

CURRENT REPORT

of

CEQUEL COMMUNICATIONS HOLDINGS I, LLC

May 26, 2015

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

Consent Solicitations

Unless otherwise indicated, the terms “we,” “us,” “our” and other similar terms refer to Cequel and its consolidated subsidiaries.

As previously disclosed, on May 19, 2015, our parent, Cequel Corporation, a Delaware corporation (“Cequel Corporation”), entered into a Purchase and Sale Agreement (the “Purchase Agreement”) with Altice S.A., a public limited liability company (*societe anonyme*) incorporated and existing under the laws of the Grand Duchy of Luxembourg (“Altice”), certain other direct or indirect wholly-owned subsidiaries of Altice (the “Purchasers”), direct and indirect stockholders of Cequel Corporation (the “Sellers”), and our manager, Cequel III, LLC, a Delaware limited liability company, with respect to the sale of equity interests in Cequel Corporation. Pursuant to the Purchase Agreement, the Purchasers will purchase from the Sellers approximately 70% of the total outstanding equity interests in Cequel Corporation (the “Acquisition”). The completion of the Acquisition is subject to customary conditions, including receipt of certain regulatory approvals and receipt of certain governmental approvals (including

in respect of certain U.S. anti-trust laws). The Acquisition is expected to close on or prior to August 31, 2016.

In connection with the Acquisition, on May 26, 2015, the Issuers commenced solicitations of consents (the “Consent Solicitations”) from holders of the Notes to waive any obligation that the Issuers may have under the Indentures to repurchase the Notes as a result of the consummation of the Acquisition and make certain related changes to the Indentures.

Lender Consents and Refinancing

In connection with the Acquisition, on May 26, 2015, Cequel Communications, LLC (i) commenced solicitation of consents from the lenders under our existing credit facility (the “Existing Credit Facility”) to amend the definition of change of control and certain other related definitions therein (the “CoC Consents”) so that the consummation of the Acquisition will not constitute a change of control and corresponding event of default under the Existing Credit Facility and (ii) offered to each lender under the Existing Credit Facility the opportunity to roll over (the “Roll Consents”), on a cashless basis, such lender’s loans under the Existing Credit Facility into loans of the same principal amount under a new credit facility (the “New Credit Facility”) to become effective upon the consummation of the Acquisition. If the required level of CoC Consents are not received, we will refinance the entire outstanding amount under the Existing Credit Facility with additional Senior Secured Notes (as defined below) or borrowings under a secured bridge facility in connection with which Altice has received binding commitments, subject to customary conditions, up to the outstanding amount of the Existing Credit Facility, and the New Credit Facility will not be entered into. If the required level of CoC Consents are received, and if lenders holding a minimum of \$150 million of loans and commitments under the existing term loan facility of the Existing Credit Facility have elected to exchange their loans and commitments for loans and commitments under the term loan facility of the New Credit Facility, and lenders holding a minimum of \$250 million of loans and commitments under the existing revolving credit facility of the Existing Credit Facility have elected to exchange their loans and commitments for loans and commitments under the revolving credit facility of the New Credit Facility, then an amount of the Existing Credit Facility held by lenders under the Existing Credit Facility who responded affirmatively to the Roll Consents will be refinanced with the same amount of borrowings under the New Credit Facility.

Offering of Senior Notes

On May 26, 2015, affiliates of Altice commenced an offering (the “Offering”) of (i) \$320 million principal amount of senior holdco notes due 2025 (the “Holdco Notes”), (ii) \$300 million principal amount of senior notes due 2025 (the “Senior Notes”) and (iii) \$1.1 billion principal amount of senior secured notes due 2023 (the “Senior Secured Notes”), to finance a portion of the purchase price for the Acquisition. Upon consummation of the Acquisition and related transactions, the Holdco Notes will be the obligations of a newly formed entity owned by an affiliate of Altice that will own 70% of Cequel Corporation, the Senior Notes will be the obligations of the Issuers, and the Senior Secured Notes will be the obligations of an affiliate of Altice created for the purposes of the Acquisition which will be owned by Cequel Communications, LLC. In addition, as disclosed in materials relating to the Offering and

Consent Solicitations, we expect that approximately \$89.5 million of our cash on hand will be used to fund the Acquisition and related transactions.

Altice

The Altice Group

Founded by telecom entrepreneur Patrick Drahi, Altice is the parent company of the Altice and its subsidiaries (the “Altice Group”) and Next L.P. is the principal shareholder of the Altice Group. Altice has significant experience identifying acquisition opportunities, structuring, financing and managing investments in the telecommunications industry, advising cable operators worldwide and creating value through operational excellence. Its strategy is to generate value through a disciplined acquisition strategy and proven integration capabilities. Through Altice International S.à r.l. (“Altice International”) and its subsidiaries, the Altice Group has developed a strong presence in Israel, Portugal, Belgium, Luxembourg, Switzerland, the Dominican Republic and the French Overseas Territories in the Indian Ocean region. The Altice Group has also consolidated the cable and telecom market in France as a result of the roll up of the French cable and telecom market into the Numericable Group and, following the completion of the acquisition by the Numericable Group of SFR in November 2014, SFR. In December 2014, Altice, through its subsidiaries, agreed to purchase PT Portugal S.G.P.S., S.A., a leading provider of integrated telecommunication services to residential and corporate customers in Portugal.

Overview of operations

Altice is a multinational cable and telecommunications company. Altice conducts its activities (i) in France through the Numericable Group, which completed its acquisition of SFR from Vivendi S.A. in November 2014 resulting in the combination of the sole major cable operator in France with France’s leading integrated fixed and mobile network operator and (ii) in Western Europe (comprising Portugal, Belgium, Luxembourg, and Switzerland), Israel, and the Overseas Territories (comprising the Dominican Republic and certain French Overseas Territories in the Caribbean and the Indian Ocean regions) through Altice International. Altice provide cable and fiber-based services (high-quality pay television, broadband Internet and fixed-line telephony) and mobile telephony services to residential and corporate customers. On December 9, 2014, Altice, through its subsidiary Altice Portugal S.A., entered into an agreement with Oi S.A. relating to the purchase of all of the outstanding equity interests in PT Portugal, which is expected to close in the second quarter of 2015. The PT Portugal group is a leading provider of integrated telecommunication services to residential and corporate customers in Portugal, including triple-play and quadruple-play services, and the second largest pay television services provider in Portugal.

Altice has an acquisition strategy whereby it targets cable and FTTH operators with what it believes to be quality networks in markets it finds attractive from an economic, competitive and regulatory standpoint and create value at the acquired businesses by implementing operational improvements and leveraging economies of scale, as well as pursuing in-market consolidation and attractive diversification with business-to-business, DSL and mobile add-on

opportunities. Altice deploys capital opportunistically across its portfolio through value enhancing acquisitions with the aim of generating strong cash flow and operational synergies in the cable and telecommunication sector. Altice has announced that it expects to realize certain operating cost synergies in our business relating to subcontractor rationalization, increased buying power through combined procurement, reduction in international minutes and data traffic costs, renegotiation of price lists with suppliers, network maintenance savings, optimization of sales force, distribution channels and customer care services and simplification of operating practices, as a result of the Acquisition.


This Current Report does not constitute an offer to sell or the solicitation of an offer to buy any security.

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: May 26, 2015