

## CURRENT REPORT

of

### CEQUEL COMMUNICATIONS HOLDINGS I, LLC

March 11, 2014

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

#### Earnings Release for the Three and Twelve Months Ended December 31, 2013

On March 11, 2014, Cequel issued a press release reporting its financial results for the three and twelve months ended December 31, 2013 (the “Earnings Announcement”). A copy of the Earnings Announcement is attached to this Current Report as Exhibit 99.1.

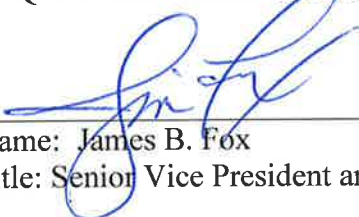
#### Replay of Earnings Call

On March 11, 2014, Cequel held a conference call to discuss its financial results for the three and twelve months ended December 31, 2013. A replay of the call is available on Cequel’s website ([www.suddenlink.com](http://www.suddenlink.com)).

## SIGNATURES

Pursuant to the requirements of Section 4.12(a) of each of the 2020 Notes Indenture and the 2021 Notes 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



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

March 11, 2014

**Exhibit 99.1**

Press Release Attached Starting on the Next Page

## **Suddenlink Reports Fourth Quarter and Full-Year 2013 Financial and Operating Results**

FOR IMMEDIATE RELEASE

ST. LOUIS (March 11, 2014) – Cequel Communications Holdings I, LLC (“Cequel,” and together with its subsidiaries, the “Company” or “Suddenlink”) today reported financial and operating results for the fourth quarter and full year 2013.

"We extended our strong momentum into the fourth quarter of 2013, with year-over-year revenue growth of 5.9%, adjusted EBITDA growth after non-recurring expenses of 14.1%, and free cash flow growth of 37.6%," said Suddenlink Chairman and CEO Jerry Kent. "We also achieved a record net gain in customer relationships last year, and dramatically improved PSU net gains in the fourth quarter 2013 versus the year-ago period, with substantially better performance across the board in video, Internet, and phone services."

On November 15, 2012, Cequel Corporation acquired all of the outstanding common equity interests in Cequel Communications Holdings, LLC, (“Cequel Holdings”), our parent, pursuant to the purchase agreement, and all other equity interests in Cequel Holdings (including preferred equity interests), and rights to purchase equity interests in Cequel Holdings, were retired, redeemed or otherwise terminated (the “Acquisition”).

Operating results and metrics and year-over-year changes described below are presented on a pro forma basis to include the contribution of all of the capital stock of Excell Communications, Inc. (“Excell”) on November 15, 2012, and exclude the impact of immaterial asset divestitures in 2012.

### **Fourth Quarter and Full-Year 2013 Highlights**

- Fourth quarter revenues of \$556.6 million grew 5.9% compared to the fourth quarter of the prior year. Revenues for the full year 2013 of \$2,183.3 million grew 5.9% compared to the full year 2012.
- Excluding the impact of non-recurring expenses, Adjusted EBITDA (as defined herein) for the fourth quarter and full year 2013 was \$220.1 million and \$847.5 million, respectively, representing growth of 3.8% and 7.0%, respectively, compared to the same periods in the prior year. Adjusted EBITDA for the fourth quarter and full year 2013, including the impact of non-recurring expenses, was \$218.9 million and \$839.6 million, respectively, representing growth of 14.1% and 10.0%, respectively, compared to the same periods in the prior year.
- Free Cash Flow (as defined herein) of \$74.3 million for the fourth quarter 2013 grew \$20.3 million compared to the fourth quarter 2012, an increase of 37.6%. Free Cash Flow for the full year 2013 was \$215.7 million compared to \$133.6 million for the full year 2012, an increase of 61.4%.
- Total customer relationships were 1,380,700 at December 31, 2013, an increase of 9,000 from December 31, 2012. RGUs were 3,618,900, an increase of 96,400, or a 2.7% year-over-year.
- Net adds for the fourth quarter of 2013 improved versus net adds from the prior year in every RGU category. We added 34,800 RGUs, including commercial, during the fourth quarter of 2013, compared to 1,900 RGUs, including commercial, during the fourth quarter of 2012.
- PSU net gains for the fourth quarter 2013 were 21,400, an improvement of 27,600, or 445.2%, compared to the fourth quarter 2012. Including commercial, our PSU net gains were 24,600, an improvement of 28,400, or 747.4%, compared to the fourth quarter 2012.
- Total average monthly revenue per basic video customer (“ARPU”) for the fourth quarter was \$156.62, an increase of 9.2% compared to the fourth quarter of the prior year.

- Bundled residential customers represented 66.0% of total residential customer relationships at December 31, 2013, an increase from 64.5% at December 31, 2012, primarily from growth in triple play customer relationships, which represented 27.1% of total residential customer relationships at December 31, 2013, versus 24.9% at December 31, 2012.
- Non-video residential customers represented 20.8% of total residential customer relationships at December 31, 2013, an increase of 16.4% compared to the prior year.
- Commercial revenue grew 12.7% versus the fourth quarter 2012, including 19.6% year-over-year growth in our commercial high-speed data, telephone and on-net carrier revenue on a combined basis. Commercial revenue grew 15.1% for the full year 2013, including 22.9% year-over-year growth in our commercial high-speed data, telephone and on-net carrier revenue on a combined basis.

#### **Fourth Quarter 2013 Compared to Fourth Quarter 2012**

Fourth quarter 2013 revenues rose 5.9%, largely attributable to the increase in residential high-speed Internet, telephone and advanced digital video revenues, growth in revenues from our commercial business, including carrier services, and growth in advertising revenue. Residential revenue growth resulted from increases 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 due to growth in customers purchasing advanced video services during the trailing twelve months. Offsetting this residential growth in part was a decrease in revenue due to basic video customer losses, the impact of bundling and promotional discounts and digital customers purchasing fewer digital tiers of service during the trailing twelve months. Revenues for our commercial business grew due to increases in commercial high-speed data and telephone customers, increases in the penetration of existing customers for these services, and increases in cell tower and backhaul revenues from carrier customers.

Video service revenues increased 2.3% due primarily to video rate increases, higher broadcast retransmission and franchise fee revenue and customer growth in our digital and advanced video services, including converter rental revenue for high-definition and DVR capable digital converters. Offsetting this growth, in part, were the year-over-year basic video customer losses and the impact of digital customers purchasing fewer digital tiers of service on average.

High-speed Internet service revenues rose 14.8% due primarily 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 data services to small and medium sized businesses and growth in carrier services, including fiber to the tower, and optical Internet and transport revenues.

Telephone service revenues grew 3.3% due primarily to an increase in our commercial telephone services to small and medium sized businesses, offset in part by bundle discounts to residential customers.

Advertising revenues increased 1.9% due largely to higher automotive and retail advertising, offset in part by lower political advertising. Excluding political advertising, advertising revenue would have increased 9.9%.

Other revenues increased 3.3% due primarily to increased wire maintenance revenue, security service revenue and tower development revenue.

Our commercial lines of business, embedded in the video, high-speed Internet, telephone service and other revenues, 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 \$77.5 million, or 13.9% of total revenue, in the fourth quarter 2013, representing growth of 12.7% versus

the fourth quarter 2012. Our commercial high-speed data, telephone and on-net carrier revenue grew 19.6% year-over-year on a combined basis.

Operating costs and expenses rose 1.2%, primarily due to higher programming costs, including broadcast retransmission consent expenses, higher telephone service expense, increased net compensation and employee related costs, increased expenses associated with our ad sales business and increased marketing costs, offset in part by decreased non-recurring expenses and third party labor expenses. The fourth quarter 2013 includes \$1.2 million of non-recurring expenses primarily related to our internal telephone platform project. The fourth quarter 2012 includes \$20.1 million of non-recurring expenses, which consist of \$19.9 million of compensation expenses related to the Acquisition and \$0.2 million related to other non-recurring activities.

Excluding the impact of non-recurring expenses described above, Adjusted EBITDA for the fourth quarter 2013 would have been \$220.1 million, an increase of 3.8% compared to the fourth quarter last year, with Adjusted EBITDA margin of 39.5%. Including those non-recurring expenses, Adjusted EBITDA for the fourth quarter 2013 was \$218.9 million, an increase of 14.1% from the same quarter last year, resulting in an Adjusted EBITDA margin of 39.3%.

Income from operations for the fourth quarter 2013 was \$52.2 million, a decrease of 9.1%, compared to \$57.5 million for the fourth quarter 2012, due to increases in depreciation and amortization expense, offset in part by operating performance improvements and by the \$20.1 million of non-recurring expenses, primarily related to the Acquisition in 2012, that were not present in 2013.

Net income was \$4.3 million for the fourth quarter 2013, compared to net loss of \$67.4 million for the fourth quarter 2012. Net loss for the fourth quarter 2012 was impacted by the loss on the extinguishment of debt and the other Acquisition related expenses, none of which were present in 2013.

### **Full-Year 2013 Compared to Full-Year 2012**

Full year revenues for 2013 rose 5.9%, 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 increases 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 recorder ("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 basic video customer losses, the impact of bundling and promotional discounts and digital customers purchasing fewer digital tier of service. 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.

Video service revenues increased 2.2%, due primarily to video rate increases, higher broadcast retransmission revenue and customer growth in our digital and advanced video services, including converter rental revenues for high-definition and DVR capable digital converters, offset in part by the loss of basic video customers and digital customers purchasing fewer digital tiers of service.

High-speed Internet service revenues increased 14.3%, due primarily 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 data services to small and medium sized businesses and growth in carrier services, including fiber to the tower, and optical Internet and transport revenues.

Telephone service revenues increased 5.7%, due primarily to an increase in residential telephone customers and growth in our commercial telephone services to small and medium sized businesses.

Advertising revenues decreased 0.3%, due to decreased political advertising, offset in part by increased automotive advertising. Excluding political advertising, advertising revenue would have increased 7.3%.

Other revenues increased 6.7%, due primarily to increases in wire maintenance revenue, security service revenue and tower development 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 data, fiber based on- and off-net carrier services and commercial telephone. Commercial revenue totaled \$296.7 million, or 13.6% of total revenue, in 2013, representing growth of 15.1% versus 2012. Our commercial data, telephone and on-net carrier revenue grew 22.9% year-over-year on a combined basis.

Operating costs and expenses rose 3.5%, primarily due to higher programming costs, including broadcast retransmission consent expenses, higher telephone service expense, increased labor and employee related costs, increased expenses associated with our ad sales business and increased marketing expenses, offset in part by decreased third party labor expenses and decreased non-recurring expenses. Full year 2013 operating costs and expenses includes \$8.0 million of non-recurring expenses, which consists of costs associated with debt financing, acquisition due diligence and our efforts to bring our telephone platform in-house. Full year 2012 operating costs and expenses includes \$28.9 million of non-recurring expenses, which consist of \$19.9 million of compensation expenses related to the Acquisition, \$8.2 million of compensation expense related to our March and May 2012 equity distributions and \$0.8 million related to other miscellaneous non-recurring activities, none of which were present in 2013.

Excluding the impact of non-recurring expenses described above, Adjusted EBITDA for 2013 would have been \$847.5 million, an increase of 7.0% compared to 2012, with Adjusted EBITDA margin of 38.8%, a 40 basis point improvement from the prior year. Including those non-recurring expenses, Adjusted EBITDA for 2013 was \$839.6 million, an increase of 10.0% from 2012, resulting in an Adjusted EBITDA margin of 38.5%, a 150 basis point improvement from the prior year.

Income from operations for 2013 was \$184.7 million, a decrease of 43.4%, compared to \$326.2 million for 2012, primarily due to increased depreciation and amortization expense, offset in part by revenue increases year-over-year outpacing operating and selling and administrative expense increases.

During 2012, we also recorded losses on the termination of derivative instruments of \$6.6 million, losses on the extinguishment of debt of \$33.1 million and other expenses of \$46.0 million, which consist entirely of Acquisition related expenses not included in the income from operations described above, none of which were present in 2013. These other expenses included certain consent and acknowledgement payments to debt holders, other financing expenses, legal expenses and other transaction related expenses. Total Acquisition related expenses were \$65.9 million, consisting of \$19.9 million of compensation expenses included in selling, general and administrative expenses and \$46.0 million of other Acquisition expenses included in other expense.

Net loss was \$48.4 million for 2013, compared to a net loss of \$43.2 million for 2012. Net loss for 2013 was impacted by increased depreciation and amortization, offset in part by revenue increases year-over-year outpacing operating and selling and administrative expense increases, reductions in interest expense, and expenses related to the Acquisition that were not present in 2013.

### **Key Operating Metrics**

At December 31, 2013, Suddenlink served approximately 1.4 million residential customers, and Suddenlink's RGUs were comprised of 1,177,400 basic video, 868,700 digital video, 1,059,500 residential high-speed Internet and 513,300 residential telephone customers. Suddenlink's approximately 3.6 million RGUs as of December 31, 2013 increased 96,400, or 2.7%, over the prior year, and Suddenlink's approximately 2.8 million PSUs as of December 31, 2013 increased 65,200, or 2.4%, over the prior year. In addition, as of December 31, 2013, Suddenlink served approximately 57,300 commercial high-speed data and 31,800 commercial telephone customers, not included in our RGU or customer relationship

totals. Including these commercial customers, our RGUs increased 109,500, or 3.0%, and our PSUs increased 78,300, or 2.8%, over the prior year.

Approximately 66.0% of Suddenlink's residential customers subscribe to bundled services, compared to 64.5% a year ago. Approximately 374,400 of Suddenlink's residential customers receive video, high-speed Internet and telephone services as part of a triple play bundle, representing 27.1% of Suddenlink's total residential customer relationships. Growth of 32,200 triple play customers from the fourth quarter 2012 represented an increase of 9.4%. Non-video residential customers of approximately 287,200 at December 31, 2013 represent 20.8% of total residential customer relationships, and grew 16.4%.

Suddenlink's ARPU for the fourth quarter 2013 was \$156.62, an increase of 9.2% compared to the fourth quarter of 2012.

Basic video customers decreased by approximately 8,600 customers while digital video customers increased by approximately 10,200 customers during the fourth quarter of 2013. During 2013, basic video customers decreased by approximately 33,800, or 2.8%, while digital video customers increased by approximately 31,200, or 3.7%. Estimated basic penetration at December 31, 2013, was 38.2% of estimated homes passed. Digital penetration to basic customers was 73.8%.

Residential high-speed Internet customers increased by approximately 20,400 during the fourth quarter 2013, and increased 57,400, or 5.7%, during the trailing twelve months. At December 31, 2013, estimated residential high-speed Internet penetration was 35.3% of high-speed Internet capable homes passed. During the fourth quarter of 2013, commercial high-speed data customers increased by approximately 1,300. During 2013, commercial high-speed data customers increased by approximately 5,400, or 10.4%. These commercial customers are not included in total RGU counts. Including these commercial customers, our high-speed Internet customers increased 62,800, or 6.0%, over the prior year.

Residential telephone customers grew by approximately 9,600 during the fourth quarter 2013, and 41,600, or 8.8%, during the twelve months ended December 31, 2013. At December 31, 2013, estimated residential telephone penetration was 20.1% of telephone capable homes passed. During the fourth quarter of 2013, commercial telephone customers increased by approximately 1,900 customers, and increased by approximately 7,700 over the twelve months ended December 31, 2013, or 32.0%. 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 49,300, or 9.9%, 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 contribution of Excell in November 2012 and the divestiture of immaterial assets in 2012.

At December 31, 2013, the Company had approximately \$192.0 million of cash on hand with \$19.5 million of outstanding letters of credit, which reduced the availability under our revolving credit facility to approximately \$480.5 million.

Net cash provided by operating activities was \$174.0 million for the three months ended December 31, 2013, compared to \$36.5 million for the three months ended December 31, 2012. This increase is due to improved operating results, as well as \$65.9 million of Acquisition-related expenses and \$50.3 million of call premium paid in connection with our December 2012 tender offer for a portion of the outstanding 8.625% Senior Notes due 2017, neither of which were present in 2013.

Capital expenditures for the three months ended December 31, 2013 were \$88.6 million, compared to \$68.2 million for the three months ended December 31, 2012, and \$371.4 million, or 17.0% of revenue, for full year 2013 compared to \$348.8 million, or 17.0% of revenue, for full year 2012. During 2014, we expect capital expenditures to be approximately \$360.0 million to \$370.0 million, which includes capital expenditures for the recently acquired cable systems from Northland Communications. This estimate



could increase due to success-based opportunities in our commercial and carrier business or if we decide to significantly increase Internet speeds companywide.

In March 2013, we began an initiative to replace our use of a third-party telephone service provider with our own internal platform and resources. The majority of the migration activity relating to this initiative will take place in 2014, and we expect to complete this process by early 2015. We expect to incur up to \$50 million of additional non-recurring operating expenses and capital expenditures through early 2015 to complete this transaction, but also expect to significantly reduce telephone operating expenses when completed.

Free Cash Flow for the quarter and year ended December 31, 2013 was \$74.3 million and \$215.7 million, respectively, compared to \$54.0 million and \$133.6 million for the quarter and year ended December 31, 2012, respectively. The increase in Free Cash Flow for the fourth quarter and full year of 2013 as compared to the same periods in 2012 is due to improved operating results and a decrease in cash interest expense, offset in part by increased capital expenditures.

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 2.80x at December 31, 2013.

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 6.375% Senior Notes due 2020 and 5.125% Senior Notes due 2021 was 5.42x at December 31, 2013.

### **Acquisition of Cable Systems**

On January 2, 2014, the Company acquired three cable systems from Northland Communications for approximately \$40.3 million, using cash on hand. The cable systems involved in this transaction are located in Texas and serve more than 12,000 residential and nearly 300 commercial customers.

### **Conference Call**

As previously announced, the Company will host a conference call to discuss its fourth quarter and full year results at 11:00 a.m. (Eastern Time) on Tuesday, March 11, 2014. 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	75847529

A replay of this earnings call will be available at the Investor Relations link on the Company's website ([suddenlink.com](http://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.

### **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, 2012 which will be posted on the Company's website ([suddenlink.com](http://suddenlink.com)) on March 11, 2014.

### **Current Report**

A current report containing this earnings release will be posted on the Company's website ([suddenlink.com](http://suddenlink.com)) shortly after the conference call on March 11, 2014.

### **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, (benefit)/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, other expenses 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 operator in the United States. Suddenlink makes its services available over its advanced hybrid-fiber coaxial network to approximately 3.1 million homes in the United States as of December 31, 2013. Suddenlink serves approximately 1.4 million customers as of December 31, 2013. The Company's customer base is clustered geographically with approximately 96% of our basic video customers located in the ten states of Texas, West Virginia, Louisiana, Arkansas, North Carolina, Oklahoma, Arizona, California, Missouri and Ohio, with 89% of our basic video 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;
- 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, 2013.

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 the Notes, as defined in our Annual Report.

## Tables

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- 6 Summary Operating Statistics
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**TABLE 1**

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

Three Months Ended		Percent	Twelve Months Ended		Percent
December 31,			December 31,		
2013	2012	Change	2013	2012	Change
Actual	Actual		Actual	Actual	

Revenues:							
Video	\$ 286,220	\$ 280,350	2.1%	\$ 1,145,882	\$ 1,123,430	2.0%	
High Speed Internet	167,768	146,418	14.6%	640,576	561,531	14.1%	
Telephone	50,395	48,792	3.3%	200,032	189,179	5.7%	
Advertising Sales	25,252	24,770	1.9%	88,798	89,102	-0.3%	
Other	26,964	24,273	11.1%	108,013	91,542	18.0%	
Total Revenues	556,599	524,603	6.1%	2,183,301	2,054,784	6.3%	
Costs and Expenses:							
Operating (excluding depreciation and amortization)	221,694	209,946	-5.6%	877,386	839,836	-4.5%	
Selling, general and administrative (excluding non-cash share based compensation expense)	115,957	122,750	5.5%	466,360	451,928	-3.2%	
Operating costs and expenses	337,651	332,696	-1.5%	1,343,746	1,291,764	-4.0%	
Adjusted EBITDA	218,948	191,907	14.1%	839,555	763,020	10.0%	
Adjusted EBITDA Margin (a)	39.3%	36.6%		38.5%	37.1%		
Depreciation and amortization	162,977	131,211	-24.2%	635,754	432,206	-47.1%	
Non-cash share based compensation expense	2,226	2,168	-2.7%	15,486	3,344	-363.1%	
Loss/(gain) on sale of cable assets	1,524	1,101	-38.4%	3,647	1,416	-157.6%	
Income from operations	52,221	57,427	-9.1%	184,668	326,054	-43.4%	
Interest expense, net	(55,218)	(68,640)	19.6%	(243,270)	(287,002)	15.2%	
Loss on termination of derivatives	-	-	NM	-	(6,565)	100.0%	
Change in fair value of derivatives	-	376	-100.0%	-	-	NM	
Other expenses	-	(46,045)	100.0%	-	(46,045)	100.0%	
Loss on extinguishment of debt	-	(18,945)	100.0%	(6,525)	(33,147)	80.3%	
(Loss)/income before income taxes	(2,997)	(75,827)	96.0%	(65,127)	(46,705)	-39.4%	
Benefit/(provision) for income taxes	7,281	8,379	-13.1%	16,691	3,428	386.9%	
Net (loss)/income	\$ 4,284	\$ (67,448)	106.4%	\$ (48,436)	\$ (43,277)	-11.9%	

(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
	2013	2012		2013	2012	
	Pro-Forma (b)	Pro-Forma (b)		Pro-Forma (b)	Pro-Forma (b)	
Revenues:						
Video	\$ 286,220	\$ 279,819	2.3%	\$ 1,145,882	\$ 1,121,219	2.2%
High Speed Internet	167,678	146,117	14.8%	640,576	560,320	14.3%
Telephone	50,395	48,792	3.3%	200,032	189,179	5.7%
Advertising Sales	25,252	24,770	1.9%	88,798	89,037	-0.3%
Other	26,964	26,098	3.3%	108,013	101,215	6.7%
Total Revenues	556,599	525,596	5.9%	2,183,301	2,060,970	5.9%
Costs and Expenses:						

Costs and Expenses:

Operating (excluding depreciation and amortization)	221,694	210,478	-5.3%	877,386	843,713	-4.0%
Selling, general and administrative (excluding non-cash share based compensation expense)	115,957	123,215	5.9%	466,360	454,119	-2.7%
Operating costs and expenses	337,651	333,693	-1.2%	1,343,746	1,297,832	-3.5%
Adjusted EBITDA	218,948	191,903	14.1%	839,555	763,138	10.0%
<i>Adjusted EBITDA Margin (a)</i>	39.3%	36.5%		38.5%	37.0%	
Depreciation and amortization	162,977	131,183	-24.2%	635,754	432,219	-47.1%
Non-cash share based compensation expense	2,226	2,168	-2.7%	15,486	3,344	-363.1%
Loss/(gain) on sale of cable assets	1,524	1,101	-38.4%	3,647	1,416	-157.6%
Income from operations	52,221	57,451	-9.1%	184,668	326,159	-43.4%
Interest expense, net	(55,218)	(68,640)	19.6%	(243,270)	(287,002)	15.2%
Loss on termination of derivatives	-	-	NM	-	(6,565)	100.0%
Change in fair value of derivatives	-	376	-100.0%	-	-	NM
Other expenses	-	(46,045)	100.0%	-	(46,045)	100.0%
Loss on extinguishment of debt	-	(18,945)	100.0%	(6,525)	(33,147)	80.3%
(Loss)/income before income taxes	(2,997)	(75,803)	96.0%	(65,127)	(46,600)	-39.8%
Benefit/(provision) for income taxes	7,281	8,379	-13.1%	16,691	3,428	386.9%
Net (loss)/income	\$ 4,284	\$ (67,424)	106.4%	\$ (48,436)	\$ (43,172)	-12.2%

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

(b) Pro forma to include the impact of the contribution of all of the capital stock of Excell on November 15, 2012, and exclude the sale of NP3Now on June 1, 2012 and certain small cable systems in Indiana and Illinois on December 31, 2012, where applicable.

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

	Dec. 31, 2013	Dec. 31, 2012
<b>ASSETS</b>		
Cash and cash equivalents	\$ 192,014	\$ 208,482
Accounts receivable, net	189,052	181,783
Deferred tax asset	10,404	9,884
Prepaid expenses and other assets	25,982	19,267
Total current assets	417,452	419,416

Property, plant and equipment, net	1,819,666	1,893,067
Intangible assets, net	5,027,184	5,222,209
Other long-term assets, net	41,352	20,734
Total assets	\$ <u>7,305,654</u>	\$ <u>7,555,426</u>

#### LIABILITIES AND MEMBER'S EQUITY

Accounts payable and accrued expenses	\$ 248,810	\$ 301,939
Deferred revenue	147,038	138,465
Current portion of long-term debt	97,737	22,000
Other current liabilities	5,743	4,279
Total current liabilities	499,328	466,683
Long-term debt, less current portion	4,654,124	4,893,262
Deferred tax liabilities	677,316	698,974
Other long-term liabilities	16,974	5,645
Total liabilities	5,847,742	6,064,564
Total member's equity	1,457,912	1,490,862
Total liabilities and member's equity	\$ <u>7,305,654</u>	\$ <u>7,555,426</u>

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

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2013	2012	2013	2012
Net cash provided by operating activities	\$ 174,025	\$ 36,453	\$ 523,054	\$ 424,803
Net cash used in investing activities	(88,479)	(74,607)	(370,756)	(359,178)
Net cash (used in)/provided by financing activities	(9,356)	102,123	(168,766)	14,194
Increase/(decrease) in cash and cash equivalents	76,189	63,969	(16,468)	79,819
Cash and cash equivalents, beginning of period	115,824	144,513	208,482	128,663
Cash and cash equivalents, end of period	\$ <u>192,014</u>	\$ <u>208,482</u>	\$ <u>192,014</u>	\$ <u>208,482</u>

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

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2013	2012	2013	2012
Customer premise equipment	\$ 12,676	\$ 14,065	\$ 109,075	\$ 101,664
Scalable infrastructure	15,253	5,355	25,701	32,120
Line extensions	2,556	1,410	8,678	7,541
Upgrade/rebuild	1,876	2,167	9,388	8,574
Commercial	14,690	9,131	54,293	35,505
Support capital	41,577	36,080	164,299	163,372
	\$ <u>88,628</u>	\$ <u>68,208</u>	\$ <u>371,434</u>	\$ <u>348,776</u>

**TABLE 6**

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

	<u>Dec. 31,</u> <u>2013</u>	<u>Sept. 30,</u> <u>2013</u>	<u>Dec. 31,</u> <u>2012</u>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
<b>Revenue Generating Units (RGU):</b>			
Basic video customers (a)	1,177,400	1,186,000	1,211,200
Digital video customers (b)	868,700	858,500	837,500
Residential high-speed Internet customers (c)	1,059,500	1,039,100	1,002,100
Residential telephone customers (d)	513,300	503,700	471,700
<b>Total RGUs (e)</b>	<b>3,618,900</b>	<b>3,587,300</b>	<b>3,522,500</b>
Commercial data (f)	57,300	56,000	51,900
Commercial telephone (g)	31,800	29,900	24,100
<b>Total RGUs, including commercial (h)</b>	<b>3,708,000</b>	<b>3,673,200</b>	<b>3,598,500</b>
<b>Total PSUs (i)</b>	<b>2,750,200</b>	<b>2,728,800</b>	<b>2,685,000</b>
<b>Total PSUs, including commercial (j)</b>	<b>2,839,300</b>	<b>2,814,700</b>	<b>2,761,000</b>
<b>Quarterly net customer additions (losses):</b>			
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Basic video customers	(8,600)	(3,000)	(19,100)
Digital video customers	10,200	13,900	4,900
Residential high-speed Internet customers	20,400	21,900	5,300
Residential telephone customers	9,600	18,000	1,900
<b>Total RGUs</b>	<b>31,600</b>	<b>50,800</b>	<b>(7,000)</b>
Commercial data	1,300	1,500	900
Commercial telephone	1,900	2,100	1,500
<b>Total RGUs, including commercial</b>	<b>34,800</b>	<b>54,400</b>	<b>(4,600)</b>
<b>Total PSUs</b>	<b>21,400</b>	<b>36,900</b>	<b>(11,900)</b>
<b>Total PSUs, including commercial</b>	<b>24,600</b>	<b>40,500</b>	<b>(9,500)</b>
<b>Average Revenue per Unit (ARPU):</b>			
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Pro forma average monthly revenue per basic video customer (k)	\$ 156.62	\$ 152.92	\$ 142.83
<b>Residential Customer Relationships:</b>			
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Total customer relationships (l)	1,380,700	1,372,300	1,371,700
Double play relationships (m)	536,900	537,000	542,700
Double play penetration (n)	38.9%	39.1%	39.6%
Triple play relationships (o)	374,400	365,700	342,200
Triple play penetration (p)	27.1%	26.6%	24.9%
Total bundled customers (q)	911,300	902,700	884,900
Bundled penetration (r)	66.0%	65.8%	64.5%
Non-video customer relationships (s)	287,200	274,300	246,800
Non-video as a % of total customer relationships (t)	20.8%	20.0%	18.0%
<b>Estimated Customer Penetration:</b>			
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Estimated basic penetration (u)	38.2%	38.6%	39.8%
Estimated digital penetration (v)	73.8%	72.4%	69.1%
Estimated residential high-speed Internet penetration (w)	35.3%	34.7%	33.9%
Estimated residential telephone penetration (x)	20.1%	19.8%	18.8%

<b>Commercial Customer Relationships:</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
Total customer relationships (y)	83,200	81,800	77,700
Double play relationships (z)	28,000	27,000	23,800
Double play penetration (aa)	33.7%	33.0%	30.6%
Triple play relationships (ab)	8,900	8,400	6,800
Triple play penetration (ac)	10.7%	10.3%	8.8%
Total bundled customers (ad)	36,900	35,400	30,600
Bundled penetration (ae)	44.4%	43.3%	39.4%

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

	<b>Dec. 31, 2013 Actual</b>	<b>Sept. 30, 2013 Actual</b>	<b>Dec. 31, 2012 Actual</b>
<b>Revenue Generating Units (RGU):</b>			
Basic video customers (a)	1,177,400	1,186,000	1,211,200
Digital video customers (b)	868,700	858,500	837,500
Residential high-speed Internet customers (c)	1,059,500	1,039,100	1,002,100
Residential telephone customers (d)	513,300	503,700	471,700
<b>Total RGUs (e)</b>	<b>3,618,900</b>	<b>3,587,300</b>	<b>3,522,500</b>
Commercial data (f)	57,300	56,000	51,900
Commercial telephone (g)	31,800	29,900	24,100
<b>Total RGUs, including commercial (h)</b>	<b>3,708,000</b>	<b>3,673,200</b>	<b>3,598,500</b>
<b>Total PSUs (i)</b>	<b>2,750,200</b>	<b>2,728,800</b>	<b>2,685,000</b>
<b>Total PSUs, including commercial (j)</b>	<b>2,839,300</b>	<b>2,814,700</b>	<b>2,761,000</b>
<b>Quarterly net customer additions (losses):</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
Basic video customers	(8,600)	(3,000)	(16,200)
Digital video customers	10,200	13,900	5,700
Residential high-speed Internet customers	20,400	21,900	8,100
Residential telephone customers	9,600	18,000	1,900
<b>Total RGUs</b>	<b>31,600</b>	<b>50,800</b>	<b>(500)</b>
Commercial data	1,300	1,500	900
Commercial telephone	1,900	2,100	1,500
<b>Total RGUs, including commercial</b>	<b>34,800</b>	<b>54,400</b>	<b>1,900</b>
<b>Total PSUs</b>	<b>21,400</b>	<b>36,900</b>	<b>(6,200)</b>
<b>Total PSUs, including commercial</b>	<b>24,600</b>	<b>40,500</b>	<b>(3,800)</b>
<b>Average Revenue per Unit (ARPU):</b>	<b>Actual</b>	<b>Actual</b>	<b>Pro Forma (af)</b>
Pro forma average monthly revenue per basic video customer (k)	\$ 156.62	\$ 152.92	\$ 143.44
<b>Residential Customer Relationships:</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
Total customer relationships (l)	1,380,700	1,372,300	1,371,700
Double play relationships (m)	536,900	537,000	542,700
Double play penetration (n)	38.9%	39.1%	39.6%
Triple play relationships (o)	374,400	365,700	342,200
Triple play penetration (p)	27.1%	26.6%	24.9%
Total bundled customers (q)	911,300	902,700	884,900



Bundled penetration (r)	66.0%	65.8%	64.5%
Non-video customer relationships (s)	287,200	274,300	246,800
Non-video as a % of total customer relationships (t)	20.8%	20.0%	18.0%
<b>Estimated Customer Penetration:</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
Estimated basic penetration (u)	38.2%	38.6%	39.8%
Estimated digital penetration (v)	73.8%	72.4%	69.1%
Estimated residential high-speed Internet penetration (w)	35.3%	34.7%	33.9%
Estimated residential telephone penetration (x)	20.1%	19.8%	18.8%
<b>Commercial Customer Relationships:</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
Total customer relationships (y)	83,200	81,800	77,700
Double play relationships (z)	28,000	27,000	23,800
Double play penetration (aa)	33.7%	33.0%	30.6%
Triple play relationships (ab)	8,900	8,400	6,800
Triple play penetration (ac)	10.7%	10.3%	8.8%
Total bundled customers (ad)	36,900	35,400	30,600
Bundled penetration (ae)	44.4%	43.3%	39.4%

(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 data 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) 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.

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

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

(i) Total primary services units (“PSUs”) represent total RGUs excluding digital video customers.

(j) Total PSUs, including commercial, represents the sum of total PSUs, 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 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.

(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) Bundled penetration represents total bundled 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 % 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 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) Bundled commercial penetration represents total bundled commercial customers as a percentage of customer relationships.
- (af) Pro forma to include the contribution of all the capital stock of Excell on November 15, 2012 and exclude the impact of immaterial asset divestitures in 2012, where applicable.

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

	<b>Three Months Ended</b>		<b>Twelve Months Ended</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Adjusted EBITDA	\$ 218,948	\$ 191,907	\$ 839,555	\$ 763,020
Capital expenditures	(88,628)	(68,208)	(371,434)	(348,776)
Cash interest expense	(56,069)	(69,741)	(252,394)	(280,602)
Free Cash Flow	\$ <u>74,251</u>	\$ <u>53,958</u>	\$ <u>215,727</u>	\$ <u>133,642</u>

**TABLE 9**  
**CequeI Communications Holdings I, LLC**

**Reconciliation of Net Loss to Adjusted EBITDA**  
(in thousands)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2013	2012	2013	2012
Net income/(loss)	\$ 4,284	\$ (67,448)	\$ (48,436)	\$ (43,277)
Add back:				
Interest expense, net	55,218	68,640	243,270	287,002
(Benefit)/provision for income taxes	(7,281)	(8,379)	(16,691)	(3,428)
Depreciation and amortization	162,977	131,211	635,754	432,206
Non-cash share based compensation	2,226	2,168	15,486	3,344
Loss on sale of cable assets	1,524	1,101	3,647	1,416
Loss on extinguishment of debt	-	18,945	6,525	33,147
Loss on termination of derivative instruments	-	-	-	6,565
Change in fair value of derivative instruments	-	(376)	-	-
Other expenses	-	46,045	-	46,045
Adjusted EBITDA	\$ <u>218,948</u>	\$ <u>191,907</u>	\$ <u>839,555</u>	\$ <u>763,020</u>

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

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2013	2012	2013	2012
Net cash provided by operating activities	\$ 174,025	\$ 36,453	\$ 523,054	\$ 424,803
Add back:				
Capital expenditures	(88,628)	(68,208)	(371,434)	(348,776)
Cash income tax expense	(864)	2,515	5,486	6,595
Interest income	(42)	(35)	(243)	(151)
Bond call premium paid	-	50,274	71,976	50,274
Bond premium received	-	(30,000)	-	(30,000)
Other expenses	-	46,045	-	46,045
Net proceeds from asset disposals	167	-	698	-
Changes in assets and liabilities, net	(10,407)	16,914	(13,810)	(15,148)
Free Cash Flow	\$ <u>74,251</u>	\$ <u>53,958</u>	\$ <u>215,727</u>	\$ <u>133,642</u>

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

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2013	2012	2013	2012
Interest expense, net	\$ 55,218	\$ 68,640	\$ 243,270	\$ 287,002
Add: interest income	42	35	243	151
Add: bond premium amortization	941	3,029	9,035	5,692
Less: deferred financing amortization	(652)	(1,266)	(2,194)	(8,652)
Less: bond discount amortization	-	(190)	-	(1,080)
Less: term loan premium/(discount) amortization	520	(507)	2,040	(2,511)
Cash interest expense	\$ <u>56,069</u>	\$ <u>69,741</u>	\$ <u>252,394</u>	\$ <u>280,602</u>

Source: Cequel Communications Holdings I, LLC

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