price	Number	Weighted-Average Exercise Price	Number	Weighted-Average Exercise Price
		(euros)		(euros)		(euros)
Outstanding at beginning of the period	10,955,679	E 6.94	12,586,500	E 1.72	6,724,656	E 1.59
Granted during the period	2,629,762	E 27.97	4,338,000	E 14.91	7,029,000	E 1.83
Cancelled during the period	(127,486)	E 21.39	(266,565)	E 3.44	(42,156)	E 1.59
Exercised during the period	(2,225,625)	E 2.19	(5,702,256)	E 1.65	(1,125,000)	E 1.59
Outstanding at end of the period	11,232,330	E 12.62	10,955,679	E 6.94	12,586,500	E 1.72
Exercisable at end of the period(1)	5,803,659	E 7.62	4,769,595	E 3.10	12,586,500	E 1.72

(1) Includes certificate rights as well as options.

The combined weighted-average fair values and weighted-average exercise prices of options granted are as follows:

	For the Year Ended December 31,								
	2000			1999			1998		
Exercise Price	Number	Fair Value	Exercise Price	Number	Fair Value	Exercise Price	Number	Fair Value	Exercise Price
		(euros)			(euros)			(euros)	
Less than market price	2,124,486	E 60.37	E 24.23	375,000	E 8.94	E 16.12	–	E –	E –
Equal to market price	359,910	E 24.25	E 38.02	3,963,000	E 8.95	E 14.79	7,029,000	E 1.83	E 1.83
Greater than market price	145,366	E 25.89	E 57.75	–	E –	E –	–	E –	E –
Total	2,629,762	E 53.52	E 27.97	4,338,000	E 8.94	E 14.91	7,029,000	E 1.83	E 1.83

The following table summarizes information about stock options outstanding and exercisable as of December 31, 2000:

	Options Outstanding			Options Exercisable	
Exercise Price Range (euros)	Number	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Number	Weighted-Average Exercise Price
			(euros)		(euros)
E 1.59-E 2.05	4,524,702	2.62	E 1.83	3,674,474	E 1.82
E 9.67-E 18.17	2,996,379	3.33	E 12.98	1,180,152	E 12.56
E 18.65-E 20.08	2,631,826	3.98	E 19.41	753,900	E 19.44
E 20.10-E 75.00	1,079,423	4.24	E 40.30	195,133	E 41.32
Total	11,232,330	3.28	E 12.62	5,803,659	E 7.62

The UPC Plan was accounted for as a variable plan prior to UPC's initial public offering in February 1999. A ccordingly, compensation expense was recognized at each financial statement date

based on the difference between the grant price and the estimated fair value of UPC's common stock. Thereafter, the UPC Plan has been accounted for as a fixed plan. Compensation expense of $31.0, $6.2 and $134.7 million was recognized for the years ended December 31, 2000 and 1999 and the ten months ended December 31, 1998, respectively.

UPC Phantom Stock Option Plan

In March 1998, UPC adopted a phantom stock option plan (the "UPC Phantom Plan") which permits the grant of phantom stock rights in up to 7,200,000 shares of UPC's common stock. The rights are granted at fair market value determined by UPC's Supervisory Board at the time of grant, and generally vest in equal monthly increments over the four-year period following the effective date of grant and may be exercised for ten years following the effective date of grant. The UPC Phantom Plan gives the employee the right to receive payment equal to the difference between the fair market value of a share of UPC common stock and the option base price for the portion of the rights vested. UPC, at its sole discretion, may make payment in (i) cash, (ii) freely tradable shares of United Class A Common Stock or (iii) freely tradable shares of UPC's common stock. If UPC chooses to make a cash payment, even though its stock is publicly traded, employees have the option to receive an equivalent number of freely tradable shares of stock instead. The UPC Phantom Plan contains anti-dilution protection and provides that, in certain cases of a change of control, all phantom options outstanding become fully exercisable.

A summary of stock option activity for the UPC Phantom Plan is as follows:

	For the Year Ended December 31,					
	2000		1999		1998	
	Number	Weighted-Average Exercise Price	Number	Weighted-Average Exercise Price	Number	Weighted-Average Exercise Price
		(euros)		(euros)		(euros)
Outstanding at beginning of the period	4,144,563	E 2.98	6,172,500	E 1.91	–	E –
Granted during the period	391,641	E 17.49	585,000	E 9.67	6,172,500	E 1.91
Cancelled during the period	(673,614)	E 2.99	(1,540,128)	E 2.00	–	E –
Exercised during the period	(128,222)	E 3.02	(1,072,809)	E 1.89	–	E –
Outstanding at end of the period	3,734,368	E 4.74	4,144,563	E 2.98	6,172,500	E 1.91
Exercisable at end of the period	2,526,369	E 3.39	1,554,813	E 2.47	1,411,407	E 1.84

The combined weighted-average fair values and weighted-average exercise prices of options granted are as follows:

	For the Year Ended December 31,								
	2000			1999			1998		
Exercise Price	Number	Fair Value	Exercise Price	Number	Fair Value	Exercise Price	Number	Fair Value	Exercise Price

		(euros)			(euros)			(euros)
Less than market price	391,641 E	39.40 E	17.49	– E	– E	–	– E	– E	–
Equal to market price	– E	– E	–	585,000 E	9.67 E	9.67	6,172,500 E	1.91 E	1.91
Total	391,641 E	39.40 E	17.49	585,000 E	9.67 E	9.67	6,172,500 E	1.91 E	1.91

The following table summarizes information about stock options outstanding and exercisable as of December 31, 2000:

	Options Outstanding			Options Exercisable	
Exercise Price Range (euros)	Number	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Number	Weighted-Average Remaining Contractual Life (Years)
			(euros)		(euros)
E 1.82	1,925,713	7.21	E 1.82	1,702,495	E 1.82
E 2.05	922,032	7.71	E 2.05	472,970	E 2.05
E 9.67	472,500	8.11	E 9.67	225,938	E 9.67
E 11.40-E 28.67	414,123	9.23	E 18.72	124,966	E 18.47
Total	3,734,368	7.67	E 4.74	2,526,369	E 3.39

The UPC Phantom Plan is accounted for as a variable plan in accordance with its terms, resulting in compensation expense for the difference between the grant price and the fair market value at each financial statement date. Compensation (credit) expense of $(75.9), $123.2 and $26.4 million was recognized for the years ended December 31, 2000 and 1999 and the ten months ended December 31, 1998, respectively.

chello Phantom Stock Option Plan

In June 1998, UPC adopted a phantom stock option plan (the "*chello* Phantom Plan"), which permits the grant of phantom stock rights of *chello,* a wholly owned subsidiary of UPC. The rights are granted at an option price equal to the fair market value at the time of grant, and generally vest in equal monthly increments over the four-year period following the effective date of grant and the option must be exercised, in all cases, not more than ten years from the effective date of grant. The *chello* Phantom Plan gives the employee the right to receive payment equal to the difference between the fair market value of a share (as defined in the *chello* Phantom Plan) of *chello* and the option price for the portion of the rights vested. UPC, at its sole discretion, may make the required payment in (i) cash, (ii) freely tradable shares of United Class A Common Stock, (iii) the common stock of UPC, which shall be valued at the closing price on the day before the date the Company makes payment to the option holder, or (iv) *chello's* common shares, if they are publicly traded and freely tradable ordinary shares. If UPC chooses to make a cash payment, even though its stock is publicly traded, employees have the option to receive an equivalent number of freely

tradable shares of *chello's* stock instead. It is the intention of UPC to settle all phantom options through the issuance of ordinary shares.

A summary of stock option activity for the *chello* Phantom Plan is as follows:

	For the Year Ended December 31,					
	2000		1999		1998	
	Number	Weighted-Average Exercise Price	Number	Weighted-Average Exercise Price	Number	Weighted-Average Exercise Price
		(euros)		(euros)	(euros)	
Outstanding at beginning of the period	2,330,129	E 4.54	570,000	E 4.54	–	E –
Granted during the period	–	E –	235,000	E 4.54	570,000	E 4.54
Granted during the period	117,438	E 9.08	1,309,838	E 9.08	–	E –
Granted during the period	804,525	E – (1)	355,500	E – (1)	–	E –
Cancelled during the period	(154,297)	E 6.27	(128,542)	E 4.71	–	E –
Exercised during the period	(743,632)	E 6.68	(11,667)	E 4.54	–	E –
Outstanding at end of the period	2,354,163	E 8.16 (2)	2,330,129	E 7.54 (2)	570,000	E 4.54
Exercisable at end of the period	412,768	E 7.55 (2)	414,913	E 6.13 (2)	70,625	E 4.54

The following table summarizes information about stock options outstanding and exercisable as of December 31, 2000:

	Options Outstanding			Options Exercisable	
Exercise Price Range (euros)	Number	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Number	Weighted-Average Exercise Price
			(euros)		(euros)
E4.54	246,722	6.97	E 4.54	69,482	E 4.54
E9.08	973,116	8.56	E 9.08	137,363	E 9.08
(1)	1,134,325	9.03	E –	205,923	E –
Total	2,354,163	8.62	E 8.16	412,768	E 7.55

(1) Of the total number of options granted to date, the option price with respect to these options is the *chello broadband* initial public offering price.

(2) Excluding the shares discussed in (1) above.

The *chello* Phantom Plan is accounted for as a variable plan in accordance with its terms, resulting in compensation expense for the difference between the grant price and the fair market value at each financial statement date. Compensation (credit) expense of $(23.7), $72.8 and $1.1 million was recognized for the years ended December 31, 2000, 1999 and 1998, respectively. The Company's estimate of the fair value of its ordinary stock as of December 31, 2000 utilized in recording compensation (credit) expense and deferred compensation expense under the *chello* Phantom Plan was $19.50 per share.

chello Stock Option Plan

In June 1999, the Company adopted a stock option plan (the "*chello* Plan"). Under the *chello* Plan, the Company's Supervisory Board may grant stock options to the Company's employees at fair market value determined by the Company's Supervisory Board at the time of grant. All options are exercisable upon grant and for a period of five years. In order to introduce the element of "vesting" of the options, the *chello* Plan provides that even though the options are exercisable

immediately, the shares to be issued or options to be granted are deemed to vest 1/48th per month for a four-year period from the date of grant. If the employee's employment terminates, other than in case of death, disability or the like, for a so-called "urgent reason" under Dutch law or for documented and material non-performance, all unvested options previously exercised must be resold to the Company at the original purchase price, and all vested options must be exercised, within 30 days of the termination date. The Supervisory Board may alter these vesting schedules at its discretion. The *chello* Plan provides that in the case of a change of control, the Company has the right to require a foundation to acquire all of the options outstanding at a per-share value determined in the transaction giving rise to the change in its control.

Pro forma information regarding net (loss) income and net (loss) income per share is required by SFAS 123. This information is required to be determined as if UPC had accounted for the *chello* Plan under the fair value method of SFAS 123. The fair value of options granted for the years ended December 31, 2000 and 1999 reported below has been estimated at the date of grant using the Black-Scholes single-option pricing model and the following weighted-average assumptions:

	For the Year Ended December 31,	
	2000	1999
Risk-free interest rate	3.41%	3.41%
Expected lives	5 years	5 years
Expected volatility	95.0%	95.0%
Expected dividend yield	0%	0%

Based on the above assumptions, the total fair value of options granted under the *chello* Plan was nil and $3.9 million for the years ended December 31, 2000 and 1999, respectively. For purposes of the pro forma disclosures, the estimated fair value of the options is amortized using the straight-line method over the vesting period of the options. Had the *chello* Plan been accounted for under SFAS 123, net (loss) income

and basic and diluted net (loss) income per share would have been reduced to the following pro forma amounts:

	For the Year Ended December 31,	
	2000	1999
	(In thousands, except per share amounts)	
Net (loss) income:		
As reported	$ (1,220,890)	$ 636,318
Pro forma	$ (1,221,572)	$ 635,556
Net (loss) income per common share:		
Basic	$ (13.24)	$ 7.53
Diluted	$ (13.24)	$ 6.67
Pro forma basic	$ (13.25)	$ 7.52
Pro forma diluted	$ (13.25)	$ 6.67

A summary of stock option activity for the *chello* Stock Option Plan is as follows:

	For the Year Ended December 31,					
	2000			1999		
	Number		Weighted-Average Exercise Price	Number		Weighted-Average Exercise Price
			(euros)			(euros)
Outstanding at beginning of the period	300,000	E	9.08	–	E	–
Granted during the period	–	E	–	550,000	E	9.08
Cancelled during the period	–	E	–	–	E	–
Exercised during the period	– (1)	E	–	(250,000)	E	9.08
Outstanding at end of the period	300,000	E	9.08	300,000	E	9.08
Exercisable at end of the period	240,625(1)	E	9.08	103,125	E	9.08

(1) Of the number of vested options, 109,375 options are already exercised.

The following table summarizes information about stock options outstanding and exercisable as of December 31, 2000:

	Options Outstanding			Options Exercisable	
Exercise Price Range (euros)	Number	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Number	Weighted-Average Exercise Price
			(euros)		(euros)
E 9.08	300,000	3.25	E 9.08	240,625	E 9.08

Priority Telecom Stock Option Plan

In 2000, *Priority Telecom* adopted a stock option plan (the "*Priority Telecom* Plan") for its employees and those of its subsidiaries. There are approximately 20.0 million shares available for the granting of options under the *Priority Telecom* Plan, which are held by the *Priority Telecom* Foundation, which administers the *Priority Telecom* Plan. Each option represents the right to acquire from the *Priority Telecom* Foundation a certificate representing the economic value of one share. Following consummation of the initial public offering, any certificates issued to employees who have exercised their options are convertible into *Priority Telecom* common stock. *Priority Telecom* appoints the board members of the *Priority Telecom* Foundation and thus controls the voting of the *Priority Telecom* Foundation's common stock. The options are granted at fair market value at the time of grant. The maximum term that the options can be exercised is five years from the date of grant. The vesting period for any new grants of options is four years, vesting in equal monthly increments. The *Priority Telecom* Plan provides that, in the case of a change of control, the acquiring company has the right to require *Priority Telecom* to acquire all of the options outstanding at the per share value determined in the transaction giving rise to the change of control.

In connection with the acquisition of Cignal by *Priority Telecom,* options were granted to the former Cignal employees. No other grants were made under the *Priority Telecom* Plan during 2000. The fair value of the exercisable portion of the options granted to the former Cignal employees has been included in the aggregate purchase price for Cignal.

A summary of stock option activity for the *Priority Telecom* Plan is as follows:

	For the Year Ended

	December 31, 2000		
	Number		Weighted-Average Exercise Price
		(euros)	
Outstanding at beginning of the period	–	E	–
Granted during the period	6,189,510	E	3.65
Cancelled during the period	–	E	–
Exercised during the period	–	E	–
Outstanding at end of the period	6,189,510	E	3.65
Exercisable at end of the period	3,388,694	E	2.23

Asia/Pacific Plan

In March 1998, Asia/Pacific's Board of Directors approved a stock option plan (the "Asia/Pacific Plan") which permitted the grant of phantom stock options or the grant of stock options to purchase up to 1,800,000 shares of Asia/Pacific's Class A Common Stock. The options vested in equal monthly increments over a four-year period following the date of grant, and gave the employee the right with respect to vested options to receive a cash payment equal to the difference between the fair market value of a share of Asia/Pacific stock and the option base price per share. The Asia/Pacific Plan was cancelled effective July 22, 1999. Under variable plan accounting, a total of $17.6 million of compensation expense was recognized during 1999 by Asia/Pacific through the cancellation date.

A summary of phantom stock option activity for the Asia/Pacific Plan is as follows:

	For the Year Ended December 31, 1999		For the Ten Months Ended December 31, 1998	
	Number	Weighted-Average Exercise Price	Number	Weighted-Average Exercise Price
Outstanding at beginning of the period	1,779,500	$ 10.00	–	$ –
Granted during the period	65,000	$ 10.00	1,779,500	$ 10.00
Cancelled during the period	(1,844,500)	$ 10.00	–	$ –
Exercised during the period	–	$ –	–	$ –
Outstanding at end of the period	–	$ –	1,779,500	$ 10.00
Exercisable at end of the period	–	$ –	584,063	$ 10.00

The combined weighted-average fair values and weighted-average exercise prices of options granted are as follows:

	For the Year Ended December 31, 1999			For the Ten Months Ended December 31, 1998		
Exercise Price	Number	Fair Value	Exercise Price	Number	Fair Value	Exercise Price
Equal to market price	65,000	$ 10.00	$ 10.00	1,779,500	$ 10.00	$ 10.00

Austar United Plan

On June 17, 1999, Austar United established a stock option plan (the "Austar United Plan"). Effective on Austar United's initial public offering date of July 27, 1999, certain employees of United and Austar United were granted options under the Austar United Plan in direct proportion to their previous holding of Asia/Pacific options under the Asia/Pacific Plan along with retroactive vesting through the initial public offering date to reflect vesting under the Asia/Pacific Plan. The maximum term of options granted under the Austar United Plan is ten years. The options vest in equal monthly increments over a four-year period following the date of grant. Under the Austar United Plan, options to purchase a total of 28,760,709 shares have been authorized, of which 1,115,580 were available for grant.

Pro forma information regarding net (loss) income and net (loss) income per share is required by SFAS 123. This information is required to be determined as if Austar United had accounted for its Austar United Plan under the fair value method of SFAS 123. The fair value of options granted for the years ended December 31, 2000 and 1999 reported below has been estimated at the date of grant using the Black-Scholes single-option pricing model and the following weighted-average assumptions:

	For the Year Ended December 31,	
	2000	1999
Risk-free interest rate	5.27%	5.81%
Expected lives	7 years	7 years
Expected volatility	55.48%	40.44%
Expected dividend yield	0%	0%

Based on the above assumptions, the total fair value of options granted was approximately $3.1 and $57.7 million for the years ended December 31, 2000 and 1999, respectively. For purposes of the pro forma disclosures, the estimated fair value of the options is amortized using the straight-line method over the vesting period of the options. Had the Austar United Plan been accounted for under SFAS 123, net (loss) income and basic and diluted net (loss) income per share would have been reduced to/increased to the following pro forma amounts:

	For the Year Ended December 31,	
	2000	1999
	(In thousands, except per share amounts)	
Net (loss) income:		
As reported	$ (1,220,890)	$ 636,318
Pro forma	$ (1,232,411)	$ 644,257
Net (loss) income per common share:		
Basic	$ (13.24)	$ 7.53
Diluted	$ (13.24)	$ 6.67

Pro forma basic	$ (12.82)	$ 7.63
Pro forma diluted	$ (12.82)	$ 6.76

A summary of stock option activity for the Austar United Plan is as follows:

	For the Year Ended December 31,			
	2000		1999	
	Number	Weighted-Average Exercise Price	Number	Weighted-Average Exercise Price
		(Australian dollars)		(Australian dollars)
Outstanding at beginning of the period	24,845,031	A$ 2.27	–	A$ –
Granted during the period	2,967,500	A$ 2.33	25,631,736	A$ 2.26
Cancelled during the period	(851,652)	A$ 4.39	(102,455)	A$ 3.75
Exercised during the period	(310,330)	A$ 3.09	(684,250)	A$ 1.83
Outstanding at end of the period	26,650,549	A$ 2.20	24,845,031	A$ 2.27
Exercisable at end of the period	17,279,095	A$ 2.01	11,564,416	A$ 1.90

The combined weighted-average fair values and weighted-average exercise prices of options granted are as follows:

	For the Year Ended December 31,							
	2000				1999			
Exercise Price	Number	Fair Value		Exercise Price	Number	Fair Value		Exercise Price
		(Australian dollars)				(Australian dollars)		
Less than market price	2,627,500	A$	1.60	A$ 1.75	22,334,236	A$	3.58	A$ 1.91
Equal to market price	10,000	A$	3.86	A$ 6.25	3,222,500	A$	2.47	A$ 4.70
Greater than market price	330,000	A$	3.75	A$ 6.80	75,000	A$	2.43	A$ 4.70
Total	2,967,500	A$	1.85	A$ 2.33	25,631,736	A$	3.43	A$ 2.26

The following table summarizes information about the Austar United Plan options outstanding and exercisable at December 31, 2000:

	Options Exercisable			Options Outstanding	
Exercise Price Range (Australian dollars)	Number	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Number	Weighted-Average Exercise Price
			(Australian dollars)		(Australian dollars)
A$1.75-A$1.80	23,166,646	8.71	A$ 1.79	16,090,607	A$ 1.80
A$4.70	3,163,174	8.59	A$ 4.70	1,114,790	A$ 4.70
A$6.25-A$6.43	250,729	9.30	A$ 6.42	61,875	A$ 6.42
A$7.55-A$8.28	70,000	9.30	A$ 8.18	11,823	A$ 8.27
Total	26,650,549	8.70	A$ 2.20	17,279,095	A$ 2.01

The Austar United Plan was accounted for as a variable plan prior to Austar United's initial public offering, and as a fixed plan effective July 27, 1999. For the years ended December 31, 2000 and 1999, $9.4 and $4.9 million, respectively of compensation expense was recognized by Austar United in the statement of operations and comprehensive (loss) income.

ULA Plan

In April 1998, ULA's Board of Directors approved a stock option plan (the "ULA Plan") which permits the grant of phantom stock options or the grant of stock options to purchase up to 2,500,000 shares of ULA's Class A Common Stock. The options vest in equal monthly increments over a four-year period following the date of grant. Concurrent with approval of the ULA Plan, ULA's Board granted phantom stock options to certain employees which gives the employee the right with respect to vested options to receive a cash payment equal to the difference between the fair market value of a share of ULA stock and the option base price per share. The ULA Plan is accounted for as a variable plan in accordance with its terms, resulting in compensation expense for the difference between the grant price and the fair market value at each financial statement date. For the years ended December 31, 2000 and 1999 and the ten months ended December 31, 1998, ULA recognized $8.0, $(1.0) and $2.7 million in compensation expense (credit) related to these phantom options, respectively. Actual cash paid upon exercise of these phantom options was $1.8, $0.6 and $1.1 million for the years ended December 31, 2000 and 1999 and the ten months ended December 31, 1998, respectively.

A summary of phantom stock option activity for the ULA Plan is as follows:

	For the Year Ended December 31,				For the Ten Months Ended December 31, 1998	
	2000		1999			
	Number	Weighted-Average Exercise Price	Number	Weighted-Average Exercise Price	Number	Weighted-Average Exercise Price
Outstanding at beginning of the period	1,062,687	$ 7.17	1,188,417	$ 5.77	–	$ –
Granted during the period	630,000	$ 18.41	340,000	$ 8.86	1,785,500	$ 5.63
Cancelled during the period	(5,834)	$ 8.98	(328,647)	$ 4.84	(317,296)	$ 5.47
Exercised during the period	(184,576)	$ 8.77	(137,083)	$ 4.81	(279,787)	$ 5.19
Outstanding at end of the period	1,502,277	$ 11.68	1,062,687	$ 7.17	1,188,417	$ 5.77
Exercisable at end of the period	472,109	$ 5.54	381,561	$ 5.87	268,730	$ 4.86

The combined weighted-average fair values and weighted-average exercise prices of options granted are as follows:

	For the Year Ended December 31,	For the Ten Months Ended December 31, 1998

Exercise Price	2000 Number	2000 Fair Value	2000 Exercise Price	1999 Number	1999 Fair Value	1999 Exercise Price	Number	Fair Value	Exercise Price
Equal to market price	630,000	$ 18.41	$ 18.41	340,000	$ 8.86	$ 8.86	945,500	$ 5.81	$ 5.81
Greater than market price	–	–	–	–	–	–	840,000	$ 4.26	$ 5.43
Total	630,000	$ 18.41	$ 18.41	340,000	$ 8.86	$ 8.86	1,785,500	$ 5.08	$ 5.63

The following table summarizes information about the ULA Plan phantom options outstanding and exercisable at December 31, 2000:

	Options Outstanding			Options Exercisable	
Exercise Price Range	Number	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Number	Weighted-Average Exercise Price
$ 4.26	304,672	6.43	$ 4.26	266,172	$ 4.26
$ 4.96	100,000	6.43	$ 4.96	87,500	$ 4.96
$ 8.81	85,105	8.42	$ 8.81	30,104	$ 8.81
$ 8.86	295,000	9.01	$ 8.86	82,083	$ 8.86
$ 8.98	137,500	7.72	$ 8.98	6,250	$ 8.98
$19.23	580,000	9.93	$ 19.23	–	–
Total	1,502,277	8.52	$ 11.68	472,109	$ 5.54

VTR Plan

VTR's Board of Directors approved a stock option plan (the "VTR Plan") effective May 1, 1999 which permits the grant of phantom stock options or the grant of stock options to purchase up to 1,505,000 shares of VTR's Common Stock. The options vest in equal monthly increments over a four-year period following the date of grant. Concurrent with approval of the VTR Plan, VTR's Board granted phantom

stock options to certain employees which gives the employee the right with respect to vested options to receive a cash payment equal to the difference between the fair market value of a share of VTR stock and the option base price per share. The VTR Plan is accounted for as a variable plan in accordance with its terms, resulting in compensation expense for the difference between the grant price and the fair market value at each financial statement date. For the year ended December 31, 2000, VTR recognized $8.0 million in compensation expense related to these phantom options. Actual cash paid upon exercise of these phantom options was $0.2 million for the year ended December 31, 2000.

A summary of phantom stock option activity for the VTR Plan is as follows:

	For the Year Ended December 31, 2000	
	Number	Weighted-Average Exercise Price
Outstanding at beginning of the period	–	$ –
Granted during the period	1,295,000	$ 16.49
Cancelled during the period	(73,022)	$ 15.00
Exercised during the period	(71,978)	$ 15.00
Outstanding at end of the period	1,150,000	$ 16.67
Exercisable at end of the period	237,793	$ 15.76

The combined weighted-average fair values and weighted-average exercise prices of options granted are as follows:

	For the Year Ended December 31, 2000		
Exercise Price	Number	Fair Value	Exercise Price
Equal to market price	1,295,000	$ 16.49	$ 16.49

The following table summarizes information about the VTR Plan phantom options outstanding and exercisable at December 31, 2000:

	Options Outstanding			Options Exercisable	
Exercise Price Range	Number	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Number	Weighted-Average Exercise Price
$15.00	1,025,000	8.89	$ 15.00	226,127	$ 15.00
$30.40	125,000	9.54	$ 30.40	11,666	$ 30.40
Total	1,150,000	8.97	$ 16.67	237,793	$ 15.76

13. Basic and Diluted Net (Loss) Income Attributable to Common Stockholders

	For the Nine Months Ended September 31,		For the Year Ended December 31,		For the Ten Months Ended December 31,
	2001	2000	2000	1999	1998
	(Unaudited)		(In thousands)		
Basic:					
Net (loss) income	$ (2,098,782)	$ (884,841)	$ (1,220,890)	$ 636,318	$ (545,532)
Accrual of dividends on Series A Convertible Preferred Stock	–	–	–	(220)	(968)
Accrual of dividends on Series B Convertible Preferred Stock	(1,393)	(1,319)	(1,717)	(1,899)	(655)
Accrual of dividends on Series C Convertible Preferred Stock	(22,313)	(22,313)	(29,750)	(14,875)	–
Accrual of dividends on Series D Convertible Preferred Stock	(15,093)	(15,094)	(20,125)	(1,398)	–
Basic net (loss) income attributable to common stockholders	$ (2,137,581)	$ (923,567)	$ (1,272,482)	$ 617,926	$ (547,155)

Diluted:					
Accrual of dividends on Series A Convertible Preferred Stock	–	–	–(1)	220	–(1)
Accrual of dividends on Series B Convertible Preferred Stock	–(1)	–(1)	–(1)	1,899	–(1)
Accrual of dividends on Series C Convertible Preferred Stock	–(1)	–(1)	–(1)	14,875	–(1)
Accrual of dividends on Series D Convertible Preferred Stock	–(1)	–(1)	–(1)	1,398	–(1)
Diluted net (loss) income attributable to common stockholders	$ (2,137,581)	$ (923,567)	$ (1,272,482)	$ 636,318	$ (547,155)

(1) Excluded from the calculation of diluted net (loss) income attributable to common stockholders because the effect is anti-dilutive.

14. Commitments

The Company has entered into various operating lease agreements for office space, office furniture and equipment, and vehicles. Rental expense under these lease agreements totaled $85.0, $25.9 and $5.8 million for the years ended December 31, 2000 and 1999 and the ten months ended December 31, 1998, respectively.

The Company has operating lease obligations and other non-cancelable commitments as follows (in thousands):

Year ended December 31, 2001	$ 73,720
Year ended December 31, 2002	58,675
Year ended December 31, 2003	47,022
Year ended December 31, 2004	38,929
Year ended December 31, 2005	35,053
Thereafter	106,178
Total	$ 359,577

UPC has entered into various short- and long-term agreements with third parties, varying in term from 3 to 15 years, for indefeasible rights of use ("IRU's") on fiber optic cable as well as for operational leases. Under these agreements UPC has commitments for discounted future minimum lease payments, and for operation and maintenance charges, which total approximately $70.6 million as of December 31, 2000.

A subsidiary of UPC leases DTH technical equipment, conduit and satellite transponder capacity, as well as several offices and warehouses. As of December 31, 2000, these leases had an aggregate maximum commitment of approximately $208.1 million over the next seven years.

UPC has entered into an agreement for the long-term lease of satellite transponder capacity providing service from Europe to Europe, North America and South America. The term of the agreement is 156 months, with a minimum aggregate total cost of approximately $107.9 million payable in monthly installments based on capacity used.

UPC Polska has entered into long-term programming agreements and agreements for the purchase of certain exhibition or broadcast rights with a number of third party content providers for its digital DTH and cable systems. UPC Polska had minimum commitments related to these agreements as follows (in thousands):

Year ended December 31, 2001	$ 65,200
Year ended December 31, 2002	54,300
Year ended December 31, 2003	35,000
Year ended December 31, 2004	21,100
Year ended December 31, 2005	13,400
Thereafter	78,800
Total	$ 267,800

As of December 31, 2000, UPC Polska had an aggregate minimum commitment toward the purchase of DTH reception systems from Philips Business Electronics B.V. of approximately $18.8 million over the next year.

Austar United has minimum fixed MMDS license fees and programming license fees payable annually as follows (in thousands):

Year ended December 31, 2001	$ 17,771
Year ended December 31, 2002	17,771
Year ended December 31, 2003	17,771
Year ended December 31, 2004	17,771
Year ended December 31, 2005	17,771
Thereafter	35,543
Total	$ 124,398

Austar United has renegotiated a September 1997 five-year agreement to lease a satellite transponder to include the leasing of an additional transponder. Satellite fees payable annually are as follows (in thousands):

Year ended December 31, 2001	$ 6,070
Year ended December 31, 2002	7,016
Year ended December 31, 2003	7,711
Year ended December 31, 2004	7,711
Year ended December 31, 2005	7,711
Thereafter	69,397
Total	$ 105,616

15. Contingencies

From time to time, the Company and/or its subsidiaries may become involved in litigation relating to claims arising out of its operations in the normal course of business. The Company is not a party to any material legal proceedings, nor is it currently aware of any threatened material legal proceedings.

16. Income Taxes

In general, a United States corporation may claim a foreign tax credit against its federal income tax expense for foreign income taxes paid or accrued. Because the Company must calculate its foreign tax credit separately for dividends received from each foreign corporation in which the Company owns 10.0% to 50.0% of the voting stock, and because of certain other limitations, the Company's ability to claim a foreign tax credit may be limited, particularly with respect to dividends paid out of earnings subject to a high rate of foreign income tax. Generally, the Company's ability to claim a foreign tax credit is limited to the amount of U.S. taxes the Company pays with respect to its foreign source income. In calculating its foreign source income, the Company is required to allocate interest expense and overhead incurred in the United States between its United States and foreign activities. Accordingly, to the extent United States borrowings are used to finance equity contributions to its foreign subsidiaries, the Company's ability to claim a foreign tax credit may be significantly reduced. These limitations and the inability of the Company to offset losses in one foreign jurisdiction against income earned in another foreign jurisdiction could result in a high effective tax rate on the Company's earnings.

The primary differences between taxable income (loss) and net income (loss) for financial reporting purposes relate to SAB 51 gains, the non-consolidation of consolidated foreign subsidiaries for United States tax purposes, international rate differences and the current non-deductibility of interest expense on UAP's senior notes and the United 1999 Notes. For investments in foreign corporations accounted for under the equity method, taxable income (loss) generated by these affiliates does not flow through to the Company for United States federal and state tax purposes, even though the Company records its allocable share of affiliate income (losses) for financial reporting purposes. Accordingly, due to the indefinite reversal of such amounts in future periods, no deferred tax asset has been established for tax basis in excess of the Company's book basis (approximately $264.7 and $70.3 million at December 31, 2000 and 1999, respectively).

The Company's United States tax net operating losses, totaling approximately $425.5 million at December 31, 2000, expire beginning in 2005 through 2020. The Company's tax net operating loss carryforwards of its consolidated foreign subsidiaries as of December 31, 2000 totaled $1,907.0, $205.1

and $169.0 million for UEI, Asia/Pacific and ULA, respectively. The significant components of deferred tax assets and liabilities are as follows:

	As of December 31,	
	2000	1999
	(In thousands)	
Deferred tax assets:		
Tax net operating loss carryforward of consolidated foreign subsidiaries	$ 767,478	$ 449,030
Company's U.S tax net operating loss carryforward	161,672	132,156
Accrued interest expense	124,148	72,345
Foreign currency translation adjustment	62,671	23,113
Stock-based compensation	11,671	36,735
Deferred compensation and severance	3,615	3,398
Basis difference in marketable equity securities	3,076	3,074
Investment valuation allowance and other	2,490	2,768
Other	12,612	21,082
Total deferred tax assets	1,149,433	743,701
Valuation allowance	(1,126,358)	(723,914)
Deferred tax assets, net of valuation allowance	23,075	19,787
Deferred tax liabilities:		
Property, plant and equipment, net	(6,069)	(11,282)
Intangible assets	(17,208)	(18,745)
Other	(82)	(1,017)
Total deferred tax liabilities	(23,359)	(31,044)
Deferred tax liabilities, net	$ (284)	$ (11,257)

Of the Company's 2000 consolidated (loss) income before income taxes and other items, a loss of $2,039.2 million is derived from the Company's foreign operations. The difference between income tax

(benefit) expense provided in the financial statements and the expected income tax (benefit) expense at statutory rates is reconciled as follows:

	For the Year Ended December 31,		For the Ten Months Ended December 31, 1998
	2000	1999	
		(In thousands)	
Expected income tax benefit at the U.S. statutory rate of 35%	$ (709,947)	$ 115,913	$ (172,472)
Tax effect of permanent and other differences:			
Change in valuation allowance	505,180	370,004	128,420
Gain on issuance of common equity securities by subsidiaries	(48,538)	(573,359)	–
Non-deductible expenses	26,079	77,490	49,497
Capitalized costs	(6,564)	(49,402)	–
International rate differences	128,929	45,416	619
Book/tax basis differences associated with foreign investments	90,394	788	1,176
State tax, net of federal benefit	(60,853)	9,935	(14,783)
Non-deductible interest accretion	61,060	1,693	2,148
Gain on sale of equity investment in subsidiary	–	5,877	–
Amortization of licenses	–	923	1,516
Other	11,363	(5,080)	4,489
Total income tax (benefit) expense	$ (2,897)	$ 198	$ 610

During 1996, the Austrian tax authorities passed legislation which had the effect of eliminating approximately $237.7 million of tax basis associated with certain amounts of goodwill recorded at Telekabel Group effective January 1, 1997. This change in tax law is expected to be challenged on constitutional grounds. However, there can be no assurance of a successful repeal of such legislation.

The Company through its subsidiaries maintains a presence in 26 countries. Many of these countries maintain tax regimes that differ significantly from the system of income taxation used in the United States, such as a value added tax system. The Company has accounted for the effect of foreign taxes based on what we believe is reasonably expected to apply to the Company and its subsidiaries based on tax laws currently in effect and/or reasonable interpretations of these laws. Because some foreign jurisdictions do not have systems of taxation that are as well established as the system of income taxation used in the United States or tax regimes used in other major industrialized countries, it may be difficult to anticipate how foreign jurisdictions will tax current and future operations of the Company and its subsidiaries.

17. Segment Information

The Company provides video, voice and Internet access services in numerous countries worldwide, and related content and other media services in a growing number of international markets.

The Company evaluates performance and allocates resources based on the results of these divisions. The key operating performance criteria used in this evaluation include revenue growth and Adjusted EBITDA. Adjusted EBITDA represents net operating loss before depreciation, amortization and stock-based compensation charges. Stock-based compensation charges result from variable plan accounting of

our subsidiaries' regular and phantom stock option plans and are generally non-cash charges. Industry analysts generally consider Adjusted EBITDA to be a helpful way to measure the performance of cable television operations and communications companies. Adjusted EBITDA should not, however, be considered a replacement for net income, cash flows or for any other measure of performance or liquidity under generally accepted accounting principles, or as an indicator of a company's operating performance. The presentation of Adjusted EBITDA may not be comparable to statistics with a similar name reported by other companies. Not all companies and analysts calculate Adjusted EBITDA in the same manner.

As the Company increases its bundling of products, the allocation of indirect operating and selling, general and administrative expenses between individual products will become increasingly difficult and may not represent the actual Adjusted EBITDA for individual products.

A summary of segment information by geographic area is as follows:

	For the Nine Months Ended September 30, 2001

	Video	Voice	Internet	Content	Other	Total
	(Unaudited) (In thousands)					
Revenue:						
Europe:						
The Netherlands	$ 165,358	$ 162,644	$ 53,405	$ 5,238	$ 2,476	$ 389,121
Austria	56,665	27,530	32,197	–	316	116,708
Belgium	10,307	–	6,108	–	–	16,415
Czech Republic	27,608	548	797	–	1,627	30,580
France	40,749	14,956	4,904	–	1,017	61,626
Hungary	47,817	17,597	2,075	–	–	67,489
Norway	33,130	4,474	5,762	–	–	43,366
Poland	103,328	–	980	1,988	–	106,296
Sweden	22,594	–	7,024	–	307	29,925
Germany	32,949	29	36	–	1,885	34,899
Corporate and other	24,488	–	426	6	3,027	27,947
Total Europe	564,993	227,778	113,714	7,232	10,655	924,372
Asia/Pacific:						
Australia	113,989	2,451	8,061	8,210	214	132,925
Corporate and other	–	–	–	–	–	–
Total Asia/Pacific	113,989	2,451	8,061	8,210	214	132,925
Latin America:						
Chile	81,643	38,308	3,982	–	–	123,933
Brazil	2,983	–	–	–	–	2,983
Corporate and other	1,402	–	66	–	37	1,505
Total Latin America	86,028	38,308	4,048	–	37	128,421
Corporate and other	–	–	–	–	142	142
Total Consolidated Revenue	$ 765,010	$ 268,537	$ 125,823	$ 15,442	$ 11,048	$ 1,185,860
Adjusted EBITDA:						
Europe:						
The Netherlands	$ 86,549	$ (89,394)	$ (47,796)	$ (42,187)	$ (32,560)	$ (125,388)
Austria	24,456	2,566	7,019	–	1,078	35,119
Belgium	4,556	–	(590)	–	3	3,969
Czech Republic	7,823	13	(369)	(1,354)	747	6,860
France	(2,496)	(9,831)	(4,387)	–	473	(16,241)
Hungary	13,573	8,820	(607)	(2,579)	–	19,207
Norway	10,653	(3,230)	(1,710)	–	200	5,913
Poland	2,225	–	(3,337)	(23,231)	(3,581)	(27,924)
Sweden	7,878	(73)	(1,776)	–	(441)	5,588
Germany	18,702	(21)	(483)	–	(957)	17,241
Corporate and other	6,925	–	376	95	(65,356)	(57,960)
Total Europe	180,844	(91,150)	(53,660)	(69,256)	(100,394)	(133,616)
Asia/Pacific:						
Australia	(9,783)	(1,235)	(16,715)	(5,984)	(2,412)	(36,129)
Corporate and other	–	–	–	–	1,516	1,516
Total Asia/Pacific	(9,783)	(1,235)	(16,715)	(5,984)	(896)	(34,613)
Latin America:						
Chile	13,754	8,959	(1,872)	–	(2,250)	18,591
Brazil	(412)	–	–	–	–	(412)
Corporate and other	(976)	–	(760)	–	(3,202)	(4,938)
Total Latin America	12,366	8,959	(2,632)	–	(5,452)	13,241
Corporate and other	–	–	–	–	(17,713)	(17,713)
Total Consolidated Adjusted EBITDA	$ 183,427	$ (83,426)	$ (73,007)	$ (75,240)	$ (124,455)	$ (172,701)

	For the Nine Months Ended September 30, 2000					
	Video	Voice	Internet	Content	Other	Total
	(Unaudited) (In thousands)					
Revenue:						
Europe:						
The Netherlands	$ 148,119	$ 74,655	$ 24,048	$ 2,830	$ 549	$ 250,201
Austria	58,719	20,670	18,091	–	–	97,480
Belgium	11,260	958	2,935	–	–	15,153
Czech Republic	17,854	713	86	–	2,235	20,888
France	41,078	6,304	1,630	–	–	49,012
Hungary	33,350	15,242	220	–	10	48,822
Norway	34,451	2,060	1,671	–	–	38,182
Poland	87,246	–	–	1,409	–	88,655
Sweden	23,277	275	3,879	–	–	27,431
Corporate and other	15,103	–	–	–	1,969	17,072
Total Europe	470,457	120,877	52,560	4,239	4,763	652,896
Asia/Pacific:						
Australia	124,396	–	1,654	–	2,310	128,360
New Zealand	844	3,166	878	–	–	4,888
Corporate and other	–	–	–	–	–	–
Total Asia/Pacific	125,240	3,166	2,532	–	2,310	133,248
Latin America:						

Chile	86,325	22,412	466	–	–	109,203
Brazil	4,062	–	–	–	–	4,062
Corporate and other	1,512	–	–	–	49	1,561
Total Latin America	91,899	22,412	466	–	49	114,826
Corporate and other	–	–	–	–	78	78
Total Consolidated Revenue	$ 687,596	$ 146,455	$ 55,558	$ 4,239	$ 7,200	$ 901,048
Adjusted EBITDA:						
Europe:						
The Netherlands	$ 73,222	$ (54,316)	$ (107,455)	$ (33,510)	$ (9,647)	$ (131,706)
Austria	30,692	(4,442)	955	–	–	27,205
Belgium	3,972	(159)	(3,999)	–	–	(186)
Czech Republic	(1,269)	45	57	–	828	(339)
France	9,891	(14,851)	(6,150)	–	(284)	(11,394)
Hungary	7,808	8,381	(2,563)	–	9	13,635
Norway	13,131	(8,419)	(2,290)	–	(219)	2,203
Poland	(4,369)	–	(279)	(36,272)	(1,292)	(42,212)
Sweden	8,706	(2,632)	(5,904)	–	(93)	77
Corporate and other	7,009	(1,490)	(1,510)	(510)	(75,069)	(71,570)
Total Europe	148,793	(77,883)	(129,138)	(70,292)	(85,767)	(214,287)
Asia/Pacific:						
Australia	(9,801)	(903)	(15,162)	–	(505)	(26,371)
New Zealand	(253)	(357)	248	–	(1,344)	(1,706)
Corporate and other	–	–	–	–	1,626	1,626
Total Asia/Pacific	(10,054)	(1,260)	(14,914)	–	(223)	(26,451)
Latin America:						
Chile	18,634	2,033	(2,103)	–	(6,944)	11,620
Brazil	(68)	–	–	–	–	(68)
Corporate and other	(672)	–	–	–	2,994	2,322
Total Latin America	17,894	2,033	(2,103)	–	(3,950)	13,874
Corporate and other	–	–	–	–	(10,063)	(10,063)
Total Consolidated Adjusted EBITDA	$ 156,633	$ (77,110)	$ (146,155)	$ (70,292)	$ (100,003)	$ (236,927)

	Year Ended December 31, 2000					
	Video	Voice	Internet	Content	Other	Total
	(In thousands)					
Revenue:						
Europe:						
The Netherlands	$ 199,592	$ 120,497	$ 35,968	$ 2,981	$ 525	$ 359,563
Austria	76,264	31,489	25,438	–	–	133,191
Belgium	14,456	1,319	4,261	–	–	20,036
Czech Republic	24,718	886	250	–	2,937	28,791
France	53,822	9,365	2,574	–	5	65,766
Hungary	44,869	19,991	421	–	10	65,291
Norway	45,020	3,546	2,852	–	–	51,418
Poland	119,656	–	4	1,625	–	121,285
Sweden	30,803	–	5,871	–	–	36,674
Germany	9,656	10	16	–	1,361	11,043
Corporate and other	22,215	–	–	–	3,361	25,576
Total Europe	641,071	187,103	77,655	4,606	8,199	918,634
Asia/Pacific:						
Australia	163,094	732	4,189	–	4,410	172,425
New Zealand	844	3,166	878	–	–	4,888
Corporate and other	–	–	–	–	–	–
Total Asia/Pacific	163,938	3,898	5,067	–	4,410	177,313
Latin America:						
Chile	113,400	33,497	1,270	–	–	148,167
Brazil	4,797	–	–	–	–	4,797
Corporate and other	1,945	–	1	–	75	2,021
Total Latin America	120,142	33,497	1,271	–	75	154,985
Corporate and other	–	–	–	–	102	102
Total Consolidated Revenue	$ 925,151	$ 224,498	$ 83,993	$ 4,606	$ 12,786	$ 1,251,034
Adjusted EBITDA:						
Europe:						
The Netherlands	$ 101,278	$ (99,598)	$ (138,897)	$ (58,710)	$ (16,802)	$ (212,729)
Austria	39,245	(6,979)	731	–	–	32,997
Belgium	4,187	(29)	(4,966)	–	91	(717)
Czech Republic	(789)	45	103	–	1,139	498
France	13,196	(22,270)	(9,091)	–	(4,579)	(22,744)
Hungary	9,589	11,242	(3,322)	–	10	17,519
Norway	16,969	(10,615)	(2,882)	–	(317)	3,155
Poland	(3,937)	–	(1,793)	(48,508)	(2,318)	(56,556)
Sweden	9,193	(3,535)	(7,977)	–	–	(2,319)
Germany	4,602	(48)	(86)	–	385	4,853
Corporate and other	5,872	–	(2,358)	–	(95,110)	(91,596)
Total Europe	199,405	(131,787)	(170,538)	(107,218)	(117,501)	(327,639)
Asia/Pacific:						

Australia	(12,333)	(3,482)	(21,255)	–	(6,528)	(43,598)
New Zealand	(253)	(357)	248	–	(1,344)	(1,706)
Corporate and other	–	–	–	–	1,980	1,980
Total Asia/Pacific	(12,586)	(3,839)	(21,007)	–	(5,892)	(43,324)
Latin America:						
Chile	36,672	(8,890)	(2,350)	–	(12,850)	12,582
Brazil	(854)	–	–	–	–	(854)
Corporate and other	(1,023)	–	–	–	4,814	3,791
Total Latin America	34,795	(8,890)	(2,350)	–	(8,036)	15,519
Corporate and other	–	–	–	–	(13,020)	(13,020)
Total Consolidated Adjusted EBITDA	$ 221,614	$ (144,516)	$ (193,895)	$ (107,218)	$ (144,449)	$ (368,464)

	Year Ended December 31, 1999					
	Video	Voice	Internet	Content	Other	Total
	(In thousands)					
Revenue:						
Europe:						
The Netherlands	$ 117,025	$ 32,029	$ 8,616	$ 1,112	$ 330	$ 159,112
Austria	83,736	7,321	13,610	–	–	104,667
Belgium	15,737	–	2,497	–	–	18,234
Czech Republic	7,485	181	–	–	1,042	8,708
France	27,522	2,710	590	–	–	30,822
Hungary	35,197	–	125	–	–	35,322
Norway	49,185	365	565	–	–	50,115
Poland	35,020	–	–	2,741	–	37,761
Sweden	13,335	–	504	–	–	13,839
Corporate and other	8,327	–	–	–	6,515	14,842
Total Europe	392,569	42,606	26,507	3,853	7,887	473,422
Asia/Pacific:						
Australia	145,602	–	–	–	–	145,602
New Zealand	1,279	4,107	–	–	734	6,120
Corporate and other	–	–	–	–	242	242
Total Asia/Pacific	146,881	4,107	–	–	976	151,964
Latin America:						
Chile	77,476	9,881	87	–	–	87,444
Brazil	4,637	–	–	–	–	4,637
Corporate and other	2,428	–	–	–	590	3,018
Total Latin America	84,541	9,881	87	–	590	95,099
Corporate and other	–	–	–	–	277	277
Total Consolidated Revenue	$ 623,991	$ 56,594	$ 26,594	$ 3,853	$ 9,730	$ 720,762
Adjusted EBITDA:						
Europe:						
The Netherlands	$ 47,513	$ (19,622)	$ (65,631)	$ (16,471)	$ 1,495	$ (52,716)
Austria	44,318	(11,310)	231	–	–	33,239
Belgium	3,899	(54)	(2,181)	–	–	1,664
Czech Republic	(1,114)	54	–	–	401	(659)
France	(1,741)	(5,863)	(2,339)	–	(66)	(10,009)
Hungary	11,575	–	(257)	–	–	11,318
Norway	20,450	(7,053)	(5,106)	–	–	8,291
Poland	(37,009)	–	–	(36,110)	(2,975)	(76,094)
Sweden	4,518	(133)	(4,038)	–	–	347
Corporate and other	2,094	(204)	(724)	–	(40,556)	(39,390)
Total Europe	94,503	(44,185)	(80,045)	(52,581)	(41,701)	(124,009)
Asia/Pacific:						
Australia	(10,005)	–	–	–	(4,381)	(14,386)
New Zealand	(918)	(1,160)	–	–	(47)	(2,125)
Corporate and other	–	–	–	–	169	169
Total Asia/Pacific	(10,923)	(1,160)	–	–	(4,259)	(16,342)
Latin America:						
Chile	17,744	(2,604)	–	–	–	15,140
Brazil	(2,462)	–	–	–	–	(2,462)
Corporate and other	(1,210)	–	–	–	(4,403)	(5,613)
Total Latin America	14,072	(2,604)	–	–	(4,403)	7,065
Corporate and other	–	–	–	–	109	109
Total Consolidated Adjusted EBITDA	$ 97,652	$ (47,949)	$ (80,045)	$ (52,581)	$ (50,254)	$ (133,177)

	Ten Months Ended December 31, 1998					
	Video	Voice	Internet	Content	Other	Total
	(In thousands)					
Revenue:						
Europe:						

The Netherlands	$ 13,854	$ 162	$ –	$ –	$ –	$ 14,016
Austria	71,396	61	3,172	–	–	74,629
Belgium	13,768	–	656	–	1,071	15,495
Czech Republic	3,754	–	–	–	–	3,754
France	3,395	–	–	–	–	3,395
Hungary	11,671	–	–	–	–	11,671
Norway	38,879	–	161	–	–	39,040
Corporate and other	2,446	–	–	567	7,274	10,287
Total Europe	159,163	223	3,989	567	8,345	172,287
Asia/Pacific:						
Australia	74,209	–	–	–	–	74,209
New Zealand	–	–	–	–	–	–
Corporate and other	3,213	–	–	–	–	3,213
Total Asia/Pacific	77,422	–	–	–	–	77,422
Latin America:						
Chile	–	–	–	–	–	–
Corporate and other	4,135	–	–	–	622	4,757
Total Latin America	4,135	–	–	–	622	4,757
Corporate and other	–	–	–	–	–	–
Total Consolidated Revenue	$ 240,720	$ 223	$ 3,989	$ 567	$ 8,967	$ 254,466
Adjusted EBITDA:						
Europe:						
The Netherlands	$ 8,445	$ (1,303)	$ (6,103)	$ (295)	$ (4,401)	$ (3,657)
Austria	34,350	(1,636)	(1,739)	–	–	30,975
Belgium	5,755	–	(799)	–	114	5,070
Czech Republic	(721)	–	–	–	–	(721)
France	(954)	(911)	(77)	–	–	(1,942)
Hungary	3,820	–	–	–	–	3,820
Norway	14,015	(573)	(806)	–	–	12,636
Corporate and other	(167)	–	19	(3,556)	131	(3,573)
Total Europe	64,543	(4,423)	(9,505)	(3,851)	(4,156)	42,608
Asia/Pacific:						
Australia	(31,093)	–	–	–	–	(31,093)
New Zealand	–	–	–	–	–	–
Corporate and other	–	–	–	–	(2,134)	(2,134)
Total Asia/Pacific	(31,093)	–	–	–	(2,134)	(33,227)
Latin America:						
Chile	–	–	–	–	–	–
Corporate and other	(2,969)	–	–	–	(7,050)	(10,019)
Total Latin America	(2,969)	–	–	–	(7,050)	(10,019)
Corporate and other	–	–	–	–	(2,907)	(2,907)
Total Consolidated Adjusted EBITDA	$ 30,481	$ (4,423)	$ (9,505)	$ (3,851)	$ (16,247)	$ (3,545)

	As of September 30,	As of and for the Period Ended December 31,								
	2001	2000			1999			1998		
	Total Assets	Capital Expenditures	Long-Lived Assets	Total Assets	Capital Expenditures	Long-Lived Assets	Total Assets	Capital Expenditures	Long-Lived Assets	Total Assets
	(Unaudited)	(In thousands)								
Europe:										
The Netherlands	$ 3,326,818	$ 607,791	$ 1,362,721	$ 3,400,264	$ 247,050	$ 774,045	$ 3,157,285	$ 14,734	$ 2,440	$ 297,068
Austria	410,350	132,064	251,855	430,988	94,240	179,652	356,337	43,278	140,550	341,159
Belgium	44,544	9,699	21,149	43,141	8,447	23,186	47,826	11,253	27,558	57,847
Czech Republic	207,979	28,631	108,406	214,598	2,491	80,347	159,806	523	8,737	11,497
France	837,468	223,814	530,013	849,011	70,666	319,454	498,776	28,802	40,328	51,092
Hungary	342,514	116,806	197,266	349,788	38,708	112,698	215,448	7,239	26,788	86,921
Norway	280,230	98,962	172,749	296,494	57,106	100,315	244,975	25,838	63,335	219,068
Poland	1,109,866	123,174	278,049	1,222,790	42,460	218,784	1,218,956	–	–	–
Sweden	358,639	15,111	63,553	420,827	12,495	48,182	474,899	–	–	–
Germany	859,009	3,781	73,344	969,679	–	–	–	–	–	–
Corporate and other	1,704,995	239,443	266,372	2,685,366	38,569	63,698	77,219	9,880	9,310	22,744
Total Europe	9,482,412	1,599,276	3,325,477	10,882,946	612,232	1,920,361	6,451,527	141,547	319,046	1,087,396
Asia/Pacific:										
Australia	342,793	113,786	124,479	520,693	94,513	123,617	563,627	71,197	110,351	181,169
New Zealand	39,246	–	–	–	23,306	95,777	76,139	–	–	23,789
Corporate and other	63,129	55	3,666	62,325	3,014	6,440	52,441	337	61	48,992
Total Asia/Pacific	445,168	113,841	128,145	583,018	120,833	225,834	692,207	71,534	110,412	253,950
Latin America:										
Chile	498,303	96,808	273,595	521,812	53,120	213,146	489,638	–	–	–
Brazil	15,736	1,384	4,970	17,039	4,399	5,679	17,172	–	–	84,975
Corporate and other	131,477	1,923	14,563	63,707	3,167	12,549	71,379	3,238	11,715	73,048
Total Latin America	645,516	100,115	293,128	602,558	60,686	231,374	578,189	3,238	11,715	158,023

Corporate and other	837,279	148	2,054	935,251	426	2,268	1,280,930	738	10,269	42,726
Total Company	$ 11,410,375	$ 1,813,380	$ 3,748,804	$ 13,003,773	$ 794,177	$ 2,379,837	$ 9,002,853	$ 217,057	$ 451,442	$ 1,542,095

The Company's consolidated Adjusted EBITDA reconciles to the consolidated statements of operations and comprehensive (loss) income as follows:

	For the Nine Months Ended September 30,		For the Year Ended December 31,		For the Nine Months Ended September 30,
	2001	2000	2000	1999	1998
	(Unaudited)				
	(In thousands)				
Operating loss	$ (1,302,875)	$ (802,263)	$ (1,140,803)	$ (775,625)	$ (327,383)
Depreciation and amortization	823,824	566,296	815,522	418,714	159,045
Stock-based compensation expense (credit)	982	(960)	(43,183)	223,734	164,793
Impairment charge	305,368	–	–	–	–
Consolidated Adjusted EBITDA	$ (172,701)	$ (236,927)	$ (368,464)	$ (133,177)	$ (3,545)

18. Related Party Transactions

Notes Receivable, Related Party

	As of September 30, 2001	As of December 31,	
		2000	1999
	(Unaudited)		
	(In thousands)		
Note receivable from Liberty Media Corporation	$ 535,146	$ 242,406	$ –
Note receivable from Telecable	7,339	3,600	–
Other	18,025	10,941	723
Total	$ 560,510	$ 256,947	$ 723

In December 2000, the Company executed a promissory note with one of its stockholders, Liberty Media Corporation ("Liberty"), whereby the Company will loan Liberty up to $510.0 million to satisfy certain of Liberty's obligations in Latin America. The note and all accrued but unpaid interest is due and payable on the earliest of (i) the closing date for the proposed acquisition of Liberty's Latin American assets, (ii) the termination of the agreement to acquire Liberty's Latin American assets and (iii) June 30, 2001. Interest on the outstanding principal amount accrues at 8.0% per annum. Advances under the promissory note totaled $242.4 million as of December 31, 2000.

Notes receivable from directors includes loans to certain directors of the Company, issued to meet certain personal obligations in lieu of selling their shares in the Company or UPC. The notes are generally payable on demand and accrue interest at 90-day LIBOR plus 2.5% or 3.5%, as determined in accordance with the terms of each note. Interest is payable in arrears quarterly commencing February 22, 2001.

For the nine months ended September 30, 2001 (Unaudited). The Company holds four notes from Liberty totaling $535.2 million and $243.5 million as of September 30, 2001 and December 31, 2000, respectively, including accrued interest of $25.2 million and $1.1 million, respectively. These notes bear interest at 8.0% annually and mature on November 30, 2001. The Company holds four notes from Telecable totaling $7.3 million and $3.7 million as of September 30, 2001 and December 31, 2000,

respectively, including accrued interest of $0.1 million and $0.1 million, respectively. These notes bear interest ranging from 5.0% to 8.0% annually and mature on December 31, 2001.

Liberty Tender Offer for UPC Notes — For the nine months ended September 30, 2001 (Unaudited)

On November 7, 2001, Liberty announced the completion of a tender offer for a portion of UPC's July 1999 Senior Notes, UPC's October 1999 Senior Notes and UPC's January 2000 Senior Notes. According to Liberty's press release, Liberty acquired approximately $1.4 billion principal amount of bonds for total consideration of approximately $205.3 million, including accrued interest through November 8, 2001.

Related Party Receivables

Related party receivables includes expenses paid on behalf of affiliates as well as loans by UPC to certain employees for the exercise of the employees' stock options, taxes on options exercised, or both.

Acquisition of Interest in Princes Holdings and Tara

In November 1998, UPC purchased from RCL, an entity owned by a discretionary trust for the benefit of certain members of the family of John Riordan, a director of United, a 5.0% interest in Tara and a 5.0% interest in Princes Holdings. The aggregate purchase price for these interests was approximately $6.0 million. The parties agreed the purchase price would be paid in cash. Subsequently, RCL elected to receive shares of Class A Common Stock of United. The Company paid such purchase price by delivering to RCL 769,062 restricted shares of Class A Common Stock held by UPC.

19. Impairment and Restructuring Charges — For the nine months ended September 30, 2001 (Unaudited)

During the second quarter of 2001, UPC identified indicators of possible impairment of long-lived assets, principally Indefeasible Rights of Use ("IRUs") and related goodwill within its subsidiary, *Priority Telecom*. Such indicators included declines in the market value of publicly traded telecommunications providers and a change, subsequent to the acquisition of Cignal, in the way that certain assets from the Cignal acquisition would be used within *Priority Telecom* because of reduced levels of private equity funding activity for CLEC businesses generally and UPC's inability to obtain financing for *Priority Telecom* in 2001 as previously planned. The changes in strategic plans included a decision to phase-out the legacy international wholesale voice operations of Cignal. When UPC and *Priority Telecom* reached an agreement to acquire Cignal in the second quarter of 2000, the companies originally intended to continue the international wholesale voice operations of Cignal for the foreseeable future. This original plan for the international wholesale voice operations was considered in the determination of the consideration to be paid for Cignal and the subsequent allocation of the purchase price. This allocation was completed by an independent third party in November 2000. Using the strategic plan prepared for the contemplated financing, an impairment assessment test and measurement in accordance with SFAS No. 121 was completed, resulting in a write-down of tangible assets and related goodwill and other impairment charges of E319.0 ($278.9) million for the nine months ended September 30, 2001.

Priority Telecom recorded restructuring and other impairment charges in connection with operations in Spain and other countries of E10.3 ($9.2) million for the three months ended September 30, 2001.

A subsidiary of UPC has impaired the value of DTH boxes leased to certain former customers for which the recovery of the value of the boxes is unlikely. The amount of the impairment is based on the

number of disconnected customers to whom the DTH boxes were rented, decreased by the number of collected boxes and multiplied by the net book value of the box at the end of the corresponding period. The amount of impairment charges for the three months ended September 30, 2001 totaled E19.4 ($17.3) million.

20. Legal Proceedings — For the nine months ended September 30, 2001 (Unaudited)

Other than the following, the Company is not a party to any material legal proceeding, nor is the Company aware of any threatened material legal proceeding. From time to time, the Company may become involved in litigation relating to claims arising out of operations in the normal course of business.

UPC has received a notice purporting to exercise certain option rights of the former Cignal shareholders. However, those option rights no longer exist since they were granted for the event that an initial public offering of *Priority Telecom* did not take place prior to October 1, 2001. Since a successful initial public offering of *Priority Telecom* was completed prior to that date, the notice is not effective and UPC will disregard it.

UPC is currently engaged in arbitration proceedings in France. A minority shareholder of UPC's subsidiary, Mediareseaux S.A., has instituted arbitration proceedings under ICC Rules alleging breach of contract under a certain Business Combination Agreement dated December 15, 1999 and entered into between inter alia, UPC and Intercomm France CVOHA ("ICH"). As part of the arbitration proceedings, ICH obtained an attachment of the shares held by UPC France Holding B.V. in Mediareseaux S.A. UPC is vigorously defending the attachment and the arbitration proceedings and has filed appropriate counter claims.

In May 2001, the United States Supreme Court affirmed the decision of the 10th Circuit U.S. Court of Appeals, which in April 2000 found in favor of the Company in a lawsuit against Wharf Holdings Limited ("Wharf"). The lawsuit consisted of United's claims of fraud, breach of fiduciary duty, breach of contract and negligent misrepresentation related to Wharf's grant to United in 1992 of an option to purchase a 10.0% equity interest in Wharf's cable television franchise in Hong Kong. The United States Supreme Court's decision affirms the 1997 U.S. District Court judgment in the Company's favor, which, together with accrued interest, totaled gross and net proceeds of approximately $201.2 and $194.8 million, respectively which was received during the second and third quarter of 2001.

21. Subsequent Events

Agreement with Liberty

In February 2001, the Company announced an agreement with Liberty whereby Liberty will acquire up to 100,000 shares of Series E Convertible Preferred Stock in exchange for $1.4 billion in cash. The preferred stock will carry no dividend and will be convertible into approximately 54.1 million shares of Class A Common Stock. This transaction, or a portion thereof, is expected to close by the end of the second quarter of 2001.

For the nine months ended September 30, 2001 (Unaudited)

Sale of interest in UAP. Prior to November 15, 2001, Asia/Pacific owned 28,460,876 shares, or approximately 99.99%, of UAP's outstanding common stock. On November 15, 2001, Asia/Pacific entered into a series of transactions, pursuant to which it transferred 14,230,413 shares of UAP's common stock (representing an approximate 49.99% interest in UAP). As a result of these transactions,

Asia/Pacific now holds 14,230,463 shares, or 50.00%, of UAP's outstanding common stock. Third parties that are unaffiliated with Asia/Pacific hold the remainder of UAP's outstanding common stock.

Closing of Liberty transaction. On January 30, 2002, the Company completed its previously disclosed transaction involving Liberty. In connection with this transaction, the following occurred:

- IDT United, a subsidiary of Liberty, acquired approximately $1.351 billion of the total $1.375 billion face amount outstanding at $400 per $1,000 principal amount at maturity of the Company's (n/k/a "UGC Holdings") $10^3/4$% senior secured notes, and transferred approximately $751.2 million face amount of these senior secured notes to Liberty, which in turn transferred these notes to a newly created holding company, "UnitedGlobalCom, Inc.", or "United", in consideration for United's assumption of part of an approximate $304.6 million obligation ($293.8 million as of September 30, 2001) to UGC Holdings owed by Liberty;
- Liberty received approximately 21.9 million shares of United's Class C common stock in exchange for the approximately 9.9 million shares of UGC Holdings Class B common stock and approximately 12.0 million of the shares of UGC Holdings Class A common stock owned by Liberty;
- Certain other stockholders of UGC Holdings, or "Founders", received approximately 8.9 million shares of United's Class B common stock in exchange for an equal number of shares of UGC Holdings Class B common stock owned by them;
- UGC Holdings became a 99.5%-owned subsidiary of United;
- The holders of UGC Holdings outstanding Class A and Class B common stock acquired an equal number of shares of United common stock;
- The holders of UGC Holdings preferred stock, other than holders of UGC Holdings Series E preferred stock, received a number of shares of United Class A common stock equal to the number of shares of UGC Holdings Class A common stock they would have received had they converted the preferred stock immediately prior to the merger;
- Liberty contributed to United notes issued by two of UGC Holdings' Dutch subsidiaries having an approximate accreted value of $891.7 million, or the "Belmarken Notes";
- Liberty contributed $200.0 million in cash to United;
- Liberty contributed to United approximately $1.435 billion and E263.1 million face amount of senior notes and senior discount notes issued by UPC, or the "Liberty UPC Bonds";
- Liberty acquired approximately 281.3 million shares of United Class C common stock, all in exchange for the Belmarken Notes, cash and the Liberty UPC Bonds;
- Liberty sold and United purchased all of Liberty's remaining interest in IDT United. The purchase price of this interest was equal to Liberty's net investment in IDT United and related expenses plus interest on those amounts at a rate of 8.0% per annum, which was paid for by the assumption of Liberty's remaining obligations under the loan from UGC Holdings, cash of approximately $128.4 million, and a loan of approximately $105.0 million from LBTW I, Inc., or "LBTW," a subsidiary of Liberty.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. ***Other Expenses of Issuance and Distribution.***

Set forth below are the expenses expected to be incurred in connection with the issuance and distribution of the securities registered hereby. With the exception of the Securities and Exchange Commission registration fee, the amounts set forth below are estimates.

Registration fee	
Printing expenses	*
Fees and expenses of legal counsel	*
Accounting fees and expenses	*
Transfer agent and registrar fees	*
Miscellaneous	*
Total	$

* To be provided by amendment.

Item 14. ***Indemnification of Directors and Officers***.

Section 145 of the Delaware General Corporation Law, or the "DGCL," authorizes a court to award, or a corporation's board of directors to grant, indemnification to directors and officers in terms sufficiently broad to permit such indemnification under specified circumstances for liabilities, including reimbursement for expenses incurred, arising under the Securities Act. The registrant's bylaws provide for the mandatory indemnification of its directors, officers, employees and other agents to the maximum extent permitted by Delaware law, and the registrant has entered into agreements with its officers, directors and certain key employees implementing this indemnification. The registrant's Certificate of Incorporation provides that the registrant will indemnify its directors and officers to the fullest extent permitted by law and that directors shall not be liable for monetary damages to the registrant or its stockholders for breach of fiduciary duty, except to the extent that the DGCL prohibits elimination or limitation of such liability.

Item 15. ***Recent Sales of Unregistered Securities.***

On February 5, 2001 we issued one share of our common stock for $100.00 to United International Properties, Inc. ("UIPI"), a wholly owned subsidiary of UGC Holdings, Inc., ("UGC Holdings"). The Class A common stock was issued in reliance upon an exemption from registration under section 4(2) of the Securities Act of 1933, as amended (the "Securities Act"). UIPI had access to extensive information about the registrant. No general solicitation or advertising occurred incident to the issuance of the Class A common stock to UIPI.

On January 30, 2002, the registrant issued 303,123,542 shares of Class C common stock to Liberty Media Corporation ("Liberty"), in return for notes issued by Belmarken Holding B.V. and United Pan-Europe Communications N.V., ("UPC") two of the registrant's Dutch subsidiaries, having an approximate accreted value of $891.7 million as of January 30, 2002, $200.0 million in cash, and approximately $1,435.3 million and E263.1 million face amount of senior notes and senior discount notes issued by UPC. Prior to its acquisition of the Class C common stock, Liberty was an approximately 19.7% economic and 39.5% voting interest holder of UGC Holdings. Dr. John C. Malone, Chairman of Liberty, served as a director of UGC Holdings from November 1999 until the issuance of the Class C common stock and currently serves as a director of the registrant. Upon the closing of the merger transaction pursuant to which Liberty acquired the Class C common stock,

Liberty acquired the right to appoint up to four members of the registrant's 12 member board of directors. By virtue of its relationship with the registrant, Liberty had access to extensive information about the registrant and UGC Holdings including information set forth in the Form S-4, as amended (the "Form S-4 Registration Statement") to the transaction pursuant to which the Class C common stock was issued. No general solicitation or advertising occurred incident to the issuance of the Class C common stock. The Class C common stock certificates contains restrictive legends. The Class C common stock was issued in reliance upon an exemption from registration under section 4(2) of the Securities Act.

On January 30, 2002, the registrant issued 8,870,332 shares of Class B common stock to certain long-time holders of UGC Holdings Class B common stock (the "Founders"), in return for an equivalent number of shares of UGC Holdings Class B common stock. Prior to its issuance of the Class B common stock, the Founders held an approximately 8.4% economic and 31.7% voting interest in UGC Holdings. Several Founders served as officers and directors of UGC Holdings and currently serve as officers and directors of the registrant. By virtue of their relationship with the registrant, UGC Holdings, and each other, the Founders had access to extensive information about the registrant and UGC Holdings including information set forth in the Form S-4 Registration Statement, filed by the registrant with respect to the transaction pursuant to which the Class B common stock was issued. No general solicitation or advertising occurred incident to the issuance of the Class B common stock. The Class B common stock certificates contain restrictive legends. The Class B common stock was issued in reliance upon an exemption from registration under section 4(2) of the Securities Act.

Item 16. ***Exhibits and Financial Statement Schedules***

The following documents are filed as exhibits to this registration statement:

Exhibit Number	Description
3.1	Restated Certificate of Incorporation of the Registrant as currently in effect.
3.2	Bylaws of the Registrant as currently in effect.
4.1	Specimen of Class A Common Stock certificate of the Registrant.*
4.2	Specimen of Class B Common Stock certificate of the Registrant.*
4.3	Indenture dated as of February 5, 1998 between UnitedGlobalCom, Inc. (now known as UGC Holdings, Inc.) and Firstar Bank of Minnesota N.A. (now known as Firstar Bank, N.A.).(1)
4.4	Supplemental Indenture dated January 24, 2002 between UnitedGlobalCom, Inc. (now known as UGC Holdings, Inc.) and Firstar Bank, N.A., as Trustee.(14)
4.5	Indenture dated as of July 30, 1999, between United Pan-Europe Communications N.V. ("UPC") and Citibank N.A., as Trustee, with respect to UPC 10.875% Senior Notes.(11)
4.6	Indenture dated as of July 30, 1999, between UPC and Citibank N.A., as Trustee, with respect to UPC 12.5% Senior Discount Notes.(11)
4.7	Indenture dated as of October 29, 1999, between UPC and Citibank N.A., as Trustee, with respect to UPC 10.875% Senior Notes.(7)
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4.10	Indenture dated as of January 20, 2000, between UPC and Citibank N.A., as Trustee with respect to 11 1/2% Senior Notes due 2010.(8)

4.11	Indenture dated as of January 20, 2000, between UPC and Citibank N.A., as Trustee with respect to 11 1/4% Senior Notes due 2010.(8)
4.12	Indenture dated as of January 20, 2000, between UPC and Citibank N.A., as Trustee with respect to 13 3/4% Senior Discount Notes due 2010.(8)
5.1	Form of Opinion of Holme Roberts & Owen LLP regarding the legality of the securities being sold.†
10.1	Amended and Restated Agreement and Plan of Restructuring and Merger, dated December 31, 2001, by and among UnitedGlobalCom, Inc. (now known as UGC Holdings, Inc.), New UnitedGlobalCom, Inc. (now known as UnitedGlobalCom, Inc.), United/New United Merger Sub, Inc., Liberty Media Corporation, Liberty Media International, Inc., Liberty Global, Inc. and each Person indicated as a "Founder" on the signature pages thereto.
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10.6	Voting Agreement among New UnitedGlobalCom, Inc. (now known as UnitedGlobalCom, Inc.), and each of the Persons indicated as a "Founder" on the signature pages thereto, dated January 30, 2002.
10.7	Agreement regarding Old United among UnitedGlobalCom, Inc. (now known as UGC Holdings, Inc.), Liberty Media Corporation, Liberty Global, Inc. and Liberty UCOMA, LLC, dated January 30, 2002.
10.8	Agreement Regarding Additional Covenants among UnitedGlobalCom, Inc. (formerly known as New UnitedGlobalCom, Inc.), Liberty Media Corporation, Liberty Global, Inc., and Liberty UCOMA, LLC, dated January 30, 2002.
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10.21 Credit Agreement dated as of April 29, 1999, among UIH Chile Holding S.A., the subsidiary guarantors named therein, Toronto Dominion (Texas), Inc., TD Securities (USA), Inc. and Citibank, N.A.(3)

10.22 Promise Agreement entered into as of October 15, 1998, among UIH Latin America, Inc., VTR S.A. and Compania Nacional de Telefonos, Telefonica del Sur S.A.(3)

10.23 Amended and Restated Securities Purchase and Conversion Agreement dated as of December 1, 1997, by and among Philips Media B.V., Philips Media Networks B.V., UnitedGlobalCom, Inc. (now known as UGC Holdings, Inc.), Joint Venture, Inc. and United and Philips Communications B.V.(9)

10.24 Share Exchange Agreement, dated as of March 9, 2000, by and between UPC and the shareholders named therein.(10)

10.25 Memorandum of Understanding, dated as of February 1, 2002, by and among UPC, UnitedGlobalCom, Inc. and UGC Holdings, Inc.(16)

10.26 Closing Agreement, dated as of December 7, 2001, by and among UPC, Canal+ Group, UPC Polska, Inc., Polska Telewizja Cyfrowa TV Sp. z o.o. ("PTC") and Telewizyjna Korporacja Partycypacyjna S.A. ("TKP").(17)

10.27 Shareholders Agreement, dated August 10, 2001, by and among UPC, PTC, Canal+ Group and Polcom Invest S.A.(17)

10.28 Contribution and Subscription Agreement, dated as of August 10, 2001, by and among UPC, Canal+ Group, UPC Polska, Inc., PTC and TKP.(17)

10.29 Consulting Agreement dated June 1, 1995, between UnitedGlobalCom, Inc. (now known as UGC Holdings, Inc.) and Mark L. Schneider.(12)

10.30 Replacement Promissory Note (Purpose Credit) dated November 22, 2000 of John F. Riordan in favor of United International Properties, Inc. ("UIPI").(13)

10.31 Replacement Promissory Note (Non-Purpose Credit) dated November 22, 2000 of John F. Riordan in favor of UIPI.(13)

10.32 Promissory Note (Non-Purpose Credit) dated January 29, 2001 of John F. Riordan in favor of UIPI.(13)

10.33 Promissory Note (Non-Purpose Credit) dated April 4, 2001 of John F. Riordan in favor of UIPI.(13)

10.34 Letter Agreement (Purpose Credit) dated May 16, 2001 among UnitedGlobalCom, Inc. (now known as UGC Holdings, Inc.), UIPI and John F. Riordan.(13)

10.35 Letter Agreement (Non-Purpose Credit) dated May 16, 2001 among UnitedGlobalCom, Inc. (now known as UGC Holdings, Inc.), UIPI and John F. Riordan.(13)

10.36 Letter Agreement (Non-Purpose Credit) dated May 16, 2001 among UIPI, Austar United and John F. Riordan.(13)

10.37 Letter Agreement (Purpose Credit) dated May 16, 2001 among UIPI, UPC and John F. Riordan.(13)

10.38 Letter Agreement (Non-Purpose Credit) dated May 16, 2001 among UIPI, UPC and John F. Riordan.(13)

10.39 Letter Agreement (Purpose Credit) dated May 16, 2001 among UIPI, *chello broadband* and John F. Riordan.(13)

10.40 Letter Agreement (Non-Purpose Credit) dated May 16, 2001 among UIPI, *chello broadband* and John F. Riordan.(13)

10.41 Replacement Promissory Note (Purpose Credit) dated November 22, 2000 of Mark L. Schneider in favor of UIPI.(13)

10.42 Replacement Promissory Note (Purpose Credit) dated December 21, 2000 of Mark L. Schneider in favor of UIPI.(13)

10.43 Replacement Promissory Note (Purpose Credit) dated November 22, 2000 of The MLS Family Partnership LLLP in favor of UIPI.(13)

10.44 Replacement Promissory Note (Purpose Credit) dated December 21, 2000 of The MLS Family Partnership LLLP in favor of UIPI.(13)

10.45 Replacement Guaranty for Purpose Credit dated November 22, 2000 of Mark L. Schneider in favor of UIPI with respect to The MLS Family Partnership LLLP November 22, 2000 Promissory Note (Purpose Credit).(13)

10.46 Replacement Guaranty for Purpose Credit dated December 21, 2000 of Mark L. Schneider in favor of UIPI with respect to The MLS Family Partnership LLLP December 21, 2000 Promissory Note (Purpose Credit).(13)

10.47 Letter Agreement dated May 16, 2001 among UnitedGlobalCom, Inc. (now known as UGC Holdings, Inc.), UIPI and Mark L. Schneider.(13)

10.48 Letter Agreement dated May 16, 2001 among UIPI, UPC and Mark L. Schneider.(13)

10.49 Letter Agreement dated May 16, 2001 among UIPI, *chello broadband* and Mark L. Schneider.(13)

10.50 Promissory Note dated September 2, 1999 of Mark L. Schneider in favor of UIPI (unless previously filed with the SEC).(13)

10.51 Loan Agreement dated September 2, 1999 by and between UIPI and Mark L. Schneider (unless previously filed with the SEC).(13)

10.52 Replacement Promissory Note (Purpose Credit) dated November 22, 2000 of Michael T. Fries in favor of UIPI.(13)

10.53 Replacement Promissory Note (Purpose Credit) dated November 22, 2000 of The Fries Family Partnership LLLP in favor of UIPI.(13)

10.54 Replacement Promissory Note (Non-Purpose Credit) dated November 22, 2000 of The Fries Family Partnership LLLP in favor of UIPI.(13)

10.55 Replacement Guaranty for Purpose Credit dated November 22, 2000 of Michael T. Fries in favor of UIPI with respect to The Fries Family Partnership LLLP November 22, 2000 Promissory Note (Purpose Credit).(13)

10.56 Replacement Guaranty for Non-Purpose Credit dated November 22, 2000 of Michael T. Fries in favor of UIPI with respect to The Fries Family Partnership LLLP November 22, 2000 Promissory Note (Non-Purpose Credit).(13)

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10.61 Replacement Guaranty for Non-Purpose Credit dated December 21, 2000 of Michael T. Fries in favor of UIPI with respect to The Fries Family Partnership LLLP December 21, 2000 Promissory Note (Non-Purpose Credit).(13)

10.62 Promissory Note (Purpose Credit) dated April 4, 2001 of The Fries Family Partnership LLLP in favor of UIPI.(13)

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10.64 Guaranty for Purpose Credit dated April 4, 2001 of Michael T. Fries in favor of UIPI with respect to The Fries Family Partnership LLLP April 4, 2001 Promissory Note (Purpose Credit).(13)

10.65 Guaranty for Non-Purpose Credit dated April 4, 2001 of Michael T. Fries in favor of UIPI with respect to The Fries Family Partnership LLLP April 4, 2001 Promissory Note (Non-Purpose Credit).(13)

10.66 Promissory Note (Purpose Credit) dated June 25, 2001 of Michael T. Fries in favor of UIPI.(13)

10.67 Promissory Note (Purpose Credit) dated June 25, 2001 of The Fries Family Partnership LLLP in favor of UIPI.(13)

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10.74	Letter Agreement (Purpose Credit) dated June 25, 2001 among UnitedGlobalCom, Inc. (now known as UGC Holdings, Inc.), UIPI, New UnitedGlobalCom, Inc. (now known as UnitedGlobalCom, Inc.), Michael T. Fries and The Fries Family Partnership LLLP.(13)
21.1	Subsidiaries of the Registrant.*
23.1	The consent of Holme Roberts & Owen LLP is included as part of Exhibit 5.1.†
23.2	Consent of Independent Public Accountants — Arthur Andersen LLP (New UnitedGlobalCom, Inc., now known as UnitedGlobalCom, Inc.).
23.3	Consent of Independent Public Accountants — Arthur Andersen LLP (UnitedGlobalCom, Inc., now known as UGC Holdings, Inc.).
24.1	Power of Attorney.

* To be filed by amendment.

† Executed opinion to be filed by amendment.

(1) Incorporated by reference from UGC Holdings' Form S-4 filed on March 3, 1998 (File No. 333-47245).

(2) Incorporated by reference from UPC's Form 8-K dated May 29, 2001 (File No. 000-25365).

(3) Incorporated by reference from UGC Holdings' Form 8-K dated April 29, 1999 (File No. 000-21974).

(4) Incorporated by reference from Amendment No. 2 to UGC Holdings' Registration Statement on Form S-1 filed on July 19, 1993 (File No. 33-61376).

(5) Incorporated by reference from UGC Holdings' Form 10-K for the year ended December 31, 1999 (File No. 000-21974).

(6) Incorporated by reference from UPC's Report on Form 10-Q for the quarter ended September 30, 2000 (File No. 000-25365).

(7) Incorporated by reference from UPC's Report on Form 10-Q for the quarter ended September 30, 1999 (File No. 000-25365).

(8) Incorporated by reference from UPC's Form 10-K for the year ended December 31, 1999 (File No. 000-25365).

(9) Incorporated by reference from UGC Holdings' Form 8-K dated December 11, 1997 (File No. 000-21974).

(10) Incorporated by reference from UPC's Form 8-K dated March 9, 2000 (File No. 000-25365).

(11) Incorporated by reference from UPC's Form 8-K dated July 30, 1999 (File No. 000-25365).

(12) Incorporated by reference from Amendment No. 6 to UPC's Registration Statement on Form S-1 dated February 4, 1999 (File No. 333-67895).

(13) Incorporated by reference from UGC Holdings' Form 10-Q for the quarter ended June 30, 2001 (File No. 000-21974).

(14) Incorporated by reference from UGC Holdings' 8-K dated January 18, 2002 (File No. 000-21974).

(15) Incorporated by reference from UGC Holdings' 8-K dated December 3, 2001 (File No. 000-21974).

(16) Incorporated by reference from UPC's 8-K dated February 1, 2002 (File No. 000-25365).

(17) Incorporated by reference from UPC's 8-K dated December 7, 2001(File No. 000-25365).

Item 17. ***Undertakings***

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned thereunto duly authorized, in the City of Denver, State of Colorado, on February 14, 2002.

UNITEDGLOBALCOM, INC.

By: /s/ FREDERICK G. WESTERMAN III

Frederick G. Westerman III,
Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

February 14, 2002	/s/ GENE W. SCHNEIDER*
	Gene W. Schneider, *Chairman, Chief Executive Officer and Director*
February 14, 2002	/s/ ROBERT R. BENNETT*
	Robert R. Bennett, *Director*
February 14, 2002	/s/ ALBERT M. CAROLLO*
	Albert M. Carollo, *Director*
February 14, 2002	/s/ JOHN P. COLE, JR.*
	John P. Cole, Jr., *Director*
February 14, 2002	/s/ VALERIE L. COVER*
	Valerie L. Cover, *Controller*
February 14, 2002	/s/ MICHAEL T. FRIES*
	Michael T. Fries, *President, Chief Operating Officer and Director*
February 14, 2002	/s/ GARY S. HOWARD*
	Gary S. Howard, *Director*
February 14, 2002	/s/ JOHN C. MALONE*
	John C. Malone, *Director*

February 14, 2002	/s/ JOHN F. RIORDAN*
	John F. Riordan, *Director*
February 14, 2002	/s/ CURTIS W. ROCHELLE*
	Curtis W. Rochelle, *Director*
February 14, 2002	/s/ MARK L. SCHNEIDER*
	Mark L. Schneider, *Director*
February 14, 2002	/s/ FREDERICK G. WESTERMAN III
	Frederick G. Westerman III, *Chief Financial Officer*
February 14, 2002	/s/ TINA M. WILDES*
	Tina M. Wildes, *Director*

*By: /s/ FREDERICK G. WESTERMAN III

Frederick G. Westerman III,
Attorney-in-Fact

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10.20 Euro 4.0 billion Senior Secured Credit Facility for UPC Distribution Holding B.V. and UPC Financing Partnership, dated October 26, 2000, with Chase Manhattan Bank and Toronto Dominion Bank.(6)

10.21 Credit Agreement dated as of April 29, 1999, among UIH Chile Holding S.A., the subsidiary guarantors named therein, Toronto Dominion (Texas), Inc., TD Securities (USA), Inc. and Citibank, N.A.(3)

10.22 Promise Agreement entered into as of October 15, 1998, among UIH Latin America, Inc., VTR S.A. and Compania Nacional de Telefonos, Telefonica del Sur S.A.(3)

10.23 Amended and Restated Securities Purchase and Conversion Agreement dated as of December 1, 1997, by and among Philips Media B.V., Philips Media Networks B.V., UnitedGlobalCom, Inc. (now known as UGC Holdings, Inc.), Joint Venture, Inc. and United and Philips Communications B.V.(9)

10.24 Share Exchange Agreement, dated as of March 9, 2000, by and between UPC and the shareholders named therein.(10)

10.25 Memorandum of Understanding, dated as of February 1, 2002, by and among UPC, UnitedGlobalCom, Inc. and UGC Holdings, Inc.(16)

10.26 Closing Agreement, dated as of December 7, 2001, by and among UPC, Canal+ Group, UPC Polska, Inc., Polska Telewizja Cyfrowa TV Sp. z o.o. ("PTC") and Telewizyjna Korporacja Partycypacyjna S.A. ("TKP").(17)

10.27 Shareholders Agreement, dated August 10, 2001, by and among UPC, PTC, Canal+ Group and Polcom Invest S.A.(17)

10.28 Contribution and Subscription Agreement, dated as of August 10, 2001, by and among UPC, Canal+ Group, UPC Polska, Inc., PTC and TKP.(17)

10.29 Consulting Agreement dated June 1, 1995, between UnitedGlobalCom, Inc. (now known as UGC Holdings, Inc.) and Mark L. Schneider.(12)

10.30 Replacement Promissory Note (Purpose Credit) dated November 22, 2000 of John F. Riordan in favor of United International Properties, Inc. ("UIPI").(13)

10.31 Replacement Promissory Note (Non-Purpose Credit) dated November 22, 2000 of John F. Riordan in favor of UIPI.(13)

10.32 Promissory Note (Non-Purpose Credit) dated January 29, 2001 of John F. Riordan in favor of UIPI.(13)

10.33 Promissory Note (Non-Purpose Credit) dated April 4, 2001 of John F. Riordan in favor of UIPI.(13)

10.34 Letter Agreement (Purpose Credit) dated May 16, 2001 among UnitedGlobalCom, Inc. (now known as UGC Holdings, Inc.), UIPI and John F. Riordan.(13)

10.35 Letter Agreement (Non-Purpose Credit) dated May 16, 2001 among UnitedGlobalCom, Inc. (now known as UGC Holdings, Inc.), UIPI and John F. Riordan.(13)

10.36 Letter Agreement (Non-Purpose Credit) dated May 16, 2001 among UIPI, Austar United and John F. Riordan.(13)

10.37 Letter Agreement (Purpose Credit) dated May 16, 2001 among UIPI, UPC and John F. Riordan.(13)

10.38 Letter Agreement (Non-Purpose Credit) dated May 16, 2001 among UIPI, UPC and John F. Riordan.(13)

10.39 Letter Agreement (Purpose Credit) dated May 16, 2001 among UIPI, *chello broadband* and John F. Riordan.(13)

10.40 Letter Agreement (Non-Purpose Credit) dated May 16, 2001 among UIPI, *chello broadband* and John F. Riordan.(13)

10.41 Replacement Promissory Note (Purpose Credit) dated November 22, 2000 of Mark L. Schneider in favor of UIPI.(13)

10.42 Replacement Promissory Note (Purpose Credit) dated December 21, 2000 of Mark L. Schneider in favor of UIPI.(13)

10.43 Replacement Promissory Note (Purpose Credit) dated November 22, 2000 of The MLS Family Partnership LLLP in favor of UIPI.(13)

10.44 Replacement Promissory Note (Purpose Credit) dated December 21, 2000 of The MLS Family Partnership LLLP in favor of UIPI.(13)

10.45 Replacement Guaranty for Purpose Credit dated November 22, 2000 of Mark L. Schneider in favor of UIPI with respect to The MLS Family Partnership LLLP November 22, 2000 Promissory Note (Purpose Credit).(13)

10.46 Replacement Guaranty for Purpose Credit dated December 21, 2000 of Mark L. Schneider in favor of UIPI with respect to The MLS Family Partnership LLLP December 21, 2000 Promissory Note (Purpose Credit).(13)

10.47 Letter Agreement dated May 16, 2001 among UnitedGlobalCom, Inc. (now known as UGC Holdings, Inc.), UIPI and Mark L. Schneider.(13)

10.48 Letter Agreement dated May 16, 2001 among UIPI, UPC and Mark L. Schneider.(13)

10.49 Letter Agreement dated May 16, 2001 among UIPI, *chello broadband* and Mark L. Schneider.(13)

10.50 Promissory Note dated September 2, 1999 of Mark L. Schneider in favor of UIPI (unless previously filed with the SEC).(13)

10.51	Loan Agreement dated September 2, 1999 by and between UIPI and Mark L. Schneider (unless previously filed with the SEC).(13)
10.52	Replacement Promissory Note (Purpose Credit) dated November 22, 2000 of Michael T. Fries in favor of UIPI.(13)
10.53	Replacement Promissory Note (Purpose Credit) dated November 22, 2000 of The Fries Family Partnership LLLP in favor of UIPI.(13)
10.54	Replacement Promissory Note (Non-Purpose Credit) dated November 22, 2000 of The Fries Family Partnership LLLP in favor of UIPI.(13)
10.55	Replacement Guaranty for Purpose Credit dated November 22, 2000 of Michael T. Fries in favor of UIPI with respect to The Fries Family Partnership LLLP November 22, 2000 Promissory Note (Purpose Credit).(13)
10.56	Replacement Guaranty for Non-Purpose Credit dated November 22, 2000 of Michael T. Fries in favor of UIPI with respect to The Fries Family Partnership LLLP November 22, 2000 Promissory Note (Non-Purpose Credit).(13)
10.57	Replacement Promissory Note (Purpose Credit) dated December 21, 2000 of Michael T. Fries in favor of UIPI.(13)
10.58	Replacement Promissory Note (Purpose Credit) dated December 21, 2000 of The Fries Family Partnership LLLP in favor of UIPI.(13)
10.59	Replacement Promissory Note (Non-Purpose Credit) dated December 21, 2000 of The Fries Family Partnership LLLP in favor of UIPI.(13)
10.60	Replacement Guaranty for Purpose Credit dated December 21, 2000 of Michael T. Fries in favor of UIPI with respect to The Fries Family Partnership LLLP December 21, 2000 Promissory Note (Purpose Credit).(13)
10.61	Replacement Guaranty for Non-Purpose Credit dated December 21, 2000 of Michael T. Fries in favor of UIPI with respect to The Fries Family Partnership LLLP December 21, 2000 Promissory Note (Non-Purpose Credit).(13)
10.62	Promissory Note (Purpose Credit) dated April 4, 2001 of The Fries Family Partnership LLLP in favor of UIPI.(13)
10.63	Promissory Note (Non-Purpose Credit) dated April 4, 2001 of The Fries Family Partnership LLLP in favor of UIPI.(13)
10.64	Guaranty for Purpose Credit dated April 4, 2001 of Michael T. Fries in favor of UIPI with respect to The Fries Family Partnership LLLP April 4, 2001 Promissory Note (Purpose Credit).(13)
10.65	Guaranty for Non-Purpose Credit dated April 4, 2001 of Michael T. Fries in favor of UIPI with respect to The Fries Family Partnership LLLP April 4, 2001 Promissory Note (Non-Purpose Credit).(13)
10.66	Promissory Note (Purpose Credit) dated June 25, 2001 of Michael T. Fries in favor of UIPI.(13)
10.67	Promissory Note (Purpose Credit) dated June 25, 2001 of The Fries Family Partnership LLLP in favor of UIPI.(13)
10.68	Promissory Note (Non-Purpose Credit) dated June 25, 2001 of The Fries Family Partnership LLLP in favor of UIPI.(13)
10.69	Letter Agreement (Purpose Credit) dated May 16, 2001 among UnitedGlobalCom, Inc. (now known as UGC Holdings, Inc.), UIPI and Michael T. Fries.(13)
10.70	Letter Agreement (Non-Purpose Credit) dated May 16, 2001 among UnitedGlobalCom, Inc. (now known as UGC Holdings, Inc.), UIPI and Michael T. Fries.(13)
10.71	Letter Agreement (Non-Purpose Credit) dated May 16, 2001 among UIPI, UPC and Michael T. Fries.(13)
10.72	Letter Agreement (Non-Purpose Credit) dated May 16, 2001 among UIPI, *chello broadband* and Michael T. Fries.(13)
10.73	Letter Agreement (Non-Purpose Credit) dated May 16, 2001 among UIPI, Austar United and Michael T. Fries.(13)
10.74	Letter Agreement (Purpose Credit) dated June 25, 2001 among UnitedGlobalCom, Inc. (now known as UGC Holdings, Inc.), UIPI, New UnitedGlobalCom, Inc. (now known as UnitedGlobalCom, Inc.), Michael T. Fries and The Fries Family Partnership LLLP.(13)
21.1	Subsidiaries of the Registrant.*
23.1	The consent of Holme Roberts & Owen LLP is included as part of Exhibit 5.1.†
23.2	Consent of Independent Public Accountants — Arthur Andersen LLP (UnitedGlobalCom, Inc.).
23.3	Consent of Independent Public Accountants — Arthur Andersen LLP (UGC Holdings, Inc.).
24.1	Power of Attorney.

* To be filed by amendment.

† Executed opinion to be filed by amendment.

(1) Incorporated by reference from UGC Holdings' Form S-4 filed on March 3, 1998 (File No. 333-47245).

(2) Incorporated by reference from UPC's Form 8-K dated May 29, 2001 (File No. 000-25365).

(3) Incorporated by reference from UGC Holdings' Form 8-K dated April 29, 1999 (File No. 000-21974).

(4) Incorporated by reference from Amendment No. 2 to UGC Holdings' Registration Statement on Form S-1 filed on July 19, 1993 (File No. 33-61376).

(5) Incorporated by reference from UGC Holdings' Form 10-K for the year ended December 31, 1999 (File No. 000-21974).

(6) Incorporated by reference from UPC's Report on Form 10-Q for the quarter ended September 30, 2000 (File No. 000-25365).

(7) Incorporated by reference from UPC's Report on Form 10-Q for the quarter ended September 30, 1999 (File No. 000-25365).

(8) Incorporated by reference from UPC's Form 10-K for the year ended December 31, 1999 (File No. 000-25365).

(9) Incorporated by reference from UGC Holdings' Form 8-K dated December 11, 1997 (File No. 000-21974).

(10) Incorporated by reference from UPC's Form 8-K dated March 9, 2000 (File No. 000-25365).

(11) Incorporated by reference from UPC's Form 8-K dated July 30, 1999 (File No. 000-25365).

(12) Incorporated by reference from Amendment No. 6 to UPC's Registration Statement on Form S-1 dated February 4, 1999 (File No. 333-67895).

(13) Incorporated by reference from UGC Holdings' Form 10-Q for the quarter ended June 30, 2001 (File No. 000-21974).

(14) Incorporated by reference from UGC Holdings' 8-K dated January 18, 2002 (File No. 000-21974).

(15) Incorporated by reference from UGC Holdings' 8-K dated December 3, 2001 (File No. 000-21974).

(16) Incorporated by reference from UPC's 8-K dated February 1, 2002 (File No. 000-25365).

(17) Incorporated by reference from UPC's 8-K dated December 7, 2001(File No. 000-25365).

RESTATED CERTIFICATE OF INCORPORATION
OF
NEW UNITEDGLOBALCOM, INC.

New UnitedGlobalCom, Inc., a Delaware corporation, hereby certifies as follows:

1. The name of the corporation is New UnitedGlobalCom, Inc. (the "CORPORATION"). The Corporation was incorporated under the name "New UnitedGlobalCom, Inc.," and the original Certificate of Incorporation of the Corporation was filed with the Delaware Secretary of State on February 5, 2001.

2. This Restated Certificate of Incorporation amends and restates the provisions of the Certificate of Incorporation of the Corporation in its entirety, and has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware.

3. The text of the Certificate of Incorporation of the Corporation is amended and restated to read in its entirety as follows:

FIRST: The name of the corporation (the "CORPORATION") is:

New UnitedGlobalCom, Inc.

SECOND: The address of the Corporation's current registered office in the State of Delaware is 1209 Orange Street in the City of Wilmington, County of New Castle. The name of the Corporation's registered agent at that address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware.

FOURTH:

(a) AUTHORIZED SHARES.

The total number of shares of capital stock that the Corporation shall have authority to issue is 2,410,000,000, which shall be divided into the following classes:

(i) 1,000,000,000 shares shall be of a class designated Class A Common Stock, par value $.01 per share ("CLASS A COMMON STOCK");

(ii) 1,000,000,000 shares shall be of a class designated Class B Common Stock, par value $.01 per share ("CLASS B COMMON STOCK");

(iii) 400,000,000 shares shall be of a class designated Class C Common Stock, par value $.01 per share ("CLASS C COMMON STOCK" and, together with the Class A Common Stock and the Class B Common Stock, the "COMMON STOCK"); and

(iv) 10,000,000 shares shall be of a class designated Preferred Stock, par value $.01 per share ("PREFERRED STOCK").

Each share of Class A Common Stock, Class B Common Stock and Class C Common Stock shall be identical in all respects except as otherwise set forth in this Restated Certificate of Incorporation (as it may from time to time hereafter be amended or restated, this "CERTIFICATE"). The number of authorized shares of Class A Common Stock or Class B Common Stock may be increased or decreased (but not below the number of shares thereof outstanding and the number reserved for issuance upon the exercise, conversion or exchange of outstanding options, warrants and convertible securities (including, without limitation, the Class C Common Stock)) by an amendment to this Certificate approved by the affirmative vote of the holders of a majority of the combined voting power of the Class A Common Stock, the Class B Common Stock and the Class C Common Stock, voting together as a single class and without separate class votes. The number of authorized shares of Class C Common Stock may be increased or decreased (but not below the number of shares thereof outstanding and the number reserved for issuance upon the exercise, conversion or exchange of outstanding options, warrants and convertible securities) by an amendment to this Certificate approved by the affirmative vote of (a) the holders of a majority of the combined voting power of the Class A Common Stock, the Class B Common Stock and the Class C Common Stock, voting together as a single class, and (b) the holders of a majority of the Class C Common Stock, voting as a separate class.

(b) RECLASSIFICATION.

Effective upon the filing of this Restated Certificate of Incorporation with the Secretary of State of the State of Delaware, each share of the Common Stock, par value $0.01 per share, of the Corporation that is issued and outstanding shall thereupon be reclassified and changed, IPSO FACTO and without any other action on the part of the holder thereof, into one share of Class A Common Stock.

(c) VOTING POWER OF COMMON STOCK.

Holders of Class A Common Stock shall be entitled to one vote for each share of such stock held, holders of Class B Common Stock shall be entitled to ten votes for each share of such stock held and holders of Class C Common Stock shall be entitled to ten votes for each share of such stock held. Except as may otherwise be required by the laws of the State of Delaware, by the provisions of this Certificate or with respect to any Preferred Stock Designation, the holders of outstanding shares of Class A Common Stock, the holders of outstanding shares of Class B Common Stock, the holders of outstanding shares of Class C Common Stock and the holders of

outstanding shares of each series of Preferred Stock entitled to vote thereon, if any, shall vote as one class with respect to all matters to be voted on by the stockholders of the Corporation, and no separate vote or consent of the holders of shares of Class A Common Stock, the holders of shares of Class B Common Stock, the holders of shares of Class C Common Stock or the holders of shares of any such series of Preferred Stock shall be required for the approval of any such matter. With respect to the election or removal of Regular Directors, (i) prior to the occurrence of a Class B Event, the holders of shares of Class A Common Stock, the holders of shares of Class B Common Stock and the holders of any series of Preferred Stock entitled to vote thereon shall vote together as a single class and no vote of the holders of Class C Common Stock shall be required with respect thereto and (ii) from and after the occurrence of a Class B Event, the holders of shares of Class A Common Stock, the holders of shares of Class B Common Stock, the holders of shares of Class C Common Stock and the holders of any series of Preferred Stock entitled to vote thereon shall vote together as a single class with respect thereto. With respect to the election or removal of Class C Directors, the holders of the Class C Common Stock, for so long as any such shares are outstanding, shall vote as a separate class and no vote of the holders of Class A Common Stock, Class B Common Stock or any series of Preferred Stock shall be required with respect thereto.

(d) CONVERSION RIGHTS

(i) Each share of Class B Common Stock shall be convertible, at the option of the holder thereof, into one share of Class A Common Stock at any time.

(ii) Subject to the following two sentences, each share of Class C Common Stock shall be convertible, at the option of the holder thereof, into one share of Class A Common Stock at any time or, at any time following the occurrence of a Conversion Event, one share of Class B Common Stock. If a Conversion Event shall not have occurred by June 25, 2010, then from and after such date each share of Class C Common Stock shall be convertible, at the option

of the holder thereof, into (A) 1.645 shares of Class A Common Stock at any time or (B) 1.645 shares of Class B Common Stock at any time following the occurrence of a Class B Event. Shares of Class C Common Stock held by a Founder, or Permitted Transferee of a Founder who is also a Principal or a Related Party, may be converted into Class B Common Stock at any time.

(iii) A holder wishing to convert shares of Class B Common Stock or Class C Common Stock into shares of Class A Common Stock, or shares of Class C Common Stock into shares of Class B Common Stock, shall surrender the certificate or certificates representing the shares of Class B Common Stock or Class C Common Stock to be converted, duly endorsed, to the Secretary of the Corporation or to any transfer agent for the Class B Common Stock or the Class C Common Stock, as applicable, and shall notify the Secretary or transfer agent in writing of the holder's desire to so convert all or a specified portion of the shares represented by such stock certificate or certificates. If so required by the Corporation, any certificate for shares surrendered for conversion shall be accompanied by instruments of transfer, in form satisfactory to the Corporation, duly executed by the holder of such shares or the duly authorized representative of such holder. Upon receipt by the Secretary or transfer agent of the foregoing certificate or certificates, notice and, if required, instruments of transfer, the Corporation shall cause to be issued to the holder who surrendered the certificate or certificates representing shares of Class B Common Stock or Class C Common Stock, or such holder's nominee or nominees, either (A) one share (or 1.645 shares if required by paragraph (d)(ii) above) of Class A Common Stock for each share of Class B Common Stock or Class C Common Stock surrendered for conversion into Class A Common Stock, and (B) one share (or 1.645 shares if required by paragraph (d)(ii) above) of Class B Common Stock for each share of Class C Common Stock surrendered for conversion into Class B Common Stock, and shall issue and deliver to such holder, or such holder's nominee or nominees, a certificate or certificates representing such shares as well as a certificate or certificates representing shares of Class B Common Stock or Class C Common Stock represented by any surrendered certificate that were not converted. Such conversion shall be deemed to have been made at the close of business on the date of receipt by the Corporation or any such transfer agent of the certificate or certificates, notice and, if required, instruments of transfer referred to above, and the Person or Persons entitled to receive the shares of Class A Common Stock or Class B Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Class A Common Stock or Class B Common Stock on that date. A number

of shares of Class A Common Stock equal to the number of shares of Class B Common Stock and Class C Common Stock outstanding from time to time shall be set aside and reserved for issuance upon conversion of shares of Class B Common Stock or Class C Common Stock into Class A Common Stock, and a number of shares of Class B Common Stock

equal to the number of shares of Class C Common Stock outstanding from time to time shall be set aside and reserved for issuance upon conversion of shares of Class C Common Stock into Class B Common Stock. Shares of Class B Common Stock and Class C Common Stock that have been so converted shall become treasury shares that may be issued (subject to paragraph (b) of Article Fifth) or retired by resolution of the Board of Directors of the Corporation on the terms set forth in this Certificate. Shares of Class A Common Stock shall not be convertible into shares of Class B Common Stock or Class C Common Stock. Shares of Class B Common Stock shall not be convertible into shares of Class C Common Stock.

(e) DIVIDENDS.

Subject to paragraph (f) of this Article Fourth, (i) whenever a dividend is paid to the holders of Class A Common Stock, the Corporation also shall pay to the holders of Class B Common Stock and Class C Common Stock a dividend per share equal to the dividend per share paid to the holders of the Class A Common Stock, (ii) whenever a dividend is paid to the holders of Class B Common Stock, the Corporation also shall pay to the holders of the Class A Common Stock and the Class C Common Stock a dividend per share equal to the dividend per share paid to the holders of the Class B Common Stock and (iii) whenever a dividend is paid to the holders of Class C Common Stock, the Corporation also shall pay to the holders of the Class A Common Stock and the Class B Common Stock a dividend per share equal to the dividend per share paid to the holders of the Class C Common Stock. Dividends shall be payable only as and when declared by the Board of Directors of the Corporation out of assets of the Corporation legally available therefor.

(f) SHARE DISTRIBUTIONS.

If at any time a distribution made or paid in Class A Common Stock, Class B Common Stock, Class C Common Stock or any other securities of the Corporation or of any other Person (hereinafter sometimes called a "share distribution") is to be made with respect to the Class A Common Stock, Class B Common Stock or Class C Common Stock, such share distribution may be declared and paid only as follows:

(i) Share distributions may be made or paid in shares of Class A Common Stock, Class B Common Stock or Class C Common Stock (or Convertible Securities that are convertible into, exchangeable for or evidence the right to purchase shares of any such class of Common Stock), provided that (A) share distributions of Class A Common Stock (or Convertible Securities that are convertible into, exchangeable for or evidence the right to purchase shares of Class A Common Stock) may only be made to holders of Class A Common Stock, (B) share distributions of Class B Common Stock (or Convertible Securities that are convertible into, exchangeable for or evidence the right to purchase shares of Class B Common Stock) may only be made to holders of Class B Common Stock and (C) share distributions of Class C Common Stock (or Convertible Securities that are convertible into, exchangeable for or evidence the right to purchase shares of Class C Common Stock) may only be made to holders of Class C Common Stock. If a share distribution is made of any class of Common Stock (or Convertible Securities that are convertible into, exchangeable for or evidence the right to purchase shares of such class of Common Stock) to holders of shares of such class of Common Stock, the Corporation shall simultaneously effect a share distribution, on an equal per share basis, of shares of each other class of Common Stock (or Convertible Securities that have the same characteristics, but are convertible into, exchangeable for or evidence the right to purchase shares of the appropriate class of Common Stock) to holders of shares of such other class of Common Stock.

(ii) A share distribution consisting of shares of any class or series of securities of the Corporation or any other Person other than Common Stock (or Convertible Securities that are convertible into, exchangeable for or evidence the right to purchase shares of Common Stock) may be made, either on the basis of a distribution of identical securities, on an equal per share basis, to holders of Class A Common Stock, Class B Common Stock and Class C Common Stock or on the basis of a distribution of one class or series of securities to holders of Class A Common Stock and another class or series of securities to holders of Class B Common Stock and Class C Common Stock, provided that the securities so distributed (and, if applicable, the securities into which the distributed securities are convertible, or for which they are exchangeable, or which the distributed securities evidence the right to purchase) do not differ in any respect other than their relative voting rights and related differences in designation, conversion and share distribution provisions, with holders of shares of Class B Common Stock and Class C Common Stock receiving the class or series having the higher relative voting rights (without regard to

whether such rights differ to a greater or lesser extent than the corresponding differences in voting rights and related differences in designation, conversion and share distribution provisions between the Class A Common Stock, the Class B Common Stock

and the Class C Common Stock), provided that if the securities so distributed constitute capital stock of a Subsidiary of the Corporation, such rights shall not differ to a greater extent than the corresponding differences in voting rights, designation, conversion and share distribution provisions between the Class A Common Stock, the Class B Common Stock and the Class C Common Stock, and provided in each case that such distribution is otherwise made on an equal per share basis.

(g) RECLASSIFICATIONS, SUBDIVISIONS AND COMBINATIONS.

The Corporation shall not reclassify, subdivide or combine any class of Common Stock without also reclassifying, subdividing or combining each other class of Common Stock on an equal per share basis.

(h) CLASS C COMMON STOCK PROPORTIONAL PURCHASE RIGHT.

(i) If at any time prior to the occurrence of a Conversion Event, and other than in connection with the transactions to be effected pursuant to Section 2.2 of the Merger Agreement, the Corporation issues shares of Class B Common Stock and after giving effect to such issuance, together with any prior issuances of Class B Common Stock with respect to which the holders of Class C Common Stock did not have any rights pursuant to this paragraph (h), the Class C Voting Power is equal to or less than 90% of the Class C Voting Power immediately prior to either such issuance or the first of such issuances of Class B Common Stock, each holder of shares of Class C Common Stock shall have the right, exercisable as set forth below, to acquire from the Corporation additional shares of Class C Common Stock up to and including such holder's pro rata share (based on the number of shares of Class C Common Stock held by such holder) of the aggregate number of shares of Class C Common Stock that if issued in full will restore the Class C Voting Power to 100% of the Class C Voting Power immediately prior to either such issuance or the first of such issuances of shares of Class B Common Stock (whichever is greater, in the case of multiple issuances). A holder of Class C Common Stock that exercises its proportional purchase right pursuant to this paragraph (h) may acquire such additional shares of Class C Common Stock by, at such holder's election, (A) surrendering shares of Class A Common Stock in exchange for shares of Class C Common Stock, on a one-for-one basis, (B) paying the Corporation, in cash or such other form of consideration

as may be acceptable to the Corporation, an amount per share of Class C Common Stock equal to (x) the issue price per share of the Class B Common Stock so issued (which, if paid in a form of consideration other than cash or shares of Class A Common Stock, shall be the fair market value of the consideration so paid) or (y) with respect to any shares of Class B Common Stock that were issued in exchange for shares of Class A Common Stock, the average of the Closing Prices per share of Class A Common Stock for the period of ten Trading Days ending on and including the last Trading Day prior to such issuance of Class B Common Stock, in each case appropriately adjusted to reflect the effect of any stock splits, reverse stock splits, combinations, stock dividends or other events affecting the Class B Common Stock (the "CLASS C PROPORTIONAL PURCHASE PRICE"), or (C) any combination of the foregoing.

(ii) Notwithstanding the foregoing, the holders of Class C Common Stock shall not have proportional purchase rights pursuant to this paragraph (h) with respect to an issuance of Class B Common Stock if the holders of the Voting Stock outstanding immediately prior to such issuance of shares of Class B Common Stock would hold in the aggregate immediately following such issuance outstanding shares of Voting Stock representing less than 30% of the then Total Voting Power of the Corporation.

(iii) The Corporation will provide prompt written notice (the "CORPORATION NOTICE") to each holder of Class C Common Stock, at the address set forth on the stock transfer books of the Corporation, of any issuance or issuances of shares of Class B Common Stock that entitles such holders to acquire additional shares of Class C Common Stock pursuant to this paragraph (h). The Corporation Notice shall set forth: (A) a reasonable description of the issuance or issuances giving rise to such right, (B) the number of shares of Class C Common Stock that such holder is entitled to acquire, (C) the Class C Proportional Purchase Price(s) and (D) a reasonable description of the calculation of the matters set forth in (B) and (C) above. Any holder of Class C Common Stock desiring to acquire additional shares of Class C Common Stock pursuant to this paragraph (h) shall deliver written notice to the Corporation, within ten days following such holder's receipt of the Corporation Notice, setting forth the number of shares of Class C Common Stock such holder desires to acquire pursuant to this paragraph (h). The closing of such acquisition of additional shares of Class C Common Stock shall occur within 30 days following the holder's receipt of the Corporation Notice, provided that such 30-day period will be extended for up to an additional 60 days if any required consents, approvals or waivers

of Governmental Authorities have not been obtained, or applicable waiting periods have not expired or terminated without litigation having been commenced that remains outstanding, within the 30-day period.

(i) PREFERRED STOCK.

The Board of Directors is authorized, subject to any limitations prescribed by applicable law and further subject to any approval rights of stockholders or the Class C Directors, to provide from time to time for the issuance of shares of Preferred Stock in series, and by filing a certificate pursuant to the applicable law of the State of Delaware (a "PREFERRED STOCK DESIGNATION"), to establish the rights, powers and preferences of each such series of Preferred Stock, including the following:

(i) the number of shares of that series, which may subsequently be increased or decreased (but not below the number of shares of that series then outstanding) by resolution of the Board of Directors, and the distinctive serial designation thereof;

(ii) the voting powers, full or limited, if any, of the shares of that series and the number of votes per share;

(iii) the rights in respect of dividends on the shares of that series, whether dividends shall be cumulative and, if so, from which date or dates and the relative rights or priority, if any, of payment of dividends on shares of that series and any limitations, restrictions or conditions on the payment of dividends;

(iv) the relative amounts, and the relative rights or priority, if any, of payment in respect of shares of that series, which the holders of the shares of that series shall be entitled to receive upon any liquidation, dissolution or winding up of the Corporation;

(v) the terms and conditions (including the price or prices, which may vary under different conditions and at different redemption or purchase dates), if any, upon which all or any part of the shares of that series may be redeemed or purchased by the Corporation, and any limitations, restrictions or conditions on such redemption or purchase;

(vi) the terms, if any, of any purchase, retirement or sinking fund to be provided for the shares of that series;

(vii) the terms, if any, upon which the shares of that series shall be convertible into or exchangeable for shares of any other class, classes or series, or other securities, whether or not issued by the Corporation;

(viii) the restrictions, limitations and conditions, if any, upon issuance of indebtedness of the Corporation so long as any shares of that series are outstanding; and

(ix) any other preferences and relative, participating, optional or other rights and limitations not inconsistent with law, this Article Fourth or any resolution of the Board of Directors pursuant to this Article Fourth.

All shares of any one series of the Preferred Stock shall be alike in all respects. Except to the extent otherwise expressly provided in the Preferred Stock Designation for a series of Preferred Stock, the holders of shares of such series shall have no voting rights except as may be required by the laws of the State of Delaware. Further, unless otherwise expressly provided in the Preferred Stock Designation for a series of Preferred Stock, no consent or vote of the holders of shares of Preferred Stock or any series thereof shall be required for any amendment to this Certificate that would increase the number of authorized shares of Preferred Stock or the number of authorized shares of any series thereof or decrease the number of authorized shares of Preferred Stock or the number of authorized shares of any series thereof (but not below the number of authorized shares of Preferred Stock of such series, as the case may be, then outstanding). Except as may be provided by the Board of Directors in a Preferred Stock Designation or by applicable law, shares of any series of Preferred Stock that have been redeemed (whether through the operation of a sinking fund or otherwise) or purchased by the Corporation, or which, if convertible or exchangeable, have been converted into or exchanged for shares of stock of any other class or series shall have the status of authorized and unissued shares of Preferred Stock and may be reissued as a part of the series of which they were originally a part or may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors or as part of any other series of Preferred Stock.

(k) LIQUIDATION, DISSOLUTION OR WINDING UP.

In the event of a liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, after payment or provision for payment of the debts and liabilities of the Corporation and subject to the prior payment in full of the preferential amounts to which any series of Preferred Stock is entitled, the holders of shares of Common Stock of all classes shall share equally, on a share for share basis, in the assets of the Corporation remaining for distribution to its common stockholders. Neither the consolidation or merger of the Corporation with or into any other Person or Persons nor the sale, transfer or lease of all or substantially all of

the assets of the Corporation shall itself be deemed to be a

liquidation, dissolution or winding up of the Corporation within the meaning of this paragraph (k).

FIFTH:

(a) CLASSIFICATION AND ELECTION OF DIRECTORS

(i) The business and affairs of the Corporation shall be managed by a Board of Directors. The number of directors shall be fixed by the Bylaws, but shall not be fewer than nine nor more than twelve. Until the first meeting of the stockholders of the Corporation at which directors are elected following the occurrence of a Class B Event, four directors (or such greater number as represents not less than one-third of the total number of directors then authorized, rounded upwards to the nearest whole number) shall be designated as "CLASS C DIRECTORS" and will be elected by the holders of a majority of the outstanding Class C Common Stock voting as a separate class. Any directors that are not designated as Class C Directors shall be designated as "REGULAR DIRECTORS" and will be elected (A) prior to the occurrence of a Class B Event, by the holders of a plurality of the combined voting power of the outstanding Class A Common Stock and Class B Common Stock, voting together as a single class and (B) from and after the occurrence of a Class B Event, by the holders of a plurality of the combined voting power of the outstanding Class A Common Stock, Class B Common Stock and Class C Common Stock, voting together as a single class. All directors will be designated as Regular Directors immediately prior to the election of directors at the first meeting of stockholders of the Corporation at which directors are elected following the occurrence of a Class B Event.

(ii) The Regular Directors and the Class C Directors shall be divided as evenly as possible into three classes, designated Class I, Class II and Class III, and each such class shall include at least one Class C Director at all times that directors are designated as Class C Directors. If the number of directors is not evenly divisible by three, the remainder positions shall be allocated first to Class III and then to Class II. The terms of the Class I Directors shall expire at the annual meeting of stockholders in 2003; the terms of the Class II Directors shall expire at the annual meeting of stockholders in 2004; and the terms of the Class III Directors shall expire at the annual meeting of stockholders in 2005. At each annual meeting of stockholders of the Corporation, the successors of that class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders of the Corporation held in the third year following the year of their election.

(b) APPROVAL RIGHTS OF CLASS C DIRECTORS

Until the first meeting of the stockholders of the Corporation at which directors are elected following the occurrence of a Class B Event, the approval of a majority of the Class C Directors then in office will be required in connection with any of the following:

(i) the acquisition or disposition of assets, or issuance of equity or debt securities by the Corporation or any Controlled Affiliate in a single transaction or in two or more transactions (related or unrelated) in any consecutive twelve-month period with an aggregate Value exceeding 30% of the Corporation's Market Capitalization at the time of such transaction (excluding a sale of the Corporation by merger or otherwise, sale of all or substantially all of the assets of the Corporation or a reorganization among entities affiliated with the Corporation, provided that the holders of the Class C Common Stock are treated equally with the holders of the Class B Common Stock and all holders of Class B Common Stock are treated equally in such transaction or, in the case of a sale of assets, in any distribution of the proceeds thereof, on an as-converted basis assuming the conversion of the Class C Common Stock into Class B Common Stock whether or not a Conversion Event has occurred);

(ii) (A) the issuance of shares of Class C Common Stock (other than in connection with the exercise of the proportional purchase rights described in paragraph (h) of Article Fourth or as contemplated by the Stockholders Agreement or the Merger Agreement) or (B) the issuance, grant or sale of any options exercisable for Class B Common Stock (other than the Permitted Options);

(iii) the removal and replacement of the Chief Executive Officer of the Corporation; provided that approval of the Class C Directors will not be required so long as any of the following four individuals is the replacement Chief Executive Officer: Michael T. Fries, John F. Riordan, Gene W. Schneider, or Mark L. Schneider;

(iv) any amendment, alteration or repeal of any provision of this Certificate or the Corporation's Bylaws (including, without limitation, by merger,

consolidation, binding share exchange or otherwise) that would be adverse to or would affect adversely the rights of the holders of the Class B Common Stock or Class C Common Stock or any of their respective affiliates (including, without limitation, any change in the number of members of the Corporation's Board of Directors);

(v) any material transaction between the Corporation (or any Controlled Affiliate), on the one hand, and (A) any director or officer of the Corporation (or of any Controlled Affiliate), (B) any Founder or (C) any family member or affiliate of any Person referred to in clauses (A) or (B), on the other hand, excluding (X) transactions between the Corporation and any Controlled Affiliate, and (Y) employment agreements, grants to employees of options to purchase Class A Common Stock and other employment related matters, in any such case entered into in the ordinary course of business;

(vi) any amendment, alteration or repeal of any provision of the certificate of incorporation of Old United then in effect (including, without limitation, by merger, consolidation, binding share exchange or otherwise) that would be adverse to or would affect adversely the rights of the Corporation or the holders of the Class C Common Stock or any of their respective affiliates, prior to the exchange of all of the outstanding shares of Class A common stock of Old United for shares of Class A Common Stock pursuant to the terms of the Exchange Agreement to be entered into among the Corporation and the Principal or Principals purchasing shares of the Series E Preferred Stock, par value $0.01 per share, of Old United, as contemplated by the Merger Agreement (the "EXCHANGE AGREEMENT");

(vii) any issuance of any shares of preferred stock by Old United;

(viii) any sale, assignment, transfer, exchange, contribution, pledge, encumbrance, grant of any option with respect to, or other disposition, directly or indirectly (a "DISPOSITION"), by the Corporation or any Subsidiary of the Corporation of, or any action taken by the Corporation or any Subsidiary of the Corporation in exercise (or forbearance from exercise), waiver or amendment of any rights to which any such Person may be entitled with respect to, any debt securities issued or indebtedness incurred by United Pan-Europe Communications, N.V., a company organized in The Netherlands ("UPC"), or any of its Subsidiaries, which debt securities are held by, or which indebtedness is owed to, the Corporation or any of its Subsidiaries, including without limitation any such Disposition, exercise or forbearance in connection with any restructuring of the indebtedness of UPC or any of its Subsidiaries; and

(ix) any change in the principal independent accounting firm responsible for auditing the financial statements of New United.

(c) TERM OF OFFICE; VACANCIES.

A director shall hold office until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement or removal from office. Subject to the rights of holders of any series of Preferred Stock, any newly created directorship resulting from an increase in the number of Regular Directors or any other vacancy with respect to the office of a Regular Director, however caused, shall be filled by a majority of the Regular Directors then in office or by a sole remaining Regular Director. Any newly created directorship resulting from an increase in the number of Class C Directors or any other vacancy with respect to the office of a Class C Director, however caused, shall be filled by a majority of the Class C Directors then in office or by a sole remaining Class C Director. Any director elected by one or more directors to fill a newly created directorship or other vacancy shall, without regard to the class in which the vacancy occurred, hold office until the next succeeding annual meeting of stockholders and until his or her successor shall have been elected and qualified. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director, except as may be provided in a Preferred Stock Designation with respect to any additional director elected by the holders of the applicable series of Preferred Stock.

(d) REMOVAL.

Subject to the rights of the holders of any series of Preferred Stock, any or all of the Regular Directors (including any individuals who are serving as Class C Directors at the time that the Class C Common Stock ceases to be outstanding) may be removed from the Board of Directors with or without cause only (i) prior to the occurrence of a Class B Event, upon the affirmative vote of the holders of at least 66-2/3 percent of the combined voting power of the Class A Common Stock and the Class B Common Stock, voting together as a single class, and (ii) from and after the occurrence of a Class B Event, upon the affirmative vote of holders of at least 66-2/3 percent of the combined voting power of the Class A Common Stock, Class B Common Stock and Class C Common Stock, voting together as a single class, in each case at a meeting of stockholders for which proper notice of the proposed removal has been given. Any or all of the Class C Directors may be removed, with or without cause, upon the affirmative vote of the holders of a majority of the Class C Common Stock, voting as a separate class, either at a meeting of

stockholders for which proper notice of the proposed removal has been given or pursuant to a consent in writing signed by holders of a majority of the Class C Common Stock.

(e) NOTICE OF NOMINATIONS.

Advance notice of nominations for the election of directors, other than nominations by the Board of Directors or a committee thereof and other than nominations of Class C Directors, shall be given to the Corporation in the manner provided in the Bylaws.

SIXTH: To the fullest extent permitted by the General Corporation Law of the State of Delaware, as now existing or hereafter amended, a director of the Corporation shall not be liable to the Corporation or any of its stockholders for monetary damages for breach of his fiduciary duty as a director. Any amendment or repeal of this Article Sixth shall be prospective only and shall not adversely affect any limitation, right or protection of a director of the Corporation existing under this Article Sixth immediately before the amendment or repeal.

SEVENTH:

(a) RIGHT TO INDEMNIFICATION.

The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any Person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "PROCEEDING") by reason of the fact that he, or a Person for whom he is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Person. The Corporation shall be required to indemnify or make advances to a Person in connection with a proceeding (or part thereof) initiated by such Person only if the proceeding (or part thereof) was authorized by the Board of Directors of the Corporation.

(b) PREPAYMENT OF EXPENSES.

The Corporation shall pay the expenses (including attorneys' fees) incurred by a director or officer in defending any proceeding in advance of its final disposition, provided, however, that the payment of expenses incurred by a director or officer in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the director or officer to repay all amounts advanced if it should be ultimately determined that the director or officer is not entitled to be indemnified under this Article Seventh or otherwise.

(c) CLAIMS.

If a claim for indemnification or payment of expenses under this Article Seventh is not paid in full within 60 days after a written claim therefor has been received by the Corporation, the claimant may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the claimant was not entitled to the requested indemnification or payment of expenses under applicable law.

(d) NON-EXCLUSIVITY OF RIGHTS.

The rights conferred on any Person by this Article Seventh shall not be exclusive of any other rights that such Person may have or hereafter acquire under any statute, provision of this Certificate, the Bylaws, agreement, vote of stockholders or resolution of disinterested directors or otherwise.

(e) OTHER INDEMNIFICATION. The Corporation's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such person may collect as indemnification from such other corporation, partnership, joint venture, trust, enterprise or nonprofit entity.

EIGHTH: Except as provided in any Preferred Stock Designation and except for any action permitted or required to be taken by the holders of the Class C Common Stock, after the Corporation first has a class of securities registered under Section 12(g) of the Securities Exchange Act of 1934, as amended, or its equivalent and prior to the occurrence of a Conversion Event any action required or permitted to be taken by the stockholders of the Corporation must be taken at a duly called annual or special meeting of the stockholders and may not be taken by consent in writing or otherwise.

NINTH: Except as otherwise required by law or provided in the Bylaws of the Corporation, and subject to the rights of the holders of any class or series of shares issued by the Corporation having a preference over the Common Stock as to dividends or upon liquidation to elect directors in certain circumstances, special meetings of the stockholders of the Corporation may be called only by the Board of Directors pursuant to a resolution approved by the affirmative vote of a majority of the directors then in office or at the request of holders of Common Stock representing a majority of the Total Voting Power of the Corporation.

TENTH: Subject to paragraph (b) of Article Fifth and to the provisions of the Standstill Agreement, the Board of Directors shall have the power to adopt, alter, amend or repeal the Bylaws of the Corporation by vote of not less than a majority of the directors then in office. The holders of shares of Voting Stock shall, to the extent such power is at the time conferred on them by applicable law, also have the power to adopt, alter, amend or repeal the Bylaws of the Corporation, but only if such action

receives at

least 66-2/3 percent of the voting power of the outstanding Common Stock, voting together as a single class.

ELEVENTH: Election of directors need not be by written ballot.

TWELFTH: Notwithstanding anything to the contrary in this Restated Certificate of Incorporation, the affirmative vote of the holders of at least 66-2/3 percent of the voting power of the outstanding Common Stock, voting together as a single class and, in the case of Article Fifth, a majority of the voting power of the outstanding Class C Common Stock, if any, voting as a separate class, shall be required to amend, alter, repeal or adopt any provision inconsistent with any of Articles Fifth, Eighth, Ninth, Tenth, Eleventh and Twelfth of this Certificate or to provide for any cumulative voting by stockholders (in any such case including, without limitation, by merger, consolidation, binding share exchange or otherwise). Except as permitted or required by the Merger Agreement, the Corporation shall not amend, alter or repeal, or permit to be amended, altered or repealed, any provision of the Certificate of Incorporation of Old United (other than the provisions of Articles First and Second thereof and except as provided in the proviso set forth at the end of paragraph (a) of Article Fourth thereof) (including, without limitation, by merger, consolidation, binding share exchange or otherwise) prior to the exchange of all of the outstanding shares of Class A common stock of Old United for shares of Class A Common Stock pursuant to the terms of the Exchange Agreement, unless such amendment, alteration or repeal has been approved by the affirmative vote of the holders of at least 66-2/3 percent of the voting power of the outstanding Common Stock, voting together as a single class.

THIRTEENTH: The term of the existence of the Corporation shall be perpetual.

FOURTEENTH: The capital stock of the Corporation shall not be assessable. It shall be issued as fully paid, and the private property of the stockholders shall not be liable for the debts, obligations or liabilities of this Corporation. This Certificate shall not be subject to amendment in this respect.

FIFTEENTH: The Corporation hereby elects not to be governed by Section 203 of the General Corporation Law of the State of Delaware.

SIXTEENTH: The following terms shall have the indicated meanings for purposes of this Certificate.

"BUSINESS DAY" means any day other than Saturday, Sunday and a day on which banks are required or permitted to close in Denver, Colorado or New York, New York.

"CHANGE OF CONTROL," with respect to each Current Indenture, has the meaning ascribed to such term in such Current Indenture.

"CERTIFICATE" has the meaning set forth in paragraph (a) of Article Fourth.

"CLASS A COMMON STOCK" has the meaning set forth in paragraph (a) of Article Fourth.

"CLASS B COMMON STOCK" has the meaning set forth in paragraph (a) of Article Fourth.

"CLASS B EVENT" means the occurrence of any of the following events: (a) the redemption in full of the Current Bonds, (b) the defeasance of the applicable provisions of the Current Indentures in accordance with the terms thereof so that neither Old United nor any of its subsidiaries would be required in accordance with the terms of the Current Indentures to offer to repurchase any of the Current Bonds (a "CHANGE OF CONTROL OFFER") if the Class C Common Stock were to be converted in full into shares of Class B Common Stock, (c) a waiver or amendment of the applicable provisions of the Current Indentures shall have been effected so that neither Old United nor any of its subsidiaries would be required to make a Change of Control Offer if the Class C Common Stock were to be converted in full into shares of Class B Common Stock, or (d) a Change of Control within the meaning of any of the Current Indentures (as to which an event described in (a) (with respect to Current Bonds issued pursuant to such Current Indenture), (b) or (c) has not occurred) otherwise occurs (other than as a result of a breach of the Standstill Agreement by Liberty (as defined in the Standstill Agreement)), provided that an occurrence described in this clause (d) will not constitute a Class B Event if at such time Current Bonds with an aggregate principal amount or accreted value, as applicable, in excess of $200,000,000 that were issued under the Specified Indenture (as to which no event described in clauses (b) or (c) has occurred) remain outstanding and no Change of Control within the meaning of the Specified Indenture has occurred.

"CLASS C COMMON STOCK" has the meaning set forth in paragraph (a) of Article Fourth.

"CLASS C DIRECTOR" has the meaning set forth in paragraph (a) of Article Fifth.

"CLASS C PROPORTIONAL PURCHASE RIGHT" has the meaning set forth in paragraph (h) of Article Fourth.

"CLASS C VOTING POWER" means the quotient, expressed as a percentage, obtained by dividing (a) the number of votes in the election of directors represented by the outstanding shares of Class C Common Stock as of the date of determination, assuming the conversion in full of all such shares of Class C Common Stock into shares of Class B Common Stock, by (b) the Total Voting Power of the Corporation as of such date of determination.

"CLOSING PRICE" of a share or other unit of any security on any Trading Day is (i) the last reported sale price for a share or other unit of such security on such Trading Day as reported on the principal United States or foreign securities exchange on which such security is listed or admitted for trading or (ii) if such security is not listed or admitted for trading on any such securities exchange, the last reported sale price for a share or other unit of such security on such Trading Day as reported on The Nasdaq Stock Market or (iii) if such security is not listed or admitted to trading on any United States or foreign securities exchange or The Nasdaq Stock Market, the average of the highest bid and lowest asked prices for a share or other unit of such security on such Trading Day in the

over-the-counter market as reported by The National Quotation Bureau Incorporated, or any similar organization.

"COMMON STOCK" has the meaning set forth in paragraph (a) of Article Fourth.

"CONTROLLED AFFILIATE" means any Person Controlled, directly or indirectly, by the Corporation. "CONTROL" for this purpose means the power to direct or influence the direction of the management or policies of another Person, whether by the ownership of voting securities, by contract or otherwise. Without limiting the generality of the foregoing, any Person in which the Corporation, directly or indirectly, beneficially owns 50% or more of the equity securities (without regard to voting power in the election of directors) shall be deemed to be a Controlled Affiliate.

"CONVERSION EVENT" means the occurrence of any of the following events: (a) the Stockholders Agreement shall have terminated in accordance with its terms for reasons other than the passage of time, or (ii) a Class B Event shall have occurred.

"CONVERTIBLE SECURITIES" means any securities of the Corporation (other than any class of Common Stock) that are convertible into, exchangeable for or evidence the right to purchase any shares of any class of Common Stock, whether upon conversion, exercise, exchange, pursuant to anti-dilution provisions of such securities or otherwise.

"CORPORATION" has the meaning set forth in Article First.

"CORPORATION NOTICE" has the meaning set forth in paragraph (h) of Article Fourth.

"CURRENT BONDS" means the debt securities outstanding as of May 25, 2001 that were issued pursuant to the Current Indentures.

"CURRENT INDENTURES" means (a) the Indenture dated as of February 5, 1998, between Old United and Firstar Bank, N.A. (f/k/a Firstar Bank of Minnesota, N.A.), (b) the Indenture dated as of July 14, 1998, between UPC Polska, Inc. (f/k/a @Entertainment, Inc.) ("Polska") and Bankers Trust Company ("BTC"), (c) the Indenture dated January 20, 1999, between Polska and BTC, (d) the Indenture dated January 27, 1999, between Polska and BTC, and (e) the Indenture dated as of October 31, 1996, between Poland Communications, Inc. and State Street Bank and Trust Company, in each case as were in effect on May 1, 2001.

"EXCHANGE AGREEMENT" has the meaning set forth in paragraph (b)(vi) of Article Fifth.

"FOUNDER" has the meaning set forth in the Stockholders Agreement.

"GOVERNMENTAL AUTHORITY" means any U.S. federal, state or local or any foreign court, governmental department, commission, authority, board, bureau, agency or other instrumentality.

"MARKET CAPITALIZATION," with respect to the Corporation as of any date, means the product of (a) the Market Value of one share of Class A Common Stock as of such date multiplied by (b) the sum of (i) the total number of shares of Common Stock then outstanding, plus (ii) the number of shares issuable upon conversion of any outstanding shares of Preferred Stock that are convertible into shares of Common Stock and have an effective per share conversion price as of such date that is below the Market Value of the Class A Common Stock as of such date.

"MARKET VALUE" means, with respect to any publicly traded security as of any date, the average of the Closing Prices of such security for the five consecutive Trading Days ending on such date.

"MERGER" means the merger of United/New United Merger Sub, Inc. with and into Old United as contemplated by the Merger Agreement.

"MERGER AGREEMENT" means the Amended and Restated Agreement and Plan of Restructuring and Merger, dated December 31, 2001, among Old United, the Corporation, United/New United Merger Sub, Inc., Liberty Media Corporation, Liberty Media International, Inc., Liberty Global, Inc. and the Founders.

"OLD UNITED" means, prior to the effective time of the Merger, UnitedGlobalCom, Inc., a Delaware corporation, and, at and following the Effective Time of the Merger, UGC Holdings, Inc., a Delaware corporation and any successor to UGC, Inc.

"PERMITTED OPTIONS" means options to purchase an aggregate of not more than three million shares of Class B Common Stock, minus any options to purchase shares of Class B Common Stock outstanding by reason of the assumption of options by the Corporation in the Merger.

"PERMITTED TRANSFEREE" has the meaning set forth in the Stockholders Agreement.

"PERSON" means any individual, corporation, partnership, limited partnership, limited liability company, trust or other legal entity.

"PREFERRED STOCK" has the meaning set forth in paragraph (i) of Article Fourth.

"PREFERRED STOCK DESIGNATION" has the meaning set forth in paragraph (j) of Article Fourth.

"PRINCIPAL" means any of Albert M. Carollo, Curtis Rochelle, Marian Rochelle, Rochelle Investments, Ltd (so long as it is controlled by Curtis or Marian Rochelle), Gene W. Schneider, G. Schneider Holdings, Co. and Gene W. Schneider Family Trust (so long as each is controlled by Gene W. Schneider or trustees appointed by him), Janet S. Schneider and Mark L. Schneider.

"REGULAR DIRECTORS" has the meaning set forth in paragraph (a) of Article Fifth.

"SPECIFIED INDENTURE" means the Indenture dated as of February 5, 1998, between Old United and Firstar Bank, N.A. (f/k/a Firstar Bank of Minnesota, N.A.), as in effect on May 1, 2001.

"STANDSTILL AGREEMENT" means the Standstill Agreement to be entered

into among the Corporation, Liberty Media Corporation, Liberty Media International, Inc., et al., as contemplated by the Merger Agreement.

"STOCKHOLDERS AGREEMENT" means the Stockholders Agreement to be entered into among the Corporation, Liberty Media Corporation, Liberty Media International, Inc., the individuals designated as Founders therein, et al., as contemplated by the Merger Agreement.

"SUBSIDIARY" means, when used with respect to any Person, (i) a corporation in which such Person and/or one or more Subsidiaries of such Person, directly or indirectly, owns capital stock having a majority of the voting power of such corporation's capital stock to elect directors under ordinary circumstances, and (ii) any other Person (other than a corporation) in which such Person and/or one or more Subsidiaries of such Person, directly or indirectly, has (x) a majority ownership interest or (y) the power to elect or direct the election of a majority of the members of the governing body of such first-named Person.

"TOTAL VOTING POWER OF THE CORPORATION" means, as of any date of determination, the aggregate number of votes in the election of directors represented by all outstanding shares of Voting Stock, assuming for such purposes the conversion in full of all shares of Class C Common Stock into shares of Class B Common Stock (without regard to any restrictions on the conversion of such shares of Class C Common Stock into shares of Class B Common Stock imposed by this Certificate, by contract or otherwise).

"TRADING DAY", with respect to any security, means a day on which the principal United States or foreign securities exchange on which such security is listed or admitted to trading, or The Nasdaq Stock Market if such security is not listed or admitted to trading on any such securities exchange, as applicable, is open for the transaction of business (unless such trading shall have been suspended for the entire day) or, if the applicable security is not listed or admitted to trading on any United States or foreign securities exchange or The Nasdaq Stock Market, any Business Day.

"VALUE" means, with respect to an asset, debt security or equity security, the greater of (a) its fair market value, (b) the consideration to be paid therefor, (c) its face amount, accreted value, redemption price or liquidation preference and (d) in the case of a security convertible into or exercisable or exchangeable for capital stock, the product of the number of shares of capital stock for which such security may be exercised or exchanged or into which such security may be converted and the Market Value of such capital stock (or if such capital stock is not publicly traded capital stock but is convertible into, or exercisable or exchangeable for, publicly traded capital stock, the Market Value of such publicly traded capital stock multiplied by the number of shares of such publicly traded capital stock into or for which such capital stock is convertible, exercisable or

exchangeable). For purposes of this definition, "capital stock" means any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock, limited liability company membership interests or partnership interests, whether common or preferred.

"VOTING STOCK" means outstanding equity securities of the Corporation generally entitled to vote in the election of directors.

IN WITNESS WHEREOF, this Restated Certificate of Incorporation has been signed this 31st day of December, 2001.

NEW UNITEDGLOBALCOM, INC.

/s/ GENE W. SCHNEIDER

Gene W. Schneider
Chief Executive Officer

CERTIFICATE OF AMENDMENT

OF

RESTATED CERTIFICATE OF INCORPORATION

OF

NEW UNITEDGLOBALCOM, INC.

New UnitedGlobalCom, Inc., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies as follows:

FIRST, The Board of Directors of the Corporation duly adopted, at a meeting of the Board of Directors in accordance with Section 141 of the Delaware General Corporation Law (the "DGCL"), the following resolutions:

1. CHANGE OF NAME OF THE CORPORATION

RESOLVED that Article I of the Restated Certificate of Incorporation be amended to read in full as follows:

"ARTICLE I. The name of the corporation is UnitedGlobalCom, Inc. (the "Corporation")."

SECOND. That thereafter, pursuant to resolution of its Board of Directors, the proposed amendment was consented to and authorized by the sole stockholder by written consent given in accordance with the provisions of Section 228 of the DGCL.

THIRD. That the aforesaid amendment was duly adopted in accordance with the applicable provisions of Sections 242 of the DGCL.

FOURTH. This certificate of amendment shall be effective as of 2:00 p.m. (EST) on January 30, 2002.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be signed by the undersigned this 30th day of January, 2002.

New UnitedGlobalCom, Inc.

By: /s/ MICHAEL T. FRIES

Michael T. Fries
President

BYLAWS

OF

NEW UNITEDGLOBALCOM, INC.

Adopted December 31, 2001

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BYLAWS

OF

NEW UNITEDGLOBALCOM, INC.

ARTICLE I

Offices

Section 1.01 BUSINESS OFFICES. The corporation may have such offices, either within or outside Delaware, as the board of directors may from time to time determine or as the business of the corporation may require.

Section 1.02 REGISTERED OFFICE. The registered office of the corporation required by the Delaware General Corporation Law to be maintained in Delaware shall be as set forth in the certificate of incorporation, unless changed as provided by law.

ARTICLE II

Stockholders

Section 2.01 ANNUAL MEETING. An annual meeting of the stockholders shall be held on such date as may be determined by the board of directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein for any annual meeting of the stockholders, or at any adjournment thereof, the board of directors shall cause the election to be held at a meeting of the stockholders as soon thereafter as conveniently may be. Failure to hold an annual meeting as required by these bylaws shall not invalidate any action taken by the board of directors or officers of the corporation.

Section 2.02 SPECIAL MEETINGS. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by law or the certificate of incorporation, may be called only by the board of directors pursuant to a resolution approved by the affirmative vote of a majority of the directors then in office, by the chairman of the board of directors or at the request of holders of Common Stock (as defined in the certificate of incorporation) representing a majority of the Total Voting Power (as defined in the certificate of incorporation) of the corporation. Such resolution of the board of directors or request by the holders of Common Stock shall state the purpose or purposes of the proposed meeting.

Section 2.03 PLACE OF MEETING. Each meeting of the stockholders shall be held at such place, either within or outside Delaware, as may be designated in the notice of meeting, or, if no place is designated in the notice, at the principal office of the corporation.

Section 2.04 NOTICE OF MEETINGS. Except as otherwise required by law, notice in writing or by electronic transmission of each meeting of the stockholders stating the place, day and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given, either personally (including delivery by private courier) or by first class, certified or registered mail, or by electronic transmission, to each stockholder of record entitled to notice of such meeting, not less than ten nor more than 60 days before the date of the meeting. Such notice shall be deemed to be given, if personally delivered, when delivered to the stockholder, and, if mailed, when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation, and if by electronic transmission, when posted on an electronic network or directed to the stockholder at an electronic mail address at which the stockholder has consented to receive notice. If notice of two consecutive annual meetings and all notices of meetings to any stockholder during the period between such two consecutive annual meetings, or all, and at least two, payments (if sent by first class mail) of dividends or interest on securities during a 12-month period, have been mailed or directed addressed to such person at his address as shown on the records of the corporation and have been returned undeliverable, the giving of such notice to such person shall not be required until another address for such person is delivered to the corporation. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting in accordance with the foregoing provisions of this Section 2.04.

Section 2.05 FIXING DATE FOR DETERMINATION OF STOCKHOLDERS OF RECORD. For the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for any other lawful action, the board of directors may fix, in advance, a date as the record date for any such determination of stockholders, which date shall be not more than 60 nor less than ten days before the date of such meeting, and not more than 60 days prior to any other action. If no record date is fixed then the record date shall be, for determining stockholders entitled to notice of or to vote at a meeting of stockholders, the close of business on the day next preceding the day on which notice is given, or, if notice is waived, the close of business on the day next preceding the day on which the meeting is held, or, for determining stockholders for any other purpose, the close of business on the day on which the board of directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the

meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

Section 2.06 VOTING LIST. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten days before

every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Nothing contained in this Section 2.06 shall require the corporation to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of at least ten days prior to the meeting, either (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. If the meeting is to be held at a place, the list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

Section 2.07 PROXIES. Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for him by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period.

Section 2.08 QUORUM AND MANNER OF ACTING. At all meetings of stockholders, a majority of the combined voting power of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum. If a quorum is present, the affirmative vote of a majority of the votes held by shares represented at a meeting at which a quorum is present and entitled to vote on the subject matter shall be the act of the stockholders, unless the vote of a greater proportion or number or voting by classes is otherwise required by law, the certificate of incorporation or these bylaws. In the absence of a quorum, a majority of the shares so represented may adjourn the meeting from time to time in accordance with Section 2.04, until a quorum shall be present or represented.

Section 2.09 NOMINATIONS FOR THE ELECTION OF DIRECTORS. Except as otherwise provided in the certificate of incorporation with respect to Class C Directors (as defined in certificate of incorporation), nominations for election to the board of directors must be made by the board of directors or by a committee appointed by the board of directors for such purpose or by any stockholder of any outstanding class of capital stock of the corporation entitled to vote for the election of directors. Except as otherwise provided in the certificate of incorporation with respect to Class C Directors (as defined in certificate of incorporation), nominations by stockholders must be preceded by timely notification in writing to the secretary of the

corporation. To be timely, a stockholder's notice shall be delivered to the secretary at the principal executive offices of the corporation not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced more than thirty (30) days prior to or delayed by more than thirty (30) days after the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made. Such notification shall contain the written consent of each proposed nominee to serve as a director if so elected and the following information as to each proposed nominee and as to each person, acting alone or in conjunction with one or more other persons as a partnership, limited partnership, syndicate or other group, who participates or is expected to participate in making such nomination or in organizing, directing or financing such nomination or solicitation of proxies to vote for the nominee:

(a) the name, age, residence address, and business address of each proposed nominee and of each such person;

(b) the principal occupation or employment, the name, type of business and address of the corporation or other organization in which such employment is carried on of each proposed nominee and of each such person;

(c) the amount of stock of the corporation owned beneficially, either directly or indirectly, by each proposed nominee and each such person; and

(d) a description of any arrangement or understanding of each proposed nominee and of each such person with each other or any other person regarding future employment or any future transaction to which the corporation will or may be a party.

The presiding officer of the meeting shall have the authority to determine and declare to the meeting that a nomination not preceded by notification made in accordance with the foregoing procedure shall be disregarded.

Section 2.10 OTHER STOCKHOLDER PROPOSALS. For business other than the nomination for election of directors to be properly brought before any meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the secretary of the corporation. To be timely, a stockholder's notice shall be delivered to the secretary at the principal executive offices of the corporation not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced more than thirty (30) days prior to or delayed by more than thirty (30) days after the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of

the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day

following the day on which public announcement of the date of such meeting is first made. A stockholder's notice to the secretary shall set forth as to each matter the stockholder proposes to bring before the meeting:

(a) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting;

(b) the name and address, as they appear on the corporation's books, of the stockholder proposing such business, and the name and address of the beneficial owner, if any, on whose behalf the proposal is made;

(c) the class and number of shares of the corporation which are owned beneficially and of record by such stockholder of record and by the beneficial owner, if any, on whose behalf of the proposal is made; and

(d) any material interest of such stockholder of record and the beneficial owner, if any, on whose behalf the proposal is made in such business.

ARTICLE III

Board of Directors

Section 3.01 GENERAL POWERS. The business and affairs of the corporation shall be managed by or under the direction of its board of directors, except as otherwise provided in the Delaware General Corporation Law or the certificate of incorporation.

Section 3.02 NUMBER, TENURE AND QUALIFICATIONS. The number of directors of the corporation shall be as set forth in the certificate of incorporation. The board of directors shall be divided as evenly as possible into three classes as provided in the certificate of incorporation. At each annual meeting of stockholders, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election. Each director shall hold office until his successor shall have been elected and qualified or until his earlier death, resignation or removal. Directors need not be residents of Delaware or stockholders of the corporation.

Section 3.03 RESIGNATION. Any director may resign at any time by giving notice to the corporation in writing or by electronic transmission. A director's resignation shall take effect upon receipt or, if a different time of effectiveness is specified therein, at the time specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.04 REGULAR MEETINGS. A regular meeting of the board of directors shall be held immediately after and at the same place as the annual meeting of stockholders, or as soon

thereafter as conveniently may be, at the time and place, either within or without Delaware, determined by the board, for the purpose of electing officers and for the transaction of such other business as may come before the meeting. Failure to hold such a meeting, however, shall not invalidate any action taken by any officer then or thereafter in office. The board of directors may provide by resolution the time and place, either within or outside Delaware, for the holding of additional regular meetings without other notice than such resolution.

Section 3.05 SPECIAL MEETINGS. Special meetings of the board of directors may be called only by the chief executive officer or any member of the board of directors. Any such special meeting may take place at any convenient place, either within or outside Delaware.

Section 3.06 MEETINGS BY TELEPHONE. Unless otherwise restricted by the certificate of incorporation, members of the board of directors may participate in a meeting of such board by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting in such manner shall constitute presence in person at the meeting.

Section 3.07 NOTICE OF MEETINGS. Notice of each meeting of the board of directors (except those regular meetings for which notice is not required) stating the place, day and hour of the meeting shall be given to each director at least five days prior thereto by the mailing of written notice by first class, certified or registered mail, or at least two days prior thereto by personal delivery (including delivery by private courier) of written notice or by telephone, telegram, telex, cablegram or other similar method, except that in the case of a meeting to be held pursuant to Section 3.06 notice may be given by telephone one day prior thereto. The method of notice need not be the same to each director. Notice shall be deemed to be given when deposited in the United States mail, with postage thereon prepaid, addressed to the director at his business or residence address, when delivered or communicated to the director or when the telegram, telex, cablegram or other form of notice is personally delivered to the director or delivered to the last address of the director furnished by him to the corporation for such purpose. Neither the business to be transacted at nor the purpose of any meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

Section 3.08 QUORUM AND MANNER OF ACTING. Except as otherwise may be required by law, the certificate of incorporation (including, without limitation, paragraph (b) of Article Fifth thereof) or these bylaws, a majority of the number of directors fixed in accordance with these bylaws, present in person, shall constitute a quorum for the transaction of business at any meeting of the board of directors, and the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors. If less than a quorum is present at a meeting, the directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present. No director may vote or act by proxy or power of attorney at any meeting of the board of directors.

Section 3.09 ACTION WITHOUT A MEETING. Any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting, without prior notice and without a vote, if all members of the board or committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or

writings or electronic transmission or transmissions are filed with the

minutes of the proceedings of the board or committee, as the case may be.

Section 3.10 EXECUTIVE AND OTHER COMMITTEES.

(a) The board of directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the board of directors, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following matters: (a) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the Delaware General Corporation Law to be submitted to stockholders for approval or (b) adopting, amending or repealing any bylaw of the corporation. The delegation of authority to any committee shall not operate to relieve the board of directors or any member of the board from any responsibility imposed by law. Subject to the foregoing, the board of directors may provide such powers, limitations and procedures for such committees as the board deems advisable. To the extent the board of directors does not establish other procedures, each committee shall be governed by the procedures set forth in Sections 3.04 (except as they relate to an annual meeting), 3.05 through 3.09 and 7.01 and 7.02 as if the committee were the board of directors. Each committee shall keep regular minutes of its meetings, which shall be reported to the board of directors when required and submitted to the secretary of the corporation for inclusion in the corporate records.

Section 3.11 COMPENSATION. Unless otherwise restricted by the certificate of incorporation, the board of directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the board of directors and each meeting of any committee of the board of which he is a member and may be paid a fixed sum for attendance at each such meeting or a stated salary or both a fixed sum and a stated salary. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 3.12 CERTAIN ACTIONS. The corporation shall not, and shall not agree or commit to, and shall not permit any of its direct or indirect subsidiaries to or agree or commit to, effect any transaction, or series of related transactions, that involves (a) the issuance, delivery or payment of any consideration (whether through the payment of cash, the issuance or delivery of any securities, the transfer of assets or otherwise) by the corporation and any of its direct or indirect subsidiaries having an aggregate fair market value in excess of $10 million or (b) the incurrence, guarantee or assumption by the corporation or any of its direct or indirect subsidiaries of any liabilities, commitments or obligations, whether absolute, accrued, fixed,

contingent or otherwise, in an aggregate amount in excess of $10 million unless such transaction, or series of related transactions, has first been reviewed and approved by (x) the board of directors or (y) a committee of the board of directors to which the board of directors has specifically delegated authority with respect to such transaction or series of related transactions.

ARTICLE IV

Officers

Section 4.01 NUMBER AND QUALIFICATIONS. The officers of the corporation shall consist of a chairman of the board, chief executive officer, a president, a chief operating officer, a chief financial officer, a secretary and such other officers, including a vice-chairman or vice-chairmen of the board, one or more vice-presidents, a treasurer and a controller, as may from time to time be elected or appointed by the board. In addition, the board of directors or the chief executive officer may elect or appoint such assistant and other subordinate officers, including assistant vice-presidents, assistant secretaries and assistant treasurers, as it or he shall deem necessary or appropriate. Any number of offices may be held by the same person, except that no person may simultaneously hold the offices of president and secretary.

Section 4.02 ELECTION AND TERM OF OFFICE. Except as provided in the certificate of incorporation and Sections 4.01 and 4.06 of these bylaws, the officers of the corporation shall be elected by the board of directors annually at the first meeting of the board held after each annual meeting of the stockholders as provided in Section 3.04. If the election of officers shall not be held as provided herein, such election shall be held as soon thereafter as may be convenient. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until the expiration of his term in office if elected or appointed for a specified period of time or until his earlier death, resignation or removal.

Section 4.03 COMPENSATION. Officers shall receive such compensation for their services as may be authorized or ratified by the board of directors and no officer shall be prevented from receiving compensation by reason of the fact that he is also a director of the corporation. Election or appointment as an officer shall not of itself create a contract or other right to compensation for services performed by such officer.

Section 4.04 RESIGNATION. Any officer may resign at any time, subject to any rights or obligations under any existing contracts between the officer and the corporation, by giving notice to the corporation in writing or by electronic transmission. An officer's resignation shall take effect upon receipt or, if a different time of effectiveness is specified therein, at the time stated therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.05 REMOVAL. Unless otherwise provided in the certificate of incorporation, any officer may be removed at any time by the board of directors, or, in the case of assistant and other subordinate officers, by the chief executive officer, whenever in its or his judgment, as the case may be, the best interests of the corporation will be served thereby, but such removal shall

be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer shall not in itself create contract rights.

Section 4.06 VACANCIES. Except as otherwise provided in the certificate of incorporation, a vacancy occurring in any office by death, resignation, removal or otherwise may be filled by the board of directors or the chief executive officer.

Section 4.07 AUTHORITY AND DUTIES. The officers of the corporation shall have the authority and shall exercise the powers and perform the duties specified below and as may be additionally specified by the chief executive officer, the board of directors or these bylaws (and in all cases where the duties of any officer are not prescribed by the bylaws or the board of directors, such officer shall follow the orders and instructions of the chief executive officer), except that in any event each officer shall exercise such powers and perform such duties as may be required by law:

(a) CHAIRMAN OF THE BOARD. The chairman of the board, who shall be elected from among the directors, shall preside at all meetings of the corporation's stockholders and board of directors and perform such other duties as may be assigned to him from time to time by the board of directors.

(b) CHIEF EXECUTIVE OFFICER. The chief executive officer shall, subject to the direction and supervision of the board of directors, (i) have general and active control of the affairs of the corporation and general supervision of its officers, agents and employees; (ii) in the absence of the chairman of the board, preside at all meetings of the stockholders and the board of directors; (iii) see that all orders and resolutions of the board of directors are carried into effect; and (iv) perform all other duties incident to the office of chief executive officer and as from time to time may be assigned to him by the board if directors.

(c) PRESIDENT. The president shall, subject to the direction and supervision of the board of directors, perform all duties incident to the office of president and as from time to time may be assigned to him by the board of directors. At the request of the chief executive officer or in his absence or in the event of his inability or refusal to act, the president shall perform the duties of the chief executive officer, and when so acting shall have all the powers and be subject to all the restrictions of the chief executive officer.

(d) CHIEF OPERATING OFFICER. The chief operating officer shall, subject to the direction and supervision of the board of directors, supervise the day to day operations of the corporation and perform all other duties incident to the office of chief operating officer as from time to time may be assigned to him by the chairman of the board, the board of directors or the chief executive officer. At the request of the president, or in his absence or inability or refusal to act, the chief operating officer shall perform the duties of the president, and when so acting shall have all the power of and be subject to all the restrictions upon the president.

(e) CHIEF FINANCIAL OFFICER. The chief financial officer shall: (i) be the principal financial officer and treasurer of the corporation and have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the corporation and

deposit the same in accordance with the instructions of the board of directors; (ii) receive and give receipts and acquittances for moneys paid in on account of the corporation, and pay out of the funds on hand all bills, payrolls and other just debts of the corporation of whatever nature upon maturity; (iii) unless there is a controller, be the principal accounting officer of the corporation and as such prescribe and maintain the methods and systems of accounting to be followed, keep complete books and records of account, prepare and file all local, state and federal tax returns, prescribe and maintain an adequate system of internal audit and prepare and furnish to the chief executive officer and the board of directors statements of account showing the financial position of the corporation and the results of its operations; (iv) upon request of the board, make such reports to it as may be required at any time; and (v) perform all other duties incident to the office of chief financial officer and treasurer and such other duties as from time to time may be assigned to him by the board of directors or by the chief executive officer. Assistant treasurers, if any, shall have the same powers and duties, subject to the supervision by the chief financial officer. If there is no chief financial officer, these duties shall be performed by the secretary or chief executive officer or other person appointed by the board of directors.

(f) VICE-PRESIDENTS. The vice-president, if any (or if there is more than one then each vice-president), shall assist the chief executive officer and shall perform such duties as may be assigned to him by the chief executive officer or the board of directors. Assistant vice presidents, if any, shall have such powers and perform such duties as may be assigned to them by the chief executive officer or by the board of directors.

(g) SECRETARY. The secretary shall: (i) keep the minutes of the proceedings of the stockholders, the board of directors and any committees of the board; (ii) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (iii) be custodian of the corporate records and of the seal of the corporation; (iv) keep at the corporation's registered office or principal place of business within or outside Delaware a record containing the names and addresses of all stockholders and the number and class of shares held by each, unless such a record shall be kept at the office of the corporation's transfer agent or registrar; (v) have general charge of the stock books of the corporation, unless the corporation has a transfer agent; and (vi) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by chief executive officer or the board of directors. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

Section 4.08 SURETY BONDS. The board of directors may require any officer or agent of the corporation to execute to the corporation a bond in such sums and with such sureties as shall be satisfactory to the board, conditioned upon the faithful performance of his duties and for the restoration to the corporation of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

ARTICLE V

Stock

Section 5.01 ISSUANCE OF SHARES. The issuance or sale by the corporation of any shares of its authorized capital stock of any class, including treasury shares, shall be made only upon authorization by the board of directors, except as otherwise may be provided by law. Every issuance of shares shall be recorded on the books of the corporation maintained for such purpose by or on behalf of the corporation.

Section 5.02 TRANSFER OF SHARES. Upon presentation and surrender to the corporation or to a transfer agent of the corporation of a certificate of stock duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, payment of all transfer taxes, if any, and the satisfaction of any other requirements of law, including inquiry into and discharge of any adverse claims of which the corporation has notice, the corporation or the transfer agent shall issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction on the books maintained for such purpose by or on behalf of the corporation. No transfer of shares shall be effective until it has been entered on such books. The corporation or a transfer agent of the corporation may require a signature guaranty or other reasonable evidence that any signature is genuine and effective before making any transfer. Transfers of uncertificated shares shall be made in accordance with applicable provisions of law.

Section 5.03 REGISTERED HOLDERS. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

Section 5.04 TRANSFER AGENTS, REGISTRARS AND PAYING AGENTS. The board of directors may at its discretion appoint one or more transfer agents, registrars and agents for making payment upon any class of stock, bond, debenture or other security of the corporation. Such agents and registrars may be located either within or outside Delaware. They shall have such rights and duties and shall be entitled to such compensation as may be agreed.

ARTICLE VI

Indemnification

Section 6.01 DIRECTORS AND OFFICERS. The corporation shall indemnify its directors and officers to the fullest extent not prohibited by the Delaware General Corporation Law or any other applicable law; provided, however, that the corporation may modify the extent of such indemnification by individual contracts with its directors and officers; and, provided, further, that the corporation shall not be required to indemnify any director or officer in connection with any proceeding (or part thereof) initiated by such person unless (i) such indemnification is expressly

required to be made by law, (ii) the proceeding was authorized by the Board of Directors of the corporation, (iii) such indemnification is provided by the corporation, in its sole discretion, pursuant to the powers vested in the corporation under the Delaware General Corporation Law or any other applicable law or (iv) such indemnification is required to be made under Section 6.04.

Section 6.02 EMPLOYEES AND OTHER AGENTS. The corporation shall have power to indemnify its employees and other agents as set forth in the Delaware General Corporation Law or any other applicable law. The Board of Directors shall have the power to delegate the determination of whether indemnification shall be given to any such person to such officers or other persons as the Board of Directors shall determine.

Section 6.03 EXPENSES.

(a) The corporation shall advance to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, prior to the final disposition of the proceeding, promptly following request therefor, all expenses incurred by any director or officer in connection with such proceeding upon receipt of an undertaking by or on behalf of such person to repay said amounts if it should be determined ultimately that such person is not entitled to be indemnified under this Article VI or otherwise.

(b) Notwithstanding the foregoing, unless otherwise determined pursuant to Section 6.05, no advance shall be made by the corporation to an officer of the corporation (except by reason of the fact that such officer is or was a director of the corporation, in which event this paragraph shall not apply) in any action, suit or proceeding, whether civil, criminal, administrative or investigative, if a determination is reasonably and promptly made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to the proceeding, or (ii) if such quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, that the facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the corporation.

Section 6.04 ENFORCEMENT. Without the necessity of entering into an express contract, all rights to indemnification and advances to directors and officers under this Article VI shall be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the corporation and the director or officer. Any right to indemnification or advances granted by this Article VI to a director or officer shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within ninety (90) days of request therefor. The claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting his claim. In connection with any claim for indemnification, the corporation shall be entitled to raise as a defense to any such action that the claimant has not met the standards of conduct that make

it permissible under the Delaware General Corporation Law or any other applicable law for the corporation to indemnify the claimant for the amount claimed. In connection with any claim by an officer of the corporation (except in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such officer is or was a director of the corporation) for advances, the corporation shall be entitled to raise a defense as to any such action clear and convincing evidence that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the corporation, or with respect to any criminal action or proceeding that such person acted without reasonable cause to believe that his conduct was lawful. Neither the failure of the corporation (including its Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the Delaware General Corporation Law or any other applicable law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct. In any suit brought by a director or officer to enforce a right to indemnification or to an advancement of expenses hereunder, the burden of proving that the director or officer is not entitled to be indemnified, or to such advancement of expenses, under this Article VI or otherwise shall be on the corporation.

Section 6.05 NON-EXCLUSIVITY OF RIGHTS. The rights conferred on any person by this Article VI shall not be exclusive of any other right which such person may have or hereafter acquire under any applicable statute, provision of the certificate of incorporation, bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, to the fullest extent not prohibited by the Delaware General Corporation Law or any other applicable law.

Section 6.06 SURVIVAL OF RIGHTS. The rights conferred on any person by this Article VI shall continue as to a person who has ceased to be a director, officer, employee or other agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 6.07 INSURANCE. To the fullest extent permitted by the Delaware General Corporation Law, or any other applicable law, the corporation, upon approval by the Board of Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this Article VI.

Section 6.08 AMENDMENTS. Any repeal or modification of this Article VI shall only be prospective and shall not affect the rights under this Article VI in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any agent of the corporation.

Section 6.09 SEVERABILITY. If this Article VI or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless

indemnify each director and officer to the full extent not prohibited by any applicable portion of this Article VI that shall not have been invalidated, or by any other applicable law. If this Article VI shall be invalid due to the application of the indemnification provisions of another jurisdiction, then the corporation shall indemnify each director and officer to the full extent under applicable law.

Section 6.10 CERTAIN DEFINITIONS. For the purposes of this Article VI, the following definitions shall apply:

(a) The term "proceeding" shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

(b) The term "expenses" shall be broadly construed and shall include, without limitation, court costs, attorneys' fees, witness fees, fines, amounts paid in settlement or judgment and any other costs and expenses of any nature or kind incurred in connection with any proceeding.

(c) The term "corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VI with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(d) References to a "director," "executive officer," "officer," "employee," or "agent" of the corporation shall include, without limitation, situations where such person is serving at the request of the corporation as, respectively, a director, executive officer, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise.

(e) References to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this Article VI.

ARTICLE VII

Miscellaneous

Section 7.01 WAIVERS OF NOTICE. Whenever notice is required to be given by law, by the certificate of incorporation or by these bylaws, a written waiver thereof, signed by the person entitled to said notice or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting or (in the case of a stockholder) by proxy shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting need be specified in any written waiver of notice or waiver of notice by electronic transmission unless required by these bylaws to be included in the notice of such meeting.

Section 7.02 PRESUMPTION OF ASSENT. A director or stockholder of the corporation who is present at a meeting of the board of directors or stockholders at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director or stockholder who voted in favor of such action.

Section 7.03 VOTING OF SECURITIES BY THE CORPORATION. Unless otherwise provided by resolution of the board of directors, on behalf of the corporation the chairman of the board, chief executive officer, chief operating officer, chief financial officer, president, secretary, treasurer or any vice-president shall attend in person or by substitute appointed by him, or shall execute written instruments appointing a proxy or proxies to represent the corporation at, all meetings of the stockholders of any other corporation, association or other entity in which the corporation holds any stock or other securities, and may execute written waivers of notice with respect to any such meetings. At all such meetings and otherwise, the chairman of the board, chief executive officer, chief operating officer, chief financial officer, president, secretary, treasurer or any vice-president, in person or by substitute or proxy as aforesaid, may vote the stock or other securities so held by the corporation and may execute written consents and any other instruments with respect to such stock or securities and may exercise any and all rights and powers incident to the ownership of said stock or securities, subject, however, to the instructions, if any, of the board of directors.

Section 7.04 SEAL. The corporate seal of the corporation shall be in such form as adopted by the board of directors, and any officer of the corporation may, when and as required, affix or impress the seal, or a facsimile thereof, to or on any instrument or document of the corporation.

Section 7.05 FISCAL YEAR. The fiscal year of the corporation shall be as established by the board of directors.

Section 7.06 AMENDMENTS. These bylaws may be amended or repealed only in the manner set forth in the certificate of incorporation.

EXHIBIT 5.1

[LETTERHEAD OF HOLME ROBERTS & OWEN LLP]

_____, 2002

Board of Directors
UnitedGlobalCom, Inc.
4643 South Ulster Street, #1300
Denver, Colorado 80237

Re: UnitedGlobalCom, Inc.
Registration Statement on Form S-1

Ladies and Gentlemen:

As counsel for UnitedGlobalCom, Inc., a Delaware corporation (the "Company"), we have examined the Registration Statement on Form S-4, as amended, under the Securities Act of 1933, as amended, that the Company has filed with the Securities and Exchange Commission with respect to the registration for issuance of 160,000,000 shares of Class A common stock, par value $0.01 per share ("Class A Common Stock"), pursuant to the Amended and Restated Agreement and Plan of Restructuring and Merger, dated as of December 31, 2001, among the Company, UGC Holdings, Inc. (formerly known as UnitedGlobalCom, Inc.), Liberty Media Corporation, Liberty Media International, Inc., Liberty Global, Inc., United/New United Merger Sub, Inc. and certain individuals (the "Merger Agreement").

We have also examined the Registration Statement on Form S-1 under the Securities Act of 1933, as amended (the "Resale Registration Statement"), that the Company is filing with the Securities and Exchange Commission with respect to the registration for resale by certain selling securityholders of 9,581,178 shares of Class A Common Stock, which includes 8,870,332 shares of Class A Common Stock issuable upon conversion of 8,870,332 shares of the Company's Class B common stock, par value $0.01 per share. We have also examined the Company's Certificate of Incorporation, as amended and restated, Bylaws, as amended, the record of its corporate proceedings, the Merger Agreement and have made such other investigation as we have deemed necessary in order to express the opinion set forth below.

Based on such investigation, it is our opinion that when the shares of Class A Common Stock are sold pursuant to the Resale Registration Statement following issuance in accordance with the terms of the Merger Agreement, such shares will be validly issued, fully paid and non-assessable.

We hereby consent to all references to us in the Resale Registration Statement, and all amendments thereto. We further consent to the use of this opinion as an exhibit to the Resale Registration Statement. We express no opinion as to any matters not expressly set forth herein.

HOLME ROBERTS & OWEN LLP

By:

EXHIBIT 10.1
CONFORMED COPY

AMENDED AND RESTATED

AGREEMENT AND PLAN OF RESTRUCTURING AND MERGER

AMONG

UNITEDGLOBALCOM, INC.,

NEW UNITEDGLOBALCOM, INC.,

UNITED/NEW UNITED MERGER SUB, INC.,

LIBERTY MEDIA CORPORATION,

LIBERTY MEDIA INTERNATIONAL, INC.,

LIBERTY GLOBAL, INC.

AND

EACH PERSON INDICATED AS A "FOUNDER"

ON THE SIGNATURE PAGES HERETO

DATED AS OF DECEMBER 31, 2001

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AMENDED AND RESTATED

AGREEMENT AND PLAN OF RESTRUCTURING AND MERGER

This AMENDED AND RESTATED AGREEMENT AND PLAN OF RESTRUCTURING AND MERGER (this "AGREEMENT") is entered into as of December 31, 2001 (the "AMENDMENT DATE") among UnitedGlobalCom, Inc., a Delaware corporation ("UNITED"), New UnitedGlobalCom, Inc., a Delaware corporation ("NEW UNITED"), United/New United Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of New United ("UNITED/NEW UNITED MERGER SUB"), Liberty Media Corporation, a Delaware corporation ("LIBERTY MEDIA"), Liberty Media International, Inc., a Delaware corporation ("LMI"), Liberty Global, Inc., a Delaware corporation ("LIBERTY GLOBAL") and each Person indicated as a "Founder" on the signature pages hereto (each such Person, a "FOUNDER"). Capitalized terms used and not otherwise defined in this Agreement have the respective meanings ascribed thereto in Section 1.1.

W I T N E S S E T H :

WHEREAS, United, Liberty Media and LMI have entered into an Agreement and Plan of Restructuring and Merger, dated as of December 3, 2001 (the "ORIGINAL AGREEMENT"), setting forth the terms and conditions upon which, among other things, the following transactions will occur as part of the same plan of restructuring: (a) Liberty Media will contribute or cause to be contributed to New United all of the shares of Class B Common Stock, par value US $0.01 per share, of United ("UNITED CLASS B STOCK") owned by Liberty Media and its wholly owned Subsidiaries and some of the shares of Class A Common Stock, par value US $0.01 per share, of United ("UNITED CLASS A STOCK and, together with the United Class B Stock, "UNITED COMMON STOCK") owned by Liberty Media and its wholly owned Subsidiaries in exchange for an equal number of shares of Class C Common Stock, par value US $0.01 per share, of New United ("NEW UNITED CLASS C STOCK"), (b) the Founders will contribute all of the shares of United Class B Stock owned by them to their respective Founder Newco (as defined herein) and cause each Founder Newco to merge into New United in exchange for a number of shares of Class B Common Stock, par value US $0.01 per share, of New United ("NEW UNITED CLASS B STOCK") equal to the number of shares of United's common stock then owned by such Founder Newco, (c) United/New United Merger Sub will merge with and into United, with United being the surviving entity in such merger and the outstanding stock of United being converted into stock of New United or stock of the surviving entity in such merger or cancelled, as more fully described herein, and (d) Liberty Media will contribute or cause to be contributed certain assets and liabilities of its subsidiary, Liberty-Belmarken, Inc., a Delaware corporation ("LIBERTY SUB"), all of the Liberty UPC Bonds (as defined herein) and cash to New United in exchange for shares of New United Class C Stock; and

WHEREAS, the parties have decided to amend and restate the Original Agreement in its entirety in order to (a) provide that the holders of all of the issued and outstanding shares of United Preferred Stock will receive merger consideration consisting of shares of New United Class A Stock, (b) amend the Liberty UPC Bond Cost as of November 30,

2001 as set forth on SCHEDULE 1.1 attached to this Agreement, and (c) make certain other amendments to the Agreement, as more fully set forth herein; and

WHEREAS, concurrent with the execution and delivery of the Original Agreement, the Senior Notes Agreements were entered into and, in accordance therewith, (a) Liberty acquired from United 11,976,048 shares of United Class A Stock for US $20,000,000 in cash (the "NOTE SHARES") and an additional 14,970 shares of United Class A Stock for US $25,000 in cash, (b) United acquired all of the Senior Notes in exchange for US $20,000,000 in cash, (c) United paid an aggregate of US $241,309,065.79 (the "MAKE WHOLE PAYMENT") to the holders of the Senior Notes (collectively, the "MAKE WHOLE BANKERS") in satisfaction in full of its obligations under the Fee Letter, and (d) to facilitate the foregoing, Liberty and Liberty Argentina, Inc., a Delaware corporation and a wholly owned Subsidiary of Liberty ("LIBERTY ARGENTINA"), paid a total of US $241,309,065.79 to UIPI and United as prepayment in full of the indebtedness evidenced by the $200,000,000 Note and as a partial prepayment of the indebtedness evidenced by the $310,000,000 Notes;

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 DEFINITIONS. For purposes of this Agreement, the following terms shall have the following meanings:

"$200,000,000 NOTE" means the promissory note, dated December 8, 2000, in the principal amount of US $200 million payable by Liberty Media to United, which promissory note was canceled and returned to Liberty Media upon the prepayment on the Original Agreement Date of the indebtedness evidenced thereby.

"$310,000,000 NOTES" means the promissory note, dated December 27, 2000, in the original principal amount of US $42,405,760 (US $22,411,979.02 of which principal amount, together with all accrued and unpaid interest on the entire principal amount of such promissory note through December 2, 2001, was paid by Liberty Argentina on December 3, 2001) payable by Liberty Argentina to United, which promissory note is now held by UIPI, the promissory note, dated February 5, 2001, in the principal amount of US $33,827,447 payable by Liberty Argentina to United, which promissory note is now held by UIPI, and the promissory note, dated April 30, 2001, in the principal amount of US $233,766,793 payable by Liberty Argentina to UIPI.

"ADJUSTMENT" means the deemed increase in a Tax, determined using the assumptions set forth in the next sentence, resulting from an adjustment made with respect to any amount reflected or required to be reflected on any Tax Return relating to such Tax. For purposes of determining such deemed increase in Tax, the following assumptions will be used: (a) in the case of any Income Tax, the highest marginal Tax rate or, in the case of any other Tax,

the highest applicable Tax rate, in each case in effect with respect to that Tax for the Taxable period or any portion of the Taxable period to which the adjustment relates; and (b) such determination shall be made without regard

to whether any actual increase in such Tax will in fact be realized with respect to the Tax Return to which such adjustment relates (as a result, for example, of losses, credits or other offsets against Tax).

"AFFILIATE" of a Person shall mean any Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, the Person in question. Notwithstanding anything in the foregoing to the contrary, under no circumstances will New United, United or any of their respective Subsidiaries be considered an Affiliate of Liberty or LMI.

"AFTER-TAX BASIS" shall mean an amount that, after subtraction of the aggregate additional Taxes incurred or to be incurred by the party receiving the indemnification payment, is equal to the amount of the correlative Adjustment. For purposes of determining such additional Taxes incurred or to be incurred, the following assumptions will be used: (a) in the case of any Income Tax, the highest marginal Tax rate or, in the case of any other Tax, the highest applicable Tax rate, in each case in effect with respect to that Tax for the Taxable period or any portion of the Taxable period to which the indemnification payment relates; and (b) such determination shall be made without regard to whether any actual additional Taxes will in fact be realized with respect to the Tax Return to which such payment relates (as a result, for example, of losses, credits or other offsets against Tax).

"AUGUST 1999 AGREEMENT" means the letter agreement, dated August 30, 1999, among UPC, United and Liberty Media, including the exhibits thereto.

"AVAILABLE NEW UNITED COMMISSION FILINGS" means the Registration Statement.

"AVERAGE MARKET PRICE" means, with respect to any publicly traded security as of any relevant date of determination, the average of the Closing Prices per share or other unit of such security for the period of ten Trading Days ending on and including the third Trading Day prior to such relevant date of determination.

"BELMARKEN LOAN AGREEMENTS" means, collectively, the Loan Agreement, dated as of May 25, 2001, among Belmarken Holding B.V., UPC, UPC Internet Holding B.V. and Liberty Sub, and all agreements, including pledge and security agreements, entered into or to be entered into in connection therewith.

"BELMARKEN NOTES" means the 6% Guaranteed Discount Notes due 2007 issued pursuant to the Belmarken Loan Agreements.

"BUSINESS DAY" means any day other than Saturday, Sunday and a day on which banks are required or permitted to close in Denver, Colorado or New York, New York.

"CLOSING DATE" means the date on which the Closing occurs.

"CLOSING PRICE" of a share or other unit of any security on any Trading Day is (i) the last reported sale price for a share or other unit of such security on such Trading Day as

reported on the principal United States or foreign securities exchange on which such security is listed or admitted for trading or (ii) if such security is not listed or admitted for trading on any such securities exchange, the last reported sale price for a share or other unit of such security on such Trading Day as reported on The Nasdaq Stock Market or (iii) if such security is not listed or admitted to trading on any United States or foreign securities exchange or The Nasdaq Stock Market, the average of the highest bid and lowest asked prices for a share or other unit of such security on such Trading Day in the over-the-counter market as reported by The National Quotation Bureau Incorporated, or any similar organization.

"CODE" means the Internal Revenue Code of 1986.

"COMMISSION" means the United States Securities and Exchange Commission.

"CONTROL" shall mean the ability to direct or cause the direction (whether through the ownership of voting securities, by contract or otherwise) of the management and policies of a Person or to control (whether affirmatively or negatively and whether through the ownership of voting securities, by contract or otherwise) the decision of such Person to engage in the particular conduct at issue.

A "CONTROLLED AFFILIATE" of a Person means any other Person that the first Person directly, or indirectly through one or more intermediaries, Controls.

"CONTROLLING PRINCIPALS" means Founders who are "Principals," as that term is defined in the Indenture and who hold a majority of the aggregate voting power of all shares of United Common Stock and any other securities issued by United that are entitled to vote generally for the election of directors held by the Principals.

"DECEMBER 7 LETTER AGREEMENT" means the Letter Agreement, dated as of December 7, 2000, between United and Liberty Media (including the summary of terms attached thereto).

"DOJ" means the United States Department of Justice.

"ENVIRONMENTAL AND HEALTH LAWS" means any U.S. federal, state or local law, statute, rule or regulation or domestic common law relating to the environment or occupational health and safety, including any statute, regulation or order pertaining to (i) treatment, storage, disposal, generation and transportation of pollutants, contaminants, chemicals, industrial, toxic or hazardous substances, oil or petroleum products or solid or hazardous waste (collectively, "HAZARDOUS SUBSTANCES"); (ii) air, water and noise pollution; (iii) groundwater and surface water contamination; (iv) the release into the environment of Hazardous Substances, including without limitation emissions, discharges, injections, spills, escapes or dumping of pollutants, contaminants or chemicals; (v) the protection of wild life, marine sanctuaries and wetlands, including without limitation all endangered and threatened species; (vi) storage tanks, vessels and containers containing Hazardous Substances; (vii) underground storage tanks, abandoned, disposed or discarded barrels and other closed receptacles containing Hazardous Substances; (viii) health and safety of employees; and (ix) manufacture, processing, use, distribution, treatment, storage, disposal, transportation or handling of Hazardous Substances. As used

herein, the terms "release" and "environment" have the meanings set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980.

"EXCHANGE ACT" means the Securities Exchange Act of 1934.

"FEE LETTER" means the Fee Letter, dated April 29, 1999, among United, UIH Funding Corp., Salomon Smith Barney, Inc., TD Securities (USA), Inc., Chase Securities, Inc. and Donaldson, Lufkin & Jenrette Securities Corporation, as amended on May 13, 1999 and May 23, 2001.

"FILING" means any registration, declaration, application or filing.

"FOUNDERS AGREEMENTS" means each of (a) the Founders Agreement to be entered into prior to the Closing among certain Founders relating to United, in the form attached to Section 5.1 of the Founders Disclosure Schedule, and (b) the Founders Agreement to be entered into prior to the Closing among the Founders relating to New United, in the form attached to Section 5.1 of the Founders Disclosure Schedule.

"FOUNDERS DISCLOSURE SCHEDULE" means the disclosure schedule delivered with the Original Agreement by the Founders.

"FTC" means the United States Federal Trade Commission.

"GAAP" means generally accepted U.S. accounting principles as in effect as of the relevant time.

"GOVERNMENTAL AUTHORITY" means any U.S. federal, state or local or any foreign court, governmental department, commission, authority, board, bureau, agency or other instrumentality.

"HIGH VOTE SECURITIES" means United Class B Stock, United Equity Securities that are convertible into or exercisable or exchangeable for shares of United Class B Stock (contingently or otherwise) or that have a greater vote per share (on an as-converted basis or otherwise) than the United Class A Stock (whether generally, in the election of directors or generally other than in the election of directors), or any Rights to acquire any of the foregoing.

"HSR ACT" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, and the rules and regulations promulgated thereunder.

"INCOME TAX" means any federal, state, local or foreign income tax, including any interest, penalty, or addition thereto.

"INDENTURE" means the Indenture, dated as of February 5, 1998, between United and Firstar Bank, N.A. (f/k/a Firstar Bank of Minnesota, N.A.).

"INTELLECTUAL PROPERTY" means, collectively, patents, trademarks, trade names, service marks, copyrights, applications for any of the foregoing and trade secrets.

"JUDGMENT" means any order, writ, injunction, award, judgment, ruling or decree of any Governmental Authority.

"LAW" means any U.S. federal, state or local or any foreign statute, code, ordinance, decree, rule, regulation or general principle of common or civil law or equity.

"LEGAL PROCEEDINGS" means, collectively, any private or governmental actions, suits, complaints, arbitrations, legal or administrative proceedings or investigations.

"LETTER AGREEMENT" means the Amended and Restated Agreement, dated as of May 25, 2001, among United, Liberty Media and LMI.

"LIBERTY" means Liberty Media and any successor (by merger, consolidation, transfer of assets or otherwise) to all, or substantially all, of Liberty Media's assets.

"LIBERTY 2009 NOTES" means the notes of Liberty Media that may be issued by Liberty Media to UIPI pursuant to Section 2.3.

"LIBERTY DISCLOSURE SCHEDULE" means the disclosure schedule delivered with the Original Agreement by Liberty Media.

"LIBERTY PARTIES" means Liberty, LMI and Liberty Global, individually and collectively.

"LIBERTY UPC BOND COST" means the sum of the amounts paid by Liberty and its Affiliates to acquire the Liberty UPC Bonds (including any amounts paid in connection with the acquisition of the Liberty UPC Bonds, including dealer-manager fees, depositary fees, information agent fees and other investment banking fees and expenses related to such acquisition and legal fees and expenses), plus interest on each such amount from and including the date such amount was paid by Liberty or the applicable Affiliate of Liberty to and including the Closing Date at the rate of 8% per annum, compounded quarterly, less the amount of any interest payments actually received by Liberty and its Affiliates with respect to any period prior to the Closing with respect to the Liberty UPC Bonds. SCHEDULE 1.1 sets forth the Liberty UPC Bond Cost as of November 30, 2001.

"LIBERTY UPC BONDS" means all of the senior notes and senior discount notes issued by UPC and held by Liberty and its Controlled Affiliates as of the Original Agreement Date, as set forth on SCHEDULE 1.1.

"LICENSES" means any licenses, franchises, authorizations, permits, certificates, variances, exemptions, concessions, consents, leases, rights of way, easements, instruments, orders and approvals, domestic or foreign, of any Governmental Authority.

"LIEN" shall mean any mortgage, pledge, lien, encumbrance, charge, or security interest, but excluding any of the foregoing created or imposed by or pursuant to the August 1999 Agreement, this Agreement or the other Transaction Documents.

"NASD" shall mean the National Association of Securities Dealers, Inc.

"NOTES TENDER LETTER AGREEMENT" means the Letter Agreement,

dated December 21, 2001, among United, New United, Liberty and IDT Venture Capital Corporation, a Delaware corporation.

"ORIGINAL AGREEMENT DATE" means December 3, 2001.

"PARTNER'S PURCHASE RIGHT" means any right of first offer, right of first refusal, right of last refusal, buy-sell, put-call, purchase or exchange option or similar right in favor of a third party (a) granted under an agreement that was in effect on June 25, 2000 and that was in effect on the Original Agreement Date or (b) referred to in this Agreement (including a Schedule hereto) or a disclosure schedule delivered pursuant to the Original Agreement.

"PERMITTED ENCUMBRANCES", with respect to any Person, means the following Liens: (i) Liens for Taxes, assessments or other governmental charges or levies not at the time delinquent or thereafter payable without penalty or being contested in good faith by appropriate proceedings and for which adequate reserves shall have been set aside on the books of the applicable Person in accordance with GAAP; (ii) Liens of carriers, warehousemen, mechanics, materialmen and landlords incurred in the ordinary course of business for sums not overdue or being contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on the books of the applicable Person; (iii) Liens incurred in the ordinary course of business in connection with workmen's compensation, unemployment insurance or other forms of governmental insurance or benefits, or to secure performance of tenders, statutory obligations, leases and contracts (other than for borrowed money) entered into in the ordinary course of business or to secure obligations on surety or appeal bonds; (iv) purchase money security interests or Liens on property acquired or held by the applicable Person in the ordinary course of business to secure the purchase price of such property or to secure indebtedness incurred solely for the purpose of financing the acquisition of such property; and (v) easements, restrictions and other minor defects of title that are not, in the aggregate, material or which do not, individually or in the aggregate, materially and adversely affect the value of the property affected thereby.

"PERSON" means any individual, corporation, limited liability company, partnership, joint venture, Governmental Authority, business association or other entity.

"PRIORITY TELECOM" means Priority Telecom N.V., a private company incorporated with limited liability under the laws of The Netherlands.

"PRIORITY TELECOM SHAREHOLDERS AGREEMENT" means the Shareholders Agreement executed by UPC and Priority Telecom on August 11, 2000 and by each shareholder of Priority Telecom thereafter as received, as amended or modified thereafter and any other agreement or arrangement among the shareholders of Priority Telecom with respect to the subject matter thereof.

"RESTRICTIONS" means with respect to any capital stock, partnership interest, membership interest in a limited liability company or other equity interest or security, any voting or other trust or agreement, option, warrant, preemptive right, right of first offer, right of first refusal, escrow arrangement, proxy, buy-sell agreement, power of attorney or other Contract (but

excluding the August 1999 Agreement, the Belmarken Loan Agreements, this Agreement and the other Transaction Documents), any Law, License or Judgment that, conditionally or unconditionally, (a) grants to any Person the right to purchase or otherwise acquire, or obligates any Person to sell or otherwise dispose of or issue, or otherwise results or, whether upon the occurrence of any event or with notice or lapse of time or both or otherwise, may result in any Person acquiring, (i) any of such capital stock or other equity interest or security; (ii) any of the proceeds of, or any distributions paid or that are or may become payable with respect to, any of such capital stock or other equity interest or security; or (iii) any interest in such capital stock or other equity interest or security or any such proceeds or distributions; (b) restricts or, whether upon the occurrence of any event or with notice or lapse of time or both or otherwise, is reasonably likely to restrict the transfer or voting of, or the exercise of any rights or the enjoyment of any benefits arising by reason of ownership of, any such capital stock or other equity interest or security or any such proceeds or distributions; or (c) creates or, whether upon the occurrence of any event or with notice or lapse of time or both or otherwise, is reasonably likely to create a Lien or purported Lien affecting such capital stock or other equity interest or security, proceeds or distributions.

"RIGHTS" means securities of United (which may include United Equity Securities) that (contingently or otherwise) are exercisable, convertible or exchangeable for or into United Equity Securities (with or without consideration) or that carry any right to subscribe for or acquire United Equity Securities or securities exercisable, convertible or exchangeable for or into United Equity Securities.

"SECURITIES ACT" means the Securities Act of 1933.

"SENIOR NOTES" means the debt securities issued pursuant to the Indenture, dated as of April 29, 1999, between United and Firstar Bank, N.A.

"SENIOR SECURED NOTES" means the debt securities issued pursuant to the Indenture.

"SUBSIDIARY" means, with respect to any Person (a) a corporation a majority in voting power of whose capital stock with voting power, under ordinary circumstances, to elect directors is at the time, directly or indirectly, owned by such Person, by a Subsidiary of such Person, or by such Person and one or more Subsidiaries of such Person, without regard to whether the voting of such stock is subject to a voting agreement or similar Restriction, (b) a partnership or limited liability company in which such Person or a Subsidiary of such Person is, at the date of determination, (i) in the case of a partnership, a general partner of such partnership with the power affirmatively to direct the policies and management of such partnership or (ii) in the case of a limited liability company, the managing member or, in the absence of a managing member, a member with the power affirmatively to direct the policies and management of such limited liability company, or (c) any other Person (other than a corporation) in which such Person, a Subsidiary of such Person or such Person and one or more Subsidiaries of such Person, directly or indirectly, at the date of determination thereof, has (i) the power to elect or direct the election of a majority of the members of the governing body of such Person (whether or not such power is subject to a voting agreement or similar Restriction) or (ii) in the absence of such a governing body, at least a majority ownership interest. When used with respect to any Liberty

Party, the term "Subsidiary" shall not in any event include New United or any of its Subsidiaries. For purposes of this definition, shares of capital stock of United Austar, Inc. owned by United A/P will not be deemed to be directly or indirectly owned by United or any of its Subsidiaries if, at the time such determination is to be made, United A/P is not a Subsidiary of United.

"TAX" shall mean any income, corporation, gross receipts, profits, gains, capital stock, capital duty, franchise, business, license, payroll, withholding, social security, unemployment, disability, property, wealth, welfare, stamp, environmental, transfer, excise, occupation, sales, use, value added, alternative minimum, estimated or other similar tax (including any fee, assessment or other charge in the nature of any tax) imposed by any governmental authority (whether national, federal, state, local, municipal, foreign or otherwise) or political subdivision thereof, and any interest, penalties, additions to tax or additional amounts in respect of the foregoing.

"TAX RETURNS" shall mean all reports, declarations of estimated tax, information statements and returns relating to, or required to be filed in connection with, any Taxes, including information returns or reports with respect to backup withholding and other payments to third parties.

"TRADING DAY", with respect to any security, means a day on which the principal United States or foreign securities exchange on which such security is listed or admitted to trading, or The Nasdaq Stock Market if such security is not listed or admitted to trading on any such securities exchange, as applicable, is open for the transaction of business (unless such trading shall have been suspended for the entire day) or, if the applicable security is not listed or admitted to trading on any United States or foreign securities exchange or The Nasdaq Stock Market, any Business Day.

"TRANSACTION DOCUMENTS" means this Agreement, the Stockholders Agreement, the Standstill Agreement, the Registration Rights Agreement, the Liberty 2009 Notes Registration Rights Agreement (if such agreement is entered into as contemplated by Section 2.3), the Founder Newco Merger Agreements, the United/New United Merger Agreement, the Voting Agreement, the No Waiver Agreement, the New United Covenant Agreement, the Founders Agreements, the Exchange Agreement, the United/Liberty Agreement, the New United Charter, the New United By-laws, the Surviving Entity Charter, the Surviving Entity By-laws, the Subscription Agreements, all documents, instruments and agreements executed in connection with the satisfaction of the Fee Letter Condition (including the Senior Notes Agreements) and any and all other documents, instruments and agreements to be executed and delivered in connection with the transactions contemplated hereby (including in connection with the satisfaction of each party's conditions hereunder) or thereby.

"UIPI" means United International Properties, Inc., a Colorado corporation and wholly owned Subsidiary of United.

"UNITED DISCLOSURE SCHEDULE" means the disclosure schedule delivered with the Original Agreement by United.

"UNITED EQUITY SECURITIES" means the United Common Stock and any other voting securities issued by United, other than shares of United Preferred Stock with customary limited voting rights.

"UNITED PUBLIC COMPANY" means any entity that (a) has equity securities issued by it publicly traded on any internationally recognized United States or foreign securities exchange, and (b) is a Subsidiary of United.

"UPC" means United Pan-Europe Communications, N.V., a company organized under the laws of The Netherlands and a Subsidiary of United.

1.2 ADDITIONAL TERMS. As used in this Agreement, the following terms shall have the meanings set forth in the referenced sections of this Agreement:

Term	Section
Acceptance Notice	2.3(b)
Action	15.5(a)
Additional Liberty Shares	2.2(d)
Agreement	Preamble
Amendment Date	Preamble
Basket Amount	15.6
Basket Exceptions	15.6
Belmarken Notes Value	2.2(d)
Cash Contribution	2.2(d)
Claims	15.2
Class B Options	6.1(b)
Closing	14.1
Contracts	6.1(c)(ii)
Contributing Party	2.2(f)
DGCL	2.5(a)
Effective Time	2.5(b)
Equity Affiliate	6.1(f)(i)
Exchange Agreement	7.12
Exchange Ratio	2.5(b)
Exchange	

United Commission Filing 6.2(g)
(i) New United Covenant Agreement 7.9A New United Indemnified Parties 15.4
New United Material Adverse Effect 6.2(a)
New United Preferred Stock 6.2(b)
(i) Note Repayment Amount 2.3
Note Shares Recitals No Waiver Agreement 2.2(e) Notes Holder 2.3(b)
Offered Notes 2.3(b) Offer Notice 2.3(b)
Original Fairness Opinions 6.1(q) 11
Proxy Statement 7.3(a)
Purchased Notes 2.3(b)
Refinanced Indebtedness 7.1(b)
Refinancing Indebtedness 7.1(b)
Registration Rights Agreement 7.11
Registration Statement 7.3(a)
Required Founder Consents 5.2
Required Liberty Consents 4.2
Required United Consents 6.1(c)(ii)
Restructuring Proceeds 2.2(d)
Restructuring Transaction 13.9
Schneider 2.1(b) Senior Notes Agreements 11.10
September 18 Letter Agreement 17.2 Series E Certificate of Designation 6.1(b) Series E Holder 7.12
Standstill Agreement 7.10
Stockholders Agreement 7.7
Stock Purchase Fairness Opinion 6.1(q)
Subscription Agreement 2.1(c)
Surviving Entity 2.5(a)
Surviving Entity By-laws 2.5(e)
Surviving Entity Charter 2.5(e)
Surviving Entity Class A Stock 2.5(b)
Surviving Entity Class B Stock 2.5(d)
Surviving Entity Class C Stock 2.5(d) Total Liberty Shares 2.2(d)
Transfer Date 2.3(b) United Preamble

United 2001 Commission Filings 6.1(g)(i) United A/P 6.1(f) United Class A Stock Recitals United Class B Stock Recitals United Commission Filings 6.1(g)(i) United Common Stock Recitals United Form 10-K 6.1(g)(i) United Indemnified Parties 15.4 United Investment 6.1(f)(i) United Investment Agreements 6.1(f)(i) United June 10-Q 6.1(g)(i) United/Liberty Agreement 7.9 United Material Adverse Effect 6.1(a) United/New United Merger 2.5(a) United/New United Merger Agreement 2.5(a) United/New United Merger Sub Preamble United/New United Merger Sub By-laws 6.2(a) 12 United/New United Merger Sub Charter 6.2(a) United/New United Merger Sub Class B Stock 2.5(d) United/New United Merger Sub Class C Stock 2.5(d) United Preferred Stock 6.1(b) United Series B Preferred Stock 6.1(b) United Series C Preferred Stock 6.1(b) United Series D Preferred Stock 6.1(b) United Series E Preferred Stock 6.1(b) United Stockholders Meeting 7.2 United Stock Option Plans 6.1(b) UPC Form 10-K 6.1(g)(i) UPC June 10-Q 6.1(g)(i) Voting Agreement 7.8

ARTICLE II

CONTRIBUTIONS, REORGANIZATION AND RELATED TRANSACTIONS

2.1 PRE-CLOSING RESTRUCTURING TRANSACTIONS. Prior to and as a condition precedent of the Closing, the parties shall effect or cause to be effected the following transactions:

(a) Each of the Founders will contribute, convey, transfer, assign and deliver, free and clear of all Liens and Restrictions, except as set forth in Section 5.7 of the Founders Disclosure Schedule, all and not less than all of the shares of United Class B Stock held by such Founder as indicated next to such Founder's name on SCHEDULE 2.1(a) (collectively, the "FOUNDER SHARES"), in each case together with the right to receive all unpaid dividends and distributions declared or otherwise payable with respect to such Founder Shares and associated stock purchase rights, if any, to newly-formed single-member limited liability companies organized under the laws of the State of Delaware (each a "FOUNDER NEWCO"). At all times from the organization of each Founder Newco until the Closing (i) no Person other than the Founder contributing shares of United Class B Stock to such Founder Newco shall own any equity interest whatsoever in such Founder Newco, (ii) the limited liability company membership interests in such Founder Newco shall be owned by the applicable Founder free and clear of any Liens and Restrictions, and such Founder Newco shall have no assets, other than Founder Shares and shares of United Class A Stock issued to such Founder Newco upon conversion of Founder Shares pursuant to the following sentence, and no liabilities or obligations, known or unknown, whether absolute, accrued, fixed, contingent

or otherwise, other than its obligations under the applicable Founder Newco Merger Agreement. Each Founder will cause its applicable Founder Newco to convert an adequate number of the Founder Shares held by it into an equal number of shares of United Class A Stock in order to ensure that, after giving effect to the Founder Newco Mergers and the contribution contemplated by Section 2.2(a), New United will not own 50% or more of the voting power of United prior to the consummation of the United/New United Merger.

(b) Gene W. Schneider ("SCHNEIDER"), as the sole stockholder of New United, will cause the Certificate of Incorporation ("NEW UNITED CHARTER") and By-laws ("NEW UNITED BY-LAWS") of New United to be restated as set forth in EXHIBITS 2.1(b)-1 and 2.1(b)-2, respectively.

(c) Immediately prior to the Closing, one or more Controlling Principals will purchase from United an aggregate of 1,500 shares of United Series E Preferred Stock for the purchase price set forth in, and otherwise pursuant to the terms of, one or more Subscription Agreements between each such Controlling Principal and United, in the form attached hereto as EXHIBIT 2.1(c) (each a "SUBSCRIPTION AGREEMENT").

2.2 CONTRIBUTIONS AND RESTRUCTURING. At the Closing, upon the terms and subject to the conditions set forth in this Agreement and in the order set forth below (and otherwise substantially concurrently):

(a) (i) Schneider will contribute, convey, transfer, assign and deliver to New United, free and clear of all Liens and Restrictions, one share of United Class A Stock, together with the right to receive all unpaid dividends and distributions declared or otherwise payable with respect to such share of United Class A Stock and associated stock purchase rights, if any, as a contribution to the capital of New United, and New United shall accept such share of United Class A Stock as a contribution to its capital and Schneider shall not receive any other consideration in exchange for such contribution, (ii) Liberty Global will contribute, convey, transfer, assign and deliver, or cause to be contributed, conveyed, transferred, assigned and delivered, to New United, free and clear of all Liens and Restrictions, all, but not less than all, of the shares of United Class B Stock held by Liberty Global as indicated next to Liberty Global's name on SCHEDULE 2.2 hereto (the "LIBERTY GLOBAL SHARES"), together with the right to receive all unpaid dividends and distributions declared or otherwise payable with respect to such Liberty Global Shares and associated stock purchase rights, if any, and New United shall accept all, but not less than all, the Liberty Global Shares and issue and deliver to Liberty Global, or to the applicable Contributing Party or Contributing Parties, in exchange therefor a number of shares of New United Class C Stock equal to the number of Liberty Global Shares so contributed (the "LIBERTY GLOBAL CONSIDERATION SHARES"), (iii) Liberty will contribute, convey, transfer, assign and deliver, or cause to be contributed, conveyed, transferred, assigned and delivered, to New United, free and clear of all Liens and Restrictions, all, but not less than all, of the Note Shares, together with the right to receive all unpaid dividends and distributions declared or otherwise payable with respect to such Note Shares and associated stock purchase rights, if any, and New United shall accept all, but not less than all, the Note Shares and issue and deliver to Liberty, or to the applicable Contributing Party or Contributing Parties, in exchange therefor a number of shares of New United Class C Stock equal to the number of Note Shares so contributed (the "LIBERTY CONSIDERATION SHARES") and (iv) New United will convert the Liberty Global Shares into an equal number of shares of United Class A Stock. Immediately prior to the contributions described in clauses (ii) and (iii) of the previous sentence, there shall be no outstanding shares of capital stock or other securities or ownership interests of New United other than one share of New United Class A Stock held, beneficially and of record, by Schneider.

(b) The Founders and New United will cause each of the Founder Newcos to merge with and into New United (each, a "FOUNDER NEWCO MERGER") with the limited liability company membership interests of each Founder Newco being converted into an aggregate

number of shares of New United Class B Stock equal to the number of shares of United Common Stock held by such Founder Newco at the time of such mergers (the "FOUNDER CONSIDERATION SHARES"). Each of these mergers will be consummated pursuant to an Agreement and Plan of Merger substantially in the form attached hereto as EXHIBIT 2.2(b) (each, a "FOUNDER NEWCO MERGER AGREEMENT"). Prior to or simultaneous with the Founder Newco Mergers, any Liens and Restrictions on shares of United Common Stock held by each Founder Newco, including as set forth in Section 5.7 of the Founder Disclosure Schedule, shall be fully and unconditionally released (without any liability whatsoever to New United or any of its Subsidiaries or Affiliates) in accordance with instruments and documents that are reasonably satisfactory to New United and the Liberty Parties and, from and after the Founder Newco Mergers, such shares of United Common Stock shall be free and clear of any Liens or Restrictions whatsoever. New United will be the surviving entity in each of the Founder Newco Mergers.

(c) United, New United and United/New United Merger Sub shall effect the United/New United Merger, as described in Section 2.5 below.

(d) Liberty Media will contribute, convey, transfer, assign and deliver, or cause to be contributed, conveyed, transferred, assigned and delivered, to New United, free and clear of all Liens and Restrictions:

(i) all of the Belmarken Notes (or any proceeds thereof) and all of Liberty Sub's rights and obligations under the Belmarken Loan Agreements; and

(ii) an amount of cash equal to US $200,000,000 (the "CASH CONTRIBUTION"); and

(iii) all of the Liberty UPC Bonds or, in the event of any refinancing or restructuring of, or similar transaction with respect to, any of UPC's indebtedness, the proceeds, if any, received in exchange for any of the Liberty UPC Bonds in such transaction (the "RESTRUCTURING PROCEEDS");

and New United shall issue and deliver to Liberty Media or the applicable Contributing Party or Contributing Parties at the Closing, the following shares of New United Class C Stock (the "LIBERTY CONTRIBUTION SHARES"):

(1) in exchange for, and in consideration of, the contribution of the Belmarken Notes (or any proceeds thereof) and the assignment of

Liberty Sub's rights and obligations under the Belmarken Loan Agreements to New United pursuant to Section 2.2(d)(i), a number of shares of New United Class C Stock equal to the quotient of (A) US $856,800,000, PLUS interest accrued on such amount from and including May 29, 2001 to and including the Closing Date at the rate of 6% per annum, compounded quarterly, calculated in the same manner as provided in the Belmarken Loan Agreements for

the accretion of interest on the Belmarken Notes (irrespective of whether any Belmarken Notes are outstanding), (the "BELMARKEN NOTES VALUE") DIVIDED BY (B) US $16.18; and

(2) in exchange for, and in consideration of, the Cash Contribution, a number of shares of New United Class C Stock equal to the quotient of (A) the amount of the Cash Contribution DIVIDED BY (B) US $16.18; and

(3) in exchange for, and in consideration of, the Liberty UPC Bonds and/or Restructuring Proceeds contributed to New United pursuant to Section 2.2(d)(iii), a number of shares of New United Class C Stock equal to the quotient of (A) the Liberty UPC Bond Cost DIVIDED BY (B) US $1.53;

provided that (A) if the quotient obtained by dividing the sum of the Belmarken Notes Value PLUS the amount of the Cash Contribution PLUS the Liberty UPC Bond Cost PLUS US $20,000,000 (such sum, the "LIBERTY CONTRIBUTION VALUE"), by the sum of the total number of Liberty Contribution Shares determined in accordance with clauses (1), (2) and (3) above PLUS 11,976,048 (such sum, the "TOTAL LIBERTY SHARES"), is greater than US $5.00, New United shall issue and deliver to Liberty at the Closing a sufficient number of additional shares of New United Class C Stock (the "ADDITIONAL LIBERTY SHARES") so that the quotient obtained by dividing the Liberty Contribution Value BY the sum of the Total Liberty Shares PLUS the Additional Liberty Shares is equal to US $5.00 and (B) if the quotient obtained by dividing the Liberty Contribution Value BY the Total Liberty Shares is less than US $5.00, the number of Liberty Contribution Shares issued and delivered by New United to Liberty pursuant to this Section 2.2(d) shall be reduced by a number of shares of New United Class C Stock so that the quotient obtained by dividing the Liberty Contribution Value BY the number of Liberty Contribution Shares issued and delivered to Liberty by New United is equal to US $5.00. For purposes of each provision of this Agreement other than this Section 2.2(d) any Additional Liberty Shares issued and delivered pursuant to this Section 2.2(d) shall be deemed to be Liberty Contribution Shares.

(e) Liberty Media, LMI and New United will enter into an agreement pursuant to which New United will acknowledge that Liberty, LMI and their respective Affiliates are intended beneficiaries of the covenants and agreements set forth in Sections 7.11 and 11.15 of the Loan Agreement, dated as of May 25, 2001, among Belmarken Holding B.V., UPC, UPC Internet Holding B.V. and Liberty Sub, and New United will agree that it will not amend, modify or waive in any respect or terminate any of such covenants or agreements without the prior written consent of Liberty and LMI (the "NO WAIVER AGREEMENT").

(f) If Liberty or Liberty Global causes any Person to make all or part of the contributions described in clauses (a) or (d) above, each such Person shall become a party to this Agreement and the applicable Transaction Documents (each such Person, a "CONTRIBUTING PARTY").

2.3 REPAYMENT OF INDEBTEDNESS.

(a) Except as contemplated by the Notes Tender Letter Agreement, at the Closing, immediately following the consummation of the transactions set forth in Section 2.2, or such later date as may be acceptable to United, Liberty shall repay, or cause to be repaid, in full the unpaid balance of the principal amount of the $310,000,000 Notes together with all accrued and unpaid interest thereon (the "NOTE REPAYMENT AMOUNT") to UIPI either by the delivery of cash or, as described below, Liberty 2009 Notes, or such other form of consideration as may be acceptable to United. Upon receipt of the Note Repayment Amount or, if earlier, upon the assumption by New United of the obligations represented by the $310,000,000 Notes, United shall irrevocably release, and shall cause each of its Controlled Affiliates that is a beneficiary of Liberty Media's guaranty of the repayment of the indebtedness evidenced by the $310,000,000 Notes (the "LIBERTY GUARANTY") to irrevocably release, Liberty from all of its obligations under the Liberty Guaranty. Notwithstanding anything contained in the December 7 Letter Agreement, the $310,000,000 Notes or the Liberty Guaranty and except as contemplated by the Notes Tender Letter Agreement, (i) the balance of the indebtedness evidenced by the $310,000,000 Notes shall not be due and payable until the Closing Date or such later date as may be acceptable to United or as contemplated by the Notes Tender Letter Agreement; provided, however, that if this Agreement is terminated without the occurrence of the Closing, then, except as contemplated by the Notes Tender Letter Agreement, the balance of such indebtedness will be due and payable in cash on the date of termination of this Agreement or such later date as may be acceptable to United, (ii) prior to the Closing, Liberty Argentina may assign the $310,000,000 Notes, in whole or in part, to Liberty and (iii) Liberty may repay, or cause to be repaid, the balance of the indebtedness evidenced by the $310,000,000 Notes, in whole or in part, by the delivery of Liberty 2009 Notes, or such other form of consideration as may be acceptable to United or as contemplated by the Notes Tender Letter Agreement, to UIPI at the Closing or such later date as may be acceptable to United or as contemplated by the Notes Tender Letter Agreement. If Liberty repays, or causes to be repaid, any or all of the balance of the indebtedness evidenced by the $310,000,000 Notes by the delivery of Liberty 2009 Notes, (A) such Liberty 2009 Notes shall (1) except as set forth herein, be substantially identical to Liberty's Senior Notes, due 2009, that were originally issued on July 7, 1999 (the "EXISTING LIBERTY NOTES"), (2) not, when delivered to UIPI, be registered pursuant to the Securities Act, (3) be issued with an aggregate principal amount equal to the portion of the Note Repayment Amount that is being repaid by delivery of such Liberty 2009 Notes, and (4) bear interest on the principal amount thereof at a rate per annum equal to the market yield on the Existing Liberty Notes as of the date such Liberty 2009 Notes are delivered to UIPI (determined in the manner set forth on SCHEDULE 2.3), and (B) Liberty, United and UIPI shall, in connection with any such delivery of Liberty 2009 Notes, enter into a registration rights agreement with respect to the Liberty 2009 Notes in the form attached hereto as

EXHIBIT 2.3 (the "LIBERTY 2009 NOTES REGISTRATION RIGHTS AGREEMENT").

(b) (i) United shall not and shall cause each of its Subsidiaries at any time holding Liberty 2009 Notes not to, transfer any Liberty 2009 Notes to any Person other than a Person that is a wholly owned Subsidiary of United without first complying with the provisions of this Section 2.3(b). If United or a United Subsidiary holding any Liberty 2009 Notes (the "NOTES HOLDER") desires to transfer any Liberty 2009 Notes to a Person that is not a wholly owned Subsidiary of United, such Notes Holder shall first deliver written notice to Liberty by telecopy (a "LIBERTY NOTICE") on the fifth Business Day prior to the date on which the Notes

Holder intends to transfer such Liberty 2009 Notes (the "TRANSFER DATE"), setting forth the number of Liberty 2009 Notes such Notes Holder intends to transfer on the Transfer Date (expressed as an aggregate principal amount) and setting forth a time on the Transfer Date at which the Notes Holder will deliver the Offer Notice telephonically as described in the following sentence, which time shall be after 7:00 a.m. and prior to 8:00 a.m. (in each case, Denver, Colorado time). On the Transfer Date, at the time set forth in the Liberty Notice, the Notes Holder shall telephonically offer (the "OFFER NOTICE") to sell Liberty a number of Liberty 2009 Notes (expressed as an aggregate principal amount) equal to the number of Liberty 2009 Notes set forth in the Liberty Notice (the "OFFERED NOTES"), free and clear of all Liens and Restrictions, for cash in an amount per Liberty 2009 Note specified by the Notes Holder (expressed as a percentage of the principal amount of each Liberty 2009 Note so offered).

(ii) If Liberty desires to purchase all, but not less than all, of the Offered Notes, Liberty may accept such Offer Notice by notifying the Notes Holder telephonically at the telephone number specified in the Offer Notice at or prior to 10:00 a.m. (Denver, Colorado time) on the Transfer Date of its intention to purchase the Offered Notes (the "PURCHASED NOTES") for a cash purchase price per Purchased Note as set forth in the Offer Notice (the "ACCEPTANCE NOTICE"). The telephonic delivery of a timely Acceptance Notice shall constitute a binding obligation of Liberty and the Notes Holder. Liberty and the Notes Holder shall, on the Transfer Date and promptly following the telephonic delivery of an Acceptance Notice, execute and deliver a customary agreement for the purchase and sale of the Purchased Notes, which agreement shall contain representations and warranties on the part of the Notes Holder that the Purchased Notes are, and will be at the closing of the sale of the Purchased Notes to Liberty, owned by such Notes Holder, beneficially and of record, and are not, and at the time of such closing will not be, subject to any Liens or Restrictions whatsoever. The sale of the Purchased Notes to Liberty shall be consummated on the third Business Day following the Transfer Date.

(iii) If Liberty does not telephonically deliver an Acceptance Notice to the Notes Holder agreeing to purchase all of the Offered Notes, the Notes Holder may, on the Transfer Date, sell all, but not less than all, the Offered Notes for a cash purchase price per Offered Note that is no less than the purchase price per Offered Note set forth in the Offer Notice to a bona fide third party. Any sale of Offered Notes pursuant to the previous sentence shall be consummated no later than the third Business Day following the Transfer Date. If the Notes Holder does not sell the Offered Notes on the Transfer Date or does not consummate the sale thereof on or before the third Business Day following the Transfer Date, the Offered Notes may not be transferred without again complying with the procedures set forth in this Section 2.3(b).

2.4 CERTAIN ADJUSTMENTS. If at any time after the Original Agreement Date United or New United effects any stock dividend, stock split, reverse stock split, recapitalization or reclassification affecting the shares of its common stock or preferred stock of any class or series, or otherwise effects any transaction that changes such shares into any other securities (including securities of another entity) or effects any other dividend or distribution (other than a normal cash dividend payable out of current or retained earnings) on such shares, then the exchange ratios (including the number and kind of shares) set forth in this Agreement for any transaction not consummated prior to such event will, as appropriate, be adjusted to reflect such event.

2.5 UNITED/NEW UNITED MERGER.

(a) Simultaneously with the execution and delivery of this Agreement, United, New United and United/New United Merger Sub have entered into an Amended and Restated Agreement and Plan of Merger, dated the Amendment Date, a copy of which is attached hereto as EXHIBIT 2.5(a) (the "UNITED/NEW UNITED MERGER AGREEMENT"). As described in Section 2.2, subject to and upon the terms and conditions of the United/New United Merger Agreement, at the Closing, United/New United Merger Sub shall, and New United and United shall cause United/New United Merger Sub to, merge with and into United in accordance with the provisions of the Delaware General Corporation Law (the "DGCL") (the "UNITED/NEW UNITED MERGER"), the separate corporate existence of United/New United Merger Sub shall cease and United shall continue as the surviving entity in the United/New United Merger (the "SURVIVING ENTITY").

(b) By virtue of the United/New United Merger, at the Effective Time:

(i) all of the shares of United Series E Preferred Stock outstanding immediately prior to the effective time of the United/New United Merger (the "EFFECTIVE TIME") shall be converted into and represent the right to receive, and shall be exchangeable for, an aggregate of 1,500 shares of the Class A Common Stock, par value US $0.01 per share, of the Surviving Entity ("SURVIVING ENTITY CLASS A STOCK");

(ii) each share of United Class A Stock outstanding immediately prior to the Effective Time shall be converted into and represent the right to receive, and shall be exchangeable for, one share (the "EXCHANGE RATIO") of the Class A Common Stock, par value US $0.01 per share, of New United ("NEW UNITED CLASS A STOCK") and each share of United Class B Stock outstanding immediately prior to the Effective Time shall be converted into and represent the right to receive and be exchangeable for, one share of New United Class A Stock;

(iii) each share of United Series B Preferred Stock outstanding immediately prior to the Effective Time shall be converted into and represent the right to receive, and shall be exchangeable for, a number of shares of New United Class A Stock equal to the

number of shares of United Class A Stock that the holder of such share of United Series B Preferred Stock would have received in respect of such share if such holder had converted such share into shares of United Class A Stock immediately prior to the United/New United Merger;

(iv) each share of United Series C Preferred Stock outstanding immediately prior to the Effective Time shall be converted into and represent the right to receive, and shall be exchangeable for, a number of shares of New United Class A Stock equal to the number of shares of United Class A Stock that the holder of such share of United Series C Preferred Stock would have received in respect of such share if such holder had converted such share into shares of United Class A Stock immediately prior to the United/New United Merger and assuming for such purpose that United had elected to pay any accumulated and unpaid dividends thereon by the issuance of shares of United Class A Stock as contemplated by the Certificate of Designation for the United Series C Preferred Stock;

(v) each share of United Series D Preferred Stock outstanding immediately prior to the Effective Time shall be converted into and represent the right to receive, and shall be exchangeable for, a number of shares of New United Class A Stock equal to the number of shares of United Class A Stock that the holder of such share of United Series D Preferred Stock would have received in respect of such share if such holder had converted such share into shares of United Class A Stock immediately prior to the United/New United Merger and assuming for such purpose that United had elected to pay any accumulated and unpaid dividends thereon by the issuance of shares of United Class A Stock as contemplated by the Certificate of Designation for the United Series D Preferred Stock;

PROVIDED, HOWEVER, that each share of United Class A Stock, United Class B Stock, United Series B Preferred Stock, United Series C Preferred Stock and United Series D Preferred Stock that immediately prior to the Effective Time is held by New United or that is held by United in treasury shall be canceled and retired without payment of any consideration therefor and without any conversion thereof into New United Class A Stock. The rights, privileges, powers and preferences of the New United Class A Stock, New United Class B Stock and New United Class C Stock will be as provided in the New United Charter and New United By-laws which shall continue in effect following the United/New United Merger; PROVIDED THAT, effective immediately upon the Effective Time, the New United Charter shall be amended to change the name of New United to "UnitedGlobalCom, Inc."

(c) At the Effective Time, all outstanding options to purchase shares of United Class A Stock or United Class B Stock (which options to purchase shares of United Class B

Stock shall consist solely of Class B Options) under a United Stock Option Plan or any other contract, all of which are listed in Section 2.5(c) of the United Disclosure Schedule, shall remain outstanding, be assumed by New United and thereafter be exercisable, at the same per share exercise price and pursuant to the same terms and conditions, including vesting conditions, for a number of shares of New United Class A Stock or New United Class B Stock, as applicable, equal to the number of shares of United Class A Stock or United Class B Stock for which such option was exercisable immediately prior to the Effective Time.

(d) At the Effective Time, all of the shares of United/New United Merger Sub's Class B Common Stock, par value US $0.01 per share ("UNITED/NEW UNITED MERGER SUB CLASS B STOCK"), and Class C Common Stock, par value US $0.01 per share ("UNITED/NEW UNITED MERGER SUB CLASS C STOCK"), outstanding immediately prior to the Effective Time and held by New United shall be converted into and represent the right to receive, and shall be exchangeable for, respectively, an aggregate of 1,500 shares of the Class B Common Stock, par value US $0.01 per share, of the Surviving Entity ("SURVIVING ENTITY CLASS B STOCK") and 300,000 shares of the Class C Common Stock, par value US $0.01 per share, of the Surviving Entity ("SURVIVING ENTITY CLASS C STOCK").

(e) As of and following the Effective Time, the Certificate of Incorporation and By-laws of the Surviving Entity shall be as set forth on EXHIBITS 2.5(e)-1 and 2.5(e)-2, respectively (respectively, the "SURVIVING ENTITY CHARTER" and the "SURVIVING ENTITY BY-LAWS"). The rights, privileges, powers and preferences of the Surviving Entity Class A Stock, Surviving Entity Class B Stock and Surviving Entity Class C Stock shall, from and after the Effective Time, be as provided in the Surviving Entity Charter and the Surviving Entity Bylaws.

(f) The terms of the foregoing exchanges (including the exchange rates) shall, as appropriate, be subject to adjustment as set forth in Section 2.4 for events occurring after the Original Agreement Date and prior to the Effective Time.

(g) As of and following the Effective Time, until their successors are duly elected or appointed in accordance with the New United Charter, the New United By-laws and the Voting Agreement, the directors, executive officers and certain other officers of New United will be as set forth on SCHEDULE 2.5(g).

(h) No fractional shares of New United Class A Stock shall be

issued in the United/New United Merger. In lieu of any fractional shares, each holder of shares of United Preferred Stock who would otherwise have been entitled to a fraction of a share of New United Class A Stock as a result of the United/New United Merger will be paid by New United an amount in cash (without interest) as described in the United/New United Merger Agreement.

ARTICLE III

[RESERVED]

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF LIBERTY MEDIA, LIBERTY GLOBAL AND LMI

Each of the Liberty Parties, severally and not jointly, as to itself and the assets, if any, being transferred by such Liberty Party pursuant hereto only, represents and warrants to the other parties hereto, as follows, with all such representations and warranties that speak in the present tense or refer to "the date hereof" or similar terms being deemed to be made as of the Original Agreement Date:

4.1 ORGANIZATION, GOOD STANDING AND AUTHORITY. Such Liberty Party (i) is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation, (ii) has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now being conducted and (iii) is duly qualified or licensed and in good standing to do business in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary, except where the failure to be so qualified or licensed and in good standing has not had and is not reasonably likely to have (1) a Material Adverse Effect on the assets being transferred by the Liberty Parties pursuant hereto, taken as a whole, or (2) a material adverse effect on the ability of the Liberty Parties to perform their respective obligations under, and to consummate the transactions contemplated by, this Agreement and the other Transaction Documents (each of clauses (1) and (2) above, a "LIBERTY MATERIAL ADVERSE EFFECT").

4.2 POWER; AUTHORIZATION AND VALIDITY; CONSENTS; NO CONFLICTS. Such Liberty Party has all requisite corporate power and authority to enter into and perform its obligations under this Agreement and each Transaction Document to be executed and delivered by it pursuant to this Agreement. The execution and delivery by such Liberty Party of and, subject to the satisfaction of the conditions set forth in this Agreement, the performance by it of its obligations under, this Agreement and each Transaction Document to which it is or will be a party have been duly authorized by all requisite corporate action of such Liberty Party. This Agreement has been, and each of the other Transaction Documents to be executed and delivered by such Liberty Party will be at or prior to the Closing, duly executed and delivered by such Liberty Party, and assuming the due execution and delivery by each other party hereto and thereto (other than another Liberty Party), this Agreement constitutes, and when executed and delivered by such Liberty Party pursuant to this Agreement, each Transaction Document to which such Liberty Party is a party will constitute, the legal, valid and binding obligation of such Liberty Party enforceable in accordance with its terms, except as such enforceability may be affected by applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally or by general equitable principles. Except for the requirements under the HSR Act and except for any required notices, Filings, consents, approvals or waivers set forth on Section 4.2 of the Liberty Disclosure Schedule and except for the required filing with and clearance from the Mexican Competition Commission (the "REQUIRED LIBERTY CONSENTS"), no consent, approval or

waiver of, notice to, or Filing with, any other Person is required, on behalf of such Liberty Party in connection with the execution, delivery or performance by such Liberty Party of this Agreement or by such Liberty Party of any of the other Transaction Documents to which it is a party, or the consummation of the transactions contemplated hereby and thereby, the failure of which to be obtained, given or made, individually or in the aggregate, would have a Liberty Material Adverse Effect. Except as set forth on Section 4.2 of the Liberty Disclosure Schedule, the execution and delivery by such Liberty Party of this Agreement and the other Transaction Documents to which they or any of them are parties do not, and the performance by such Liberty Party, of their respective obligations under this Agreement and the other Transaction Documents to which they or any of them are parties will not, (i) violate or conflict with any provision of the certificate of incorporation or bylaws of such Liberty Party, (ii) assuming that the Required Liberty Consents of Governmental Authorities are obtained, violate any of the terms, conditions or provisions of any Law, License or Judgment to which such Liberty Party is subject or by which any of the foregoing or their respective assets are bound, except that no representation is made with respect to any foreign Law of any jurisdiction in which Liberty does not, directly or through a Subsidiary, own assets or engage in business, or (iii) assuming that the Required Liberty Consents are given, made and obtained, result in a violation or breach of, or (with or without the giving of notice or lapse of time or both) constitute a default (or give rise to any right of termination, cancellation, acceleration, repurchase, prepayment or repayment or to increased payments) under or give rise to or accelerate any material obligation (including any obligation to, or to offer to, repurchase, prepay, repay or make increased payments) or result in the loss or modification of any material benefit under, or result in a Lien or Restriction on any of the assets of such Liberty Party being contributed pursuant to this Agreement pursuant to any Contract to which such Liberty Party is a party or by which such Liberty Party or any of its assets is bound, except in the case of any Law (other than Delaware law), License or Judgment referred to in clause (ii) and any Contract referred to in clause (iii), as would not, individually or in the aggregate, have a Liberty Material Adverse Effect.

4.3 BROKERS' AND FINDERS' FEES. There is no broker, finder, investment banker or similar intermediary which has been retained by, or is authorized to act on behalf of, any Liberty Party or any of its Subsidiaries or any of their respective officers or directors who will be entitled to any fee or commission in connection with this Agreement or upon consummation of the transactions contemplated hereby.

4.4 LEGAL PROCEEDINGS. There is no Judgment outstanding, or any Legal Proceeding by or before any Governmental Authority or any arbitrator pending or, to such Liberty Party's knowledge, threatened in writing, against such Liberty Party that, individually or in the aggregate, could reasonably be expected to have a Liberty Material Adverse Effect. Section 4.4 of the Liberty Disclosure Schedule identifies certain Legal Proceedings pending or threatened

against the Liberty Parties and/or their respective Subsidiaries.

4.5 OWNERSHIP OF UNITED CLASS B STOCK. Liberty Global is the record and beneficial owner of 9,859,336 shares of United Class B Stock, free and clear of all Liens and Restrictions, except as set forth in Section 4.5 of the Liberty Disclosure Schedule or as may be or have been created by this Agreement or the other Transaction Documents or by United or any of its Affiliates and except for restrictions on transfer under federal or state securities laws.

4.6 [Reserved.]

4.7 BELMARKEN NOTES. Liberty Media, through its ownership of Liberty Sub, owns the Belmarken Notes or the proceeds of any payments thereunder and its rights under the Belmarken Loan Agreements, free and clear of all Liens and Restrictions, other than as may have been created by the Belmarken Loan Agreements, this Agreement or the other Transaction Documents, or by United or any of its Controlled Affiliates, except as may arise out of or in connection with, or result from, a Restructuring Transaction and except for restrictions on transfer under federal or state securities laws or applicable local laws.

4.8 [Reserved.]

4.9 INVESTMENT INTENT. Such Liberty Party is acquiring shares of New United Class C Stock pursuant to this Agreement for investment purposes only and acknowledges that such shares may not be sold without registration under the Securities Act and applicable state securities laws, unless an exemption therefrom is available.

4.10 REGISTRATION STATEMENT; PROXY STATEMENT. The information supplied by such Liberty Party in writing expressly for the purpose of inclusion in the Registration Statement and the Proxy Statement shall not at the time the Registration Statement is declared effective by the Commission, on the date the Proxy Statement is first mailed to the stockholders of United, at the time of the United Stockholders Meeting or on the Closing Date contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

4.11 LIBERTY UPC BONDS. Liberty Media or one or more of its Affiliates is the record and beneficial owner of the Liberty UPC Bonds, free and clear of all Liens and Restrictions, other than as may have been created by this Agreement or the other Transaction Documents or by United or any of its Controlled Affiliates, except as may arise out of or in connection with, or result from, a Restructuring Transaction and except for restrictions on transfer under federal or state securities laws or applicable local laws. SCHEDULE 1.1 contains a correct and complete description of the number and type of Liberty UPC Bonds held by Liberty Media and its Controlled Affiliates as of the date hereof and, as of November 30, 2001, the Liberty UPC Bond Cost.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE FOUNDERS

Each Founder, severally and not jointly, represents and warrants to the Liberty Parties as follows, with all such representations and warranties that speak in the present tense or refer to "the date hereof" or similar terms being deemed to be made as of the Original Agreement Date:

5.1 ORGANIZATION, GOOD STANDING AND AUTHORITY. If such Founder is not a natural person, such Founder is (i) duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (ii) has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted and (iii) is duly qualified or licensed and in good standing to do business in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary, except in each case where the failure to be in good standing, to have such power and authority or to be so qualified or licensed and in good standing has not had and is not reasonably likely to have (1) a Material Adverse Effect on the applicable Founder Newco or (2) a material adverse effect on the ability of such Founder or Founder Newco to perform his or its respective obligations under, and to consummate the transactions contemplated by, this Agreement and the other Transaction Documents (each of clauses (1) and (2) above, a "FOUNDER MATERIAL ADVERSE EFFECT"). To the knowledge of such Founder there are no voting trusts, proxies or other agreements or understandings with respect to the voting of the capital stock or ownership interests of United, other than the agreements listed in Section 5.1 of the Founder Disclosure Schedule, true and complete copies of which have been provided to the Liberty Parties.

5.2 POWER; AUTHORIZATION AND VALIDITY; CONSENTS; NO CONFLICTS. Such Founder, in the case of a natural person, has all requisite legal capacity and, in the case of a Founder that is not a natural person, has all requisite power and authority, in each case to enter into and perform his or its obligations under this Agreement and each Transaction Document to be executed and delivered by him or it pursuant to this Agreement. The execution and delivery by such Founder of, and, subject to the satisfaction of the conditions set forth in this Agreement, the performance of his or its obligations under, this Agreement and each Transaction Document to which he or it is or will be a party have been duly authorized by all requisite action of such Founder. This Agreement has been duly executed and delivered by such Founder and, assuming the due execution and delivery by each Liberty Party, as applicable, this Agreement constitutes, and when executed and delivered by such Founder pursuant to this Agreement, each Transaction Document to which such Founder is a party will constitute, the legal, valid and binding obligation of such Founder, enforceable in accordance with its terms, except as such enforceability may be affected by applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally or by general equitable principles. Except for the filing of the certificate of formation for the applicable Founder Newco, and any required notices, Filings, consents, approvals or waivers set forth on Section 5.2 of the Founder Disclosure Schedule (the "REQUIRED FOUNDER CONSENTS"), no consent, approval or waiver of, notice to, or Filing with, any other Person is required, on behalf of such Founder or the applicable Founder Newco in connection with the execution, delivery or performance by such Founder of this Agreement or any of the other Transaction Documents to which such Founder is a party, or the consummation of the transactions contemplated hereby and thereby, the failure of which to be obtained, given or made, individually or in the aggregate, would have a Founder Material Adverse Effect or United Material Adverse Effect. Except as set forth on Section 5.2 of the Founder Disclosure Schedule, the execution and delivery by such Founder and the applicable Founder Newco, as applicable, of this Agreement and the other Transaction Documents to which such Founder or Founder Newco is a party do not, and the performance by such Founder or Founder Newco of his or its obligations under this Agreement and

the other Transaction Documents to which such Founder or Founder Newco is a party will not, (i) in the case of each

Founder Newco and in the case of a Founder that is not a natural person, violate such Founder Newco's or Founder's certificate or articles of incorporation or formation, bylaws, trust agreement, operating agreement, limited liability company agreement or other equivalent organizational document, (ii) violate any of the terms, conditions or provisions of any Law, License or Judgment to which such Founder or Founder Newco is subject or by which such Founder or Founder Newco or his or its assets are bound, except that no representation is made with respect to any foreign Law of any jurisdiction in which United does not, directly or through a Subsidiary, own assets or engage in business, or (iii) assuming that the Required Founder Consents are given, made and obtained, result in a violation or breach of, or (with or without the giving of notice or lapse of time or both) constitute a default (or give rise to any right of termination, cancellation or acceleration) under, or result in a Lien on any of the assets of such Founder or Founder Newco pursuant to any Contract to which such Founder or Founder Newco is a party or by which such Founder or Founder Newco or any of his or its assets is bound, except in the case of any Law (other than Delaware law), License or Judgment referred to in clause (ii) and any Contract referred to in clause (iii), as would not have a Founder Material Adverse Effect or United Material Adverse Effect.

5.3 FOUNDER NEWCOS. On the Closing Date, the Founder Newco to be formed by such Founder pursuant to Section 2.1(a) will (a) be a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Delaware, (b) have all requisite power and authority to own its properties and conduct its business, (c) be the record and beneficial owner of a number of shares of United Common Stock equal to the number of Founder Shares set forth next to such Founder's name on SCHEDULE 2.1(a) (such shares consisting of shares of United Class B Stock and shares of United Class A Stock issued upon conversion of shares of United Class B Stock pursuant to the last sentence of Section 2.1(a)) (together with all dividends and distributions paid with respect to the Founder Shares after the date hereof and the right to receive all unpaid dividends and distributions declared or otherwise payable with respect to such shares of United Common Stock, and associated stock purchase rights, if any), free and clear of all Liens and Restrictions except as set forth on Section 5.7 of the Founder Disclosure Schedule (each of which Liens and Restrictions shall be fully and unconditionally released prior to or simultaneous with the Founder Newco Mergers, as set forth in Section 2.2(b)) or as may be or have been created by this Agreement or the other Transaction Documents or by New United, United or any of their respective Controlled Affiliates, (d) have all requisite power and authority to execute and deliver and perform its obligations under the applicable Founder Newco Merger Agreement and to consummate the transactions contemplated thereby and (e) will have duly executed and delivered the applicable Founder Newco Merger Agreement. At all times from the formation of the Founder Newco to be formed by such Founder pursuant to Section 2.1(a) until the Closing, (x) no Person other than such Founder shall own any equity interest whatsoever in such Founder Newco, (y) such Founder shall own all the limited liability company membership interests in such Founder Newco free and clear of any Liens and Restrictions, except as may be or have been created by this Agreement and except for its obligations under the applicable Founder Newco Merger Agreement, and (z) such Founder Newco shall have no assets other than the shares of United Class A Stock and United Class B Stock, dividends and distributions paid or made with respect to the Founder Shares after the date hereof, rights to receive all unpaid dividends or distributions declared or otherwise payable with respect to such shares of United Common Stock, and associated rights referred to in clause (c) of the previous sentence, and no

liabilities or obligations, known or unknown, whether absolute, accrued, fixed, contingent or otherwise, except for its obligations under the applicable Founder Newco Merger Agreement.

5.4 BROKERS' AND FINDERS' FEES. There is no broker, finder, investment banker or similar intermediary that has been retained by, or is authorized to act on behalf of, any Founder or any officer, director or trustee thereof who will be entitled to any fee or commission in connection with this Agreement or upon consummation of the transactions contemplated hereby.

5.5 INFORMATION. Such Founder has been given full access to and ample opportunity to review such financial and other information concerning the transactions contemplated by this Agreement as he or it has deemed necessary to make an informed investment decision and acknowledges that each other party has afforded it the opportunity to make inquiries and obtain information from the other parties hereto and their respective representatives and advisors.

5.6 LEGAL PROCEEDINGS. There is no Judgment outstanding, or any Legal Proceeding by or before any Governmental Authority or any arbitrator pending, or to such Founder's knowledge, threatened in writing, against such Founder or the applicable Founder Newco that, individually or in the aggregate, could reasonably be expected to have a Founder Material Adverse Effect or a United Material Adverse Effect.

5.7 OWNERSHIP OF UNITED CLASS B STOCK AND NEW UNITED CLASS B STOCK. Such Founder is the record and beneficial owner of the number of shares of United Class B Stock set forth next to such Founder's name on SCHEDULE 2.1(a), and after giving effect to the transactions contemplated hereby will be the record and beneficial owner of the equivalent number of shares of New United Class B Stock, in each case free and clear of all Liens and Restrictions, except as set forth in Section 5.7 of the Founder Disclosure Schedule or as may be or have been created by this Agreement or the other Transaction Documents or by United or any of its Controlled Affiliates and except for restrictions on transfer under federal or state securities laws.

5.8 INVESTMENT INTENT. Such Founder is acquiring shares of New United Class B Stock pursuant to this Agreement for investment purposes only and acknowledges that such shares may not be sold without registration under the Securities Act and applicable state securities laws, unless an exemption therefrom is available.

5.9 REGISTRATION STATEMENT; PROXY STATEMENT. The information supplied by such Founder in writing expressly for the purpose of inclusion in the Registration Statement and the Proxy Statement shall not at the time the Registration Statement is declared effective by the Commission, on the date the Proxy Statement is first mailed to the stockholders of United, at the time of the United Stockholders Meeting or on the Closing Date contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

ARTICLE VI

6.1 REPRESENTATIONS AND WARRANTIES OF UNITED. United hereby represents and warrants to the Liberty Parties and New United as follows, with all such representations and warranties that speak in the present tense or refer to "the date hereof" or similar terms being deemed to be made as of the Original Agreement Date:

(a) ORGANIZATION, GOOD STANDING AND AUTHORITY. United (i) is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, (ii) has all requisite corporate power and authority to own, lease and operate its properties and carry on its business as now being conducted, and (iii) is duly qualified or licensed and in good standing to do business in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary, except where the failure to be so duly qualified or licensed and in good standing, individually or in the aggregate, would not have (1) a Material Adverse Effect on United and its Subsidiaries, taken as a whole (or, after giving effect to the United/New United Merger, the Surviving Entity and its Subsidiaries, taken as a whole), or (2) a material adverse effect on the ability of United or New United to perform its obligations under, and consummate the transactions contemplated by, this Agreement and the other Transaction Documents (each of clauses (1) and (2) above, a "UNITED MATERIAL ADVERSE EFFECT"). True and complete copies of the certificate of incorporation and bylaws of United, each as amended to date, have been filed with the Commission as exhibits to the United Commission Filings. United is not in violation of any of the provisions of its certificate of incorporation, bylaws or other equivalent organizational document.

(b) CAPITALIZATION AND OWNERSHIP.

(i) As of the date hereof, the total authorized shares of capital stock of United consists solely of 210,000,000 shares of United Class A Stock, 30,000,000 shares of United Class B Stock and 3,000,000 shares of Preferred Stock, par value US $0.01 per share (the "UNITED PREFERRED STOCK") (of which 139,031 shares have been designated as Convertible Preferred Stock, Series B (the "UNITED SERIES B PREFERRED STOCK"), 425,000 shares have been designated as 7% Series C Senior Cumulative Convertible Preferred Stock (the "UNITED SERIES C PREFERRED STOCK") and 287,500 shares have been designated as 7% Series D Senior Cumulative Convertible Preferred Stock (the "UNITED SERIES D PREFERRED STOCK")). The Board of Directors of United has duly authorized the creation of a new series of United Preferred Stock, consisting of 1,500 authorized shares of United Preferred Stock designated the Series E Preferred Stock ("UNITED SERIES E PREFERRED STOCK"). A true and complete copy of the Certificate of Designation to establish the United Series E Preferred Stock is attached hereto as Exhibit 6.1(b) (the "SERIES E CERTIFICATE OF DESIGNATION"). As of August 31, 2001, 86,030,256 shares of United Class A Stock (including 5,569,240 shares of United Class A Stock held by UPC, but not including 35,708 shares of United Class A Stock held by United as treasury shares), 19,027,134 shares of United Class B Stock, 113,983 shares of United Series B Preferred Stock, 425,000 shares

of United Series C Preferred Stock and 287,500 shares of United Series D Preferred Stock were issued and outstanding. All of the outstanding shares of United Class A Stock, United Class B Stock and United Preferred Stock are duly authorized, validly issued, fully paid and nonassessable and are free and clear of any Lien or Restriction, except for Liens and Restrictions created by the holders thereof and restrictions on transfer arising under federal or state securities laws. No shares of United Series E Preferred Stock will be issued except pursuant to the Subscription Agreements as required by Section 2.1(c). Each share of United Series E Preferred Stock, when issued in accordance with the Subscription Agreements, will be duly authorized, validly issued, fully paid and nonassessable and will be free and clear of any Lien or Restriction, except pursuant to this Agreement and the other Transaction Documents and except for restrictions on transfer arising under federal or state securities laws. There are no other outstanding shares of capital stock or other securities or ownership interests of United other than shares of United Class A Stock issued after August 31, 2001 (i) upon conversion of shares of Class B Stock or United Preferred Stock outstanding at August 31, 2001, (ii) paid as dividends on shares of United Series C Preferred Stock or United Series D Preferred Stock in accordance with their terms or (iii) upon the exercise of options outstanding on such date as described in the immediately following sentence that were issued under United's Stock Option Plans for Non-Employee Directors and United's 1993

Stock Option Plan (collectively, the "UNITED STOCK OPTION PLANS," which term in the case of the 1993 Stock Option Plan will include the proposed amendment to such plan in the form set forth in Paragraph A. of Section 6.1(b) of the United Disclosure Schedule if adopted by the stockholders of United at the United Stockholders Meeting; provided, however, that notwithstanding anything to the contrary in Paragraph A. of Section 6.1(b) of the United Disclosure Schedule, the parties agree that the proposed amendment to the 1993 Stock Option Plan shall provide for an increase in the number of shares of United Common Stock reserved for issuance under such plan to 39,200,000 shares (no more than 3,000,000 shares of which shall be United Class B Stock) and an increase in the maximum number of shares of United Common Stock subject to options that may be granted to any one participant under that plan in a single calendar year to 5,000,000 shares; and which term in the case of the Stock Option Plans for Non-Employee Directors, will include a proposed amendment to United's 1998 Stock Option Plan for Non-Employee Directors to provide for an increase in the number of shares of United Class A Stock reserved for issuance under such plan to 3,000,000 shares if adopted by the stockholders of United at the

United Stockholders Meeting) and options issued after such date under such United Stock Option Plans in compliance with Section 7.1(h) of this Agreement. As of August 31, 2001, United had reserved (i) 5,496,651 shares of United Class A Stock for issuance upon exercise of outstanding options issued pursuant to the United Stock Option Plans and (ii) 1,377,886 shares of United Class A Stock for issuance upon exercise of stock options that as of such date remained available for grant under the United Stock Option Plans. Other than the options outstanding at August 31, 2001 described above or permitted to be granted thereafter as provided in Section 7.1(h) or as described in Paragraph C. of Section 6.1(b) of the United Disclosure Schedule or shares of United Class B Stock and United Preferred Stock outstanding at August 31, 2001 that may be converted into shares of United Class A Stock, there are no outstanding subscriptions, options, warrants, puts, calls, trusts (voting or otherwise), rights, exchangeable or convertible securities or other commitments or agreements of any nature relating to the capital stock or other securities or ownership interests of United (including any phantom shares, phantom equity interests or stock or equity appreciation rights) or obligating United, at any time or upon the happening of any event, to issue, transfer, deliver, sell, repurchase, redeem or otherwise acquire, or cause to be issued, transferred, delivered, sold, repurchased, redeemed or otherwise acquired, any of its capital stock or any phantom shares, phantom equity interests or stock or equity appreciation rights, or other ownership interests of United or obligating United to grant, extend or enter into any such subscription, option, warrant, put, call, trust, right, exchangeable or convertible security, commitment or agreement. Without limiting the generality of the foregoing (x) since June 25, 2000 United has not issued, granted or sold, or agreed to issue, grant or sell, any shares of United Class B Stock, any other High Vote Securities or any Rights to acquire any of the foregoing and (y) from the date of this Agreement until the Closing Date or the earlier termination of this Agreement, United shall not issue, grant or sell, or agree to issue, grant or sell, any shares of United Class B Stock, any other High Vote Securities or any Rights to acquire any of the foregoing, other than the Class B Options, as defined in Paragraph B.2. of Section 6.1(b) of the United Disclosure Schedule (the "CLASS B OPTIONS"), which Class B Options shall, if granted, have been granted in accordance with Section 7.1(h). Except for the agreements listed in Section 5.1 of the Founder Disclosure Schedule, to the knowledge of United, there are no voting trusts, proxies or other agreements or understandings with respect to the voting of the capital stock or ownership interests of United.

(ii) The total authorized shares of capital stock of the Surviving Entity from and after the Closing will consist solely of 1,500 shares of Surviving Entity Class A Stock, 1,500 shares of Surviving Entity Class B Stock, 301,500 shares of Surviving Entity Class C Stock, 139,031 shares of Convertible Preferred Stock, Series B, par value $0.01 per share, 425,000 shares of 7% Series C Senior Cumulative Convertible Preferred Stock, par value $0.01 per share, and 287,500 shares of 7% Series D Senior Cumulative Convertible Preferred Stock, par value $0.01 per share. As of immediately following the Closing, there will be no issued and outstanding shares of capital stock or other securities or ownership interests of the Surviving Entity other than 1,500 shares of Surviving Entity Class A Stock, 1,500 shares of Surviving Entity Class B Stock and 300,000 shares of Surviving Entity Class C Stock. Pursuant to the terms of the Surviving Entity Charter, the Surviving Entity may only issue shares of the Surviving Entity's preferred stock of any series if the Board of Directors of New United first approves such issuance by the vote specified in the New United Charter. The shares of Surviving Entity Class A Stock, Surviving Entity Class B Stock and Surviving Entity Class C Stock to be issued pursuant to this Agreement and the other Transaction Documents have been duly authorized, and, when issued, will be validly issued, fully paid, nonassessable, free of preemptive rights and free of Liens and Restrictions, other than Liens or Restrictions created by the holder thereof and restrictions on transfer under federal and state securities laws. To the knowledge of United, there are no voting trusts, proxies or other agreements or understandings with respect to the voting of the capital stock or ownership interests of the Surviving Entity (other than this Agreement and the other Transaction Documents). As of the Closing Date there will be no outstanding subscriptions, options, warrants, puts, calls, trusts (voting or otherwise), rights, exchangeable or convertible securities or other commitments or agreements (other than this Agreement and the other Transaction Documents) of any nature relating to the capital stock or other securities or ownership interests of the Surviving Entity (including any phantom shares, phantom equity interests or stock or equity appreciation rights) or obligating the Surviving Entity, at any time or upon the happening of any event, to issue, transfer, deliver, sell, repurchase, redeem or otherwise acquire, or cause to be issued, transferred, delivered, sold, repurchased, redeemed or otherwise acquired, any of its capital stock or any phantom shares, phantom equity interests or stock or equity appreciation rights, or other ownership interests of the Surviving Entity or obligating the Surviving Entity to grant, extend or enter into any such subscription, option, warrant, put,

call, trust, right, exchangeable or convertible security, commitment or agreement.

(c) POWER; AUTHORIZATION AND VALIDITY; CONSENTS; NO CONFLICTS.

(i) United and its applicable Subsidiaries each has all requisite power and authority to execute and deliver and perform its obligations under this Agreement and each other Transaction Document to be executed and delivered by it pursuant to this Agreement, and to consummate the transactions contemplated hereby and thereby. The execution and delivery by United or the applicable Subsidiary thereof of this Agreement and the other Transaction Documents to which it is or will be a party and, subject to the satisfaction of the conditions set forth in this Agreement, the consummation of the transactions contemplated hereby and thereby and the performance by it of its obligations hereunder and thereunder have been duly authorized by (x) the unanimous vote of the Board of Directors of United (excluding directors designated by Liberty Media), (y) the unanimous vote of the members of the Board of Directors of United who are not Founders, Permitted Transferees of a Founder, officers or directors or designees of Liberty Media or officers or directors of United, voting separately, and (z) except for the approval of the stockholders of United, all other requisite corporate action. This Agreement has been, and each of the other Transaction Documents to be executed and delivered by United and each applicable Subsidiary thereof will be at or prior to the Closing, duly and validly executed and delivered by United or the applicable Subsidiary, as the case may be. Assuming the due execution and delivery by

each Liberty Party, as applicable, this Agreement constitutes, and each of the other Transaction Documents when executed and delivered by United or the applicable Subsidiary thereof will constitute, the legal, valid and binding obligation of United or the applicable Subsidiary thereof, as the case may be, enforceable in accordance with its terms, except as such enforceability may be affected by applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally or by general equitable principles.

(ii) Except for the requirements under the HSR Act, the filing of the Certificate of Merger in connection with the United/New United Merger and any required notices, Filings, consents, approvals or waivers set forth in Paragraph A. of Section 6.1(c)(ii) of the United Disclosure Schedule that, as indicated on such Section of the United Disclosure Schedule as "Required United Consents," have not been obtained or made as of the date hereof (the "REQUIRED UNITED CONSENTS"), no consent, approval or waiver of, notice to, or

Filing with, any other Person is required on behalf of United or any of its Subsidiaries in connection with the execution, delivery or performance by United of this Agreement or by United or its applicable Subsidiaries, as the case may be, of any of the other Transaction Documents to which it is or will be a party, or the consummation of the transactions contemplated hereby or thereby (including the United/New United Merger), the failure of which to be obtained, given or made, individually or in the aggregate, would have a United Material Adverse Effect or a New United Material Adverse Effect. The execution and delivery of this Agreement and the other Transaction Documents by United and its applicable Subsidiaries do not, and the performance by United and its applicable Subsidiaries of their respective obligations hereunder and thereunder will not, (x) assuming the approval of United's stockholders described in Section 7.2 is obtained, violate or conflict with any provision of the certificate of incorporation, bylaws, operating agreement or other organizational or governing documents of United or any of its Subsidiaries, (y) assuming that the Required United Consents of Governmental Authorities are obtained, except as described in footnote 1 to Section 6.1(c)(ii) of the United Disclosure Schedule, violate any of the terms, conditions or provisions of any Law, License or Judgment to which United or any of its Subsidiaries is subject or by which any of the foregoing or any of their respective assets are bound, except that no representation is made with respect to any foreign Law of any jurisdiction in which United does not, directly or through a Subsidiary, own assets or engage in business, or (z) assuming that the Required United Consents are given, made and obtained, result in a violation or breach of, or (with or without the giving of notice or lapse of time or both) constitute a default (or give rise to any right of termination, cancellation, amendment, acceleration, repurchase, prepayment or repayment or to increased payments) under, or give rise to or accelerate any material obligation (including any obligation to, or to offer to, repurchase, prepay, repay or make increased payments) or result in the loss or modification of any material benefit under, or result in a Lien or Restriction on any of the assets of United or any of its Subsidiaries pursuant to, any note, bond, indenture, debenture, security agreement, trust agreement, lien, mortgage, lease, agreement, contract, license, franchise, permit, guaranty, joint venture agreement, or other agreement, instrument, understanding, commitment or obligation, oral or written (collectively "CONTRACTS"), to which United or any of its Subsidiaries is a party or by which United or any of its Subsidiaries or any of their respective assets is bound, except in the case of any Law (other than Delaware law), License or Judgment referred to in clause (y)

and any Contract (other than, for purposes of Article XV only, any Contract evidencing or securing any outstanding

indebtedness of United or any of its Subsidiaries or pursuant to which any such outstanding indebtedness was incurred) referred to in clause (z), as would not, individually or in the aggregate, have a United Material Adverse Effect or a New United Material Adverse Effect.

(d) BROKERS' AND FINDERS' FEES. Except for the amounts disclosed in Section 6.1(d) of the United Disclosure Schedule for which United will have sole responsibility and liability, there is no broker, finder, investment banker or similar intermediary that has been retained by, or is authorized to act on behalf of, United or any of its Subsidiaries or any of their respective officers or directors who will be entitled to any fee or commission in connection with this Agreement or upon consummation of the transactions contemplated hereby.

(e) LEGAL PROCEEDINGS. There is no Judgment outstanding or any Legal Proceeding by or before any Governmental Authority or any arbitrator pending or, to United's knowledge, threatened in writing against United or any of its Subsidiaries that, individually or in the aggregate, could reasonably be expected to have a United Material Adverse Effect. Section 6.1(e) of the United Disclosure Schedule identifies certain Legal Proceedings pending or threatened against United and/or its Subsidiaries. United has provided to Liberty Media true and complete copies of any notices or correspondence received by United or any of its subsidiaries or by United A/P or any of its subsidiaries from any Person since June 25, 2000 relating to any default, acceleration or breach of, or potential default, acceleration or breach of, or dispute regarding, any material Contract evidencing or securing any outstanding indebtedness of United or any of its subsidiaries or United A/P or any of its subsidiaries or pursuant to which any such outstanding indebtedness was incurred.

(f) SUBSIDIARIES AND AFFILIATES; ASSETS.

(i) Section 6.1(f)(i) of the United Disclosure Schedule (x) lists each direct and indirect Subsidiary of United and each Person in which United directly or indirectly through a Subsidiary owns an investment accounted for by the equity method (an "EQUITY AFFILIATE"), (y) except as set forth in the final sentence of the preambulatory language to Section 6.1(f)(i) of the United Disclosure Schedule, describes the number and kind of equity interests or securities, including interests or securities convertible into or exchangeable or exercisable for any equity interest or security, in each Subsidiary and Equity Affiliate owned directly or indirectly by United (each a "UNITED INVESTMENT") and (z) lists all material agreements to which United or any of its Subsidiaries are parties evidencing such equity interests or securities, pursuant to which such interests or securities are held, evidencing Restrictions (including Partner's Purchase Rights) affecting such interests or securities or entered into in connection with the acquisition of such interests or securities (unless all liabilities, obligations and commitments thereunder have been performed in full and there are

no remaining liabilities, obligations or commitments (actual, contingent or otherwise) thereunder) (the "UNITED INVESTMENT AGREEMENTS"). True and complete copies of the United Investment Agreements have been provided to Liberty Media. With respect to each United Investment Agreement that is not in English, United has provided to Liberty Media a true and complete summary of the material terms and conditions of such United Investment Agreement insofar as such terms and conditions relate to any representation, warranty or covenant made by United in this Agreement that is qualified by reference to the United Disclosure Schedule or to the United Investment Agreements, and the Liberty Parties may rely on each such summary as the complete articulation of the terms of the applicable United Investment Agreement as such terms relate to any representation, warranty or covenant made by United in this Agreement (notwithstanding any language to the contrary contained in any such summary). United or the applicable Subsidiary thereof has good and valid title to the United Investments, free and clear of all material Liens and Restrictions, other than as set forth in Section 6.1(f)(i) of the United Disclosure Schedule or as may have been created by this Agreement and except for restrictions on transfer under federal or state securities laws or applicable local laws. Assuming the due execution and delivery by each of the other parties thereto, the United Investment Agreements constitute legal, valid and binding obligations of United or the applicable Subsidiary that is a party to such United Investment Agreement. Except as set forth in Section 6.1(f)(i) of the United Disclosure Schedule, there is no Legal Proceeding pending, or to the best of United's knowledge, threatened in writing, against United or any of its Subsidiaries specifically relating to any of such United Investments or United Investment Agreements.

(ii) Each of United's Subsidiaries and Equity Affiliates (x) is duly organized, validly existing and in good standing under the laws

of the jurisdiction of its organization, (y) has all requisite power and authority to own, lease and operate its properties and to carry on its business as it is now being conducted and (z) is duly qualified to do business and is in good standing in each jurisdiction in which the properties owned, leased or operated by it, or the nature of its activities make such qualification necessary, except in each case when the failure to be in good standing, to have such power and authority or to be so duly qualified or licensed and in good standing, individually or in the aggregate, would not have a United Material Adverse Effect.

(iii) Except as set forth in Section 6.1(f)(iii) of the United Disclosure Schedule, the assets owned or leased by United and its Subsidiaries

are suitable and adequate for the conduct of their respective businesses and United or the applicable Subsidiary has good and valid title to or valid leasehold or other contractual interests in all such assets that are material to its business, taken as a whole, free and clear of all Liens other than Permitted Encumbrances and Liens the existence of which does not have and is not reasonably expected to have a United Material Adverse Effect.

(iv) None of United or any of its Subsidiaries has guaranteed any of the liabilities of United Australia/Pacific, Inc. ("UNITED A/P") or any of its subsidiaries, except as provided in SCHEDULE 6.1(f)(iv). A default under or acceleration of any of the liabilities of United A/P or any of its subsidiaries, or a bankruptcy or similar event involving United A/P or any of its subsidiaries, would not (with or without the giving of notice or lapse of time or both) result in the acceleration of, or give rise to the right to accelerate, any of the debt of United or any of its Subsidiaries.

(g) COMMISSION FILINGS; FINANCIAL STATEMENTS.

(i) United has heretofore made available to Liberty Media the following, in the form filed with the Commission (in each case together with all exhibits and schedules filed therewith and amendments thereto filed prior to the date of this Agreement) (the "UNITED COMMISSION FILINGS"): (A) United's Annual Reports on Form 10-K for the fiscal years ended February 29, 1996, February 28, 1997, and the transition report for the ten months ended December 31, 1998, as amended by Form 10-K/A, and the Annual Reports on Form 10-K for the fiscal years ended December 31, 1999 and 2000 (the last such report being the "UNITED FORM 10-K"), (B) United's Quarterly Reports on Form 10-Q for the fiscal quarters ended June 30, 2001 (the "UNITED JUNE 10-Q") and September 30, 2001, (C) UPC's Annual Reports on Form 10-K for the fiscal years ended December 31, 1998, 1999 and 2000 (the last such report being the "UPC FORM 10-K"), (D) UPC's Quarterly Reports on Form 10-Q for the fiscal quarters ended June 30, 2001 (the "UPC JUNE 10-Q") and September 30, 2001, (E) all definitive proxy and information statements relating to meetings of United's and UPC's stockholders since January 1, 1997 to the date of this Agreement, and (F) all other reports, registration statements, forms and other documents filed by United and its Subsidiaries with the Commission since January 1, 1997 to the date of this Agreement (all such documents referred to in this clause (F) filed in 2001 and publicly available on or prior to April 2, 2001 (each in the form publicly available on April 2, 2001), together with the United Form 10-K and the UPC Form 10-K (each in the form publicly available on April 2, 2001), and the United June 10-Q and the UPC June 10-

Q (each in the form publicly available on August 14, 2001), the "UNITED 2001 COMMISSION FILINGS"). The filings made available pursuant to the preceding sentence constitute all of the reports, registration statements, proxy or information statements, documents and forms (other than preliminary material) that United and its Subsidiaries have been required to file with the Commission since January 1, 1997. All such filings and all reports, registration statements, proxy or information statements and other documents filed by United and its Subsidiaries with the Commission on or after the date hereof but prior to the Closing Date (x) complied, or will comply, in all material respects with the Securities Act or the Exchange Act, as the case may be, and the rules and regulations under each such

Act, and (y) did not at the time they were filed, and will not at the time they are filed, with the Commission contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances in which they were made, not misleading.

(ii) Except as disclosed in Section 6.1(g) of the United Disclosure Schedule, each of the consolidated financial statements (including the notes thereto) contained in the United Commission Filings and each other report, registration statement, form and other document filed by United and its Subsidiaries with the Commission from and after the date hereof was or will be prepared in accordance with GAAP consistently applied (except as may be indicated in the notes thereto) and Regulation S-X under the Exchange Act and fairly presents or will fairly present the consolidated financial position, results of operations and cash flows of the registrant and its consolidated subsidiaries as of the respective dates thereof and for the respective periods indicated therein subject in the case of unaudited interim financial statements to normal recurring year-end adjustments.

(iii) Except (i) for liabilities and obligations imposed under or pursuant to this Agreement, the other Transaction Documents or the United Investment Agreements or (ii) as reflected in the United 2001 Commission Filings or in Section 6.1(g) of the United Disclosure Schedule, neither United nor any of its Subsidiaries has any liability, obligation or commitment of any kind or nature, whether due or to become due, whether absolute, accrued, fixed or contingent or otherwise, that in any case or in the aggregate is or may be material to the business, assets, results of operations or financial condition of United and its Subsidiaries taken as a whole, except liabilities and obligations that arose since June 30, 2001 in the ordinary course of business or that arise from changes in general business or economic conditions or from events affecting

the industries in which United and its Subsidiaries operate generally (none of which has resulted or is reasonably likely to result in a United Material Adverse Effect or a New United Material Adverse Effect).

(h) ABSENCE OF CERTAIN DEVELOPMENTS. Since June 30, 2001, other than as otherwise permitted, contemplated or required by this Agreement or the other Transaction Documents, (x) the business of United and each of its Subsidiaries has been operated only in the ordinary course, (y) to United's knowledge, except to the extent disclosed in Section 6.1(h) of the United Disclosure Schedule, no event has occurred and no condition exists that, individually or together with other events and conditions, has had or, insofar as United can reasonably foresee, is reasonably likely to have, a United Material Adverse Effect or a New United Material Adverse Effect, and (z) there has been no material change in the accounting methods, practices or policies of United or any of its Subsidiaries except as required by changes in GAAP.

(i) LEGAL COMPLIANCE. Except as set forth in the United 2001 Commission Filings or in Section 6.1(i) of the United Disclosure Schedule, United and its Subsidiaries (x) are in compliance with, and have conducted their respective businesses so as to comply with, the terms of their respective Licenses and all applicable Laws, and (y) have all Licenses that are required to operate their respective businesses, except in such cases where the failure to so comply or to have such Licenses, either individually or in the aggregate, has not had and is not reasonably expected to have a United Material Adverse Effect or a New United Material Adverse Effect. Without limiting the generality of the foregoing, the operations of the businesses, assets and facilities of United and, to United's knowledge, its Subsidiaries are in compliance with all applicable Environmental and Health Laws, if any, except where the failure to comply has not had and is not reasonably expected to have a United Material Adverse Effect or a New United Material Adverse Effect.

(j) TAXES. Except as otherwise set forth in Section 6.1(j) of the United Disclosure Schedule:

(i) Each of United and each of United's Subsidiaries identified in Paragraph A. of Section 6.1(j) of the United Disclosure Schedule (the "MATERIAL UNITED SUBSIDIARIES") has timely filed all material Tax Returns that it was required to file. All such Tax Returns are true and complete in all material respects. All material Taxes owed by United and the Material United Subsidiaries (whether or not shown on any Tax Return) have been timely paid. There are no Liens for material Taxes (other than for current Taxes not yet due and payable or for items being contested in good faith and for which there are adequate reserves in accordance with GAAP on the books of the applicable entity) on any of the assets of United or the Material United Subsidiaries.

(ii) Each of United and each of the Material United Subsidiaries has withheld and paid all material Taxes required to have been

withheld and paid in connection with amounts paid or owing to any employee, independent contractor or other third party.

(iii) No material deficiencies for any Taxes have been proposed, asserted or assessed against United or any of the Material United Subsidiaries that are not adequately reserved for in accordance with GAAP in all cases applied on a consistent basis. No Tax Returns of United or any of the Material United Subsidiaries are currently the subject of an audit.

(iv) None of United or the Material United Subsidiaries has any current non-contingent liability for the Taxes of any Person (other than United and its Subsidiaries) under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local, or foreign law), as a transferee or successor, by Contract, or otherwise.

(v) If the income of United or any of the Material United Subsidiaries was required under federal, state, local, or foreign tax rules, to be included on a consolidated, unitary, combined or other such Tax Return filed by a Person other than any of United or the Material United Subsidiaries, each such group has filed all material Tax Returns that it was required to file with respect to United or any of the Material United Subsidiaries for each period during which United or any of the Material United Subsidiaries was a member of such group. All such material Tax Returns were correct and complete in all material respects insofar as they relate to United and the Material United Subsidiaries. All material Taxes owed by such group with respect to United and the Material United Subsidiaries (whether or not shown on a Tax Return) have been paid for each taxable period during which United or any of the Material United Subsidiaries was a member of its respective group.

(vi) The normal period within which to examine and/or assess Taxes on the income of United or any of the Material United Subsidiaries has not been extended with respect to any such Person by waiver of, or agreement to extend, the applicable statute of limitations or otherwise.

(vii) Neither United nor any of the Material United Subsidiaries has filed a consent under Section 341(f) of the Code.

(viii) Neither United nor any of the Material United Subsidiaries has made any payments, nor are any of them obligated to make any payments, and none of them is a party to any agreement that under certain circumstances could obligate it to make any payments as a result of the transactions contemplated by this Agreement or the other Transaction Documents or otherwise to any employee,

member, officer or director of, or any independent contractor or other person who performs personal services for, any of United or any of the Material United Subsidiaries who is a "disqualified individual" (as such term is defined in proposed Treasury Regulation section 1.280G-1) under any employment, severance or termination agreement, other compensation arrangement or employee benefit plan currently in effect which would be characterized as an "excess parachute payment" (as such term is defined in Section 280G(b)(1) of the Code).

(ix) United has not taken any action and has no present plan or intention to take any action that would cause the transactions contemplated hereby or by the other Transaction Documents not to qualify as a tax-free transaction pursuant to Section 351 of the Code.

(x) Neither United nor any of the Material United Subsidiaries is a party to any tax sharing or allocation agreement with any other Person.

(xi) Other than the Material United Subsidiaries, none of United's subsidiaries would, individually or all such subsidiaries considered in the aggregate, constitute a "significant subsidiary" of United as such term is defined in Section 1-02(w) of Regulation S-X promulgated under the Exchange Act; PROVIDED THAT, for such purposes the term "5 percent" shall be substituted in each instance in which the term "10 percent" appears in Section 1-02(w) of Regulation S-X.

(k) CONTRACTS AND COMMITMENTS. Except for Contracts entered into after June 30, 2001 that are disclosed in Section 6.1(k) of the United

Disclosure Schedule, all Contracts to which United or any of its Subsidiaries is a party or by which any of them or their respective businesses or assets are bound that are to be performed in whole or in part after the date hereof and that are required to be filed with the Commission as "material contracts" pursuant to Item 601 of Regulation S-K have been filed with the United 2001 Commission Filings. Except as disclosed in Section 6.1(k) of the United Disclosure Schedule, there is no material Contract or Judgment binding upon United or any of its Subsidiaries (i) that has had or could reasonably be expected to have the effect of prohibiting or materially impairing any current business practice of, or the conduct of business as currently conducted by, United or its Subsidiaries or limiting the right of United or any of its Subsidiaries to compete in any line of business, (ii) that purports to or would bind New United or any of its Subsidiaries or any of the Liberty Parties or any of their respective Affiliates after giving effect to the transactions contemplated hereby or (iii) in respect of which, whether before or after giving effect to the transactions contemplated hereby or by the other Transaction Documents, any act or omission of any of the Liberty Parties or any of their respective Affiliates would result in a violation or breach thereof, or constitute (with or without the giving of notice or lapse of time or both), or permit any Person to declare, a default or event of default thereunder, or give rise to any right of termination, cancellation, amendment,

acceleration, repurchase, prepayment or repayment or to increased payments thereunder, or give rise to or accelerate any obligation (including, without limitation, any obligation to, or to offer to, repurchase, prepay, repay or make increased payments) or result in the loss or modification of any rights or benefits thereunder, or result in any Lien or Restriction on any of the assets of, or otherwise have any material adverse effect on, United or any of its Affiliates. True and complete copies of all Contracts listed in the United Commission Filings or in Section 6.1(k) of the United Disclosure Schedule have been provided to Liberty Media. Each of United and its Subsidiaries has fulfilled in all material respects, or taken all actions necessary to enable it to fulfill in all material respects when due, its obligations under each of such Contracts to which it is a party, and none of United or any or its Subsidiaries is in breach or violation of, or in default (with or without the giving of notice or lapse of time or both) under any of such Contracts, which breach, violation or default individually or in the aggregate would reasonably be expected to have a United Material Adverse Effect or a New United Material Adverse Effect.

(l) INTANGIBLE PROPERTY. Except as set forth in the United 2001 Commission Filings or Section 6.1(l) of the United Disclosure Schedule, one or more of United and its Subsidiaries owns, or is licensed or otherwise possesses legally enforceable rights to use, all Intellectual Property that is used in the business of United and its Subsidiaries as currently conducted, except to the extent that the failure to have such rights has not had and is not reasonably likely to have a United Material Adverse Effect. Except as set forth in the United 2001 Commission Filings or Section 6.1(l) of the United Disclosure Schedule and except, in the case of clauses (iii) and (iv), to the extent that any of the following has not had and is not reasonably likely to have a United Material Adverse Effect, (i) neither United nor any of its Subsidiaries has received notice of any claim of infringement of the rights of others with respect to any patents, trademarks, service marks, trade names, copyrights or other Intellectual Property used or owned by United or any of its Subsidiaries, (ii) neither United nor any of its Subsidiaries has any knowledge that United or any of its Subsidiaries is infringing upon or otherwise violating, or has infringed upon or otherwise violated, the rights of any third party with respect to any patent, trademark, trade name, service mark, copyright or other Intellectual Property, (iii) no current or former employee of United or any of its Subsidiaries is or was a party to any confidentiality agreement and/or agreement not to compete that restricts or forbids such employee's performance of any activity that such employee was hired to perform, and (iv) none of United or any of its Subsidiaries is currently using or has in the past used without appropriate authorization, any confidential information or trade secrets of any third party. Since January 1, 1997, neither United nor any of its Subsidiaries has received any notice alleging such conduct.

(m) INTERESTED PARTY TRANSACTIONS. Except to the extent reflected in the United 2001 Commission Filings, Section 6.1(m) of the United Disclosure Schedule lists all transactions between United or any of its Subsidiaries, on the one hand, and any director, executive officer (or immediate family member of such director or executive officer) or stockholder of United or (other than United) any of its Subsidiaries, on the other hand, in which the amount involved exceeds US $60,000 that is required to be disclosed pursuant to Item 404 of Regulation S-K under the Exchange Act, other than transactions required or permitted by this Agreement or the other Transaction Documents and transactions otherwise disclosed in the United Disclosure Schedule or pursuant to Contracts so disclosed.

(n) MINUTE BOOKS. United has made available to Liberty Media copies of the minute books of United and each of its wholly owned Subsidiaries. Such minute books contain summaries of all meetings of directors and shareholders or actions by written consent since the time of the applicable Person's incorporation or organization, and such summaries are true and complete in all material respects and reflect all transactions referred to in such minutes accurately in all material respects.

(o) DGCL SECTION 203 AND SIMILAR LAWS. Prior to the execution hereof, the respective Boards of Directors of United and each of its Subsidiaries approved each of the transactions contemplated by this Agreement and the other Transaction Documents to the extent necessary to render inapplicable thereto the limitations on business combinations contained in Section 203 of the Delaware General Corporation Law and any similar provision of any other Law.

(p) COMPANY ACTION. The Board of Directors of United (at a meeting duly called and held) has by (i) the unanimous vote of the Board of Directors of United (excluding directors designated by Liberty Media) and (ii) the unanimous vote of the members of the Board of Directors of United who are not Founders, Permitted Transferees of a Founder, officers or directors or designees of Liberty Media or officers or directors of United, voting separately: (A) determined and declared that this Agreement, the other Transaction Documents (including the United/New United Merger Agreement) and the transactions contemplated hereby and thereby (including the United/New United Merger) are advisable and in the best interests of United and its stockholders, (B) directed that such transactions (including the United/New United Merger) be submitted for consideration by United's stockholders at a special meeting of stockholders, and (C) adopted resolutions approving this Agreement and the other Transaction Documents and recommending approval and adoption hereof and thereof and of such transactions by United's stockholders.

(q) FAIRNESS OPINIONS. Prior to the Amendment Date, the Board

of Directors of United has received the written opinion of Morgan Stanley & Co. Incorporated ("MORGAN STANLEY"), satisfactory in form, scope and substance to United, as required pursuant to Section 4.11 of the Indenture with respect to the transactions contemplated by the Stock Purchase Agreements, dated as of the Original Agreement Date, between Liberty UCOMA LLC, a Delaware limited liability company, and United (the "STOCK PURCHASE FAIRNESS OPINION"). Prior to the Amendment Date, United has provided Liberty Media with a true and complete copy of the Stock Purchase Fairness Opinion, and Liberty Media hereby acknowledges receipt thereof.

(r) VOTE REQUIRED. The only vote of stockholders of United required under the DGCL, NASD requirements and the certificate of incorporation and bylaws of United in order to approve the transactions contemplated by this Agreement and the other Transaction Documents is the affirmative vote in favor of the United/New United Merger and the other transactions contemplated by this Agreement and the other Transaction Documents of a majority of the total number of votes entitled to be cast by the holders of the issued and outstanding shares of United Class A Stock and United Class B Stock voting as a single class, and no other vote or approval of or other action by the holders of any capital stock of United is required for such approval or for the consummation of any of the transactions contemplated hereby or by the other Transaction Documents.

(s) NO INVESTMENT COMPANY. United is not an "investment company" subject to the registration requirements of, or regulation as an investment company under, the Investment Company Act of 1940.

(t) REGISTRATION STATEMENT; PROXY STATEMENT. The Registration Statement and the Proxy Statement, except for any information supplied by any Liberty Party in writing expressly for purpose of inclusion therein, shall not at the time the Registration Statement is declared effective by the Commission, on the date the Proxy Statement is first mailed to the stockholders of United, at the time of the United Stockholders Meeting or on the Closing Date contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(u) [Reserved.]

(v) PRIORITY TELECOM. Neither United nor any of its Subsidiaries (including UPC and its Subsidiaries) has taken, or permitted to be taken, any action to satisfy a Stock Purchase Option (as defined in the Priority Telecom Shareholders Agreement) through the issuance or delivery of securities of United or UPC.

6.2 REPRESENTATIONS AND WARRANTIES OF NEW UNITED. Assuming the accuracy of the representations and warranties of the Liberty Parties and the Founders contained in this Agreement and except as disclosed in the Liberty Disclosure Schedule, New United hereby represents and warrants to the Liberty Parties and the Founders as follows, with all such representations and warranties that speak in the present tense or refer to "the date hereof" or similar terms being deemed to be made as of the Original Agreement Date:

(a) ORGANIZATION, GOOD STANDING AND AUTHORITY. Each of New United and its Subsidiaries (i) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (ii) has all requisite power and authority to own, lease and operate its properties and carry on its business as now being conducted, and (iii) is duly qualified or licensed and in good standing to do business in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary, except where the failure to be so duly qualified or licensed and in good standing, individually or in the aggregate, would not have (1) a Material Adverse Effect on New United and its Subsidiaries, taken as a whole, or (2) a material adverse effect on the ability of New United to perform its obligations under, and consummate the transactions contemplated by, this Agreement and the other Transaction Documents (each of clauses (1) and (2) above, a "NEW UNITED MATERIAL ADVERSE EFFECT"). True and complete copies of the New United Charter (in the form in which it will be restated pursuant to Section 2.1(b)), the New United By-laws (in the form in which they will be restated pursuant to Section 2.1(b)), and United/New United Merger Sub's Certificate of Incorporation (the "UNITED/NEW UNITED MERGER SUB CHARTER") and By-laws (the "UNITED/NEW UNITED MERGER SUB BY-LAWS") are attached hereto as Exhibits 2.1(b)-1, 2.1(b)-2, 6.2(a)-1 and 6.2(a)-2, respectively. New United has heretofore provided Liberty with true and complete copies of the Certificate of Incorporation and By-laws of New United as in effect on the date hereof. Neither New United nor United/New United Merger Sub is in violation of any of the provisions of its Certificate of Incorporation or By-laws.

(b) CAPITAL STOCK.

(i) The total authorized shares of capital stock of New United consists solely of one share of Common Stock, par value US $0.01 per share ("EXISTING NEW UNITED COMMON STOCK"). As of the date hereof there are no issued or outstanding shares of Existing New United Common Stock other than one share of Existing New United Common Stock held, beneficially and of record, by Schneider. As of the date hereof there are no outstanding subscriptions, options, warrants, puts, calls, trusts (voting or otherwise), rights, exchangeable or convertible securities or other commitments or agreements of any nature (other than this Agreement and the other Transaction Documents) relating to the capital stock or other securities or ownership interests of New United (including any phantom shares, phantom equity interests or stock or equity interests or stock or equity appreciation rights) or obligating New United at any time or upon the happening of any event, to issue, transfer, deliver, sell, repurchase, redeem or otherwise acquire, or cause to be issued, transferred, delivered, sold, repurchased, redeemed or otherwise acquired, any of its capital stock or any phantom shares, phantom equity interests or stock or equity appreciation rights, or other ownership interests of New United or obligating New United to grant, extend or enter into any such subscription, option, warrant, put, call, trust, right,

exchangeable or convertible security, commitment or agreement. As of immediately prior to the Closing, the total authorized shares of capital stock of New United will consist solely of 1,000,000,000 shares of New United Class A Stock, 1,000,000,000 shares of New United Class B Stock, 400,000,000 shares of New United Class C Stock and 10,000,000 shares of Preferred Stock, par value US $0.01 per share (the "NEW UNITED PREFERRED STOCK"). No series of New United Preferred Stock will have been designated as of immediately prior to the Closing. As of immediately prior to the Closing there will be no issued or outstanding shares of capital stock or other securities or ownership interests of New United other than one share of New United Class A Stock held, beneficially and of record, by Schneider. As of immediately prior to the Closing there will be no outstanding subscriptions, options, warrants, puts, calls, trusts (voting or otherwise), rights, exchangeable or convertible securities or other commitments or agreements of any nature (other than this Agreement and the other Transaction Documents) relating to the capital stock or other securities or ownership interests of New United (including any phantom shares, phantom equity interests or stock or equity appreciation rights) or obligating New United, at any time or upon the happening of any event, to issue, transfer, deliver, sell, repurchase, redeem or otherwise acquire, or cause to be issued,

transferred, delivered, sold, repurchased, redeemed or otherwise acquired, any of its capital stock or any phantom shares, phantom equity interests or stock or equity appreciation rights, or other ownership interests of New United or obligating New United to grant, extend or enter into any such subscription, option, warrant, put, call, trust, right, exchangeable or convertible security, commitment or agreement. As of immediately prior to the Closing, the shares of New United Class A Stock, New United Class B Stock and New United Class C Stock to be issued pursuant to this Agreement and the other Transaction Documents will have been duly authorized, and, when issued, will be validly issued, fully paid, nonassessable, free of preemptive rights and free of Liens and Restrictions, other than Liens or Restrictions created by the holder thereof and restrictions on transfer under federal and state securities laws. To the knowledge of New United, except as set forth in Section 5.1 of the Founders Disclosure Schedule there are no voting trusts, proxies or other agreements or understandings with respect to the voting of the capital stock or ownership interests of New United (other than this Agreement and the other Transaction Documents).

(ii) The total authorized shares of capital stock of United/New United Merger Sub consists solely of 15 shares of Class A Common Stock, par value US $0.01 per share, 15 shares of United/New United Merger Sub Class B Stock and 3,000 shares of United/New United Merger Sub Class C Stock. As of the date hereof there are, and as of immediately prior to the Closing there will be, no issued or outstanding shares of capital stock or other securities or ownership interests of United/New United Merger Sub other than 15 shares of United/New United Merger Sub Class B Stock and 3,000 shares of United/New United Merger Sub Class C Stock all of which is held by New United. As of the date hereof there are, and as of the Closing Date there will be, no outstanding subscriptions, options, warrants, puts, calls, trusts (voting or otherwise), rights, exchangeable or convertible securities or other commitments or agreements (other than this Agreement and the other Transaction Documents) of any nature relating to the capital stock or other securities or ownership interests of United/New United Merger Sub (including any phantom shares, phantom equity interests or stock or equity appreciation rights) or obligating United/New

United Merger Sub, at any time or upon the happening of any event, to issue, transfer, deliver, sell, repurchase, redeem or otherwise acquire, or cause to be issued, transferred, delivered, sold, repurchased, redeemed or otherwise acquired, any of its capital stock or any phantom shares, phantom equity interests or stock or equity appreciation rights, or other ownership interests of United/New United Merger Sub or

obligating United/New United Merger Sub to grant, extend or enter into any such subscription, option, warrant, put, call, trust, right, exchangeable or convertible security, commitment or agreement. The outstanding shares of United/New United Merger Sub Class B Stock and United/New United Merger Sub Class C Stock are duly authorized, validly issued, fully paid, nonassessable, free of preemptive rights and free of Liens and Restrictions, other than as may have been created by this Agreement or the other Transaction Documents and except for restrictions on transfer under federal or state securities laws.

(c) POWER; AUTHORIZATION AND VALIDITY; CONSENTS; NO CONFLICTS.

(i) Each of New United and United/New United Merger Sub has all requisite power and authority to execute and deliver and perform its obligations under this Agreement and each other Transaction Document to be executed and delivered by it pursuant to this Agreement, and to consummate the transactions contemplated hereby and thereby. The execution and delivery by such party of this Agreement and the other Transaction Documents to which it is or will be a party, and, subject to the satisfaction of the conditions set forth in this Agreement, the consummation of the transactions contemplated hereby and thereby (including the United/New United Merger) and the performance by it of its obligations hereunder and thereunder have been duly authorized by the respective Boards of Directors of each of New United and United/New United Merger Sub and by all other requisite corporate action on the part of such parties. This Agreement has been, and each of the other Transaction Documents to be executed and delivered by New United or United/New United Merger Sub will be at or prior to the Closing, duly and validly executed and delivered by such party. Assuming the due execution and delivery by the other parties hereto or thereto, this Agreement constitutes, and each of the other Transaction Documents when executed and delivered by the applicable of New United or United/New United Merger Sub will constitute, the legal, valid and binding obligation of such party, enforceable in accordance with its terms, except as such enforceability may be affected by applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally or by general equitable principles.

(ii) Except for the requirements under the HSR Act, the filing of the Certificate of Merger in connection with the United/New United Merger, the filing of the certificates or articles of merger, as applicable, in connection with the Founder Newco Mergers, and the Required United Consents, no consent, approval or waiver of, notice to, or Filing with, any other Person is required on behalf of

New United or any of its Subsidiaries in connection with the execution, delivery or performance by New United or United/New United Merger Sub of this Agreement or any of the other Transaction Documents to which any of them is or will be a party, or the consummation of the transactions contemplated hereby or thereby (including the United/New United Merger and the Founder Newco Mergers), the failure of which to be obtained, given or made, individually or in the aggregate, would have a New United Material Adverse Effect. The execution and delivery of this Agreement and the other Transaction Documents by New United and United/New United Merger Sub do not, and the performance by them of their respective obligations hereunder and thereunder will not, (x) violate or conflict with any provision of the certificate of incorporation, bylaws, operating agreement or other organizational or governing documents of New United or any of its Subsidiaries, (y) assuming that the Required United Consents of Governmental Authorities are obtained, violate any of the terms, conditions or provisions of any Law, License or Judgment to which New United or any of its Subsidiaries is subject or by which any of the foregoing or any of their respective assets are bound, except that no representation is made with respect to any foreign Law of any jurisdiction in which neither New United nor United, directly or through a Subsidiary, owns assets or engages in business, or (z) result in a violation or breach of, or (with or without the giving of notice or lapse of time or both) constitute a default (or give rise to any right of termination, cancellation, amendment, acceleration,

repurchase, prepayment or repayment or to increased payments) under or give rise to or accelerate any material obligation (including any obligation to, or to offer to, repurchase, prepay, repay or make increased payments) or result in the loss or modification of any material benefit under, or result in a Lien or Restriction on any of the assets of New United or any of its Subsidiaries pursuant to, any Contract to which New United or any of its Subsidiaries is a party or by which New United or any of its Subsidiaries or any of their respective assets is bound, except, in the case of any Law (other than Delaware law), License or Judgment referred to in clause (y), as would not have a New United Material Adverse Effect.

(d) BROKERS' AND FINDERS' FEES. There is no broker, finder, investment banker or similar intermediary that has been retained by, or is authorized to act on behalf of, New United or any of its Subsidiaries or any of their respective officers or directors who will be entitled to any fee or commission in connection with this Agreement or upon consummation of the transactions contemplated hereby.

(e) LEGAL PROCEEDINGS. There is no Judgment outstanding or any Legal Proceeding by or before any Governmental Authority or any arbitrator pending or, to New

United's knowledge, threatened in writing, against New United or any of its Subsidiaries that, individually or in the aggregate, could reasonably be expected to have a New United Material Adverse Effect.

(f) ASSETS. The assets owned or leased by New United and its Subsidiaries are suitable and adequate for the conduct of their respective businesses and New United or the applicable Subsidiary has good and valid title to or valid leasehold or other contractual interests in all such assets that are material to its business, taken as a whole, free and clear of all Liens and Restrictions other than Permitted Encumbrances and Liens the existence of which does not have and is not reasonably expected to have a New United Material Adverse Effect. As of the date hereof and as of immediately prior to the Closing, New United and United/New United Merger Sub have no material assets other than their rights under this Agreement and the other Transaction Documents and other than, in the case of New United, the stock of United/New United Merger Sub, and have not conducted or engaged in any business other than executing, delivering and performing their respective obligations under this Agreement and the other Transaction Documents.

(g) COMMISSION FILINGS; FINANCIAL STATEMENTS; LIABILITIES.

(i) All reports, registration statements, proxy or information statements and other documents filed by New United and its Subsidiaries with the Commission after the date hereof (each a "NEW UNITED COMMISSION FILING") (x) will comply with the Securities Act or the Exchange Act, as the case may be, and the rules and regulations under each such Act, and (y) will not at the time they are filed with the Commission contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances in which they were made, not misleading.

(ii) Each of the consolidated financial statements (including the notes thereto) contained in the New United Commission Filings will be prepared in accordance with GAAP consistently applied (except as may be indicated in the notes thereto) and Regulation S-X under the Exchange Act and fairly present the consolidated financial position, results of operations and cash flows of the registrant and its consolidated subsidiaries as at the respective dates thereof and for the respective periods indicated therein, subject in the case of unaudited interim financial statements to normal recurring year-end adjustments.

(iii) As of the date hereof and as of immediately prior to the Closing, except for their respective obligations expressly provided for in (A) this Agreement and the other Transaction Documents to which they are party, and (B) the agreements described on SCHEDULE 6.2(g)(iii), New United and United/New United Merger Sub have

no, and following the United/New United Merger, New United and its Subsidiaries will have no, liability, commitment or obligation of any kind or nature, whether due or to become due, whether absolute, accrued, fixed or contingent or otherwise. As of immediately following the Closing, New United and its Subsidiaries will have no liability, commitment or obligation of any kind or nature, whether due or to become due, whether absolute, accrued, fixed or contingent or otherwise, other than (i) in the case of Subsidiaries of New United, liabilities, commitments and obligations of Liberty Sub, which liabilities, commitments and obligations were in existence immediately prior to the Closing and (ii) liabilities, obligations and commitments of

New United expressly provided for in this Agreement and the other Transaction Documents to which it is a party.

(h) ABSENCE OF CERTAIN DEVELOPMENTS. Since the date of the most recent balance sheet included in the Available New United Commission Filings, other than as otherwise permitted, contemplated or required by this Agreement or the other Transaction Documents, (i) the business of New United and each of its Subsidiaries has been operated only in the ordinary course, (ii) no event has occurred and no condition exists that, individually or together with other events and conditions, has had or, insofar as New United can reasonably foresee, is reasonably likely to have, a New United Material Adverse Effect, and (iii) there has been no change in the accounting methods, practices or policies of New United or any of its Subsidiaries.

(i) LEGAL COMPLIANCE. New United and its Subsidiaries (x) are in compliance with, and have conducted their respective businesses so as to comply with, the terms of their respective Licenses and all applicable Laws, and (y) have all Licenses that are required to operate their respective businesses, except in such cases where the failure to so comply or to have such Licenses, either individually or in the aggregate, has not had and is not reasonably expected to have a New United Material Adverse Effect. Without limiting the generality of the foregoing, the operations of the businesses, assets and facilities of New United and its Subsidiaries are in compliance with all applicable Environmental and Health Laws, if any, except where the failure to comply has not had and is not reasonably expected to have a New United Material Adverse Effect.

(j) CONTRACTS; NO BREACH. Each of New United and its Subsidiaries has fulfilled in all material respects, or taken all actions necessary to enable it to fulfill in all material respects when due, its obligations under each Contract to which it is a party or by which it or any of its assets are bound and none of New United or any of its Subsidiaries is in breach or violation of, or in default (with or without the giving of notice or lapse of time or both) under, and no circumstance or condition exists that could give rise to, or permit any other Person to, declare a default under, any of the Contracts to which it is a party or by which it or its assets are bound, which breach, violation or default individually or in the aggregate would reasonably be expected to have a New United Material Adverse Effect.

(k) SECTION 203 AND SIMILAR LAWS. Pursuant to the New United Charter and the certificate of incorporation of United/New United Merger Sub, neither Section 203 of the

Delaware General Corporation Law nor any similar provision of any other Law is applicable to business combinations involving New United or any of its Subsidiaries.

(l) NO INVESTMENT COMPANY. New United is not, and immediately following the consummation of the transactions contemplated hereby and by the other Transaction Documents New United shall not be, an "investment company" subject to the registration requirements of, or regulation as an investment company under, the Investment Company Act of 1940.

(m) REGISTRATION STATEMENT; PROXY STATEMENT. The Registration Statement and the Proxy Statement, except for any information supplied by any Liberty Party in writing expressly for purpose of inclusion therein, shall not at the time the Registration Statement is declared effective by the Commission, on the date the Proxy Statement is first mailed to the stockholders of United, at the time of the United Stockholders Meeting or on the Closing Date contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

ARTICLE VII

CERTAIN COVENANTS OF THE PARTIES

7.1 CONDUCT OF BUSINESS IN ORDINARY COURSE PENDING CLOSING. From the Original Agreement Date until the Closing or earlier termination of this Agreement:

(a) Except (1) for taking such actions or engaging in such transactions as may be required or permitted by this Agreement, (2) as otherwise disclosed herein, and (3) with the prior written consent of United (which consent shall not be unreasonably withheld, except in the case of any action described in clause (i) below (with respect to which United may choose to grant or withhold its consent in its sole discretion)), Liberty shall: (i) not take or omit to take any action that would or could reasonably be expected to result in the failure of the conditions precedent set forth in this Agreement to the parties' obligations to consummate the transactions contemplated hereby and by the other Transaction Documents to be satisfied; and (ii) not knowingly take any other action that would cause any of the representations and warranties of the Liberty Parties set forth in this Agreement to be untrue in any material respect if then made. Liberty Media shall promptly after obtaining knowledge thereof notify United of the occurrence of any event that has had or is reasonably likely to have a Liberty Material Adverse Effect.

(b) Except (1) for taking such actions or engaging in such transactions as may be required or permitted by this Agreement, (2) as described in Section 7.1(b) of the United Disclosure Schedule or as contemplated by Section 7.1(f) of this Agreement, and (3) with the prior written consent of Liberty (which consent shall not be unreasonably withheld, except for any of the following matters (with respect to which Liberty may choose to grant or withhold its consent in its sole discretion): (A) any action by or involving New United or any of its Subsidiaries and (B) any action described in clause (v), (ix), (x) or (xiii) below), United shall, and shall use all commercially reasonable efforts to cause those of its Subsidiaries that are Controlled Affiliates to, and New United shall, and shall cause its Subsidiaries to: (i) carry on their respective businesses in the ordinary course consistent with past practice, (ii) except, in the

case of United and its Controlled Affiliates, pursuant to Partner's Purchase Rights and except, in the case of United and its Controlled Affiliates, for transfers among Controlled Affiliates of United or in the ordinary course of business consistent with past practice, not sell, lease, transfer or dispose of (including by way of dividend or distribution), or create any Lien (other than, in the case of United and its Controlled Affiliates, (A) the creation of any Lien on the assets of Subsidiaries of United if United or any wholly owned Subsidiary of United is the sole beneficiary of such Lien, (B) the creation of Permitted Encumbrances, (C) the imposition of a Lien on any asset

acquired after the Original Agreement Date by United or any of its Subsidiaries, but only to the extent that the imposition of such Lien on such asset is required by the terms of any Contract evidencing secured indebtedness of United or its Subsidiaries and disclosed in the United 2001 Commission Filings, as such terms were disclosed in the United 2001 Commission Filings and (D) in the case of any United Public Company and its Subsidiaries, Liens permitted by clause (xi)(A)(5) below) on, any of their assets of substantial value, either individually or in the aggregate; (iii) notify Liberty promptly of any inquiry or proposal concerning any sale, lease, transfer or other disposition referred to in clause (ii) above; (iv) not amend or modify in any material respect any material United Investment Agreement (except for amendments or modifications disclosed in Section 6.1(f)(i) of the United Disclosure Schedule) or, except in the ordinary course of business consistent with past practice, if any, any other material Contract; (v) not (A) amend, modify or waive any provision of the United/New United Merger Agreement, (B) amend or modify United's certificate of incorporation or bylaws (except (1) pursuant to the United/New United Merger as contemplated by the United/New United Merger Agreement and (2) for the filing of the Series E Certificate of Designation in the form attached hereto as EXHIBIT 6.1(b)), (C) amend or modify the New United Charter or New United By-laws, (D) amend or modify the United/New United Merger Sub Charter or the United/New United Merger Sub By-laws, (E) amend, modify or waive any provision of any Subscription Agreement (and United shall not issue, or agree to issue, any shares of United Series E Preferred Stock other than pursuant to the Subscription Agreements as required by Section 2.1(c) of this Agreement), any Founder Newco Merger Agreement or any other Transaction Document, or (F) authorize or approve any of the foregoing; (vi) except in the case of United and its Controlled Affiliates, for acquisitions in existing or related lines of business of the Person making such acquisition and for transactions permitted by clause (ii) above, not acquire by merging or consolidating with, or by purchasing a substantial portion of the assets of, or by any other manner, any business or any corporation, partnership, limited liability company, association or other business organization or division thereof; (vii) except, (A) in the case of United, for the declaration, setting aside or payment of regular dividends as provided by the terms of the United Preferred Stock outstanding on the Original Agreement Date and, (B) in the case of a Subsidiary of United, for the declaration, setting aside or payment of dividends to United or a wholly owned Subsidiary thereof or pro rata to the stockholders of the Subsidiary declaring, setting aside or paying such dividend or distribution, not declare, set aside or pay any dividend or other distribution, not effect or authorize any recapitalization or similar transaction and not directly or indirectly redeem, retire, purchase or otherwise acquire any of its capital stock or other equity securities or options, warrants or rights to acquire any of its capital stock or other equity securities; (viii) not effect or authorize any stock split (other than stock splits by wholly owned Subsidiaries of United or by wholly owned Subsidiaries of UPC), reverse split (other than reverse splits by wholly owned Subsidiaries of United or by UPC or Priority Telecom, but in the case of UPC or Priority Telecom only to the extent necessary for the equity securities of either

such Person to remain listed for trading on The NASDAQ National Market or the Amsterdam Stock Exchange, and only to the extent such reverse split by UPC or Priority Telecom may be and is effected in compliance with any requirements of applicable Law and any applicable Contracts evidencing or securing any outstanding indebtedness or pursuant to which any such outstanding indebtedness was incurred), stock dividend or combination involving any of its capital stock or other equity securities (except for such transactions among United and its wholly owned Subsidiaries and among UPC and its wholly owned Subsidiaries) or issue or sell or agree to issue or sell any of its capital stock or other equity securities or issue, sell, grant or agree to issue, sell or grant any options, warrants or rights to acquire any of its capital stock or other equity securities (except for such transactions among United and its wholly owned Subsidiaries and among UPC and its wholly owned Subsidiaries), or any phantom shares, phantom equity interests or stock or equity appreciation rights, that would cause (A) any of United's representations in Section 6.1(b) to be untrue in any material respect if then made, (B) any of United's representations in Section 6.1(f)(i) to be untrue in any material respect if then made, except in each case in this clause (B) for (1) such issuances or sales by immaterial Subsidiaries and (2) such issuances or sales that will not result in any material dilution of United's direct or indirect interest in such Subsidiary or any loss of material rights or any imposition of material penalties relating to such interest or (C) any of New United's representations in Section 6.2(b) to be untrue in any respect if then made; (ix) not engage in any material transaction with any Founder or any family member or Affiliate of a Founder, any director or officer of United or any of its Subsidiaries, or any family member or Affiliate of such director or officer, or any other Affiliate of United, but excluding employee matters in the ordinary course of business and not in violation of any other covenant made in this Agreement and the other Transaction Documents (for purposes of this clause (ix) only, an "Affiliate" of a Founder or of a director or officer of United or of United shall not include United, New United or any of their respective Controlled Affiliates); (x) (A) in the case of United and its Controlled Affiliates, not engage in any material transaction with New United or any of its Controlled Affiliates and (B) in the case of New United and its Controlled Affiliates, not engage in any material transaction with United or any of its Controlled Affiliates, (xi) (A) in the case of United and its Subsidiaries that are Controlled Affiliates, not incur any indebtedness for borrowed money (including any Refinancing Indebtedness that does not satisfy the proviso set forth in clause (5) below) if the principal amount or accreted value of such indebtedness, taken together with the aggregate principal amount or accreted value of all other indebtedness incurred after the Original Agreement Date by United or any of its Subsidiaries that are Controlled Affiliates, exceeds US $50,000,000 other than (1) drawings under existing fixed or revolving credit facilities, (2) the accretion of indebtedness under bonds, notes and other instruments outstanding on the Original Agreement Date, (3) net obligations under interest rate or currency swap arrangements, (4) intercompany indebtedness to United or between United's Subsidiaries and (5) in the case of a United Public Company and its Subsidiaries, indebtedness ("REFINANCING INDEBTEDNESS") incurred to refinance outstanding indebtedness ("REFINANCED INDEBTEDNESS") (provided that (a) the Refinancing Indebtedness has an average life and final maturity no shorter than the average life and final maturity of the applicable Refinanced Indebtedness, (b) the principal amount or accreted value of the Refinancing Indebtedness is no greater than the principal amount, plus accrued interest, or accreted value of the applicable Refinanced Indebtedness, (c) the Refinancing Indebtedness is incurred by the same Person that is the obligor of the applicable Refinanced Indebtedness and is not guaranteed by any Person other than the guarantor, if any, of the Refinanced Indebtedness

and (d) the repayment of the Refinancing Indebtedness is not secured by Liens on any assets other than assets securing the repayment of the applicable

Refinanced Indebtedness) and (B) in the case of New United and its Subsidiaries, not incur any liability, obligation or commitment of any kind or nature, whether due or to become due, whether absolute, accrued, fixed or contingent or otherwise; (xii) not take any action that would violate, conflict with or constitute a breach of Section 3(b) of the Stockholders Agreement, Section 2(a) of the New United Covenant Agreement or Sections 2(a) or (b) of the United/Liberty Agreement, in each case to the same extent as though the applicable agreement had been executed and delivered by the parties thereto on the Original Agreement Date; (xiii) not take or omit to take any action that would or could reasonably be expected to result in the failure of the conditions precedent set forth in this Agreement and the other Transaction Documents to the parties' obligations to consummate the transactions contemplated hereby and by the other Transaction Documents to be satisfied; and (xiv) not knowingly take any other action that would result in the representations and warranties of United or New United set forth in this Agreement to be untrue in any material respect if then made. Nothing contained in the foregoing shall preclude United or any of its Subsidiaries or Controlled Affiliates from disposing of immaterial (both individually and in the aggregate) assets in the ordinary course of business consistent with past practice. Notwithstanding anything in the foregoing to the contrary, nothing contained in this Section 7.1(b) shall be deemed to (1) restrict United, UPC, United A/P, UPC Polska, Inc. or Poland Communications, Inc. or any of their respective "Subsidiaries" and "Restricted Affiliates" (as such terms are defined in the indentures to which these Persons are party) from taking any action if and to the extent that such a restriction would violate the indentures binding on such Persons or (2) restrict UPC or any of its Subsidiaries from taking any action if and to the extent that such a restriction would violate the Belmarken Loan Agreements or UPC's Senior Secured Credit Facility dated as of October 26, 2000. United shall promptly after obtaining knowledge thereof notify Liberty of the occurrence of any event that individually or together with any other event has had or is reasonably likely to have a United Material Adverse Effect or New United Material Adverse Effect.

(c) Except as expressly contemplated by Section 2.1(a) hereof and except with the prior written consent of each of United and the Liberty Parties, no Founder or Founder Newco shall sell, transfer or otherwise dispose of or create any Lien or Restriction on any limited liability company membership interest in any Founder Newco or any of the shares of United Class B Stock or, in the case of a Founder Newco, United Class A Stock owned by it or any interest therein, or take or omit to take any action that would or could reasonably be expected to result in the failure of the conditions precedent set forth in this Agreement to the parties' obligations to consummate the transactions contemplated hereby and by the other Transaction Documents to be satisfied. Each Founder shall promptly after obtaining knowledge thereof notify each of United and the Liberty Parties of the occurrence of any event that has had or is reasonably likely to have a Founder Material Adverse Effect with respect to such Founder.

(d) Each party hereto shall promptly give written notice to the others upon becoming aware of the occurrence or, to its knowledge, impending or threatened occurrence, of any event that is reasonably likely to cause or constitute a breach of any of its representations, warranties or covenants hereunder as if its representations or warranties were then being made.

(e) United shall not, and shall not permit any of its Subsidiaries to, take any action to satisfy a UPC Stock Purchase Option (as defined in the Priority Telecom Shareholders

Agreement) through the issuance or delivery of securities of United or any of its Subsidiaries (including UPC but excluding Priority Telecom) without the prior written consent of Liberty.

(f) United shall take or cause to be taken such action as may be necessary to ensure that any default under or acceleration of any of the liabilities of United A/P or any of its Subsidiaries, or a bankruptcy or similar event involving United A/P or any of its Subsidiaries, at any time (whether before or at any time after the Closing) would not (with or without the giving of notice or lapse of time or both) result in the acceleration of, or give rise to the right to accelerate, any of the indebtedness of United or any of its Subsidiaries. Without limiting the generality of the foregoing, the parties acknowledge that the covenant set forth in this Section 7.1(f) shall not be satisfied if any Contract (including any Contract evidencing or relating to indebtedness) to which United A/P or any of its Subsidiaries is or becomes a party or pursuant to which any of their respective assets are or become bound restricts in any manner the actions of, or imposes any obligation, liability or commitment on, New United or any of its Subsidiaries or United or any of its Subsidiaries except, in the case of United and its Subsidiaries, as disclosed on SCHEDULE 7.1(f). For purposes of this Section 7.1(f), the Subsidiaries of United A/P shall include Austar United Communications Limited and its Subsidiaries.

(g) United shall take or cause to be taken such action as may be necessary to exempt the Liberty Parties and their respective Affiliates from the effect of any Contract among only United and one or more of its Controlled Affiliates or among only Controlled Affiliates of United (i) that purports to or would bind any of the Liberty Parties or any of their respective Affiliates after giving effect to the transactions contemplated hereby or (ii) in respect of which, whether before or after giving effect to the transactions contemplated hereby, any act or omission of any of the Liberty Parties or any of their respective Affiliates would result in a violation or breach thereof, or constitute (with or without due notice or lapse of time or both), or permit any Person to declare, a default or event of default thereunder, or give rise to any right of termination, cancellation, amendment, acceleration, repurchase, prepayment or repayment or to increased payments thereunder, or give rise to or accelerate any obligation (including, without limitation, any obligation to, or to offer to, repurchase, prepay, repay or make increased payments) or result in the loss or modification of any rights or benefits thereunder, or result in any Lien or Restriction on any of the assets of, or otherwise have any adverse effect on, United or any of its Affiliates.

(h) Options to purchase not more than 17,500,000 shares of United Common Stock ((1) which number (A) includes, and is not in addition to, the options granted subject to stockholder approval as described in paragraph B.1. of Section 6.1(b) of the United Disclosure Schedule, except to the extent any such options are cancelled, and the Class B Options described in paragraph B.2. of Section 6.1(b) of the United Disclosure Schedule and (B) shall be reduced by the number of shares of United Class A Stock underlying any options granted after August 31, 2001 to the Amendment Date, all of which options United represents and warrants comply with the provisions of this Section 7.1(h) (including with respect to the exercise prices thereof) and (2) which, except for any Class B Options described in paragraph B.2. of Section 6.1(b) of the United Disclosure Schedule, may only be options to purchase shares of United Class A Stock) (and no stock appreciation rights, restricted stock awards or any other grants under United's 1993 Stock Option Plan or otherwise other than such options to purchase shares of Common Stock) may be granted, provided that any such option shall have a per share exercise

price equal to or greater than either (x) the per share average of the Closing Prices for New United Class A Stock for the 30 consecutive Trading Days beginning on and including the first Trading Day following the Closing Date or (y) US $5.00 per share (unless a higher price is required pursuant to the terms of the relevant United Stock Option Plan). Any such option shall specify (which specification shall not be subject to change for any reason whatsoever), at the time of the grant thereof, whether the exercise price thereof shall be as set forth in clause (x) or (y) of the previous sentence.

(i) United shall promptly provide and shall use commercially reasonable efforts to cause United A/P to promptly provide, Liberty with true and complete copies of any notices or correspondence received by United or any of its subsidiaries or by United A/P or any of its subsidiaries relating to any default, acceleration or breach of, or potential default, acceleration or breach of, or dispute regarding, any material Contract evidencing or securing any outstanding indebtedness of United or any of its subsidiaries or United A/P or any of its subsidiaries or pursuant to which any such outstanding indebtedness was incurred.

7.2 STOCKHOLDERS MEETING. United shall call a meeting of its stockholders (the "UNITED STOCKHOLDERS MEETING") to be held as promptly as practicable for the purpose of considering and voting upon the United/New United Merger and each other matter required to be approved by such stockholders in connection with the transactions contemplated hereby or by the other Transaction Documents, and shall submit the same to its stockholders for their approval. United will, through its Board of Directors, recommend to its stockholders the approval of the United/New United Merger and each such other matter and United will use its best commercially reasonable efforts to solicit proxies in favor of the United/New United Merger and each such other matter and otherwise to secure the required vote of its stockholders. Each of the Founders and Liberty Global will vote all shares of United's capital stock owned by them for the approval of the United/New United Merger and each such other matter. Liberty Global will not transfer record or beneficial ownership of any United Class B Stock prior to the Closing except to a Controlled Affiliate of Liberty and unless the transferee, simultaneous with such transfer, executes a counterpart to this Agreement and thereupon becomes bound hereby to the same extent as Liberty Global (including the obligation, subject to the satisfaction or waiver of the terms and conditions of this Agreement, to take any actions that Liberty Global is required to take at the Closing). No amendment to or modification or waiver of any of the provisions of any of the Transaction Documents shall be authorized, recommended or approved without the prior written consent of the Liberty Parties.

7.3 PROXY STATEMENT; REGISTRATION STATEMENT; OTHER COMMISSION FILINGS.

(a) As soon as reasonably practicable after the execution of this Agreement, New United shall file with the Commission an amended registration statement on Form S-4 (the "REGISTRATION STATEMENT"), containing a form of prospectus that includes the definitive proxy statement for the United Stockholders Meeting (together with any amendments thereof or supplements thereto, the "PROXY STATEMENT"), registering under the Securities Act the shares of New United Class A Stock issuable pursuant to the United/New United Merger and the shares of New United Class A Stock issuable upon conversion of shares of New United Class B Stock and New United Class C Stock issuable in connection with the transactions contemplated by this Agreement and the other Transaction Documents (including upon conversion of shares of New

United Class B Stock issuable upon conversion of shares of New United Class C Stock). The Registration Statement shall be in form and substance reasonably satisfactory to the parties and shall include a reasonable description of the Senior Notes Agreements and the actions taken in order to satisfy the Fee Letter Condition. United and New United shall respond promptly to any comments of the Commission and shall use all commercially reasonable efforts to cause the Proxy Statement to be cleared by the Commission and the Registration Statement to be declared effective as promptly as practicable after such filing. Following the effectiveness of the Registration Statement, United shall promptly mail the definitive Proxy Statement to its stockholders. Each of United and New United will notify the Liberty Parties promptly of the receipt of any comments from the Commission or its staff or any other government officials and of any request by the Commission or its staff or such other government officials for amendments or supplements to the Registration Statement, the Proxy Statement or any filing incorporated therein or for additional information, and will supply the Liberty Parties with copies of all correspondence between it and any of its representatives, on the one hand, and the Commission or its staff or any other government officials on the other hand, with respect to the Registration Statement, the Proxy Statement, the transactions contemplated by this Agreement and the other Transaction Documents or any filing with the Commission relating thereto. Whenever any party hereto becomes aware of any event that is required to be set forth in an amendment or supplement to the Proxy Statement, the Registration Statement or any other filing with the Commission in connection with this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby, such party shall promptly inform the other parties of such occurrence. United and New United shall promptly prepare and file with the Commission any such amendment or supplement and, following clearance thereof, if applicable, mail such amendment or supplement to United's stockholders. United and New United shall cause the Proxy Statement, the Registration Statement and all other of their respective filings with the Commission with respect to this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby to comply in all material respects with the applicable provisions of the Securities Act and the Exchange Act. To the extent information regarding any Liberty Party or any of their respective Subsidiaries is required for the preparation of the Proxy Statement or Registration Statement, the Liberty Parties shall promptly provide such information to United and New United upon request.

(b) Until consummation of the transactions contemplated by this Agreement and the other Transaction Documents or earlier termination of this Agreement, United and New United, as applicable, shall each timely file all reports, registration statements, proxy or information statements and other documents required to be filed by it with the Commission after the Original Agreement Date, each of which filings shall comply with all applicable requirements of the Securities Act and the Exchange Act and the rules and regulations of the Commission under each such Act. United and New United shall each promptly provide Liberty Media and its counsel with copies of all filings with the Commission made by such party after the Original Agreement Date and prior to the consummation of the transactions contemplated by this Agreement and the other Transaction Documents or earlier termination of this Agreement.

7.4 NO SOLICITATION; ACQUISITION PROPOSALS.

(a) [Reserved.]

(b) Prior to consummation of the transactions contemplated by this Agreement and the other Transaction Documents or earlier termination of this Agreement, United and the Founders will not, and United will use its commercially reasonable efforts to cause each of its Subsidiaries not to, directly or indirectly, through any officer, director, employee, representative, agent, or financial advisor, solicit, initiate or encourage inquiries or submission of proposals or offers from any Person relating to any sale of all or any substantial portion of the assets of or any equity interest in United, New United or any of their respective Subsidiaries or any business combination with United, New United or any of their respective Subsidiaries whether by merger, purchase of assets, tender offer or otherwise or participate in any negotiation regarding, or furnish to any other Person any information with respect to, or otherwise cooperate in any way with, or assist in, facilitate or encourage, any effort or attempt by any other Person to do or seek to do any of the foregoing, in each case except as permitted by or disclosed pursuant to this Agreement (including Section 7.1(b) of the United Disclosure Schedule) or with the prior written consent of the Liberty Parties (which consent, in the case of any United Public Company, shall not be unreasonably withheld). Each Founder will vote all shares of voting stock in United beneficially owned by it, and United will vote or cause to be voted all shares of its Subsidiaries beneficially owned by it, against any transaction of the nature described above that is presented to it. Each Founder and United or New United, as applicable, will notify the Liberty Parties immediately if any inquiries or proposals are received by, any information is requested from, or any negotiations or discussions are sought to be initiated or continued with any Founder, United or New United, as applicable, or any of their respective Subsidiaries, in each case in connection with any of the foregoing. Each of the Founders and United shall use its best efforts to cause all confidential materials previously furnished by it or on its behalf to any third parties in connection with any of the foregoing to be promptly returned to it and shall cease, or cause United and its Subsidiaries to cease, any negotiations conducted in connection therewith.

7.5 CONSENTS AND APPROVALS.

(a) Subject to the terms and conditions of this Agreement and applicable law, each of the parties hereto shall use its commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things reasonably necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement and the other Transaction Documents as soon as reasonably practicable, including such actions or things as any other party hereto may reasonably request in order to cause any of the conditions to such party's obligation to consummate such transactions specified in this Agreement to be fully satisfied. Without limiting the generality of the foregoing, each of the parties hereto shall (and each shall cause its directors, officers and Subsidiaries, and use its reasonable efforts to cause its Affiliates, employees, agents, attorneys, accountants and representatives, to) consult and fully cooperate with and provide reasonable assistance to each other in (i) the preparation and filing with the Commission of the Registration Statement, the Proxy Statement and any necessary amendments or supplements to any of the foregoing; (ii) seeking to have such Proxy Statement cleared by the Commission and such Registration Statement declared effective by the Commission, in each case as soon as reasonably practicable after filing thereof; (iii) taking such actions as may reasonably be required under applicable state securities or blue sky laws in connection with the transactions contemplated by this Agreement and the other Transaction Documents; (iv) using its best commercially reasonable efforts to obtain all required consents, approvals, waivers, licenses, permits, authorizations, registrations, qualifications, or other

permissions or actions by, and to give all required notices to and to make all required Filings with and applications and submissions to, any Governmental Authority or other Person, in each case required in order to cause any of the conditions to each other party's obligation to consummate such transactions to be fully satisfied; (v) filing all pre-merger notification and report forms required under the HSR Act and responding to any requests for additional information made by any Governmental Authority pursuant to the HSR Act and cooperating with each other party in complying with the requirements of the HSR Act; (vi) using commercially reasonable efforts to cause the lifting of any permanent or preliminary injunction or restraining order or other similar order issued or entered by any court or other Governmental Authority (an "INJUNCTION") preventing the consummation of the transactions contemplated hereby or by the other Transaction Documents; (vii) providing all such information about such party, its Subsidiaries and its officers, directors, partners and Affiliates, and making all applications and filings, as may be necessary or reasonably requested in connection with any of the foregoing; (viii) using commercially reasonable efforts to obtain the tax opinions referred to in Sections 10.1(b), 11.6 and 12.5; and (ix) in general, using commercially reasonable efforts to consummate and make effective the transactions contemplated hereby. Notwithstanding the foregoing, in making any such Filing and in order to obtain any consent, approval, waiver, license, permit, authorization, registration, qualification, or other permission or action or the lifting of any Injunction referred to in the preceding sentence, (A) the parties and their respective Affiliates shall not be required to (i) pay any consideration, except filing fees; (ii) surrender, modify or amend in any respect any License or Contract (including this Agreement), (iii) hold separately (in trust or otherwise), divest itself of, or otherwise rearrange the composition of, any of its assets, (iv) agree to any limitations on any such Person's freedom of action with respect to future acquisitions of assets or with respect to any existing or future business or activities or on the enjoyment of the full rights of ownership, possession and use of any asset now owned or hereafter acquired by any such Person, or (v) agree to any of the foregoing or any other conditions or requirements of any Governmental Authority or other Person, in each case to the extent that doing so would be adverse or burdensome to such Person in any material respect. Prior to making any application to or filing with any Governmental Authority or other Person in connection with this Agreement, each party shall provide the other parties with drafts thereof and afford the other parties a reasonable opportunity to comment on such drafts.

(b) The parties will cooperate with and assist one another in any challenge by any party of the applicability to the transactions contemplated hereby (or by the other Transaction Documents) of any state takeover law (or similar Laws of any other jurisdiction) and, if any additional steps are necessary, will take all reasonable steps to exempt the transactions contemplated hereby or by the other Transaction Documents from any applicable state takeover law or similar Law of any other jurisdiction.

(c) Without limiting the generality of Section 7.5(a), United and New United shall cooperate with Liberty and its Affiliates to, at any time before or after the Closing, at Liberty or LMI's request, obtain the approvals described in footnote 1 to Section 6.1(c)(ii) of the United Disclosure Schedule.

7.6 TAX-FREE EXCHANGE. Each of the parties (a) shall use all reasonable efforts to cause each of the transactions contemplated by Sections 2.2 and 2.5 of this Agreement to qualify as a tax-free exchange under Section 351 of the Code, (b) will cooperate with the other parties to

modify the structure of such transactions if and to the extent necessary for each of such transactions to constitute a tax-free exchange or a tax-free reorganization, (c) will not take any action, and will not permit any of its Controlled Affiliates to take any action, that would cause any of the transactions contemplated by Sections 2.2 and 2.5 of this Agreement not to qualify as a tax-free exchange under Section 351 of the Code, and (d) will cooperate with the accounting or law firms that are to render the opinions referred to in Sections 10.1(b), 11.6 and 12.5 by providing appropriate certifications as to factual matters. Following the Closing, each party will report (or cause to be reported) each of the transactions contemplated by Sections 2.2 and 2.5 of this Agreement as a tax-free exchange under Section 351 of the Code on all tax returns and other tax filings. Further, from and after the Closing the parties will continue to take such actions as may be necessary to preserve the tax-free nature of each of the transactions contemplated by Sections 2.2 and 2.5 of this Agreement and will not take any action or permit any of its Controlled Affiliates to take any action that would have the effect of disqualifying any of the transactions contemplated by Sections 2.2 and 2.5 of this Agreement as a tax-free exchange under Section 351.

7.7 STOCKHOLDERS AGREEMENT. At the Closing, New United, each Founder, Liberty and Liberty Global shall execute and deliver a Stockholders Agreement substantially in the form attached hereto as EXHIBIT 7.7 (the "STOCKHOLDERS AGREEMENT").

7.8 VOTING AGREEMENT. At the Closing, New United and each Founder shall execute and deliver a Voting Agreement substantially in the form attached hereto as EXHIBIT 7.8 (the "VOTING AGREEMENT").

7.9 UNITED/LIBERTY AGREEMENT. At the Closing, United, Liberty and Liberty Global shall execute and deliver an agreement substantially in the form attached hereto as EXHIBIT 7.9 (the "UNITED/LIBERTY AGREEMENT").

7.9A NEW UNITED COVENANT AGREEMENT. At the Closing, New United, Liberty and Liberty Global will execute and deliver the Agreement Regarding Additional Covenants substantially in the form attached hereto as EXHIBIT 7.9A (the "NEW UNITED COVENANT AGREEMENT").

7.9B NO WAIVER AGREEMENT. At the Closing, New United, Liberty and LMI will execute and deliver the No Waiver Agreement.

7.10 STANDSTILL AGREEMENT. At the Closing, New United, Liberty and Liberty Global shall execute and deliver a Standstill Agreement substantially in the form attached hereto as EXHIBIT 7.10 (the "STANDSTILL AGREEMENT").

7.11 REGISTRATION RIGHTS AGREEMENT. At the Closing, New United, Liberty and Liberty Global shall execute and deliver a registration rights agreement substantially in the form attached hereto as EXHIBIT 7.11 (the "REGISTRATION RIGHTS AGREEMENT"). At the Closing, New United and the Founders will execute and deliver a registration rights agreement with identical terms, except that the Founders will be entitled to only two demand registration rights.

7.12 EXCHANGE AGREEMENT. At the Closing, United and each Founder that is a Controlling Principal and that purchased shares of United Series E Preferred Stock as

contemplated by Section 2.1(c) (any such Person, a "SERIES E HOLDER") shall execute and deliver an Exchange Agreement substantially in the form attached hereto as EXHIBIT 7.12(a) (the "EXCHANGE AGREEMENT").

7.13 LISTING APPLICATION. New United shall apply to list for trading on the National Market tier of The Nasdaq Stock Market the shares of New United Class A Stock issuable in the United/New United Merger and upon conversion of the shares of New United Class B Stock and New United Class C Stock issuable in connection with the transactions contemplated by this Agreement and the other Transaction Documents (including upon conversion of shares of New United Class B Stock issuable upon conversion of shares of New United Class C Stock), and will use all commercially reasonable efforts to cause such listing to be effective as of the Closing.

7.14 INVESTIGATION; CONFIDENTIALITY.

(a) From the Original Agreement Date until the Closing or earlier termination of this Agreement, upon reasonable notice and subject to the waiver of confidentiality obligations to third parties, each party hereto will, and will cause its Controlled Affiliates to, (i) permit the other parties hereto and their respective financial advisors and accounting and legal representatives to conduct an investigation and evaluation of (x) in the case of United, Liberty Sub and its business, and (y) in the case of the Liberty Parties, United, New United and their respective Subsidiaries and their respective businesses, (ii) provide such assistance as is reasonably requested and (iii) give access at reasonable times to the properties, books, Contracts, commitments, records and other information of, related to or concerning the businesses, assets, operations and personnel of such Persons. Such access and any information obtained by a party in connection with such investigation shall not affect or in any way limit the effectiveness of any representation, warranty, covenant or agreement made by any other party pursuant to this Agreement or any of the other Transaction Documents.

(b) Each of United and New United agrees that pending consummation in full of the transactions contemplated by this Agreement and the other Transaction Documents, it and its Controlled Affiliates shall, and shall use commercially reasonable efforts to cause their respective directors, officers, employees and authorized representatives to, (i) hold in strict confidence all data and information obtained by any of them pursuant hereto or in connection herewith or in connection with the matters contemplated by the Letter Agreement from the Liberty Parties, any of their respective Affiliates or their respective authorized representatives (unless such information is or otherwise becomes (through no breach of this covenant) public or readily ascertainable from public or published information) and (ii) use all such data and information solely for the purpose of consummating

the transactions contemplated hereby and, except as required by applicable Law or legal process or by the rules, regulations or policies of The New York Stock Exchange, The Nasdaq Stock Market, the Stock Market of Euronext Amsterdam or the Australian Stock Exchange shall not, and shall use its diligent efforts to ensure that such directors, officers, employees and authorized representatives do not, disclose such information to others without the prior written consent of Liberty.

(c) Each Liberty Party agrees that pending consummation in full of the transactions contemplated by this Agreement and the other Transaction Documents and at all times thereafter, it and its Controlled Affiliates shall, and shall use commercially reasonable

efforts to cause their respective directors, officers, employees and authorized representatives to, (i) hold in strict confidence all data and information obtained by any of them pursuant hereto or in connection herewith from United, any of its Affiliates or its authorized representatives (unless such information is or otherwise becomes (through no breach of this covenant) public or readily ascertainable from public or published information) and (ii) use all such data and information solely for the purpose of consummating the transactions contemplated hereby and, except as required by applicable law or legal process or by the rules of The New York Stock Exchange or The Nasdaq Stock Market, shall not, and shall use its diligent efforts to ensure that such directors, officers, employees and authorized representatives do not, disclose such information to others without the prior written consent of United.

(d) If this Agreement is terminated, each of the Liberty Parties, on the one hand, and United and New United, on the other, agree to (i) return or destroy promptly, as and if so requested by the other parties, each and every document furnished to it by the other parties or any Affiliate of such other parties, in connection with the transactions contemplated hereby or by the other Transaction Documents and any copies thereof that may have been made and to cause its representatives and any representatives of others to whom such documents were furnished promptly to return or destroy, as applicable, such documents and any copies thereof any of them may have made, other than documents that are publicly available, and (ii) refrain, and to use diligent efforts to cause its directors, officers, employees and representatives to refrain, from using any of the data or information referred to in subsection (b) or (c), as the case may be, for any purpose.

7.15 [Reserved.]

7.16 [Reserved.]

7.17 [Reserved.]

7.18 [Reserved.]

7.19 [Reserved.]

7.20 UPC BONDS. Except with the prior written consent of United (prior to Closing) or New United (after the Closing) (which shall not, either in the case of United or New United, be unreasonably withheld), from the Original Agreement Date until the earlier of the termination of this Agreement and the first anniversary of the Closing, Liberty will not, and will use commercially reasonable efforts to cause each of its Controlled Affiliates not to, directly or indirectly purchase or offer or agree to purchase any additional debt securities issued by UPC and outstanding as of the Original Agreement Date. Except with the prior written consent of Liberty (which shall not be unreasonably withheld) from the Original Agreement Date until the earlier of the termination of this Agreement and the first anniversary of the Closing, each of United and New United will not, and will use commercially reasonable efforts to cause each of its Controlled Affiliates not to, directly or indirectly purchase or offer or agree to purchase any debt securities issued by UPC and outstanding on the Original Agreement Date.

7.21 SENIOR SECURED NOTES. Except with the prior written consent of Liberty (which shall not be unreasonably withheld) and except, in the case of United, as expressly required by

the Indenture, from the Original Agreement Date until the earlier of the termination of this Agreement and the first anniversary of the Closing, each of United and New United will not, and will use commercially reasonable efforts to cause each of its Controlled Affiliates not to, directly or indirectly purchase or offer or agree to purchase any of the Senior Secured Notes. Except as contemplated by the Notes Tender Letter Agreement or with the prior written consent of United (prior to the Closing) or New United (after the Closing) (which shall not, either in the case of United or New United, be unreasonably withheld), from the Original Agreement Date until the earlier of the termination of this Agreement and the first anniversary of the Closing, Liberty will not, and will use commercially reasonable efforts to cause each of its Controlled Affiliates not to, directly or indirectly purchase or offer or agree to purchase any of the Senior Secured Notes.

7.22 FAIRNESS OPINIONS. United shall (a) use commercially reasonable efforts to promptly obtain the written opinion of Morgan Stanley satisfactory in form, scope and substance to United to the effect that as of the date thereof the Exchange Ratio pursuant to this Agreement is fair, from a financial point of view, to the holders of United Class A Stock (other than Liberty, New United, the Founders and their respective Affiliates) (the "EXCHANGE RATIO FAIRNESS OPINION"), (b) use commercially reasonable efforts to promptly obtain the written opinion of Morgan Stanley satisfactory in form, scope and substance to United, as required pursuant to Section 4.11 of the Indenture with respect to the transactions contemplated hereby and by the other Transaction Documents (the "INDENTURE FAIRNESS OPINION" and, together with the Stock Purchase Fairness Opinion and the Exchange Ratio Fairness Opinion, the "FAIRNESS OPINIONS"), (c) take such other actions as are required to comply with Section 4.11 of the Indenture, (d) provide Liberty with true and complete copies of the Exchange Ratio Fairness Opinion and the Indenture Fairness Opinion promptly following its receipt thereof, and (e) include an executed copy of the Exchange Ratio Fairness Opinion in the Proxy Statement and the Registration Statement.

7.23 INTERIM STOCKHOLDER ARRANGEMENTS. From the Original Agreement Date until the Closing or the earlier termination of this Agreement, United, Liberty and the Founders shall comply with the terms of the Stockholders Agreement and the Standstill Agreement, in each case in the forms attached as exhibits hereto and, solely for purposes of this covenant, as if (a) all references to "United" therein were references to United, (b) all references to "United Class C Stock" therein were references to United Class B Stock, (c) the "Maximum Percentage" were limited to the percentage determined in

accordance with clause (a) of the definition thereof in the Standstill Agreement; PROVIDED THAT, (i) in clause (a)(i) of such definition, the phrase "immediately after the closing of each of the transactions contemplated by the Merger Agreement" shall be deemed to be replaced with the phrase "immediately after the execution and delivery of the Merger Agreement (including the purchase of the Note Shares (as defined in the Merger Agreement) and the other shares of United Class A Stock purchased from United on December 3, 2001 as contemplated by the third recital of the Merger Agreement)" and (ii) in clause (a)(iii) of such definition, the phrase "25 million shares of Common Stock" shall be deemed to be replaced with the phrase " 20 million shares of Common Stock," and the proviso clause at the end thereof shall be deemed deleted, and (d) the Note Shares and any shares of United Class A Stock acquired by Liberty and its Controlled Affiliates in reliance on clause (a)(iii) of the definition of "Maximum Percentage" were not exchangeable into shares of United Class B Stock pursuant to Section 10(a) of the Stockholders Agreement. Further, until the Closing or the earlier termination of this Agreement, the Liberty Parties will be entitled to vote in

their sole discretion with respect to any action or transaction that would have required the approval of the Class C Directors or the Liberty Directors if taken by New United or that would be inconsistent with the provisions of this Agreement.

ARTICLE VIII

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF EACH PARTY TO CLOSE

The respective obligations of each party to consummate the transactions contemplated by this Agreement and the other Transaction Documents are subject to the satisfaction or the waiver by it of each of the following conditions on or prior to the Closing Date:

8.1 UNITED STOCKHOLDER APPROVAL. The stockholders of United shall have approved the United/New United Merger and each other matter submitted to the vote of such stockholders pursuant to Section 7.2 by the requisite vote.

8.2 HSR ACT. All applicable waiting periods under the HSR Act shall have expired or been terminated, without any litigation having arisen therefrom that remains outstanding or other action having been taken by the DOJ or the FTC that remains unresolved.

8.3 CONSENTS AND APPROVALS.

(a) The parties hereto shall have obtained all consents, approvals and waivers of, given all notices to, and made all Filings with (i) each Governmental Authority identified on the Liberty Disclosure Schedule or the United Disclosure Schedule or otherwise required in connection with the consummation of the transactions contemplated hereby and by the other Transaction Documents, the failure of which to be obtained, given or made would reasonably be expected to have a Liberty Material Adverse Effect, a Material Adverse Effect on Liberty, a United Material Adverse Effect or a New United Material Adverse Effect, and (ii) the European Union, and all such consents, approvals, waivers, notices and Filings referred to in clauses (i) and (ii) shall be in full force and effect.

(b) The parties hereto shall have obtained all consents, approvals and waivers of, and given all notices to, each Person other than a Governmental Authority identified on the Liberty Disclosure Schedule, the United Disclosure Schedule as "Required United Consents," the Founders Disclosure Schedule or otherwise required in connection with the consummation of the transactions contemplated hereby and by the other Transaction Documents and all such consents, approvals, waivers and notices shall be in full force and effect, in each case other than those that if not obtained, in force or effect, made or given (as the case may be) would not, either individually or in the aggregate, have a Liberty Material Adverse Effect, a United Material Adverse Effect, a New United Material Adverse Effect or a Founder Material Adverse Effect.

8.4 ABSENCE OF INJUNCTIONS. No permanent, preliminary or temporary injunction, restraining order or similar order issued or entered by any court or other Governmental Authority of competent jurisdiction, or other legal restraint or prohibition, preventing consummation of the

transactions contemplated hereby or by the other Transaction Documents as provided herein and therein shall be in effect.

8.5 FAIRNESS OPINIONS. United shall have obtained the Exchange Ratio Fairness Opinion and the Indenture Fairness Opinion and none of the Fairness Opinions shall have been withdrawn.

8.6 TRANSACTION DOCUMENTS. Each of the Transaction Documents shall have been executed and delivered, where applicable, effective as of the Closing, by the parties thereto.

ARTICLE IX

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF NEW UNITED TO CLOSE

The obligation of New United to consummate the transactions contemplated by this Agreement and the other Transaction Documents is subject to the fulfillment on or prior to the Closing Date, of the following conditions, any one or more of which may be waived by New United, provided that such waiver as it relates to conditions to be satisfied by the Liberty Parties and Liberty Sub shall have been consented to by United and such waiver as it relates to conditions to be satisfied by the Founders or Founder Newcos shall have been consented to by United and Liberty:

9.1 REPRESENTATIONS AND WARRANTIES TRUE AS OF THE CLOSING DATE.

(a) The representations and warranties of the Liberty Parties set forth in Sections 4.1, 4.2, 4.5, 4.7, 4.10 and 4.11 shall be true in all material respects on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date, except for changes permitted or contemplated by this Agreement.

(b) The representations and warranties of each Founder set forth in Sections 5.1, 5.2, 5.3, 5.7 and 5.9 shall be true in all material respects on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date, except for changes permitted or contemplated by this Agreement.

9.2 COMPLIANCE WITH THIS AGREEMENT. The Liberty Parties, each Founder and each Founder Newco shall have performed and complied in all material respects with all agreements and covenants contained in this Agreement and the other Transaction Documents that are required to be performed or complied with by them on or prior to the Closing Date.

9.3 CERTIFICATES. Each Liberty Party, each Founder and each Founder Newco shall have delivered to New United a certificate, dated the Closing Date and signed by such party, in the case of each party that is a natural person, or by an appropriate and duly authorized officer or representative of such party, in the case of each party that is not a natural person, certifying that the conditions specified in Sections 9.1 and 9.2 have been fulfilled.

9.4 OPINION OF COUNSEL TO THE LIBERTY PARTIES. New United shall have received the opinion of one or more counsel to the Liberty Parties and an opinion of one or more counsel to the Founders and each Founder Newco, each dated the Closing Date, in the form set forth on Exhibit 9.4 hereto.

ARTICLE X

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF THE PARTIES TO THE UNITED/NEW UNITED MERGER

10.1 UNITED'S OBLIGATION. The obligation of United to consummate the United/New United Merger is subject to the fulfillment on or prior to the Closing Date of the following conditions, any one or more of which may be waived by United:

(a) [Reserved.]

(b) United shall have received the opinion of Andersen LLP, dated the Closing Date, to the effect that, for United States federal income tax purposes, (i) the formation and merger of each Founder Newco with and into New United, and the merger of United/New United Merger Sub with and into United should be disregarded, and the acquisitions contemplated by this Agreement, including the direct or indirect contribution of assets by Liberty and Liberty Global to New United, when viewed as a collective whole, will be treated as a transfer by the various parties hereto of property to New United pursuant to Section 351 of the Code, and (ii) no gain or loss will be recognized by the stockholders of United upon the receipt of stock in New United upon the merger of the Founder Newcos with and into New United or upon the United/New United Merger. In rendering such opinion, Andersen LLP may require and rely upon (and may incorporate by reference) representations and covenants made in certificates provided by the parties hereto and upon such other documents and data as Andersen LLP deems appropriate as a basis for such opinion.

10.2 NEW UNITED'S OBLIGATION. The obligations of New United and United/New United Merger Sub to consummate the United/New United Merger are subject to the fulfillment on or prior to the Closing Date of the following further conditions, any one or more of which may be waived by New United for itself and on behalf of United/New United Merger Sub, provided that in the case of clause (d) below such waiver has been consented to by Liberty:

(a) [Reserved.]

(b) [Reserved.]

(c) [Reserved.]

(d) OPINION OF COUNSEL TO UNITED. New United and United/New United Merger Sub shall have received the opinion of Holme Roberts & Owen LLP, counsel to United, dated the Closing Date, in the form set forth on EXHIBIT 11.4(b) hereto.

(e) OTHER TRANSACTIONS. The transactions to be consummated prior to the United/New United Merger as set forth in Sections 2.1, 2.2(a) and 2.2(b) shall have been consummated in accordance with this Agreement.

ARTICLE XI

CONDITIONS PRECEDENT TO THE OBLIGATION OF THE LIBERTY PARTIES TO CLOSE

The obligations of the Liberty Parties to consummate the transactions contemplated by this Agreement and the other Transaction Documents are subject to the fulfillment on or prior to the Closing Date, of the following conditions, any one or more of which may be waived by the Liberty Parties:

11.1 REPRESENTATIONS AND WARRANTIES TRUE AS OF THE CLOSING DATE.

(a) The representations and warranties of United set forth in Sections 6.1(a), 6.1(c), 6.1(f)(iv), 6.1(o), 6.1(p) and 6.1(t) shall be true in all material respects on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date, except for changes permitted or contemplated by this Agreement.

(b) The representations and warranties of New United set forth in Sections 6.2(a), 6.2(b)(i), 6.2(c), 6.2(k) and 6.2(m) shall be true in all material respects on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date, except for changes permitted or contemplated by this Agreement.

(c) The representations and warranties of each Founder set forth in Sections 5.1, 5.2, 5.3, 5.7 and 5.9 of this Agreement shall be true in all material respects on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date, except for changes permitted or contemplated by this Agreement.

11.2 COMPLIANCE WITH THIS AGREEMENT.

(a) Except as set forth in (b) and (c) below, United, New United, each Founder and each Founder Newco shall have performed and complied in all material respects with all material agreements and material covenants contained in this Agreement and the other Transaction Documents that are required to be performed or complied with by them on or prior to the Closing Date.

(b) United shall have performed and complied in all respects with the agreements and covenants contained in Sections 7.1(b)(v) and 7.1(f).

(c) New United shall have performed and complied in all respects with the agreements and covenants contained in Sections 7.1(b)(v), 7.1(b)(xi)(B) and 7.1(b)(xii).

11.3 CERTIFICATES. Each of United, New United, each Founder and each Founder Newco shall have delivered to the Liberty Parties a certificate, dated the Closing Date and signed

by such party, in the case of each party that is a natural person, or by an appropriate and duly authorized officer or representative of such party, in the case of each party that is not a natural person, certifying that the conditions specified in Sections 11.1, 11.2, 11.9 and 11.10 have been fulfilled (insofar as each such Section relates to such Person).

11.4 OPINION OF COUNSEL TO UNITED. The Liberty Parties shall have received the following opinions, each dated the Closing Date: (a) the opinion of Prickett, Jones & Elliott, in the form set forth on EXHIBIT 11.4(a) hereto, (b) the opinion of Holme Roberts & Owen LLP, in the form set forth on EXHIBIT 11.4(b) hereto, (c) the opinion of Holme Roberts & Owen LLP, in the form set forth on EXHIBIT 11.4(c) hereto and (d) the opinion of Holme Roberts & Owen LLP, in the form set forth in EXHIBIT 11.4(d) hereto.

11.5 [Reserved.]

11.6 TAX OPINION. Liberty shall have received the opinion of Baker Botts L.L.P., dated the Closing Date, to the effect that, for United States federal income tax purposes, the transfers to New United in exchange for stock of New United that are contemplated by this Agreement to be consummated on the Closing Date, including the direct or indirect contribution of assets by Liberty and Liberty Global to New United, when viewed as a collective whole, will be treated as transfers of property to New United pursuant to Section 351 of the Code. In rendering such opinion, Baker Botts L.L.P. may require and rely upon (and may incorporate by reference) representations and covenants made in certificates provided by the parties hereto and upon such other documents and data as such counsel deems appropriate as a basis for such opinions.

11.7 [Reserved.]

11.8 [Reserved.]

11.9 INDENTURE. No "Event of Default" within the meaning of Sections 6.1(a), 6.1(b), 6.1(e), 6.1(g) or 6.1(h) of the Indenture shall have occurred and, in the case of any such "Event of Default" within the meaning of Sections 6.1(a), 6.1(b) or 6.1(e) of the Indenture, be continuing and no "Acceleration Notice" shall have been properly given (and not rescinded) pursuant to Section 6.2 of the Indenture.

11.10 FEE LETTER. All liabilities, obligations and commitments of any kind or nature, whether due or to become due, whether absolute, accrued, fixed or contingent or otherwise of New United under the Fee Letter shall have been terminated by the execution, delivery and performance of the instruments attached as SCHEDULE 11.10 (the "SENIOR NOTES AGREEMENTS") and no action taken in connection with such termination of New United's liabilities, obligations and commitments, contingent or otherwise, shall have resulted in or given rise to any material obligations or resulted in the loss or modification of any material benefit of, or resulted in a Lien or Restriction on, any of the assets of New United or any of its Subsidiaries (the "FEE LETTER CONDITION").

11.11 [Reserved.]

11.12 [Reserved.]

11.13 [Reserved.]

ARTICLE XII

CONDITIONS PRECEDENT TO THE OBLIGATION OF THE FOUNDERS TO CLOSE

The obligation of each of the Founders to consummate the transactions contemplated by this Agreement and the other Transaction Documents is subject to the fulfillment on or prior to the Closing Date of the following conditions, any one or more of which may be waived by such Founder:

12.1 REPRESENTATIONS AND WARRANTIES TRUE AS OF THE CLOSING DATE. The representations and warranties of the Liberty Parties set forth in Sections 4.1, 4.2, 4.5, 4.7, 4.10 and 4.11 of this Agreement shall be true in all material respects on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date, except for changes permitted or contemplated by this Agreement.

12.2 COMPLIANCE WITH THIS AGREEMENT. The Liberty Parties shall have performed and complied in all material respects with all agreements and covenants contained in this Agreement and the other Transaction Documents that are required to be performed or complied with by them on or prior to the Closing Date.

12.3 CERTIFICATES. Each Liberty Party shall have delivered to Founders a certificate, dated the Closing Date and signed by an appropriate and duly authorized officer or representative of such Liberty Party, certifying that the conditions specified in Sections 12.1 and 12.2 have been fulfilled.

12.4 [Reserved.]

12.5 TAX OPINION. The Founders shall have received the opinion of Andersen LLP, dated the Closing Date, to the effect that, for United States federal income tax purposes, (i) the formation and merger of each Founder Newco with and into New United, and the merger of United/New United Merger Sub with and into United should be disregarded, and the acquisitions contemplated by this Agreement, including the direct or indirect contribution of assets by Liberty and Liberty Global to New United, when viewed as a collective whole, will be treated as a transfer by the various parties hereto

of property to New United pursuant to Section 351 of the Code, and (ii) no gain or loss will be recognized by the stockholders of United upon the receipt of stock in New United upon the merger of the Founder Newcos with and into New United or the merger of United/New United Merger Sub with and into United. In rendering such opinion, Andersen LLP may require and rely upon (and may incorporate by reference) representations and covenants made in certificates provided by the parties hereto and upon such other documents and data as Andersen LLP deems appropriate as a basis for such opinions.

ARTICLE XIII

TAX MATTERS

13.1 [Reserved.]

13.2 [Reserved.]

13.3 [Reserved.]

13.4 TRANSFER TAXES. All sales, use, transfer, stamp, value added, duty, excise, stock transfer, real property transfer, real property recording, real property gains and other similar taxes and fees arising out of or in connection with the transactions contemplated by this Agreement and the other Transaction Documents shall be paid by New United.

13.5 [Reserved.]

13.6 [Reserved.]

13.7 [Reserved.]

13.8 [Reserved.]

13.9 RESTRUCTURING TRANSACTION INDEMNITY. If on or before the Closing Date, UPC or Belmarken Holding B.V. refinances, restructures, reorganizes, or engages in any similar transaction (a "RESTRUCTURING TRANSACTION") with respect to or affecting any of the Liberty UPC Bonds or the Belmarken Notes, and such Restructuring Transaction causes Liberty or any of its Affiliates, successors or assigns to recognize income or gain or otherwise incur any Tax, then New United shall indemnify and hold harmless Liberty and its Affiliates, successors and assigns, on an After-Tax Basis, from and against the amount of any Adjustments that arise from such Restructuring Transaction. New United shall pay such amounts within ten calendar days after the later of (1) the filing of any Tax Return which includes such income or gain recognized, or which is otherwise filed with respect to any Tax incurred, by Liberty, or any of its Affiliates,

successors or assigns in connection with such Restructuring Transaction, and (2) the date New United receives notice from Liberty demanding payment of such indemnity, and to the extent not paid within such ten-day period, the amount due shall thereafter include interest thereon at a rate per annum equal to the prime rate as publicly announced from time to time by The Bank of New York, adjusted as and when changes to such rate shall occur, compounded semi-annually. New United shall pay such indemnification amount, at its election, either (a) in cash or (b) in shares of New United Class C Stock equal to the quotient of (x) the amount of such indemnification payment, divided by (y) US $5.00 (subject to adjustment in the same manner as set forth in Section 2.4).

13.10 TREATMENT OF INDEMNITY PAYMENTS. To the extent permitted by law, the parties agree to treat indemnity payments under this Article XIII as adjustments to the consideration paid for the assets being contributed by Liberty and Liberty Global pursuant to this Agreement.

13.11 SURVIVAL. The covenants and agreements set forth in this Article XIII and in Section 7.6 shall survive until the expiration of the statutes of limitations applicable to liability to the relevant taxing authority for payment of the Tax.

ARTICLE XIV

CLOSING; CLOSING DATE

14.1 CLOSING. Subject to the terms and conditions of this Agreement, the closing of the transactions contemplated by Sections 2.2, 2.3 and 2.5 (the "CLOSING") shall take place at the executive offices of Liberty in Englewood, Colorado, or at such other place as the parties may agree, beginning at 10:00 a.m., local time, on a Business Day selected by the parties that is on or prior to the fifth Business Day following the day on which the last of the conditions to the Closing set forth in Articles VIII, IX, X, XI and XII is satisfied or waived, or on such later date as may be agreed to by the parties.

14.2 CLOSING DELIVERIES. At the Closing:

(a) each Founder shall deliver or cause to be delivered:

(i) to New United, such documents or instruments as may be necessary or that New United may reasonably request in order to effect the merger of each of the Founder Newcos into New United, in accordance with the Founder Newco Merger Agreements and this Agreement, including (if applicable) (A) delivery of certificates representing all of the issued and outstanding limited liability company membership interests of the applicable Founder Newco for cancellation against delivery of the applicable Founder Consideration Shares and (B) evidence of the full and unconditional release of any Liens and Restrictions on the shares of United Common Stock held by each of the Founder Newcos, as set forth in Section 2.2(b);

(ii) to Liberty, Liberty Global, New United and each other Founder, duly executed counterparts of the Stockholders Agreement;

(iii) to New United and each other Founder, duly executed counterparts of the Voting

Agreement; and

(iv) if such Founder is a Series E Holder, (A) to United, the stock certificate or stock certificates representing all shares of United Series E Preferred Stock held by such Series E Holder for cancellation against delivery of the appropriate number of shares of Surviving Entity Class A Stock, as contemplated by the United/New United Merger Agreement, and (B) to New United and each other Series E Holder, duly executed counterparts of the Exchange Agreement.

(b) Liberty Global shall deliver or cause to be delivered:

(i) to New United, the stock certificate or stock certificates representing the Liberty Global Shares, all duly endorsed in blank or with separate notarized stock powers attached thereto duly executed in blank and otherwise in proper form for transfer with all necessary documentary or transfer tax stamps affixed;

(ii) to New United, Liberty and each Founder, duly executed counterparts of the Stockholders Agreement;

(iii) to New United and Liberty, duly executed counterparts of the Standstill Agreement and the Registration Rights Agreement; and

(iv) to New United and Liberty, duly executed counterparts of the New United Covenant Agreement.

(c) Schneider shall deliver to New United a stock certificate representing one share of United Class A Stock, duly endorsed in blank or with a separate notarized stock power attached thereto duly executed in blank and otherwise in proper form for transfer with all necessary documents or transfer tax stamps affixed.

(d) Liberty shall deliver or cause to be delivered:

(i) to New United, (A) the Belmarken Notes or the proceeds thereof, in each case in proper form for transfer, (B) appropriate instruments, duly executed by Liberty Sub, assigning all of Liberty Sub's rights and obligations under the Belmarken Loan Agreements, (C) payment of the Cash Contribution, (D) the Note Shares and (E) the Liberty UPC Bonds and/or the Restructuring Proceeds, in each case in proper form for transfer;

(ii) to New United and LMI, duly executed counterparts of the No Waiver Agreement;

(iii) [Reserved.]

(iv) to New United, Liberty Global and each Founder, duly executed counterparts of the Stockholders' Agreement;

(v) to New United and Liberty Global, duly executed counterparts of the Standstill Agreement and the Registration Rights Agreement;

(vi) to United and Liberty Global, duly executed counterparts of the United/Liberty Agreement;

(vii) to Liberty Global and New United, duly executed counterparts of the New United Covenant Agreement; and

(viii) if the Note Repayment Amount or any portion thereof is being paid at the Closing, to UIPI, (A) payment of the Note Repayment Amount or portion thereof by delivery of cash, Liberty 2009 Notes or a combination thereof, or such other form of consideration provided for in the Notes Tender Letter Agreement or as may be acceptable to United, as provided in Section 2.3 and (B) if applicable, a duly executed counterpart of the Liberty 2009 Notes Registration Rights Agreement.

(e) New United shall deliver or cause to be delivered:

(i) to Liberty Global or the appropriate Contributing Party or Contributing Parties, newly issued stock certificates representing the Liberty Global Consideration Shares;

(ii) to each Founder, newly issued stock certificates representing the Founder Consideration Shares to be issued to such Founder pursuant to Section 2.2(b), registered in the name of such Founder;

(iii) to Liberty or the appropriate Contributing Party or Contributing Parties, newly issued stock certificates representing the Liberty Consideration Shares and the Liberty Contribution Shares;

(iv) to Liberty, appropriate instruments, duly executed by New United, assuming all of Liberty Sub's obligations under the Belmarken Loan Agreements;

(v) to Liberty and LMI, duly executed counterparts of the No Waiver Agreement;

(vi) to Liberty Global, Liberty and each Founder, duly executed counterparts of the Stockholders Agreement;

(vii) to each Founder, duly executed counterparts of the Voting Agreement;

(viii) to Liberty Global and Liberty, duly executed counterparts of the Standstill Agreement and the Registration Rights Agreement;

(ix) to United, duly executed counterparts of the Certificate of Merger;

(x) to each Series E Holder, duly executed counterparts of the Exchange Agreement; and

(xi) to Liberty and Liberty Global, duly executed counterparts of the New United Covenant Agreement.

(f) United shall deliver or cause to be delivered:

(i) to New United, duly executed counterparts of the Certificate of Merger;

(ii) if, at the Closing, the Note Repayment Amount or any portion thereof is being paid or the $310,000,000 Notes or any portion thereof are being assumed by New United, to Liberty, (A) if applicable, the $310,000,000 Notes for cancellation against payment of the Note Repayment Amount as provided in Section 2.3, (B) if applicable, a counterpart of the Liberty 2009 Notes Registration Rights Agreement, duly executed by UIPI and United and (C) an appropriate instrument, duly executed by United and by each of its Controlled Affiliates that is a beneficiary of the Liberty Guaranty, irrevocably releasing Liberty from all of its obligations under the Liberty Guaranty; and

(iii) to Liberty and Liberty Global, duly executed counterparts of the United/Liberty Agreement; and

(iv) to each Series E Holder, newly issued stock certificates representing the shares of Surviving Entity Class A Stock to be issued to such Series E Holder, as contemplated by the United/New United Merger Agreement, registered in the name of such Series E Holder.

(g) LMI shall deliver or cause to be delivered to New United and Liberty, duly executed counterparts of the No Waiver Agreement.

(h) Each of the parties shall also deliver or cause to be delivered the certificates, opinions and other documents required by Articles VIII, IX, X, XI and XII.

(i) All shares of New United Class C Stock required to be delivered to a Liberty Party shall be represented by newly issued stock certificates registered in the name of the applicable Liberty Party or, at its direction, an Affiliate thereof. All payments of cash to be made to a party or an Affiliate thereof shall be made by wire transfer of immediately available funds to an account or accounts at a domestic bank identified by the applicable party by written notice to the party making or causing to be made such payment at least three Business Days prior to the applicable Closing.

ARTICLE XV

SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS; INDEMNIFICATION

15.1 SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS. All representations and warranties contained in this Agreement shall survive the execution and delivery hereof and the Closing hereunder, and, except as otherwise specifically provided in this Agreement, shall thereafter terminate and expire on the first anniversary of the Closing Date; provided, however, that the representations and warranties set forth in Sections 4.2 (fourth and fifth sentences only), 4.3, 4.4, 4.5, 4.7, 4.11, 5.3(c), 5.4, 5.7, 6.1(c)(ii), 6.1(d), 6.1(e), 6.1(f)(i) (second, third and fourth sentences only), 6.1(f)(iv), 6.1(g)(iii), 6.1(j), 6.1(k) (last sentence only), 6.1(o), 6.2(b)(i) (eighth sentence only), 6.2(c)(ii), 6.2(d), 6.2(e), 6.2(g)(iii), 6.2.(j), and 6.2(k) shall survive until the expiration of the applicable statute of limitations. The covenants and agreements made by each party in this Agreement and the other Transaction Documents will survive the Closing without limitation (except pursuant to their terms). Any representation, warranty or covenant that is the subject of a claim or dispute asserted in writing prior to the expiration of the applicable of the above-stated periods shall survive with respect to such claim or dispute until the final resolution thereof.

15.2 INDEMNIFICATION BY LIBERTY PARTY. Subject to written notice of such claim for indemnification being given to the applicable Liberty Party within the appropriate survival period referred to in Section 15.1, such Liberty Party, severally and not jointly, hereby agrees to indemnify and hold New United and its directors, officers, employees, Affiliates, agents, successors and assigns (collectively, the "LIBERTY MEDIA INDEMNIFIED PARTIES") harmless from and against any and all losses, liabilities, damages, deficiencies, and obligations ("LOSSES") resulting from, based upon, arising out of or otherwise in respect of, and all claims, actions, suits, proceedings, demands, judgments, assessments, fines, interest, penalties, costs and expenses (including amounts reasonably paid in settlement and

reasonable legal, accounting, experts and other fees, costs and expenses) ("CLAIMS") incident or relating to or resulting from, (a) any inaccuracy in or any breach of any representation or warranty of such Liberty Party contained in this Agreement or in any certificate delivered by or on behalf of such Liberty Party pursuant to this Agreement, (b) any nonperformance or breach of any covenant or agreement of such Liberty Party contained in this Agreement or (c) any Claim brought by a third party against a Liberty Media Indemnified Party in respect of any untrue statement of a material fact in the Proxy Statement or Registration Statement, or omission to state any material fact required to be stated therein, or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading to the extent that such untrue statement or omission was

based upon information provided by or on behalf of such Liberty Party in writing expressly for purposes of inclusion in the Proxy Statement or Registration Statement.

15.3 INDEMNIFICATION BY FOUNDERS. Subject to written notice of such claim for indemnification being given to the applicable Founder within the appropriate survival period referred to in Section 15.1, such Founder, severally and not jointly, hereby agrees to indemnify and hold New United and its directors, officers, employees, Affiliates, agents, successors and assigns (collectively, the "FOUNDER INDEMNIFIED PARTIES") harmless from and against any and all Losses resulting from, based upon, arising out of or otherwise in respect of, and all Claims incident or relating to or resulting from (a) any inaccuracy in or any breach of any representation or warranty of such Founder contained in this Agreement or in any certificate delivered by or on behalf of such Founder or its Founder Newco pursuant to this Agreement or the applicable Founder Newco Merger Agreement, (b) any nonperformance or breach of any covenant or agreement of such Founder contained in this Agreement, and (c) any Claim brought by a third party against a Founder Indemnified Party in respect of any untrue statement of a material fact in the Proxy Statement or Registration Statement, or omission to state any material fact required to be stated therein, or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading to the extent that such untrue statement or omission was based upon information provided by or on behalf of such Founder in writing expressly for purposes of inclusion in the Proxy Statement or Registration Statement.

15.4 INDEMNIFICATION BY NEW UNITED AND UNITED. Subject to written notice of such claim for indemnification being given to New United within the appropriate survival period referred to in Section 15.1, New United hereby agrees to indemnify and hold each Liberty Party and their respective directors, officers, employees, Affiliates, agents, successors and assigns (collectively, the "NEW UNITED INDEMNIFIED PARTIES") harmless from and against any and all Losses resulting from, based upon, arising out of or otherwise in respect of, and all Claims incident or relating to or resulting from (a) any inaccuracy in or any breach of any representation or warranty of United or New United contained in this Agreement or in any certificate delivered by or on behalf of United or New United pursuant to this Agreement, (b) any nonperformance or breach of any covenant or agreement of United or New United contained in this Agreement or any other Transaction Document, (c) any Claim brought by a third party against a New United Indemnified Party in respect of any untrue statement of a material fact in the Proxy Statement or Registration Statement, or omission to state any material fact required to be stated therein, or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except to the extent that such untrue statement or omission was based upon information provided by or on behalf of a Liberty Party in writing expressly for purposes of inclusion in the Proxy Statement or Registration Statement, and (d) all obligations and liabilities of whatever kind and nature, primary or secondary, direct or indirect, absolute or contingent, known or unknown, whether arising before, on or after the Closing Date arising out of or relating to the Belmarken Loan Agreements or any Restructuring Transaction, other than to the extent such obligation or liability arises out of a breach of a representation, warranty, covenant or agreement of the Liberty Parties contained in this Agreement. Subject to written notice of such claim for indemnification being given to United within the appropriate survival period referred to in Section 15.1, United hereby agrees to indemnify and hold New United and its directors, officers, employees, Controlled Affiliates, agents, successors and assigns (collectively, the "UNITED INDEMNIFIED PARTIES") harmless from and against any and all Losses

resulting from, based upon, arising out of or otherwise in respect of, and all Claims incident or relating to or resulting from (a) any inaccuracy in or any breach of any representation or warranty of United contained in this Agreement or in any certificate delivered by or on behalf of United pursuant to this Agreement, (b) any nonperformance or breach of any covenant or agreement of United contained in this Agreement or any other Transaction Document and (c) any Claim brought by a third party against a United Indemnified Party in respect of any untrue statement of a material fact in the Proxy Statement or Registration Statement, or omission to state any material fact required to be stated therein, or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except to the extent that such untrue statement or omission was based upon information provided by or on behalf of a Liberty Party in writing expressly for purposes of inclusion in the Proxy Statement or Registration Statement.

15.5 DEFENSE OF ACTION.

(a) Any Person seeking indemnification under Section 15.2, 15.3 or 15.4 (the "INDEMNIFIED PARTY") with respect to any third party claim, investigation, action, suit or proceeding (collectively, an "ACTION") shall promptly give notice of such Action to the party from which such indemnification is sought (the "INDEMNIFYING PARTY"). The Indemnified Party's failure to so notify the Indemnifying Party of any Action shall not release the Indemnifying Party, in whole or in part, from its obligations to indemnify under this Article, except to the extent that the Indemnified Party's failure to so notify actually prejudices the Indemnifying Party's ability to defend against such Action. The Indemnified Party shall be entitled, at the sole expense and liability of the Indemnifying Party, to exercise full control of the defense, compromise or settlement of any such Action unless the Indemnifying Party, within a reasonable time after the giving of such notice by the Indemnified Party, shall (i) deliver a written confirmation to such Indemnified Party that the indemnification provisions of Section 15.2, 15.3 or 15.4 (as the case may be) are applicable to such Action and that, subject to the remaining provisions of this Article XV, the Indemnifying Party will indemnify such Indemnified Party in respect of such Action pursuant to the terms of Section 15.2, 15.3 or 15.4 (as the case may be), (ii) notify such Indemnified Party in writing of the

Indemnifying Party's intention to assume the defense thereof, and (iii) retain legal counsel reasonably satisfactory to such Indemnified Party to conduct the defense of such Action.

(b) The Indemnified Party and the Indemnifying Party shall cooperate with the party assuming the defense, compromise or settlement of any such Action in accordance herewith in any manner that such party reasonably may request. If the Indemnifying Party so assumes the defense of any such Action, the Indemnified Party shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise, or settlement thereof, but the fees and expenses of such counsel shall be the expense of such Indemnified Party unless (i) the Indemnifying Party has specifically agreed to pay such fees and expenses, (ii) any relief other than the payment of money damages is sought against the Indemnified Party or (iii) the Indemnified Party shall have been advised by its counsel that there may be one or more legal defenses available to it that are different from or additional to those available to the Indemnifying Party or that there may be a conflict of interest between the Indemnifying Party and the Indemnified Party in the conduct of the defense of such Action (in either of which cases the Indemnifying Party shall not have the right to direct the defense, compromise or settlement of

such Action on behalf of the Indemnified Party), and in any such case the reasonable fees and expenses of such separate counsel shall be borne by the Indemnifying Party, it being understood and agreed, however, that the Indemnifying Party shall not be liable for the fees and expenses of more than one separate firm of attorneys at any time for the Indemnified Party together with its Affiliates, unless there shall be a conflict of interest between the Indemnified Party and an Affiliate thereof, in which case the Indemnifying Party shall not be liable for the fees and expenses of more than an aggregate of two separate firms of attorneys at any time for the Indemnified Party and its Affiliates. No Indemnified Party shall settle or compromise or consent to entry of any judgment with respect to any such Action for which it is entitled to indemnification hereunder without the prior written consent of the Indemnifying Party, unless the Indemnifying Party shall have failed, after reasonable notice thereof, to undertake control of such Action in the manner provided above in this Section 15.5. The Indemnifying Party shall not, without the written consent of the Indemnified Party, settle or compromise or consent to entry of any judgment with respect to any such Action (x) in which any relief other than the payment of money damages is or may be sought against any Indemnified Party, or (y) that does not include as an unconditional term thereof the giving by the claimant, party conducting such investigation, plaintiff or petitioner to such Indemnified Party of a release from all liability with respect to such Action.

(c) If the indemnification provisions contained in this Article XV and the indemnification provisions contained in Article XIII are both applicable with respect to any particular matter, then the indemnification provisions contained in Article XIII shall be controlling and shall apply for all purposes as to such matter.

15.6 LIMITATIONS ON INDEMNIFICATION FOR BREACH OF REPRESENTATIONS AND WARRANTIES. No indemnification by a Liberty Party or New United under Section 15.2 or 15.4 hereof in respect of an inaccuracy in or breach of any representation or warranty in this Agreement or in any certificate delivered pursuant hereto (other than, in each case, the Basket Exceptions, as defined below), shall be due and payable (a) in respect of any individual claim unless such claim equals or exceeds US $1,000,000, and (b) unless the aggregate amount of such claims equal to or in excess of US $1,000,000 exceeds US $150,000,000 (the "BASKET AMOUNT"), whereupon the applicable Liberty Party or New United, as the case may be, shall be obligated to pay only the excess of the aggregate amount of such claims for indemnification over the Basket Amount. The indemnification obligations under Sections 15.2 and 15.4 in respect of an inaccuracy in or breach of any of the following representations or warranties (collectively, the "BASKET EXCEPTIONS") will not be subject to the limitations of the preceding sentence: the representations and warranties in Sections 4.3, 6.1(d) and 6.2(d) ("Brokers' and Finders' Fees"); the representations and warranties in Sections 4.5 ("Ownership of United Class B Stock"); the representations and warranties in Sections 4.2 (fifth sentence only and only as such sentence relates to (1) the certificates or articles of incorporation and bylaws of the Liberty Parties and (2) Delaware Law), 6.1(c)(ii) (second sentence only and only as such sentence relates to (1) the certificate of incorporation and bylaws of United, (2) Delaware law and (3) any Contract evidencing or securing any outstanding indebtedness of United or any of its Subsidiaries or pursuant to which any such outstanding indebtedness was incurred) and 6.2(c)(ii) ("Consents and No Conflicts"); the representations and warranties in Sections 4.4, 6.1(e) and 6.2(e) ("Legal Proceedings"); the representations and warranties in Sections 6.1(k) ("Contracts and Commitments") (last sentence only) and 6.2(j) ("Contracts; No Breach"); the representations and warranties in Section 6.1(f)(iv) ("United

A/P"); the representations and warranties in Sections 6.1(o) and 6.2(k) ("Section 203 and Similar Laws"); the representations and warranties in the eighth sentence of Section 6.2(b)(i), that the shares of New United stock to be issued pursuant to this Agreement and the other Transaction Documents have been duly authorized and when issued will be validly issued, fully paid, nonassessable and free of preemptive rights and Liens and Restrictions; the representations and warranties in Section 6.1(j)(ix) ("Taxes"); the representations and warranties in Section 4.7 ("Belmarken Notes"); the representations and warranties in Section 4.11 ("Liberty UPC Bonds"); and the representations and warranties in Sections 6.2(g)(iii) with respect to the absence of New United liabilities. In the event of any inaccuracy in or any breach of any representation or warranty in this Agreement or in any certificate delivered pursuant hereto, if such representation or warranty contains a materiality qualifier (including without limitation a reference to a Material Adverse Effect, a Material Adverse Change, a Liberty Material Adverse Effect, a New United Material Adverse Effect or a United Material Adverse Effect) then such materiality qualifier shall be considered for purposes of determining whether there has been any inaccuracy or breach subject to indemnification under this Article XV, but such materiality qualifier shall not be considered for purposes of determining whether any claim pursuant to this Article XV equals or exceeds the monetary thresholds set forth in clauses (a) and (b) above.

15.7 INSURANCE PROCEEDS. The amount that any party may be required to pay to another party pursuant to this Article XV shall be reduced (retroactively, if necessary) by any insurance proceeds or refunds actually recovered by or on behalf of the applicable Indemnified Party in reduction of the related Losses and Claims. If an Indemnified Party shall have received the payment required by this Article XV from the Indemnifying Party in respect of Losses and Claims and shall subsequently receive insurance

proceeds in respect of such Losses and Claims, then the Indemnified Party shall promptly repay to the Indemnifying Party a sum equal to the amount of such insurance proceeds or refunds actually received, net of costs and expenses, but not exceeding the amount paid by the Indemnifying Party in respect of such Losses and Claims.

15.8 EXCLUSIVE MONETARY REMEDY; NO CONSEQUENTIAL DAMAGES. The parties hereto hereby acknowledge and agree that their sole and exclusive remedy for monetary damages with respect to any and all claims relating to the subject matter of this Agreement (except damages resulting from the commission of fraud with respect to the subject matter of this Agreement) shall be pursuant to the indemnification provisions set forth in Articles XIII and XV; provided, however, that nothing in this Section 15.8 shall limit in any way the availability of specific performance, injunctive relief or other equitable remedies to which a party may otherwise be entitled. In no event shall any party hereto be liable to another party hereto for such other party's lost profits, lost revenues or other indirect or consequential damages.

ARTICLE XVI

TERMINATION OF AGREEMENT

16.1 TERMINATION. This Agreement may be terminated and the transactions contemplated hereby and by the other Transaction Documents abandoned at any time prior to the Closing (i) by the mutual written consent of United and Liberty, (ii) by Liberty if United shall not have obtained the Exchange Ratio Fairness Opinion and the Indenture Fairness Opinion on or before January 15, 2002, or (iii) by either United or Liberty by giving written notice of

termination to the other if the Closing shall not have occurred on or before February 28, 2002; provided, however, that (A) if the United Stockholders Meeting has not been held on or before February 28, 2002, but (1) the United Stockholders Meeting is scheduled to occur on or before March 29, 2002 and (2) the Proxy Statement was mailed to United's Stockholders on or before February 14, 2002, then such date shall be extended to March 29, 2002, (B) if the Closing has not occurred solely because a "Default" or "Event of Default" within the meaning of the Indenture shall have occurred and be continuing (other than any "Event of Default" within the meaning of Sections 6.1(a), 6.1(b), 6.1(e), 6.1(g) or 6.1(h) of the Indenture) and, as a result of the continuance of such "Default" or "Event of Default," the condition to closing set forth in Section 11.1 (insofar as it relates to Section 6.1(c)(ii)(z)) shall not have been satisfied, such "Default" or "Event of Default" is of a type that is amenable to cure without violation of the terms of this Agreement and United is, and has been since becoming aware of such "Default" or "Event of Default," vigorously pursuing the cure of such "Default" or "Event of Default," such date shall be extended once to the earliest of (1) April 13, 2002 and (2) 14 days from the date that, but for the occurrence or continuance of such "Default" or "Event of Default," all of the conditions to Closing (except for the delivery of consideration, instruments, certificates and opinions to be delivered at the Closing) were or could have been satisfied, and (C) if the Closing shall not have occurred on or before February 28, 2002 solely because an "Acceleration Notice" has been given (and not rescinded) pursuant to Section 6.2 of the Indenture, and as a result the condition to Closing set forth in Section 11.9 has not been satisfied, but United is vigorously contesting such Acceleration Notice in an appropriate legal forum in good faith, then such date shall be extended to the earliest of (1) April 29, 2002, (2) such date that United is no longer vigorously contesting such Acceleration Notice in an appropriate legal forum in good faith and (3) such date that such Acceleration Notice is rescinded; provided further, however, that the right to terminate this Agreement under clause (iii) shall not be available to United, on the one hand, or Liberty, on the other hand, if the failure of the Closing to occur prior to such date was a result of, in the case of United, any breach by United or any of its Affiliates or, in the case of Liberty, any breach by any Liberty Party or any of its Affiliates, of any of the representations, warranties, covenants or agreements of such Person contained herein or in the other Transaction Documents.

16.2 LIMITATION OF LIABILITIES IN THE EVENT OF TERMINATION. In the event of any termination of this Agreement pursuant to Section 16.1, this Agreement shall forthwith become wholly void and of no further force and effect and there shall be no liability on the part of any of the parties hereto or their respective Affiliates, officers or directors by reason hereof except (i) that the provisions of Sections 2.3(a)(i) (proviso only), 7.14(b), 7.14(c), 7.14(d), this Section 16.2, Section 16.3 and Article XVII shall survive the termination of this Agreement, and (ii) nothing herein shall relieve any party hereto from liability for any breach by it or any of its Affiliates of any of its or their representations, warranties, covenants or agreements made herein or in the other Transaction Documents.

16.3 STOCKHOLDER ARRANGEMENTS. In the event of any termination of this Agreement pursuant to Section 16.1, Liberty, United and the Founders will in good faith negotiate agreements providing for stockholder and standstill obligations and containing terms substantially similar to those provided for in the forms of Stockholders Agreement and Standstill Agreement included as exhibits to this Agreement, PROVIDED THAT (a) the "Maximum Percentage" or similar provision in such agreements shall be computed in a manner consistent with the methodology set forth in Section 7.23(c) hereof, (b) the Note Shares and any shares of United

Class A Stock acquired by Liberty and its Controlled Affiliates in reliance on clause (a)(iii) of the definition of "Maximum Percentage" shall not, pursuant to such agreements, be exchangeable into shares of United Class B Stock as provided in Section 10(a) of the Stockholders Agreement.

ARTICLE XVII

MISCELLANEOUS

17.1 EXPENSES. Except as set forth specifically herein, each party hereto shall pay its own expenses (including fees and expenses of legal counsel, investment bankers, brokers or other representatives or consultants) in connection with the transactions contemplated hereby (whether or not such transactions are consummated). United shall pay, or cause to be paid, (a) all filing fees in connection with any filings under the HSR Act required to be made by Schneider or by Liberty Media or any of its subsidiaries and (b) all filing fees and other costs and expenses of any kind whatsoever (including fees and expenses of counsel) in connection with obtaining or making any consents, approvals or waivers of, notices to or filings with any third parties or Governmental Authorities that are required to be obtained or made as a result of the Closing occurring on any date after November 30, 2001. In

the event of any proceeding to enforce this Agreement, the prevailing party shall be entitled to receive from the losing party all reasonable costs and expenses, including the reasonable fees of attorneys, accountants and other experts, incurred by the prevailing party in investigating and prosecuting (or defending) such action at trial or upon any appeal.

17.2 ENTIRE AGREEMENT; RELEASE. This Agreement (together with the Schedules and Exhibits annexed hereto) and the other Transaction Documents contain, and are intended as, a complete statement of all of the terms of the agreements among the parties and their respective Affiliates with respect to the matters provided for herein and therein, and, whether or not the Closing occurs, supersede and discharge any previous agreements and understandings between the parties with respect to those matters, including the Original Agreement (except for the Disclosure Schedules provided pursuant thereto), the Letter Agreement and the August 1999 Agreement; provided, however, that (1) the Founders' Agreement, dated as of September 30, 1999, among certain of the Founders shall survive the execution of the Original Agreement and the execution of this Agreement in accordance with its terms with respect to the Founders that are party thereto, (2) the Notes Tender Letter Agreement shall survive the execution hereof in accordance with its terms, and (3) the letter agreement, dated September 18, 2000, between United and Liberty Media (the "SEPTEMBER 18 LETTER AGREEMENT") shall survive the execution hereof in accordance with its terms, except that (i) references therein to the "June 2000 Agreement" shall be deemed to refer to the Letter Agreement and the reference in the third paragraph thereof to the "Sum of the Parts" method set forth in paragraph 5 of Exhibit A to the "June 2000 Agreement" shall instead be deemed to refer to the Sum-of-the-Parts method described in paragraph 5 of the Letter Agreement, and (ii) the September 18 Letter Agreement shall terminate immediately upon the occurrence of the Closing. Each of United, on the one hand, and Liberty and LMI, on the other hand, furthermore, hereby releases and forever discharges each other party and their respective Affiliates of and from any and all claims, causes of action and liabilities of any kind whatsoever, now existing or hereafter arising, whether known or unknown, that arise out of or in any way relate to the Letter Agreement, its inducement, its

negotiation, the negotiation of definitive documents to consummate the transactions contemplated by it or its alleged non-performance, including, without limitation, claims for fraud, misrepresentation, non-disclosure, promissory estoppel, equitable estoppel, breach of express contract, breach of implied contract or breach of the covenant of good faith and fair dealing.

17.3 GOVERNING LAW; WAIVER OF JURY TRIAL, ETC. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado applied to contracts made and wholly performed in such State, without regard to principles governing conflicts of law, except to the extent that the United/New United Merger and the Founder Newco Mergers are necessarily governed by the laws of the State of Delaware. Each of the parties (a) will submit itself to the non-exclusive jurisdiction of any federal court located in the State of Colorado or any Colorado state court having subject matter jurisdiction in the event any dispute arises out of this Agreement, (b) agrees that venue will be proper as to any proceeding brought in any such court with respect to such a dispute, (c) will not attempt to deny or defeat such personal jurisdiction or venue by motion or other request for leave from any such court and (d) WAIVES ANY RIGHT TO A TRIAL BY JURY in any proceeding brought with respect to this Agreement or the transactions contemplated hereby.

17.4 HEADINGS. The table of contents and article and section headings of this Agreement are for reference purposes only and are to be given no effect in the construction or interpretation of this Agreement.

17.5 NOTICES. All notices and other communications hereunder shall be in writing and shall be delivered personally, telecopied (if receipt of which is confirmed by the person to whom sent), sent by nationally recognized overnight delivery service or mailed by registered or certified mail (if return receipt is requested) to the parties at the following addresses (or to such other Person or address for a party as shall be specified by such party by like notice) (notice shall be deemed given upon receipt, if delivered personally, by overnight delivery service or by telecopy, or on the third Business Day following mailing, if mailed, except that notice of a change of address shall not be deemed given until actually received):

(a) If to any Liberty Party, to it at:

12300 Liberty Boulevard
Englewood, Colorado 80112
Attention: Elizabeth M. Markowski
Telephone: (720) 875-6209
Telecopier: (720) 875-5858

with copies to:

Baker Botts L.L.P.
599 Lexington Avenue
New York, New York 10022
Attention: Robert W. Murray Jr.
Telephone: (212) 705-5000
Telecopier: (212) 705-5125

and

Sherman & Howard
633 17th Street, Suite 3000
Denver, Colorado 80202
Attention: Amy L. Hirter
Telephone: (303) 297-2900
Telecopier: (303) 298-0940

(b) If to the Founders, to:

Gene Schneider
c/o UnitedGlobalCom, Inc.
4643 South Ulster Street, #1300
Denver, Colorado 80237
Attention: General Counsel
Telephone: (303) 770-4001
Telecopier: (303) 220-3117

(c) If to any of United, New United or United/New United Merger Sub, to such party at:

4643 South Ulster Street, #1300

Denver, Colorado 80237
Attention: General Counsel
Telephone: (303) 770-4001
Telecopier: (303) 220-3117

with a copy to:

Holme Roberts & Owen LLP
1700 Lincoln Street
Suite 4100
Denver, Colorado 80203
Attention: W. Dean Salter
Telephone: (303) 861-7000
Telecopier: (303) 861-0200

17.6 SEPARABILITY. If at any time any of the covenants or provisions contained herein shall be deemed invalid or unenforceable by the laws of the jurisdiction wherein it is to be enforced, such covenants or provisions shall be considered divisible as to such portion and such covenants or provisions shall become and be immediately amended and reformed to include only such covenants or provisions as are enforceable by the court or other body having jurisdiction of this Agreement; and the parties agree that such covenants or provisions, as so amended and reformed, shall be valid and binding as though the invalid or unenforceable portion had not been included herein.

17.7 AMENDMENT; WAIVER. No provision of this Agreement may be amended or modified except by an instrument or instruments in writing signed by the parties hereto. Any party may waive compliance by another with any of the provisions of this Agreement. No waiver of any provision hereof shall be construed as a waiver of any other provision. Any waiver must be in writing.

17.8 PUBLICITY. Except as required by law or regulation or the requirements of The Nasdaq Stock Market or The New York Stock Exchange, no public disclosure or publicity concerning the subject matter hereof or the transactions contemplated hereby or by the other Transaction Documents will be made without the prior approval of Liberty and United.

17.9 ASSIGNMENT AND BINDING EFFECT. Except as contemplated by Sections 2.2(f) and 7.2, none of the parties hereto may assign any of its rights or delegate any of its duties under this Agreement without the prior written consent of (i) United or, following the United/New United Merger, New United, in the case of any Liberty Party, and (ii) Liberty, in the case of any Founder, United or New United. All of the terms and provisions of this Agreement shall be binding on, and shall inure to the benefit of, the respective successors and permitted assigns of the parties.

17.10 NO BENEFIT TO OTHERS. The representations, warranties, covenants and agreements contained in this Agreement are for the sole benefit of the parties hereto, their respective Affiliates, and the respective successors and assigns of the parties hereto and their respective Affiliates, and they shall not be construed as conferring and are not intended to confer any rights on any other Persons.

17.11 COUNTERPARTS. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

17.12 INTERPRETATION. As used herein, except as otherwise indicated herein or as the context may otherwise require, the words "include," "includes" and "including" are deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of like import; the words "hereof," "herein," "hereunder" and comparable terms refer to the entirety of this Agreement, including the Exhibits, Disclosure Schedules and other Schedules hereto, and not to any particular article, section or other subdivision hereof or Exhibit, Disclosure Schedule or Schedule hereto; the phrase "made available" means that the information referred to has been made available if requested by the party hereto to whom such information is to be made available; any pronoun shall include the corresponding masculine, feminine and neuter forms;

the singular includes the plural and vice versa; references to any agreement or other document are to such agreement or document as amended and supplemented from time to time; references to any statute or regulation are to it as amended and supplemented from time to time, and to any corresponding provisions of successor statutes or regulations; references to "Article," "Section" or another subdivision or to an "Exhibit" or "Schedule" are to an article, section or subdivision hereof or an "Exhibit" or " Schedule" hereto; all references to a "Disclosure Schedule" shall be deemed to refer to the relevant Disclosure Schedule provided pursuant to the Original Agreement; and all references to "the date hereof," "the date of this Agreement" or similar terms (but excluding (1) such references as otherwise described in Articles IV, V and VI, and (2) references to the date of execution hereof) refer to the date first above written, notwithstanding that the parties may have executed this Agreement on a later date. In this Agreement, except as otherwise specifically provided, any reference to any event, change, condition or effect being "material" with respect to any Person or group of Persons means any material event, change, condition or effect related to the condition (financial or otherwise), properties, assets (including intangible assets), liabilities, business, operations, results of operations or prospects of such Person or group of Persons. In this Agreement, any reference to a "Material Adverse Change" or "Material Adverse Effect" with respect to any Person or group of Persons means any event, change or effect that is materially adverse to the condition (financial or otherwise), properties, assets, liabilities, business, operations, results of operations or prospects of such Person and its Subsidiaries, taken as a whole, except to the extent that such change, event or effect is attributable to or results from (i) changes affecting the securities or capital markets or economic conditions generally in the country or countries in which such Person or group of Persons conduct their businesses, (ii) changes affecting the industries in which such Person or group of Persons operate generally (as opposed to changes affecting any such Person or group of Persons specifically or predominantly), (iii) the effect of the public announcement of this Agreement or the pendency of the transactions contemplated hereby and by the other Transaction Documents, or (iv) changes in GAAP. In this Agreement, any reference to a party's "knowledge" means such party's actual knowledge after due inquiry of officers, directors and other key employees of such party reasonably believed to have knowledge of such matters. Any reference herein to a "day" or number of "days" (without the explicit qualification of "Business") shall be deemed to refer to a calendar day or number of calendar days. If any action or notice is to be taken or given on or by a particular

calendar day, and such calendar day is not a Business Day, then such action or notice may be taken or given on the next succeeding Business Day.

17.13 RULES OF CONSTRUCTION. The parties hereto agree that they have been represented by counsel during the negotiation, preparation and execution of this Agreement and, therefore, waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

UNITEDGLOBALCOM, INC.

By: /s/ MICHAEL T. FRIES

Michael T. Fries
President

NEW UNITEDGLOBALCOM, INC.

By: /s/ MICHAEL T. FRIES

Michael T. Fries
President

UNITED/NEW UNITED MERGER SUB, INC.

By: /s/ MICHAEL T. FRIES

Michael T. Fries
President

LIBERTY MEDIA CORPORATION

By: /s/ ELIZABETH M. MARKOWSKI

Elizabeth M. Markowski
Senior Vice President

LIBERTY MEDIA INTERNATIONAL, INC.

By: /s/ ELIZABETH M. MARKOWSKI

Elizabeth M. Markowski
Senior Vice President

LIBERTY GLOBAL, INC.

By: /s/ ELIZABETH M. MARKOWSKI

Elizabeth M. Markowski
Senior Vice President

FOUNDERS:

/s/ GENE W. SCHNEIDER

GENE W. SCHNEIDER

G. SCHNEIDER HOLDINGS, CO.

By: /s/ GENE W. SCHNEIDER

Gene W. Schneider
General Partner

THE GENE W. SCHNEIDER FAMILY TRUST

By: /s/ GENE W. SCHNEIDER

Tina M. Schneider Wildes, Trustee
By Gene W. Schneider, Attorney-in-Fact

By: /s/ GENE W. SCHNEIDER

Carla G. Shankle, Trustee
By Gene W. Schneider, Attorney-in-Fact

By: /s/ GENE W. SCHNEIDER

W. Dean Salter, Trustee
By Gene W. Schneider, Attorney-in-Fact

THE MLS FAMILY PARTNERSHIP LLLP

By: THE NICOLE SCHNEIDER TRUST
General Partner

By: /s/ GENE W. SCHNEIDER

Gene W. Schneider
Trustee

By: /s/ GENE W. SCHNEIDER

John F. Riordan, Trustee
By Gene W. Schneider, Attorney-in-Fact

/s/ MARK L. SCHNEIDER

MARK L. SCHNEIDER

ROCHELLE LIMITED PARTNERSHIP

By: CURTIS ROCHELLE TRUST
General Partner

By: /s/ CURTIS W. ROCHELLE

Curtis W. Rochelle
Trustee

MARIAN H. ROCHELLE REVOCABLE TRUST

By: /s/ CURTIS W. ROCHELLE

Marian H. Rochelle, Trustee
By Curtis W. Rochelle, Attorney-in-Fact

/s/ CURTIS W. ROCHELLE

CURTIS W. ROCHELLE

/s/ CURTIS W. ROCHELLE

MARIAN H. ROCHELLE
BY CURTIS W. ROCHELLE, ATTORNEY-IN-FACT

/s/ CURTIS W. ROCHELLE

JIM ROCHELLE
BY CURTIS W. ROCHELLE, ATTORNEY-IN-FACT

/s/ CURTIS W. ROCHELLE

APRIL BRIMMER KUNZ
BY CURTIS W. ROCHELLE, ATTORNEY-IN-FACT

/s/ CURTIS W. ROCHELLE

KATHLEEN JAURE
BY CURTIS W. ROCHELLE, ATTORNEY-IN-FACT

/s/ ALBERT M. CAROLLO

ALBERT M. CAROLLO

CAROLLO COMPANY

By: /s/ ALBERT M. CAROLLO

Albert M. Carollo
General Partner

ALBERT & CAROLYN COMPANY

By: /s/ ALBERT M. CAROLLO

Albert M. Carollo, Jr., Trustee
By Albert M. Carollo, Attorney-in-Fact

JAMES R. CAROLLO LIVING TRUST

By: /s/ ALBERT M. CAROLLO

James R. Carollo, Trustee
By Albert M. Carollo, Attorney-in-Fact

JOHN B. CAROLLO LIVING TRUST

By: /s/ ALBERT M. CAROLLO

John B. Carollo, Trustee
By Albert M. Carollo, Attorney-in-Fact

THE FRIES FAMILY PARTNERSHIP LLLP

By: THE AMBER L. FRIES TRUST

General Partner

By: /s/ MICHAEL T. FRIES

William H. Hunscher, Jr., Trustee
By Michael T. Fries, Attorney-in-Fact

/s/ MICHAEL T. FRIES

MICHAEL T. FRIES

/s/ TINA M. WILDES

TINA M. WILDES

Schedules, Exhibits and Legal Opinions Omitted

EXHIBIT 10.2
CONFORMED COPY

AMENDED AND RESTATED
UNITED/NEW UNITED AGREEMENT AND PLAN OF MERGER

This AMENDED AND RESTATED AGREEMENT AND PLAN OF MERGER (this "Agreement") is entered into as of the 31st day of December, 2001, by and among New UnitedGlobalCom, Inc., a Delaware corporation ("New United"), UnitedGlobalCom, Inc., a Delaware corporation ("United"), and United/New United Merger Sub, Inc., a Delaware corporation ("Merger Sub"), pursuant to Section 251 of the General Corporation Law of the State of Delaware (the "DGCL").

WITNESSETH that:

WHEREAS, on December 3, 2001, the parties hereto entered into a United/New United Agreement and Plan of Merger (the "Original Agreement"), and

WHEREAS, the parties hereto desire to amend and restate the Original Agreement in its entirety, and

WHEREAS, each of the parties to this Agreement intends for Merger Sub to merge with and into United, with United as the surviving entity in such merger,

NOW, THEREFORE, the parties to this Agreement, in consideration of the mutual covenants, agreements and provisions hereinafter contained, do hereby prescribe the terms and conditions of said merger and the mode of carrying the same into effect as follows:

FIRST: At the Effective Time, as hereinafter defined, Merger Sub shall be merged with and into United (the "Merger"), with United being the surviving entity in the Merger (the "Surviving Entity") and changing its name to "UGC Holdings, Inc."

SECOND: At the Effective Time, the manner of converting the outstanding shares of the capital stock of United and Merger Sub shall be as follows:

(a) All of the shares of United's Series E Convertible Preferred Stock, par value $0.01 per share, that are issued and outstanding immediately prior to the Effective Time shall be automatically converted into an aggregate of 1,500 shares of Class A Common Stock, par value $0.01 per share, of the Surviving Entity.

(b) Each share of United's Class A Common Stock, par value $0.01 per share ("United Class A Stock"), that is issued and outstanding immediately prior to the Effective Time (except as provided in paragraph (g) below) shall be automatically converted into and represent the right to receive, and shall be exchangeable for one share of Class A Common Stock, par value $0.01 per share, of New United ("New United Class A Stock").

(c) Each share of United's Class B Common Stock, par value $0.01 per share ("United Class B Stock"), that is issued and outstanding immediately prior to the Effective Time (except as provided in paragraph (g) below and excluding Dissenting Shares) shall be automatically converted into and represent the right to receive, and shall be exchangeable for one share of New United Class A Stock.

(d) Each share of United's Convertible Preferred Stock, Series B, par value $0.01 per share ("United Series B Preferred Stock"), outstanding immediately prior to the Effective Time (except as provided in paragraph (g) below and excluding Dissenting Shares) shall be automatically converted into and represent the right to receive, and shall be exchangeable for, a number of shares of New United Class A Stock equal to the number of shares of United Class A Stock that the holder of such share of United Series B Preferred Stock would have received in respect of such share if such holder had converted such share into shares of United Class A Stock immediately prior to the Merger;

(e) Each share of United's 7% Series C Senior Cumulative Convertible Preferred Stock, par value $0.01 per share ("United Series C Preferred Stock"), outstanding immediately prior to the Effective Time (except as provided in paragraph (g) below and excluding Dissenting Shares) shall be automatically converted into and represent the right to receive, and shall be exchangeable for, a number of shares of New United Class A Stock equal to the number of shares of United Class A Stock that the holder of such share of United Series C Preferred Stock would have received in respect of such share if such holder had converted such share into shares of United Class A Stock immediately prior to the Merger and assuming for such purpose that United had elected to pay any accumulated and unpaid dividends thereon by the issuance of shares of United Class A Stock as contemplated by the Certificate of Designation for the United Series C Preferred Stock;

(f) Each share of United's 7% Series D Senior Cumulative Convertible Preferred Stock, par value $0.01 per share ("United Series D Preferred Stock" and, together with the United Series B Preferred Stock and the United Series C Preferred Stock, the "United Preferred Stock"), outstanding immediately prior to the Effective Time (except as provided in paragraph (g) below and excluding Dissenting Shares) shall be automatically converted into and represent the right to receive, and shall be exchangeable for, a number of shares of New United Class A Stock equal to the number of shares of United Class A Stock that the holder of such share of United Series D Preferred Stock would have received in respect of such share if such holder had converted such share into shares of United Class A Stock immediately prior to the Merger and assuming for such purpose that United had elected to pay any accumulated and unpaid dividends thereon by the issuance of shares of United Class A Stock as contemplated by the Certificate of Designation for the United Series D Preferred Stock;

(g) Each share of United Class A Stock, United Class B Stock, United Series B Preferred Stock, United Series C Preferred Stock or United Series D Preferred Stock that immediately prior to the Effective Time is held by New United or that is held by United in treasury shall be cancelled and retired without payment of any consideration therefor and without any conversion thereof into any other securities or the right to receive any other securities.

(h) No fractional shares of New United Class A Stock shall be issued in the Merger.

All fractional shares of New United Class A Stock that a holder of United Preferred Stock would otherwise be entitled to receive as a result of the Merger shall be aggregated in the manner described in paragraph (c) of Article Sixth and if a fractional share results from such aggregation, such holder shall be entitled to receive, in lieu thereof, an amount in cash

without interest determined by multiplying the closing sale price of a share of United Class A Stock on the Nasdaq Stock Market on the last full trading day immediately preceding the Effective Time by a fraction of a share of New United Class A Stock to which such holder would otherwise have been entitled.

(i) All outstanding options to purchase shares of United Class A Stock granted under plans listed in Section 2.5(c) of the United Disclosure Schedule ("United Stock Options") to that certain Amended and Restated Agreement and Plan of Restructuring and Merger, dated as of December 31, 2001, by and among United, New United, Merger Sub, Liberty Media Corporation, Liberty Media International, Inc., Liberty Global, Inc. and each Founder (as therein defined) (the "Restructuring Agreement"), shall remain outstanding, be assumed by New United and thereafter be exercisable, at the same per share exercise price and pursuant to the same terms and conditions, including vesting conditions, for a number of shares of New United Class A Stock equal to the number of shares of United Class A Stock for which such stock option was exercisable immediately prior to the Effective Time.

(j) All of the shares of Merger Sub's Class B Common Stock, par value $0.01 per share, and Class C Common Stock, par value $0.01 per share, outstanding immediately prior to the Effective Time and held by New United shall be converted into and represent the right to receive, and shall be exchangeable for, respectively, an aggregate of 1,500 shares of Class B Common Stock, par value $0.01 per share, of the Surviving Entity, and an aggregate of 300,000 shares of Class C Common Stock, par value $0.01 per share, of the Surviving Entity.

(k) If, after the date of this Agreement but prior to the Effective Time, either of United or New United effects any stock dividend, stock split, reverse stock split, recapitalization or reclassification affecting the shares of its common stock or preferred stock of any class or series, or otherwise effects any transaction that changes such shares into any other securities (including securities of another entity) or effects any other dividend or distribution (other than a normal cash dividend payable out of current or retained earnings) on such shares, then the terms of the foregoing exchanges (including the exchange rates and the terms of the conversion of the United Stock Options) shall, as appropriate, be adjusted to reflect such event.

(l) As of and following the Effective Time, (x) the Certificate of Incorporation and Bylaws of the Surviving Entity shall be as set forth on EXHIBIT A and EXHIBIT B hereto, respectively, and (y) until their successors are duly elected or appointed in accordance with the Certificate of Incorporation and the Bylaws of the Surviving Entity and the terms of the United/Liberty Agreement (as defined in the Restructuring Agreement), the directors of Merger Sub immediately prior to the Effective Time shall be the directors of the Surviving Entity.

(m) Notwithstanding any other provisions in this Agreement to the contrary, shares of United Class B Stock, United Series B Preferred Stock, United Series C Preferred Stock and United Series D Preferred Stock that are outstanding immediately prior to the Effective Time and

that are held by stockholders who have not voted in favor of the Merger or consented thereto in writing and who have properly demanded appraisal for such shares in accordance with Section 262 of the DGCL (collectively, the "Dissenting Shares"), shall not be converted into or represent the right to receive, or be exchangeable for, any securities of New United as provided herein. Such stockholders instead shall be entitled to receive payment of the appraisal value of such shares held by them in accordance with Section 262 of the DGCL, except that all Dissenting Shares of stockholders who have failed to perfect or who have effectively withdrawn or otherwise lost their rights to appraisal under Section 262 of the DGCL, shall thereupon be deemed to have been converted into and become, as of the Effective Time, securities of New United as provided herein.

(n) At the Effective Time, New United shall execute and file with the Secretary of State of the State of Delaware a Certificate of Amendment, in the form attached hereto as EXHIBIT C, changing the name of New United to "UnitedGlobalCom, Inc."

THIRD: In connection with the Merger, the following will occur:

(a) The Merger shall become effective at the time set forth in a Certificate of Merger, in the form attached hereto as EXHIBIT D (the "Certificate of Merger"), duly executed and filed with the Secretary of State of the State of Delaware (the "Effective Time").

(b) At the Effective Time, all the property, rights, privileges, franchises, patents, trademarks, licenses, registrations and other assets of every kind and description of Merger Sub shall be transferred to, vested in and devolve upon the Surviving Entity without further act or deed and all property, rights, and every other interest of the Surviving Entity and Merger Sub shall be as effectively the property of the Surviving Entity as they were of the Surviving Entity and Merger Sub respectively.

FOURTH: Prior to the filing of the Certificate of Merger, this Agreement shall have been approved and adopted by the sole stockholder of Merger Sub, the sole stockholder of New United, and the stockholders of United as provided in the Restructuring Agreement.

FIFTH: Anything herein or elsewhere to the contrary notwithstanding, but subject to the terms of the Restructuring Agreement, this Agreement may be terminated and abandoned by the Board of Directors of any constituent entity at any time prior to the Effective Time. This Agreement may be amended by the Board of Directors of the constituent entities at any time prior to the Effective Time, subject to the terms of the Restructuring Agreement, provided that an amendment made subsequent to the approval and adoption of this Agreement by the stockholders of any constituent entity shall not (1) alter or change the amount or kind of shares, securities, cash, property and/or rights to be received in exchange for, or on conversion of, all or any of the shares of any class or series or any such constituent entity, (2) alter or change any term of the Certificate of Incorporation of the Surviving Entity of the Merger, or (3) alter or change any of the terms and conditions of this Agreement if such alteration or change would adversely affect the holders of any of the shares of any class or series of such constituent entity.

SIXTH: Surrender and payment for securities of United shall occur as follows:

(a) At and after the Effective Time, certificates representing shares of United Class A Stock shall represent an equal number of shares of New United

Class A Stock.

(b) Prior to the Effective Time, United shall appoint an agent, which may be an affiliate of United or New United (the "Exchange Agent") for the purpose of exchanging (i) certificates representing shares of United Class B Stock for certificates representing an equal number of shares of New United Class A Stock (the "Class B Consideration"), (ii) certificates representing shares of United Series B Preferred Stock for the merger consideration determined by reference to paragraphs (d) and (h) of Article Second (the "Series B Consideration"), (iii) certificates representing shares of United Series C Preferred Stock for the merger consideration determined by reference to paragraphs (e) and (h) of Article Second (the "Series C Consideration"), and (iv) certificates representing shares of United Series D Preferred Stock for the merger consideration determined by reference to paragraphs (f) and (h) of Article Second (the "Series D Consideration"). At the Effective Time, New United shall deposit with the Exchange Agent (i) the Class B Consideration to be paid in respect of shares of United Class B Stock, (ii) the Series B Consideration to be paid in respect of shares of United Series B Preferred Stock, (iii) the Series C Consideration to be paid in respect of shares of United Series C Preferred Stock, and (iv) the Series D Consideration to be paid in respect of shares of United Series D Preferred Stock. The certificates representing the United Class B Stock, the United Series B Preferred Stock, the United Series C Preferred Stock and the United Series D Preferred Stock are referred to herein as the "Certificates," and the Class B Consideration, the Series B Consideration, the Series C Consideration and the Series D Consideration are referred to herein as the "Merger Consideration." Promptly after the Effective Time, United will send, or will cause the Exchange Agent to send, to each holder of United Class B Stock, United Series B Preferred Stock, United Series C Preferred Stock and United Series D Preferred Stock at the Effective Time, a letter of transmittal and instructions (which shall specify that the delivery shall be effected, and risk of loss and title shall pass, only upon proper delivery of the Certificates to the Exchange Agent) for use in such exchange.

(c) Upon surrender to the Exchange Agent of its Certificate, as applicable, together with a properly completed letter of transmittal, and receipt by the Exchange Agent thereof, (i) each holder of shares of United Class B Stock will be entitled to receive promptly the Class B Consideration in respect of the shares of United Class B Stock represented by its Certificate, (ii) each holder of United Series B Preferred Stock will be entitled to receive promptly the Series B Consideration in respect of the shares of United Series B Preferred Stock represented by its Certificate, (iii) each record holder of United Series C Preferred Stock will be entitled to receive promptly the Series C Consideration in respect of the shares of United Series C Preferred Stock represented by its Certificate, and (iv) each record holder of United Series D Preferred Stock will be entitled to receive promptly the Series D Consideration in respect of the shares of United Series D Preferred Stock represented by its Certificate. For purposes of the foregoing, any fractional shares of New United Class A Stock that would be issuable to any holder pursuant to Article Second (prior to the application of paragraph (h) thereof) in respect of shares of United Class B Stock, United Series B Preferred Stock, United Series C Preferred Stock and United Series D Preferred Stock held by such holder shall be aggregated, and such holder shall be issued the resulting whole number of shares of New United Class A Stock, prior to the application of

paragraph (h) of Article Second with respect to any fractional share of New United Class A Stock remaining following such aggregation. Until so surrendered and received by the Exchange Agent, each such Certificate shall represent after the Effective Time, for all purposes, only the right to receive the Class B Consideration, the Series B Consideration, the Series C Consideration and the Series D Consideration, as the case may be.

(d) If any portion of the Merger Consideration is to be paid to an entity other than the entity in whose name the Certificate so surrendered is registered, it shall be a condition to such payment that such Certificate shall be properly endorsed or otherwise be in proper form for transfer and that the entity requesting such payment shall pay to the Exchange Agent any transfer or other taxes required as a result of such payment to an entity other than the registered holder of such Certificate, or establish to the satisfaction of the Exchange Agent that such tax has been paid or is not payable.

(e) After the Effective Time, there shall be no further registration of transfers of shares of United Class A Stock, United Class B Stock, United Series B Preferred Stock, United Series C Preferred Stock or United Series D Preferred Stock. If, after the Effective Time, Certificates are presented to the Surviving Entity, they shall be canceled and exchanged for the Class B Consideration, the Series B Consideration, the Series C Consideration or the Series D Consideration provided for, and in accordance with the procedures set forth, in this Article Sixth.

(f) Any portion of the Merger Consideration that remains unclaimed by the holders of United Class B Stock, United Series B Preferred Stock, United Series C Preferred Stock and United Series D Preferred Stock one year after the Effective Time shall be returned to United, upon demand, and any such holder who has not exchanged its shares for the applicable Merger Consideration in accordance with this Article Sixth prior to that time shall thereafter look only to United for payment of such consideration and any dividends and distributions in respect of such shares, in each case without any interest thereon. Notwithstanding the foregoing, neither United, New United nor any affiliate thereof will be liable to any such holder for any amounts paid to a public official pursuant to applicable abandoned property, escheat or similar laws.

(g) No dividends or other distributions with respect to the Merger Consideration shall be paid to the holder of any Certificates until such Certificates are surrendered and received by the Exchange Agent as provided in this Article Sixth. Following such surrender and receipt by the Exchange Agent, there shall be paid, without interest, to the entity in whose name such Merger Consideration has been registered, (i) the amount of dividends or other distributions with a record date after the Effective Time previously paid or payable with respect to such Merger Consideration as of the date of such surrender, and (ii) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to surrender and a payment date subsequent to surrender, payable with respect to such Merger Consideration.

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IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement as of the day and year first written above.

NEW UNITEDGLOBALCOM, INC.,
a Delaware corporation

By: /s/ MICHAEL T. FRIES

Michael T. Fries
President

UNITEDGLOBALCOM, INC.,
a Delaware corporation

By: /s/ MICHAEL T. FRIES

Michael T. Fries
President

UNITED/NEW UNITED MERGER SUB, INC.,
a Delaware corporation

By: /s/ MICHAEL T. FRIES

Michael T. Fries
President

OMITTED:

Exhibit A - Certificate of Incorporation of Surviving Entity
Exhibit B - Bylaws of Surviving Entity
Exhibit C - Form of Certificate of Amendment
Exhibit D - Form of Certificate of Merger

EXHIBIT 10.3
CONFORMED COPY

FOUNDERS AGREEMENT
(New United)

This Founders Agreement (New United) (this "AGREEMENT") is entered into as of January 30, 2002 among Albert M. Carollo, Curtis Rochelle, Gene W. Schneider and Mark L. Schneider (each a "FOUNDER" and collectively the "FOUNDERS"), and each other person who has signed or who may sign this Agreement in the future (together with the Founders each a "STOCKHOLDER" and collectively the "STOCKHOLDERS").

BACKGROUND

The Stockholders are also party to a Stockholders Agreement (the "STOCKHOLDERS AGREEMENT") entered into as of the date hereof with UnitedGlobalCom, Inc., a Delaware corporation formerly known as New UnitedGlobalCom, Inc. ("UNITED"), and Liberty Media Corporation ("LIBERTY") and Liberty Global, Inc. ("LIBERTY GLOBAL"), each a Delaware corporation. Capitalized terms used in this Agreement without definition have the same meanings as in the Stockholders Agreement.

Pursuant to certain transactions described in the Amended and Restated Agreement and Plan of Restructuring and Merger, dated as of December 31, 2001 (the "MERGER AGREEMENT"), among United, Liberty, Liberty Media International, Inc., Liberty Global and the Founders et al, the Founders have acquired Beneficial Ownership of shares of the Class B Stock.

The Stockholders wish to set forth their agreement regarding the manner in which they will exercise their rights under the Stockholders Agreement. The Stockholders recognize that in the future they may have different objectives with respect to their continued ownership of Common Stock and are entering into this Agreement to provide a means by which they can assure stability for the Company.

AGREEMENT

In consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1. BOARD NOMINATIONS BEFORE CLASS B EVENT. The Stockholders agree that prior to the occurrence of a Class B Event they shall nominate individuals to the Board for election by the holders of Class A Stock and Class B Stock, that such nominees will be selected as follows, and that each Stockholder will vote for such nominees:

(a) Each of the Founders shall be nominated as long as he wishes to be nominated, provided the individual Founder, his Permitted Transferees identified on the signature pages hereof and any other Permitted Transferees who have received shares of Class B Stock from such Founder (his "FOUNDER GROUP") owns at least 30 percent of the Class B Stock owned by his Founder Group on the date of this Agreement. If he decides not to be nominated, he may designate another nominee so long as the nominee is reasonably qualified to serve as a director of United.

(b) If a Founder dies or becomes incapacitated or if he is no longer entitled to be nominated to the Board or to designate a nominee pursuant to Section 1(a), the remaining Founders (the "REMAINING FOUNDERS") may select a nominee in lieu of such Founder or designee so long as the nominee is reasonably qualified to serve as a director of the Company. In the absence of unanimous agreement among the Remaining Founders, such nominee shall be selected by the Founder(s) whose Founder Group(s) hold a majority of the Class B Stock then held by all Remaining Founders and their Permitted Transferees.

(c) Any nominees that the Founders may nominate who are not selected pursuant to Sections 1(a) or 1(b) shall be selected by the Founder whose Founder Group then has the most voting power in the election of directors as compared with the other Founder Groups. A person designated to be a nominee pursuant to Sections 1(a) or 1(b) shall be deemed reasonably qualified unless the Stockholders, by a vote of the majority of Class B Stock owned by them, determine otherwise.

Section 2. BOARD NOMINATIONS FOLLOWING CLASS B EVENT. Following the occurrence of a Class B Event certain members of the Board may be nominated by the Controlling Principals as provided in Section 2(a) of the Voting Agreement and the Stockholders agree that each Stockholder will vote for each Controlling Principal Director so nominated.

Section 3. FIRST OFFER. If a Stockholder (the "OFFERING STOCKHOLDER") intends to Transfer any Subject Shares (the "OFFERED SHARES") except to a Permitted Transferee, the Offering Stockholder shall promptly notify the Founders specifying a price at which he is willing to sell the Offered Shares ("OFFER NOTICE"). The Founders may elect to purchase all, but not less than all, of the Offered Shares on the terms specified in the Offer Notice. If the Founders elect to purchase the Offered Shares, they shall notify the Offering Stockholder no later than 30 days from the date that the Offering Stockholder notified the other Stockholders. If any Founders elect to purchase all the Offered Shares, they shall notify the Offering Stockholder within such period that they elect to purchase the Offered Shares, and shall purchase the Offered Shares in any proportion that they agree, or if they cannot agree, the Offered Shares shall be divided among the Founders in proportion to the relative holdings of Class B Stock by the Founder Groups of the participating Founders.

Section 4. ELECTION NOT TO PURCHASE. If the Founders do not elect to purchase the Offered Shares, the Offering Stockholder may Transfer them on terms no less favorable to the Offering Stockholder than were offered to the Founders pursuant to the Offer Notice and as permitted by, and after complying with, the Stockholders Agreement. If he does not sell them as provided therein, he shall comply with Section 3 of this Agreement before again offering them to anyone except a Permitted Transferee and as provided in the Stockholders Agreement.

Section 5. PURCHASE AGREEMENT. If the Founders elect to purchase all the Offered Shares, the parties shall promptly negotiate an appropriate purchase agreement that shall contain representations, warranties, terms and conditions with respect to the Offered Shares that are typical in a purchase agreement in which the purchaser is familiar with the financial and business aspects of the corporation whose shares are being acquired. The purchase agreement shall

specify a closing date selected by the Founders not later than 90 days after the

original Offer Notice was deemed received.

Section 6. TERM AND TERMINATION. This Agreement shall terminate as to any Founder and his Founder Group when he and his Founder Group own less than 10 percent of the Subject Shares owned on the date of this Agreement. This Agreement shall terminate in its entirely upon the termination of the Stockholders Agreement in accordance with Section 13(c) thereof.

Section 7. TRANSFERS.

(a) Any Stockholder may Transfer Subject Shares to its Permitted Transferees without being obligated to first deliver an Offer Notice to the Founders, provided that the Permitted Transferee undertakes in writing to be subject to each of the terms of this Agreement or is then subject to the rights and obligations that apply to Stockholders under this Agreement. Any purported Transfer to a Permitted Transferee shall be void and ineffective as against both the transferring Stockholder and the Permitted Transferee if the Permitted Transferee fails to become subject to this Agreement and subject to the rights and obligations of the transferring Stockholder.

(b) A Stockholder may pledge or grant a security interest in Subject Shares, or Rights to acquire Subject Shares without complying with Section 3 of this Agreement only if it complies with the requirements of Section 6 of the Stockholders Agreement.

Section 8. POWER OF ATTORNEY. Each Stockholder hereby constitutes and appoints the individual Founder of the Founder Group of which such Stockholder is a part on the date such Stockholder executes this Agreement, as attorney for him and in his name, place and stead, and in his capacity as a Stockholder or party to this Agreement or any related agreement, to execute and file any and all other documents, applications and consents with the Securities and Exchange Commission and other regulatory authorities, to sign the Stockholders Agreement and the Voting Agreement and any amendments and modifications to any and all other documents as the attorney may consider necessary or desirable (including without limitation, waiver of rights hereunder and thereunder), hereby giving and granting to said attorney full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully, to all intents and purposes, as he or she might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do, or cause to be done, by virtue hereof.

Section 9. NOTICES. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing, shall be deemed to have been duly given when delivered personally or, sent by telecopy, or recognized service providing for guaranteed delivery, addressed to a Stockholder at the address for such Stockholder set forth on Exhibit A hereto. All notices, requests, demands, waivers and communications shall be deemed to have been given on the date of delivery or on the first business day after overnight delivery was guaranteed by a recognized delivery service, except that any change of address shall be effective only upon actual receipt. Written notice given by telecopy shall be deemed effective when confirmation is received by the sending party.

Section 10. LEGEND. Each Stockholder shall have a legend substantially similar to the following effect placed on each certificate for Common Stock issued to such Stockholder:

> "The securities represented by this certificate are subject to a Founders Agreement (NewUnited), dated as of January 30, 2002, copies of which are available from UnitedGlobalCom, Inc. upon request, and any sale, pledge, hypothecation, transfer, assignment or other disposition of such securities is subject to the provisions of such Founders Agreement."

The Founders shall deliver to United a copy of this Agreement and any amendments thereto so that United can comply with requests to make this Agreement and any amendments thereto available as contemplated by such legend.

Section 11. REMEDIES. Each of the parties acknowledges and agrees that in the event of any breach of this Agreement, the nonbreaching party would be irreparably harmed and could not be made whole by monetary damages. Accordingly, the parties to this Agreement, in addition to any other remedy to which they may be entitled hereunder or at law or in equity, shall be entitled to compel specific performance of this Agreement.

Section 12. ENTIRE AGREEMENT. This Agreement, together with the Transaction Agreements, contain all the terms and conditions agreed upon by the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter hereof shall have any effect unless in writing and executed by the parties after the date of this Agreement. This Agreement supersedes in its entirety the Founders' Agreement dated as of September 30, 1999, among certain of the Stockholders, which Founders' Agreement is hereby terminated.

Section 13. APPLICABLE LAW, JURISDICTION. This Agreement shall be governed by Colorado law without regard to conflicts of law rules. The parties hereby irrevocably submit to the jurisdiction of any Colorado State or United States Federal court sitting in Colorado, and only a State or Federal Court sitting in Colorado will have any jurisdiction over any action or proceeding arising out of or relating to this Agreement or any agreement contemplated hereby, and the undersigned hereby irrevocably agree that all claims in respect of such action or proceeding shall be heard and determined in such State or Federal court.

Section 14. HEADINGS. The headings in this Agreement are for convenience only and are not to be considered in interpreting this Agreement.

Section 15. COUNTERPART EXECUTION. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which will constitute a single agreement.

Section 16. PARTIES IN INTEREST. Nothing in this Agreement, express or implied, is intended to confer upon any Person other than the Stockholders and their Permitted Transferees, any benefits, rights or remedies. Neither this Agreement nor the rights or obligations of any party may be assigned or delegated (other than to a Permitted Transferee that becomes a party hereto in

accordance with the terms hereof) by operation of law or otherwise without the prior written consent of all other parties hereto.

Section 17. SEVERABILITY. The invalidity or unenforceability of any

provision of this Agreement in any application shall not affect the validity or enforceability of such provision in any other application or the validity or enforceability of any other provision.

Section 18. WAIVERS AND AMENDMENTS. No waiver of any provision of this Agreement shall be deemed a further or continuing waiver of that provision or a waiver of any other provision of this Agreement. This Agreement may not be amended except in a writing signed by the Stockholders, which amendment may be made pursuant to the power of attorney granted pursuant to Section 8 hereof.

Section 19. INTERPRETATION. As used herein, except as otherwise indicated herein or as the context may otherwise require, the words "include," "includes" and "including" are deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of like import; the words "hereof," "herein," "hereunder" and comparable terms refer to the entirety of this Agreement, and not to any particular section or other subdivision hereof; any pronoun shall include the corresponding masculine, feminine and neuter forms; the singular includes the plural and vice versa; references to "Section" or another subdivision are to a section or subdivision hereof; and all references to "the date hereof," "the date of this Agreement" or similar terms (but excluding references to the date of execution hereof) refer to the date first above written, notwithstanding that the parties may have executed this Agreement on a later date. Any reference herein to a "day" or number of "days" (without the explicit qualification of "Business") shall be deemed to refer to a calendar day or number of calendar days. If any action or notice is to be taken or given on or by a particular calendar day, and such calendar day is not a Business Day, then such action or notice may be taken or given on the next succeeding Business Day.

[Signature pages follow]

Executed as of the date first set forth above.

THE G. SCHNEIDER GROUP

/s/ GENE W. SCHNEIDER

Gene W. Schneider

G. SCHNEIDER HOLDINGS, CO.,
a Colorado limited partnership

By: /s/ GENE W. SCHNEIDER

Gene W. Schneider
General Partner

THE GENE W. SCHNEIDER FAMILY TRUST

By: /s/ GENE W. SCHNEIDER

Gene W. Schneider
Attorney-in-Fact

THE MLS FAMILY PARTNERSHIP LLLP

By: /s/ GENE W. SCHNEIDER

Gene W. Schneider
Attorney-in-Fact

THE M. SCHNEIDER GROUP

/s/ MARK L. SCHNEIDER

Mark L. Schneider

THE ROCHELLE GROUP

ROCHELLE LIMITED PARTNERSHIP

By: Curtis Rochelle Trust
General Partner

By: /s/ CURTIS W. ROCHELLE

Curtis W. Rochelle
Trustee

MARIAN H. ROCHELLE REVOCABLE TRUST

By: /s/ CURTIS W. ROCHELLE

Curtis W. Rochelle
Attorney-in-Fact

/s/ CURTIS W. ROCHELLE

Curtis W. Rochelle

/s/ CURTIS W. ROCHELLE

Marian H. Rochelle
By Curtis W. Rochelle, Attorney-in-Fact

/s/ CURTIS W. ROCHELLE

Jim Rochelle
By Curtis W. Rochelle, Attorney-in-Fact

/s/ CURTIS W. ROCHELLE

April Brimmer Kunz
By Curtis W. Rochelle, Attorney-in-Fact

/s/ CURTIS W. ROCHELLE

Kathleen Jaure
By Curtis W. Rochelle, Attorney-in-Fact

THE CAROLLO GROUP

/s/ ALBERT M. CAROLLO

Albert M. Carollo

CAROLLO COMPANY,
a Wyoming general partnership

By: /s/ ALBERT M. CAROLLO

Albert M. Carollo
General Partner

ALBERT & CAROLYN COMPANY,
a Wyoming trust

By: /s/ ALBERT M. CAROLLO

Albert M. Carollo
Attorney-in-Fact

JAMES R. CAROLLO LIVING TRUST
a Wyoming trust

By: /s/ ALBERT M. CAROLLO

Albert M. Carollo
Attorney-in-Fact

JOHN B. CAROLLO LIVING TRUST
a Wyoming trust

By: /s/ ALBERT M. CAROLLO

Albert M. Carollo
Attorney-in-Fact

THE FRIES GROUP

/s/ MICHAEL T. FRIES

Michael T. Fries

THE FRIES FAMILY PARTNERSHIP LLLP

By: /s/ MICHAEL T. FRIES

Michael T. Fries
Attorney-in-Fact

THE WILDES GROUP

/s/ TINA M. WILDES

Tina M. Wildes

EXHIBIT A

- ----------

--- FOUNDER
ADDRESS - -----

---------- The
G. Schneider
Group c/o
UnitedGlobalCom,
Inc. 4643 South
Ulster Street,
#1300 Denver,

Colorado 80237
Attention: Gene
W. Schneider
Telephone:
(303) 770-4001
Telecopier:
(303) 220-3117
- ----------

--- The M.
Schneider Group
c/o
UnitedGlobalCom,
Inc. 4643 South
Ulster Street,
#1300 Denver,
Colorado 80237
Attention: Mark
L. Schneider
Telephone:
(303) 770-4001
Telecopier:
(303) 220-3117
- ----------

--- The
Rochelle Group
c/o
UnitedGlobalCom,
Inc. 4643 South
Ulster Street,
#1300 Denver,
Colorado 80237
Attention:
Curtis W.
Rochelle
Telephone:
(303) 770-4001
Telecopier:
(303) 220-3117
- ----------

--- The Carollo
Group c/o
UnitedGlobalCom,
Inc. 4643 South
Ulster Street,
#1300 Denver,
Colorado 80237
Attention:
Albert M.
Carollo
Telephone:
(303) 770-4001
Telecopier:
(303) 220-3117
- ----------

--- The Fries
Group c/o
UnitedGlobalCom,
Inc. 4643 South
Ulster Street,
#1300 Denver,
Colorado 80237
Attention:
Michael T.
Fries
Telephone:
(303) 770-4001
Telecopier:
(303) 220-3117
- ----------

--- The Wildes
Group c/o
UnitedGlobalCom,
Inc. 4643 South
Ulster Street,
#1300 Denver,
Colorado 80237
Attention: Tina
M. Wildes
Telephone:
(303) 770-4001
Telecopier:
(303) 220-3117
- ----------

EXHIBIT 10.4
CONFORMED COPY

FOUNDERS AGREEMENT
(Old United)

This Founders Agreement (Old United) (this "AGREEMENT") is entered into as of January 30, 2002 among Albert M. Carollo, Curtis Rochelle, Gene W. Schneider and Mark L. Schneider (each a "FOUNDER" and collectively the "FOUNDERS").

BACKGROUND

The Founders are among the founding stockholders of UnitedGlobalCom, Inc., a Delaware corporation to be renamed UGC Holdings, Inc. ("OLD UNITED"). Each Founder holds shares of Class B Common Stock, par value $0.01 per share ("OLD UNITED CLASS B COMMON"), of Old United, either directly or through affiliates of such Founder who are parties to a Founders' Agreement, dated as of September 30, 1999 (the "1999 FOUNDERS AGREEMENT"), among the Founders and certain other holders of Old United Class B Common. An individual Founder and his Related Parties are referred to as a "FOUNDER GROUP."

The Founders acquired an aggregate of 1,500 shares of Series E Preferred Stock of Old United pursuant to Subscription Agreements with Old United dated as of January 30, 2002. Pursuant to the Amended and Restated Agreement and Plan of Restructuring and Merger, dated as of December 31, 2001 (the "MERGER AGREEMENT"), among Old United, New UnitedGlobalCom, Inc., a Delaware corporation to be renamed UnitedGlobalCom, Inc. ("NEW UNITED"), Liberty Media Corporation, Liberty Media International, Inc. and the Founders, et al., such shares of Series E Preferred Stock will be converted into the right to receive 1,500 shares of Class A Common Stock, par value $0.01 per share, of Old United (the "OLD UNITED CLASS A COMMON"). Pursuant to the Restated Certificate of Incorporation of Old UGC to be filed pursuant to the Merger Agreement (the "RESTATED CERTIFICATE"), the Founders as holders of the Old United Class A Common, will be entitled to elect one-half of the members of the board of directors of Old United, such half to consist of four persons.

Each share of Old United Class A Common will automatically convert into one share of Class C Common Stock, par value $0.01 per share (the "OLD UNITED CLASS C COMMON"), of Old United upon the occurrence of certain events set forth in the Restated Certificate. At the closing of the transactions contemplated by the Merger Agreement (the "CLOSING"), each Founder will execute and deliver an Exchange Agreement with New United pursuant to which shares of Old United Class C Common may be exchanged for shares of Class A Common Stock, par value $0.01 per share, of New United, all at the election of such Founder.

The Founders desire to set forth the manner of selecting persons who will be elected as members of the board of directors of Old United by the Founders as holders of Old United Class A Common, to set forth their agreement as to the voting of shares of Old United Class A Common on other matters and to set forth certain restrictions on the transfer of shares of Old United Class A Common.

AGREEMENT

Section 1. BOARD NOMINATIONS. The Founders agree that until such time as no shares of Old United Class A Common remain outstanding, nominees to the board of directors of Old United will be selected as follows, and that the Founders and their Related Parties will take such actions as may be necessary to elect such nominees as members of the board of directors of Old United.

(a) Each of the Founders shall be nominated to the board of directors as long as he wishes to be nominated, provided his Founder Group owns at least 30 percent of the New United Class B Common received for shares of Old United Class B Common owned by his Founder Group on the date of this Agreement. If he decides not to be nominated, he may designate a nominee so long as the nominee is reasonably qualified to serve as a director of Old United.

(b) If a Founder dies or becomes incapacitated or if he is no longer entitled to be nominated to the board of directors or to designate a nominee pursuant to Section 1(a), the remaining Founders (the "REMAINING FOUNDERS") may select a nominee in lieu of such Founder or designee so long as the nominee is reasonably qualified to serve as a director of the Company. In the absence of unanimous agreement among the remaining Founders, such nominee shall be selected by the Remaining Founder(s) whose Founder Group(s) hold a majority of the New United Class B Common then held by all Remaining Founders and their Related Parties.

Section 2. STOCKHOLDER ACTION ON OTHER MATTERS. The Founders agree that until such time as no shares of Old United Class A Common remain outstanding, the Founders shall vote all shares of Old United Class A Common, other than in the election of directors (which shall be governed by Section 1), and shall take all actions as a stockholder of Old United, as the Remaining Founders shall agree. In the absence of unanimous agreement among the Remaining Founders, such voting and actions shall be taken as directed by the Remaining Founder(s) whose Founder Group(s) hold a majority of New United Class B Common then held by all Remaining Founders and their Related Parties.

Section 3. PROHIBITIONS ON TRANSFER.

(a) No Founder may sell, pledge, hypothecate, transfer, assign or otherwise dispose of, directly or indirectly (each a "TRANSFER"), any shares of Old United Class A Common to any other Person (including through the relinquishment of control of any person that holds shares of Old United Class A Common) other than to a Related Party of such Founder, provided that none of the following shall constitute a Transfer: (i) the conversion of shares of Old United Class A Common into shares of Old United Class C Common, or (ii) a transfer in connection with any merger, consolidation, statutory share exchange or similar transaction involving Old United.

(b) Any Founder may Transfer shares of Old United Class A Common to a Related Party of such Founder if the Related Party undertakes in writing to be subject to each of the terms of this Agreement as though it were a Founder hereunder.

(c) Any purported Transfer of shares of Old United Class A Common in violation of this Section 3 shall be void and ineffective as against both the transferring Founder or Related Party and the proposed transferee.

Section 4. TERMINATION. This Agreement shall terminate as to any Founder and his Related Parties when such Founder and his Related Parties no longer own any Old United Class

A Common. This Agreement shall terminate in its entirely upon the occurrence of a Class B Event (as defined in the Restated Certificate).

Section 5. LEGEND. Each Founder shall have a legend substantially similar to the following effect placed on each certificate for shares of Old United Class A Common issued to such Founder or to any Related Party of such Founder:

> "The securities represented by this certificate are subject to a Founders Agreement (Old United), dated as of January 30, 2002, copies of which are available from UGC Holdings, Inc. upon request, and any sale, pledge, hypothecation, transfer, assignment or other disposition of such securities is subject to the provisions of such Founders Agreement."

The Founders shall deliver to Old United a copy of this Agreement and any amendments thereto so that Old United can comply with requests to make copies of this agreement available as contemplated by such legend.

Section 6. REMEDIES. Each of the parties acknowledges and agrees that in the event of any breach of this Agreement, the nonbreaching party would be irreparably harmed and could not be made whole by monetary damages. Accordingly, the parties to this Agreement, in addition to any other remedy to which they may be entitled hereunder or at law or in equity, shall be entitled to compel specific performance of this Agreement.

Section 7. NOTICES. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing, shall be deemed to have been duly given when delivered personally or, sent by telecopy, or recognized service providing for guaranteed delivery, addressed to a Founder at the address for such Founder set forth on Exhibit A hereto. All notices, requests, demands, waivers and communications shall be deemed to have been given on the date of delivery or on the first business day after overnight delivery was guaranteed by a recognized delivery service, except that any change of address shall be effective only upon actual receipt. Written notice given by telecopy shall be deemed effective when confirmation is received by the sending party.

Section 8. ENTIRE AGREEMENT. This Agreement, together with the Merger Agreement and the other Transaction Documents (as defined in the Merger Agreement), contains all the terms and conditions agreed upon by the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter hereof shall have any effect unless in writing and executed by the parties after the date of this Agreement. This Agreement supersedes in its entirety the 1999 Founders Agreement.

Section 9. APPLICABLE LAW, JURISDICTION. This Agreement shall be governed by Colorado law without regard to conflicts of law rules. The parties hereby irrevocably submit to the jurisdiction of any Colorado State or United States Federal court sitting in Colorado, and only a State or Federal Court sitting in Colorado will have any jurisdiction over any action or proceeding arising out of or relating to this Agreement or any agreement contemplated hereby,

and the undersigned hereby irrevocably agree that all claims in respect of such action or proceeding shall be heard and determined in such State or Federal court.

Section 10. HEADINGS. The headings in this Agreement are for convenience only and are not to be considered in interpreting this Agreement.

Section 11. COUNTERPART EXECUTION. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which will constitute a single agreement.

Section 12. PARTIES IN INTEREST. Nothing in this Agreement, express or implied, is intended to confer upon any person other than the Founder and their Related Parties, any benefits, rights or remedies. Neither this Agreement nor the rights or obligations of any party may be assigned or delegated (other than to a Related Party that becomes a party hereto in accordance with the terms hereof) by operation of law or otherwise without the prior written consent of all other parties hereto.

Section 13. SEVERABILITY. The invalidity or unenforceability of any provision of this Agreement in any application shall not affect the validity or enforceability of such provision in any other application or the validity or enforceability of any other provision.

Section 14. WAIVERS AND AMENDMENTS. No waiver of any provision of this Agreement shall be deemed a further or continuing waiver of that provision or a waiver of any other provision of this Agreement. This Agreement may not be amended except in a writing signed by the remaining Founders.

Section 15. INTERPRETATION. As used herein, except as otherwise indicated herein or as the context may otherwise require, the words "include," "includes" and "including" are deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of like import; the words "hereof," "herein," "hereunder" and comparable terms refer to the entirety of this Agreement, and not to any particular section or other subdivision hereof; any pronoun shall include the corresponding masculine, feminine and neuter forms; the singular includes the plural and vice versa; references to "Section" or another subdivision are to a section or subdivision hereof; and all references to "the date hereof," "the date of this Agreement" or similar terms (but excluding references to the date of execution hereof) refer to the date first above written, notwithstanding that the parties may have executed this Agreement on a later date. Any reference herein to a "day" or number of "days" (without the explicit qualification of "business") shall be deemed to refer to a calendar day or number of calendar days. If any action or notice is to be taken or given on or by a particular calendar day, and such calendar day is not a business day, then such action or notice may be taken or given on the next succeeding business day.

Executed as of the date first set forth above.

/s/ GENE W. SCHNEIDER

Gene W. Schneider, Founder

/s/ MARK L. SCHNEIDER

Mark L. Schneider, Founder

/s/ CURTIS ROCHELLE

Curtis Rochelle, Founder

/s/ ALBERT M. CAROLLO

Albert M. Carollo, Founder

EXHIBIT A

- ----------

-- FOUNDER ADDRESS - -----

---------- Gene W. Schneider c/o UnitedGlobalCom, Inc. 4643 South Ulster Street, #1300 Denver, Colorado 80237 Attention: Gene W. Schneider Telephone: (303) 770-4001 Telecopier: (303) 220-3117
- ----------

-- Mark L. Schneider c/o UnitedGlobalCom, Inc. 4643 South Ulster Street, #1300 Denver, Colorado 80237 Attention: Mark L. Schneider Telephone: (303) 770-4001 Telecopier: (303) 220-3117
- ----------

-- Curtis Rochelle c/o UnitedGlobalCom, Inc. 4643 South Ulster Street, #1300 Denver, Colorado 80237 Attention: Curtis W. Rochelle Telephone: (303) 770-4001 Telecopier: (303) 220-3117
- ----------

-- Albert M. Carollo c/o UnitedGlobalCom, Inc. 4643 South Ulster Street, #1300 Denver, Colorado 80237 Attention: Albert M. Carollo Telephone: (303) 770-4001 Telecopier:

(303) 220-3117
- -------------

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EXHIBIT 10.5
CONFORMED COPY

STOCKHOLDERS AGREEMENT

This Stockholders Agreement (this "AGREEMENT") is entered into as of January 30, 2002 among UnitedGlobalCom, Inc., a Delaware corporation formerly known as New UnitedGlobalCom, Inc. ("UNITED"), Liberty Media Corporation and Liberty Global, Inc. ("LIBERTY GLOBAL"), each of which is a Delaware corporation, Liberty UCOMA, LLC, a Delaware limited liability company ("LIBERTY UCOMA"), and each of the Persons identified on the signature page hereof as a Founder (the "FOUNDERS").

BACKGROUND

Pursuant to the Amended and Restated Agreement and Plan of Restructuring and Merger, dated as of December 31, 2001 (the "MERGER AGREEMENT"), among United, Liberty, Liberty Media International, Inc., a Delaware corporation ("LMI"), Liberty Global, the Founders, UGC, Inc. a Delaware corporation formerly known as UnitedGlobalCom, Inc. ("OLD UNITED") et al., the Founders have acquired Beneficial Ownership of shares of Class B Stock of United, and the Liberty Parties (including Liberty UCOMA, which is a "Contributing Party" for purposes of the Merger Agreement) have acquired Beneficial Ownership of shares of Class C Stock of United. As required by the Merger Agreement the parties hereto are entering into this Agreement, which will govern certain aspects of their ownership of Common Stock.

AGREEMENT

In consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1. CERTAIN DEFINITIONS. In this Agreement, the following terms shall have the following meanings:

AFFILIATE. When used with reference to a specified Person, any Person who directly or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, the Person specified, provided that (i) no officer or director of a Person, or any Affiliate of such officer or director, investing for his, her or its own account or otherwise acting in his, her or its individual capacity, and no director of a Person, or any Affiliate of such director, acting in his, her or its capacity as an officer, director, trustee, representative or agent of a Person that is not an Affiliate of the specified Person, and in each case not in concert with or at the direction or request of such specified Person, shall be deemed to be an Affiliate of such specified Person for purposes of this Agreement; (ii) no Liberty Party shall be deemed to be an Affiliate of United and none of United and its Controlled Affiliates shall be deemed to be an Affiliate of a Liberty Party and (iii) any Person in which United, directly or indirectly, Beneficially Owns 50% or more of the equity securities, without regard to voting power in the election of directors, shall (without limiting the generality of this definition) be deemed to be an Affiliate of United.

AGREEMENT. As defined in the preamble.

BENEFICIAL OWNERSHIP AND DERIVATIVE TERMS. As determined pursuant to Rule 13d-3 and Rule 13d-5 under the Exchange Act and any successor regulation, except that in determining Beneficial Ownership, without duplication, (i) equity securities that may be acquired pursuant to

Rights to acquire equity securities that are exercisable more than sixty days after a date shall nevertheless be deemed to be Beneficially Owned, and (ii) except for purposes of the definition of "Change of Control," (x) Beneficial Ownership, if any, arising solely as a result of being a party to a Transaction Agreement or the Merger Agreement shall be disregarded, and (y) Beneficial Ownership, if any, arising solely from being a member of a Group shall be disregarded.

BOARD. The Board of Directors of United.

BUSINESS DAY. Any day other than Saturday, Sunday and a day on which banks are required or permitted to close in Denver, Colorado or New York, New York.

CAPITAL STOCK. Any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock or partnership or membership interests, whether common or preferred.

CHANGE OF CONTROL. Any (a) change in the direct or indirect record or Beneficial Ownership of any of the equity securities of United, Old United or any of their respective Affiliates, (b) merger, consolidation, statutory share exchange or other transaction involving United, Old United or any of their respective Affiliates or (c) change in the composition of the board of directors or other governing body of United, Old United or any of their respective Affiliates.

CHANGE OF CONTROL COVENANT. Any covenant, agreement or other provision (excluding requirements imposed by Law) pursuant to which the occurrence or existence of a Change of Control would result in a violation or breach of, constitute (with or without due notice or lapse of time or both) or permit any Person to declare a default or event of default under, give rise to any right of termination, cancellation, amendment, acceleration, repurchase, prepayment or repayment or to increased payments under, give rise to or accelerate any material obligation (including any obligation to, or to offer to, repurchase, prepay, repay or make increased payments) or result in the loss or modification of any material right or benefit under, or result in any Lien or give any Person the right to obtain any Lien on any material asset pursuant to, any Contract to which United, Old United or any of their respective Affiliates is or becomes a party or to which United, Old United, any of their respective Affiliates or any of their respective material assets are or become subject or bound.

CLASS A STOCK. The Class A common stock, $0.01 par value per share, of United.

CLASS B EVENT. As defined in the United Charter as in effect on the date hereof.

CLASS B STOCK. The Class B common stock, $0.01 par value per share, of United.

CLASS C STOCK. The Class C common stock, $0.01 par value per share, of United.

CLOSING. As defined in the Merger Agreement.

COMMON STOCK. The Class A Stock, the Class B Stock and the Class C Stock.

CONTRACT. Any note, bond, indenture, debenture, security agreement, trust agreement, Lien, mortgage, lease, agreement, contract, license, franchise, permit, guaranty, joint venture agreement, or other agreement, instrument, understanding, commitment or obligation, oral or written.

CONTROLLED AFFILIATE. When used with reference to a specified Person, an Affiliate of such Person that such Person directly, or through one or more intermediaries, Controls; PROVIDED THAT, (a) none of United and its Controlled Affiliates shall be deemed to be a Controlled Affiliate of a Liberty Party and (b) any Person in which United, directly or indirectly, Beneficially Owns 50% or more of the equity securities, without regard to voting power in the election of directors, shall (without limiting the generality of this definition) be deemed to be a Controlled Affiliate of United.

CONTROL AND DERIVATIVE TERMS. The possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of another Person, whether through the ownership of voting securities, by contract or otherwise.

CONTROL PERSON. Each of (1) the Chairman of the Board of Liberty, (2) the President and Chief Executive Officer of Liberty, (3) the Executive Vice President and Chief Operating Officer of Liberty, (4) each of the directors of Liberty, and (5) the respective family members, estates and heirs of each of the persons referred to in clauses (1) through (4) above and any trust or other investment vehicle for the primary benefit of any of such persons or their respective family members or heirs. "Family members" for this purpose means the parents, descendants, step children, step grandchildren, nieces and nephews, and spouse of the specified person.

CONTROLLING PRINCIPALS. Founders who are Principals and who hold a majority of the aggregate voting power of the Equity Securities held by the Founders who are Principals.

CONVERSION EVENT. As defined in the United Charter as in effect on the date hereof.

CURRENT BONDS. As defined in the United Charter as in effect on the date hereof.

DESIGNATED PURCHASER. As defined in Section 4(b).

DRAG-ALONG NOTICE. As defined in Section 8(a).

DRAG-ALONG RIGHTS The rights granted to the Founders pursuant to Sections 8(a) and 8(b) to require the Liberty Parties to Transfer Common Stock.

EQUITY SECURITIES. The Common Stock and any other securities hereafter issued by United that are entitled to vote generally in the election of directors.

EXCHANGE ACT. The Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

EXCHANGE AGREEMENT. That certain Exchange Agreement dated as of the date hereof among United and certain of the Founders.

EXERCISING HOLDERS. As defined in Section 7(b).

FIRST OFFER NOTICE. A Liberty Offer Notice or Founder Offer Notice.

FOUNDER ACCEPTANCE NOTICE. As defined in Section 4(a).

FOUNDER ELECTION PERIOD. As defined in Section 5(a).

FOUNDER OFFER NOTICE. As defined in Section 5(a).

FOUNDER OFFER PRICE. As defined in Section 5(a).

FOUNDER OFFERED SHARES. As defined in Section 5(a).

FOUNDER PARTY: Each Founder and each Permitted Transferee of a Founder that hereafter becomes bound by or who is required to become bound by this Agreement for so long as such person is or is required to be so bound.

FOUNDERS. (i) As defined in the preamble and (ii) any person who (x) immediately prior to the Closing was a member of the senior management of Old United or a member of the Board of Directors of Old United, (y) owned shares of Old United Class B Stock immediately prior to the Closing and Class B Stock thereafter and (z) is designated as an additional Founder in the sole discretion of the Controlling Principals, provided that such person executes and delivers to United and the Liberty Parties a counterpart of this Agreement and to United a counterpart of the Voting Agreement, agreeing to be bound by the provisions hereof and thereof applicable to the Founders. A Person identified by clause (i) or (ii) of this definition as a Founder will cease to be a Founder at such time as such Person no longer Beneficially Owns any Class B Stock.

FOUNDERS AGREEMENTS. Means (a) the Founders Agreement dated as of the date hereof among the Founders relating to United and (b) the Founders Agreement dated as of the date hereof among certain Founders relating to Old United.

GOVERNMENTAL APPROVAL. Any notice to, filing with, or approval or consent of a Government Authority required by applicable law with respect to any action, including without limitation, the expiration or termination of any applicable waiting period under the HSR Act.

GOVERNMENTAL AUTHORITY. Any U.S. federal, state or local or any foreign court, governmental department, commission, authority, board, bureau, agency or other instrumentality.

GROUP. As defined in Section 13(d) of the Exchange Act and the rules and regulations thereunder, but the existence of the Transaction Agreements and the Merger Agreement shall be disregarded in determining whether a Group exists.

HSR ACT. The Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

JUDGMENT. Any order, writ, injunction, award, judgment, ruling or decree of any Governmental Authority.

LAW. Any U.S. federal, state or local or any foreign statute, code, ordinance, decree, rule, regulation or general principle of common or civil law or equity.

LIBERTY. Liberty Media Corporation, a Delaware corporation, and any successor (by merger, consolidation, transfer or otherwise) to all or substantially all of its assets; provided that in the event a Transferee Parent becomes the Beneficial Owner of all or substantially all of the Equity Securities then Beneficially Owned by Liberty as to which Liberty has dispositive control, the term "Liberty" shall mean such Transferee Parent and any successor (by merger, consolidation, transfer or otherwise) to all or substantially all of its assets.

LIBERTY ACCEPTANCE NOTICE. As defined in Section 5(a).

LIBERTY GLOBAL. As defined in the preamble.

LIBERTY OFFER NOTICE. As defined in Section 4(a).

LIBERTY OFFER PRICE. As defined in Section 4(a).

LIBERTY OFFERED SHARES. As defined in Section 4(a).

LIBERTY PARTIES. Liberty, Liberty Global and Liberty UCOMA and including any Permitted Transferee of a Liberty Party who hereafter becomes bound by or who is required to become bound by this Agreement for so long as such Person is or is required to be so bound. Liberty Global and any such Permitted Transferee will each cease to be a Liberty Party at such time as such Person is no longer a Controlled Affiliate of Liberty.

LIBERTY PARTY EQUITY SECURITIES. As defined in the Standstill Agreement.

LIBERTY PURCHASE PERIOD. As defined in Section 5(c).

LIBERTY UCOMA. As defined in the preamble.

LICENSE. Any license, franchise, authorization, permit, certificate, variance, exemption, concession, consent, lease, right of way, easement, instrument, order or approval domestic or foreign, of any Governmental Authority.

LIEN. Any mortgage, pledge, lien, encumbrance, charge, or security interest.

LMI. As defined under "Background" on the first page of this Agreement.

MERGER AGREEMENT. As defined under "Background" on the first page of this Agreement.

NEW UNITED COVENANT AGREEMENT. The Agreement Regarding Additional Covenants as of the date hereof among United and the Liberty Parties.

NO WAIVER AGREEMENT. That certain No Waiver Agreement dated as of the date hereof among Liberty, LMI and United.

OLD UNITED. As defined under "Background" on the first page of this Agreement.

OLD UNITED AGREEMENT. That certain Agreement dated as of the date hereof among Old United and the Liberty Parties.

OLD UNITED CLASS B STOCK. The Class B Common Stock, par value $0.01 per share, of Old United.

OUTSIDE CLOSING DATE. As defined in Section 4(b).

PERMITTED TRANSFEREES. In the case of a Founder (the "SPECIFIED FOUNDER"), (a) any other Founder, (b) such specified Founder's parents, descendants, step children, step grandchildren, nieces and nephews, and spouses of any of the foregoing, (c) such specified Founder's heirs, devisees and legatees, and (d) partnerships and entities that are primarily owned by, and trusts that are primarily for the benefit of, any of the Persons designated in clauses (a), (b) and (c) (but only for so long as such relationship exists). In the case of a Permitted Transferee of a Founder, such Founder or another Permitted Transferee of such Founder. In the case of the Liberty Parties, Liberty and any Person Controlled by Liberty.

PERSON. Person shall mean any individual, firm, corporation, partnership, limited liability company, trust, joint venture, or other entity, and shall include any successor (by merger or otherwise) of such entity.

PRINCIPALS. Albert M. Carollo, Curtis Rochelle, Marian Rochelle, Rochelle Investments, Ltd (so long as it is controlled by Curtis or Marian Rochelle), Gene W. Schneider, G. Schneider Holdings, Co. (so long as it is controlled by Gene W. Schneider), and Mark L. Schneider.

PROPORTIONATE NUMBER OF SHARES. The Proportionate Number of Shares of the Liberty Parties shall be the number of shares of Common Stock Beneficially Owned by the Liberty Parties as to which they have dispositive power multiplied by a fraction, the numerator of which is the number of shares of Class B Stock proposed to be transferred by the Founder Parties as set forth in a Drag-Along Notice and the denominator of which is the number of shares of Class B Stock Beneficially Owned in the aggregate by the Founders and their Permitted Transferees.

REGISTRATION RIGHTS AGREEMENT. That certain Registration Rights Agreement dated as of the date hereof among United and the Liberty Parties.

RESTRICTION. With respect to any capital stock, equity interest or security, any voting or other trust or agreement, option, warrant, preemptive right, right of first offer, right of first refusal, escrow arrangement, proxy, buy-sell agreement, power of attorney or other Contract, any License or Judgment that, conditionally or unconditionally, (a) grants to any Person the right to purchase or otherwise acquire, or obligates any Person to sell or otherwise dispose of or issue, or otherwise results or, whether upon the occurrence of any

event or with notice or lapse of time or both or otherwise, may result in any Person acquiring, (i) any of such capital stock or other equity interest or security; (ii) any of the proceeds of, or any distributions paid or that are or may become payable with respect to, any of such capital stock or other equity interest or security; or (iii) any interest in such capital stock or other equity interest or security or any such proceeds or distributions; (b) restricts or, whether upon the occurrence of any event or with notice or lapse of time or both or otherwise, is reasonably likely to restrict the transfer or voting of, or the exercise of any rights or the enjoyment of any benefits arising by reason of ownership of, any such capital

stock or other equity interest or security or any such proceeds or distributions; or (c) creates or, whether upon the occurrence of any event or with notice or lapse of time or both or otherwise, is reasonably likely to create a Lien or purported Lien affecting such capital stock or other equity interest or security, proceeds or distributions.

RIGHTS. When used with respect to a Specified Person, securities of such Person (which may include equity securities) that (contingently or otherwise) are exercisable, convertible or exchangeable for or into equity securities of such Person (with or without consideration) or that carry any right to subscribe for or acquire equity securities or securities exercisable, convertible or exchangeable for or into equity securities of such Person.

SIXTY-DAY ELECTION PERIOD. As defined in Section 4(a).

SPECIFIED FOUNDER. As defined in the definition of " Permitted Transferees".

STANDSTILL AGREEMENT. That certain Standstill Agreement dated as of the date hereof among United and the Liberty Parties.

SUBJECT SHARES. Shares of Class B Stock and, prior to June 25, 2010, shares of Class C Stock.

TAG-ALONG GROUP. As defined in Section 7(b).

TAG-ALONG NOTICE. As defined in Section 7(a).

TAG-ALONG RIGHT. As defined in Section 7(b).

TRANSACTION AGREEMENTS. This Agreement, the Voting Agreement, the Standstill Agreement, the New United Covenant Agreement, the Registration Rights Agreement, the No Waiver Agreement, the Exchange Agreement, the United Charter, the United Bylaws, the UPC Release, the Founders Agreements and the Old United Agreement.

TRANSFER. Any sale, exchange, pledge (except a pledge in compliance with this Agreement and the Standstill Agreement) or other transfer, direct or indirect, of Class B Stock or Class C Stock or, when the context requires, Class A Stock (including through the relinquishment of control of a Person holding shares of such stock), provided, however, that none of the following shall constitute a Transfer: (i) a conversion of Class C Stock into Class B Stock or of Class B Stock or Class C Stock into Class A Stock, (ii) any transfer pursuant to any tender or exchange offer approved by a majority of the Board, (iii) a transfer by operation of law in connection with any merger, consolidation, statutory share exchange or similar transaction involving United, (iv) a transfer pursuant to a plan of liquidation of United that has been approved by a majority of the Board or (v) in the case of Liberty, any transaction or series of transactions involving the direct or indirect transfer (or relinquishment of control) of a Person that holds Liberty Party Equity Securities ("TRANSFERRED PERSON"), if (x) immediately after giving effect to such transaction or the last transaction in such series, voting securities representing at least a majority of the voting power of the outstanding voting securities of such Transferred Person or its successor in such transaction or any ultimate parent entity (within the meaning of the HSR Act) of such Transferred Person or its successor (a "TRANSFEREE PARENT") are

Beneficially Owned by Persons who prior to such transaction were Beneficial Owners of a majority of, or a majority of the voting power of, the outstanding voting securities of Liberty (or of any publicly traded class or series of voting securities of Liberty designed to track the economic performance of a specified group of assets or businesses) or who are Control Persons or any combination of the foregoing and (y) such Transferee Parent becomes a party to this Agreement and the Standstill Agreement with the same rights and obligations as Liberty.

TRANSFEREE PARENT. As defined in the definition of "Transfer."

TRANSFEROR. As defined in Section 7(a).

TRANSFERRED PERSON. As defined in the definition of "Transfer".

TWO-BUSINESS DAY ELECTION PERIOD. As defined in Section 4(a).

UNITED. As defined in the preamble

UNITED BYLAWS. The Bylaws of United, as such Bylaws may be amended from time to time in accordance with the United Charter, such Bylaws and the New United Covenant Agreement.

UNITED CHARTER. The Restated Certificate of Incorporation of United as filed with the Secretary of State of the State of Delaware on December 31, 2001, as it may be amended from time to time.

UNITED/NEW UNITED MERGER. As defined in the Merger Agreement.

UPC. United Pan-Europe Communications, N.V., a company organized under the laws of The Netherlands.

UPC CONVERTIBLE SHARES. As defined in Section 10(c).

UPC ORDINARY SHARES. As defined in Section 10(c).

UPC RELEASE. Section 3 and Exhibit A of that certain Release, dated as of February 22, 2001, among UPC, Old United, Liberty and LMI (but no other provisions of such Release).

VOTING AGREEMENT. That certain Voting Agreement dated as of the date hereof among United and the Founders.

Section 2. ACTION BY FOUNDERS OR LIBERTY PARTIES.

Whenever this Agreement contemplates any action to be taken by the Founder Parties, each of the Founder Parties shall act at the direction of Controlling Principals and Controlling Principals shall be (and hereby are) authorized in such circumstances to take any contemplated action on behalf of all of the Founder Parties. The Liberty Parties and United will be entitled to rely, as binding on all the Founders, on any instrument signed by Controlling Principals and on any representation by a Principal that such Principal is a Controlling Principal or by a group of

Principals that such Principals are Controlling Principals. Whenever this Agreement contemplates any action to be taken by the Liberty Parties or their Affiliates, each such party shall act at the direction of Liberty and Liberty shall be (and hereby is) authorized to take any contemplated action on behalf of all of the Liberty Parties. The Founder Parties and United will be entitled to rely, as binding on all the Liberty Parties, on any instrument signed by Liberty.

Section 3. LIMITATION ON CONVERSION OF CLASS C STOCK; OTHER COVENANTS.

(a) Prior to a Conversion Event, the Liberty Parties will not convert shares of Class C Stock into Class A Stock if, after giving effect to such conversion, the aggregate voting power of the shares of Class A Stock and Class B Stock then owned by the Liberty Parties would (x) exceed 50% of the combined voting power of the shares of Class A Stock and Class B Stock then outstanding, or (y) constitute a greater percentage of the combined voting power of the shares of Class A Stock and Class B Stock then outstanding than the percentage represented by the aggregate voting power of the shares of Class A Stock and Class B Stock then Beneficially Owned by the Founder Parties, provided that the limitations set forth in clauses (x) and (y) on the Liberty Parties' right to convert the Class C Stock (i) will terminate if the aggregate voting power of the shares of Class A Stock and Class B Stock Beneficially Owned by any other Person or Group (other than a Group that is controlled by one or more Controlling Principals and consists solely of Founder Parties) exceeds either of such percentages and (ii) will not apply to any conversion of Class C Stock into Class A Stock in connection with a sale or hedging transaction or to any related pledge involving Class A Stock.

(b) Without the prior written consent of Liberty, which consent may be granted or withheld in Liberty's sole discretion, United will not take any action and will not permit any action to be taken on its behalf, and will use its best commercially reasonable efforts to prevent any action from being taken by or on behalf of any of its Affiliates, that would result in United, Old United or any of their respective Affiliates being subject to or bound by any Change of Control Covenant, unless any Change of Control involving or caused by the action of Liberty, Liberty UCOMA, Liberty Global or any of their respective Affiliates (other than a transfer by any of the foregoing to an unaffiliated third party of Control of United, if such Control is obtained in the future) is exempted from the application and effects of such Change of Control Covenant. United will not be deemed to be in breach of the foregoing as a result of its or its Affiliates entering into or maintaining in the ordinary course of business a License granted by a Governmental Authority that includes a Change of Control Covenant provided that (i) such License is of the kind and nature that customarily requires approval of the Governmental Authority granting the same for a Change of Control, (ii) the applicable Change of Control Covenant includes only terms customarily imposed by such Governmental Authority in similar circumstances, (iii) the maximum penalty for breach of such Change of Control Covenant is termination of the applicable License, and (iv) United used its best commercially reasonable efforts to obtain the exemption from the application and effects of such Change of Control Covenant contemplated by the preceding sentence. Without the prior written consent of Liberty, which consent may be granted or withheld in Liberty's sole discretion, United will not take any action or permit any action to be taken that would, or fail to take any action or permit any action to be omitted where such failure or omission would, extend or perpetuate the applicability of any Change of Control Covenant in effect as of May 25, 2001 under the Current Bonds beyond the maturity date in effect as of May 25, 2001 of the Current Bonds to which they relate. United will

use its best commercially reasonable efforts to take such actions as will cause the conditions necessary to permit the conversion in full of the Class C Stock into Class B Stock to be satisfied.

(c) If, following the occurrence of a Class B Event, any vote or other action of United's stockholders is required in connection with the acquisition of shares of Class B Stock by a Liberty Party or any of its Affiliates pursuant to their purchase rights under the Standstill Agreement, United and the Founders and their Permitted Transferees will use their respective best commercially reasonable efforts to cause such vote or other action to be taken, including calling a special meeting of stockholders or soliciting a written consent of stockholders, and voting all Equity Securities held by such Persons at such meeting in person or by proxy or signing a written consent of stockholders in lieu of a meeting.

Section 4. FOUNDERS' RIGHT OF FIRST OFFER.

(a) No Liberty Party shall Transfer any Subject Shares to any Person other than a Permitted Transferee in compliance with Section 6, or convert any Subject Shares to Class A Stock, unless, prior to such Transfer or conversion, the Liberty Parties first offer to sell the Subject Shares proposed to be Transferred or converted (the "LIBERTY OFFERED SHARES") to the Founders by delivering a written notice (a "LIBERTY OFFER NOTICE") to the Founders. The Liberty Offer Notice shall state the number and class of Liberty Offered Shares and the price per share (the "LIBERTY OFFER PRICE") at which such Liberty Party is offering the Liberty Offered Shares to the Founders and shall constitute a binding, irrevocable offer, subject to the provisions of this Section 4, to sell the Liberty Offered Shares to the Founders and any Designated Purchaser (as defined below) at the Liberty Offer Price. Prior to the occurrence of a Conversion Event, the number of Liberty Offered Shares proposed to be Transferred, when taken together with the aggregate number of shares of Class A Stock, received upon conversion of Subject Shares, Beneficial Ownership of which shares of Class A Stock was theretofore Transferred by a Liberty Party, other than to a Permitted Transferee or a Founder Party or Designated Purchaser or to United, shall not exceed the sum of the total number of shares of Class A Stock of which the Liberty Parties acquired Beneficial Ownership after the date hereof (from Persons other than United (including upon the conversion of Class C Stock) or the Founder Parties) plus the total number of shares of Class A Stock received in the United/New United Merger upon conversion of shares of Class A Common Stock, par value $0.01 per share, of Old United acquired by the Liberty Parties after December 3, 2001. In order to accept the offer of the Liberty Offered Shares, Controlling Principals must deliver a written notice of acceptance (a "FOUNDER ACCEPTANCE NOTICE") to the Liberty Parties agreeing to

purchase all, but not less than all, of the Liberty Offered Shares at the Liberty Offer Price. In order to be effective, a Founder Acceptance Notice must (i) be signed by Controlling Principals (either personally or by a duly authorized agent), (ii) designate which Founders and Designated Purchasers are to purchase the Liberty Offered Shares and the number of shares to be purchased by each such Founder and Designated Purchaser and (iii) be delivered to the Liberty Parties no later than 5:00 p.m. Denver, Colorado time on the last day of (A) if such Liberty Offer Notice relates to a number of Subject Shares, the conversion of which to Class A Stock would not reduce the aggregate voting power for the election of directors of Equity Securities subject to this Agreement below 80% of the total voting power for the election of directors of all Equity Securities outstanding, in each case calculated as if all Class C Stock had been converted to Class B Stock, the two-Business Day period (a "TWO-BUSINESS DAY ELECTION PERIOD") following the date the Liberty Offer Notice is given; or (B) in all

other cases, the sixty-day period (a "SIXTY-DAY ELECTION PERIOD") following the date the Liberty Offer Notice is given. A duly completed and delivered Founder Acceptance Notice shall constitute a binding irrevocable agreement by the Controlling Principals signing such notice and the Founders and Designated Purchasers named therein to purchase the Liberty Offered Shares at the Liberty Offer Price as provided in this Section 4. If a Founder Acceptance Notice meeting the requirements specified above is not delivered within the specified election period, then the Founders will be deemed to have rejected the offer of the Liberty Offered Shares.

(b) Upon delivery of a Founder Acceptance Notice meeting the requirements specified above within the specified election period, the Liberty Parties will be obligated to sell, and the Controlling Principals and the Founders and Designated Purchasers named in such Founder Acceptance Notice will be jointly and severally obligated to buy, all of the Liberty Offered Shares at the Liberty Offer Price. The closing of such purchase and sale shall occur at such time and place as the parties thereto may agree, but in any event no later than (i) the fifth Business Day after the Liberty Offer Notice is given, in the case of a Liberty Offer Notice with a Two-Business Day Election Period, or (ii) the 180th day after the Liberty Offer Notice is given, in the case of a Liberty Offer Notice with a Sixty-Day Election Period (each, an "OUTSIDE CLOSING DATE"). The purchase and sale will be without representation or warranty, except that each party to the transaction will represent and warrant that it has all requisite power and authority to enter into the transactions, and the Liberty Parties transferring the shares will represent and warrant that they are transferring valid title to such shares and such shares are being transferred free and clear of any Lien or Restriction other than those created by this Agreement, any other Transaction Agreement or the parties taking delivery of such shares. Payment of the purchase price shall be in immediately available United States Dollars. A "DESIGNATED PURCHASER" means any Person other than a Founder designated in a Founder Acceptance Notice as a purchaser of Liberty Offered Shares. As a condition to acquiring any Liberty Offered Shares pursuant to this Section 4, a Designated Purchaser must execute and deliver an instrument, in form and substance reasonably acceptable to United and the Liberty Parties, by which such Designated Purchaser agrees (i) to be subject to all of the obligations of a Founder Party under this Agreement and the Voting Agreement but, except for a Designated Purchaser that is a Permitted Transferee, to have none of the rights of a Founder Party hereunder or thereunder and (ii) in the case of a Designated Purchaser that is not a Permitted Transferee, to be subject to all of the obligations of a Liberty Party under the Standstill Agreement but to have none of the rights of a Liberty Party thereunder. Without limiting the generality of the foregoing, except for the imposition of the foregoing obligations on a Designated Purchaser, no Designated Purchaser that is not a Permitted Transferee will be considered a Founder Party for any purpose hereunder, including the termination provisions set forth in Section 13. Immediately following the Transfer of Liberty Offered Shares to a Founder or Designated Purchaser pursuant to this Section 4, such shares shall be converted to Class A Stock, or, if (i) then permissible under the United Charter, or (ii) such conversion would not result in a "Change of Control" pursuant to the Current Indentures as then in effect, Class B Stock, provided that if the Liberty Offered Shares are Class B Stock, such shares need not be converted into Class A Stock.

(c) If (i) the Founders reject or are deemed to reject the offer of the Liberty Offered Shares set forth in a Liberty Offer Notice, or (ii) the Founders accept such offer but the purchase and sale of all of the Liberty Offered Shares does not occur by the applicable Outside Closing Date for any reason other than the Liberty Parties' failure to comply with their respective

obligations under Section 4(b), then the Liberty Parties shall be free to Transfer the Liberty Offered Shares (or, if applicable, convert the Liberty Offered Shares into shares of Class A Stock); provided that, in the case of a Transfer:

(A) such Liberty Offered Shares are converted into Class A Stock prior to the Transfer, and

(B) in the case of a Liberty Offer Notice with a Sixty-Day Election Period, the Transfer occurs at a price per share equal to or higher than the Liberty Offer Price within 60 days after the applicable of (x) the last day of the Sixty-Day Election Period, if the offer set forth in the Liberty Offer Notice was rejected or deemed rejected or (y) the applicable Outside Closing Date, if the closing of the sale of the Liberty Offered Shares pursuant to the Liberty Offer Notice did not occur by such date; or

(C) in the case of a Liberty Offer Notice with a Two-Business Day Election Period, the Transfer either occurs in accordance with Clause (B) above or, if the Liberty Offer Price specified in the applicable Liberty Offer Notice was the market price of the Class A Stock (or, if the Class B Stock is then publicly traded, the Class B Stock) at the time of such Liberty Offer Notice, the Transfer occurs at a price not less than the then current market price of the Class A Stock (whether higher or lower than the Liberty Offer Price) within 15 days after the applicable of (x) the last day of the Two-Business Day Election Period, if the offer set forth in the Liberty Offer Notice was rejected or deemed rejected or (y) the applicable Outside Closing Date, if the closing of the sale of the Liberty Offered Shares pursuant to the Liberty Offer Notice did not occur by

such date.

Any purported Transfer of Subject Shares in violation of this Section 4 shall be void and ineffective as against both the transferring Liberty Party and the proposed transferee, and any purported conversion of Subject Shares in violation of this Section 4 shall be void and ineffective.

Section 5. LIBERTY PARTIES' RIGHT OF FIRST OFFER.

(a) No Founder Party shall Transfer any Subject Shares to any Person other than a Permitted Transferee in compliance with Section 6 or convert any Subject Shares to Class A Stock, unless, prior to such Transfer or conversion, such Founder Party first offers to sell the Subject Shares proposed to be Transferred or converted (the "FOUNDER OFFERED SHARES") to the Liberty Parties by delivering a written notice (a "FOUNDER OFFER NOTICE") to the Liberty Parties. The Founder Offer Notice shall state the number and class of Founder Offered Shares and the price per share (the "FOUNDER OFFER PRICE") at which such Founder Party is offering the Founder Offered Shares to the Liberty Parties and shall constitute a binding, irrevocable offer, subject to the provisions of this Section 5, to sell the Founder Offered Shares to the Liberty Parties at the Founder Offer Price. In order to accept the offer of the Founder Offered Shares, Liberty must deliver a written notice of acceptance (a "LIBERTY ACCEPTANCE NOTICE") to the offering Founder Party agreeing to purchase, or to cause another Liberty Party or a Permitted Transferee to

purchase, all, but not less than all, of the Founder Offered Shares at the Founder Offer Price. In order to be effective, a Liberty Acceptance Notice must (i) be signed by Liberty and (ii) be delivered to the offering Founder Party no later than 5:00 p.m. Denver, Colorado time on the last day of the thirty day period (a "FOUNDER ELECTION PERIOD") following the date the Founder Offer Notice is given. A duly completed and delivered Liberty Acceptance Notice shall constitute a binding irrevocable agreement by Liberty to purchase, or to cause another Liberty Party or a Permitted Transferee to purchase, the Founder Offered Shares at the Founder Offer Price as provided in this Section 5. If a Liberty Acceptance Notice meeting the requirements specified above is not delivered within the specified election period, then the Liberty Parties will be deemed to have rejected the offer of the Founder Offered Shares.

(b) Upon delivery of a Liberty Acceptance Notice meeting the requirements specified above within the specified election period, the offering Founder Party will be obligated to sell, and Liberty will be obligated to purchase, or to cause another Liberty Party or a Permitted Transferee to purchase, all of the Founder Offered Shares at the Founder Offer Price. The closing of such purchase and sale shall occur at such time and place as the parties thereto may agree, but in any event no later than the 60th day after the Founder Offer Notice is given (provided that such 60 day period may be extended for up to an additional 90 days to the extent that the acquisition of the Founder Offered Shares requires any Governmental Approval that has not been obtained during that period). The purchase and sale will be without representation or warranty, except that each party to the transaction will represent and warrant that it has all requisite power and authority to enter into the transactions, and the Founder Party transferring the shares will represent and warrant that it is transferring valid title to such shares and such shares are being transferred free and clear of any Lien or Restriction other than those created by this Agreement, any other Transaction Agreement or the parties taking delivery of such shares. Payment of the purchase price shall be in immediately available United States Dollars. As a condition to acquiring any Founder Offered Shares, a Permitted Transferee of a Liberty Party that is not then a party to this Agreement must execute and deliver an instrument, in form and substance reasonably acceptable to United and the Controlling Principals, by which such Permitted Transferee agrees to be subject to all of the rights and obligations of a Liberty Party under this Agreement and the Standstill Agreement.

(c) If (i) the Liberty Parties reject or are deemed to reject the offer of the Founder Offered Shares set forth in a Founder Offer Notice, or (ii) the Liberty Parties accept such offer but the purchase and sale of all of the Founder Offered Shares does not occur within the time period specified in Section 5(b) (as extended, if applicable, the "LIBERTY PURCHASE PERIOD") for any reason other than the Founders' failure to comply with their respective obligations under Section 5(b), then the Founder Party delivering the Founder Offer Notice shall be free to Transfer the Founder Offered Shares (or, if applicable, convert the Founder Offered Shares into shares of Class A Stock), provided that, in the case of a Transfer:

(A) the Transfer occurs at a price per share equal to or higher than the Founder Offer Price within 60 days after the applicable of (x) the last day of the Founder Election Period if the offer set forth in the Founder Offer Notice was rejected or deemed rejected or (y) the last day of the Liberty Purchase Period if the closing of the sale of the Founder Offered Shares pursuant to the Founder Offer Notice did not occur by such date, and

(B) unless the aggregate number of Founder Offered Shares then being Transferred by all Founder Parties to the same transferee represents at least a majority of the aggregate amount of Subject Shares Beneficially Owned by all Founders and their Permitted Transferees and Designated Purchasers, such Founder Offered Shares are converted into shares of Class A Stock prior to the Transfer.

Any purported Transfer of Subject Shares in violation of this Section 5 shall be void and ineffective as against both the transferring Founder Party and the proposed transferee, and any purported conversion of Subject Shares in violation of this Section 5 shall be void and ineffective.

Section 6. PERMITTED TRANSFERS.

(a) The Liberty Parties and any Founder Party may Transfer Subject Shares to their respective Permitted Transferees without being obligated to first deliver a First Offer Notice to any other party, provided that the Permitted Transferee undertakes in writing to be subject to each of the terms of this Agreement, and in the case of a Permitted Transferee of a Liberty Party, the Standstill Agreement and, in the case of Permitted Transferees of the Founder Parties, the Voting Agreement and is then subject to the rights and obligations that apply to the Liberty Parties, in the case of Permitted Transferees of a Liberty Party, or the Founder Parties, in the case of Permitted

Transferees of a Founder Party. Any purported Transfer to a Permitted Transferee shall be void and ineffective as against both the transferring Liberty Party or Founder Party, and the Permitted Transferee, if the Permitted Transferee fails to become subject to this Agreement and subject to the rights and obligations of the transferring Liberty Party or Founder Party.

(b) A Founder Party or Liberty Party may pledge or grant a security interest in Subject Shares, or Rights to acquire Subject Shares, to a financial institution to secure a bona fide loan made to such Founder Party or Liberty Party, or in connection with a hedging transaction with a financial institution, without becoming obligated to deliver a First Offer Notice; provided that the lender or counter-party (i) may not become the registered holder of Subject Shares as a consequence thereof, (ii) agrees in writing with the pledging party (in an agreement which expressly provides that United and the non-pledging party (the Liberty Parties or the Founders, as applicable) are third-party beneficiaries thereof) that such secured party shall not foreclose upon or Transfer any Subject Shares pursuant to the exercise of its remedies with respect to such pledge or security interest unless it first complies with the provisions of Section 4 as if it were a Liberty Party, in the case of a pledge of Subject Shares held by a Liberty Party, and the provisions of Section 5 as if it were a Founder Party, in the case of a pledge of Subject Shares held by a Founder Party, and, in either case, if the applicable offer is rejected or deemed rejected or the purchase and sale of the offered shares fail for any reason to occur, it converts the Subject Shares subject to such pledge or security interest into Class A Stock prior to such foreclosure or Transfer. Notwithstanding the foregoing reference to the provisions of Section 4 and 5, for pledges made to secure loans (or notional amounts in the case of hedging transactions) of less than $15 million, (1) the maximum election period shall be one (1) Business Day (rather than the Sixty-Day Election Period provided in Section 4 or the thirty-day Founder Election Period provided in Section 5) and (2) the closing of any purchase and sale of the pledged shares by the Liberty Parties or the Founders, as applicable, pursuant to the exercise of their first offer rights

shall occur within three (3) Business Days of the delivery of a First Offer Notice by the secured party.

(c) Those pledges of common stock of Old United that were in effect on May 25, 2001 and are identified on Appendix I hereto, and which apply to Subject Shares as of the date hereof, shall not be deemed to have been made in violation of the foregoing provisions of this Agreement, provided that the pledging parties use their best commercially reasonable efforts to obtain the agreement of the applicable lender or counter-party contemplated by Section 6(b).

Section 7. TAG-ALONG RIGHTS.

(a) If (i) (A) the Liberty Parties propose to Transfer Liberty Offered Shares representing a majority of the Class B and Class C Stock then Beneficially Owned by the Liberty Parties or, when taken together with all prior Transfers of such stock other than to a Permitted Transferee or the Founders and their Designated Purchasers, a number of shares equal to a majority of such stock Beneficially Owned by the Liberty Parties as of the date hereof, in either case pursuant to a Liberty Offer Notice or Liberty Offer Notices delivered in accordance with Section 4, (B) the Founders and their Designated Purchasers fail to purchase such Liberty Offered Shares and (C) the Liberty Parties propose to Transfer the Class A Stock obtained by the conversion of such Liberty Offered Shares to a Person other than a Permitted Transferee, or (ii) (A) the Founder Parties propose to Transfer Founder Offered Shares representing a majority of the Class B Stock then Beneficially Owned by all Founder Parties, or, when taken together with all prior Transfers of such stock other than to a Permitted Transferee or the Liberty Parties, a number of shares equal to a majority of such stock Beneficially Owned by the Founders and their Permitted Transferees as of the date hereof, in either case pursuant to a Founder Offer Notice or Founder Offer Notices delivered in accordance with Section 5, (B) the Liberty Parties fail to purchase such Founder Offered Shares and (C) the Founder Parties propose to Transfer such Founder Offered Shares to a Person other than a Permitted Transferee, the proposed transferor(s) (the "TRANSFEROR") must first deliver a notice (a "TAG-ALONG NOTICE") to the Founders, if the Transferor is one or more Liberty Parties, or to the Liberty Parties, if the Transferor is one or more Founder Parties, setting forth (w) the number of shares of Class A Stock or shares of Class B Stock proposed to be Transferred (which shall be the same as the number of Subject Shares subject to the applicable First Offer Notice), (x) the price per share of Class A Stock or per share of Class B Stock at which the shares of Class A Stock or shares of Class B Stock are proposed to be Transferred (which shall be equal to or greater than the price per share set forth in the applicable First Offer Notice), (y) all Liens and Restrictions to which the shares of Class A Stock or shares of Class B Stock proposed to be Transferred will be subject, and (z) whether the shares of Class A Stock or shares of Class B Stock proposed to be Transferred are to be sold for cash or other consideration and the other terms of the proposed Transfer.

(b) The Liberty Parties (if the Transferor is one or more Founder Parties) or the Founder Parties (if the Transferor is one or more Liberty Parties) (the applicable of the foregoing, the "TAG-ALONG GROUP") shall have the right (the "TAG-ALONG RIGHT"), exercisable by written notice delivered to the Transferor not later than 15 Business Days following the date the Tag-Along Notice is given, to elect to Transfer up to an aggregate number of shares of Class B Stock and/or Class C Stock (and/or, if the Tag-Along Group consists of one or more Liberty Parties, Class A Stock) owned by the members of the Tag-Along Group equal to the number determined by

multiplying the number of shares of Class B Stock (or Class A Stock if the Transferor is a Liberty Party) proposed to be transferred by the Transferor by a fraction the numerator of which is the number of shares of Class B Stock and Class C Stock (and, if the Tag-Along Group consists of one or more Liberty Parties, Class A Stock) then owned in the aggregate by the members of the Tag-Along Group and the denominator of which is the total number of shares of Class B Stock and Class C Stock then owned in the aggregate by the Transferor and the members of the Tag-Along Group (and, if the Tag-Along Group consists of one or more Liberty Parties, shares of Class A Stock then owned by members of the Tag-Along Group). The shares of Common Stock Transferred by the Liberty Parties pursuant to the exercise of a Tag-Along Right may include shares of Class A Stock, but only up to an aggregate number of shares of Class A Stock in any such Transfer equal to the number determined by multiplying the total number of shares of Common Stock that may be Transferred by the Liberty Parties pursuant to such Tag-Along Right (computed in accordance with the preceding sentence) by a fraction, the numerator of which is the number of shares of Class A Stock then owned in the aggregate by the Liberty Parties and the denominator of which is the total number of shares of Common Stock then owned in the aggregate by the Liberty Parties. The Tag-Along Right shall be allocated among the members of the Tag-Along Group by Liberty (in the case of the Liberty Parties) or the Controlling Principals (in the case of the Founder Parties). The

number of shares to be Transferred by the Transferor shall be reduced by the number of shares to be sold by the parties to this Agreement that exercise Tag-Along Rights ("EXERCISING HOLDERS").

(c) The terms on which any Transferor required to deliver a Tag-Along Notice actually Transfers its shares of Class B Stock or shares of Class A Stock shall not be more favorable, and shall include no more cash, than the terms on which Exercising Holders Transfer their shares of Common Stock. Exercising Holders may be required to make the same representations, warranties, covenants and agreements as are given by the Transferor in connection with any Transfer pursuant to this Section 7, but only insofar as they relate to such Exercising Holder's ownership of the Common Stock subject to the Transfer, are representations or warranties regarding the approval, authorization or enforceability of such action, or are covenants or agreements to the effect that such Exercising Holder will take such commercially reasonable actions as may be necessary for the Transfer to lawfully occur and which the Transferor has also agreed to take (other than any such actions which can reasonably be taken only by the Transferor).

If any Liberty Party or Founder Party exercises its Tag-Along Right, the Transferor required to deliver a Tag-Along Notice shall cause the documents relating to the Transfer of its shares of Class A Stock or shares of Class B Stock to the proposed transferee to be amended so that such documents include as parties the Exercising Holders, and so as to provide that the proposed transferee shall acquire from such Exercising Holders the number of shares of Common Stock held by such Exercising Holders as to which the Tag-Along Right has been exercised. The closing of the sale of Common Stock by any Exercising Holder pursuant to this Section 7 shall, to the extent legally practicable, take place at the same time and place as the closing of the Transfer by any Transferor giving rise to the Tag-Along Right. At such closing, (x) the Exercising Holders shall deliver to the transferee certificates representing the Common Stock subject to the Transfer, free and clear of any Lien or Restriction (if the Transferor's shares are being transferred free and clear of any Lien or Restriction) other than those created by this Agreement, another Transaction Agreement, the Transferor or the transferee, (y) the transferee

shall deliver to the Exercising Holders the consideration to be paid for such Common Stock in accordance with the terms of the purchase and sale of such Common Stock and of the Common Stock of the Transferor, and (z) subject to the preceding paragraph, the Exercising Holders shall execute such other documents and take such other actions as are reasonably necessary to consummate the sale of such Common Stock and are also being taken by the Transferor (other than any such actions as can reasonably be taken only by the Transferor). Any shares of Class C Stock Transferred to a transferee pursuant to this Section shall be converted immediately prior to such Transfer to Class A Stock or, if then permissible under the United Charter, Class B Stock.

Any purported Transfer of Common Stock in violation of this Section 7 shall be void and ineffective as against both the Transferor and the proposed transferee.

Section 8. DRAG-ALONG RIGHTS.

(a) If (A) the Founder Parties propose to Transfer Founder Offered Shares in an amount equal to the greater of (1) a number of shares that represents a majority of the Class B Stock then Beneficially Owned by all Founders and their Permitted Transferees or (2) a number of shares that, when taken together with all shares of Class B Stock previously Transferred to Persons other than Permitted Transferees or the Liberty Parties, represents a majority of the Class B Stock Beneficially Owned by the Founders and their Permitted Transferees as of the date hereof, in either case, pursuant to a Founder Offer Notice or Founder Offer Notices delivered in accordance with Section 5, (B) the Liberty Parties fail to purchase such Founder Offered Shares and (C) the Founder Parties propose to Transfer such Founder Offered Shares to an unaffiliated third party that is not a Permitted Transferee, then the Controlling Principals may deliver a notice (a "DRAG-ALONG NOTICE") to the Liberty Parties setting forth (w) the number of shares of Class B Stock proposed to be Transferred (which shall be the same as the number of Subject Shares subject to the applicable Founder Offer Notice), (x) the price per share at which the shares of Class B Stock are proposed to be Transferred (which shall be equal to or greater than the price per share set forth in the applicable Founder Offer Notice), (y) all Liens and Restrictions to which the shares of Class B Stock proposed to be Transferred will be subject, and (z) whether the Class B Stock proposed to be Transferred is to be sold for cash or other consideration and the other terms of the proposed Transfer.

(b) Upon receipt of a Drag-Along Notice, the Liberty Parties will be required to Transfer to the proposed transferee, at the Liberty Parties' election, (i) all shares of Class B Stock and Class C Stock Beneficially Owned by the Liberty Parties as to which they have dispositive power, (ii) all shares of Common Stock Beneficially Owned by the Liberty Parties as to which they have dispositive power or (iii) the Proportionate Number of Shares Beneficially Owned by the Liberty Parties (and, in the case of a Transfer pursuant to this clause (iii), such Proportionate Number of Shares Beneficially Owned by the Liberty Parties shall be comprised of shares of Common Stock of each class in the same relative proportions as the Liberty Parties' aggregate Beneficial Ownership of each such class bears to the Liberty Parties' aggregate Beneficial Ownership of Common Stock of all classes); provided, however, that if, in connection with the proposed Transfer by the Founders, Mr. Gene W. Schneider, G. Schneider Holdings, Co., a Colorado limited partnership, The Gene W. Schneider Family Trust, Mr. Mark L. Schneider and The MLS Family Partnership LP propose to Transfer to the proposed transferee all shares of Common Stock Beneficially Owned by them, which shares of Common Stock include shares of

Class B Stock representing at least 40% of the greater of (x) the number of shares of Class B Stock Beneficially Owned by them in the aggregate as of the date hereof and (y) the number of shares of Class B common stock of Old United Beneficially Owned by them in the aggregate as of June 25, 2000, in each case appropriately adjusted for stock splits, stock dividends and other similar events, then the Liberty Parties will be required to Transfer to the proposed transferee all shares of Common Stock Beneficially Owned by them as to which they have dispositive power.

(c) The Liberty Parties may require that any Transfer with respect to which the Founders exercise their Drag-Along Rights be structured as a transaction in which all holders of Class B Stock and Class C Stock are treated equally with respect to all shares of Common Stock being transferred and that is a tax-free transaction for the Liberty Parties.

(d) Upon exercise by the Founders of Drag-Along Rights, the terms on which the Liberty Parties actually Transfer their Common Stock shall not be less

favorable, and (subject to clause (c) above) shall not include less cash, than the terms on which the Founder Parties Transfer their Class B Stock. The Liberty Parties may be required to make the same representations, warranties, covenants and agreements as are given by the Founder Parties in connection with any Transfer pursuant to this Section 8, but only insofar as they relate to the Liberty Parties' ownership of the Common Stock subject to the Transfer, are representations or warranties regarding approval, authorization or enforceability of such action, or are covenants or agreements to the effect that the Liberty Parties will take such commercially reasonable actions as may be necessary for the Transfer to lawfully occur and which the Founder Parties have also agreed to take (other than any such action which can reasonably be taken only by the Founders).

Upon exercise by the Founders of Drag-Along Rights, the Founders shall cause the documents relating to the Transfer of their Class B Stock to the proposed transferee to be amended so that such documents include as parties the Liberty Parties, and so as to provide that the proposed transferee shall acquire from the Liberty Parties the number of shares of Common Stock determined in accordance with Section 8(b). Except as otherwise required in order to satisfy Section 8(c), the closing of the sale of Common Stock by the Liberty Parties pursuant to this Section 8 shall, to the extent legally practicable, take place at the same time and place as the closing of the Transfer by the Founder Parties. At such closing, (x) the Liberty Parties shall deliver to the transferee certificates representing the Common Stock subject to the Transfer, free and clear of any Lien or Restriction (if the Founder Parties' shares are being transferred free and clear of any Lien or Restriction) other than those created by this Agreement, any other Transaction Agreement or the transferee, (y) the transferee shall deliver to the Liberty Parties the consideration to be paid for such Common Stock in accordance with the terms of the purchase and sale of such Common Stock and of the Class B Stock of the Founder Parties, and (z) subject to the preceding paragraph, the Liberty Parties shall, to the same extent as the Founder Parties with respect to the Class B Stock being transferred by them, execute such other documents and take such other commercially reasonable actions as may be necessary to consummate the sale of such Common Stock (other than any such action which can reasonably be taken only by the Founders). Any shares of Class C Stock Transferred to a transferee pursuant to this Section 8 shall be converted immediately following such Transfer to Class A Stock or, if (i) then permissible under the United Charter or (ii) such conversion would not result in a "Change of Control" pursuant to the Current Indentures as then in effect, Class B Stock.

Section 9. ALL SHARES.

All Equity Securities at any time Beneficially Owned by the Liberty Parties or the Founders or any of their Permitted Transferees shall be subject to the terms of this Agreement.

Section 10. EXCHANGE OF SHARES.

(a) United will, on request of Liberty and subject to applicable Law and listing requirements, permit any Liberty Party or its Affiliates to exchange any shares of Class A Stock or Class B Stock Beneficially Owned by such Liberty Party or Affiliate for shares of Class C Stock or, following the conversion of the Class C Stock, Class B Stock on a one-for-one basis.

(b) United will, on request of Liberty and subject to applicable Law and listing requirements, permit any Liberty Party or its Affiliates to exchange capital stock of UPC (or capital stock of any other Affiliate of United (including, for purposes of this Section 10, any Person in which United, directly or indirectly, Beneficially Owns 50% or more of the equity securities, without regard to voting power in the election of directors)) Beneficially Owned by such Liberty Party or Affiliate (which shares were acquired from UPC or such Affiliate) for shares of Class C Stock or, following the conversion of the Class C Stock, Class B Stock on the basis provided in subsection (c) of this Section 10 and otherwise on such basis as Liberty and United may agree, including the receipt of required fairness opinions. United will use commercially reasonable efforts to structure any such exchange so that it is tax-free to Liberty.

(c) Without limiting the generality of the foregoing, at any time and from time to time after the occurrence of an event that, upon the giving of notice by UPC, would entitle UPC to convert the shares of its Series 1 Convertible Preference Shares A ("UPC CONVERTIBLE SHARES") Beneficially Owned by Liberty into ordinary shares of UPC ("UPC ORDINARY SHARES") (i) Liberty will have the right to put all or any portion of the UPC Convertible Shares or the UPC Ordinary Shares received on conversion or redemption of the UPC Convertible Shares or on exercise of warrants to United in exchange for shares of Class C Stock, or, following the conversion of the Class C Stock, Class B Stock, valued at the Agreed United Per Share Value (as defined in (and determined in accordance with) Schedule 10(c) to this Agreement, except that any values ascribed to United's direct or indirect investment in UPC Ordinary Shares and UPC Convertible Shares shall not exceed the values ascribed to such securities pursuant to the following sentence), and (ii) provided such exchange is tax-free to Liberty, United will have the right to call such UPC Convertible Shares or UPC Ordinary Shares from Liberty in exchange for shares of Class C Stock, or, following the conversion of the Class C Stock, Class B Stock, valued at the Average Market Price (as defined in the Merger Agreement) of the Class A Stock. For purposes of such put or call: (A) the value of UPC Convertible Shares will be as agreed by Liberty and United or, subject to Section 10(d), if they have not agreed on such value within ten days after the date notice of exercise of a put or call is given, as determined by an independent investment banking firm selected by the parties taking into account, among other things, the average closing sale price of the UPC Ordinary Shares for the period of 20 trading days preceding the date of such notice, and (B) UPC Ordinary Shares will be valued at the Average Market Price (as defined in the Merger Agreement) of the UPC Ordinary Shares as of the date notice of exercise of a put or call is given. If Liberty elects to exercise a put, United will use commercially reasonable efforts to structure the exchange transaction so that it is tax-free to Liberty.

(d) If Liberty and United are unable to agree on the value of UPC Convertible Shares and are unable to agree on the selection of an investment banking firm to make such determination within the ten day period provided in Section 10(c)(A), then either party may select such investment banking firm by delivering written notice of such selection to the other party at any time after the expiration of such ten day period; provided however, that if the party receiving such a notice, within ten days after the receipt thereof, delivers written notice to the other party designating an alternate investment banking firm, then the two investment banking firms identified by the parties shall select a third investment banking firm, which shall determine the value of the UPC Convertible Shares as contemplated by Section 10(c)(A).

Section 11. ENDORSEMENT OF CERTIFICATES.

(a) United shall endorse upon the certificate for each of the Equity Securities Beneficially Owned by the Liberty Parties and the Founders a legend substantially the same as the following legend:

> "The securities represented by this certificate are subject to a [Stockholders Agreement and a Standstill Agreement [in the case of such securities held by Liberty Parties]], a [Stockholders Agreement and a Voting Agreement [in the case of such securities held by Founders]], each dated as of January 30, 2002, copies of which are available from UnitedGlobalCom, Inc. upon request, and any sale, pledge, hypothecation, transfer, assignment or other disposition of such securities is subject to such Stockholders Agreement and [Standstill Agreement] [Voting Agreement]."

(b) Upon surrender to United of any certificate representing any Equity Securities or Rights disposed of by a Liberty Party or any Affiliate of a Liberty Party in a transaction described in Section 5(a)(ii) or (v) of the Standstill Agreement or in clause (ii), (iii) or (iv) of the definition of Transfer in Section 1, United shall promptly cause to be issued (i) to the transferee or transferees of such Equity Securities or Rights one or more certificates without the legend set forth in Section 11(a) and (ii) to the holder of Equity Securities or Rights represented by such certificates so surrendered one or more certificates representing such Equity Securities or Rights, if any, as shall not have been so disposed of, with the legend set forth in Section 11(a). Upon termination of this Agreement pursuant to Section 13 and the surrender to United of any certificate representing Equity Securities or Rights, United shall cause to be issued to the holder of such Equity Securities or Rights one or more certificates without the legend set forth in Section 11(a).

Section 12. REPRESENTATIONS AND WARRANTIES.

Each of the Liberty Parties, on the one hand, and the Founders and United, on the other, severally and not jointly, represent and warrant to each other as of the date of this Agreement as follows:

(a) Such party has the right, power, legal capacity and authority to enter into and perform such party's obligations under this Agreement, and this Agreement constitutes such party's valid and binding obligation, enforceable against such party in accordance with its terms, subject, as to enforceability, to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditor's rights and remedies generally, and to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

(b) Such party has obtained all authorizations, permits, approvals or consents of any Persons, as well as all authorizations, permits, approvals or consents of any Governmental Authorities, necessary to enter into and perform such party's obligations under this Agreement, except as would not, individually or in the aggregate, materially adversely affect such party's ability to perform its obligations under this Agreement.

(c) Such party is the lawful and Beneficial Owner of record of the Equity Securities set forth opposite such party's name in Appendix I, free and clear of any Lien or Restriction, except for those created by this Agreement or any other Transaction Agreement, or as otherwise set forth in Appendix I. In the case of a Founder, the number of equity securities of Old United Beneficially Owned by such party as of June 25, 2000 is also set forth on Appendix I.

(d) This Agreement and the transactions it contemplates do not conflict with any applicable Law or any agreement to which such party is a party or constitute a default under any such agreement, except as would not, individually or in the aggregate, materially adversely affect such party's ability to perform its obligations under this Agreement.

Section 13. TERM AND TERMINATION.

(a) The Liberty Parties' covenants set forth in Section 3(a), the parties' obligation to issue a Tag-Along Notice pursuant to Section 7 and the Founder Parties' right to issue a Drag-Along Notice pursuant to Section 8 of this Agreement will terminate on June 25, 2010, unless this Agreement is earlier terminated in its entirety as described in this Section 13.

(b) This Agreement shall terminate as to any Liberty Party or Founder (but not as to any Designated Purchaser) the voting power of whose Beneficially Owned Equity Securities (together with that of its Permitted Transferees (which for this purpose will not include another Founder or Permitted Transferee of another Founder) and Controlled Affiliates) is reduced to 10% or less of the voting power of equity securities in Old United that such Liberty Party or Founder (together with its Permitted Transferees (which for this purpose will not include another Founder or Permitted Transferee of another Founder) and Controlled Affiliates) Beneficially Owned as of June 25, 2000. Notwithstanding the parentheticals in the preceding sentence, for purposes of this Section 13(b), Mr. Gene W. Schneider shall be deemed to Beneficially Own all Equity Securities Beneficially Owned by Mr. Mark L. Schneider, and Mr. Mark L. Schneider shall be deemed to Beneficially Own all Equity Securities Beneficially Owned by Mr. Gene W. Schneider. For purposes of this Section 13, the voting power of outstanding shares of Class C Stock, if any, shall be calculated as if such shares had been converted into Class B Stock.

(c) This Agreement (other than Section 11(b)) shall terminate in its entirety on the first to occur of (a) such time as (i) all of the Founders and their Permitted Transferees that are parties to this Agreement as a group or (ii) Mr. Gene W. Schneider, Mr. Mark L. Schneider and their Permitted Transferees (which for this purpose will not include another Founder or Permitted Transferee of another Founder) that are parties to this Agreement as a group, no longer Beneficially Own a number of shares of Class B Stock equal to at least 40% of the greater of (x) the number of shares of Class B Stock Beneficially Owned by them in the aggregate as of the date hereof and (y) the number of shares of Class B common stock of Old United Beneficially Owned by them in the aggregate as of June 25, 2000, in each case appropriately adjusted for stock splits, stock dividends and other similar events, provided that for purposes of calculating such ownership, any Class B Stock transferred by such Person to a Liberty Party shall be deemed to continue to be owned, or (b) the consummation of a Transfer (whether in a single transaction or in one or more related transactions) by the Founders and their Permitted Transferees that are

parties to this Agreement of shares of Class B Stock that represent at least a majority of the aggregate amount of Class B Stock then Beneficially Owned by them or that, when taken together with all shares of Class B Stock previously Transferred to Persons other than Permitted Transferees, represent a majority of the Class B Stock Beneficially Owned by the Founders and their Permitted Transferees as of the date hereof, whether to one or more Liberty Parties or to one or more unaffiliated third parties. For purposes of this Section 13, "Founders" means Gene W. Schneider, Mark L. Schneider, Curtis Rochelle and Albert M. Carollo, Sr.

Section 14. REMEDIES. Each of the parties acknowledges and agrees that in the event of any breach of this Agreement, the nonbreaching party would be irreparably harmed and could not be made whole by monetary damages. Accordingly, the parties to this Agreement, in addition to any other remedy to which they may be entitled hereunder or at law or in equity, shall be entitled to compel specific performance of this Agreement.

Section 15. NOTICES. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing, shall be deemed to have been duly given when delivered personally or, sent by telecopy, or recognized service providing for guaranteed delivery, addressed as follows:

(a) If to the Founders, to:

UnitedGlobalCom, Inc.
4643 South Ulster Street
Suite 1300
Denver, Colorado 80237
Attention: President
Fax: 303/770-4207

with copies to:

UnitedGlobalCom, Inc.
4643 South Ulster Street
Suite 1300
Denver, Colorado 80237
Attention: General Counsel
Fax: 303/770-4207

and

Holme Roberts & Owen LLP
1700 Lincoln Street
Suite 4100
Denver, Colorado 80203
Attention: W. Dean Salter, Esq.
Fax: 303/866-0200

(b) If to the Liberty Parties, to:

Liberty Media Corporation
12300 Liberty Blvd.
Englewood, Colorado 80112
Attention: President
Fax: 720/875-5382

with a copy to:

Liberty Media Corporation
12300 Liberty Blvd.
Englewood, Colorado 80112
Attention: Elizabeth M. Markowski, Esq.
Fax: 720/875-5858

Baker Botts L.L.P.
599 Lexington Avenue
New York, New York 10022
Attention: Robert W. Murray Jr., Esq.
Fax: 212/705-5125

Liberty and the Controlling Principals shall be responsible for distributing any notices they receive to the Liberty Parties and Founder Parties, respectively, as necessary, as well as for supplying each other with any changes in the addresses or telecopy numbers set forth in this Section 15. All notices, requests, demands, waivers and communications shall be deemed to have been given on the date of delivery or on the first Business Day after overnight delivery was guaranteed by a recognized delivery service, except that any change of address shall be effective

only upon actual receipt. Written notice given by telecopy shall be deemed effective when confirmation is received by the sending party. Delivery shall be deemed to have been made to each Founder on the date that delivery is made to United at the address specified above (as it may be changed as provided herein). Delivery shall be deemed to have been made to each Liberty Party on the date that delivery is made to Liberty at the address specified above (as it may be changed as provided herein).

Section 16. ENTIRE AGREEMENT. This Agreement, together with the other Transaction Agreements and the Merger Agreement, contains all the terms and conditions agreed upon by the parties hereto regarding the subject matter hereof and thereof, and no other agreements, oral or otherwise, regarding the subject matter hereof shall have any effect unless in writing and executed by the parties after the date of this Agreement.

Section 17. APPLICABLE LAW, JURISDICTION; WAIVER OF JURY TRIAL. This Agreement shall be governed by Colorado law without regard to conflicts of law rules. The parties hereby irrevocably submit to the jurisdiction of any Colorado State or United States Federal court sitting in Colorado, and only a State or Federal Court sitting in Colorado will have any jurisdiction over any action or proceeding arising out of or relating to this Agreement or any agreement contemplated hereby, and the undersigned hereby irrevocably agree that all claims in respect of such action or proceeding shall be heard and determined in such State or Federal court. The undersigned further waive any objection to venue in such State and any objection to any action or proceeding in such State on the basis of a non-convenient forum. Each party hereby IRREVOCABLY WAIVES ANY RIGHT TO A TRIAL BY JURY in any proceeding brought with respect to this Agreement or the transactions contemplated hereby.

Section 18. HEADINGS. The headings in this Agreement are for convenience only and are not to be considered in interpreting this Agreement.

Section 19. COUNTERPART EXECUTION. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which will constitute a single agreement.

Section 20. PARTIES IN INTEREST. Nothing in this Agreement, express or implied, is intended to confer upon any Person other than the parties hereto and their permitted successors and assigns, any benefits, rights or remedies. Except as contemplated by the definitions of "Liberty" or "Transfer," neither this Agreement nor the rights or obligations of any party may be assigned or delegated (other than to a Permitted Transferee that becomes a party hereto in accordance with the terms hereof) by operation of law or otherwise without the prior written consent of Liberty and Controlling Principals.

Section 21. SEVERABILITY. The invalidity or unenforceability of any provision of this Agreement in any application shall not affect the validity or enforceability of such provision in any other application or the validity or enforceability of any other provision.

Section 22. WAIVERS AND AMENDMENTS. No waiver of any provision of this Agreement shall be deemed a further or continuing waiver of that provision or a waiver of any other provision of this Agreement. This Agreement may not be amended except in a writing signed by

Liberty, United and Controlling Principals. United may waive its rights under this Agreement only with the prior approval of a majority of the Board.

Section 23. INTERPRETATION. As used herein, except as otherwise indicated herein or as the context may otherwise require, the words "include," "includes" and "including" are deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of like import; the words "hereof," "herein," "hereunder" and comparable terms refer to the entirety of this Agreement, including the Appendix hereto, and not to any particular article, section or other subdivision hereof or Appendix hereto; any pronoun shall include the corresponding masculine, feminine and neuter forms; the singular includes the plural and vice versa; references to any agreement or other document are to such agreement or document as amended and supplemented from time to time; references to any statute or regulation are to it as amended and supplemented from time to time, and to any corresponding provisions of successor statutes or regulations; references to "Article," "Section" or another subdivision or to an "Appendix" are to an article, section or subdivision hereof or an "Appendix" hereto; and all references to "the date hereof," "the date of this Agreement" or similar terms (but excluding references to the date of execution hereof) refer to the date first above written, notwithstanding that the parties may have executed this Agreement on a later date. Any reference herein to a "day" or number of "days" (without the explicit qualification of "Business") shall be deemed to refer to a calendar day or number of calendar days. If any action or notice is to be taken or given on or by a particular calendar day, and such calendar day is not a Business Day, then such action or notice may be taken or given on the next succeeding Business Day.

Section 24. RULES OF CONSTRUCTION. The parties hereto agree that they have been represented by counsel during the negotiation, preparation and execution of this Agreement and, therefore, waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

[Signature Pages Follow]

Executed as of the date first set forth above.

UNITEDGLOBALCOM, INC.,
a Delaware corporation

By: /s/ MICHAEL T. FRIES

Michael T. Fries
President

LIBERTY MEDIA CORPORATION,
a Delaware corporation

By: /s/ ELIZABETH M. MARKOWSKI

Elizabeth M. Markowski
Senior Vice President

LIBERTY GLOBAL, INC.,
a Delaware corporation

By: /s/ ELIZABETH M. MARKOWSKI

Elizabeth M. Markowski
Senior Vice President

LIBERTY UCOMA, LLC,
a Delaware limited liability company

By: /s/ ELIZABETH M. MARKOWSKI

Elizabeth M. Markowski
Senior Vice President

FOUNDER SIGNATURES

THE G. SCHNEIDER GROUP

/s/ GENE W. SCHNEIDER

Gene W. Schneider

G. SCHNEIDER HOLDINGS, CO.,
a Colorado limited partnership

By: /s/ GENE W. SCHNEIDER

Gene W. Schneider
General Partner

THE GENE W. SCHNEIDER FAMILY TRUST

By: /s/ GENE W. SCHNEIDER

Gene W. Schneider
Attorney-in-Fact

THE MLS FAMILY PARTNERSHIP LLLP

By: /s/ GENE W. SCHNEIDER

Gene W. Schneider
Attorney-in-Fact

STOCKHOLDERS AGREEMENT
FOUNDER SIGNATURES

THE M. SCHNEIDER GROUP

/s/ MARK L. SCHNEIDER

Mark L. Schneider

FOUNDER SIGNATURES

THE ROCHELLE GROUP

ROCHELLE LIMITED PARTNERSHIP

By: Curtis Rochelle Trust
General Partner

By: /s/ CURTIS W. ROCHELLE

Curtis W. Rochelle
Trustee

MARIAN H. ROCHELLE REVOCABLE TRUST

By: /s/ CURTIS W. ROCHELLE

Curtis W. Rochelle
Attorney-in-Fact

/s/ CURTIS W. ROCHELLE

Curtis W. Rochelle

/s/ CURTIS W. ROCHELLE

Marian H. Rochelle
By Curtis W. Rochelle, Attorney-in-Fact

/s/ CURTIS W. ROCHELLE

Jim Rochelle
By Curtis W. Rochelle, Attorney-in-Fact

/s/ CURTIS W. ROCHELLE

April Brimmer Kunz
By Curtis W. Rochelle, Attorney-in-Fact

/s/ CURTIS W. ROCHELLE

Kathleen Jaure
By Curtis W. Rochelle, Attorney-in-Fact

FOUNDER SIGNATURES

THE CAROLLO GROUP

/s/ ALBERT M. CAROLLO

Albert M. Carollo

CAROLLO COMPANY,
a Wyoming general partnership

By: /s/ ALBERT M. CAROLLO

Albert M. Carollo
General Partner

ALBERT & CAROLYN COMPANY,
a Wyoming trust

By: /s/ ALBERT M. CAROLLO

Albert M. Carollo
Attorney-in-Fact

JAMES R. CAROLLO LIVING TRUST
a Wyoming trust

By: /s/ ALBERT M. CAROLLO

Albert M. Carollo
Attorney-in-Fact

JOHN B. CAROLLO LIVING TRUST
a Wyoming trust

By: /s/ ALBERT M. CAROLLO

Albert M. Carollo
Attorney-in-Fact

FOUNDER SIGNATURES

THE FRIES GROUP

/s/ MICHAEL T. FRIES

Michael T. Fries

THE FRIES FAMILY PARTNERSHIP LLLP

By: /s/ MICHAEL T. FRIES

Michael T. Fries
Attorney-in-Fact

FOUNDER SIGNATURES

THE WILDES GROUP

/s/ TINA M. WILDES

Tina M. Wildes

Omitted:
Appendix I - Ownership of Securities
Schedule 10(c)

EXHIBIT 10.6
CONFORMED COPY

VOTING AGREEMENT

This Voting Agreement (this "AGREEMENT") dated as of January 30, 2002, is entered into among New UnitedGlobalCom, Inc., a Delaware corporation that upon the effectiveness of the Merger described under "Background" below will be renamed UnitedGlobalCom, Inc. ("UNITED"), and each of the Persons indicated as a "Founder" on the signature pages hereto.

BACKGROUND

The Founders are currently the beneficial owners of Class B Common Stock, par value $.01 per share ("OLD UNITED CLASS B COMMON STOCK"), of UnitedGlobalCom, Inc., a Delaware corporation ("OLD UNITED"). Pursuant to certain transactions described in the Amended and Restated Agreement and Plan of Restructuring and Merger, dated as of December 31, 2001 (the "MERGER AGREEMENT"), among Old United, United, United/New United Merger Sub, Inc., a Delaware corporation ("MERGER SUB"), Liberty Media Corporation, a Delaware corporation ("LIBERTY MEDIA"), Liberty Media International, Inc., a Delaware corporation, Liberty Global, Inc., a Delaware corporation, ("LIBERTY GLOBAL") and the Founders, prior to the merger (the "MERGER") of Merger Sub with and into Old United, the Founders will cause their shares of Old United Class B Common Stock to be contributed to United in exchange for an equal number of shares of the Class B Common Stock, par value $0.01 per share, of United ("CLASS B COMMON STOCK"). It is a condition to the consummation of the transactions contemplated by the Merger Agreement, including without limitation the Merger, that United and the Founders each execute and deliver this Agreement.

United and the Founders wish to set forth certain agreements regarding the manner of the election of the Board of Directors of United that will become effective immediately upon the effectiveness of a Class B Event provided that such Class B Event occurs prior to the earlier of June 25, 2010 or the termination of the Stockholders Agreement in its entirety.

AGREEMENT

In consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1. CERTAIN DEFINITIONS. In this Agreement, the following terms shall have the following meanings:

AGREEMENT. As defined in the preamble.

BOARD. The Board of Directors of United.

CLASS A COMMON STOCK. The Class A Common Stock, par value $0.01 per share, of United.

CLASS B COMMON STOCK. As defined under "Background" on the first page of this Agreement.

CLASS B EVENT. As defined in the Certificate of Incorporation of United, as in effect immediately following the Merger.

CLASS C COMMON STOCK. The Class C Common Stock, par value $0.01 per share, of United.

COMMON STOCK. The Class A Common Stock, the Class B Common Stock and the Class C Common Stock.

CONTROLLING PRINCIPALS. Founders who are Principals and who hold a majority of the aggregate voting power of all Equity Securities held by the Founders who are Principals.

EFFECTIVE DATE. The first date on which any Class B Event occurs if such Class B Event occurs prior to the first to occur of June 25, 2010 and the termination of the Stockholders Agreement in its entirety.

EQUITY SECURITIES. The Common Stock and any other securities hereafter issued by United that are entitled to vote generally in the election of directors.

FOUNDER DIRECTOR. As defined in Section 2(a).

FOUNDERS. As defined in the Stockholders Agreement.

LIBERTY. Liberty Media and any successor (by merger, consolidation, transfer or otherwise) to all or substantially all of its assets.

LIBERTY DIRECTOR. As defined in Section 2(a).

LIBERTY GLOBAL. As defined under "Background" on the first page of this Agreement.

LIBERTY MEDIA. As defined under "Background" on the first page of this Agreement.

LIBERTY PARTIES. As defined in the Stockholders Agreement.

MERGER. As defined under "Background" on the first page of this Agreement.

MERGER AGREEMENT. As defined under "Background" on the first page of this Agreement.

MERGER SUB. As defined under "Background" on the first page of this Agreement.

OLD UNITED. As defined under "Background" on the first page of this Agreement.

OLD UNITED CLASS B COMMON STOCK. As defined under "Background" on the first page of this Agreement.

PERMITTED TRANSFEREE. As defined in the Stockholders Agreement.

PERSON. Any individual, firm, corporation, partnership, limited partnership, limited liability company, trust, joint venture or other legal entity, and shall include any successor (by merger or otherwise) of such entity.

PRINCIPAL. Any of Albert M. Carollo, Curtis Rochelle, Marian Rochelle, Rochelle Investments, Ltd (so long as it is controlled by Curtis or Marian Rochelle), Gene W. Schneider, G. Schneider Holdings, Co. (so long as it is controlled by Gene W. Schneider), Janet S. Schneider and Mark L. Schneider.

STOCKHOLDERS AGREEMENT. The Stockholders Agreement dated as of the date hereof among United, the Liberty Parties and the Founders.

TERMINATION DATE. As defined in Section 3.

UNITED. As defined in the preamble.

Section 2. FOUNDER VOTING OBLIGATION.

(a) Commencing immediately upon the Effective Date, (i) the Controlling Principals shall have the right to nominate four members of the Board or, if greater, such number of members of the Board (rounded up to the next whole number) equal to 33-1/3% of the then-authorized number of members of the Board (each such nominee, a "FOUNDER DIRECTOR"), (ii) pursuant to the Standstill Agreement, the Liberty Parties will have the right to nominate four members of the Board or, if greater, such number of members of the Board (rounded up to the next whole number) equal to 33-1/3% of the then-authorized number of members of the Board (each such nominee, a "LIBERTY DIRECTOR"), and (iii) the Board shall nominate the remaining members of the Board.

(b) Each Founder and its Permitted Transferees shall vote or cause to be voted all Equity Securities owned by them (or with respect to which such Founder or Permitted Transferee has the right to vote or direct the voting) for the election to the Board of those persons nominated in accordance with this Section 2 and will not seek the removal of any director (other than a Founder Director) except for cause; provided that, if the Liberty Parties request that the Controlling Principals vote in favor of the removal of any Liberty Director, the Controlling Principals will vote or cause to be voted all Equity Securities owned by them (or with respect to which they have the right to vote or direct voting) in favor of the removal of such Liberty Director.

(c) United shall take all necessary or desirable action (including, without limitation, nominations of the Founder Directors) in order to cause the Board to have the constituency provided for in Section 2(a) and to give effect to this Section 2(c). The Controlling Principals shall have the right to nominate persons to fill any vacancy on the Board created by the resignation, removal, incapacity or death of

any Founder Director. Pursuant to the Standstill Agreement, Liberty shall have the right to nominate persons to fill any vacancy on the Board created by the resignation, removal, incapacity or death of any Liberty Director.

Section 3. TERMINATION. This Agreement shall terminate in its entirety on the first to occur of June 25, 2010 and the date that the Stockholders Agreement is terminated in its entirety (the date upon which the first of such events occurs, the "TERMINATION DATE").

Section 4. APPLICABLE LAW, JURISDICTION. This Agreement shall be governed by Colorado law without regard to conflicts of law rules. The parties hereby irrevocably submit to the exclusive jurisdiction of any Colorado State or United States Federal court sitting in Colorado over any action or proceeding arising out of or relating to this Agreement or any agreement contemplated hereby, and the undersigned hereby irrevocably agree that all claims in respect of such action or proceeding shall be heard and determined in such State or Federal court. The undersigned further waive any objection to venue in such State and any objection to any action or proceeding in such State on the basis of a non-convenient forum. Each party hereby IRREVOCABLY WAIVES ANY RIGHT TO A TRIAL BY JURY in any proceeding brought with respect to this Agreement or the transactions contemplated hereby.

Section 5. REMEDIES. Each of the parties acknowledges and agrees that in the event of any breach of this Agreement, the nonbreaching party would be irreparably harmed and could not be made whole by monetary damages. Accordingly, the parties to this Agreement, in addition to any other remedy to which they may be entitled hereunder or at law or in equity, shall be entitled to compel specific performance of this Agreement.

Section 6. HEADINGS. The headings in this Agreement are for convenience only and are not to be considered in interpreting this Agreement.

Section 7. COUNTERPART EXECUTION. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which will constitute a single agreement.

Section 8. PARTIES IN INTEREST. Nothing in this Agreement, express or implied, is intended to confer upon any Person other than the parties hereto and their Permitted Transferees, and their permitted successors and assigns any benefits, rights or remedies, except that Liberty is an intended beneficiary of this Agreement. Neither this Agreement nor the rights or obligations of any party may be assigned or delegated (other than to a Permitted Transferee in accordance with the terms of the Stockholders Agreement) by operation of law or otherwise without the prior written consent of the Controlling Principals and United.

Section 9. SEVERABILITY. The invalidity or unenforceability of any provision of this Agreement in any application shall not affect the validity or enforceability of such provision in any other application or the validity or enforceability of any other provision.

Section 10. INTERPRETATION. As used herein, except as otherwise indicated herein or as the context may otherwise require, the words "include," "includes" and "including" are deemed to

be followed by "without limitation" whether or not they are in fact followed by

such words or words of like import; the words "hereof," "herein," "hereunder" and comparable terms refer to the entirety of this Agreement and not to any particular section hereof; any pronoun shall include the corresponding masculine, feminine and neuter forms; the singular includes the plural and vice versa; references to any agreement or other document are to such agreement or document as amended and supplemented from time to time; references to "Section" or another subdivision are to a section or subdivision hereof; and all references to "the date hereof," "the date of this Agreement" or similar terms (but excluding references to the date of execution hereof) refer to the date first above written, notwithstanding that the parties may have executed this Agreement on a later date.

Section 11. RULES OF CONSTRUCTION. The parties hereto agree that they have been represented by counsel during the negotiation, preparation and execution of this Agreement and, therefore, waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

Section 12. WAIVERS AND AMENDMENTS. No waiver of any provision of this Agreement shall be deemed a further or continuing waiver of that provision or a waiver of any other provision of this Agreement. This Agreement may not be amended nor may any provision hereof be waived except in a writing signed by all parties and Liberty or its successor. United may waive any provision of this Agreement that imposes obligations on or restricts the rights of or actions by the Founders and their Permitted Transferees only with the prior approval of a majority of the Board.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

NEW UNITEDGLOBALCOM, INC.,
a Delaware corporation

By: /s/ MICHAEL T. FRIES

Michael T. Fries
President

FOUNDER SIGNATURES

THE G. SCHNEIDER GROUP

/s/ GENE W. SCHNEIDER

Gene W. Schneider

G. SCHNEIDER HOLDINGS, CO.,
a Colorado limited partnership

By: /s/ GENE W. SCHNEIDER

Gene W. Schneider
General Partner

THE GENE W. SCHNEIDER FAMILY TRUST

By: /s/ GENE W. SCHNEIDER

Gene W. Schneider
Attorney-in-Fact

THE MLS FAMILY PARTNERSHIP LLLP

By: /s/ GENE W. SCHNEIDER

Gene W. Schneider
Attorney-in-Fact

FOUNDER SIGNATURES

THE M. SCHNEIDER GROUP

/s/ MARK L. SCHNEIDER

Mark L. Schneider

FOUNDER SIGNATURES

THE ROCHELLE GROUP

ROCHELLE LIMITED PARTNERSHIP

By: Curtis Rochelle Trust
General Partner

By: /s/ CURTIS W. ROCHELLE

Curtis W. Rochelle

Trustee

MARIAN H. ROCHELLE REVOCABLE TRUST

By: /s/ CURTIS W. ROCHELLE

Curtis W. Rochelle
Attorney-in-Fact

/s/ CURTIS W. ROCHELLE

Curtis W. Rochelle

/s/ CURTIS W. ROCHELLE

Marian H. Rochelle
By Curtis W. Rochelle, Attorney-in-Fact

/s/ CURTIS W. ROCHELLE

Jim Rochelle
By Curtis W. Rochelle, Attorney-in-Fact

/s/ CURTIS W. ROCHELLE

April Brimmer Kunz
By Curtis W. Rochelle, Attorney-in-Fact

/s/ CURTIS W. ROCHELLE

Kathleen Jaure
By Curtis W. Rochelle, Attorney-in-Fact

FOUNDER SIGNATURES

THE CAROLLO GROUP

/s/ ALBERT M. CAROLLO

Albert M. Carollo

CAROLLO COMPANY,
a Wyoming general partnership

By: /s/ ALBERT M. CAROLLO

Albert M. Carollo
General Partner

ALBERT & CAROLYN COMPANY,
a Wyoming trust

By: /s/ ALBERT M. CAROLLO

Albert M. Carollo
Attorney-in-Fact

JAMES R. CAROLLO LIVING TRUST
a Wyoming trust

By: /s/ ALBERT M. CAROLLO

Albert M. Carollo
Attorney-in-Fact

JOHN B. CAROLLO LIVING TRUST
a Wyoming trust

By: /s/ ALBERT M. CAROLLO

Albert M. Carollo
Attorney-in-Fact

FOUNDER SIGNATURES

THE FRIES GROUP

/s/ MICHAEL T. FRIES

Michael T. Fries

THE FRIES FAMILY PARTNERSHIP LLLP

By: /s/ MICHAEL T. FRIES

Michael T. Fries
Attorney-in-Fact

FOUNDER SIGNATURES

THE WILDES GROUP

/s/ TINA M. WILDES

Tina M. Wildes

EXHIBIT 10.7
CONFORMED COPY

AGREEMENT REGARDING OLD UNITED

This Agreement Regarding Old United (this "AGREEMENT"), dated as of January 30, 2002, is entered into among UnitedGlobalCom, Inc., a Delaware corporation that upon the effectiveness of the Merger described under "Background" below shall be renamed UGC Holdings, Inc. ("OLD UNITED"), Liberty Media Corporation, a Delaware corporation, Liberty Global, Inc., a Delaware corporation ("LIBERTY GLOBAL"), and Liberty UCOMA, LLC, a Delaware limited liability company ("LIBERTY UCOMA").

BACKGROUND

The parties hereto have entered into an Amended and Restated Agreement and Plan of Restructuring and Merger, dated as of December 31, 2001 (the "MERGER AGREEMENT"), among Old United, New UnitedGlobalCom, Inc., a Delaware corporation that at the effective time of the Merger shall be renamed UnitedGlobalCom, Inc. ("NEW UNITED"), United/New United Merger Sub, Inc., a Delaware corporation ("MERGER SUB"), Liberty, Liberty Media International, Inc., a Delaware corporation ("LMI"), Liberty Global, and each Person indicated as a "Founder" on the signature pages thereto. Subject to the terms and conditions set forth therein, the Merger Agreement provides for the merger of Merger Sub with and into Old United, with Old United as the surviving entity in such merger (the "MERGER"), among other transactions. It is a condition to the consummation of the transactions contemplated by the Merger Agreement, including without limitation the Merger, that Old United, Liberty, Liberty Global and Liberty UCOMA (as a "Contributing Party" under the Merger Agreement) each execute and deliver this Agreement.

AGREEMENT

In consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. CERTAIN DEFINITIONS. In this Agreement, the following terms shall have the following meanings:

AFFILIATE. When used with reference to a specified Person, any Person who directly or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, the Person specified, provided that (i) no officer or director of a Person, or any Affiliate of such officer or director, investing for his, her or its own account or otherwise acting in his, her or its individual capacity, and no director of a Person, or any Affiliate of such director, acting in his, her or its capacity as an officer, director, trustee, representative or agent of a Person that is not an Affiliate of the specified Person, and in each case not in concert with or at the direction or request of such specified Person, shall be deemed to be an Affiliate of such specified Person for purposes of this Agreement; (ii) no Liberty Party shall be deemed to be an Affiliate of New United or Old United and none of New United, Old United or their respective Controlled Affiliates shall be deemed to be an Affiliate of a Liberty Party, (iii) any Person in which New United, directly or indirectly, Beneficially Owns 50% or more of the equity securities, without regard to voting power in the election of directors, shall (without limiting the generality of this definition) be deemed to be an Affiliate of New United and (iv) any Person in which Old United, directly or indirectly, Beneficially Owns 50% or more of the equity securities, without regard to voting power in the election of directors, shall (without limiting the generality of this definition) be deemed to be an Affiliate of Old United.

AGREEMENT. As defined in the preamble.

BENEFICIAL OWNERSHIP AND DERIVATIVE TERMS. As determined pursuant to Rule 13d-3 and Rule 13d-5 under the Exchange Act and any successor regulation, except that in determining Beneficial Ownership, without duplication, (i) equity securities that may be acquired pursuant to Rights to acquire equity securities that are exercisable more than sixty days after a date shall nevertheless be deemed to be Beneficially Owned, and (ii) except for purposes of the definition of "Change of Control," (x) Beneficial Ownership, if any, arising solely as a result of being a party to a Transaction Agreement or the Merger Agreement shall be disregarded, and (y) Beneficial Ownership, if any, arising solely from being a member of a Group shall be disregarded.

CHANGE OF CONTROL. Any (a) change in the direct or indirect record or Beneficial Ownership of any of the equity securities of New United, Old United or any of their respective Affiliates, (b) merger, consolidation, statutory share exchange or other transaction involving New United, Old United or any of their respective Affiliates or (c) change in the composition of the board of directors or other governing body of New United, Old United or any of their respective Affiliates.

CHANGE OF CONTROL COVENANT. Any covenant, agreement or other provision (excluding requirements imposed by Law) pursuant to which the occurrence or existence of a Change of Control would result in a violation or breach of, constitute (with or without due notice or lapse of time or both) or permit any Person to declare a default or event of default under, give rise to any right of termination, cancellation, amendment, acceleration, repurchase, prepayment or repayment or to increased payments under, give rise to or accelerate any material obligation (including any obligation to, or to offer to, repurchase, prepay, repay or make increased payments) or result in the loss or modification of any material right or benefit under, or result in any Lien or give any Person the right to obtain any Lien on any material asset pursuant to, any Contract to which New United, Old United or any of their respective Affiliates is or becomes a party or to which New United, Old United, any of their respective Affiliates or any of their respective material assets are or become subject or bound.

COMMON STOCK. The New United Class A Stock, the New United Class B Stock and the New United Class C Stock.

CONTRACT. Any note, bond, indenture, debenture, security agreement, trust agreement, Lien, mortgage, lease, contract, license, franchise, permit, guaranty, joint venture agreement, or other agreement, instrument, understanding, commitment or obligation, oral or written.

CONTROL AND DERIVATIVE TERMS. The possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of

another Person, whether through the ownership of voting securities, by contract or otherwise.

CONTROLLED AFFILIATE. When used with reference to a specified Person, an Affiliate of such Person that such Person directly, or through one or more intermediaries, Controls; PROVIDED THAT, (a) none of New United and its Controlled Affiliates or Old United and its Controlled Affiliates shall be deemed to be a Controlled Affiliate of a Liberty Party, (b) any Person in which New United, directly or indirectly, Beneficially Owns 50% or more of the equity securities, without regard to voting power in the election of directors, shall (without limiting the generality of this definition) be deemed to be a Controlled Affiliate of New United and (c) any Person in which Old United, directly or indirectly, Beneficially Owns 50% or more of the equity securities, without regard to voting power in the election of directors, shall (without limiting the generality of this definition) be deemed to be a Controlled Affiliate of New United.

CURRENT BONDS. As defined in the New United Charter as in effect on the date hereof.

EQUITY SECURITIES. The Common Stock and any other securities hereafter issued by New United that are entitled to vote generally in the election of directors.

EXCHANGE ACT. The Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

FOUNDERS. As defined in the Stockholders Agreement.

HSR ACT. The Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

GOVERNMENTAL AUTHORITY. Any U.S. federal, state or local or any foreign court, governmental department, commission, authority, board, bureau, agency or other instrumentality.

GROUP. As defined in Section 13(d) of the Exchange Act and the rules and regulations thereunder, but the existence of the Transaction Agreements and the Merger Agreement shall be disregarded in determining whether a Group exists.

JUDGMENT. Any order, writ, injunction, award, judgment, ruling or decree of any Governmental Authority.

LAW. Any U.S. federal, state or local or any foreign statute, code, ordinance, decree, rule, regulation or general principle of common or civil law or equity.

LIBERTY. Liberty Media Corporation, a Delaware corporation, and any successor (by merger, consolidation, transfer or otherwise) to all or substantially all of its assets.

LIBERTY GLOBAL. As defined in the preamble.

LIBERTY PARTIES. Liberty, Liberty Global and Liberty UCOMA.

LIBERTY UCOMA. As defined in the preamble.

LICENSE. Any license, franchise, authorization, permit, certificate, variance, exemption, concession, consent, lease, right of way, easement, instrument, order and approval, domestic or foreign, of any Governmental Authority.

LIEN. Any mortgage, pledge, lien, encumbrance, charge or security interest.

LMI. As defined in the "Background" above.

MERGER. As defined under "Background" above.

MERGER AGREEMENT. As defined under "Background" above.

MERGER SUB. As defined under "Background" above.

NEW UNITED. As defined under "Background" above.

NEW UNITED BYLAWS. The Bylaws of New United, as such Bylaws may be amended from time to time in accordance with the New United Charter, such Bylaws and the Stockholders Agreement.

NEW UNITED CHARTER. The Restated Certificate of Incorporation of New United as filed with the Secretary of State of the State of Delaware on December 31, 2001, as it may be amended from time to time.

NEW UNITED CLASS A STOCK. The Class A Common Stock, par value $0.01 per share, of New United.

NEW UNITED CLASS B STOCK. The Class B Common Stock, par value $0.01 per share, of New United.

NEW UNITED CLASS C STOCK. The Class C Common Stock, par value $0.01 per share, of New United.

PERMITTED TRANSFEREE. Any Person Controlled by Liberty.

PERSON. Any individual, corporation, limited liability company, partnership, joint venture, Governmental Authority, business association or other entity.

RESTRICTION. With respect to any capital stock, partnership interest, membership interest in a limited liability company or other equity interest or security, any voting or other trust or agreement, option, warrant, preemptive right, right of first offer, right of first refusal, escrow arrangement, proxy, buy-sell agreement, power of attorney or other Contract and any License or Judgment that, conditionally or unconditionally, (a) grants to any Person the right to purchase or otherwise acquire, or obligates any Person to sell or otherwise dispose of or issue, or otherwise results or, whether upon the occurrence of any event or with notice or lapse of time or both or otherwise, may result in any Person acquiring, (i) any of such capital stock or other equity interest or security; (ii) any of the proceeds of, or any distributions paid or that are or may become payable with respect to, any of such capital stock or other equity interest or security; or

(iii) any interest in such capital stock or other equity interest or security or any such proceeds or distributions; (b) restricts or, whether upon the occurrence of any event or with notice or lapse of time or both or otherwise, is reasonably likely to restrict the transfer or voting of, or the exercise of any rights or the enjoyment of any benefits arising by reason of ownership of, any such capital stock or other equity interest or security or any such proceeds or distributions; or (c) creates or, whether upon the occurrence of any event or with notice or lapse of time or both or otherwise, is reasonably likely to create a Lien or purported Lien affecting such capital stock or other equity interest or security, proceeds or distributions.

RIGHTS. When used with respect to a specified Person, securities of such Person (which may include equity securities) that (contingently or otherwise) are exercisable, convertible or exchangeable for or into equity securities of such Person (with or without consideration) or that carry any right to subscribe for or acquire equity securities of such Person or securities exercisable, convertible or exchangeable for or into equity securities of such Person.

STANDSTILL AGREEMENT. That certain Standstill Agreement dated as of the date hereof among United and the Liberty Parties.

STOCKHOLDERS AGREEMENT. That certain Stockholders Agreement dated as of the date hereof among New United, the Liberty Parties and the Founders.

SUBSIDIARY. As defined in the Standstill Agreement.

TRANSACTION AGREEMENTS. As defined in the Stockholders Agreement.

TRANSFER. As defined in the Stockholders Agreement.

Section 2. CERTAIN COVENANTS.

(a) Without limitation of any other applicable provision hereof or of any other Transaction Agreement, without the prior written consent of Liberty, which consent may be granted or withheld in Liberty's sole discretion, Old United will not take any action and will not permit any action to be taken on its behalf, and will use its best commercially reasonable efforts to prevent any action from being taken by or on behalf of any of its Affiliates, that would result in New United, Old United or any of their respective Affiliates being subject to or bound by any Change of Control Covenant, unless any Change of Control involving or caused by the action of Liberty, Liberty Global, Liberty UCOMA, LMI or any of their respective Affiliates (other than a transfer by any of the foregoing to an unaffiliated third party of Control of New United, if such Control is obtained in the future) is exempted from the application and effects of such Change of Control Covenant. Old United will not be deemed to be in breach of the foregoing as a result of its or its Affiliates entering into or maintaining in the ordinary course of business a License granted by a Governmental Authority that includes a Change of Control Covenant provided that (i) such License is of the kind and nature that customarily requires approval of the Governmental Authority granting the same for a Change of Control, (ii) the applicable Change of Control Covenant includes only terms customarily imposed by such Governmental Authority in similar circumstances, (iii) the maximum penalty for breach of such Change of Control Covenant is termination of the applicable License, and (iv) Old United used its best commercially reasonable efforts to obtain the exemption from the application and effects of such Change of Control

Covenant contemplated by the preceding sentence. Without the prior written consent of Liberty, which consent may be granted or withheld in Liberty's sole discretion, Old United will not take any action or permit any action to be taken that would, or fail to take any action or permit any action to be omitted where such failure or omission would, extend or perpetuate the applicability of any Change of Control Covenant in effect as of May 25, 2001 under the Current Bonds beyond the maturity date in effect as of May 25, 2001 of the Current Bonds to which they relate. Old United will use its best commercially reasonable efforts to take such actions as will cause the conditions necessary to permit the conversion in full of the New United Class C Stock into New United Class B Stock to be satisfied.

(b) Without limitation of any other applicable provision hereof or of any other Transaction Agreement, without the prior written consent of Liberty, Old United shall not, and shall not permit any of its Controlled Affiliates to, (i) (A) enter into, or issue, assume or adopt, any Contract that would be or that purports to be binding upon Liberty or any of its Affiliates or any of their respective assets, or (B) enter into, or issue, assume or adopt, any material Contract in respect of which any act or omission of Liberty or any of its Affiliates would result in a violation or breach thereof, or constitute (with or without due notice or lapse of time or both), or permit any Person to declare, a default or event of default thereunder, or give rise to any right of termination, cancellation, amendment, acceleration, repurchase, prepayment or repayment or to increased payments thereunder, or give rise to or accelerate any material obligation (including, without limitation, any obligation to, or to offer to, repurchase, prepay, repay or make increased payments) or result in the loss or modification of any material rights or benefits thereunder, or result in any Lien or Restriction on any of the material assets of, or otherwise have any adverse effect on, Old United or any of its Affiliates, or (ii) amend or modify any Contract described in clause (i) of this sentence; provided however, that this Section 2(b) shall not restrict Old United from subjecting itself or any of its Controlled Affiliates to a Change of Control Covenant to the extent permitted under Section 2(a).

Section 3. TERMINATION. This Agreement shall terminate as to any Liberty Party the voting power of whose Beneficially Owned Equity Securities (together with that of its Permitted Transferees and Controlled Affiliates) is reduced to 10% or less of the voting power of equity securities in Old United that such Liberty Party (together with its Permitted Transferees and Controlled Affiliates) Beneficially Owned as of June 25, 2000. For purposes of this Section 3, the voting power of outstanding shares of New United Class C Stock, if any, shall be calculated as if such shares had been converted into shares of New United Class B Stock.

Section 4. APPLICABLE LAW, JURISDICTION. This Agreement shall be governed by Colorado law without regard to conflicts of law rules. The parties hereby irrevocably submit to the jurisdiction of any Colorado State or United States Federal court sitting in Colorado over any action or proceeding arising out of or relating to this Agreement or any agreement contemplated hereby, and the undersigned hereby irrevocably agree that all claims in respect of such action or proceeding may be heard and determined in such State or Federal court. The undersigned further waive any objection to venue in such State and any objection to any action or proceeding in such State on the basis of a non-convenient forum. Each party hereby IRREVOCABLY WAIVES ANY RIGHT TO A TRIAL BY JURY in any proceeding brought with respect to this Agreement or the transactions contemplated hereby.

Section 5. REMEDIES. Each of the parties acknowledges and agrees that in the event of any breach of this Agreement, the nonbreaching party would be irreparably harmed and could not be made whole by monetary damages. Accordingly, the parties to this Agreement, in addition to any other remedy to which they may be entitled hereunder or at law or in equity, shall be entitled to compel specific performance of this Agreement.

Section 6. HEADINGS. The headings in this Agreement are for convenience only and are not to be considered in interpreting this Agreement.

Section 7. NOTICES. All notices and other communications hereunder shall be delivered to the parties hereto in the same manner as set forth in the Merger Agreement.

Section 8. SEVERABILITY. The invalidity or unenforceability of any provision of this Agreement in any application shall not affect the validity or enforceability of such provision in any other application or the validity or enforceability of any other provision.

Section 9. WAIVERS AND AMENDMENTS. No waiver of any provision of this Agreement shall be deemed a further or continuing waiver of that provision or a waiver of any other provision of this Agreement. This Agreement may not be amended except in a writing signed by all parties.

Section 10. INTERPRETATION. As used herein, except as otherwise indicated herein or as the context may otherwise require, the words "include," "includes" and "including" are deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of like import; the words "hereof," "herein," "hereunder" and comparable terms refer to the entirety of this Agreement and not to any particular article, section or other subdivision hereof or Appendix hereto; any pronoun shall include the corresponding masculine, feminine and neuter forms; the singular includes the plural and vice versa; references to any agreement or other document are to such agreement or document as amended and supplemented from time to time; references to "Section" or another subdivision are to a section or subdivision hereof; and all references to "the date hereof," "the date of this Agreement" or similar terms (but excluding references to the date of execution hereof) refer to the date first above written, notwithstanding that the parties may have executed this Agreement on a later date.

Section 11. RULES OF CONSTRUCTION. The parties hereto agree that they have been represented by counsel during the negotiation, preparation and execution of this Agreement and, therefore, waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

Section 12. COUNTERPART EXECUTION. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which will constitute a single agreement.

Section 13. PARTIES IN INTEREST. Nothing in this Agreement, express or implied, is intended to confer upon any Person other than the parties hereto, their Permitted Transferees, in the case of the Liberty Parties, and their permitted successors and assigns, any benefits, rights or remedies. Neither this Agreement nor the rights or obligations of any party may be assigned or

delegated (other than, in the case of a Liberty Party, to a Permitted Transferee) by operation of law or otherwise without the prior written consent of Liberty and Old United. Notwithstanding the foregoing, any Person that succeeds to Liberty's rights and obligations under the Stockholders Agreement and the Standstill Agreement shall be entitled, as an express third party beneficiary, to all of the rights of Liberty hereunder to the same extent as if all references to Liberty herein referred to such Person.

IN WITNESS WHEREOF, the parties hereto have executed as of the date first set forth above.

UNITEDGLOBALCOM, INC.,
a Delaware corporation

By: /s/ MICHAEL T. FRIES

Michael T. Fries
President

LIBERTY MEDIA CORPORATION,
a Delaware corporation

By: /s/ ELIZABETH M. MARKOWSKI

Elizabeth M. Markowski
Senior Vice President

LIBERTY GLOBAL, INC.,
a Delaware corporation

By: /s/ ELIZABETH M. MARKOWSKI

Elizabeth M. Markowski
Senior Vice President

LIBERTY UCOMA, LLC,
a Delaware limited liability company

By: /s/ ELIZABETH M. MARKOWSKI

Elizabeth M. Markowski
Senior Vice President

EXHIBIT 10.8
CONFORMED COPY

AGREEMENT REGARDING ADDITIONAL COVENANTS

This Agreement Regarding Additional Covenants (this "AGREEMENT") is entered into as of January 30, 2002, among UnitedGlobalCom, Inc., a Delaware corporation formerly known as New UnitedGlobalCom, Inc. ("UNITED"), and Liberty Media Corporation, and Liberty Global, Inc. ("LIBERTY GLOBAL"), each of which is a Delaware corporation, and Liberty UCOMA, LLC, a Delaware limited liability company ("LIBERTY UCOMA").

BACKGROUND

Pursuant to the Amended and Restated Agreement and Plan of Restructuring and Merger, dated as of December 31, 2001 (the "MERGER AGREEMENT"), among United, Liberty, Liberty Media International, Inc., a Delaware corporation ("LMI"), Liberty Global, the Founders (as defined therein), UGC Holdings, Inc., a Delaware corporation formerly known as UnitedGlobalCom, Inc. ("OLD UNITED"), et al., Liberty and Liberty Global have acquired Beneficial Ownership of shares of Class C Common Stock, par value $.01 per share, of United. As required by the Merger Agreement, the parties hereto are entering into this Agreement.

AGREEMENT

Section 1. CERTAIN DEFINITIONS. In this Agreement, the following terms shall have the following meanings:

3-09 PERSON. As defined in Section 2(e).

AFFILIATE. When used with reference to a specified Person, any Person who directly or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, the Person specified, provided that (i) no officer or director of a Person, or any Affiliate of such officer or director, investing for his, her or its own account or otherwise acting in his, her or its individual capacity, and no director of a Person, or any Affiliate of such director, acting in his, her or its capacity as an officer, director, trustee, representative or agent of a Person that is not an Affiliate of the specified Person, and in each case not in concert with or at the direction or request of such specified Person, shall be deemed to be an Affiliate of such specified Person for purposes of this Agreement; (ii) no Liberty Party shall be deemed to be an Affiliate of United and none of United and its Controlled Affiliates shall be deemed to be an Affiliate of a Liberty Party and (iii) any Person in which United, directly or indirectly, Beneficially Owns 50% or more of the equity securities, without regard to voting power in the election of directors, shall (without limiting the generality of this definition) be deemed to be an Affiliate of United.

BELMARKEN LOAN AGREEMENTS. As defined in the Merger Agreement.

BELMARKEN NOTES. As defined in the Merger Agreement.

BENEFICIAL OWNERSHIP AND DERIVATIVE TERMS. As defined in the Standstill Agreement.

BOARD. The Board of Directors of United.

BUSINESS DAY. As defined in the Standstill Agreement.

CHANGE OF CONTROL COVENANT. As defined in the Stockholders Agreement.

CLASS C DIRECTOR. As defined in the United Charter.

COMMISSION. As defined in Section 2(e).

CONTRACT. Any note, bond, indenture, debenture, security agreement, trust agreement, Lien, mortgage, lease, contract, license, franchise, permit, guaranty, joint venture agreement, or other agreement, instrument, understanding, commitment or obligation, oral or written.

CONTROL AND DERIVATIVE TERMS. The possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of another Person, whether through the ownership of voting securities, by contract or otherwise.

CONTROLLED AFFILIATE. When used with reference to a specified Person, any Affiliate of such Person that such Person directly, or indirectly through one or more intermediaries, Controls; PROVIDED THAT, (a) none of United and its Controlled Affiliates shall be deemed to be a Controlled Affiliate of a Liberty Party and (b) any Person in which United, directly or indirectly, beneficially owns 50% or more of the equity securities, without regard to voting power in the election of directors, shall (without limiting the generality of this definition) be deemed to be a Controlled Affiliate of United.

EQUITY SECURITIES. The common stock of United and any other securities hereafter issued by United that are entitled to vote generally in the election of directors.

EXCHANGE ACT. The Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

GAAP. As defined in Section 2(e)

GOVERNMENTAL AUTHORITY. As defined in the Stockholders Agreement.

HSR ACT. The Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

LIBERTY. Liberty Media Corporation, a Delaware corporation, and any successor (by merger, consolidation, transfer or otherwise) to all or substantially all of its assets

LIBERTY DIRECTOR. As defined in the Standstill Agreement.

LIBERTY GLOBAL. As defined in the preamble.

LIBERTY PARTIES. Liberty, Liberty Global and Liberty UCOMA and including any Permitted Transferee of a Liberty Party who hereafter becomes bound by or who is required to become bound by the Stockholders Agreement for so

long as such Person is or is required to be so bound. LMI, Liberty Global, Liberty UCOMA and any such Permitted Transferee will each cease to be a Liberty Party at such time as such Person is no longer a Controlled Affiliate of Liberty.

LIBERTY PERSON. As defined in Section 2(e).

LIBERTY UCOMA. As defined in the preamble.

LIEN. Any mortgage, pledge, lien, encumbrance, charge, or security interest.

LMI. As defined under "Background" on the first page of this Agreement.

MERGER AGREEMENT. As defined under "Background" on the first page of this Agreement.

NON-COMPLYING PERSON. As defined in Section 2(e).

OLD UNITED. As defined under "Background" on the first page of this Agreement.

PERMITTED TRANSFEREE. Liberty and any Person Controlled by Liberty.

PERSON. Person shall mean any individual, firm, corporation, partnership, limited liability company, trust, joint venture, or other entity, and shall include any successor (by merger or otherwise) of such entity.

RESTRICTION. As defined in the Stockholders Agreement.

SAS 543. As defined in Section 2(e).

STANDSTILL AGREEMENT. That certain Standstill Agreement dated as of the date hereof among United and the Liberty Parties.

STOCKHOLDERS AGREEMENT. The Stockholders Agreement dated as of the date hereof among United, the Liberty Parties, and certain other stockholders of United.

SUBSIDIARY. As defined in the Standstill Agreement.

TRANSACTION AGREEMENTS. As defined in the Stockholders Agreement.

TRANSFER. As defined in the Stockholders Agreement.

UNITED BYLAWS. The Bylaws of United, as such Bylaws may be amended from time to time in accordance with the United Charter, such Bylaws and this Agreement.

UNITED CHARTER. The Restated Certificate of Incorporation of United as filed with the Secretary of State of the State of Delaware on December 31, 2001, as it may be amended from time to time.

Section 2. ADDITIONAL COVENANTS.

(a) Without limitation of any other applicable provision hereof or of any other Transaction Agreement, without the prior written consent of Liberty, United shall not, and shall not permit any of its Controlled Affiliates to, (i)(A) enter into, or issue, assume or adopt, any Contract that would be or that purports to be binding upon Liberty or any of its Affiliates or any of their respective assets, or (B) enter into, or issue, assume or adopt any material Contract in respect of which any act or omission of Liberty or any of its Affiliates would result in a violation or breach thereof, or constitute (with or without due notice or lapse of time or both), or permit any Person to declare, a default or event of default thereunder, or give rise to any right of termination, cancellation, amendment, acceleration, repurchase, prepayment or repayment or to increased payments thereunder, or give rise to or accelerate any material obligation (including, without limitation, any obligation to, or to offer to, repurchase, prepay, repay or make increased payments) or result in the loss or modification of any material rights or benefits thereunder, or result in any Lien or Restriction on any of the material assets of, or otherwise have any material adverse effect on, United or any of its Affiliates or (ii) amend or modify any Contract described in clause (i) of this sentence; provided however, that this Section 2(a) shall not restrict United or any of its Controlled Affiliates from subjecting itself or any of its Controlled Affiliates to a Change of Control Covenant permitted under Section 3(b) of the Stockholders Agreement.

(b) Without limitation of any other applicable provision hereof or of any other Transaction Agreement, United shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, effect any transaction or enter into any Contract of any kind whatsoever between or among United or any of its Subsidiaries, on the one hand, and Old United or any of its Controlled Affiliates, on the other hand, or agree or commit to do any of the foregoing, unless the proposed transaction or Contract has first been approved by the Board by the vote of not less than a majority of the members thereof, which affirmative vote shall include the affirmative vote of a majority of the Class C Directors or Liberty Directors, as the case may be, or by unanimous written consent.

(c) Without limitation of any other applicable provision hereof or of any other Transaction Agreement, United shall not, and shall not permit any of its Controlled Affiliates to, directly or indirectly, in whole or in part, sell, assign, transfer, exchange, contribute, pledge, encumber, grant any option with respect to or otherwise dispose of (each, a "DISPOSITION") any of the Belmarken Notes or any interest therein, or any rights under or interest in the Belmarken Loan Agreements (including, without limitation, by Disposition of an interest in a Person that holds any of the foregoing), or agree to do any of the foregoing, unless the proposed Disposition has first been (i) reviewed by the Board, (ii) in the case of a proposed Disposition to any Affiliate of United (including, without limitation, Old United or any of its Affiliates), approved by the Board by the vote of not less than a majority of the members thereof, which affirmative vote shall include the affirmative vote of a majority of the Class C Directors or Liberty Directors, as the case may be, or by unanimous written consent, and (iii) in the case of any other proposed Disposition, approved by the Board.

(d) Without limitation of any other applicable provision hereof or any other Transaction Agreement, United shall not effect any amendment, alteration, restatement or repeal of Section 3.12 of the United Bylaws unless the proposed

amendment, alteration, restatement or repeal has first been approved by the Board by the vote of not less than a majority of the members thereof, which affirmative vote shall include the affirmative vote of a majority of the Class C Directors or Liberty Directors, as the case may be, or by unanimous written consent.

(e) Without limitation of any other applicable provision hereof or any other Transaction Agreement, United hereby agrees as follows:

(i) United shall provide to Liberty:

(A) within 45 days after the end of each fiscal year of United, a preliminary balance sheet, income statement and consolidated statement of stockholders equity (deficit) of United and its subsidiaries for such fiscal year;

(B) within 60 days after the end of each fiscal year of United, a final balance sheet, income statement and consolidated statement of stockholders equity (deficit) of United and its subsidiaries for such fiscal year;

(C) within 75 days after the end of each fiscal year of United, draft consolidated financial statements, including related footnotes, of United and its subsidiaries for such fiscal year and a "Management's Discussion and Analysis of Results of Operations and Financial Condition" (in such form as would be included in a Form 10-K filed under the Exchange Act);

(D) no later than the 3rd business day prior to the day on which United's Form 10-K shall be filed with the Securities and Exchange Commission (the "Commission") (but, in any event, no later than the 87th day following the end of each fiscal year of United), final audited consolidated financial statements, including related footnotes, of United and its subsidiaries for such fiscal year, which shall be provided to Liberty in paper form and electronic format for inclusion in Liberty's Form 10-K for the relevant fiscal year in the same form in which United shall file the same with its Form 10-K for the relevant fiscal year, and a "Management's Discussion and Analysis of Results of Operations and Financial Condition" (in such form as would be included in a Form 10-K filed under the Exchange Act);

(E) within 20 days after the end of each of the first three fiscal quarters of each fiscal year of United, a preliminary income statement of United and its subsidiaries for such fiscal quarter;

(F) within 35 days after the end of each of the first three fiscal quarters of each fiscal year of United, a final balance sheet, income statement and consolidated statement of stockholders equity (deficit) of United and its subsidiaries for such fiscal quarter;

(G) within 40 days after the end of each of the first three fiscal quarters of each fiscal year of United, draft financial statements, including related footnotes, of United and its subsidiaries for such fiscal quarter, which shall include final numbers that have been reviewed in accordance with Statement of Auditing Standards No. 71 ("SAS 71") (however, it being expressly understood that such auditors will not be required to issue a SAS 71 review report in accordance with such review) by United's auditors, and a "Management's Discussion and Analysis of Results of Operations and Financial Condition" (in such form as would be included in a Form 10-Q filed under the Exchange Act); and

(H) within 25 days after the end of each month, (1) United's internal financial reporting package for the prior month, which shall report, at a minimum, revenue and earnings before interest, taxes, depreciation and amortization (including, without limitation, a budget-to-actual comparison) for United's major operating businesses, and (2) an operational statistics report, which shall include non-financial operating data for United's major operating businesses, such as video, telephony and data subscribers, total revenue generating units, homes passed, penetration and other operational statistics used by the management of United to review United's operating results, together with such management's comments regarding any significant financial and non-financial variances.

Each of the financial statements referred to clauses (A) through (G) of this Section 2(e)(i) shall be prepared in accordance with generally accepted accounting principles in the United States, consistently applied ("GAAP"), and shall comply in all material respects with the published rules and regulations of the Commission that apply to the preparation of such interim financial statements (pursuant to Article 10 of Regulation S-X) and annual financial statements. In addition, United shall provide to Liberty copies of any certificates certifying compliance by United or any of its subsidiaries with its debt covenants under any indebtedness at the same time as such certificates are supplied to any creditor or bank or to any trustee for distribution to the holders of such indebtedness.

(ii) United shall use its best efforts to cause its auditors to cooperate in all reasonable respects with Liberty's auditors to enable them, as principal auditor, to perform and otherwise comply with applicable auditing procedures prescribed by Statement on Auditing Standards, Section 543, including, without limitation:

(A) confirming in writing, within 60 days after the end of each fiscal year of Liberty and within 40 days after the end of each of the first three fiscal quarters of each fiscal year of Liberty, the independence of United's auditors under the requirements of The American Institute of Certified Public Accountants and the Commission;

(B) meeting, with United's management present or, with the prior approval of United's management, without United's management present, during the first three fiscal quarters of each fiscal year of United, prior to the 5th day before a filing is due with the Commission for the immediately preceding fiscal quarter, with Liberty's auditors to discuss the review procedures followed by United's auditors and the results thereof;

(C) meeting, after United's auditors have completed their SAS 71 review of United's third quarter results and preliminary

audit testing and have developed their final year end audit plan (expected to be in early to mid December of each calendar year), with United's management present or, with the prior approval of United's management, without United's management present, with Liberty's auditors to review the audit plan and working papers, including the understanding of internal control, the assessment of control risk, any audit testwork supporting significant transactions and any accounting memoranda supporting the application of GAAP, of United's auditors (it being agreed that Liberty's auditors shall have the right to issue specific instructions to United's auditors as to the scope of their audit work, if deemed necessary in the sole discretion of Liberty's auditors);

(D) meeting, with United's management present or, with the prior approval of United's management, without United's management present, within 65 days after the end of each fiscal year of Liberty, with Liberty's auditors to discuss the audit procedures followed by United's auditors and the results thereof and to review the working papers of United's auditors, including the understanding of internal control, the assessment of control risk, any audit testwork supporting significant transactions and any accounting memoranda supporting the application of GAAP, including only those items set forth in this item (D) and in item (C) immediately above which were prepared or finalized subsequent to the completion by United's auditors of their SAS 71 interim review of United's third quarter results and completion by United's auditors of their preliminary audit testing; and

(E) making available for review by Liberty and its auditors, promptly upon the request of Liberty, the working papers of Old United for the years ended December 31, 2001 and December 31, 2000 to assist in the determination of the appropriate purchase accounting adjustments required to be recorded by Liberty to reflect its acquisition of shares of Old United and/or United, as applicable.

(iii) United shall cause its management personnel to (A) meet, within 70 days after the end of each fiscal year of Liberty, with Liberty's auditors to discuss the accounts of United and (B) cooperate with Liberty's auditors in any supplemental tests of such accounts (it being agreed that the determination of the extent of additional procedures, if any, to be applied shall rest solely with Liberty's auditors).

(iv) United shall use its best efforts to cause its auditors to provide to Liberty such auditors' written consent to the inclusion of or reliance on their report in any filing made by Liberty with the Commission requiring such consent not more than 24 hours after being provided with a final version of such filing, which efforts shall include, without limitation, the timely provision by United to its auditors of any letters of representations required by such auditors in connection with the delivery of their consent to Liberty and timely provision by Liberty to United and its auditors of preliminary versions of such filing.

(v) United shall use its best efforts to (A) cause each of its "significant subsidiaries" (as such term is defined in Rule 1-02 of Regulation S-X) and each of its affiliates (1) which is accounted for using the equity method of accounting and (2) with respect to which Liberty must provide financial disclosure pursuant to Rule 3-09 of Regulation S-X, in each case whether currently owned or hereafter acquired (each such significant subsidiary and affiliate, a "3-09 PERSON"), to provide to Liberty financial statements prepared in accordance with GAAP that meet the requirements of Regulation S-X for inclusion in any filing made by Liberty with the Commission requiring such financial statements prior to the 5th day before such filing shall be made (such filing date to be determined in the sole discretion of Liberty), and (B) cause the auditors of any such 3-09 Person to provide to Liberty such auditors' written consent to the inclusion of or reliance on their report in any such filing not more than 24 hours after being provided with a final version of such filing, which efforts shall include, without limitation, causing such 3-09 Person to provide to its auditors, on a timely basis, any letters of representations required by such auditors in connection with the delivery of their consent to Liberty and timely provision by Liberty to such other auditors of preliminary versions of such filing. The determination as to whether a Person qualifies as a 3-09 Person shall be made in the reasonable judgment of Liberty and its auditors.

(vi) United shall not effect any acquisition, merger, exchange or other transaction pursuant to which United would acquire a Person that would qualify as a 3-09 Person, unless such Person can provide to Liberty, within the time frames prescribed by Section 2(e)(v), financial statements prepared in accordance with GAAP that comply in all respects with Regulation S-X, including, without limitation, Rule 3-05 of Regulation S-X.

(vii) United shall, and shall use its best efforts to cause each 3-09 Person to, afford to the officers, employees, counsel, auditors and other authorized representatives of Liberty ("Liberty Persons") reasonable access during normal business hours, to its personnel, auditors, books and records and furnish promptly to such Liberty Persons such financial and operating data and other information concerning its business, properties, personnel and affairs as such Liberty Persons will from time to time reasonably request and instruct the officers, directors, employees, counsel and auditors of United and each 3-09 Person to discuss business operations, affairs and assets of United and each 3-09 Person and otherwise fully cooperate with each Liberty Person in its review of the business and financial affairs of United and each 3-09 Person, in each case to the extent reasonably necessary to enable Liberty to comply timely with its reporting obligations under the Exchange Act. In addition, if at any time Liberty and its auditors, in their reasonable judgment, determine that the financial statements of United or any 3-09 Person (any such Person, a "Non-Complying Person") were not prepared in accordance with GAAP, do not comply in all material respects with Regulation S-X or will not be provided to Liberty within the applicable time frame prescribed by this Section 2(e), United shall use its best efforts to cause each Non-Complying Person to (A) suspend the services of its current auditors and (B) afford to the Liberty Persons access to all books, records and working papers of such Non-Complying Person's current auditors necessary to enable a new auditor designated by Liberty to perform a full audit of such Non-Complying Person.

(viii) United shall inform Liberty of any material accounting or reporting issue arising during the course of United's fiscal year within a reasonable period of time following the

time at which any officer, director, employee or auditor of United first becomes aware of such issue, if such issue could, in United's reasonable judgment, materially impact the consolidated financial statements of Liberty.

(ix) Liberty will bear all costs and expenses incurred (A) by the Liberty Persons in connection with the exercise of Liberty's rights pursuant to this Section 2(e) and (B) by any auditors designated by Liberty to perform a full audit of a Non-Complying Person pursuant to Section 2(e)(vii).

(x) At such time as any other Person to whom Liberty transfers its voting or economic interest in United (in compliance with all of Liberty's obligations under the Transaction Documents) becomes obligated to provide in such Person's filings with the Commission financial disclosure regarding United or is otherwise required to provide audited financial statements, such Person will be entitled to all of the rights of Liberty under this Section 2(e).

(xi) Liberty will, and will cause its auditors to, provide the representations required of a parent company and a parent company's auditors to the auditors of United, if so requested in accordance with the Statement of Auditing Standards promulgated by the American Institute of Certified Public Accountants.

Section 3. REPRESENTATIONS AND WARRANTIES.

Each of the Liberty Parties, severally and not jointly, on the one hand, and United, on the other, represent and warrant to each other as of the date of this Agreement as follows:

(a) Such party has the right, power, legal capacity and authority to enter into and perform its obligations under this Agreement, and this Agreement constitutes such party's valid and binding obligation, enforceable against it in accordance with its terms, subject, as to enforceability, to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditor's rights and remedies generally, and to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

(b) Such party has obtained all authorizations, permits, approvals or consents of any Persons, as well as all authorizations, permits, approvals or consents of any Governmental Authorities, necessary to enter into and perform such party's obligations under this Agreement, except as would not, individually or in the aggregate, adversely affect such party's ability to perform its obligations under this Agreement.

(c) This Agreement and the transactions it contemplates do not conflict with any applicable law or any agreement to which such party is a party or constitute a default under any such agreement, except as would not, individually or in the aggregate, adversely affect such party's ability to perform its obligations under this Agreement.

Section 4. TERM AND TERMINATION. This Agreement shall terminate upon the termination of the Stockholders Agreement.

Section 5. REMEDIES. Each of the parties acknowledges and agrees that in the event of any breach of this Agreement, the nonbreaching party would be irreparably harmed and could not be made whole by monetary damages. Accordingly, the parties to this Agreement, in addition to any other remedy to which they may be entitled hereunder or at law or in equity, shall be entitled to compel specific performance of this Agreement.

Section 6. NOTICES. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing, shall be deemed to have been duly given when delivered personally or, sent by telecopy, or recognized service providing for guaranteed delivery, addressed as follows:

(a) If to United, to:

UnitedGlobalCom, Inc.
4643 South Ulster Street
Suite 1300
Denver, Colorado 80237
Attention: President
Fax: (303) 770-4207

with copies to:

UnitedGlobalCom, Inc.
4643 South Ulster Street
Suite 1300
Denver, Colorado 80237
Attention: General Counsel
Fax: (303) 770-4207

and

Holme Roberts & Owen LLP
1700 Lincoln Street
Suite 4100
Denver, Colorado 80203
Attention: W. Dean Salter, Esq.
Fax: (303) 866-0200

(b) If to the Liberty Parties, to:

Liberty Media Corporation
12300 Liberty Blvd.
Englewood, Colorado 80112
Attention: President
Fax: (720) 875-5382

with copies to:

Liberty Media Corporation
12300 Liberty Blvd.
Englewood, Colorado 80112
Attention: Elizabeth M. Markowski, Esq.
Fax: (720) 875-5858

and

Baker Botts L.L.P.
599 Lexington Avenue
New York, New York 10022
Attention: Robert W. Murray Jr., Esq.
Fax: (212) 705-5125

or to such other person or address or addresses as Liberty or United shall specify by notice in accordance with this Section 6. Liberty shall be responsible for distributing any notices it receives to the Liberty Parties, as necessary. All notices, requests, demands, waivers and communications shall be deemed to have been given on the date of delivery or on the first Business Day after overnight delivery was guaranteed by a recognized delivery service, except that any change of address shall be effective only upon actual receipt. Written notice given by telecopy shall be deemed effective when confirmation is received by the sending party. Delivery shall be deemed to have been made to each Liberty Party on the date that delivery is made to Liberty at the address specified above (as it may be changed as provided herein).

Section 7. ENTIRE AGREEMENT. This Agreement, together with the other Transaction Agreements and the Merger Agreement, contains all the terms and conditions agreed upon by the parties hereto with respect to the subject matter hereof, and no other agreements, oral or otherwise, regarding the subject matter hereof shall have any effect unless in writing and executed by the parties after the date of this Agreement.

Section 8. APPLICABLE LAW, JURISDICTION; WAIVER OF JURY TRIAL. This Agreement shall be governed by Colorado law without regard to conflicts of law rules. The parties hereby irrevocably submit to the jurisdiction of any Colorado State or United States Federal court sitting in Colorado, and only a State or Federal Court sitting in Colorado will have any jurisdiction over any action or proceeding arising out of or relating to this Agreement or any agreement contemplated hereby, and the undersigned hereby irrevocably agree that all claims in respect of such action or proceeding shall be heard and determined in such State or Federal court. The undersigned further waive any objection to venue in such State and any objection to any action or proceeding in such State on the basis of a non-convenient forum. Each party hereby IRREVOCABLY WAIVES ANY RIGHT TO A TRIAL BY JURY in any proceeding brought with respect to this Agreement or the transactions contemplated hereby.

Section 9. HEADINGS. The headings in this Agreement are for convenience only and are not to be considered in interpreting this Agreement.

Section 10. COUNTERPART EXECUTION. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which will constitute a single agreement.

Section 11. PARTIES IN INTEREST. Except as provided in Section 2(e) nothing in this Agreement, express or implied, is intended to confer upon any Person other than the parties hereto, their Permitted Transferees, in the case of the Liberty Parties, and their permitted successors and assigns, any benefits, rights or remedies. Neither this Agreement nor the rights or obligations of any party may be assigned or delegated (other than, in the case of a Liberty Party, to a Permitted Transferee) by operation of law or otherwise without the prior written consent of Liberty and United. Notwithstanding the foregoing, any Person that succeeds to Liberty's rights and obligations under the Stockholders Agreement and the Standstill Agreement shall be entitled, as an express third party beneficiary, to all of the rights of Liberty hereunder to the same extent as if all references to Liberty herein referred to such Person.

Section 12. SEVERABILITY. The invalidity or unenforceability of any provision of this Agreement in any application shall not affect the validity or enforceability of such provision in any other application or the validity or enforceability of any other provision.

Section 13. WAIVERS AND AMENDMENTS. No waiver of any provision of this Agreement shall be deemed a further or continuing waiver of that provision or a waiver of any other provision of this Agreement. This Agreement may not be amended except in a writing signed by Liberty and United.

Section 14. INTERPRETATION. As used herein, except as otherwise indicated herein or as the context may otherwise require, the words "include," "includes" and "including" are deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of like import; the words "hereof," "herein," "hereunder" and comparable terms refer to the entirety of this Agreement and not to any particular article, section or other subdivision hereof; any pronoun shall include the corresponding masculine, feminine and neuter forms; the singular includes the plural and vice versa; references to any agreement or other document are to such agreement or document as amended and supplemented from time to time; references to any statute or regulation are to it as amended and supplemented from time to time, and to any corresponding provisions of successor statutes or regulations; references to "Article," "Section" or another subdivision are to an article, section or subdivision hereof; and all references to "the date hereof," "the date of this Agreement" or similar terms (but excluding references to the date of execution hereof) refer to the date first above written, notwithstanding that the parties may have executed this Agreement on a later date. Any reference herein to a "day" or number of "days" (without the explicit qualification of "Business") shall be deemed to refer to a calendar day or number of calendar days. If any action or notice is to be taken or given on or by a particular calendar day, and such calendar day is not a Business Day, then such action or notice may be taken or given on the next succeeding Business Day.

Section 15. RULES OF CONSTRUCTION. The parties hereto agree that they have been represented by counsel during the negotiation, preparation and execution of this Agreement and, therefore, waive the application of any law, regulation, holding or rule of construction providing

that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

[Signature Pages Follow]

Executed as of the date first set forth above.

UNITEDGLOBALCOM, INC.,
a Delaware corporation

By: /s/ MICHAEL T. FRIES

Michael T. Fries
President

LIBERTY MEDIA CORPORATION,
a Delaware corporation

By: /s/ ELIZABETH M. MARKOWSKI

Elizabeth M. Markowski
Senior Vice President

LIBERTY GLOBAL, INC.,
a Delaware corporation

By: /s/ ELIZABETH M. MARKOWSKI

Elizabeth M. Markowski
Senior Vice President

LIBERTY UCOMA, LLC,
a Delaware limited liability company

By: /s/ ELIZABETH M. MARKOWSKI

Elizabeth M. Markowski
Senior Vice President

EXHIBIT 10.9
CONFORMED COPY

STANDSTILL AGREEMENT

This Standstill Agreement (this "AGREEMENT") is entered into as of January 30, 2002, among UnitedGlobalCom, Inc., a Delaware corporation (formerly known as New UnitedGlobalCom, Inc., "UNITED"), and Liberty Media Corporation and Liberty Global, Inc. ("LIBERTY GLOBAL"), each of which is a Delaware corporation, and Liberty UCOMA, LLC, a Delaware limited liability company ("LIBERTY UCOMA").

BACKGROUND

Pursuant to the Amended and Restated Agreement and Plan of Restructuring and Merger, dated as of December 31, 2001 (the "MERGER AGREEMENT"), among United, Liberty, Liberty Media International, Inc., a Delaware corporation ("LMI"), Liberty Global, the Founders, UGC, Inc., a Delaware corporation formerly known as UnitedGlobalCom, Inc. ("OLD UNITED"), et al., Liberty, Liberty Global and Liberty UCOMA (as a "Contributing Party" under the Merger Agreement) have acquired Beneficial Ownership of shares of Class C Stock of United. As required by the Merger Agreement, the parties hereto are entering into this Agreement.

AGREEMENT

In consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1. CERTAIN DEFINITIONS.

In this Agreement, the following terms have the following meanings.

AFFILIATE. When used with reference to a specified Person, any Person who directly or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, the Person specified, provided that (i) no officer or director of a Person, or any Affiliate of such officer or director, investing for his, her or its own account or otherwise acting in his, her or its individual capacity, and no director of a Person, or any Affiliate of such director, acting in his, her or its capacity as an officer, director, trustee, representative or agent of a Person that is not an Affiliate of the specified Person, and in each case not in concert with or at the direction or request of such specified Person, shall be deemed to be an Affiliate of such specified Person for purposes of this Agreement; (ii) no Liberty Party shall be deemed to be an Affiliate of United and none of United and its Controlled Affiliates shall be deemed to be an Affiliate of a Liberty Party and (iii) any Person in which United, directly or indirectly, Beneficially Owns 50% or more of the equity securities, without regard to voting power in the election of directors, shall (without limiting the generality of this definition) be deemed to be an Affiliate of United.

AGREEMENT. As defined in the preamble.

ASSUMED OPTIONS. Class B Options (as defined in the Merger Agreement) that were granted by Old United prior to, and were assumed by United at, the consummation of the United/New United Merger.

BENEFICIAL OWNERSHIP AND DERIVATIVE TERMS. As determined pursuant to Rule 13d-3 and Rule 13d-5 under the Exchange Act and any successor regulation, except that in determining Beneficial Ownership, without duplication, (i) equity securities that may be acquired pursuant to Rights to acquire equity securities that are exercisable more than sixty days after a date shall nevertheless be deemed to be Beneficially Owned, (ii) Beneficial Ownership, if any, arising solely as a result of being a party to a Transaction Agreement or the Merger Agreement shall be disregarded and (iii) in the case of the Liberty Parties, Beneficial Ownership, if any, by any Liberty Party of any securities Beneficially Owned by any Controlling Principal, arising solely from the existence of any contract, arrangement, understanding or relationship with one or more Controlling Principals shall be disregarded.

BOARD. The Board of Directors of United.

BUSINESS DAY. Any day other than Saturday, Sunday and a day on which banks are required or permitted to close in Denver, Colorado or New York, New York.

CLASS A SECURITIES. Any Class A Stock or Rights to acquire Class A Stock issued, granted or sold by United after the execution and delivery of this Agreement, other than shares of Class A Stock issued pursuant to the exercise of Rights to acquire Class A Stock that were outstanding immediately prior to the execution and delivery of this Agreement.

CLASS A STOCK. The Class A common stock, $0.01 par value per share, of United.

CLASS B EVENT. As defined in the United Charter as in effect on the date hereof.

CLASS B STOCK. The Class B common stock, $0.01 par value per share, of United.

CLASS C DIRECTOR. As defined in the United Charter as in effect on the date hereof.

CLASS C STOCK. The Class C common stock, $0.01 par value per share, of United.

COMMON STOCK. The Class A Stock, the Class B Stock and the Class C Stock.

CONTRACT. Any note, bond, indenture, debenture, security agreement, trust agreement, Lien, mortgage, lease, contract, license, franchise, permit, guaranty, joint venture agreement, or other agreement, instrument, understanding, commitment or obligation, oral or written.

CONTROL AND DERIVATIVE TERMS. The possession directly or indirectly of the power to direct or cause the direction of the management and policies of another Person, whether through the ownership of voting securities, by contract or otherwise.

CONTROL PERSON. Each of (1) the Chairman of the Board of Liberty, (2) the President and Chief Executive Officer of Liberty, (3) the Executive Vice President and Chief Operating Officer of Liberty, (4) each of the directors of Liberty, and (5) the respective family members, estates

and heirs of each of the persons referred to in clauses (1) through (4) above and any trust or other investment vehicle for the primary benefit of any of such persons or their respective family members or heirs. "Family members" for this purpose means the parents, descendants, stepchildren, step grandchildren, nieces and nephews, and spouses of the specified person.

CONTROLLED AFFILIATE. When used with reference to a specified Person, an Affiliate of such Person that such Person directly, or through one or more intermediaries, Controls; PROVIDED THAT, (a) none of United and its Controlled Affiliates shall be deemed to be a Controlled Affiliate of a Liberty Party and (b) any Person in which United, directly or indirectly, Beneficially Owns 50% or more of the equity securities, without regard to voting power in the election of directors, shall (without limiting the generality of this definition) be deemed to be a Controlled Affiliate of United.

CONTROLLING PRINCIPALS. As defined in the Stockholders Agreement.

CONTROLLING PRINCIPAL DIRECTOR. As defined in Section 3(b)(i).

CONVERSION EVENT. As defined in the United Charter as in effect on the date hereof.

DESIGNATED PURCHASER. As defined in the Stockholders Agreement.

EQUITY SECURITIES. The Common Stock and any other voting securities issued by United (other than preferred stock with customary limited voting rights).

EXCHANGE ACT. The Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

FOUNDERS. As defined in the Stockholders Agreement.

FULLY DILUTED NUMBER. As defined within the definition of "Maximum Percentage."

GOVERNMENTAL APPROVAL. Any notice to, filing with, or approval or consent of a Government Authority required by applicable law with respect to any action, including without limitation, the expiration or termination of any applicable waiting period under the HSR Act.

GOVERNMENTAL AUTHORITY. Any U.S. federal, state or local or any foreign court, governmental department, commission, authority, board, bureau, agency or other instrumentality.

GROUP. As defined in Section 13(d) of the Exchange Act and the rules and regulations thereunder, but the existence of the Transaction Agreements and the Merger Agreement shall be disregarded in determining whether a Group exists.

HSR ACT. The Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

HIGH-VOTE SECURITIES. As defined in Section 4(b).

LAW. Any U.S. federal, state or local or any foreign statute, code, ordinance, decree, rule, regulation or general principle of common or civil law or equity.

LIBERTY. Liberty Media Corporation, a Delaware corporation, and any successor (by merger, consolidation, transfer or otherwise) to all or substantially all of its assets; provided that in the event a Transferee Parent becomes the Beneficial Owner of all or substantially all of the Equity Securities then Beneficially Owned by Liberty as to which Liberty has dispositive control, the term "Liberty" shall mean such Transferee Parent and any successor (by merger, consolidation, transfer or otherwise) to all or substantially all of its assets.

LIBERTY DIRECTORS. As defined in Section 3(b)(i).

LIBERTY GLOBAL. As defined in the preamble.

LIBERTY PARTY EQUITY SECURITIES. Equity Securities Beneficially Owned (and Rights pursuant to which such Equity Securities are Beneficially Owned) from time to time by the Liberty Parties or any of their Controlled Affiliates.

LIBERTY PARTIES. Liberty, Liberty Global and Liberty UCOMA, and any Permitted Transferee of a Liberty Party who hereafter becomes bound by or who is required to become bound by this Agreement for so long as such Person is or is required to be so bound or would be required to be bound. Liberty Global, Liberty UCOMA and any such Permitted Transferee will each cease to be a Liberty Party at such time as such Person is no longer a Controlled Affiliate of Liberty.

LIBERTY UCOMA. As defined in the preamble.

LIEN. Means any mortgage, pledge, lien, encumbrance, charge, or security interest.

LMI. As defined under "Background" on the first page of this Agreement.

MAXIMUM PERCENTAGE. That percentage of the outstanding Common Stock on a fully diluted basis (assuming the exercise, conversion or exchange, as applicable, of all outstanding Rights) (the "FULLY DILUTED NUMBER") that is equal to the greater of (a) the sum of (i) the percentage of the Fully Diluted Number that the Common Stock Beneficially Owned by the Liberty Parties and their respective Controlled Affiliates represents immediately after the closing of each of the transactions contemplated by the Merger Agreement, plus (ii) the percentage of the Fully Diluted Number represented by the aggregate amount of Common Stock Beneficial Ownership of which is acquired by any of the Liberty Parties or their respective Controlled Affiliates (x) from the other parties to the Stockholders Agreement (specifically including shares the Beneficial Ownership of which is acquired from United (whether pursuant to the Stockholders Agreement or otherwise, but without duplication of amounts included pursuant to clause (a)(i)), as well as from the Founders, their Permitted Transferees and Designated Purchasers) as and when each such acquisition of Beneficial Ownership occurs, and (y) pursuant to the UPC Release (specifically including any purchases of Class A Stock held by UPC), plus (iii) the percentage of the Fully Diluted Number represented by up to and including an additional 25 million shares of Common Stock as and when Beneficial Ownership thereof is acquired by any of the Liberty Parties or their respective Controlled Affiliates (such

number to be appropriately adjusted for stock splits, stock dividends and other similar transactions); provided, that the percentage determined in accordance with this clause (a)(iii), when added to the percentage determined in accordance with clause (a)(i), shall not exceed 81%, and (b) the sum of

(A) 81%, plus (B) the percentage determined in accordance with clause (a)(ii)(x) of this definition. If prior to the closing of any transaction referred to in clause (a)(i) of the preceding sentence or any acquisition referred to in clause (a)(ii) or (a)(iii) of the preceding sentence, United issues, grants or sells any Equity Securities or Rights and such action alone or together with any preceding or succeeding action gives rise to any purchase rights of any Liberty Party under Section 7A or Section 7B of this Agreement or paragraph (h) of Article Fourth of the United Charter, then in calculating the percentages of the Fully Diluted Number that the Common Stock Beneficially Owned by the Liberty Parties represents immediately after the closing of any such transaction or acquisition referred to in clause (a) of the preceding sentence, the Liberty Parties shall be assumed to have exercised such purchase rights in full.

MERGER AGREEMENT. As defined under "Background" on the first page of this Agreement.

NEW UNITED COVENANT AGREEMENT. The Agreement Regarding Additional Covenants as of the date hereof among United and the Liberty Parties.

NO WAIVER AGREEMENT. That certain No Waiver Agreement dated as of the date hereof among Liberty, LMI and United.

OFFER. As defined in Section 6(a).

OFFEREE. As defined in Section 6(a).

OLD UNITED. As defined under "Background" on the first page of this Agreement.

PERMITTED OPTIONS. Options to purchase a number of shares of Class B Stock equal to (a) three million minus (b) the number of shares of Class B Stock underlying the Assumed Options.

PERMITTED TRANSFEREES. As defined in the Stockholders Agreement.

PERSON. Person shall mean any individual, firm, corporation, partnership, limited liability company, trust, joint venture, or other entity, and shall include any successor (by merger or otherwise) of such entity.

PROPOSAL. As defined in Section 6(c).

PUBLIC OFFERING ELECTION. As defined in Section 7(h).

PUBLIC OFFERING NOTICE. As defined in Section 7(h).

RIGHTS. When used with respect to a specified Person, securities of such Person (which may include equity securities) that (contingently or otherwise) are exercisable, convertible or exchangeable for or into equity securities of such Person (with or without consideration) or that carry any right to subscribe for or acquire equity securities or securities exercisable, convertible or exchangeable for or into equity securities of such Person.

SECURITIES ACT. The Securities Act of 1933, as amended, and the rules and regulations thereunder.

STOCKHOLDERS AGREEMENT. The Stockholders Agreement dated as of the date hereof among United, the Liberty Parties, and certain other stockholders of United.

SUBSIDIARY. When used with respect to any Person, (i) a corporation in which such Person and/or one or more Subsidiaries of such Person, directly or indirectly, owns capital stock having a majority of the voting power of such corporation's capital stock to elect directors under ordinary circumstances, and (ii) any other Person (other than a corporation) in which such Person and/or one or more Subsidiaries of such Person, directly or indirectly, has (x) a majority ownership interest or (y) the power to elect or direct the election of a majority of the members of the governing body of such first-named Person.

TRANSACTION AGREEMENTS. As defined in the Stockholders Agreement.

TRANSFER. Any sale, exchange, pledge (except a pledge in compliance with this Agreement and the Stockholders Agreement) or other transfer, directly or indirectly, of Class B Stock or Class C Stock or, when the context requires, Class A Stock (including through relinquishment of Control of a Person holding shares of such stock), provided, however, that none of the following shall constitute a Transfer: (i) a conversion of Class C Stock into Class B Stock or of Class B Stock or Class C Stock into Class A Stock, (ii) any transfer pursuant to any tender or exchange offer approved by a majority of the Board, (iii) a transfer by operation of law in connection with any merger, consolidation, statutory share exchange or similar transaction involving United, (iv) a transfer pursuant to a plan of liquidation of United that has been approved by a majority of the Board or (v) in the case of Liberty, any transaction or series of related transactions involving the direct or indirect transfer (or relinquishment of Control) of a Person that holds Liberty Party Equity Securities (a "TRANSFERRED PERSON"), if (x) immediately after giving effect to such transaction or the last transaction in such series, voting securities representing at least a majority of the voting power of the outstanding voting securities of such Transferred Person or its successor in such transaction or of any ultimate parent entity (within the meaning of the HSR Act) of such Transferred Person or its successor (a "TRANSFEREE PARENT") are Beneficially Owned by Persons who prior to such transaction were Beneficial Owners of a majority of, or a majority of the voting power of, the outstanding voting securities of Liberty (or of any publicly traded class or series of voting securities of Liberty designed to track the economic performance of a specified group of assets or businesses) or who are Control Persons or any combination of the foregoing and (y) such Transferee Parent becomes a party to this Agreement and the Stockholders Agreement with the same rights and obligations as Liberty.

TRANSFERRED PERSON. As defined in the definition of "Transfer."

TRANSFEREE PARENT. As defined in the definition of "Transfer."

UNITED. As defined in the preamble.

UNITED BYLAWS. The Bylaws of United, as such Bylaws may be amended from time to time in accordance with the United Charter, such Bylaws and this

Agreement.

UNITED CHARTER. The Restated Certificate of Incorporation of United as filed with the Secretary of State of the State of Delaware on December 31, 2001, as it may be amended from time to time.

UNITED/NEW UNITED MERGER. As defined in the Merger Agreement.

UPC. United Pan-Europe Communications, N.V., a company organized under the laws of The Netherlands.

UPC RELEASE. Section 3 of and Exhibit A to the Release, dated as of February 22, 2001, among UPC, Old United, Liberty and LMI (but no other provisions of such Release).

VOTING AGREEMENT. That certain Voting Agreement dated as of the date hereof among United and the Founders.

VOTING POWER. As of any date of determination, the aggregate number of votes of all outstanding Equity Securities and (without duplication) Equity Securities issuable as of such date upon the exercise, conversion or exchange of all Rights outstanding.

Section 2. ACQUISITION OF EQUITY SECURITIES OR RIGHTS; OTHER COVENANTS.

(a) (i) Except as specifically permitted by this Agreement (including Section 2 and Section 6), the Liberty Parties shall not, and shall not suffer or permit any of their respective Controlled Affiliates to, acquire Beneficial Ownership of any Common Stock if immediately after such acquisition the Common Stock Beneficially Owned, in the aggregate, by the Liberty Parties and their Controlled Affiliates would exceed the Maximum Percentage.

(ii) No Liberty Party shall be in breach of Section 2(a)(i) solely because the Liberty Parties and their respective Controlled Affiliates become the Beneficial Owners of a number of shares of Common Stock exceeding the Maximum Percentage after and solely because of any action taken by United or any Affiliate of United (including the repurchase or redemption by United or any of its Affiliates of Equity Securities or Rights, the issuance of Equity Securities or Rights, including pursuant to an offer by United or any of its Affiliates to its security holders of rights to subscribe for Equity Securities, the expiration of Rights, or the declaration by United of a dividend in respect of any class of Equity Securities payable at the election of such security holders either in cash or in Equity Securities) in respect of which no Liberty Party or Controlled Affiliate thereof shall have taken any action except as permitted to be taken by holders of Equity Securities or Rights in their capacities as such (including as a result of action taken in accordance with Section 6 hereof or an election not to tender any of such Liberty Party's Equity Securities pursuant to any such offer to repurchase, an election to purchase Equity Securities or Rights pursuant to any such subscription offer or an election to be paid a dividend in respect of the Liberty Party Equity Securities in Equity Securities or Rights instead of cash).

(b) Except as contemplated by the Stockholders Agreement or specifically permitted by this Agreement (including Section 6), each Liberty Party shall not, and such Liberty Party shall not permit any of its Controlled Affiliates to:

(i) solicit proxies with respect to Equity Securities or become a participant in a solicitation of proxies with respect to Equity Securities, in either case within the meaning of Regulation 14A under the Exchange Act (or any successor regulation), except that any director of United may solicit proxies on behalf of United or be a participant with United in a solicitation of proxies to be voted in accordance with the recommendation of the Board in each case;

(ii) form, join or participate in any Group with respect to Equity Securities with any holder of Equity Securities that is not a Liberty Party or Controlled Affiliate thereof if the Equity Securities Beneficially Owned by such Group would exceed the Maximum Percentage, unless the Controlling Principals are members of such Group;

(iii) deposit any Liberty Party Equity Securities in any voting trust or subject any Liberty Party Equity Securities to a voting agreement or other voting arrangement, in any such case as a method of evading or attempting to evade the requirements of this Agreement;

(iv) solicit or encourage an Offer from a Person other than a Liberty Party, a Founder, United or any Controlled Affiliate of any of the foregoing Persons; or

(v) call a meeting of United's stockholders, make a proposal for consideration by United's stockholders (except to the Board), or vote or consent to an amendment of United's bylaws without the consent of the Board (except as permitted by Section 3).

(c) If a Controlled Affiliate of a Liberty Party that has not previously become a party to this Agreement acquires Beneficial Ownership of any Equity Securities after the date hereof, such Liberty Party shall promptly cause such Controlled Affiliate to deliver to United an undertaking to be bound by all provisions of the Stockholders Agreement and this Agreement applicable to the Liberty Party.

Section 3. VOTING, APPRAISAL RIGHTS.

(a) Each Liberty Party shall cause all of such Liberty Party's Equity Securities to be present at all meetings of the stockholders of United at

which such Liberty Party shall be entitled to vote and as to which notice has been properly given in accordance with the applicable provisions of the United Charter and United Bylaws, or shall cause proxies to be present at all such meetings, so as to enable all of such Liberty Party's Equity Securities to be counted for quorum purposes. Except for (A) those matters as to which a Liberty Party or the Class C Directors or Liberty Directors have approval rights pursuant to this Agreement, the Stockholders Agreement or the United Charter and (B) any matter that, pursuant to the New United Covenant Agreement, is required to be approved by Liberty, if such approval has not been obtained, or

that, by the terms of Section 3.12 of the United Bylaws, is required to be reviewed, voted upon and approved by the Board or a committee thereof, if such matter has not been reviewed, voted upon and approved by the required vote of the Board or a committee thereof, in any such case prior to the time such matter is presented to the stockholders of United for their approval, each Liberty Party will vote its Common Stock (i) with respect to any matter submitted for approval of stockholders of United (other than those referred to in clauses (ii) and (iii) below), in such Liberty Party's sole discretion, either (x) in the manner recommended by a majority of the Board or (y) in the same proportion as the holders of the remaining Common Stock vote with respect to such matter, (ii) against any merger, consolidation, recapitalization, dissolution or sale of all or substantially all of the assets of United not approved by the Board, and (iii) with respect to the election or removal of directors (x) following the occurrence of a Class B Event, as provided in Section 3(b) below, and (y) otherwise, in its sole discretion. Notwithstanding the foregoing, the Liberty Parties will be entitled to vote their Common Stock in favor of any proposal to approve or necessary to implement the transactions expressly contemplated by the Transaction Agreements, whether or not approval is recommended by the Board. No Liberty Party will exercise appraisal rights as to any matter.

(b) Following the occurrence of a Class B Event,

(i) The Liberty Parties shall have the right to nominate four members of the Board or, if greater, such number of members of the Board (rounded up to the next whole number) equal to 33 1/3% of the then-authorized number of members of the Board (each such nominee, a "LIBERTY DIRECTOR"); pursuant to the Voting Agreement, the Controlling Principals will have the right to nominate four members of the Board or, if greater, such number of members of the Board (rounded up to the next whole number) equal to 33 1/3% of the then-authorized number of members of the Board (each such nominee, a "CONTROLLING PRINCIPAL DIRECTOR"); and the Board will nominate the remaining members of the Board.

(ii) The Liberty Parties will vote or cause to be voted all Equity Securities owned by them (or with respect to which they have the right to vote or direct the voting) that have the right to vote generally in the election of directors for the election to the Board of those persons nominated in accordance with this Section 3(b) and Section 3(c) and will not seek the removal of any director (other than a Liberty Director) except for cause; provided that, if the Controlling Principals request that the Liberty Parties vote in favor of the removal of any Controlling Principal Director, the Liberty Parties will vote or cause to be voted all Equity Securities owned by them (or with respect to which they have the right to vote or direct the voting) that have the right to vote on such matter in favor of the removal of such Controlling Principal Director.

(iii) The approval of the Liberty Directors shall be required for all matters set forth in paragraph (b) of Article Fifth of the United

Charter as in effect on the date hereof, without regard to any limitation that would otherwise apply as a result of the Class C Stock ceasing to be outstanding.

(c) United shall take all necessary or desirable action (including, without limitation, nominating the Liberty Directors) in order to cause the Board to have the constituency provided for in Section 3(b) and to give effect to this Section 3. In the absence of any nomination by the Liberty Parties of a Liberty Director, the person or persons previously nominated by the Liberty Parties and then serving shall be re-nominated if still eligible to serve as provided herein. The Liberty Parties may request, and vote in favor of, the removal of any Liberty Director, with or without cause. The Liberty Parties will have the right to nominate a person to fill any vacancy on the Board created by the resignation, removal, incapacity or death of any Liberty Director. Pursuant to the Voting Agreement, the Controlling Principals will have the right to nominate a person to fill any vacancy on the Board created by the resignation, removal, incapacity or death of any Controlling Principal Director.

Section 4. CERTAIN UNITED COVENANTS.

(a) If any consents, approvals, waivers or other action by, or notices to, filings with or applications or submissions to, any Governmental Authority or other third party are needed for any Liberty Party or any Controlled Affiliate of a Liberty Party to exercise any rights under this Agreement, any other Transaction Agreement or the United Charter (including the purchase rights and approval rights of the holders of Class C Stock set forth therein) or for the exercise of the approval rights of the Class C Directors or Liberty Directors under the United Charter, this Agreement and the New United Covenant Agreement, respectively, United shall cooperate with Liberty and use its best commercially reasonable efforts to obtain and assist Liberty in obtaining the necessary consents, approvals, waivers and other actions, and making the necessary notices, filings, applications and submissions.

(b) United will not issue, grant or sell any shares of Class B Stock, any Equity Securities convertible into or exercisable or exchangeable for

Class B Stock (contingently or otherwise) or that have a greater vote per share (on an as-converted basis or otherwise) than the Class A Stock (whether generally, in the election of directors or generally other than in the election of directors) (collectively, "HIGH-VOTE SECURITIES") or any Rights to acquire any of the foregoing, other than to a Liberty Party or Controlled Affiliate thereof, unless and until the Class C Stock has become convertible in full into Class B Stock, except that (x) United may issue up to an aggregate of three million shares of Class B Stock upon exercise of Assumed Options and Permitted Options, and (y) United may, on majority vote of the Board and compliance with applicable legal requirements, issue shares of a series of its preferred stock convertible into Class B Stock, but with no other conversion rights, no voting rights other than the limited voting rights customary in preferred stocks, and no other special rights, provided that such convertible preferred stock shall not be convertible into Class B Stock until the Class C Stock has become fully convertible into Class B Stock, and the aggregate number of shares of Class B Stock issuable upon conversion of all such preferred stock and the exercise of the Assumed Options and the Permitted Options shall be less than the number of shares that, if issued in one or more transactions following the occurrence of a Conversion Event, would entitle the Liberty Parties to exercise the purchase rights set forth in Section 7A (it being understood that such issuances will

be taken into account in determining the Liberty Parties' entitlement to exercise such purchase rights).

(c) United will not issue, grant or sell any options exercisable for Class B Stock other than the Permitted Options without Liberty's prior consent.

Section 5. DISPOSITIONS OF EQUITY SECURITIES.

(a) No Liberty Party shall Transfer or permit any of its Controlled Affiliates to Transfer Beneficial Ownership of any Equity Securities, unless the Transfer is (i) a Transfer to Liberty or a Controlled Affiliate of Liberty that is or becomes a party to this Agreement in accordance with Section 2(c); (ii) a Transfer of Class A Stock to one or more underwriters in connection with a bona fide public offering registered under the Securities Act; (iii) a Transfer to a Founder or Designated Purchaser pursuant to Section 4 of the Stockholders Agreement, provided that the transferee, if other than a Founder, delivers to United an undertaking to be bound by all provisions of the Stockholders Agreement and, in the case of a Designated Purchaser that is not a Permitted Transferee, this Agreement; (iv) a Transfer pursuant to Section 7 or 8 of the Stockholders Agreement; or (v) a Transfer of Class A Stock that otherwise complies with the terms of the Stockholders Agreement, provided that, in the case of a Transfer pursuant to clause (ii) or this clause (v) other than to an Affiliate, the transferring Liberty Party has no reason to believe that any Person or Group would hold as a result of such a Transfer of Beneficial Ownership more than ten percent of the Voting Power in the election of directors as of the date of such Transfer.

(b) The Liberty Parties may pledge or grant a security interest in Equity Securities to a financial institution to secure a bona fide loan made to a Liberty Party or in connection with a hedging transaction with a financial institution, so long as the Liberty Party complies with Section 6(b) of the Stockholders Agreement.

(c) Any attempted Transfer in violation of this Agreement shall be void.

Section 6. OFFERS FOR UNITED.

(a) If any Person shall make an offer (an "OFFER"): (i) to acquire from United or from one or more stockholders thereof (by tender or exchange offer or other public offer), or both (the "OFFEREE"), Equity Securities of United, (ii) to acquire all, or substantially all, the assets of United, or (iii) to effect a merger, consolidation, statutory share exchange or similar transaction between or involving United and another Person, then United shall give Liberty notice of such Offer promptly upon receipt by United thereof or, if such disclosure of the existence or terms of such Offer is prohibited by the terms thereof or if counsel for United determines that such disclosure prior to a public announcement of such Offer may violate or result in the violation of applicable United States securities laws, promptly after the public announcement of such Offer. In no event will United give Liberty notice of such Offer less than ten days prior to acceptance of such Offer.

(b) If any such Offer is made or proposed to an Offeree and not rejected within five days, any Liberty Party or an Affiliate thereof may propose a competing offer to the Board and the Board shall in the exercise of its fiduciary duties consider in good faith waiving

any provisions of this Agreement that would restrict actions that might be taken by a Liberty Party or its Affiliates in support of such competing offer or the transactions contemplated thereby.

(c) If United proposes (a "PROPOSAL") to effect a sale of all or substantially all of the assets of United or a merger, consolidation, statutory share exchange or similar transaction between or involving United and another Person or to issue in any transaction Class B Stock in an amount such that the Liberty Parties' purchase rights would not apply to such issuance (whether as a result of clause (h)(ii) of Article Fourth of the United Charter or Section 7A(d) of this Agreement), then United shall give Liberty notice of such Proposal and, prior to taking any action to effectuate the same, United shall give Liberty the opportunity to propose (or to cause an Affiliate of Liberty to propose) an alternative transaction to the Board. If Liberty or an Affiliate thereof proposes an alternative transaction to the Proposal to the Board, the Board shall in the exercise of its fiduciary duties consider in good faith waiving any provisions of this Agreement that would restrict actions that might be taken by Liberty or its Affiliates in support of such alternative transaction.

(d) United shall not enter into any agreement or make any covenant that would preclude it from complying with this Section 6.

Section 7A. PURCHASE RIGHTS -- HIGH-VOTE SECURITIES.

(a) If, following the occurrence of a Conversion Event, United issues, grants or sells any High-Vote Securities (including upon conversion, exercise or exchange of previously issued Rights) and after giving effect thereto, together with any prior issuances of Class B Stock with respect to which the Liberty Parties did not have any purchase rights pursuant to this Section 7A, including any issuance of Class B Stock or other High-Vote Securities contemplated by Section 4(b) (which issuance for purposes of this

Section 7A shall be deemed to have occurred as of the later of the actual issuance of such Class B Stock or other High-Vote Securities and immediately after the occurrence of a Conversion Event), the combined voting power (whether in the election of directors or otherwise) of the Liberty Parties' Equity Securities is equal to or less than 90% of the combined voting power thereof immediately prior to either such issuance or the first such issuance (or deemed issuance), the Liberty Parties will be entitled, subject to applicable legal requirements (which United will use its best commercially reasonable efforts to cause to be satisfied or waived), to acquire from United additional shares of Class B Stock, in the manner provided in this Section 7A, in an amount sufficient to restore the combined voting power of the Equity Securities owned by the Liberty Parties to 100% of the combined voting power of the Liberty Parties' Equity Securities immediately prior to either such issuance or the first such issuance or deemed issuance (whichever is greater, in the case of multiple issuances) (appropriately adjusted for other acquisitions or dispositions of Equity Securities by the Liberty Parties following such first issuance or deemed issuances). For purposes of this Section 7A, the voting power of the Liberty Parties' Equity Securities shall in all cases be calculated as if any High-Vote Securities that are convertible into, or exercisable or exchangeable for, Class B Stock had been converted into or exercised or exchanged for Class B Stock.

(b) The Liberty Parties will be entitled to restore their voting power in United as provided above by, at their election:

(i) subject to applicable Law and listing requirements, surrendering shares of Class A Stock in exchange for Class B Stock on a one-for-one basis;

(ii) purchasing from United additional shares of Class B Stock for a purchase price per share, payable in cash or such other form of consideration as may be acceptable to United, equal to (x) the issue price per share of the Class B Stock equivalent of the High-Vote Securities so issued (which if paid other than in cash or shares of Class A Stock shall be the fair market value of the consideration so paid) or (y) with respect to any High-Vote Securities that were issued in exchange for shares of Class A Stock, the average of the Closing Prices (as defined in the United Charter as in effect on the date hereof) per share of the Class A Stock for the ten consecutive trading days preceding (A) the date on which the additional shares of Class B Stock are purchased or (B) the date on which such High-Vote Securities were issued, whichever yields the lower price, in each case appropriately adjusted to reflect the effect of any stock splits, reverse splits, combination, stock dividends or other events affecting the Class B Stock; or

(iii) any combination of the foregoing.

(c) If the Liberty Parties become entitled to acquire additional Class B Stock by purchase or exchange pursuant to the purchase rights contemplated by this Section 7A, United shall provide notice of such entitlement to Liberty within five Business Days after the issuance of any High-Vote Securities that alone or together with any prior issuances has reduced the voting power of the Liberty Parties' Equity Securities by ten percent or more. The right of the Liberty Parties to acquire additional Class B Stock shall then be contingent upon Liberty's (i) delivering a notice to United within ten days after receipt of United's notice, in which notice Liberty states that it or one or more other Liberty Parties or Controlled Affiliates will acquire additional Class B Stock pursuant to its purchase rights, and (ii) tendering the applicable consideration for such additional Class B Stock within 30 days after the later of receipt by Liberty of United's notice and the date of the issuance of High-Vote Securities that has reduced the voting power of the Liberty Parties' Equity Securities by ten percent or more (subject to extension for up to 60 additional days if required to obtain Governmental Approval or for any applicable waiting periods to expire or terminate).

(d) Notwithstanding the foregoing, if United issues Class B Stock in any transaction in an amount such that, immediately following such issuance, the Persons who were holders of outstanding Equity Securities immediately prior to such issuance of Class B Stock then hold in the aggregate less than 30 percent of the voting power of United's outstanding Equity Securities in the election of directors generally, then the Liberty Parties will not have a right to restore or maintain their voting power in United pursuant to such purchase rights.

Section 7B. PREEMPTIVE RIGHTS -- CLASS A SECURITIES.

(a) If at any time after the execution and delivery of this Agreement United issues, grants or sells any Class A Securities, the Liberty Parties shall have the right, subject to applicable legal requirements (which United will use its best commercially reasonable efforts to cause to be satisfied or waived), but not the obligation, to acquire from United a portion of such Class A Securities up to an amount sufficient to permit the Liberty Parties to maintain the percentage of the total outstanding Common Stock represented by the Liberty Parties' Equity Securities immediately prior to the issuance of such Class A Securities, assuming for purposes of calculating such percentage that all Rights, if any, constituting Class A Securities held by the Liberty Parties or to be issued, granted or sold in such transaction have been duly converted, exchanged or exercised in full (whether or not then convertible, exchangeable or exercisable). If United desires to issue any Class A Securities, it will first give written notice (an "ISSUANCE NOTICE") thereof to the Liberty Parties stating the number of Class A Securities proposed to be issued, granted or sold, the date such Class A Securities are proposed to be issued, granted or sold (which date shall be no more than 60 days nor less than 20 days after the date such Issuance Notice is delivered to Liberty), the total per share consideration to be received by United upon issue, grant or sale of such Class A Securities (which consideration may, in the case of an underwritten public offering for cash of Class A Stock or Rights convertible into or exchangeable or exercisable for Class A Stock, may be expressed as a range of per share prices (provided that such range shall be no more than the lesser of (A) 50% of the lowest price in such range and (B) $5 per share)) and any other material terms of the proposed transaction. Within 20 days following receipt of an Issuance

Notice, any Liberty Party may exercise its rights under this Section 7B by giving written notice (a "PREEMPTION NOTICE") to that effect to United, which notice shall specify the maximum number of Class A Securities that such Liberty Party elects to purchase. Failure to deliver a Preemption Notice within such 20-day period will constitute a waiver of the rights granted by this Section 7B as to the particular issuance of Class A Securities specified in the Issuance Notice.

(b) The per share price to be paid upon exercise of the rights granted under this Section 7B with respect to any issuance, grant or sale of Class A Securities shall be the lower of the lowest per share consideration at which Class A Securities are issued, granted or sold in such issuance and the consideration per share specified in the applicable Issuance Notice. The consideration for which Class A Securities are offered or proposed to be offered will be determined as follows: (i) in case of the proposed issuance of Class A Securities for cash, the consideration per share will be the amount of cash per share to be received by United after any underwriting discounts and (ii) in the case of a proposed issuance of Class A Securities in whole or in part for consideration other than cash, the value of the consideration other than cash will be the fair market value of that consideration. The purchase price shall be payable in cash or such other form of consideration as may be reasonably acceptable to United, in an amount equal to the price per share of the Class A Securities so issued (which if paid other than in cash shall be the fair market value of the consideration so paid).

(c) Upon delivery of a Preemption Notice in accordance with Section 7B(a), United and the Liberty Parties delivering such Preemption Notice will enter into a purchase and sale agreement pursuant to which United will be obligated to sell and such Liberty Parties will be obligated to buy the Class A Securities specified in such Preemption Notice for the consideration

per share determined in accordance with Section 7B(b). The parties will make representations and warranties customary for similar stock purchase transactions, including, in the case of United, representations that all filings made by it pursuant to the Exchange Act and the Securities Act are complete and accurate in all material respects, that the most recent financial statements provided by United to Liberty pursuant to Section 2(e) of the New United Covenant Agreement fairly present the financial condition and results of operations of United and its subsidiaries as of the dates and for the periods covered thereby and that United has no material undisclosed liabilities. There shall be no conditions to the parties' obligation to close such purchase and sale other than (1) the closing of the issuance, grant or sale of the balance of the Class A Securities covered by the Issuance Notice, (2) the absence of any material breach of any of the representations and warranties described above, assuming such representations and warranties had been made both on the date of the Issuance Notice and on the closing date of such purchase and sale agreement, and (3) in the case of the Liberty Parties' obligation to close, (A) the issuance, grant or sale of the balance of the Class A Securities specified in the Issuance Notice being on the terms specified therein (including, in the case of an underwritten public offering for cash of Class A Stock or Rights, the final price of such public offering being within the range set forth in the Issuance Notice) and (B) the issuance, grant or sale of such Class A Securities occurring within 20 days before or after the date specified therefor in the Issuance Notice.

(d) Each issuance of Class A Securities to a Liberty Party must be on terms not less favorable to such Liberty Party than the most favorable terms on which United issues or proposes to issue in the transaction in connection with which the preemptive right is being exercised Class A Securities to any other Person (without discrimination based on differences in the number or amount of Class A Securities to be acquired). Without limiting the generality of the immediately preceding sentence, (i) each Liberty Party must be given the same options and rights of election, if any, as to the kind(s) or amount(s) of consideration to be paid or delivered for Class A Securities as any other purchaser is given or was proposed to be given in the Issuance Notice and (ii) the purchase price to be paid by each Liberty Party upon exercise of its rights under this Section 7B will be paid upon terms which are not less favorable than those on which the Class A Securities are sold to any other purchaser, unless those terms provide for payment in a manner which could not reasonably be duplicated by any Liberty Party, such as the transfer of specific property to United, in which event such payment will be in cash or such other form of consideration as may be reasonably acceptable to United, equal to the price per share of the Class A Securities so issued (which if paid other than in cash shall be the fair market value of the consideration so paid). The giving of an Issuance Notice shall constitute the representation and warranty by United to each Liberty Party that (A) the proposed issuance is not subject to conditions, contingencies or material terms not disclosed in the Issuance Notice or in the accompanying documents delivered therewith; and (B) neither the amount or kind of consideration offered by any other purchaser of the Class A Securities nor any other terms of the proposed issuance or of any other transaction or proposed transaction with such purchaser or any of its Affiliates have been established for the purpose of circumventing, increasing the cost of exercising or otherwise impairing the Liberty Parties' preemptive rights under this Section 7B.

(e) Notwithstanding the foregoing, the Liberty Parties will not be entitled to acquire Class A Securities pursuant to this Section 7B with respect to (i) any issuance or sale of Class A Securities in connection with the acquisition of a business (A) from a third party that is not an Affiliate of United or of any Founder and (B) that is directly related to the then existing

businesses conducted by United and its Controlled Affiliates, (ii) any issuance or grant of options to purchase shares of Class A Stock to employees of United pursuant to an employee benefit plan approved by the Board, but only to the extent that the percentage of the total outstanding Class A Stock issued and issuable pursuant to all options to purchase shares of Common Stock granted pursuant to all such employee benefit plans (irrespective of when such options were issued) does not exceed 10% of the total outstanding Common Stock of United, (iii) Equity Securities issued as a dividend to all holders of Equity Securities or upon any subdivision or combination of all shares of Equity Securities, or (iv) any issuance of Class A Stock pursuant to the exercise of Rights as to which the Liberty Parties shall have been afforded the opportunity to exercise their preemptive rights pursuant to this Section 7B.

(f) If the Liberty Parties waive or are deemed to have waived the preemptive rights granted under this Section 7B with respect to any proposed issuance of Class A Securities specified in an Issuance Notice, then United shall be free to issue, sell or grant the Class A Securities described in such Issuance Notice without the participation of any Liberty Party; provided that such issuance, sale or grant closes within 60 days after the date of the applicable Issuance Notice and is on terms no more favorable to any purchaser than the terms proposed in such Issuance Notice. United shall not issue, sell or grant any Class A Securities after any such 60 day period without again

complying with this Section 7B. The provisions of this Section 7B shall apply successively to each and every issuance of Class A Securities.

Section 8. REPRESENTATIONS AND WARRANTIES.

Each of the Liberty Parties, severally and not jointly, on the one hand, and United, on the other, represent and warrant to each other as of the date of this Agreement as follows:

(a) Such party has the right, power, legal capacity and authority to enter into and perform its obligations under this Agreement, and this Agreement constitutes such party's valid and binding obligation, enforceable in accordance with its terms, subject, as to enforceability, to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

(b) Such party has obtained all authorizations, permits, approvals or consents of any Persons, including all authorizations, permits, approvals or consents of any Governmental Authorities, necessary to enter into and perform its obligations under this Agreement, except as would not, individually or in the aggregate, adversely affect such party's ability to perform its obligations under this Agreement.

(c) This Agreement and the transactions it contemplates do not conflict with any applicable Law or any agreement to which it is a party or constitute a default under any such agreement, except as would not, individually or in the aggregate, adversely affect such party's ability to perform its obligations under this Agreement.

Section 9. LEGEND.

(a) United shall cause a legend substantially similar to the following effect to be placed on each certificate representing any Equity Securities or Rights issued to each Liberty Party or its Affiliates:

"The securities represented by this certificate are subject to a Stockholders Agreement and a Standstill Agreement, each dated as of January 30, 2002, copies of which are available from UnitedGlobalCom, Inc. upon request, and any sale, pledge, hypothecation, transfer, assignment or other disposition of such securities is subject to such Stockholders Agreement and Standstill Agreement."

(b) Upon surrender to United of any certificate representing any Equity Securities or Rights disposed of by a Liberty Party in a transaction described in Section 5(a)(ii) or (v), or in clauses (ii), (iii) or (iv) of the definition of Transfer in Section 1, United shall promptly cause to be issued (i) to the transferee or transferees of such Equity Securities or Rights one or more certificates without the legend set forth in Section 9(a) and (ii) to the holder of Equity Securities or Rights represented by such certificates so surrendered one or more certificates representing such Equity Securities or Rights, if any, as shall not have been so disposed of, with the legend set forth in Section 9(a). Upon termination of this Agreement pursuant to Section 11 below and the surrender to United of any certificate representing Equity Securities or Rights, United shall cause to be issued to the holder of such Equity Securities or Rights one or more certificates without the legend set forth in Section 9(a).

Section 10. REMEDIES. Each of the parties acknowledges and agrees that in the event of any breach of this Agreement, the nonbreaching party would be irreparably harmed and could not be made whole by monetary damages. Accordingly, the parties to this Agreement, in addition to any other remedy to which they may be entitled hereunder or at law or in equity, shall be entitled to compel specific performance of this Agreement.

Section 11. TERMINATION. The provisions of this Agreement other than Sections 4, 7A and 7B will expire on June 25, 2010, provided that this Agreement will terminate in its entirety (except as provided in the following sentence) at such time (whether earlier or later) as the Stockholders Agreement terminates in accordance with its terms or by the mutual consent of the Controlling Principals and Liberty. United's obligations under Section 9(b) shall survive the termination of this Agreement.

Section 12. NOTICES. All notices, requests, demands and other communications required or permitted hereunder shall be in writing, shall be deemed to have been duly given when delivered personally or, sent by telecopy, or recognized service providing for guaranteed delivery, addressed as follows:

(a) If to United, to it at:

UnitedGlobalCom, Inc.
4643 South Ulster Street
Suite 1300
Denver, Colorado 80237
Attention: President
Fax: (303) 770-4207

with copies to:

UnitedGlobalCom, Inc.
4643 South Ulster Street
Suite 1300
Denver, Colorado 80237
Attention: General Counsel
Fax: (303) 770-4207

and to

Holme Roberts & Owen LLP
1700 Lincoln, Suite 4100
Denver, Colorado 80203
Attention: W. Dean Salter, Esq.
Fax: (303) 866-0200

(b) If to the Liberty Parties, to:

Liberty Media Corporation
12300 Liberty Blvd.
Englewood, Colorado 80112

Attention: President
Fax: (720) 875-5382

with copies to:

Liberty Media Corporation
12300 Liberty Blvd.
Englewood, Colorado 80112
Attention: Elizabeth M. Markowski, Esq.
Fax: (720) 875-5858

and to

Baker Botts L.L.P.
599 Lexington Avenue
New York, New York 10022
Attention: Robert W. Murray, Esq.
Fax: (212) 705-5125

or to such other person or address or addresses as Liberty or United shall specify by notice in accordance with this Section 12. Liberty shall be responsible for distributing any notices it receives to the Liberty Parties, as necessary. All notices, requests, demands, waivers and communications shall be deemed to have been received on the date of delivery or on the first Business Day after delivery was guaranteed by a recognized delivery service, except that any change of address shall be effective only upon actual receipt. Written notice given by telecopy shall be deemed effective when confirmation is received by the sending party. Delivery shall be deemed to have been made to each Liberty Party on the date that delivery is made to Liberty at the address specified above (as it may be changed as provided herein).

Section 13. ENTIRE AGREEMENT. This Agreement, together with the other Transaction Agreements and the Merger Agreement, contains all the terms and conditions agreed upon by the parties hereto, and no other agreements (except to the extent referenced hereby), oral or otherwise, regarding the subject matter hereof shall have any effect unless in writing and executed by the parties after the date of this Agreement.

Section 14. APPLICABLE LAW, JURISDICTION; WAIVER OF JURY TRIAL. This Agreement shall be governed by Colorado law without regard to conflict of law rules. The parties hereby irrevocably submit to the jurisdiction of any Colorado State or United States Federal court sitting in Colorado, and only a State or Federal court sitting in Colorado will have any jurisdiction over any action or proceeding arising out of or relating to this Agreement or any agreement contemplated hereby, and the undersigned hereby irrevocably agree that all claims in respect of such action or proceeding shall be heard and determined in such a State or Federal court. The undersigned further waive any objection to venue in such State and any objection to any action or proceeding in such State on the basis of a non-convenient forum. Each party hereby IRREVOCABLY WAIVES ANY RIGHT TO A TRIAL BY JURY in any proceeding brought with respect to this Agreement or the transactions contemplated hereby.

Section 15. HEADINGS. The headings in this Agreement are for convenience only and are not to be considered in interpreting this Agreement.

Section 16. COUNTERPART EXECUTION. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which will constitute a single agreement.

Section 17. PARTIES IN INTEREST. Nothing in this Agreement, express or implied, is intended to confer upon any Person other than the parties hereto, their Permitted Transferees, in the case of the Liberty Parties, and their permitted successors and assigns any benefits, rights or remedies. Except as contemplated by the definitions of "Liberty" and "Transfer" neither this

Agreement nor the rights or obligations of any party may be assigned or delegated (other than, in the case of a Liberty Party, to a Permitted Transferee), by operation of law or otherwise without the prior written consent of Liberty and United.

Section 18. SEVERABILITY. The invalidity or unenforceability of any provision of this Agreement in any application shall not affect the validity or enforceability of such provision in any other application or the validity or enforceability of any other provision.

Section 19. WAIVERS AND AMENDMENTS. No waiver of any provision of this Agreement shall be deemed a further or continuing waiver of that provision or a waiver of any other provision of this Agreement. This Agreement may not be amended except in a writing signed by United and Liberty. The Board, by majority vote, may in it sole discretion waive any provision of this Agreement that imposes obligations on or restricts the rights of or actions by the Liberty Parties.

Section 20. INTERPRETATION. As used herein, except as otherwise indicated herein or as the context may otherwise require, the words "include," "includes" and "including" are deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of like import; the words "hereof," "herein," "hereunder" and comparable terms refer to the entirety of this Agreement and not to any particular article, section or other subdivision hereof; any pronoun shall include the corresponding masculine, feminine and neuter forms; the singular includes the plural and vice versa; references to any agreement or other document are to such agreement or document as amended and supplemented from time to time; references to any statute or regulation are to it as amended and supplemented from time to time, and to any corresponding provisions of successor statutes or regulations; references to "Article," "Section" or another subdivision are to an article, section or subdivision hereof; and all references to "the date hereof," "the date of this Agreement" or similar terms (but excluding references to the date of execution hereof) refer to the date first above written, notwithstanding that the parties may have executed this Agreement on a later date. Any reference herein to a "day" or number of "days" (without the explicit qualification of "Business") shall be deemed to refer to a calendar day or number of calendar days. If any action or notice is to be taken or given on or by a particular calendar day, and such calendar day is not a Business Day, then such action or notice may be taken or given on the next succeeding Business Day.

Section 21. RULES OF CONSTRUCTION. The parties hereto agree that they have been represented by counsel during the negotiation, preparation and execution of this Agreement and, therefore, waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such

agreement or document.

[signature page follows]

Executed as of the date first set forth above.

UNITEDGLOBALCOM, INC.,
a Delaware corporation

By: /s/ MICHAEL T. FRIES

Michael T. Fries
President

LIBERTY MEDIA CORPORATION,
a Delaware corporation

By: /s/ ELIZABETH M. MARKOWSKI

Elizabeth M. Markowski
Senior Vice President

LIBERTY GLOBAL, INC.,
a Delaware corporation

By: /s/ ELIZABETH M. MARKOWSKI

Elizabeth M. Markowski
Senior Vice President

LIBERTY UCOMA, LLC,
a Delaware limited liability company

By: /s/ ELIZABETH M. MARKOWSKI

Elizabeth M. Markowski
Senior Vice President

EXHIBIT 10.10
CONFORMED COPY

REGISTRATION RIGHTS AGREEMENT

AMONG

NEW UNITEDGLOBALCOM, INC.,

LIBERTY MEDIA CORPORATION,

LIBERTY GLOBAL, INC.

AND

LIBERTY UCOMA, LLC

DATED AS OF JANUARY 30, 2002

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REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (this "AGREEMENT"), is entered into as of January 30, 2002, by and among New UnitedGlobalCom, Inc., a Delaware corporation (the "COMPANY"), Liberty Media Corporation, a Delaware corporation, Liberty Global, Inc. a Delaware corporation ("LIBERTY GLOBAL"), and Liberty UCOMA, LLC, a Delaware limited liability company ("LIBERTY UCOMA").

WHEREAS, the Company, UnitedGlobalCom, Inc., a Delaware corporation ("UNITED"), United/New United Merger Sub, Inc., a Delaware corporation ("MERGER SUB"), Liberty Global, Liberty Media International, Inc., a Delaware corporation ("LMINT"), Liberty Media and certain stockholders of United (the "FOUNDERS") are parties to an Amended and Restated Agreement and Plan of Reorganization and Merger, dated as of December 31, 2001 (the "MERGER AGREEMENT"), pursuant to which the parties thereto will effect a transaction in which, among other things, (a) the Founders and Liberty Global will contribute or cause to be contributed all of the shares of Class B Common Stock, par value $0.01 per share, of United held by them and Liberty Media will contribute or cause to be contributed certain shares of Class A Common Stock, par value $0.01 per share, of United held, directly or indirectly, by it to the Company in exchange for an equal number of shares of the Company's Class B Common Stock, par value $0.01 per share ("CLASS B STOCK") (in the case of the Founders), or Class C Common Stock, par value $0.01 per share ("CLASS C STOCK") (in the case of Liberty Global), (b) the Company will acquire United by means of a merger of Merger Sub with and into United, and (c) Liberty Media will contribute, or cause to be contributed, cash and certain debt securities to the Company in exchange for additional shares of Class C Stock; and

WHEREAS, Liberty UCOMA is a "Contributing Party" for purposes of the Merger Agreement; and

WHEREAS, it is a condition precedent to the closing of the transactions contemplated by the Merger Agreement that the parties hereto execute and deliver this Agreement;

NOW THEREFORE, in consideration of the premises, mutual promises and covenants contained in this Agreement and intending to be legally bound, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 DEFINITIONS.

Terms defined in the Merger Agreement are used herein as therein defined except as otherwise indicated below. In addition, the following terms, as used herein, have the following meanings:

"AGREEMENT" has the meaning set forth in the preamble hereof.

"CLASS A STOCK" means the Company's Class A Common Stock, par value $0.01 per share.

"CLASS B STOCK" has the meaning set forth in the recitals hereof.

"CLASS C STOCK" has the meaning set forth in the recitals hereof.

"COMPANY" has the meaning set forth in the preamble hereof.

"DEMAND REGISTRATION" means a registration under the Securities Act requested in accordance with Section 2.1.

"FOUNDERS" has the meaning set forth in the recitals hereof.

"INITIAL AMOUNT" means the number of shares of Class A Stock beneficially owned (within the meaning of Rule 13d-3 promulgated under the Exchange Act) by the Liberty Holders, calculated without giving effect to any conditions to or restrictions on the conversion of any securities of the Company, immediately following the Closing (as adjusted for stock splits, reverse splits, stock dividends, reclassifications, recapitalizations and similar events affecting the Class A Stock).

"LIBERTY GLOBAL" has the meaning set forth in the preamble hereof.

"LIBERTY HOLDERS" means each of Liberty Media, Liberty Global, Liberty UCOMA, their respective Affiliates and any direct or indirect transferee of any Registrable Securities held by any of such Persons.

"LIBERTY MEDIA" means Liberty Media Corporation, a Delaware corporation, and any successor (by merger, consolidation, transfer or otherwise) to all or substantially all of its assets.

"LIBERTY UCOMA" has the meaning set forth in the preamble hereof.

"LMINT" has the meaning set forth in the recitals hereof.

"MERGER AGREEMENT" has the meaning set forth in the recitals hereof.

"MERGER SUB" has the meaning set forth in the recitals hereof.

"PIGGYBACK REGISTRATION" has the meaning set forth in Section 2.2.

"REGISTRABLE SECURITIES" means all securities of the Company or of any successor to the Company (by reason of merger, share exchange, sale of all or substantially all the assets of the Company or otherwise) now owned or hereafter acquired by any Liberty Holder. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when (i) such securities shall have been transferred or disposed of pursuant to an effective registration statement under the Securities Act or an exemption from the registration requirements of the Securities Act, new certificates therefor not bearing a legend restricting further transfer shall

have been delivered by the Company and the subsequent transfer or disposition of such securities shall not require their registration or qualification under the Securities Act or any similar state law then in force or (ii) such securities shall have ceased to be outstanding.

"REQUESTING HOLDERS" means the Liberty Holders requesting a Demand Registration and shall include Liberty Holders deemed "Requesting Holders" pursuant to Section 2.1(c).

"RULE 144" means Rule 144 (or any successor rule of similar effect) promulgated under the Securities Act.

"SELLING HOLDER" means any Liberty Holder that is selling Registrable Securities pursuant to a public offering registered hereunder.

"SHELF REGISTRATION" means a registration of shares to be sold on a continuous or delayed basis pursuant to Rule 415 under the Securities Act (or any successor provision thereto).

"UNDERWRITER" means a securities dealer that purchases any Registrable Securities as principal and not as part of such dealer's market-making activities.

"UNITED" has the meaning set forth in the recitals hereof.

1.2 INTERNAL REFERENCES

Unless the context indicates otherwise, references to Articles, Sections and paragraphs shall refer to the corresponding articles, sections and paragraphs in this Agreement, and references to the parties shall mean the parties to this Agreement.

ARTICLE II

2.1 DEMAND REGISTRATION.

(a) Liberty Media or its designee, on behalf of the Liberty Holders, shall be entitled to make written requests from time to time for Demand Registration of all or any part of the Registrable Securities held by the Liberty Holders, provided that each such Demand Registration must be in respect of Registrable Securities representing not less than the lower of (A) 10% of the Initial Amount or, with respect to Registrable Securities other than shares of Class A Stock, a number of such other securities having a fair market value (based on the average of the closing prices of such securities on the principal stock exchange or interdealer quotation system on which such securities are traded for the five consecutive trading days immediately preceding the date of the written request for such Demand Registration or, if such securities are not publicly traded, as determined in good faith by the Company's Board of Directors) equal to at least 10% of the product of (x) the Initial Amount, MULTIPLIED BY (y) the average of the closing prices of the Class A Stock on the principal stock exchange or interdealer quotation system on which the Class A Stock is traded for the same five trading day period or (B) all of the Registrable Securities held by the Liberty Holders. Notwithstanding the foregoing,

the Company shall not be obligated to effect more than a total of five (5) Demand Registrations and Liberty Media and any designee of Liberty Media may make no more than two requests for a Demand Registration in any 12-month period.

(b) Any request for a Demand Registration will specify the aggregate number and kind of Registrable Securities proposed to be sold and will also specify the intended method of disposition thereof. A registration will not count as a Demand Registration until it has become effective and at least 90% of the Registrable Securities requested to be included in such Demand Registration have been registered and sold.

(c) Upon receipt of any request for a Demand Registration by Liberty Media or its designee, the Company shall promptly (but in any event within ten days) give written notice of such proposed Demand Registration to each of the Liberty Holders that, according to the stock transfer book of the Company, holds Registrable Securities, and all such Liberty Holders (including their respective direct or indirect transferees) shall have the right, exercisable by written notice to the Company within 20 days of their receipt of the Company's notice, to elect to include in such Demand Registration such portion of their Registrable Securities as they may request. All such Persons requesting to have their Registrable Securities included in a Demand Registration in accordance with the preceding sentence shall be deemed to be "Requesting Holders" for purposes of this Section 2.1.

(d) If Liberty Media or its designee so elects, the offering of such Registrable Securities pursuant to such Demand Registration shall be in the form of a "firm commitment" underwritten offering. The Company shall have the right to select the Underwriters to be used in connection with any offering under this Section 2.1, provided that such Underwriters, including the managing Underwriters, shall be reasonably satisfactory to the Requesting Holders that hold a majority of the Registrable Securities requested to be included in such Demand Registration. Any request for Demand Registration may specify that Registrable Securities are to be sold pursuant to a Shelf Registration.

(e) The Company will have the right to preempt any Demand Registration with a primary registration by giving written notice, within ten Business Days after the request for such Demand Registration was given, of such intention to Liberty Media indicating that the Company has identified a specific business need and use for the proceeds of the sale of such securities and had contemplated such sale of securities prior to the date such written request was given, and the Company shall use commercially reasonable efforts to effect a primary registration within 90 days of such notice. In the ensuing primary registration, the Liberty Holders will have the Piggyback Registration rights set forth in Section 2.2 hereof. If the Company thereafter decides to abandon its intention to pursue such sale of securities, it shall give notice thereof to Liberty Media within two Business Days following the Company's decision. The Company may exercise the right to preempt a Demand Registration only once in each 360-day period; provided, that during each 360-day period the Company shall use its reasonable best efforts to permit a period of at least 180 consecutive days during which the Liberty Holders may effect a Demand Registration.

(f) If a Demand Registration involves an underwritten offering and the managing Underwriter(s) advise the Company and the Requesting Holders in writing that, in its

opinion, the number of securities requested to be included in such registration (including securities of the Company that are not Registrable Securities) exceeds the number that can be sold in such offering without adversely affecting the price of the offering, the Company will include in such registration the Registrable Securities requested to be included in such registration. If the number of Registrable Securities requested to be included in such registration exceeds the number that, in the opinion of such managing underwriter, can be sold in such offering, the number of such Registrable Securities to be included in such Demand Registration shall be allocated pro rata among all Requesting Holders on the basis of the relative number of Registrable Securities then held by each such Requesting Holder (provided that the number of Registrable Securities thereby allocated to any Requesting Holder for inclusion in such Demand Registration that exceeds such Requesting Holder's request shall be reallocated among the remaining Requesting Holders in like manner) or in such other manner as the Requesting Holders may agree. If the number of Registrable Securities requested to be included in such Demand Registration is less than the number that, in the opinion of the managing Underwriter(s), can be sold in such offering without adversely affecting the price of the offering, the Company may include in such registration the securities the Company proposes to sell up to the number of securities that, in the opinion of the managing Underwriter(s), can be so sold in such offering. If the number of Registrable Securities requested to be included in such Demand Registration plus the number of securities proposed to be included in such Demand Registration by the Company is less than the number that, in the opinion of the managing Underwriter(s), can be sold in such offering without adversely affecting the price of the offering, the securities requested to be included in such Demand Registration by other Persons whose requests have been approved by the Company may be included in such Demand Registration up to the number of securities that, in the opinion of the managing Underwriter(s), can be so sold. If any Registrable Securities requested to be registered pursuant to a Demand Registration under this Section 2.1 are excluded from registration hereunder, then the Liberty Holder(s) having Registrable Securities excluded shall have the right to withdraw all, or any part, of their Registrable Securities from such registration prior to its effectiveness.

2.2 PIGGYBACK REGISTRATION

(a) If the Company proposes to file a registration statement under the Securities Act with respect to an offering of securities for the account of any Person other than a Liberty Holder or for its own account (other than a registration statement on Form S-4 or S-8 (or any substitute form that may be adopted by the Commission)), the Company shall give written notice of such proposed filing to the Liberty Holders as soon as reasonably practicable (but in no event less than 15 days before the anticipated filing date), undertaking to provide each Liberty Holder the opportunity to register on the same terms and conditions such number of Registrable Securities as such Liberty Holder may request (a "PIGGYBACK REGISTRATION"). Each Liberty Holder will have five Business Days after any such notice is given to notify the Company as to whether it wishes to participate in a Piggyback Registration (which notice shall not be deemed to be a request for a Demand Registration); provided that should a Liberty Holder fail to provide timely notice to the Company, such Holder will forfeit any rights to participate in the Piggyback Registration with respect to such proposed offering. If the registration statement is filed on behalf of a Person other than the Company, the Company will use its best efforts to have the amount of Registrable Securities that the Liberty Holders wish to sell included in the registration statement. If the Company or the Person for whose account such offering is being made shall

determine in its sole discretion not to register or to delay the proposed offering, the Company may, at its election, provide written notice of such determination to the Liberty Holders and (i) in the case of a determination not to effect the proposed offering, shall thereupon be relieved of the obligation to register such Registrable Securities in connection therewith, and (ii) in the case of a determination to delay a proposed offering, shall thereupon be permitted to delay registering such Registrable Securities for the same period as the delay in respect of the proposed offering. If the Piggyback Registration involves an underwritten public offering, any Liberty Holder that requested that Registrable Securities be included therein may elect, by written notice given to the Company prior to the effective date of the registration statement therefor, not to register such Registrable Securities in connection with such Piggyback Registration. As between the Company and the Selling Holders, the Company shall be entitled to select the Underwriters in connection with any Piggyback Registration.

(b) If a Piggyback Registration involves an underwritten offering and the managing Underwriter(s) advise the Company in writing that, in its opinion, the amount of securities requested to be included in such registration by all selling securityholders and the Company, if applicable, exceeds the amount which can be sold in such offering without adversely affecting the price of such offering, then the Company will include in such Piggyback Registration (A) if such Piggyback Registration relates to a primary offering initiated by the Company, (i) first, the securities proposed to be sold by the Company, (ii) second, to the extent the number of securities proposed to be included in such Piggyback Registration by the Company is less than the number of securities which the Company has been advised by the managing Underwriter(s) can be sold in such offering without having the adverse effect referred to above, the Registrable Securities requested to be included in such Piggyback Registration by the Liberty Holders (provided that if the number of such Registrable Securities, in combination with the number of securities proposed to be included in such Piggyback Registration by the Company, exceeds the number which the Company has been advised can be sold in such offering without having the adverse effect referred to above, the number of such Registrable Securities included in such Piggyback Registration shall be allocated pro rata among all such Liberty Holders on the basis of the relative number of Registrable Securities that each of the Liberty Holders has requested to be included in such Piggy Registration or in such other manner as such Liberty Holders may agree); and (B) if such Piggyback Registration relates to a secondary offering initiated by any Person other than a Liberty Holder, (i) first, the securities requested to be included in such registration by such other Person (to the extent that the number of such securities does not exceed the number of securities which the Company has been advised by the managing Underwriter(s) can be sold in such offering without having the adverse effect described above), (ii) second, to the extent the number of securities requested to be included in such registration by such other Person is less than the number of securities which the Company has been advised by the managing Underwriter(s) can be sold in such offering without having the adverse effect referred to above, the Registrable Securities requested to be included in such Piggyback Registration by the Liberty Holders (provided that if the number of such Registrable Securities, in combination with the securities of such other Person to be included in such Piggyback Registration, exceeds the number which the Company has been advised by the managing Underwriter(s) can be sold in such offering without having the adverse effect referred to above, the number of such Registrable Securities of the Liberty Holders included in such Piggyback Registration shall be allocated pro rata among all such Liberty Holders on the basis of the relative number of Registrable Securities each such Liberty Holder has requested to be

included in such Piggyback Registration or in such other manner as such Liberty Holders may agree) and (iii) third, to the extent the sum of the number of securities requested to be included in such Piggyback Registration by such other Person plus the number of Registrable Securities proposed to be included in such Piggyback Registration by the Liberty Holders is less than the number of securities which the Company has been advised by the managing Underwriter(s) can be sold in such offering without having the adverse effect referred to above, the securities proposed to be sold by the Company (to the extent that the number of such securities does not exceed, in combination with the securities of such other Person and the Liberty Holders to be included in such Piggyback Registration, the number of securities which the Company has been advised by the managing Underwriter(s) can be sold in such offering without having the adverse effect described above). If as a result of the provisions of this Section 2.2(b) any Liberty Holder is not entitled to include all Registrable Securities in a Piggyback Registration that such Liberty Holder has requested to be so included, such Liberty Holder may withdraw such Liberty Holder's request to include Registrable Securities in such Piggyback Registration prior to its effectiveness.

(c) The Company shall not grant any piggyback registration or similar rights to any Person that would provide such Person with piggyback registration or similar rights that are senior to or pari passu with the rights granted to the Liberty Holders hereunder.

ARTICLE III

REGISTRATION PROCEDURES

3.1 FILINGS; INFORMATION

In connection with the registration and offering of Registrable Securities pursuant to Sections 2.1 and 2.2 hereof, the Company will use its reasonable best efforts to effect the registration and offering of such Registrable Securities as promptly as is reasonably practicable, and in connection with any such request:

(a) The Company will expeditiously prepare and file with the Commission a registration statement on any form for which the Company then qualifies and that counsel for the Company shall deem appropriate and available for the sale of the Registrable Securities to be registered thereunder in accordance with the intended method of distribution thereof, and use its reasonable best efforts to cause such filed registration statement to become and remain effective for such period, not to exceed 180 days (or two years, in the case of a Shelf Registration), as may be reasonably necessary to effect the sale of the Registrable Securities registered thereunder; PROVIDED that if the Company shall furnish to the Selling Holders a certificate signed by the Company's Chairman, President or any Executive Vice-President or Vice-President stating that the Company's Board of Directors has determined in good faith that it would be detrimental or otherwise disadvantageous to the Company or its stockholders for such a registration statement to be filed as expeditiously as possible or for Registrable Securities to be offered pursuant to an effective Shelf Registration, because the disclosure of information in any related prospectus or prospectus supplement would materially interfere with any acquisition, financing or other material event or transaction which is then intended and the public disclosure of which at the time would be materially prejudicial to the Company, the Company may postpone the filing or

effectiveness of a registration statement or any offering of Registrable Securities pursuant to an effective Shelf Registration for a period of not more than 90 days; PROVIDED that during each 360-day period the Company shall use its reasonable best efforts to permit a period of at least 180 consecutive days during which the Company will effect the registration of Registrable Securities or any offering of Registrable Securities pursuant to an effective Shelf Registration in accordance with this Agreement; and PROVIDED, FURTHER, that if (i) the effective date of any registration statement filed pursuant to a Demand Registration would otherwise be at least 45 calendar days, but fewer than 90 calendar days, after the end of the Company's fiscal year, and (ii) the Securities Act requires the Company to include audited financials as of the end of such fiscal year, the Company may delay the effectiveness of such registration statement for such period as is reasonably necessary to include therein its audited financial statements for such fiscal year.

(b) The Company will, if requested, prior to filing such registration statement or any amendment or supplement thereto, furnish to the Selling Holders, and each applicable managing Underwriter, if any, copies thereof, and thereafter furnish to the Selling Holders and each such Underwriter, if any, such number of copies of such registration statement, amendment and supplement thereto (in each case including all exhibits thereto and documents incorporated by reference therein) and the prospectus included in such registration statement (including each preliminary prospectus) as the Selling Holders or each such Underwriter may reasonably request in order to facilitate the sale of the Registrable Securities by the Selling Holders.

(c) After the filing of the registration statement, the Company will promptly notify the Selling Holders of any stop order issued or, to the Company's knowledge, threatened to be issued by the Commission and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered.

(d) The Company will use its commercially reasonable efforts to qualify the Registrable Securities for offer and sale under such other securities or blue sky laws of the appropriate jurisdictions in the United States; keep each such registration or qualification (or exemption therefrom) effective during the period in which such registration statement is required to be kept effective; and do any and all other acts and things which may be reasonably necessary or advisable to enable each Selling Holder to consummate the disposition of the Registrable Securities owned by such Selling Holder in such jurisdictions; provided that the Company will not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph 3.1(d), (ii) subject itself to taxation in any such jurisdiction or (iii) consent to general service of process in any such jurisdiction.

(e) The Company will as promptly as is practicable notify the Selling Holders, at any time when a prospectus relating to the sale of the Registrable Securities is required by law to be delivered in connection with sales by an Underwriter or dealer, of the occurrence of any event requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and promptly make available to the Selling Holders and to the Underwriters any such supplement or amendment. Upon receipt of any notice of the

occurrence of any event of the kind described in the preceding sentence, Selling Holders will forthwith discontinue the offer and sale of Registrable Securities pursuant to the registration statement covering such Registrable Securities until receipt by the Selling Holders and the Underwriters of the copies of such supplemented or amended prospectus and, if so directed by the Company, the Selling Holders will deliver to the Company all copies, other than permanent file copies then in the possession of Selling Holders, of the most recent prospectus covering such Registrable Securities at the time of receipt of such notice. If the Company shall give such notice, the Company shall extend the period during which such registration statement shall be maintained effective as provided in Section 3.1(a) hereof by the number of days during the period from and including the date of the giving of such notice to the date when the Company shall make available to the Selling Holders such supplemented or amended prospectus.

(f) The Company will enter into customary agreements (including an underwriting agreement in customary form) and take such other actions (including, without limitation, participation in road shows and investor conference calls) as are required in order to expedite or facilitate the sale of such Registrable Securities.

(g) At the request of any Underwriter in connection with an underwritten offering the Company will furnish (i) an opinion of counsel, addressed to the Underwriters, covering such customary matters as the managing

Underwriter may reasonably request and (ii) a comfort letter or comfort letters from the Company's independent public accountants covering such customary matters as the managing Underwriter may reasonably request.

(h) If requested by the managing Underwriter or any Selling Holder, the Company shall promptly incorporate in a prospectus supplement or post-effective amendment such information concerning the Underwriters or Selling Holders as the managing Underwriter or any Selling Holder reasonably requests to be included therein, including without limitation, with respect to the Registrable Securities being sold by such Selling Holder, the purchase price being paid therefor by the Underwriters and with respect to any other terms of the underwritten offering of the Registrable Securities to be sold in such offering, and promptly make all required filings of such prospectus supplement or post effective amendment.

(i) The Company shall promptly make available for inspection by any Selling Holder or Underwriter participating in any disposition pursuant to any registration statement, and any attorney, accountant or other agent or representative retained by any such Selling Holder or Underwriter (collectively, the "INSPECTORS"), all financial and other records, pertinent corporate documents and properties of the Company (collectively, the "RECORDS"), as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers, directors and employees to supply all information requested by any such Inspector in connection with such registration statement; provided, however, that unless the disclosure of such Records is necessary to avoid or correct a misstatement or omission in the registration statement or the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction, the Company shall not be required to provide any information under this subparagraph (i) if (A) the Company believes, after consultation with counsel for the Company, that to do so would cause the Company to forfeit an attorney-client privilege that was applicable to such information or (B) if either (1) the Company has requested and been granted from the Commission confidential treatment of such information contained in any filing with the

Commission or documents provided supplementally or otherwise or (2) the Company reasonably determines in good faith that such Records are confidential and so notifies the Inspectors in writing, unless prior to furnishing any such information with respect to (A) or (B) such Holder of Registrable Securities requesting such information agrees to enter into a confidentiality agreement in customary form and subject to customary exceptions; provided further, however, that each Holder of Registrable Securities agrees that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential.

(j) The Company shall cause the Registrable Securities included in any registration statement to be (i) listed on each securities exchange, if any, on which similar securities issued by the Company are then listed, or (ii) authorized to be quoted and/or listed (to the extent applicable) on the Nasdaq National Market if the Registrable Securities so qualify.

(k) The Company shall provide a CUSIP number (if one has not already been provided) for the Registrable Securities included in any registration statement not later than the effective date of such registration statement.

(l) The Company shall cooperate with each Selling Holder and each Underwriter participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with the National Association of Securities Dealers, Inc.

(m) The Company shall during the period when the prospectus is required to be delivered under the Securities Act, promptly file all documents required to be filed with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act.

(n) The Company will make generally available to its security holders, as soon as reasonably practicable, an earnings statement covering a period of 12 months, beginning within three months after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder.

The Company may require Selling Holders promptly to furnish in writing to the Company such information regarding such Selling Holders, the plan of distribution of the Registrable Securities and other information as the Company may from time to time reasonably request or as may be legally required in connection with such registration.

3.2 REGISTRATION EXPENSES

In connection with any registration effected hereunder, the Company shall pay all expenses incurred in connection with such registration (the "REGISTRATION EXPENSES") including the following: (i) registration and filing fees with the Commission and the National Association of Securities Dealers, Inc., (ii) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities), (iii) printing expenses, (iv) fees and expenses incurred in connection with the listing or quotation of the Registrable Securities, (v) fees and

expenses of counsel to the Company and the reasonable fees and expenses of independent certified public accountants for the Company (including fees and expenses associated with the special audits or the delivery of comfort letters), (vi) the reasonable fees and expenses of any additional experts retained by the Company in connection with such registration, (vii) all roadshow costs and expenses not paid by the Underwriters and (viii) the reasonable fees and expenses of counsel for the Selling Holders. The Company shall not be responsible for any underwriting discounts, selling commissions or stock transfer taxes applicable to the sale of Registrable Securities.

ARTICLE IV

INDEMNIFICATION AND CONTRIBUTION

4.1 INDEMNIFICATION BY THE COMPANY

The Company agrees to indemnify and hold harmless each Selling Holder and its Affiliates and their respective officers, directors, partners, stockholders, members, employees, agents and representatives and each Person (if

any) that controls a Selling Holder within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages, liabilities, costs and expenses (including reasonable attorneys' fees) caused by, arising out of, resulting from or related to any untrue statement or alleged untrue statement of a material fact contained or incorporated by reference in any registration statement or prospectus relating to the Registrable Securities (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) or any preliminary prospectus, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities are caused by or based upon any information furnished in writing to the Company by or on behalf of such Selling Holder expressly for use therein or by the Selling Holder's failure to deliver a copy of the final prospectus after the Company has furnished the Selling Holder with copies of the same and such final prospectus corrected errors or omissions in a preliminary prospectus that are the basis of such losses, claims, damages or liabilities. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of any Selling Holder or its Affiliates and shall survive the transfer of the Registrable Securities by such Selling Holder.

4.2 INDEMNIFICATION BY SELLING HOLDERS

Each Selling Holder agrees to indemnify and hold harmless the Company, its officers and directors, and each Person, if any, that controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to each Selling Holder, but only with reference to information furnished in writing by or on behalf of such Selling Holder expressly for use in any registration statement or prospectus relating to the Registrable Securities, or any amendment or supplement thereto, or any preliminary prospectus. Each such Selling Holder's liability under this Section 4.2 shall be limited to an amount equal to the net proceeds (after deducting the underwriting discount and expenses) received by such Selling Holder from the sale of such

Registrable Securities by such Selling Holder. The obligation of each Selling Holder shall be several and not joint.

4.3 CONDUCT OF INDEMNIFICATION PROCEEDINGS

In case any proceeding (including any governmental investigation) shall be instituted involving any Person in respect of which indemnity may be sought pursuant to Section 4.1 or Section 4.2, such Person (the "INDEMNIFIED PARTY") shall promptly so notify the Person against whom such indemnity may be sought (the "INDEMNIFYING PARTY") in writing; PROVIDED that the failure of the Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Article IV with respect to such proceeding except to the extent that the Indemnifying Party is actually and materially prejudiced by such failure to give notice. The Indemnifying Party shall be entitled to participate in such proceeding and, subject to the following sentence, assume the defense thereof with counsel retained by the Indemnifying Party (the fees and expenses of which counsel shall be paid by the Indemnifying Party) provided that such counsel is reasonably satisfactory to the Indemnified Party. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but, after notice from the Indemnifying Party of its election to assume the defense of such proceeding and of its retention of counsel reasonably satisfactory to the Indemnified Party whose representation of the Indemnified Party would not present such counsel with a conflict of interest, the Indemnifying Party shall not be liable for the fees and expenses of separate counsel retained by the Indemnified Party subsequently incurred in connection with the defense of such proceeding (other than reasonable costs of investigation), unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed to the retention of such separate counsel or (ii) the named parties to or targets of any such proceeding (including any impleaded parties) include both the Indemnified Party and the Indemnifying Party and the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it which are different from or additional to those available to the Indemnifying Party (in which case the Indemnifying Party shall not be entitled to assume the defense of such proceeding on the Indemnified Party's behalf). It is understood that the Indemnifying Party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) at any time for all such Indemnified Parties, and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such separate firm for the Indemnified Parties, such firm shall be designated in writing by the Indemnified Parties. The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent (not to be unreasonably withheld), or if there be a final judgment for the plaintiff, the Indemnifying Party shall indemnify and hold harmless such Indemnified Parties from and against any loss or liability (to the extent stated above) by reason of such settlement or judgment. No Indemnifying Party will consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to the Indemnified Party of a release from all liability in respect of such claim or proceeding.

4.4 CONTRIBUTION

If the indemnification provided for in this Article IV is unavailable to an Indemnified Party in respect of any losses, claims, damages or liabilities in respect of which indemnity is to

be provided hereunder, then each such Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall to the fullest extent permitted by law contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities in such proportion as is appropriate to reflect the relative fault of such party in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault of the Company and a Selling Holder shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and each Selling Holder agree that it would not be just and equitable if contribution pursuant to this Section 4.4 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Party as a result of the losses, claims, damages or liabilities referred to in the immediately preceding

paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Article IV, no Selling Holder shall be required to contribute any amount in excess of the amount by which the net proceeds of the offering (after deducting the underwriting discount and expenses) received by such Selling Holder exceeds the amount of any damages which such Selling Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

ARTICLE V

MISCELLANEOUS

5.1 PARTICIPATION IN UNDERWRITTEN REGISTRATIONS

No Person may participate in any underwritten registered offering contemplated hereunder unless such Person (a) agrees to sell its securities on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements, (b) completes and executes all questionnaires, powers of attorney, custody arrangements, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements and this Agreement and (c) furnishes in writing to the Company such information regarding such Person, the plan of distribution of the Registrable Securities and other information as the Company may from time to time request or as may be legally required in connection with such registration; provided, however, that no such Person shall be required to make any representations or warranties in connection with any such registration other than representations and warranties as to (i) such Person's ownership of his or its Registrable Securities to be sold or transferred free and clear of all liens, claims and encumbrances, (ii) such Person's power and authority to effect such transfer and (iii) such matters pertaining to compliance with securities laws as may be reasonably requested; provided

further, however, that the obligation of such Person to indemnify pursuant to any such underwriting agreements shall be several, not joint and several, among such Persons selling Registrable Securities, and the liability of each such Person will be in proportion to, and provided further that such liability will be limited to, the net amount received by such Person from the sale of such Person's Registrable Securities pursuant to such registration.

5.2 RULE 144

The Company covenants that it will file any reports required to be filed by it under the Securities Act and the Exchange Act and that it will take such further action as the Liberty Holders may reasonably request to the extent required from time to time to enable the Liberty Holders to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission. Upon the request of any Liberty Holder, the Company will deliver to such Liberty Holder a written statement as to whether it has complied with such reporting requirements.

5.3 HOLDBACK AGREEMENTS

For so long as the Liberty Holders own 10% or more of any class of capital stock of the Company, subject to their rights pursuant to Sections 2.1 and 2.2 hereof, each Liberty Holder and the Company agrees that if requested by the managing Underwriters in an underwritten public offering of equity securities of the Company (including debt securities convertible or exchangeable for such equity securities), whether for the account of the Company or another Person, it will not effect any public offer to sell, sale or distribution, including pursuant to Rule 144 under the Securities Act, of any equity security of the Company (or any such convertible or exchangeable debt security), in each case other than as part of such underwritten public offering and subject to other customary exceptions, during the seven days prior to, and during the 180-day period (or such lesser period as the managing Underwriters may require) beginning on the effective date of the registration statement for such underwritten offering (or, in the case of an offering pursuant to a Shelf Registration, the pricing date for such underwritten offering), provided that in connection with such underwritten offering each officer and director of the Company and each Founder is subject to restrictions identical to those imposed on the Liberty Holders.

5.4 TERMINATION

The registration rights granted under this Agreement will terminate at such time as there shall no longer be any Registrable Securities.

5.5 AMENDMENTS, WAIVERS, ETC.

This Agreement may not be amended, waived or otherwise modified or terminated except by an instrument in writing signed by the Company and the holders of at least 50% of the Registrable Securities then held by all the Liberty Holders.

5.6 COUNTERPARTS

This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement. Each party need not sign the same counterpart.

5.7 ENTIRE AGREEMENT

This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

5.8 GOVERNING LAW

This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of Colorado regardless of the laws that might otherwise govern under applicable principles of conflicts of law thereof.

5.9 ASSIGNMENT OF REGISTRATION RIGHTS

Each Liberty Holder may assign all or any part of its rights under this Agreement to any Person to whom such Liberty Holder sells, transfers, assigns or

pledges Registrable Securities. If a Liberty Holder shall assign its rights pursuant to this Agreement in connection with the transfer of less than all its Registrable Securities, such Liberty Holder shall also retain its rights with respect to its remaining Registrable Securities.

5.10 NOTICES

All notices, demands, requests, consents, approvals or other communications (collectively, "Notices") required or permitted to be given hereunder or that are given with respect to this Agreement shall be in writing and shall be delivered personally, telecopied (if receipt thereof is confirmed to the Person to whom sent), sent by nationally recognized overnight delivery service with charges prepaid or mailed by registered or certified mail with charges prepaid (if return receipt is requested), addressed (a) as set forth below, (b) to such other address as a party shall have specified most recently by written notice to other parties or (c) in the case of Notice to a Liberty Holder for whom an address has not been provided pursuant to this Section 5.10, to the address of such Liberty Holder as shown on the stock transfer books of the Company on the date of such Notice. Notice shall be deemed given on the date of transmission if transmitted by facsimile (with oral confirmation of receipt). Notice otherwise sent as provided herein shall be deemed given when actually delivered (or when delivery is refused) by hand, by certified mail or by overnight courier service.

TO THE COMPANY:

UnitedGlobalCom, Inc.
4643 South Ulster Street, Suite 1300
Denver, Colorado 80237
Attn: General Counsel
Telephone: (303) 770-4001
Fax: (303) 220-3117

WITH A COPY TO:

Holme Roberts & Owen LLP
1700 Lincoln Street
Suite 4100
Denver, Colorado 80237
Attn: W. Dean Salter
Telephone: (303) 861-7000
Fax: (303) 861-0200

TO THE LIBERTY HOLDERS:

Liberty Media Corporation
12300 Liberty Boulevard
Englewood, Colorado 80112
Attn: General Counsel
Telephone:(720) 875-5400
Fax: (720) 875-5268

WITH A COPY TO:

Baker Botts L.L.P.
599 Lexington Avenue
New York, New York 10022
Attn: Robert W. Murray Jr.
Telephone: (212) 705-5000
Fax: (212) 705-5125

and

Sherman & Howard
633 17th Street, suite 3000
Denver, Colorado 80202
Attn: Amy L. Hirter
Telephone: (303) 297-2900
Fax: (303) 298-0940

5.11 INTERPRETATION

As used herein, except as otherwise indicated herein or as the context may otherwise require, the words "include," "includes" and "including" are deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of like import; the words "hereof," "herein," "hereunder" and comparable terms refer to the entirety hereof and not to any particular article, section or other subdivision hereof or attachment hereto; any pronoun shall include the corresponding masculine, feminine and neuter forms; the singular includes the plural and vice versa; references to any agreement or other document are to such agreement or document as amended and supplemented from time to time; references to any statute or regulation are to it as amended and supplemented from time to time, and to any corresponding provisions of successor statutes or regulations; references to "Article," "Section" or another subdivision are to an article, section or subdivision hereof; and all references to "the date hereof," "the date of this Agreement" or similar terms (but excluding references to the date of execution hereof) refer to the date first above written, notwithstanding that the parties may have executed this Agreement on a later date. Any reference herein to a "day" or number of "days" (without the explicit qualification of "Business") shall be deemed to refer to a calendar day or number of calendar days. If any action or notice is to be taken or given on or by a particular calendar day, and such calendar day is not a Business Day, then such action or notice may be taken or given on the next succeeding Business Day.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be signed on its behalf by its officer thereunto duly authorized as of the date first written above.

NEW UNITEDGLOBALCOM, INC.

By: /s/ MICHAEL T. FRIES

Michael T. Fries
President

LIBERTY MEDIA CORPORATION

By: /s/ ELIZABETH M. MARKOWSKI

Elizabeth M. Markowski
Senior Vice President

LIBERTY GLOBAL, INC.

By: /s/ ELIZABETH M. MARKOWSKI

Elizabeth M. Markowski
Senior Vice President

LIBERTY UCOMA, LLC

By: /s/ ELIZABETH M. MARKOWSKI

Elizabeth M. Markowski
Senior Vice President

EXHIBIT 10.16

FORM OF PROMISSORY NOTE

_____

Denver, Colorado
_____ __, 2002

FOR VALUE RECEIVED, the undersigned, United Programming Argentina II, Inc., a Colorado corporation (the "Borrower"), hereby promises to pay to the order of LBTW I, Inc., a Colorado corporation (the "Company" and together with any of its permitted successors or assigns, the "Holder"), at 12300 Liberty Boulevard, Englewood, Colorado 80112, or at such other place as Holder may designate in writing from time to time, the principal sum of _____ ($_____) or, if less, the unpaid principal balance of such amount, with interest as set forth in this Note. Terms with initial capital letters that are not defined herein have the meaning ascribed to them in the Amended and Restated Agreement and Plan of Restructuring and Merger, dated December 31, 2001 as the same may be amended, by and among UnitedGlobalCom, Inc., New UnitedGlobalCom, Inc., United/New United Merger Sub, Inc., Liberty Media Corporation, Liberty Media International, Inc., Liberty Global, Inc., and those persons indicated as "Founders" in such agreement. The principal amount of this Note and all accrued but unpaid interest hereon shall be due and payable in full on the first anniversary hereof. The date on which this Note and all accrued but unpaid interest thereon shall be due and payable is described in this Note as the "Maturity Date."

From the date of this Note and until this Note is paid in full (whether before or after judgment), interest on the outstanding principal amount of this Note shall accrue daily at a rate equal to 8% per annum compounded quarterly. Accrued but unpaid interest on this Note shall be due and payable quarterly beginning on _____, and on each payment or prepayment of principal (each an "Interest Payment Date").

If the Maturity Date or any Interest Payment Date is not a Business Day, all amounts due and payable on the Maturity Date or such Interest Payment Date, as the case may be, shall be paid on the next Business Day. All interest shall be calculated on the basis of a year consisting of 365 days and the actual number of days elapsed until this Note is paid in full.

All payments of principal and interest in respect of this Note shall be made in immediately available funds to the order of the Holder by wire transfer to an account as may be specified from time to time by the Holder to the Borrower in writing or, at the option of the Holder, in such manner as the Holder shall have designated to the Borrower in writing.

All payments under this Note shall be credited first toward interest then accrued and the remainder toward principal. The Borrower may prepay this Note, in whole or in part, at any time without premium or penalty. All payments of the unpaid principal balance and interest will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature, unless the withholding of such taxes or duties is required by law.

The Borrower shall pay, on demand, all attorneys' fees and all other costs incurred by the Holder to enforce or construe any provision of this Note, together with interest on such amount from the date of such demand until paid, at the rate of interest payable under this Note plus an

additional 3 percent.

Borrower waives demand, presentment, protest, notice of protest, notice of dishonor, and all other notices or demands of any kind or nature with respect to this Note.

Borrower agrees that a waiver of rights under this Note shall not be deemed to be made by Holder unless such waiver shall be in writing, duly signed by Holder, and each such waiver, if any, shall apply only with respect to the specific instance involved and shall in no way impair the rights of Holder or the obligations of Borrower in any other respect at any other time.

Borrower agrees that in the event Holder demands or accepts partial payment of this Note, such demand or acceptance shall not be deemed to constitute a waiver of any right to demand the entire unpaid balance of this Note at any time in accordance with the terms of this Note.

IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE, BORROWER WAIVES (TO THE FULL EXTENT PERMITTED BY LAW) ALL RIGHT TO A TRIAL BY JURY, OR TO PLEAD AS A DEFENSE ANY STATUTE OF LIMITATIONS OR ANY OTHER SIMILAR LAW OR EQUITABLE DOCTRINE.

No delay or failure of the Holder in the exercise of any right or remedy under this Note shall be deemed a waiver of such right, and no exercise or partial exercise of any right or remedy shall be deemed a waiver of any other right or remedy that the Holder may have.

Borrower represents and warrants as of the date hereof that (i) it does not conduct any business operations, (ii) it has not taken any corporate action (other than (1) customary corporate action taken in connection with the organization of the Borrower and with the approval of this Note and agreements relating to this Note and (2) the issuance of shares to its sole stockholder), (iii) it is wholly owned, directly or indirectly, by New UnitedGlobalCom, Inc., and (iv) it has no actual or contingent liabilities or obligations (including as guarantor) of any kind or nature, whether due or to become due, whether absolute, accrued, fixed or otherwise.

Borrower further covenants and agrees not to (1) purchase, redeem or otherwise acquire securities (including its own securities), and (2) take any action to consolidate or merge with any other Person, dispose of all or substantially all of its assets to any Person (except by way of dividend to its sole stockholder), or acquire all or substantially all of the assets of any other Person.

Borrower shall not, without the prior written consent of Holder (which may be given or withheld in its sole discretion), create, incur or assume any Debt (as defined below). For purposes hereof, "Debt" shall mean any (i) indebtedness or obligations, secured or unsecured, of Borrower, (A) for borrowed money or advances of money or (B) evidenced by bonds, notes, debentures or similar instruments, and (ii) any obligations, contingent or otherwise, of Borrower guaranteeing or having the economic effect of guaranteeing any indebtedness or obligations of any other person or entity of any type referred to in clause (i).

Any of the following shall constitute an event of default ("EVENT OF DEFAULT") hereunder:

(a) a failure on the part of Borrower to make any payment of principal when due under this Note;

(b) a failure on the part of Borrower to make any payment of interest when due under this Note and such default shall continue for a period of two business days;

(c) a default in the full and timely performance of any other obligation or covenant of Borrower under this Note, which default continues without cure for two business days after Borrower has notice thereof;

(d) any default occurs, after giving effect to any applicable notice requirement or grace period, under or in connection with any obligation of Borrower (including, in respect of any securities of Borrower), exceeding $10,000 individually or in the aggregate;

(e) Borrower shall commence (or take any action for the purpose of commencing) any proceeding under any bankruptcy, reorganization, insolvency, arrangement, readjustment of debt, moratorium or similar law or statute or make (or take any action for the purpose of making) a general assignment for the benefit of its creditors or shall admit in writing its inability to pay its debts generally as they become due;

(f) a proceeding shall be commenced against Borrower under any bankruptcy, reorganization, insolvency, arrangement, readjustment of debt, moratorium or similar law or statute and relief is ordered against it, or the proceeding is controverted but is not dismissed within thirty (30) days after the commencement thereof; or

(g) Borrower consents to or suffers the appointment of a receiver, trustee or custodian to any substantial part of its assets that is not vacated within thirty (30) days after such appointment.

Borrower shall notify Holder in writing promptly following (but in any event not later than the second day following) the occurrence of any event which is, or upon notice or the expiration of any period specified above would become, an Event of Default. Such notice shall include a description of the material events related to such Event of Default or default and Borrower's plans or proposals to cure such Event of Default or default. If an Event of Default shall occur and be continuing, then Holder may declare, by notice in writing given to Borrower, all amounts in respect of principal and interest under this Note to be immediately due and payable, in which case this Note shall become immediately due and payable without presentment, demand, protest, notice of intent to accelerate, notice of acceleration or notice of any kind, all of which are hereby expressly waived; PROVIDED, HOWEVER, that when any Event of Default described in clause (e), (f) or (g) of the first sentence of this paragraph has occurred and is continuing, then all amounts in respect of principal and interest under this Note shall immediately become due and payable, without presentment, demand, protest, notice of intent to accelerate, notice of acceleration or notice of any kind, all of which are hereby expressly waived.

All agreements between Borrower and Holder, whether now existing or hereafter arising and whether written or oral, are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of demand being made on this Note or otherwise, shall the amount paid, or agreed to be paid, to Holder for the use, forbearance, or detention of the money evidenced by this Note or otherwise or for the payment or performance of any covenant or obligation contained in this Note or any other document, agreement or instrument executed in connection with this Note, exceed the maximum nonusurious interest rate as in effect from time to time that may be charged, contracted for, received or collected by Holder in connection with the transactions contemplated by and evidenced in this Note and all documents executed in connection herewith (the "HIGHEST LAWFUL RATE"). If, as a result of any circumstances whatsoever, fulfillment of any provision hereof or of any of such documents, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by applicable usury law, then, IPSO FACTO, the obligation to be fulfilled shall be reduced to the limit of such validity, and if, from any such circumstance, Holder shall ever receive interest or anything which might be deemed interest under applicable law which would exceed the Highest Lawful Rate, such amount which would be excessive interest shall be applied to the reduction of the principal amount owing on account of this Note or the amounts owing on other obligations of Borrower to Holder and not to the payment of interest, or if such excessive interest exceeds the unpaid principal balance of this Note and the amounts owing on other obligations of Borrower to Holder, as the case may be, such excess shall be refunded to Borrower. In determining whether or not the interest paid or payable under any specific contingencies exceeds the Highest Lawful Rate, Borrower and Holder shall, to the maximum extent permitted under applicable law, (a) characterize any non-principal payment as an expense, fee or premium rather than as interest; (b) exclude voluntary prepayments and the effects thereof; and (c) amortize, prorate, allocate and spread in equal parts during the period of the full stated term of this Note, all interest at any time contracted for, charged, received or reserved in connection with the indebtedness evidenced by this Note.

This Note shall be governed by and construed in accordance with the laws of the State of Colorado. The Borrower hereby submits to the jurisdiction of the United States District Court for the District of Colorado and of any court of the State of Colorado sitting in Denver, Colorado, for purposes of all legal proceedings arising out of or related to this Note. The Borrower irrevocably waives, to the fullest extent permitted by law, any objection that the Borrower may now or later have to the lack of personal jurisdiction or laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in a court has been brought in an inconvenient forum. Notwithstanding the preceding two sentences, the Holder retains the right to bring any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with this Note in any court that has jurisdiction over the Borrower and subject matter. In any such action or proceeding, Borrower waives, to the full extent permitted by law, personal service of any summons, complaint or other process and agrees that service thereof may be made by registered or certified mail to Borrower at 4643 South Ulster Street, #1300, Denver, Colorado 80237. Such service shall be deemed to be received three business days after such service is sent by registered or certified mail as set forth above.

This Note and the rights hereunder may be assigned or transferred by the Company only to a direct or indirect wholly owned subsidiary of Liberty Media Corporation, a Delaware

corporation, or Liberty Media International, a Delaware corporation (or any successor to either of the foregoing: by operation of law; in connection with any merger, consolidation, statutory share exchange, or similar transaction; or

as a result of the sale of all or substantially all of the assets of either of the foregoing). Borrower may not assign or transfer this Note or any of its obligations under this Note in any manner whatsoever.

Time is of the essence for Borrower's payments under this Note.

IN WITNESS WHEREOF, the Borrower has duly executed this Note as of the date first written above.

BORROWER:

UNITED PROGRAMMING ARGENTINA II, INC.

By:

Name:
Title:

Exhibit 23.2

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the inclusion in this registration statement on Form S-1 of our report dated December 7, 2001, on the balance sheet of New UnitedGlobalCom, Inc. (now known as UnitedGlobalCom, Inc.) as of September 30, 2001 and to all references to our firm included in this registration statement.

ARTHUR ANDERSEN LLP

Denver, Colorado
February 12, 2002

Exhibit 23.3

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the inclusion in this registration statement on Form S-1, of our report dated March 30, 2001, on the consolidated financial statements of UnitedGlobalCom, Inc. (now known as UGC Holdings, Inc.) and to all references to our firm included in this registration statement.

ARTHUR ANDERSEN LLP

Denver, Colorado
February 12, 2002

Exhibit 24.1

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Gene W. Schneider, Michael T. Fries and Frederick G. Westerman III and each of them, his or her attorneys-in-fact, with full power of substitution, for him or her in any and all capacities, to sign a registration statement to be filed with the Securities and Exchange Commission (the "Commission") on Form S-1 in connection with the registration by UnitedGlobalCom, Inc., a Delaware corporation, f/k/a New UnitedGlobalCom, Inc. (the "Company"), of equity securities, and all amendments (including post-effective amendments) thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Commission; and to sign all documents in connection with the qualification and issuance of such shares with Blue Sky authorities; granting unto said attorneys-in-fact full power and authority to perform any other act on behalf of the undersigned required to be done in the premises, hereby ratifying and confirming all that said attorneys-in-fact may lawfully do or cause to be done by virtue hereof.

Date: February 8, 2002	/s/ GENE W. SCHNEIDER --- Gene W. Schneider, CHAIRMAN, CHIEF EXECUTIVE OFFICER AND DIRECTOR
Date: February 8, 2002	/s/ ROBERT R. BENNETT --- Robert R. Bennett, DIRECTOR
Date: February 8, 2002	/s/ ALBERT M. CAROLLO --- Albert M. Carollo, DIRECTOR
Date: February 8, 2002	/s/ JOHN P. COLE, JR. --- John P. Cole, Jr., DIRECTOR
Date: February 8, 2002	/s/ VALERIE L. COVER --- Valerie L. Cover, CONTROLLER
Date: February 8, 2002	/s/ MICHAEL T. FRIES --- Michael T. Fries, PRESIDENT, CHIEF OPERATING OFFICER AND DIRECTOR
Date: February 8, 2002	/s/ GARY S. HOWARD --- Gary S. Howard, DIRECTOR
Date: February 8, 2002	/s/ JOHN C. MALONE --- John C. Malone, DIRECTOR
Date: February 8, 2002	/s/ JOHN F. RIORDAN --- John F. Riordan, DIRECTOR
Date: February 8, 2002	/s/ CURTIS W. ROCHELLE --- Curtis W. Rochelle, DIRECTOR
Date: February 8, 2002	/s/ MARK L. SCHNEIDER --- Mark L. Schneider, DIRECTOR
Date: February 8, 2002	/s/ FREDERICK G. WESTERMAN --- Frederick G. Westerman III, CHIEF FINANCIAL OFFICER
Date: February 7, 2002	/s/ TINA M. WILDES --- Tina M. Wildes, DIRECTOR