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## Liberty Global, Inc. Q4 2007 Earnings Call Transcript

### Question-and-Answer Session

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Thank you very much sir. The question-and-answer session will be conducted electronically. [Operator Instructions]. And our first question comes from Jeff Wlodarczak from

Wachovia.

**Jeff Wlodarczak - Wachovia**

Hey guys, I will limit myself to two questions. Mike do you feel very comfortable that if you grow at the low end of your 2008 revenue guidance, you will you be able to generate EBITDA growth within the range you have guided towards with that knowing on the bond, I guess in your words and then secondly, what's the reasonable long-term EBITDA margin target for you all? Thanks.

**Michael T. Fries - President and Chief Executive Officer**

Yes, I mean, it's a fair question, we give a range on revenue for a reason, because these business have variability to them and similarly we give arrange on OCF. I think there is a relationship there and what we have been -- what we have shown in the past is our ability to create additional leverage in our OpEx or admin costs or even our synergy estimates, to try to make up for any revenue shortfall. But we are not known at the bottom. We went to through this analysis for our Board not long ago and we made we showed every line item and what you'll find is that and I think Bernie might have said it.

Nearly every dollar of gross margin is dropping to the OCF line because while we are increasing SG&A along with revenue growth and while there are certain other variable expenses that will necessarily increase along with revenue growth. There is a lot of opportunity to scale our IT base to execute on synergies from acquisitions and to be more efficient in our network operations in our headcount and things of that nature. So I would say we are nowhere near the bone. We are just running the business in a smart and efficient way and making I would say the right decisions about where to prioritize capital and expense. What was your second question Jeff?

**Jeff Wlodarczak - Wachovia**

What do you think of reasonable I'm not going to hold you to in the short term of reasonable long-term EBITDA margin target is for you are. Is 50%...

**Michael T. Fries - President and Chief Executive Officer**

Pardon me, we said in the last we the EBITDA margin was up considerably. I think if you run the math on the guidance we provided you'll see that EBITDA margins will be up again next year probably north of 200 bps or more. We don't see a reason why we can't continue not necessarily that clip but

a pretty reasonable clip and I would say, I'm sure our guys want me to that, I can see it, yes close to 45% somewhere in the middle term here.

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