

## CURRENT REPORT

of

## CEQUEL COMMUNICATIONS HOLDINGS I, LLC

November 7, 2014

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

### Earnings Release for the Three and Nine Months Ended September 30, 2014

On November 7, 2014, Cequel issued a press release reporting its financial results for the three and nine months ended September 30, 2014 (the “Earnings Announcement”). A copy of the Earnings Announcement is attached to this Current Report as Exhibit 99.1.

### Replay of Earnings Call

On November 7, 2014, Cequel held a conference call to discuss its financial results for the three and nine months ended September 30, 2014. 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 Indentures, Cequel has duly caused this Current Report to be signed on its behalf by the undersigned hereunto duly authorized.

CEQUEL COMMUNICATIONS HOLDINGS I, LLC

By:  \_\_\_\_\_

Name: James B. Fox

Title: Senior Vice President and  
Chief Accounting Officer

Date: November 7, 2014

**Exhibit 99.1**

Press Release Attached Starting on the Next Page

## **Suddenlink Reports Third Quarter 2014 Financial and Operating Results**

***Revenue growth of 6.6% in the quarter, highlighted by high-speed Internet revenue growth of 16.2%***

***Record levels of new customer acquisitions across multiple categories during the quarter***

***Recent programming decisions safeguard both customer satisfaction and sustained competitiveness***

FOR IMMEDIATE RELEASE

ST. LOUIS (November 7, 2014) – Cequel Communications Holdings I, LLC (“Cequel,” and together with its subsidiaries, the “Company” or “Suddenlink”) today reported a strong quarter of performance across its entire business, including growth in revenue, Adjusted EBITDA, customer relationships and ARPU.

The company also made a number of important strategic decisions during the quarter that were in the long term best interests of its customers, including the termination of its relationship with Viacom due to significant price-increase demands that Suddenlink was not prepared to accept. In taking these actions, the company believes it has positioned itself on an even more secure strategic footing moving forward.

Suddenlink Chairman and CEO, Jerry Kent, said: "We're pleased with the performance of our business during the quarter. The growth across multiple categories is evidence of our business continuing to advance by making the right, long-term strategic decisions.

"We've maintained discipline from a pricing standpoint and have provided our customers with high-quality content. We did this even in an environment where another market participant attempted to impose price increases that we deemed commercially illogical and not in the best interests of our customers.

"With strategic investments in future-growth catalysts like Internet services underway, we're committed to positioning Suddenlink for long-term success by adapting to changing industry dynamics and putting our customers' needs first.

"Our strong performance -- including record customer acquisition across multiple categories and strong growth in our high speed Internet and commercial businesses -- bodes well for our growth strategies for the company in the years ahead. We'll continue to stay focused on our key strategic priorities, including investing for the future."

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

### **Third Quarter Highlights**

- Third quarter revenue of \$583.6 million grew 6.6% compared to the third quarter of the prior year, highlighted by high speed Internet revenue growth of 16.2%.
- Commercial revenue grew 11.1% versus the third quarter 2013, including 17.3% year-over-year growth in our commercial high-speed data, telephone and on-net carrier revenue on a combined basis.
- Before the impact of non-recurring expense, Adjusted EBITDA (as defined herein) for the third quarter 2014 was \$216.9 million, representing growth of 3.9% compared to the same period in the prior year. Adjusted EBITDA for the third quarter 2014, after the impact of non-recurring expense, which was primarily associated with our telephone platform migration, was \$210.1 million, representing growth of 1.6% compared to the same period in the prior year.

- Free Cash Flow (as defined herein) of \$169.9 million for the nine months ended September 30, 2014 increased \$28.5 million compared to the first nine months of 2013, or 20.1%.
- Total average monthly revenue per basic video customer ("ARPU") for the third quarter 2014 was \$166.64, an increase of 9.0% compared to the third quarter of the prior year.
- Targeted marketing efforts and our offer strategy resulted in record levels of third quarter customer additions in multiple categories, including a 2,200 net gain in basic video customers, a 32,200 net gain in residential high-speed Internet customers and a 51,800 net gain in PSUs (as defined herein), including commercial, each a record level for any third quarter. In addition, we added 24,700 residential customer relationships during the third quarter 2014, our best ever quarterly net gain in residential customer relationships.
- Total residential customer relationships were 1,428,200 at September 30, 2014, an increase of 44,300, or 3.2%, from September 30, 2013.
- Including commercial, PSUs were 2,955,400, an increase of 121,900, or 4.3%, over the prior year. Including commercial, RGUs (as defined herein) were 3,852,900, an increase of 158,000, or 4.3%, from September 30, 2013.
- Triple play customer relationships represented 28.2% of total residential customer relationships at September 30, 2014, an increase from 26.5% at September 30, 2013.
- Non-video residential customers represented 23.9% of total residential customer relationships at September 30, 2014, and increased 22.2% compared to the prior year.

## **Viacom**

The company was unable to reach an agreement with Viacom on acceptable economic terms for a long-term contract renewal, and effective October 1, 2014, Viacom networks were removed from our channel lineups. We subsequently launched alternative networks offered by other programmers under new long-term contracts. To date, we have experienced little change in our total customer relationships.

"The recent decision regarding Viacom reflects our commitment to protecting our customers by offering them the best value we can," said Mr. Kent. "We're listening to our customers, and we're confident we made the right choice as we adapt to changing industry dynamics. In the weeks and months ahead, we'll continue to emphasize -- to our customers and the marketplace -- how and why those changing dynamics required the type of decision we made."

## **Third Quarter 2014 Compared to Third Quarter 2013**

Third quarter 2014 revenue increased 6.6%, largely attributable to the increase in residential high-speed Internet, telephone, and advanced digital video revenue; growth in revenue from our commercial business, including carrier services; and growth in advertising revenue.

Video service revenue increased 2.0% due primarily to video rate increases; higher broadcast retransmission revenue and customer growth in our digital and advanced video services, including converter rental revenue for high-definition television ("HDTV") and digital video recorder ("DVR") capable digital converters. Offsetting this growth, in part, was the impact of basic video customer losses in the trailing twelve months; digital customers purchasing fewer digital tiers of service on average; and decreased premium and pay-per-view revenue.

High-speed Internet service revenue rose 16.2% due primarily to an increase in residential high-speed Internet customers; growth in home networking revenue; the impact of residential rate increases; the shift of customers to higher speed Internet products; growth in our commercial high-speed data services to small and medium sized businesses; and growth in carrier services, including fiber to the tower, and optical Internet and transport revenue.

Telephone service revenue grew 0.9% due primarily to an increase in residential telephone customers and growth in our commercial telephone services to small and medium sized businesses, offset, in part, by the impact of bundle discounts to residential customers.

Advertising revenue increased 11.8% due largely to higher national political advertising spending. Excluding political, advertising revenue decreased 3.3% due to decreases in local advertising revenue, offset in part by increases in national advertising revenue.

Other revenue increased 4.6% due primarily to increases in installation revenue.

Our commercial lines of business, embedded in the video, high-speed Internet, telephone service and other revenue, described above, are comprised of commercial and bulk video, commercial high-speed data, fiber based on- and off-net carrier services, and commercial telephone. Commercial revenue totaled \$84.5 million, or 14.5% of total revenue, in the third quarter 2014, representing growth of 11.1% versus the third quarter 2013. Our commercial high-speed data, telephone and on-net carrier revenue grew 17.3% year-over-year on a combined basis.

Operating costs and expenses rose 9.7%, primarily due to higher programming costs, including broadcast retransmission consent expense, increased labor and employee related costs, increased marketing costs, and increased non-recurring operating expense related to the initiative to replace a third party telephone provider with our own internal platform and resources. Programming costs and retransmission consent expense grew principally as a result of higher contractual rates charged by our programming and broadcast vendors, new channel distribution requirements, and an increased number of digital video customers. Labor and employee related expense increased due to the impact of annual salary increases and headcount increases. Marketing costs increased from the impact of targeted direct mail initiatives to support our offer strategy aimed at growing our customer base. The third quarter 2014 includes \$6.9 million of non-recurring expense primarily related to the migration to our internal telephone platform and acquisition due diligence costs. The third quarter 2013 includes \$2.2 million of non-recurring expense primarily related to acquisition due diligence costs and costs associated with the migration to our own internal telephone platform and resources.

Before the impact of non-recurring expense described above, Adjusted EBITDA for the third quarter 2014 would have been \$216.9 million, an increase of 3.9% compared to the third quarter last year, with an Adjusted EBITDA margin of 37.2%. After the impact of non-recurring expense, Adjusted EBITDA for the third quarter 2014 was \$210.1 million, an increase of 1.6% from the same quarter last year, resulting in an Adjusted EBITDA margin of 36.0%.

Income from operations for the third quarter 2014 was \$58.0 million, an increase of 39.4%, compared to \$41.6 million for the third quarter 2013, due primarily to an increase in Adjusted EBITDA and a decrease in amortization expense and non-cash share based compensation expense, offset, in part, by an increase in depreciation expense.

Net income was \$10.1 million for the third quarter 2014, compared to a net loss of \$7.8 million for the third quarter 2013.

## **Key Operating Metrics**

At September 30, 2014, Suddenlink served approximately 1,428,200 residential customers, an increase of 3.2% from the prior year. We added 24,700 residential customer relationships during the third quarter 2014, our best ever quarterly net gain in residential customer relationships. Suddenlink's RGUs were comprised of 1,171,000 basic video, 897,500 digital video, 1,135,500 residential high-speed Internet, and 548,100 residential telephone customers. Suddenlink's approximately 3.8 million RGUs as of September 30, 2014, increased 143,600, or 4.0%, over the prior year, and Suddenlink's approximately 2.9 million PSUs as of September 30, 2014, increased 107,500, or 3.9%, over the prior year. In addition, as of September 30, 2014, Suddenlink served approximately 62,500 commercial high-speed data and 38,300 commercial telephone customers, not included in our RGU or customer relationship totals. Including these commercial customers, our RGUs increased 158,000, or 4.3%, and our PSUs increased 121,900, or 4.3%, over the prior year.

Approximately 402,700 of Suddenlink's residential customers receive video, high-speed Internet, and telephone services as part of a triple play bundle, representing 28.2% of Suddenlink's total residential customer relationships, compared to 26.5% a year ago. Growth of 35,700 triple play customers from the third quarter 2013 represented an increase of 9.7%. Approximately 65.9% of Suddenlink's residential customers subscribe to bundled two or more services. Non-video residential customers of approximately 340,300 at September 30, 2014, represent 23.9% of total residential customer relationships, and grew 22.2%.

Suddenlink's ARPU for the third quarter 2014 was \$166.64, an increase of 9.0% compared to the third quarter 2013.

Basic video customers increased by approximately 2,200 customers during the third quarter of 2014, an improvement compared to a loss of 3,200 basic video customers in the third quarter of 2013. The third quarter net gain of 2,200 basic video customers represented our best ever third quarter net gain in this category. Digital video customers increased by approximately 16,000 customers during the third quarter of 2014, an improvement compared to an increase of 14,400 digital video customers in the third quarter of 2013. During the trailing twelve months, basic video customers decreased 1.9% and digital video customers grew 4.2%. Estimated basic penetration at September 30, 2014, was 37.2% of estimated homes passed. Digital penetration to basic video customers was 76.6%.

Residential high-speed Internet customers increased by approximately 32,200 during the third quarter 2014, an improvement compared to an increase of 21,900 residential high-speed Internet customers in the third quarter of 2013. The third quarter net gain of 32,200 residential high-speed Internet customers represented our best ever third quarter net gain in this category. Residential high-speed Internet customers increased 88,000, or 8.4%, during the trailing twelve months. At September 30, 2014, estimated residential high-speed Internet penetration was 37.0% of high-speed Internet capable homes passed. During the third quarter of 2014, commercial high-speed data customers increased by approximately 1,600. These commercial customers are not included in total RGU counts. Including these commercial customers, our high-speed Internet customers increased 94,200, or 8.5%, over the prior year.

Residential telephone customers grew by approximately 13,500 during the third quarter 2014, and 42,400, or 8.4%, during the trailing twelve months. At September 30, 2014, estimated residential telephone penetration was 20.8% of telephone capable homes passed. During the third quarter of 2014, commercial telephone customers increased by approximately 2,300 customers, and increased by approximately 8,200 over the trailing twelve months, or 27.2%. 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 50,600, or 9.4%, over the prior year.

## **Liquidity and Capital Resources**

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

At September 30, 2014, the Company had approximately \$136.0 million of cash on hand with \$18.7 million of outstanding letters of credit, which reduced the availability under our revolving credit facility to approximately \$481.3 million.

Net cash provided by operating activities was \$156.7 million for the three months ended September 30, 2014, compared to \$138.5 million for the three months ended September 30, 2013. This increase is due primarily to improved operating results and working capital changes.

Capital expenditures were \$114.9 million and \$89.7 million for the three months ended September 30, 2014 and 2013, respectively, and \$313.5 million and \$282.8 million for the nine months ended September 30, 2014 and 2013, respectively. During 2014, we expect capital expenditures to be approximately \$410.0 million to \$420.0 million.

Starting in the second half of 2014 and extending through 2017, we expect to invest up to an additional \$230 million of capital expenditures, above and beyond our normal expected capital expenditure levels, to significantly enhance our Internet speeds and ultimately position our network to offer speeds of one Gigabit. Internally known as "Operation GigaSpeed," this initiative will include expenditures to upgrade data network headend equipment, replace any remaining deployed DOCSIS 2.0 customer premises equipment with DOCSIS 3.0 equipment, and complete our all-digital video conversion. We expect to complete these enhancements in a phased, market-by-market approach, focusing first on our largest and most competitive markets. Once fully phased in, the plan calls for our flagship Internet speed to increase from 15 to 200 Megabits and our top speed to increase from over 100 Megabits to one Gigabit in nearly 90% of our service areas. We expect to invest approximately \$35 million of the total capital expenditures related to Operation GigaSpeed in the second half of 2014, with the remainder invested during 2015, 2016 and 2017. For the three months ended September 30, 2014, we incurred \$18.4 million in capital expenditures related to Operation GigaSpeed.

In March 2013, we began an initiative to replace our use of a third-party telephone provider with our own internal platform and resources. The majority of the migration activity relating to this initiative will take place in the second half of 2014, and we expect to complete this initiative by early 2015. During the third quarter, we successfully completed the migration of nearly 367,000 telephone lines. We expect to incur up to \$30 million of non-recurring operating expenses and up to \$20 million of capital expenditures through early 2015 to complete this project, but also expect to significantly reduce telephone operating expenses upon completion. For the three months ended September 30, 2014, we incurred \$6.6 million in non-recurring operating expenses and \$3.4 million in capital expenditures related to this initiative. Since the inception of the initiative, we have incurred \$11.1 million in non-recurring operating expenses and \$14.6 million in capital expenditures.

Free Cash Flow for the quarter ended September 30, 2014, was \$37.2 million, compared to \$59.3 million for the quarter ended September 30, 2013. The decrease in Free Cash Flow for the third quarter of 2014 as compared to the same period in 2013 is due primarily to an increase in capital expenditures and cash interest expense, offset in part by improved operating results.

The Senior Secured Leverage Ratio (Consolidated Secured Debt to Adjusted Pro Forma EBITDA) for Suddenlink as defined in and calculated in accordance with the Credit Agreement was 2.60x at September 30, 2014.

The Total Leverage Ratio (Consolidated Total Debt to Adjusted Pro Forma EBITDA) for Cequel, as defined in and calculated in accordance with the indentures governing Cequel's outstanding Senior Notes was 5.71x at September 30, 2014.



## **Issuance of Senior Notes and Equity Distribution**

On September 9, 2014, we, together with Cequel Capital Corporation, a Delaware Corporation, issued \$500.0 million aggregate principal amount of 5.125% senior notes due 2021, at an offering price of 97.25. These senior notes have substantially the same terms as the \$750 million 5.125% senior notes due 2021, issued in May 2013. The proceeds were used, along with cash on hand, to make a \$600.0 million distribution to the holders of equity interests in Cequel Corporation and to pay related fees and expenses.

## **Acquisition of Cable Systems**

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

## **Conference Call**

As previously announced, the Company will host a conference call to discuss its first quarter results at 11:00 a.m. (Eastern Time) on Friday, November 7, 2014. The dial-in information for the earnings call is as follows:

Within the United States	(877) 854-3785
International	(706) 758-9648
Password	Cequel Communications
Conference ID	16214221

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.

## **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 September 30, 2014, which will be posted on the Company's website ([suddenlink.com](http://suddenlink.com)) on November 7, 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 November 7, 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, provision/(benefit) for income taxes, depreciation, amortization, non-cash share based compensation expense, and (gain)/loss on sale of cable assets. 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 Income/(Loss) to Adjusted EBITDA is provided in Table 9. A reconciliation of Net Cash from Operating Activities to Free Cash Flow is provided in Table 10.

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 ("Suddenlink"), is the seventh largest cable operator in the United States. Suddenlink makes its services available over its advanced hybrid-fiber coaxial network to approximately 3.1 million homes in the United States as of September 30, 2014. Suddenlink serves approximately 1.4 million customers as of September 30, 2014. The Company's customer base is clustered geographically with approximately 96% of our customers located in the ten states of Texas, West Virginia, Louisiana, Arkansas, North Carolina, Oklahoma, Arizona, California, Missouri and Ohio, with 91% of our customers located within our top 20 primary systems. Suddenlink simplifies its customers' lives through one call for support, one connection, and one bill for TV, Internet, telephone, and other services.

### **Cautionary Note Regarding Forward-Looking Statements**

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

- competition for video, high-speed Internet and telephone customers;
- our ability to achieve anticipated customer and revenue growth and to successfully introduce new products and services;
- our ability to complete our capital investment plans on time and on budget;
- the effects of economic conditions or other factors which may negatively affect our customers' demand for our products or services;
- increased difficulty negotiating programming and retransmission agreements on favorable terms, if at all, resulting in increased costs to us and/or the loss of popular programming;
- 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, as amended in our Quarterly Report for the period ended June 30, 2014.

You should not place undue reliance on such forward-looking statements, which are based on the information currently available to us and speak only as of the date of this Earnings Release. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. However, your attention is directed to any further disclosures made on related subjects in our subsequent reports furnished to holders of our notes.

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

	Three Months Ended			Nine Months Ended		
	September 30,		Percent Change	September 30,		Percent Change
	2014	2013		2014	2013	
	Actual	Actual		Actual	Actual	
Revenues:						
Video	\$ 289,879	\$ 282,747	2.5%	\$ 879,126	\$ 859,663	2.3%
High Speed Internet	188,410	160,541	17.4%	552,306	472,809	16.8%
Telephone	51,017	50,258	1.5%	152,685	149,635	2.0%
Advertising Sales	25,236	22,563	11.8%	71,625	63,546	12.7%
Other	29,064	27,648	5.1%	82,831	81,049	2.2%
Total Revenues	583,606	543,757	7.3%	1,738,573	1,626,702	6.9%
Costs and Expenses:						
Operating (excluding depreciation and amortization)	243,061	220,072	-10.4%	705,836	655,693	-7.6%
Selling, general and administrative (excluding non-cash share based compensation expense)	130,494	118,261	-10.3%	378,332	350,402	-8.0%
Operating costs and expenses	373,555	338,333	-10.4%	1,084,168	1,006,095	-7.8%
Adjusted EBITDA	210,051	205,424	2.3%	654,405	620,607	5.4%
<i>Adjusted EBITDA Margin (a)</i>	<i>36.0%</i>	<i>37.8%</i>		<i>37.6%</i>	<i>38.2%</i>	
Depreciation and amortization	147,335	159,280	7.5%	449,285	472,776	5.0%
Non-cash share based compensation expense	3,501	4,426	20.9%	19,344	13,260	-45.9%
Loss on disposal of cable assets	1,173	781	-50.2%	2,756	2,123	-29.8%
Income from operations	58,042	40,937	41.8%	183,020	132,448	38.2%
Interest expense, net	(57,209)	(55,645)	-2.8%	(168,453)	(188,052)	10.4%
Loss on extinguishment of debt	—	—	0.0%	—	(6,525)	100.0%
Income/(loss) before income taxes	833	(14,708)	105.7%	14,567	(62,129)	123.4%
Benefit/(provision) for income taxes	9,258	6,169	50.1%	(2,193)	9,411	-123.3%
Net income/(loss)	\$ 10,091	\$ (8,539)	218.2%	\$ 12,374	\$ (52,718)	123.5%

(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			Nine Months Ended		
	September 30,		Percent Change	September 30,		Percent Change
	2014	2013		2014	2013	
	Actual	Pro-Forma (b)		Actual	Pro-Forma (b)	
Revenues:						
Video	\$ 289,879	\$ 284,213	2.0%	\$ 879,126	\$ 864,111	1.7%
High Speed Internet	188,410	162,114	16.2%	552,306	477,390	15.7%
Telephone	51,017	50,548	0.9%	152,685	150,469	1.5%
Advertising Sales	25,236	22,564	11.8%	71,625	63,546	12.7%
Other	29,064	27,793	4.6%	82,831	81,456	1.7%
Total Revenues	583,606	547,232	6.6%	1,738,573	1,636,972	6.2%
Costs and Expenses:						
Operating (excluding depreciation and amortization)	243,061	221,667	-9.7%	705,836	660,422	-6.9%
Selling, general and administrative (excluding non-cash share based compensation expense)	130,494	118,899	-9.8%	378,332	352,308	-7.4%
Operating costs and expenses	373,555	340,566	-9.7%	1,084,168	1,012,730	-7.1%
Adjusted EBITDA	210,051	206,666	1.6%	654,405	624,242	4.8%
Adjusted EBITDA Margin (a)	36.0%	37.8%		37.6%	38.1%	
Depreciation and amortization	147,335	159,813	7.8%	449,285	474,414	5.3%
Non-cash share based compensation expense	3,501	4,426	20.9%	19,344	13,260	-45.9%
Loss on sale of cable assets	1,173	781	-50.2%	2,756	2,123	-29.8%
Income from operations	58,042	41,646	39.4%	183,020	134,445	36.1%
Interest expense, net	(57,209)	(55,645)	-2.8%	(168,453)	(188,052)	10.4%
Loss on extinguishment of debt	—	—	0.0%	—	(6,525)	100.0%
Income/(loss) before income taxes	833	(13,999)	106.0%	14,567	(60,132)	124.2%
Benefit/(provision) for income taxes	9,258	6,169	50.1%	(2,193)	9,411	-123.3%
Net Income/(loss)	\$ 10,091	\$ (7,830)	228.9%	\$ 12,374	\$ (50,721)	124.4%

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

(b) Pro forma to include the impact of the cable systems acquired from Northland, where applicable.

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

	<b>Sep 30, 2014</b>	
	<b>(unaudited)</b>	<b>Dec 31, 2013</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 136,029	\$ 192,014
Accounts receivable, net	194,246	189,052
Deferred tax asset	12,387	10,404
Prepaid expenses and other assets	31,862	25,982
Total current assets	<u>374,524</u>	<u>417,452</u>
Property, plant and equipment, net	1,792,731	1,819,666
Intangible assets, net	4,970,867	5,027,184
Other long-term assets, net	40,002	41,352
Total assets	<u>\$ 7,178,124</u>	<u>\$ 7,305,654</u>
<b>LIABILITIES AND MEMBER'S EQUITY</b>		
Accounts payable and accrued expenses	\$ 277,019	\$ 248,810
Deferred revenue	150,434	147,038
Current portion of long-term debt	79,422	97,737
Other current liabilities	11,765	5,743
Total current liabilities	<u>518,640</u>	<u>499,328</u>
Long-term debt, less current portion	5,075,041	4,654,124
Deferred tax liabilities	677,372	677,316
Other long-term liabilities	17,441	16,974
Total liabilities	<u>6,288,494</u>	<u>5,847,742</u>
Total member's equity	889,630	1,457,912
Total liabilities and member's equity	<u>\$ 7,178,124</u>	<u>\$ 7,305,654</u>

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

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Net cash provided by operating activities	\$ 156,709	\$ 138,466	\$ 507,659	\$ 347,554
Net cash used in investing activities	(111,081)	(91,666)	(356,420)	(280,802)
Net cash used in financing activities	(130,936)	(9,709)	(207,224)	(159,410)
Decrease in cash and cash equivalents	(85,308)	37,091	(55,985)	(92,658)
Cash and cash equivalents, beginning of period	221,337	78,733	192,014	208,482
Cash and cash equivalents, end of period	<u>\$ 136,029</u>	<u>\$ 115,824</u>	<u>\$ 136,029</u>	<u>\$ 115,824</u>

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
Customer premise equipment	\$ 27,763	\$ 27,739	\$ 88,626	\$ 96,399
Scalable infrastructure	18,078	4,349	34,869	10,447
Line extensions	5,899	2,507	12,716	6,122
Upgrade/rebuild	6,021	1,273	12,400	7,513
Commercial	8,516	12,377	25,503	39,603
Support capital	48,608	41,452	139,402	122,722
Total capital expenditures (1)	<u>\$ 114,885</u>	<u>\$ 89,697</u>	<u>\$ 313,516</u>	<u>\$ 282,806</u>

(1) During the three and nine months ended September 30, 2014, we acquired \$114.9 million and \$313.5 million of property, plant and equipment, respectively. As reflected in our consolidated statement of cash flows, \$111.5 million and \$317.3 million, respectively, represents capital expenditures for which cash was paid during the three and nine months ended September 30, 2014, which includes \$3.4 million and \$3.8 million, respectively, of net cash outflows and inflows, respectively, related to the decrease and increase, respectively, in accounts payable and accrued expenses related to capital expenditures.

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

	Sep 30, 2014	Jun 30, 2014	Dec 31, 2013	Sep 30, 2013
	Actual	Actual	Actual	Actual
<b>Revenue Generating Units (RGU):</b>				
Basic video customers (a)	1,171,000	1,168,800	1,177,400	1,186,000
Residential high-speed Internet customers (b)	1,135,500	1,103,300	1,059,500	1,039,100
Residential telephone customers (c)	548,100	534,600	513,300	503,700
<b>Total PSUs (d)</b>	<b>2,854,600</b>	<b>2,806,700</b>	<b>2,750,200</b>	<b>2,728,800</b>
Digital video customers (e)	897,500	881,500	868,700	858,500
<b>Total RGUs (f)</b>	<b>3,752,100</b>	<b>3,688,200</b>	<b>3,618,900</b>	<b>3,587,300</b>
Commercial data (g)	62,500	60,900	57,300	56,000
Commercial telephone (h)	38,300	36,000	31,800	29,900
<b>Total PSUs, including commercial (i)</b>	<b>2,955,400</b>	<b>2,903,600</b>	<b>2,839,300</b>	<b>2,814,700</b>
<b>Total RGUs, including commercial (j)</b>	<b>3,852,900</b>	<b>3,785,100</b>	<b>3,708,000</b>	<b>3,673,200</b>
<b>Quarterly net customer additions (losses):</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
Basic video customers	2,200	(18,700)	(8,600)	(3,000)
Residential high-speed Internet customers	32,200	200	20,400	21,900
Residential telephone customers	13,500	7,100	9,600	18,000
<b>Total PSUs</b>	<b>47,900</b>	<b>(11,400)</b>	<b>21,400</b>	<b>36,900</b>
Digital video customers	16,000	(6,500)	10,200	13,900
<b>Total RGUs</b>	<b>63,900</b>	<b>(17,900)</b>	<b>31,600</b>	<b>50,800</b>
Commercial data	1,600	1,500	1,300	1,500
Commercial telephone	2,300	2,200	1,900	2,100
<b>Total PSUs, including commercial</b>	<b>51,800</b>	<b>(7,700)</b>	<b>24,600</b>	<b>40,500</b>
<b>Total RGUs, including commercial</b>	<b>67,800</b>	<b>(14,200)</b>	<b>34,800</b>	<b>54,400</b>

<b>Average Revenue per Unit (ARPU):</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
Pro forma average monthly revenue per basic video customer (k)	\$ 166.64	\$ 163.92	\$ 156.62	\$ 152.92
<b>Residential Customer Relationships:</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
Total customer relationships (l)	1,428,200	1,403,500	1,380,700	1,372,300
Double play relationships (m)	538,000	535,300	536,900	537,000
Double play penetration (n)	37.7%	38.1%	38.9%	39.1%
Triple play relationships (o)	402,700	391,400	374,400	365,700
Triple play penetration (p)	28.2%	27.9%	27.1%	26.6%
Total bundled customers (q)	940,700	926,700	911,300	902,700
Bundled penetration (r)	65.9%	66.0%	66.0%	65.8%
Non-video customer relationships (s)	340,300	319,900	287,200	274,300
Non-video as a % of total customer relationships (t)	23.9%	22.9%	20.8%	20.0%
<b>Estimated Customer Penetration:</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
Estimated basic penetration (u)	37.2%	37.3%	38.2%	38.6%
Estimated digital penetration (v)	76.6%	75.4%	73.8%	72.4%
Estimated residential high-speed Internet penetration (w)	37.0%	36.1%	35.3%	34.7%
Estimated residential telephone penetration (x)	20.8%	20.5%	20.1%	19.8%
<b>Commercial Customer Relationships:</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
Total customer relationships (y)	88,600	86,800	83,200	81,800
Double play relationships (z)	31,300	30,200	28,000	27,000
Double play penetration (aa)	35.3%	34.8%	33.7%	33.0%
Triple play relationships (ab)	10,900	10,300	8,900	8,400
Triple play penetration (ac)	12.3%	11.9%	10.7%	10.3%
Total bundled customers (ad)	42,200	40,500	36,900	35,400
Bundled penetration (ae)	47.6%	46.7%	44.4%	43.3%

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

	<b>Sep 30, 2014</b>	<b>Jun 30, 2014</b>	<b>Dec 31, 2013</b>	<b>Sep 30, 2013</b>
	<b>Actual</b>	<b>Actual</b>	<b>Pro Forma (af)</b>	<b>Pro Forma (af)</b>
<b>Revenue Generating Units (RGU):</b>				
Basic video customers (a)	1,171,000	1,168,800	1,185,100	1,193,900
Residential high-speed Internet customers (b)	1,135,500	1,103,300	1,068,000	1,047,500
Residential telephone customers (c)	548,100	534,600	515,400	505,700
<b>Total PSUs (d)</b>	<b>2,854,600</b>	<b>2,806,700</b>	<b>2,768,500</b>	<b>2,747,100</b>
Digital video customers (e)	897,500	881,500	872,100	861,400
<b>Total RGUs (f)</b>	<b>3,752,100</b>	<b>3,688,200</b>	<b>3,640,600</b>	<b>3,608,500</b>
Commercial data (g)	62,500	60,900	57,700	56,300
Commercial telephone (h)	38,300	36,000	32,000	30,100
<b>Total PSUs, including commercial (i)</b>	<b>2,955,400</b>	<b>2,903,600</b>	<b>2,858,200</b>	<b>2,833,500</b>



<b>Total RGUs, including commercial (j)</b>	<b>3,852,900</b>	<b>3,785,100</b>	<b>3,730,300</b>	<b>3,694,900</b>
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<b>Quarterly net customer additions (losses):</b>	<b>Actual</b>	<b>Actual</b>	<b>Pro Forma (af)</b>	<b>Pro Forma (af)</b>
Basic video customers	2,200	(18,700)	(8,800)	(3,200)
Residential high-speed Internet customers	32,200	200	20,500	21,900
Residential telephone customers	13,500	7,100	9,700	18,000
<b>Total PSUs</b>	<b>47,900</b>	<b>(11,400)</b>	<b>21,400</b>	<b>36,700</b>
Digital video customers	16,000	(6,500)	10,700	14,400
<b>Total RGUs</b>	<b>63,900</b>	<b>(17,900)</b>	<b>32,100</b>	<b>51,100</b>
Commercial data	1,600	1,500	1,400	1,500
Commercial telephone	2,300	2,200	1,900	2,200
<b>Total PSUs, including commercial</b>	<b>51,800</b>	<b>(7,700)</b>	<b>24,700</b>	<b>40,400</b>
<b>Total RGUs, including commercial</b>	<b>67,800</b>	<b>(14,200)</b>	<b>35,400</b>	<b>54,800</b>

<b>Average Revenue per Unit (ARPU):</b>	<b>Actual</b>	<b>Actual</b>	<b>Pro Forma (af)</b>	<b>Pro Forma (af)</b>
Pro forma average monthly revenue per basic video customer (k)	\$ 166.64	\$ 163.92	\$ 156.58	\$ 152.87

<b>Residential Customer Relationships:</b>	<b>Actual</b>	<b>Actual</b>	<b>Pro Forma (af)</b>	<b>Pro Forma (af)</b>
Total customer relationships (l)	1,428,200	1,403,500	1,392,300	1,383,900
Double play relationships (m)	538,000	535,300	540,700	540,700
Double play penetration (n)	37.7%	38.1%	38.8%	39.1%
Triple play relationships (o)	402,700	391,400	375,600	367,000
Triple play penetration (p)	28.2%	27.9%	27.0%	26.5%
Total bundled customers (q)	940,700	926,700	916,300	907,700
Bundled penetration (r)	65.9%	66.0%	65.8%	65.6%
Non-video customer relationships (s)	340,300	319,900	291,400	278,400
Non-video as a % of total customer relationships (t)	23.9%	22.9%	20.8%	20.0%

<b>Estimated Customer Penetration:</b>	<b>Actual</b>	<b>Actual</b>	<b>Pro Forma (af)</b>	<b>Pro Forma (af)</b>
Estimated basic penetration (u)	37.2%	37.3%	38.0%	38.3%
Estimated digital penetration (v)	76.6%	75.4%	73.6%	72.2%
Estimated residential high-speed Internet penetration (w)	37.0%	36.1%	35.1%	34.6%
Estimated residential telephone penetration (x)	20.8%	20.5%	19.8%	19.5%

<b>Commercial Customer Relationships:</b>	<b>Actual</b>	<b>Actual</b>	<b>Pro Forma (af)</b>	<b>Pro Forma (af)</b>
Total customer relationships (y)	88,600	86,800	83,700	82,400
Double play relationships (z)	31,300	30,200	28,200	27,200
Double play penetration (aa)	35.3%	34.8%	33.7%	33.0%
Triple play relationships (ab)	10,900	10,300	8,900	8,400
Triple play penetration (ac)	12.3%	11.9%	10.6%	10.2%
Total bundled customers (ad)	42,200	40,500	37,100	35,600
Bundled penetration (ae)	47.6%	46.7%	44.3%	43.2%

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
Adjusted EBITDA	\$ 210,051	\$ 205,424	\$ 654,405	\$ 620,607
Capital expenditures (1)	(114,885)	(89,697)	(313,516)	(282,806)
Cash interest expense	(57,976)	(56,468)	(170,953)	(196,325)
Free Cash Flow	<u>\$ 37,190</u>	<u>\$ 59,259</u>	<u>\$ 169,936</u>	<u>\$ 141,476</u>

(1) During the three and nine months ended September 30, 2014, we acquired \$114.9 million and \$313.5 million of property, plant and equipment, respectively. As reflected in our consolidated statement of cash flows, \$111.5 million and \$317.3 million, respectively, represents capital expenditures for which cash was paid during the three and nine months ended September 30, 2014, which includes \$3.4 million and \$3.8 million, respectively, of net cash outflows and inflows, respectively, related to the decrease and increase, respectively, in accounts payable and accrued expenses related to capital expenditures.

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
Net income/(loss)	\$ 10,091	\$ (8,539)	\$ 12,374	\$ (52,718)
Add back:				
Interest expense, net	57,209	55,645	168,453	188,052
(Benefit)/provision for income taxes	(9,258)	(6,169)	2,193	(9,411)
Depreciation and amortization	147,335	159,280	449,285	472,776
Non-cash share based compensation	3,501	4,426	19,344	13,260
Loss on disposal of cable assets	1,173	781	2,756	2,123
Loss on extinguishment of debt	—	—	—	6,525
Adjusted EBITDA	<u>\$ 210,051</u>	<u>\$ 205,424</u>	<u>\$ 654,405</u>	<u>\$ 620,607</u>

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
Net cash provided by operating activities	\$ 156,709	\$ 138,466	\$ 507,659	\$ 347,554
Add back:				
Capital expenditures	(114,885)	(89,697)	(313,516)	(282,806)
Cash income tax expense	1,826	(286)	4,120	6,350
Interest income	(69)	(30)	(172)	(201)
Senior Notes redemption premium	—	—	—	71,976
Changes in assets and liabilities, net	(6,391)	10,806	(28,155)	(1,397)
Free Cash Flow	<u>\$ 37,190</u>	<u>\$ 59,259</u>	<u>\$ 169,936</u>	<u>\$ 141,476</u>

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
Interest expense, net	\$ 57,209	\$ 55,645	\$ 168,453	\$ 188,052
Add: interest income	69	28	172	201
Add: bond premium amortization	984	927	2,909	8,093
Add: term loan premium amortization	530	516	1,563	1,522
Less: bond discount accretion	(93)	—	(93)	—
Less: deferred financing amortization	(723)	(648)	(2,051)	(1,543)
Cash interest expense	<u>\$ 57,976</u>	<u>\$ 56,468</u>	<u>\$ 170,953</u>	<u>\$ 196,325</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  
SVP, Corporate Finance  
314-315-9341