

CURRENT REPORT

of

CEQUEL COMMUNICATIONS HOLDINGS I, LLC

February 24, 2015

Pursuant to (i) Section 4.12(a) of the indenture, dated as of October 25, 2012 (the “2020 Indenture”), by and among Cequel Communications Holdings I, LLC, a Delaware limited liability company (“Cequel”) (as successor by merger to Cequel Communications Escrow I, LLC), Cequel Capital Corporation, a Delaware corporation (“Cequel Capital” and, together with Cequel, the “Issuers”) (as successor by merger to Cequel Communications Escrow Capital Corporation), and U.S. Bank National Association, as trustee (the “Trustee”), relating to the Issuers’ 6.375% Senior Notes due 2020 (the “2020 Notes”), (ii) Section 4.12(a) of the indenture, dated as of May 16, 2013 (the “2021 Indenture”), by and among Cequel, Cequel Capital, and the Trustee, relating to the Issuers’ 5.125% Senior Notes due 2021 (the “2021 Notes”) and (iii) Section 4.12(a) of the indenture, dated as of September 9, 2014 (the “2021 Mirror Indenture” and, together with the 2020 Indenture and the 2021 Indenture, the “Indentures”), by and among Cequel, Cequel Capital, and the Trustee, relating to the Issuers’ 5.125% Senior Notes due 2021 (the “2021 Mirror Notes” and, together with the 2020 Notes and the 2021 Notes, the “Notes”), Cequel is furnishing the information contained herein to holders of the Notes. Cequel does business through its subsidiaries as Suddenlink Communications (“Suddenlink”).

Earnings Release for the Three and Twelve Months Ended December 31, 2014

On February 24, 2015, Cequel issued a press release reporting its financial results for the three and twelve months ended December 31, 2014 (the “Earnings Announcement”). A copy of the Earnings Announcement is attached to this Current Report as Exhibit 99.1.

Replay of Earnings Call

On February 24, 2015, Cequel held a conference call to discuss its financial results for the three and twelve months ended December 31, 2014. A replay of the call is available on Cequel’s website (www.suddenlink.com).

SIGNATURES

Pursuant to the requirements of Section 4.12(a) of each of the Indentures, Cequel has duly caused this Current Report to be signed on its behalf by the undersigned hereunto duly authorized.

CEQUEL COMMUNICATIONS HOLDINGS I, LLC

By: _____


Name: James B. Fox

Title: Senior Vice President and
Chief Accounting Officer

Date: February 24, 2015

Exhibit 99.1

Press Release Attached Starting on the Next Page

Suddenlink Reports Fourth Quarter and Full Year 2014 Financial and Operating Results

Grew Q4 revenue 5.6% year-over-year, highlighted by high-speed Internet revenue growth of 15.8%

Set new record for customer relationship net gain in 2014, more than tripling prior year's record

Retained 99.7% of customer relationships and 99.2% of PSUs in Q4, following Viacom decision

FOR IMMEDIATE RELEASE

ST. LOUIS (February 24, 2015) – Cequel Communications Holdings I, LLC (“Cequel,” and together with its subsidiaries, the “Company” or “Suddenlink”) today reported a strong quarter of performance, including year-over-year growth in revenue, Adjusted EBITDA, customer relationships and ARPU.

The company also made a number of important strategic decisions during the quarter, including its initial investments in Operation GigaSpeed (as defined herein), the project to deliver 1 Gigabit Internet service; the substantial completion of Operation Reliant, on schedule and under budget; and the termination of its relationship with Viacom.

Suddenlink Chairman and CEO Jerry Kent said: "We're very pleased with the performance of our business. We gained new customers at a record pace last year and maintained existing customer relationships during a period of significant change. These results are a remarkable accomplishment by any measure and reinforce that we continue to make the right, long-term strategic decisions for our customers and company.

"We took a stand on run-away programming costs and rejected the notion that content providers are entitled to unjustified cost increases. Viacom attempted to impose such cost increases for content that has suffered significant ratings declines. We said no and the results since then show that it was the right decision. We retained 99.7% of customer relationships in the fourth quarter. Video customer losses were in line with expectations and, overall, we've performed better than expected. As a result we believe we have successfully challenged the current video business model, proving that our programming partners must deliver value to our customers in line with what they charge.

"During the quarter, we also made the first investments in Operation GigaSpeed, our plan to bring next-generation broadband to the suburban and rural communities we serve, well before such a service is provided in many larger metropolitan markets. We believe Operation GigaSpeed will help us retain our strategic advantage of providing a superior broadband service for many years to come."

Operating results and metrics and year-over-year changes described below are presented on a pro forma basis to include the cable systems acquired from Northland Communications (“Northland”) on January 2, 2014, and the cable systems acquired from NewWave Communications (“New Wave”) on October 1, 2014.

Fourth Quarter and Full Year Highlights

- Fourth quarter revenue of \$592.1 million grew 5.6% compared to the fourth quarter of the prior year, highlighted by high-speed Internet revenue growth of 15.8%. Revenue for the full year 2014 of \$2,333.0 million grew 6.0% compared to the full year 2013.
- Commercial revenue for the fourth quarter grew 12.6% versus the fourth quarter 2013, including 16.1% year-over-year growth in our commercial high-speed data, telephone and on-net carrier revenue on a combined basis. Commercial revenue for the full year grew 12.0% compared to the full year 2013, including 17.5% growth in our commercial high-speed data, telephone and on-net carrier revenue on a combined basis.

- Before the impact of non-recurring expense, Adjusted EBITDA (as defined herein) for the fourth quarter and full year 2014 was \$239.4 million and \$904.8 million, respectively, representing growth of 8.1% and 6.1%, respectively, compared to the same periods in the prior year. Adjusted EBITDA for the fourth quarter and full year 2014, after the impact of non-recurring expense, which was primarily associated with our telephone platform migration, was \$233.5 million and \$888.3 million, representing growth of 6.0% and 5.1%, respectively, compared to the same periods in the prior year.
- Free Cash Flow (as defined herein) of \$237.4 million for the full year 2014 increased \$21.7 million compared to the full year 2013, an increase of 10.1%.
- Total average monthly revenue per basic video customer ("ARPU") for the fourth quarter 2014 was \$171.05, an increase of 9.3% compared to the fourth quarter of the prior year.
- Total residential customer relationships were 1,427,200 at December 31, 2014, an increase of 32,000, or 2.3%, from December 31, 2013, marking the fifth consecutive year of residential customer relationships growth.
- Including commercial, PSUs (as defined herein) were 2,938,900, an increase of 75,600, or 2.6%, over the prior year. Including commercial, RGUs (as defined herein) were 3,810,800, an increase of 74,600, or 2.0%, from December 31, 2013.
- Triple play residential customer relationships represented 27.8% of total residential customer relationships at December 31, 2014, an increase from 26.9% at December 31, 2013.
- Non-video residential customers represented 26.4% of total residential customer relationships at December 31, 2014, and increased 28.1% compared to the prior year.
- Completed telephone line migrations for Operation Reliant (as defined herein), moving over 700,000 residential and commercial telephone lines onto our own internal platform.
- Completed initial phases of Operation GigaSpeed, raising the flagship high-speed Internet speeds in markets serving nearly half of our high-speed Internet customers to 50 megabits per second ("Mbps").

Viacom

The company was unable to reach an agreement with Viacom on acceptable economic terms for a long-term contract renewal, and effective October 1, 2014, all Viacom networks were removed from Suddenlink's channel lineups. The company subsequently launched alternative networks offered by other programmers under new long-term contracts. The company estimates that net video losses in the fourth quarter attributable to the loss of Viacom networks were approximately 2.0% to 2.5%, which was in line with the company's expectations. In addition, most customers disconnecting video service because of the loss of Viacom channels chose to keep other, non-video services.

"The decision regarding Viacom reflects our commitment to protect our customers and offer them the best value we can," said Mr. Kent. "We're confident we made the right business decision as we adapt to changing industry dynamics."

Fourth Quarter 2014 Compared to Fourth Quarter 2013

Fourth quarter 2014 revenue increased 5.6%, largely attributable to the increase in residential high-speed Internet revenue; growth in revenue from our commercial business, including carrier services; growth in

converter rental revenue for high-definition television ("HDTV") and digital video recorder ("DVR") capable digital converters; and growth in advertising revenue.

Video service revenue decreased 1.2% due primarily to basic video customer losses in the trailing twelve months; digital customers purchasing fewer digital tiers of service on average; and decreased premium and pay-per-view revenue. Offsetting this decline, in part, was the impact of video rate increases; higher broadcast retransmission revenue; and customer growth in our digital and advanced video services, including converter rental revenue for HDTV and DVR capable digital converters.

High-speed Internet service revenue rose 15.8% due primarily to an increase in residential high-speed Internet customers; the impact of residential rate increases; the shift of customers to higher speed Internet products; growth in home networking revenue; growth in our commercial high-speed data services to small and medium sized businesses; and growth in carrier services, including fiber to the tower, and optical Internet and transport revenue.

Telephone service revenue grew 2.5% due primarily to an increase in residential telephone customers and growth in our commercial telephone services to small and medium sized businesses, offset, in part, by the impact of bundle discounts to residential customers.

Advertising revenue increased 17.1% due largely to higher national political advertising spending. Excluding political, advertising revenue increased 0.6% due to increases in national advertising revenue, offset in part by decreases in local advertising revenue.

Other revenue increased 7.8% due primarily to increases in revenue from our tower services business, as well as increases in installation revenue.

Our commercial lines of business, embedded in the video, high-speed Internet, telephone service and other revenue, described above, are comprised of commercial and bulk video, commercial high-speed data, fiber based on- and off-net carrier services, and commercial telephone. Commercial revenue totaled \$87.6 million, or 14.8% of total revenue, in the fourth quarter 2014, representing growth of 12.6% versus the fourth quarter 2013. Our commercial high-speed data, telephone and on-net carrier revenue grew 16.1% on a combined basis.

Operating costs and expenses rose 5.3%, primarily due to higher broadcast retransmission consent expense, increased labor and employee related costs, increased marketing costs, and increased non-recurring operating expense related to Operation Reliant, offset in part by a decrease in telephone subscriber line costs. Total programming costs also decreased in the fourth quarter versus the year ago quarter primarily due to the loss of basic video customers in the trailing twelve month period and lower digital, premium and pay-per-view expenses. On a cost per basic customer basis, combined basic and retransmission programming costs increased 6.5% in the fourth quarter 2014 versus the year ago quarter. Retransmission consent expense grew principally as a result of higher contractual rates charged by our broadcast vendors. Labor and employee related expense increased due to the impact of annual salary increases and headcount increases. Marketing costs increased from the impact of targeted direct mail initiatives to support our offer strategy aimed at growing our customer base, and from increased brand marketing. Telephone subscriber line costs decreased as Operation Reliant migrated customers onto our internal platform. The fourth quarter 2014 includes \$5.9 million of non-recurring expense primarily related to Operation Reliant and acquisition due diligence costs. The fourth quarter 2013 includes \$1.2 million of non-recurring expense primarily related to acquisition due diligence costs and costs associated with Operation Reliant.

Before the impact of non-recurring expense described above, Adjusted EBITDA for the fourth quarter 2014 would have been \$239.4 million, an increase of 8.1% compared to the fourth quarter last year, with an Adjusted EBITDA margin of 40.4%. After the impact of non-recurring expense, Adjusted EBITDA for

the fourth quarter 2014 was \$233.5 million, an increase of 6.0% from the same quarter last year, resulting in an Adjusted EBITDA margin of 39.4%.

Income from operations for the fourth quarter 2014 was \$75.8 million, an increase of 42.5%, compared to \$53.2 million for the fourth quarter 2013, due primarily to an increase in Adjusted EBITDA and a decrease in amortization expense, offset, in part, by an increase in depreciation expense and non-cash share based compensation expense.

Net income was \$7.4 million for the fourth quarter 2014, compared to net income of \$5.3 million for the fourth quarter 2013.

Full Year 2014 Compared to Full Year 2013

Full year revenue for 2014 increased 6.0%, largely attributable to the increase in residential high-speed Internet revenue; the impact of video rate increases; growth in converter rental revenue for HDTV and DVR capable digital converters; growth in revenue from our commercial business, including carrier services; and growth in advertising revenue.

Video service revenue increased 1.0% due primarily to the impact of video rate increases; higher broadcast retransmission revenue; and customer growth in our digital and advanced video services, including converter rental revenue for HDTV and DVR capable digital converters. Offsetting this growth, in part, was the impact of basic video customer losses in the trailing twelve months; digital customers purchasing fewer digital tiers of service on average; and decreased premium and pay-per-view revenue.

High-speed Internet service revenue rose 15.7% due primarily to an increase in residential high-speed Internet customers; the impact of residential rate increases; the shift of customers to higher speed Internet products; growth in home networking revenue; growth in our commercial high-speed data services to small and medium sized businesses; and growth in carrier services, including fiber to the tower, and optical Internet and transport revenue.

Telephone service revenue grew 1.7% due primarily to an increase in residential telephone customers and growth in our commercial telephone services to small and medium sized businesses, offset, in part, by the impact of bundle discounts to residential customers.

Advertising revenue increased 13.9% due largely to higher national political advertising spending. Excluding political, advertising revenue decreased 0.6% due to decreases in local advertising revenue, offset in part by increases in national advertising revenue.

Other revenue increased 3.2% due primarily to increases in revenue from our tower services business, as well as increases in administrative fees and installation revenue.

Commercial revenue totaled \$333.8 million, or 14.3% of total revenue, in the 2014, representing growth of 12.0% versus the 2013. Our commercial high-speed data, telephone and on-net carrier revenue grew 17.5% year-over-year on a combined basis.

Operating costs and expenses rose 6.6%, primarily due to higher programming costs, including broadcast retransmission consent expense; increased labor and employee related costs; increased marketing costs; and increased non-recurring operating expense related to Operation Reliant. Programming costs and retransmission consent expense grew principally as a result of higher contractual rates charged by our programming and broadcast vendors; new channel distribution requirements; and an increased number of digital video customers, offset in part by programming expense decreases related to the replacement of Viacom channels and decreases in premium and pay-per-view expenses. On a cost per basic customer basis, combined basic and retransmission programming costs increased 12.1% when comparing full year 2014 to full year 2013. Despite the replacement of Viacom channels, the company expects this rate of

increase per basic video customer to be in the high single digits in 2015 based on the cost of the 2014 and anticipated 2015 programming and retransmission contract renewals. Labor and employee related expense increased due to the impact of annual salary increases and headcount increases. Marketing costs increased from the impact of targeted direct mail initiatives to support our offer strategy aimed at growing our customer base. The full year 2014 includes \$16.6 million of non-recurring expense primarily related to Operation Reliant and acquisition due diligence costs. The full year 2013 includes \$8.0 million of non-recurring expense primarily related to acquisition due diligence costs and costs associated with Operation Reliant.

Before the impact of non-recurring expense described above, Adjusted EBITDA for 2014 was \$904.8 million, an increase of 6.1% compared to 2013, with an Adjusted EBITDA margin of 38.8%. After the impact of non-recurring expense, Adjusted EBITDA for 2014 was \$888.3 million, an increase of 5.1% from 2013, resulting in an Adjusted EBITDA margin of 38.1%.

Income from operations for the full year 2014 was \$258.0 million, an increase of 38.2%, compared to \$186.7 million for the full year 2013, due primarily to an increase in Adjusted EBITDA and a decrease in amortization expense, offset, in part, by an increase in depreciation expense and non-cash share based compensation expense.

Net income was \$19.0 million for 2014, compared to a net loss of \$46.4 million for 2013.

Key Operating Metrics

At December 31, 2014, Suddenlink served approximately 1,427,200 residential customers, an increase of 2.3% from the prior year. Suddenlink's RGUs were comprised of 1,138,400 basic video; 871,900 digital video; 1,149,100 residential high-speed Internet; and 547,700 residential telephone customers. Suddenlink's approximately 3.7 million RGUs as of December 31, 2014, increased 60,600, or 1.7%, over the prior year, and Suddenlink's approximately 2.8 million PSUs as of December 31, 2014, increased 61,600, or 2.2%, over the prior year. In addition, as of December 31, 2014, Suddenlink served approximately 63,700 commercial high-speed data and 40,000 commercial telephone customers, not included in our RGU or customer relationship totals. Including these commercial customers, our RGUs increased 74,600, or 2.0%, and our PSUs increased 75,600, or 2.6%, over the prior year.

Approximately 396,800 of Suddenlink's residential customers receive video, high-speed Internet, and telephone services as part of a triple play bundle, representing 27.8% of Suddenlink's total residential customer relationships, compared to 26.9% a year ago. Growth of 20,900 triple play customers from the fourth quarter 2013 represented an increase of 5.6%. Approximately 64.8% of Suddenlink's residential customers subscribe to two or more bundled services. Non-video residential customers of approximately 374,800 at December 31, 2014, represent 26.4% of total residential customer relationships, and grew 28.1%.

Suddenlink's ARPU for the fourth quarter 2014 was \$171.05, an increase of 9.3% compared to the fourth quarter 2013.

Basic video customers decreased by approximately 34,800 customers and digital video customers decreased by approximately 26,300 customers during the fourth quarter of 2014. During 2014, basic video customers decreased 4.1%. Digital video customers decreased 0.1% in 2014. Estimated basic penetration at December 31, 2014, was 36.0% of estimated homes passed. Digital penetration to basic video customers was 76.6%.

Residential high-speed Internet customers increased by approximately 11,600 during the fourth quarter 2014, and increased by approximately 78,800, or 7.4%, during 2014. At December 31, 2014, estimated residential high-speed Internet penetration was 37.3% of high-speed Internet capable homes passed. During the fourth quarter of 2014, commercial high-speed data customers increased by approximately

1,200. These commercial customers are not included in total RGU counts. Including these commercial customers, our high-speed Internet customers increased 84,800, or 7.5%, over the prior year.

Residential telephone customers decreased by approximately 800 during the fourth quarter 2014, and increased 31,900, or 6.2%, during 2014. At December 31, 2014, estimated residential telephone penetration was 20.7% of telephone capable homes passed. During the fourth quarter of 2014, commercial telephone customers increased by approximately 1,700 customers, and increased by approximately 8,000 over the trailing twelve months, or 25.0%. These commercial customers purchase 2.8 lines on average and are not included in total RGU counts. Including these commercial customers, our telephone customers increased 39,900, or 7.3%, over the prior year.

Liquidity and Capital Resources

The following discussion of liquidity and capital resources is presented on an actual basis and does not include historical pro forma adjustments reflecting the cable systems acquired from Northland on January 2, 2014 or the cable systems acquired from New Wave on October 1, 2014.

At December 31, 2014, the Company had approximately \$146.9 million of cash on hand with \$18.0 million of outstanding letters of credit, which reduced the availability under our revolving credit facility to approximately \$482.0 million.

Net cash provided by operating activities was \$183.0 million for the three months ended December 31, 2014, compared to \$163.1 million for the three months ended December 31, 2013. This increase is due primarily to improved operating results.

Capital expenditures were \$103.8 million and \$88.6 million for the three months ended December 31, 2014 and 2013, respectively, and \$417.3 million and \$371.4 million for the twelve months ended December 31, 2014 and 2013, respectively. During 2015, we expect capital expenditures to be approximately \$480.0 million to \$490.0 million, which includes \$85.0 million of capital expenditures related to Operation GigaSpeed. This range could increase further with success based commercial or carrier opportunities.

In March 2013, we began "Operation Reliant," an initiative to replace our use of a third-party provider with our own internal platform and resources. The majority of the migration activity relating to Operation Reliant began in the third quarter of 2014, and we substantially migrated all residential and commercial lines by the end of 2014. We significantly reduced telephone operating expenses following the migration activity. For the three months ended December 31, 2014, we incurred \$5.6 million in non-recurring operating expenses and \$2.7 million in capital expenditures related to Operation Reliant. Since the inception of Operation Reliant, we have incurred \$16.7 million in non-recurring operating expenses and \$17.3 million in capital expenditures.

Starting in the second half of 2014 and extending through 2017, we expect to invest up to \$230 million of capital expenditures to significantly enhance our Internet speeds in markets serving 94% of our high-speed Internet customers and ultimately position our network to offer speeds of up to 1 gigabit per second ("Gbps") in markets serving nearly 85% of our high-speed Internet customers. Internally known as "Operation GigaSpeed," this initiative will include expenditures to upgrade data network headend equipment, replace any remaining deployed DOCSIS 2.0 customer premises equipment with DOCSIS 3.0 equipment, and complete our all-digital video conversion that began with Project Imagine. We expect to complete these enhancements in a phased, market-by-market approach, focusing first on our largest and most competitive markets. Once fully phased in, the plan calls for our flagship Internet speed to increase from 15 to 200 Mbps and our top Internet speed to increase from over 100 Mbps to 1 Gbps in a vast majority of our markets. In 2014, we completed the initial phases of Operation GigaSpeed in 26 markets, which serve approximately 49% of our residential high-speed Internet customers. Those investments allowed us to increase the flagship Internet speed from 15 Mbps to 50 Mbps and to increase our top

Internet speed to up to 150 Mbps to 300 Mbps in those markets. For the three months ended December 31, 2014, we spent approximately \$35.2 million in capital expenditures related to Operation GigaSpeed, and expect to spend \$85 million in 2015, with the remainder expected to be invested during 2016 and 2017.

Free Cash Flow for the quarter ended December 31, 2014, was \$67.5 million, compared to \$74.3 million for the quarter ended December 31, 2013. The decrease in Free Cash Flow for the fourth quarter of 2014 as compared to the same period in 2013 is due primarily to an increase in capital expenditures and cash interest expense, offset in part by improved operating results.

The Senior Secured Leverage Ratio (Consolidated Secured Debt to Adjusted Pro Forma EBITDA) for Suddenlink as defined in and calculated in accordance with the Credit Agreement was 2.48x at December 31, 2014.

The Total Leverage Ratio (Consolidated Total Debt to Adjusted Pro Forma EBITDA) for Cequel, as defined in and calculated in accordance with the indentures governing Cequel's outstanding Senior Notes was 5.51x at December 31, 2014.

Credit Facility

On December 29, 2014, we made a voluntary principal prepayment on our Credit Facility in the amount of \$55.0 million using cash on hand. No additional amounts will be owed in 2015 other than our normal quarterly payments on the Credit Facility.

Acquisition of Cable Systems

On January 2, 2014, the Company acquired three cable systems from Northland for approximately \$40.6 million, using cash on hand. The cable systems involved in this transaction are located in Texas and serve nearly 12,000 residential and more than 500 commercial customers.

On October 1, 2014, the Company acquired two cable systems from New Wave for approximately \$6.1 million, subject to a working capital adjustments, using cash on hand. The cable systems involved in this transaction are located in Nevada and serve nearly 3,000 residential and less than 100 commercial customers.

Conference Call

As previously announced, the Company will host a conference call to discuss its first quarter results at 11:00 a.m. (Eastern Time) on Tuesday, February 24, 2015. The dial-in information for the earnings call is as follows:

Within the United States	(866) 394-7593
International	(706) 758-9648
Password	Cequel Communications
Conference ID	80921544

A replay of this earnings call will be available at the Investor Relations link on the Company's website (suddenlink.com) shortly after the conclusion of the call.

During the conference call, representatives of the Company may discuss and answer one or more questions concerning the Company's business and financial matters. In addition, such representatives will discuss certain matters concerning the Company set forth in an earnings presentation, a copy of

which is available on the Company's website (suddenlink.com). The responses to these questions, as well as other matters discussed during the call, may contain information that has not been previously disclosed.

Annual Report

The information in this press release should be read in conjunction with the financial statements and footnotes contained in the Company's annual report for the year ended December 31, 2014, which will be posted on the Company's website (suddenlink.com) on February 24, 2015.

Current Report

A current report containing this earnings release and the related earnings presentation will be posted on the Company's website (suddenlink.com) shortly after the conference call on February 24, 2015.

Use of Non-GAAP Financial Measures

The Company uses certain measures, including Adjusted EBITDA and Free Cash Flow, that are not defined by Generally Accepted Accounting Principles ("GAAP") to evaluate various aspects of its business.

Adjusted EBITDA is defined as net income/(loss), plus net interest expense, provision/(benefit) for income taxes, depreciation and amortization, non-cash share based compensation expense, loss on disposal of cable assets and loss on extinguishment of debt. As such, it eliminates the significant non-cash depreciation and amortization expense that results from the capital-intensive nature of the Company's businesses as well as other non-cash or special items, and is unaffected by the Company's capital structure or investment activities. Adjusted EBITDA is used by management and board of directors to evaluate the performance of the Company's business. In addition, Adjusted EBITDA generally correlates to the covenant calculations under the Credit Agreement. However, this measure is limited in that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenues and the cash cost of financing. Management evaluates these costs through other financial measures.

Free Cash Flow is defined as Adjusted EBITDA, less capital expenditures, plus or minus changes in accounts payable and accrued expenses related to capital expenditures, less cash interest expense.

The Company believes that Adjusted EBITDA and Free Cash Flow provide information useful to investors in assessing the Company's performance and its ability to fund operations, service its debt and make additional investments with internally generated funds.

Adjusted EBITDA and Free Cash Flow, as used herein, may not be necessarily comparable to similarly titled measures of other companies. Furthermore, Adjusted EBITDA and Free Cash Flow have limitations as analytical tools and should not be considered in isolation from, or as an alternative to, net income or loss, operating income, cash flow from operations or other combined income or cash flow data prepared in accordance with GAAP. A reconciliation of Net Income/(Loss) to Adjusted EBITDA is provided in Table 9. A reconciliation of Net Cash from Operating Activities to Free Cash Flow is provided in Table 10.

Company Description

The Company, which does business as Suddenlink Communications ("Suddenlink"), is the seventh largest cable operator in the United States. Suddenlink makes its services available over its advanced hybrid-fiber coaxial network to approximately 3.2 million homes in the United States and serves approximately 1.4 million customers as of December 31, 2014. The Company's customer base is clustered geographically with approximately 96% of our customers located in the ten states of Texas,

West Virginia, Louisiana, Arkansas, North Carolina, Oklahoma, Arizona, California, Missouri and Ohio, with 91% of our customers located within our top 20 primary systems. Suddenlink simplifies its customers' lives through one call for support, one connection, and one bill for TV, Internet, telephone, and other services.

Cautionary Note Regarding Forward-Looking Statements

Some statements in this Earnings Release are known as "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements include, but are not limited to, statements about our plans, objectives, expectations and intentions and other statements contained in this Earnings Release that are not historical facts. When used in this Earnings Release, the words "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" and similar expressions are generally intended to identify forward-looking statements. Because these forward-looking statements involve known and unknown risks and uncertainties, there are important factors that could cause actual results, events or developments to differ materially from those expressed or implied by these forward-looking statements, including the factors set forth below:

- competition for video, high-speed Internet and telephone customers;
- our ability to achieve anticipated customer and revenue growth and to successfully introduce new products and services;
- our ability to complete our capital investment plans on time and on budget;
- the effects of economic conditions or other factors which may negatively affect our customers' demand for our products or services;
- increasing programming costs and delivery expenses related to our products and services;
- increased difficulty negotiating programming and retransmission agreements on favorable terms, if at all, which may result in increased costs to us and/or the loss of popular programming, and potentially the loss of customers;
- changes in consumer preferences, laws and regulations or technology that may cause us to change our operational strategies;
- our ability to effectively integrate acquisitions and to maximize expected operating efficiencies from our acquisitions;
- our substantial indebtedness;
- the restrictions contained in our financing agreements;
- our ability to generate sufficient cash flow to meet our debt service obligations;
- fluctuations in interest rates which may cause our interest expense to vary from quarter to quarter; and
- other risks and uncertainties, including those listed under the caption "Risk Factors" in our Annual Report for the year ended December 31, 2014, which is available on our website (suddenlink.com).

You should not place undue reliance on such forward-looking statements, which are based on the information currently available to us and speak only as of the date of this Earnings Release. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result

of new information, future events or otherwise. However, your attention is directed to any further disclosures made on related subjects in our subsequent reports furnished to holders of our notes.

Tables

- 1 Consolidated Statements of Operations – three and twelve month periods
- 2 Pro Forma Consolidated Statements of Operations – three and twelve month periods
- 3 Condensed Consolidated Balance Sheets
- 4 Condensed Consolidated Statements of Cash Flows
- 5 Capital Expenditures
- 6 Summary Operating Statistics
- 7 Pro Forma Summary Operating Statistics
- 8 Calculation of Free Cash Flow
- 9 Reconciliation of Net Income/(Loss) to Adjusted EBITDA
- 10 Reconciliation of Net Cash from Operating Activities to Free Cash Flow
- 11 Reconciliation of Cash Interest Expense

TABLE 1
Cequele Communications Holdings I, LLC
Consolidated Statements of Operations (unaudited)
(in thousands)

	Three Months Ended			Twelve Months Ended		
	December 31,		Percent Change	December 31,		Percent Change
	2014	2013		2014	2013	
	Actual	Actual		Actual	Actual	
Revenues:						
Video	\$ 284,766	\$ 286,220	-0.5%	\$ 1,163,892	\$ 1,145,882	1.6%
High Speed Internet	196,536	167,768	17.1%	748,842	640,576	16.9%
Telephone	52,008	50,395	3.2%	204,693	200,032	2.3%
Advertising Sales	29,572	25,252	17.1%	101,197	88,798	14.0%
Other	29,242	26,964	8.4%	112,073	108,013	3.8%
Total Revenues	592,124	556,599	6.4%	2,330,697	2,183,301	6.8%
Costs and Expenses:						
Operating (excluding depreciation and amortization)	224,249	221,694	-1.2%	930,085	877,386	-6.0%
Selling, general and administrative (excluding non-cash share based compensation expense)	134,364	115,957	-15.9%	512,696	466,360	-9.9%
Operating costs and expenses	358,613	337,651	-6.2%	1,442,781	1,343,746	-7.4%
Adjusted EBITDA	233,511	218,948	6.7%	887,916	839,555	5.8%
<i>Adjusted EBITDA Margin (a)</i>	39.4%	39.3%		38.1%	38.5%	
Depreciation and amortization	145,174	162,977	10.9%	594,459	635,754	6.5%
Non-cash share based compensation expense	11,337	2,226	-409.3%	30,681	15,486	-98.1%
Loss on disposal of cable assets	1,521	1,524	0.2%	4,277	3,647	-17.3%
Income from operations	75,479	52,221	44.5%	258,499	184,668	40.0%
Interest expense, net	(61,703)	(55,218)	-11.7%	(230,156)	(243,270)	5.4%
Loss on extinguishment of debt	—	—	0.0%	—	(6,525)	100.0%
Income/(loss) before income taxes	13,776	(2,997)	559.7%	28,343	(65,127)	143.5%
(Provision)/benefit for income taxes	(6,668)	7,281	-191.6%	(8,861)	16,691	-153.1%
Net income/(loss)	\$ 7,108	\$ 4,284	65.9%	\$ 19,482	\$ (48,436)	140.2%

(a) Represents Adjusted EBITDA as a percentage of total revenue.

TABLE 2
Cequel Communications Holdings I, LLC
Pro Forma Consolidated Statements of Operations (unaudited)
(in thousands)

	Three Months Ended			Twelve Months Ended		
	December 31,		Percent Change	December 31,		Percent Change
	2014	2013		2014	2013	
	Pro-Forma (b)	Pro-Forma (b)		Pro-Forma (b)	Pro-Forma (b)	
Revenues:						
Video	\$ 284,735	\$ 288,090	-1.2%	\$ 1,165,095	\$ 1,153,426	1.0%
High Speed Internet	196,536	169,699	15.8%	749,731	648,104	15.7%
Telephone	52,007	50,738	2.5%	204,808	201,345	1.7%
Advertising Sales	29,572	25,264	17.1%	101,221	88,833	13.9%
Other	29,239	27,134	7.8%	112,123	108,647	3.2%
Total Revenues	592,089	560,925	5.6%	2,332,978	2,200,355	6.0%
Costs and Expenses:						
Operating (excluding depreciation and amortization)	221,415	221,681	0.1%	931,479	885,736	-5.2%
Selling, general and administrative (excluding non-cash share based compensation expense)	137,156	118,846	-15.4%	513,199	469,455	-9.3%
Operating costs and expenses	358,571	340,527	-5.3%	1,444,678	1,355,191	-6.6%
Adjusted EBITDA	233,518	220,398	6.0%	888,300	845,164	5.1%
<i>Adjusted EBITDA Margin (a)</i>	39.4%	39.3%		38.1%	38.4%	
Depreciation and amortization	145,158	163,445	11.2%	595,644	639,334	6.8%
Non-cash share based compensation expense	11,337	2,226	-409.3%	30,681	15,486	-98.1%
Loss on sale of cable assets	1,231	1,524	19.2%	3,987	3,647	-9.3%
Income from operations	75,792	53,203	42.5%	257,988	186,697	38.2%
Interest expense, net	(61,703)	(55,218)	-11.7%	(230,156)	(243,270)	5.4%
Loss on extinguishment of debt	—	—	0.0%	—	(6,525)	100.0%
Income/(loss) before income taxes	14,089	(2,015)	799.2%	27,832	(63,098)	144.1%
(Provision)/benefit for income taxes	(6,668)	7,280	-191.6%	(8,861)	16,691	-153.1%
Net Income/(loss)	\$ 7,421	\$ 5,265	40.9%	\$ 18,971	\$ (46,407)	140.9%

(a) Represents Adjusted EBITDA as a percentage of total revenue.

(b) Pro forma to include the impact of the cable systems acquired from Northland on January 2, 2014, the Nevada cable systems acquired on October 1, 2014, and the Bloomingdale, OH and Knoxville, OH systems sold on December 1, 2014, where applicable.

TABLE 3
Cequel Communications Holdings I, LLC
Condensed Consolidated Balance Sheets
(in thousands)
(unaudited)

	<u>Dec 31, 2014</u>	<u>Dec 31, 2013</u>
ASSETS		
Cash and cash equivalents	\$ 146,922	\$ 192,014
Accounts receivable, net	190,063	189,052
Deferred tax asset	14,021	10,404
Prepaid expenses and other assets	26,078	25,982
Total current assets	<u>377,084</u>	<u>417,452</u>
Property, plant and equipment, net	1,777,172	1,819,666
Intangible assets, net	4,947,363	5,027,184
Other long-term assets, net	36,700	41,352
Total assets	<u>\$ 7,138,319</u>	<u>\$ 7,305,654</u>
LIABILITIES AND MEMBER'S EQUITY		
Accounts payable and accrued expenses	\$ 225,453	\$ 199,562
Deferred revenue	148,251	147,038
Current portion of long-term debt	24,422	97,737
Other current liabilities	65,121	54,991
Total current liabilities	<u>463,247</u>	<u>499,328</u>
Long-term debt, less current portion	5,067,588	4,654,124
Deferred tax liabilities	684,376	677,316
Other long-term liabilities	15,033	16,974
Total liabilities	<u>6,230,244</u>	<u>5,847,742</u>
Total member's equity	908,075	1,457,912
Total liabilities and member's equity	<u>\$ 7,138,319</u>	<u>\$ 7,305,654</u>

TABLE 4
Cequel Communications Holdings I, LLC
Condensed Consolidated Statements of Cash Flows (unaudited)
(in thousands)

	<u>Three Months Ended</u>		<u>Twelve Months Ended</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Net cash provided by operating activities	\$ 183,004	\$ 163,051	\$ 690,663	\$ 510,605
Net cash used in investing activities	(109,213)	(77,505)	(465,633)	(358,307)
Net cash used in financing activities	(62,898)	(9,356)	(270,122)	(168,766)
Increase/(Decrease) in cash and cash equivalents	10,893	76,190	(45,092)	(16,468)
Cash and cash equivalents, beginning of period	136,029	115,824	192,014	208,482
Cash and cash equivalents, end of period	<u>\$ 146,922</u>	<u>\$ 192,014</u>	<u>\$ 146,922</u>	<u>\$ 192,014</u>

TABLE 5
Cequel Communications Holdings I, LLC
Capital Expenditures (unaudited)
(in thousands)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2014	2013	2014	2013
Customer premise equipment	\$ 19,836	\$ 12,676	\$ 108,462	\$ 109,075
Scalable infrastructure	13,188	15,253	48,058	25,701
Line extensions	8,517	2,556	21,233	8,678
Upgrade/rebuild	7,885	1,876	20,285	9,388
Commercial	8,896	14,690	34,398	54,293
Support capital	45,437	41,577	184,839	164,299
Total capital purchases	\$ 103,759	\$ 88,628	\$ 417,275	\$ 371,434
Changes in accounts payable and accrued expenses related to capital expenditures	(486)	(10,826)	3,330	(12,127)
Total capital expenditures	\$ 103,273	\$ 77,802	\$ 420,605	\$ 359,307

TABLE 6
Cequel Communications Holdings I, LLC
Summary Operations Statistics (unaudited)
Approximate as of:

	Dec 31, 2014	Sep 30, 2014	Dec 31, 2013
	Actual	Actual	Actual
Revenue Generating Units (RGU):			
Basic video customers (a)	1,138,400	1,171,000	1,177,400
Residential high-speed Internet customers (b)	1,149,100	1,135,500	1,059,500
Residential telephone customers (c)	547,700	548,100	513,300
Total PSUs (d)	2,835,200	2,854,600	2,750,200
Digital video customers (e)	871,900	897,500	868,700
Total RGUs (f)	3,707,100	3,752,100	3,618,900
Commercial data (g)	63,700	62,500	57,300
Commercial telephone (h)	40,000	38,300	31,800
Total PSUs, including commercial (i)	2,938,900	2,955,400	2,839,300
Total RGUs, including commercial (j)	3,810,800	3,852,900	3,708,000
Quarterly net customer additions (losses):			
	Actual	Actual	Actual
Basic video customers	(32,600)	2,200	(8,600)
Residential high-speed Internet customers	13,600	32,200	20,400
Residential telephone customers	(400)	13,500	9,600
Total PSUs	(19,400)	47,900	21,400
Digital video customers	(25,600)	16,000	10,200
Total RGUs	(45,000)	63,900	31,600
Commercial data	1,200	1,600	1,300
Commercial telephone	1,700	2,300	1,900
Total PSUs, including commercial	(16,500)	51,800	24,600
Total RGUs, including commercial	(42,100)	67,800	34,800
Average Revenue per Unit (ARPU):			
	Actual	Actual	Actual
Pro forma average monthly revenue			

per basic video customer (k) \$ 171.11 \$ 166.64 \$ 156.62

Residential Customer Relationships:	Actual	Actual	Actual
Total customer relationships (l)	1,427,200	1,428,200	1,380,700
Double play relationships (m)	528,400	538,000	536,900
Double play penetration (n)	37.0%	37.7%	38.9%
Triple play relationships (o)	396,800	402,700	374,400
Triple play penetration (p)	27.8%	28.2%	27.1%
Total bundled customers (q)	925,200	940,700	911,300
Bundled penetration (r)	64.8%	65.9%	66.0%
Non-video customer relationships (s)	374,800	340,300	287,200
Non-video as a % of total customer relationships (t)	26.4%	23.9%	20.8%
Estimated Customer Penetration:	Actual	Actual	Actual
Estimated basic penetration (u)	36.0%	37.2%	38.2%
Estimated digital penetration (v)	76.6%	76.6%	73.8%
Estimated residential high-speed Internet penetration (w)	37.3%	37.0%	35.3%
Estimated residential telephone penetration (x)	20.7%	20.8%	20.1%
Commercial Customer Relationships:	Actual	Actual	Actual
Total customer relationships (y)	89,900	88,600	83,200
Double play relationships (z)	32,200	31,300	28,000
Double play penetration (aa)	35.8%	35.3%	33.7%
Triple play relationships (ab)	11,500	10,900	8,900
Triple play penetration (ac)	12.8%	12.3%	10.7%
Total bundled customers (ad)	43,700	42,200	36,900
Bundled penetration (ae)	48.6%	47.6%	44.4%

TABLE 7
Cequel Communications Holdings I, LLC
Pro Forma Summary Operations Statistics (unaudited)
Approximate as of:

	Dec 31, 2014	Sep 30, 2014	Dec 31, 2013
	Actual	Pro Forma (af)	Pro Forma (af)
Revenue Generating Units (RGU):			
Basic video customers (a)	1,138,400	1,173,200	1,187,500
Residential high-speed Internet customers (b)	1,149,100	1,137,500	1,070,300
Residential telephone customers (c)	547,700	548,500	515,800
Total PSUs (d)	2,835,200	2,859,200	2,773,600
Digital video customers (e)	871,900	898,200	872,900
Total RGUs (f)	3,707,100	3,757,400	3,646,500
Commercial data (g)	63,700	62,500	57,700
Commercial telephone (h)	40,000	38,300	32,000

Total PSUs, including commercial (i)	2,938,900	2,960,000	2,863,300
Total RGUs, including commercial (j)	3,810,800	3,858,200	3,736,200

Quarterly net customer additions (losses):	Pro Forma (af)	Pro Forma (af)	Pro Forma (af)
Basic video customers	(34,800)	2,200	(8,700)
Residential high-speed Internet customers	11,600	32,100	20,600
Residential telephone customers	(800)	13,500	9,600
Total PSUs	(24,000)	47,800	21,500
Digital video customers	(26,300)	15,900	10,700
Total RGUs	(50,300)	63,700	32,200
Commercial data	1,200	1,600	1,400
Commercial telephone	1,700	2,300	1,900
Total PSUs, including commercial	(21,100)	51,700	24,800
Total RGUs, including commercial	(47,400)	67,600	35,500

Average Revenue per Unit (ARPU):	Pro Forma (af)	Pro Forma (af)	Pro Forma (af)
Pro forma average monthly revenue per basic video customer (k)	\$ 171.05	\$ 166.53	\$ 156.50

Residential Customer Relationships:	Actual	Pro Forma (af)	Pro Forma (af)
Total customer relationships (l)	1,427,200	1,430,700	1,395,200
Double play relationships (m)	528,400	539,000	541,800
Double play penetration (n)	37.0%	37.7%	38.8%
Triple play relationships (o)	396,800	402,900	375,900
Triple play penetration (p)	27.8%	28.2%	26.9%
Total bundled customers (q)	925,200	941,900	917,700
Bundled penetration (r)	64.8%	65.8%	65.8%
Non-video customer relationships (s)	374,800	341,300	292,600
Non-video as a % of total customer relationships (t)	26.4%	24.0%	20.8%

Estimated Customer Penetration:	Actual	Pro Forma (af)	Pro Forma (af)
Estimated basic penetration (u)	36.0%	37.2%	38.0%
Estimated digital penetration (v)	76.6%	76.6%	73.5%
Estimated residential high-speed Internet penetration (w)	37.3%	37.0%	35.1%
Estimated residential telephone penetration (x)	20.7%	20.8%	19.8%

Commercial Customer Relationships:	Actual	Pro Forma (af)	Pro Forma (af)
Total customer relationships (y)	89,900	88,700	83,700
Double play relationships (z)	32,200	31,300	28,200
Double play penetration (aa)	35.8%	35.3%	33.7%
Triple play relationships (ab)	11,500	10,900	8,900
Triple play penetration (ac)	12.8%	12.3%	10.6%
Total bundled customers (ad)	43,700	42,200	37,100
Bundled penetration (ae)	48.6%	47.6%	44.3%

(a) Basic video customers include all residential customers who receive video cable services. Also included are commercial or multi-dwelling accounts that are converted to equivalent basic units ("EBUs") by dividing the total bulk billed basic revenues of a particular system by the most prevalent retail rate paid by non-bulk basic customers in that market for a comparable level of service. This conversion method is consistent with methodology used in determining costs paid to programmers. Our methodology of calculating the number of basic video customers may not be identical to those used by other companies offering similar services.

(b) Residential high-speed Internet customers include all residential customers who subscribe to our high-speed Internet service. Excluded from these totals are all commercial high-speed data customers, including small and medium sized commercial cable modem accounts, customers who take our broadband service optically, via fiber connections, and customers who receive our services via bulk Ethernet.

(c) Residential telephone customers include all residential customers who subscribe to our telephone service. Residential customers who take multiple telephone lines are only counted once in the total. Excluded from these totals are all commercial telephone customers.

(d) Total primary service units ("PSUs") represents the sum of basic video, residential high-speed Internet and residential telephone customers, not counting additional outlets within one household. This statistic is computed in accordance with guidelines of the National Cable and Telecommunications Association ("NCTA").

(e) Digital video customers include all basic video customers that have one or more digital set-top boxes or cable cards deployed.

(f) Total revenue generating units ("RGUs") represents the sum of basic video, digital video, residential high-speed Internet and residential telephone customers, not counting additional outlets within one household. This statistic is computed in accordance with guidelines of the NCTA.

(g) Commercial data customers consist of commercial accounts that receive high-speed Internet service via a cable modem and commercial accounts that receive broadband service optically, via fiber connections.

(h) Commercial telephone customers are commercial accounts that subscribe to our telephone service.

(i) Total PSUs, including commercial, represents the sum of total PSUs, commercial data and commercial telephone customers.

(j) Total RGUs, including commercial, represents the sum of basic video, digital video, residential high-speed Internet, residential telephone, commercial data and commercial telephone customers.

(k) Average revenue per basic video customer represents the total revenue for a quarter, divided by three, divided by the average basic video customers for the quarter.

(l) Residential customer relationships represent the number of residential customers who pay for at least one level of service, encompassing video, high-speed Internet or telephone services, without regard to the number of services purchased. For example, a residential customer who purchases only high-speed Internet service and no basic video service will count as one customer relationship, and a residential customer who purchases both basic video and high-speed Internet services will also count as only one customer relationship.

(m) Residential double play customer numbers reflect residential customers who subscribe to two of our core services (video, high-speed Internet and telephone).

(n) Residential double play penetration represents double play customers as a percentage of customer relationships.

(o) Residential triple play customer numbers reflect residential customers who subscribe to all three of our core services (video, high-speed Internet and telephone).

(p) Residential triple play penetration represents triple play customers as a percentage of customer relationships.

(q) Total residential bundled customers represent the sum of residential double play and residential triple play customers.

(r) Total residential bundled penetration represents the sum of residential double play and residential triple play residential customers as a percentage of customer relationships.

(s) Non-video customer relationships represents the number of residential customers who receive at least one level of service, encompassing high-speed Internet or telephone services, but do not receive video services

(t) Non-video as a percent of total customer relationships represents non-video customer relationships divided by total customer relationships.

- (u) Estimated basic penetration is calculated as basic video customers divided by the estimated total homes passed of the Company.
- (v) Estimated digital penetration is calculated as digital video customers divided by basic video customers.
- (w) Estimated residential high-speed Internet penetration is calculated as residential high-speed Internet customers divided by the estimated homes passed of the Company where residential high-speed Internet service is currently available.
- (x) Estimated residential telephone penetration is calculated as residential telephone customers divided by the estimated homes passed of the Company where residential telephone service is currently available.
- (y) Commercial customer relationships represent the number of commercial customers who pay for at least one level of service, encompassing video, high-speed data or telephone services, without regard to the number of services purchased. For example, a commercial customer who purchases only high-speed data service and no video service will count as one customer relationship, and a commercial customer who purchases both basic video and high-speed data services will also count as only one customer relationship. National carrier accounts are excluded from customer relationships.
- (z) Commercial double play customer numbers reflect commercial customers who subscribe to two of our core services (video, high-speed data and telephone).
- (aa) Commercial double play penetration represents double play commercial customers as a percentage of customer relationships.
- (ab) Commercial triple play customer numbers reflect commercial customers who subscribe to all three of our core services (video, high-speed data and telephone).
- (ac) Commercial triple play penetration represents triple play commercial customers as a percentage of customer relationships.
- (ad) Total commercial bundled customers represent the sum of commercial double play and commercial triple play customers.
- (ae) Total commercial bundled penetration represents the sum of commercial double play and commercial triple play residential customers as a percentage of customer relationships.
- (af) Pro forma to include the impact of the cable systems acquired from Northland on January 2, 2014, the Nevada cable systems acquired on October 1, 2014, and the Bloomingdale, OH and Knoxville, OH systems sold on December 1, 2014, where applicable.

TABLE 8
Cequel Communications Holdings I, LLC
Calculation of Free Cash Flow (unaudited)
(in thousands)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2014	2013	2014	2013
Adjusted EBITDA	\$ 233,511	\$ 218,948	\$ 887,916	\$ 839,555
Capital expenditures	(103,273)	(77,802)	(420,605)	(359,307)
Change in accounts payable and accrued expenses related to capital expenditures	(486)	(10,826)	3,330	(12,127)
Cash interest expense	(62,241)	(56,069)	(233,193)	(252,394)
Free Cash Flow	<u>\$ 67,511</u>	<u>\$ 74,251</u>	<u>\$ 237,448</u>	<u>\$ 215,727</u>

TABLE 9
Cequel Communications Holdings I, LLC
Reconciliation of Net Income/Loss to Adjusted EBITDA (unaudited)
(in thousands)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2014	2013	2014	2013
Net income/(loss)	\$ 7,108	\$ 4,284	\$ 19,482	\$ (48,436)
Add back:				
Interest expense, net	61,703	55,218	230,156	243,270
Provision/(benefit) for income taxes	6,668	(7,281)	8,861	(16,691)
Depreciation and amortization	145,174	162,977	594,459	635,754
Non-cash share based compensation	11,337	2,226	30,681	15,486
Loss on disposal of cable assets	1,521	1,524	4,277	3,647
Loss on extinguishment of debt	—	—	—	6,525
Adjusted EBITDA	<u>\$ 233,511</u>	<u>\$ 218,948</u>	<u>\$ 887,916</u>	<u>\$ 839,555</u>

TABLE 10
Cequel Communications Holdings I, LLC
Reconciliation of Net Cash from Operation Activities to Free Cash Flow (unaudited)
(in thousands)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2014	2013	2014	2013
Net cash provided by operating activities	\$ 183,004	\$ 163,051	\$ 690,663	\$ 510,605
Add back:				
Capital expenditures	(103,273)	(77,802)	(420,605)	(359,307)
Change in accounts payable and accrued expenses related to capital expenditures	(486)	(10,826)	3,330	(12,127)
Cash income tax expense	1,297	(864)	5,418	5,486
Interest income	(53)	(42)	(224)	(243)
Senior Notes redemption premium	—	—	—	71,976
Changes in assets and liabilities, net	(12,978)	734	(41,134)	(663)
Free Cash Flow	<u>\$ 67,511</u>	<u>\$ 74,251</u>	<u>\$ 237,448</u>	<u>\$ 215,727</u>

TABLE 11
Cequel Communications Holdings I, LLC
Reconciliation of Cash Interest Expense (unaudited)
(in thousands)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2014	2013	2014	2013
Interest expense, net	\$ 61,703	\$ 55,218	\$ 230,156	\$ 243,270
Add: interest income	53	42	224	243
Add: bond premium amortization	998	942	3,907	9,035
Add: term loan premium amortization	737	518	2,300	2,040
Less: bond discount accretion	(388)	—	(481)	—
Less: deferred financing amortization	(862)	(651)	(2,913)	(2,194)
Cash interest expense	<u>\$ 62,241</u>	<u>\$ 56,069</u>	<u>\$ 233,193</u>	<u>\$ 252,394</u>

Source: Cequel Communications Holdings I, LLC

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