

# Liberty Global to sell stake to Japan's KDDI

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(AP) -- Japan's second-largest telecommunications company, KDDI Corp., said Monday it is acquiring Liberty Global Inc.'s stake in Japan's largest cable TV operator for \$4 billion in cash.

Liberty Global is selling its 37.8 percent stake in Jupiter Telecommunications Inc., known as J:Com, to KDDI in mid-February. The 2.6 million-share deal comes to 140,000 yen per share, or about \$1,550, representing a 65 percent premium to J:Com's closing stock price on Friday.

Liberty Global, an Englewood, Colo., cable [TV operator](#) whose chairman is cable pioneer John Malone, wants to focus its investments in Europe.

David Joyce, an analyst at Miller Tabak, said Japan is a mature market with less room for growth, while Europe offers "greater upside and greater opportunities for triple-play penetration" - the bundling of cable TV, Internet and phone services sold to consumers.

Meanwhile, the European Commission on Monday approved Liberty Global's acquisition of Unitymedia GmbH, Germany's second-largest cable TV operator. The \$5.2 billion deal, in cash and assumption of debt, is expected to close in a few days. Unitymedia's owners are investors led by private equity companies Apollo and BC partners.

Malone has been interested in the German market before. In 2001, he attempted to buy [Deutsche Telekom](#) AG's cable TV operations.

Malone also is chairman of Liberty Media Corp., whose investments are concentrated in the U.S., and of the U.S. satellite TV operator DirecTV Inc.

Jupiter was established in 1995 as a joint venture between Japanese trading company Sumitomo Corp. and Liberty Global, and provides Internet, cable TV and mobile phone services in Japan.

The deal allows KDDI to expand to cable TV networks, while providing telecom services to Jupiter's 3.3 million clients, KDDI said in a statement.

Amid declining demand for fixed-line phones, other Japanese telecom companies have moved to provide packaged services of video, phone and Internet.

Liberty Global has 17 million customers in 14 countries, of which 10 are in Europe.

Shares of Liberty Global were up \$1.53, or 6.5 percent, to \$25.07 in midday trading.

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