

CURRENT REPORT

of

CEQUEL COMMUNICATIONS HOLDINGS I, LLC

May 11, 2012

Pursuant to Section 4.14(a) of the indenture, dated as of November 4, 2009, as supplemented by the First Supplemental Indenture dated May 4, 2010, and the Second Supplemental Indenture dated January 19, 2011 (the “Indenture”), by and among Cequel Communications Holdings I, LLC, a Delaware limited liability company (“Cequel”), Cequel Capital Corporation (“Capital”), a Delaware corporation, and U.S. Bank National Association, as trustee (“Trustee”), relating to the 8.625% Senior Notes due 2017 (the “Notes”), Cequel is furnishing the information contained herein to holders of the Notes.

Earnings Release for the Three Months Ended March 31, 2012

On May 11, 2012, Cequel issued a press release reporting its financial results for the three months ended March 31, 2012 (the “Earnings Announcement”). A copy of the Earnings Announcement is attached to this Current Report as Exhibit 99.1.

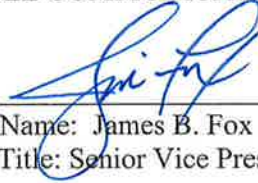
Replay of Earnings Call

On May 11, 2012, Cequel held a conference call to discuss its financial results for the three months ended March 31, 2012. A replay of the call is available on Cequel’s website (www.suddenlink.com).

SIGNATURES

Pursuant to the requirements of Section 4.14(a) of the Indenture, Cequel has duly caused this Current Report to be signed on its behalf by the undersigned thereunto duly authorized.

CEQUEL COMMUNICATIONS HOLDINGS I, LLC

A handwritten signature in blue ink, appearing to read "James B. Fox", is written over a horizontal line.

Name: James B. Fox
Title: Senior Vice President and Chief Accounting Officer

May 11, 2012

Exhibit 99.1

Press Release Attached Starting on the Next Page

FOR IMMEDIATE RELEASE

ST. LOUIS (May 11, 2012) – Cequel Communications Holdings I, LLC (“Cequel,” and together with its subsidiaries, the “Company” or “Suddenlink”) today reported financial and operating results for the quarter ended March 31, 2012.

“Our results continue to be among the very best in the industry, including pro forma revenue growth of 6.2 percent; EBITDA growth, excluding non-recurring expenses, of 9 percent; and ARPU growth of 10.2 percent,” said Suddenlink Chairman and Chief Executive Officer Jerry Kent. “I continue to believe that our focus on providing a superior level of customer service has been key to those results, as well as to our growth in customer relationships, RGUs, and commercial services.”

First Quarter Highlights

Operating results and metrics and year-over-year changes described below are presented on a pro forma basis to include the acquisition of all of the issued and outstanding capital stock of NPG Cable, Inc., Mercury Voice and Data Company and NPG Digital Phone, Inc. (collectively, “NPG Cable”) on April 1, 2011, as if the transaction had been consummated on January 1, 2011.

- First quarter revenues of \$505.0 million grew 6.2% compared to the first quarter of the prior year.
- Adjusted EBITDA (as defined herein) for the first quarter of 2012 of \$181.8 million grew 6.6% compared to the first quarter Adjusted EBITDA of the prior year. Adjusted EBITDA margin for the first quarter 2012 was 36.0%, an increase of 10 basis points from the first quarter 2011. Excluding the impact of certain non-recurring expenses in 2012 and 2011 primarily associated with compensation expense related to our March 2012 equity distribution, financing costs associated with our \$2.7 billion credit facility (the “Credit Facility”) in February 2012, the 2011 acquisition and integration of NPG Cable, and compensation expense related to our January 2011 equity distribution, Adjusted EBITDA for the first quarter of 2012 would have increased 9.0% compared to the first quarter of 2011, with Adjusted EBITDA margin of 37.7%, an 100 basis point improvement from the prior year.
- Free Cash Flow (as defined herein) of \$11.1 million for the first quarter 2012 grew \$28.1 million compared to negative Free Cash Flow for the first quarter 2011 of \$17.0 million, an increase of 165.1%.
- Total customer relationships were 1,391,200 at March 31, 2012, an increase of 17,300 for the first quarter and an increase of 3,500 from March 31, 2011. RGUs increased 72,900, or 2.1% in the first quarter and 141,400, or 4.2% from March 31, 2011.
- Total average monthly revenue per basic video customer (“ARPU”) for the first quarter was \$134.80, an increase of 10.2% compared to the first quarter of the prior year.
- Bundled customers represented 62.5% of total customer relationships at March 31, 2012, an increase from 59.3% at March 31, 2011, primarily from growth in triple play customer relationships, which represented 23.8% of total customer relationships at March 31, 2012, versus 21.3% at March 31, 2011.
- Non-video customers represented 16.9% of total customer relationships at March 31, 2012, an increase of 20.9% compared to the prior year.
- Commercial revenue grew 15.4% versus the first quarter of 2011, including 21.7% year-over-year growth in our commercial data and telephone revenues on a combined basis.

- Project Imagine, the Company's bandwidth expansion plan, continues on plan. From the inception of Project Imagine in late 2009 through March 31, 2012, we have completed approximately 89% of our anticipated capital expenditures for Project Imagine, including success based capital. Project Imagine will conclude by year end 2012.

First Quarter 2012 Compared to First Quarter 2011

First quarter 2012 revenues rose 6.2%, largely attributable to the increase in residential high-speed Internet, telephone and advanced digital video revenues, and growth in revenues from our commercial business, including carrier services. Residential revenue growth resulted from an increase in the number of new telephone, high-speed Internet and digital video customers, an increase in the penetration of existing customers for these services, the impact of video and high-speed Internet rate increases, and incremental service revenues from high definition television ("HDTV") and digital video recorded ("DVR") services as more customers purchased advanced video services from us. Offsetting this residential growth in part was a decrease in revenue due to the impact of bundling and promotional discounts, basic video customer losses and a decline in ad sales. Revenues for our commercial business grew due to increases in commercial high-speed data and telephone customers, and from increases in cell tower and backhaul revenues from carrier customers.

In the first quarter of 2012, we reclassified certain revenue items from the other revenue category to the Video service, High-speed Internet service and Telephone service categories, as applicable, to better align certain revenues historically categorized as other revenue with their related products. Video revenue now includes reclassified revenue related to converter and equipment rentals, retransmission pass through, franchise fee, copyright fee and other miscellaneous video revenues. High-speed Internet revenue now includes reclassified revenue related to home networking, modem and other data equipment rental. Telephone revenue now includes reclassified revenue related to telephone regulatory fees. Prior periods were reclassified to conform to the current presentation.

Video service revenues increased 3.0%, primarily due to video rate increases, including higher broadcast retransmission fees and customer growth in our digital and advanced video services, including increased converter rental revenue for high-definition and DVR capable digital converters. Offsetting this growth, in part, were decreases due to digital customers purchasing fewer digital tiers of service on average and basic video customer losses.

High-speed Internet service revenues increased 11.5%, primarily due to an increase in residential high-speed Internet customers, growth in home networking revenues, the impact of residential rate increases, growth in our commercial high-speed Internet services to small and medium sized businesses, and growth in carrier services.

Telephone service revenues increased 17.6%, primarily due to an increase in residential telephone customers and growth in our commercial telephone services to small and medium sized businesses, offset in part due to the impact of bundling and promotional discounts.

Advertising revenues decreased 4.0%, largely due to lower revenues from reduced guarantees of advertising inventory sold on our behalf by other video operators.

Other revenues increased 5.1%, primarily due to increased administrative fee revenues, higher security service revenue and increased wire maintenance revenue.

Our commercial lines of business, embedded in the video, high-speed Internet, telephone service revenues and other revenue described above, are comprised of commercial and bulk video, commercial high-speed Internet, fiber based on- and off-net carrier services and commercial telephone. Commercial revenue totaled \$60.0 million, or 11.9% of total revenue, in the first quarter of 2012, representing growth of 15.4% versus the first quarter of 2011. Our commercial data and telephone revenue grew 21.7% year-over-year on a combined basis.

Operating costs and expenses rose 6.0%, primarily due to higher programming costs and retransmission consent expenses, increased net compensation and employee related costs and increased marketing expenses. In addition, the first quarter 2012 includes approximately \$8.5 million of non-recurring expenses which are primarily associated with compensation expense related to our March 2012 equity distribution and financing costs associated with the Credit Facility.

Adjusted EBITDA for the first quarter of 2012 of \$181.8 million grew 6.6% compared to the first quarter Adjusted EBITDA of the prior year. Adjusted EBITDA margin for the first quarter 2012 was 36.0%, an increase of 10 basis points from the first quarter 2011. Excluding the impact of certain non-recurring expenses in 2012 and 2011 primarily associated with compensation expense related to our March 2012 equity distribution, financing costs associated with the Credit Facility in February 2012, the 2011 acquisition and integration of NPG Cable, and compensation expense related to our January 2011 equity distribution, Adjusted EBITDA for the first quarter of 2012 would have increased 9.0% compared to the first quarter of 2011, with Adjusted EBITDA margin of 37.7%, an 100 basis point improvement from the prior year.

Income from operations for the first quarter 2012 was \$77.3 million, an increase of 19.8%, compared to \$64.5 million for the first quarter 2011 due to revenue increases year-over-year outpacing operating, selling and administrative and depreciation and amortization expense increases.

Net loss was \$26.6 million for the first quarter 2012, compared to net loss of \$15.3 million for the first quarter 2011. Net loss for the first quarter of 2012 was impacted by a loss on the extinguishment of debt, a loss on the termination of derivative instruments and changes in the fair value of derivative instruments, none of which were present in 2011.

Key Operating Metrics

At March 31, 2012, Suddenlink served approximately 1.4 million customers, and Suddenlink's RGUs were comprised of 1,250,200 basic video, 796,400 digital video, 982,600 residential high-speed Internet and 453,200 residential telephone customers. Suddenlink's 3.5 million RGUs as of March 31, 2012 increased 141,400, or 4.2%, over the prior year. In addition, as of March 31, 2012, we served approximately 48,800 commercial Internet and 19,600 commercial telephone customers, not included in our RGU totals.

Approximately 62.5% of Suddenlink's residential customers subscribe to bundled services, compared to 59.3% a year ago. Approximately 330,900 of Suddenlink's residential customers receive video, high-speed Internet and telephone services as part of a triple play bundle, representing 23.8% of Suddenlink's total residential customer relationships. Pro-forma growth of 35,100 triple play customers from the first quarter of 2011 represented an increase of 11.9%. Non-video customers of approximately 234,900 at March 31, 2012 represent 16.9% of total customer relationships, and grew 20.9% on a pro-forma basis.

Suddenlink's ARPU for the first quarter of 2012 was \$134.80, an increase of 10.2% compared to the first quarter of 2011.

Basic video customers decreased by approximately 2,000 customers while digital video customers increased by approximately 29,100 customers during the first quarter of 2012. During the trailing twelve months, basic video customers decreased by approximately 48,400, or 3.7%, while digital video customers increased by approximately 70,500, or 9.7%. Estimated basic penetration at March 31, 2012, was 41.5% of estimated homes passed. Digital penetration to basic customers was 63.7%.

Residential high-speed Internet customers increased by approximately 31,200 during the first quarter of 2012, and increased 63,800, or 6.9%, during the trailing twelve months. At March 31, 2012, estimated residential high-speed Internet penetration was 33.6% of high-speed Internet capable homes passed. During the first quarter of 2012, commercial Internet customers increased by approximately 1,400. During the trailing twelve months, commercial Internet customers increased by approximately 4,700, or 10.7%. These commercial customers are not included in total RGU counts.

Residential telephone customers grew by approximately 14,600 during the first quarter of 2012, and 55,500, or 14.0%, during the trailing twelve months. At March 31, 2012, estimated residential telephone penetration was 18.5% of telephone capable homes passed. During the first quarter of 2012, commercial telephone customers increased by approximately 1,500. During the trailing twelve months, commercial telephone customer increased by approximately 5,900, or 43.1%. These commercial customers purchase 2.8 lines on average and are not included in total RGU counts.

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 acquisition of NPG Cable in April 2011.

At March 31, 2012, we had approximately \$176.6 million of cash on hand, with \$160.0 million of borrowings under the revolving credit facility used to partially fund the March 2012 distribution and approximately \$16.0 million of outstanding letters of credit, which reduced the availability under the \$500.0 million revolving credit facility to approximately \$324.0 million.

The Company will make a \$70.0 million distribution to Cequel Holdings in May 2012 using cash on hand, following delivery of the compliance certificate for the first quarter of 2012 required under the Credit Facility.

During 2012, we expect capital expenditures to be approximately \$325.0 million to \$345.0 million, which includes capital spending associated with Project Imagine and related success based capital. Capital expenditures inclusive of Project Imagine and related success based capital for the three months ended March 31, 2012 were \$97.5 million, compared to \$105.2 million for the three months ended March 31, 2011.

Project Imagine, our investment in the Company's existing network which will be made through 2012, is providing additional capacity to launch video on demand services into new areas, additional capacity for high definition channels and increased Internet speeds for the Company's customers and capacity to launch telephone service in a few additional communities. Capital expenditures for Project Imagine, including success based capital, were approximately \$29.6 million during the first quarter 2012. Since the inception of Project Imagine in late 2009 through March 31, 2012, capital expenditures for Project Imagine, including success based capital, have been \$312.4 million, or approximately 89% of the total anticipated capital expenditures for Project Imagine.

Net cash provided by operating activities decreased to \$154.3 million for the three months ended March 31, 2012, compared to \$183.4 million for the three months ended March 31, 2011. This decrease is due to net changes in current assets and liabilities due to the timing of payments for interest, prepaid expenses, accrued expenses and other payables, and the offering price premium received related to the \$600.0 million principal amount of 6.25% Senior Notes issued in January 2011, offset by improved operating results in 2012. Net cash flows used in investing activities decreased to \$101.5 million for the three months ended March 31, 2012, compared to \$109.1 million for the three months ended March 31, 2011, primarily as a result of decreased capital expenditures related to Project Imagine and related success based capital expenditures. Net cash used in financing activities decreased to (\$4.9) million at March 31, 2012 from \$118.1 million for the three months ended March 31, 2011. The net cash used in financing activities of (\$4.9) million for the three months ended March 31, 2012 primarily included the proceeds of the Company entering into a \$2.2 billion term loan facility, of which a portion of these proceeds were used to repay the Old Credit Facility, which had a balance of \$1.9 billion at February 14, 2012. A portion of the remaining proceeds of the \$2.2 billion term loan facility plus a \$160.0 million borrowing under the revolving credit facility were used to fund the \$370.0 million distribution to Cequel Holdings in March 2012. The net cash provided by financing activities of \$118.1 million for the three

months ended March 31, 2011 was comprised primarily of the remainder of proceeds from the \$625.0 million 8.625% Senior Notes due 2017 after making a \$491.8 million distribution to Cequel Holdings and paying related fees and expenses of that offering. In addition, on April 1, 2011 the Company used the remaining portion of the proceeds and cash on hand to consummate the NPG Acquisition.

Free Cash Flow for the quarter ended March 31, 2012 was \$11.1 million compared to negative free cash flow of \$17.0 million for the quarter ended March 31, 2011, respectively. The increase in Free Cash Flow for the first quarter 2012 as compared to 2011 is due to improved operating results and decreased capital expenditures, offset in part by an increase in cash interest expense.

The Total Leverage Ratio (Consolidated Total Debt to Adjusted Pro Forma EBITDA) for Cequel, as defined in and calculated in accordance with the indenture governing Cequel's 8.625% Senior Notes due 2017 (the "Notes") was 5.61x at March 31, 2012.

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 (defined herein) was 3.01x at March 31, 2012.

Credit Facility

On February 14, 2012, Suddenlink and a syndicate of lenders entered into a Credit and Guaranty Agreement, (the "Credit Agreement"), which provides for up to \$2.7 billion of loans in the aggregate, consisting of a \$2.2 billion term loan facility funded at closing and a \$500.0 million revolving credit facility. The revolving credit facility is scheduled to mature on February 14, 2017. The term loan facility is scheduled to mature on February 14, 2019. If the senior secured leverage ratio under the Credit Agreement for the four fiscal quarter period ending June 30, 2017 is greater than or equal to 2.50:1.00 and more than 20% of the original issued amount of the Notes remain outstanding, the term loan facility will mature on August 15, 2017.

Suddenlink used the proceeds from the term loan facility of the Credit Facility to repay in full and terminate its existing \$2.525 billion credit facility, which had a balance of \$1.941 billion as of February 14, 2012. The Company also used a portion of the proceeds from the term loan facility of the Credit Facility plus additional borrowings of \$160.0 million under the revolving credit facility of the Credit Facility to make a distribution to Cequel Holdings of \$370.0 million in March 2012. The Company will distribute an additional \$70.0 million to Cequel Holdings in May 2012 using cash on hand, following delivery of the compliance certificate for the first quarter of 2012 required under the Credit Agreement. Cequel Holdings will use such distribution to repay a portion of the capital contributions made by holders of common units of Cequel Holdings and to make certain payments to holders of options and restricted units of Cequel Holdings.

Conference Call

As previously announced, the Company will host a conference call to discuss its first quarter results at 11:00 p.m. (Eastern Time) on Friday, May 11, 2012. The dial-in information for the earnings call is as follows:

Within the United States	866-394-9561
International	281-312-0031
Password	Cequel Communications
Conference ID	70832580

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. The responses to these questions, as well as other matters discussed during the call, may contain information that has not been previously disclosed.

Quarterly Report

The information in this press release should be read in conjunction with the financial statements and footnotes contained in the Company's quarterly report for the quarter ended March 31, 2012 which will be posted on the Company's website (suddenlink.com) on May 11, 2012.

Current Report

A current report containing this earnings release will be posted on the Company's website (suddenlink.com) shortly after the conference call on May 11, 2012.

Use of Non-GAAP Financial Measures

The Company uses certain measures that are not defined by Generally Accepted Accounting Principles ("GAAP") to evaluate various aspects of its business. Adjusted EBITDA and Free Cash Flow are non-GAAP financial measures. Adjusted EBITDA is a non-GAAP financial measure defined as net income/(loss), plus interest expense, provision for income taxes, depreciation, amortization, non-cash share based compensation expense, (gain)/loss on sale of cable assets, loss on termination of derivative instruments, changes in fair value of derivative instruments and loss on extinguishment of debt. Free Cash Flow is a non-GAAP financial measure defined as Adjusted EBITDA, less capital expenditures and cash interest expense. Adjusted EBITDA and Free Cash Flow 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 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.

The Company believes that Adjusted EBITDA and Free Cash Flow provide information useful to investors in assessing the Company's ability to fund operations, service its debt and make additional investments from internally generated funds. In addition, Adjusted EBITDA generally correlates to the covenant calculations under the Credit Agreement.

Company Description

The Company, which does business as Suddenlink Communications, is the seventh largest cable broadband company in the United States, supporting the information, communication and entertainment demands of approximately 1.4 million residential customers and thousands of commercial customers in Arkansas, Louisiana, North Carolina, Oklahoma, Texas, West Virginia, and elsewhere. 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 Press Release are known as "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended.

- Forward-looking statements may relate to, among other things:
- competition for video, high-speed Internet and telephone customers;
- the Company's ability to achieve anticipated customer and revenue growth and to successfully introduce new products and services;

- the Company's ability to complete the bandwidth expansion and other capital investment plans on time and on budget;
- greater than anticipated effects of the current, or any future, economic downturn or other factors which may negatively affect its customers' demand for the Company's products and services;
- increasing programming costs and delivery expenses related to the Company's products and services;
- changes in consumer preferences, laws and regulations or technology that may cause the Company to change its operational strategies;
- the Company's ability to effectively integrate acquisitions and to maximize expected operating efficiencies from its acquisitions;
- the Company's substantial indebtedness;
- the restrictions contained in the Company's financing agreements;
- the Company's ability to generate sufficient cash flow to meet its debt service obligations;
- fluctuations in interest rates which may cause the Company's interest expense to vary from quarter to quarter; and
- other risks and uncertainties, including those listed under the caption "Risk Factors" in the Annual Report for the year ended December 31, 2011.

These forward-looking statements include, but are not limited to, statements about our plans, objectives, expectations and intentions and other statements contained in this Press Release that are not historical facts. When used in this Press 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 our plans, objectives, expectations and intentions and other factors. You should not place undue reliance on such forward-looking statements, which are based on the information currently available to the Company and speak only as of the date on which this Press Release is posted on the Company's website (www.suddenlink.com). The Company undertakes 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 the Company's subsequent reports furnished to holders of the Notes.

Tables:

- 1 Consolidated Statements of Operations – three month periods
- 2 Pro Forma Consolidated Statements of Operations – three 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 of Operating Statistics
- 8 Calculation of Free Cash Flow
- 9 Reconciliation of Net Loss to Adjusted EBITDA
- 10 Reconciliation of Net Cash from Operating Activities to Free Cash Flow
- 11 Reconciliation of Cash Interest Expense

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

	Three Months Ended		Percent Change
	March 31,		
	2012	2011	
	Actual	Actual	
Revenues:			
Video	\$ 283,763	\$ 259,908	9.2%
High Speed Internet	135,632	112,938	20.1%
Telephone	45,813	36,485	25.6%
Advertising Sales	17,986	16,708	7.6%
Other	21,800	20,206	7.9%
Total Revenues	<u>504,994</u>	<u>446,245</u>	13.2%
Costs and Expenses:			
Operating (excluding depreciation and amortization)	208,888	185,681	-12.5%
Selling, general and administrative (excluding non-cash share based compensation expense)	<u>114,290</u>	<u>100,438</u>	-13.8%
Operating costs and expenses	<u>323,178</u>	<u>286,119</u>	-13.0%
Adjusted EBITDA	<u>181,816</u>	<u>160,126</u>	13.5%
Adjusted EBITDA Margin (a)	36.0%	35.9%	
Depreciation and amortization	104,394	96,860	-7.8%
Non-cash share based compensation expense	426	561	24.1%
Gain on sale of cable assets	(289)	(212)	-36.3%
Income from operations	<u>77,285</u>	<u>62,917</u>	22.8%
Interest expense, net	(75,720)	(74,546)	-1.6%
Loss on termination of derivative instruments	(6,565)	-	NM
Change in fair value of derivative instruments	(10,933)	-	NM
Loss on extinguishment of debt	<u>(14,202)</u>	<u>-</u>	NM
Loss before provision for income taxes	(30,135)	(11,629)	-159.1%
Benefit/(provision) for income taxes	3,584	(5,325)	167.3%
Net loss	<u>\$ (26,551)</u>	<u>\$ (16,954)</u>	-56.6%

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

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

	Three Months Ended		Percent Change
	March 31,		
	2012 Actual	2011 Pro-Forma (b)	
Revenues:			
Video	\$ 283,763	\$ 275,384	3.0%
High Speed Internet	135,632	121,597	11.5%
Telephone	45,813	38,954	17.6%
Advertising Sales	17,986	18,732	-4.0%
Other	21,800	20,749	5.1%
Total Revenues	504,994	475,416	6.2%
Costs and Expenses:			
Operating (excluding depreciation and amortization)	208,888	199,116	-4.9%
Selling, general and administrative (excluding non-cash share based compensation expense)	114,290	105,710	-8.1%
Operating costs and expenses	323,178	304,826	-6.0%
Adjusted EBITDA	181,816	170,590	6.6%
<i>Adjusted EBITDA Margin (a)</i>	<i>36.0%</i>	<i>35.9%</i>	
Depreciation and amortization	104,394	105,706	1.2%
Non-cash share based compensation expense	426	561	24.1%
Gain on sale of cable assets	(289)	(212)	-36.3%
Income from operations	77,285	64,535	19.8%
Interest expense, net	(75,720)	(74,546)	-1.6%
Loss on termination of derivative instruments	(6,565)	-	NM
Change in fair value of derivative instruments	(10,933)	-	NM
Loss on extinguishment of debt	(14,202)	-	NM
Loss before provision for income taxes	(30,135)	(10,011)	-201.0%
Benefit/(provision) for income taxes	3,584	(5,325)	167.3%
Net loss	\$ (26,551)	\$ (15,336)	-73.1%

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

(b) Pro forma to include the impact of the acquisition of NPG Cable on April 1, 2011, as if the transaction had been consummated on January 1, 2011.

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

	<u>March 31,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>
ASSETS		
Cash and cash equivalents	\$ 176,559	\$ 128,663
Accounts receivable, net	161,293	167,539
Prepaid expenses and other assets	20,070	18,580
Total current assets	<u>357,922</u>	<u>314,782</u>
Property, plant and equipment, net	1,392,640	1,396,367
Intangible assets, net	2,319,557	2,321,902
Other long-term assets, net	61,780	49,203
Total assets	<u>\$ 4,131,899</u>	<u>\$ 4,082,254</u>
LIABILITIES AND MEMBER'S EQUITY		
Accounts payable and accrued expenses	\$ 255,119	\$ 223,075
Deferred revenue	133,785	130,072
Current portion of long-term debt	22,000	20,382
Other current liabilities	16,318	33,547
Total current liabilities	<u>427,222</u>	<u>407,076</u>
Long-term debt, less current portion	4,161,167	3,766,347
Deferred tax liabilities	26,031	26,980
Other long-term liabilities	8,305	9,310
Total liabilities	<u>4,622,725</u>	<u>4,209,713</u>
Total member's equity	<u>(490,826)</u>	<u>(127,459)</u>
Total liabilities and member's equity	<u>\$ 4,131,899</u>	<u>\$ 4,082,254</u>

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

	Three Months Ended	
	March 31,	
	<u>2012</u>	<u>2011</u>
Net cash provided by operating activities	\$ 154,320	\$ 183,390
Net cash used in investing activities	(101,534)	(109,128)
Net cash (used in)/provided by financing activities	(4,890)	118,147
Increase in cash and cash equivalents	47,896	192,409
Cash and cash equivalents, beginning of period	128,663	289,685
Cash and cash equivalents, end of period	<u>\$ 176,559</u>	<u>\$ 482,094</u>

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

	Three Months Ended	
	March 31,	
	<u>2012</u>	<u>2011</u>
Customer premise equipment	\$ 39,340	\$ 45,938
Scalable infrastructure	10,402	13,799
Line extensions	1,850	1,201
Upgrade/rebuild	1,011	5,976
Commercial	6,165	6,555
Support capital	<u>38,767</u>	<u>31,726</u>
	<u>\$ 97,535</u>	<u>\$ 105,195</u>

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

	<u>Mar. 31,</u> <u>2012</u>	<u>Dec. 31,</u> <u>2011</u>	<u>Mar. 31,</u> <u>2011</u>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Revenue Generating Units (RGU):			
Basic video customers (a)	1,250,200	1,252,200	1,217,000
Digital video customers (b)	796,400	767,300	679,600
Residential high-speed Internet customers (c)	982,600	951,400	857,100
Residential telephone customers (d)	<u>453,200</u>	<u>438,600</u>	<u>378,600</u>
Total RGUs (e)	3,482,400	3,409,500	3,132,300
Quarterly net customer additions (losses):			
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Basic video customers	(2,000)	(16,100)	1,300
Digital video customers	29,100	13,700	28,200
Residential high-speed Internet customers	31,200	14,200	30,800
Residential telephone customers	<u>14,600</u>	<u>12,500</u>	<u>19,900</u>
Total RGUs (e)	72,900	24,300	80,200
Average Revenue per Unit (ARPU):			
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Average monthly revenue per basic video customer (f)	\$ 134.80	\$ 129.31	\$ 122.51
Customer Relationships:			
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Total customer relationships (g)	1,391,200	1,373,900	1,298,000
Double play relationships (h)	539,200	527,800	496,300
Double play penetration (i)	38.8%	38.4%	38.2%
Triple play relationships (j)	330,900	321,900	282,300
Triple play penetration (k)	23.8%	23.4%	21.7%
Total bundled customers (l)	870,100	849,700	778,600
Bundled penetration (m)	62.5%	61.8%	60.0%
Non-video customer relationships (n)	234,900	218,300	174,800
Non-video as a % of total customer relationships (o)	16.9%	15.9%	13.5%

Estimated Customer Penetration (w):	Actual	Actual	Actual
Estimated basic penetration (p), (w)	41.5%	41.6%	45.4%
Estimated digital penetration (q)	63.7%	61.3%	55.8%
Estimated residential high-speed Internet penetration (r), (w)	33.6%	32.6%	32.9%
Estimated residential telephone penetration (s), (w)	18.5%	18.1%	17.4%
Commercial Customers:	Actual	Actual	Actual
Commercial Internet (t)	48,800	47,400	41,200
Commercial telephone (u)	19,600	18,100	12,800

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

	Mar. 31, 2012	Dec. 31, 2011	Mar. 31, 2011
	Actual	Actual	Pro Forma (v)
Revenue Generating Units (RGU):			
Basic video customers (a)	1,250,200	1,252,200	1,298,600
Digital video customers (b)	796,400	767,300	725,900
Residential high-speed Internet customers (c)	982,600	951,400	918,800
Residential telephone customers (d)	453,200	438,600	397,700
Total RGUs (e)	3,482,400	3,409,500	3,341,000
Quarterly net customer additions (losses):	Actual	Actual	Pro Forma (v)
Basic video customers	(2,000)	(16,100)	900
Digital video customers	29,100	13,700	29,400
Residential high-speed Internet customers	31,200	14,200	32,500
Residential telephone customers	14,600	12,500	20,000
Total RGUs (e)	72,900	24,300	82,800
Average Revenue per Unit (ARPU):	Actual	Actual	Pro Forma (v)
Pro forma average monthly revenue per basic video customer (f)	\$ 134.80	\$ 129.31	\$ 122.28
Customer Relationships:	Actual	Actual	Pro Forma (v)
Total customer relationships (g)	1,391,200	1,373,900	1,387,700
Double play relationships (h)	539,200	527,800	527,500
Double play penetration (i)	38.8%	38.4%	38.0%
Triple play relationships (j)	330,900	321,900	295,800
Triple play penetration (k)	23.8%	23.4%	21.3%
Total bundled customers (l)	870,100	849,700	823,300
Bundled penetration (m)	62.5%	61.8%	59.3%
Non-video customer relationships (n)	234,900	218,300	194,300
Non-video as a % of total customer relationships (o)	16.9%	15.9%	14.0%
Estimated Customer Penetration (w):	Actual	Actual	Pro Forma (v)
Estimated basic penetration (p), (w)	41.5%	41.6%	44.2%
Estimated digital penetration (q)	63.7%	61.3%	55.9%
Estimated residential high-speed Internet penetration (r), (w)	33.6%	32.6%	32.1%
Estimated residential telephone penetration (s), (w)	18.5%	18.1%	16.4%

Commercial Customers:	<u>Actual</u>	<u>Actual</u>	<u>Pro Forma (v)</u>
Commercial Internet (t)	48,800	47,400	44,100
Commercial telephone (u)	19,600	18,100	13,700

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

(c) 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 Internet customers, including small and medium sized commercial cable modem accounts and customers who take our scalable, fiber-based enterprise network services.

(d) 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.

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

(f) 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.

(g) Customer relationships represent the number of residential customers who receive 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 video service will count as one customer relationship, and a residential customer who purchases both video and high-speed Internet services will also count as only one customer relationship. Customer relationships exclude EBUs.

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

(i) Double play penetration represents double play customers as a percentage of customer relationships.

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

(k) Triple play penetration represents triple play customers as a percentage of customer relationships.

(l) Total bundled customers represents the sum of double play and triple play customers.

(m) Bundled penetration represents total bundled customers as a percentage of customer relationships.

(n) 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

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

(p) Estimated basic penetration is calculated as basic video customers divided by the estimated total homes passed of the Company.

(q) Estimated digital penetration is calculated as digital video customers divided by basic video customers.

(r) 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.

(s) 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.

(t) Commercial Internet 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. Commercial Internet customers are not included in Total RGUs.

(u) Commercial telephone customers are commercial accounts that subscribe to our telephone service. Commercial telephone customers are not included in Total RGUs.

(v) Pro forma to include the impact of the acquisition of NPG Cable on April 1, 2011, as if the transaction had been consummated on January 1, 2011.

(w) The Company increased its estimate of homes passed for the systems acquired from NPG Cable by approximately 63,000 based on new information available after the completion of our billing conversion for those systems. Basic, residential high-speed Internet and telephone penetrations have been restated for all periods to reflect the revised homes passed estimate.

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

	Three Months Ended	
	March 31,	
	2012	2011
Adjusted EBITDA	\$ 181,816	\$ 160,126
Capital expenditures	(97,535)	(105,195)
Cash interest expense	(73,176)	(71,978)
Free Cash Flow	<u>\$ 11,105</u>	<u>\$ (17,047)</u>

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

	Three Months Ended	
	March 31,	
	2012	2011
Net loss	\$ (26,551)	\$ (16,954)
Add back:		
Interest expense, net	75,720	74,546
(Benefit)/provision for income taxes	(3,584)	5,325
Depreciation and amortization	104,394	96,860
Non-cash share based compensation	426	561
Gain on sale of cable assets	(289)	(212)
Loss on termination of derivative instruments	6,565	-
Change in fair value of derivative instruments	10,933	-
Loss on extinguishment of debt	14,202	-
Adjusted EBITDA	<u>\$ 181,816</u>	<u>\$ 160,126</u>

TABLE 10
Cequel Communications Holdings I, LLC
Reconciliation of Net Cash Provided by
(in thousands)

	Three Months Ended	
	March 31,	
	2012	2011
Net cash provided by operating activities	\$ 154,320	\$ 183,390
Add back:		
Capital expenditures	(97,535)	(105,195)
Cash income tax (benefit)/expense	(2,634)	3,178
Interest income	(55)	(149)
Bond premium	-	(17,969)
Changes in assets and liabilities, net	(42,991)	(80,302)

Free Cash Flow	\$	<u>11,105</u>	\$	<u>(17,047)</u>
----------------	----	---------------	----	-----------------

TABLE 11
Cequel Communications Holdings I, LLC
Reconciliation of Cash Interest Expense from Operating
Activities to Free Cash Flow
(in thousands)

	Three Months Ended	
	March 31,	
	<u>2012</u>	<u>2011</u>
Interest expense, net	\$ 75,720	\$ 74,546
Add: interest income	55	149
Add: bond premium amortization	870	760
Less: deferred financing amortization	(2,764)	(3,144)
Less: bond discount amortization	(304)	(333)
Less: term loan discount amortization	<u>(401)</u>	<u>-</u>
Cash interest expense	\$ <u>73,176</u>	\$ <u>71,978</u>

Source: Cequel Communications Holdings I, LLC

Cequel Contact Information

Mary Meduski
EVP - Chief Financial Officer
314-315-9603

Ralph Kelly
SVP – Treasurer
314-315-9403

Mike Pflantz
VP-Corporate Finance
314-315-9341