

## CURRENT REPORT

of

### CEQUEL COMMUNICATIONS HOLDINGS I, LLC

April 19, 2016

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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 “Senior Notes 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”), (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”), 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”), (iv) Section 4.10(a) of the indenture, dated as of June 12, 2015 (the “Senior Secured Indenture”), by and among Altice US Finance I, a Delaware corporation (“Senior Secured Notes Issuer”), and Deutsche Bank Trust Company Americas, as trustee (the “New Trustee”), relating to the Senior Secured Notes Issuer’s 5.375% Senior Secured Notes due 2023 (the “Senior Secured Notes”), (v) Section 4.10(a) of the indenture, dated as of June 12, 2015 (the “2025 Indenture”), by and among by and among Cequel (as successor by merger to Altice US Finance II, a Delaware corporation (the “2025 Senior Notes Issuer”)), and the New Trustee, relating to the 2025 Senior Notes Issuer’s 7.75% Senior Notes due 2025 (the “2025 Senior Notes”), and (vi) Section 4.10(a) of the indenture, dated as of June 12, 2015 (the “2025 Holdco Indenture” and, together with the 2020 Indenture, the 2021 Indentures, the Senior Secured Indenture and the 2025 Indenture, the “Indentures”), by and among by and among Altice US Finance S.A. a public limited liability company (société anonyme) incorporated and existing under the laws of the Grand Duchy of Luxembourg (the “2025 Holdco Notes Issuer”), and the New Trustee, relating to the 2025 Holdco Notes Issuer’s 7.75% Senior Notes due 2025 (the “2025 Holdco Notes” and, together with the 2020 Notes, the 2021 Notes, the Senior Secured Notes and the 2025 Senior Notes, the “Notes”), Cequel is furnishing the information contained herein to holders of the Notes. Cequel does business through its subsidiaries as Suddenlink Communications.

## Offering of Senior Secured Notes

On April 19, 2016, Altice US Finance I Corporation (the “Issuer”) commenced an offering of \$1,500 million of senior secured notes due 2026 (the “Notes”), in order to refinance all amounts outstanding under the credit agreement (the “Existing Credit Facility”), dated as of February 14, 2012 and amended as of April 12, 2013 and June 8, 2015 entered into by Cequel Communications, LLC (“Suddenlink”), Cequel Communications Holdings II, LLC (the “Parent Guarantor”), certain subsidiaries of Suddenlink and a syndicate of lenders (the “Refinancing”) and pay fees and expenses in connection therewith. The Notes will be guaranteed by the Parent Guarantor, Suddenlink and each subsidiary of Suddenlink that provides a guarantee under the credit facility agreement (the “New Credit Facility”) entered into on June 12, 2015, between the Issuer, the Parent Guarantor, Suddenlink, certain subsidiaries of Suddenlink and the lenders party thereto (the “Subsidiary Guarantors”, and together with the Parent Guarantor and Suddenlink, the “Note Guarantors”).

## Summary Financial Data

|   | <u>As of December 31, 2015</u>          |
|---|---|
|   | (amounts in \$ millions, except ratios) |
| <b>Unaudited Summary Pro Forma Data:</b>  |   |
| Credit Agreement Adjusted EBITDA .....  | 978                                     |
| Pro Forma Adjusted EBITDA (with Synergies) <sup>(1)</sup> .....                                   | 1,119                                   |
| Pro forma net long-term secured debt.....   | 3,344                                   |
| Ratio of Pro forma net long-term secured debt to Pro Forma Adjusted EBITDA (with Synergies) ..... | 3.0x                                    |

- (1) Pro Forma Adjusted EBITDA (with Synergies) represents (x) Credit Agreement Adjusted EBITDA for the last two fiscal quarters multiplied by two plus (y) an estimated \$100 million of annualized operating cost synergies expected to result in the short term from the Acquisition in the following areas: subcontractor rationalization, increased buying power through combined procurement, optimization of customer care and field operations, renegotiation of price lists with suppliers, network maintenance savings, optimization of sales force and distribution channels and simplification of operating practices. The assumptions used in estimating synergies are inherently uncertain and are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the synergy benefit estimates. Pro Forma Adjusted EBITDA (with Synergies) has not been prepared in accordance with the requirements of Article 11, “Pro Forma Financial Information” of Regulation S-X under the Securities Act.

## Capitalization

The following table sets forth the capitalization of Cequel as of December 31, 2015, on an actual basis and on an as adjusted basis to give effect to the Refinancing, including issuance and sale of the Notes, and the application of the proceeds therefrom and cash on hand as described under “*Sources and Uses*.”

Cequel is a holding company which holds a 100% direct equity interest in the Parent Guarantor and a 100% indirect equity interest in Suddenlink, the Issuer and the Subsidiary Guarantors. The table below includes items of long-term debt, namely the 2020 Notes, the 2021 Notes and the New Senior Notes, which are liabilities of Cequel but are not liabilities of the Issuer or the Note Guarantors.

|   | As of December 31, 2015 |              |
|---|-------------------------|--------------|
|   | Actual                  | As Adjusted  |
|   | (\$ in millions)        |              |
| Cash and cash equivalents .....   | 80                      | 84           |
| Long-term debt:   |                         |              |
| Notes offered hereby .....  | —                       | 1,500        |
| 2025 Senior Secured Notes .....   | 1,100                   | 1,100        |
| New Credit Facility .....   | 815                     | 815          |
| Existing Credit Facility .....  | 1,481                   | —            |
| Capital lease and other obligations .....   | 13                      | 13           |
| <b>Total long-term secured debt</b> .....   | <b>3,409</b>            | <b>3,428</b> |
| 2025 Senior Notes <sup>(1)(2)</sup> .....   | 300                     | 300          |
| 2020 Notes <sup>(3)</sup> .....   | 1,500                   | 1,500        |
| 2021 Notes <sup>(4)</sup> .....   | 1,250                   | 1,250        |
| <b>Total long-term debt, capital lease and other obligations (excluding New Holdco Notes)</b> ..... | <b>6,459</b>            | <b>6,478</b> |

- (1) Upon completion of the Automatic Exchange Transaction (as defined in the 2025 Senior Notes Indenture), the \$320 million aggregate principal amount of the 2025 Holdco Notes will be automatically exchanged for an equal principal amount of additional 2025 Senior Notes and the total aggregate principal amount of 2025 Senior Notes will be \$620 million.
- (2) The 2025 Senior Notes are a long-term debt item of Cequel but not of the Issuer or the Note Guarantors.
- (3) The 2020 Notes are a long-term debt item of Cequel but not of the Issuer or the Note Guarantors.
- (4) The 2021 Notes are a long-term debt item of Cequel but not of the Issuer or the Note Guarantors.

## SIGNATURES

Pursuant to Section 4.12(a) of each of the 2020 Indenture and 2021 Indentures, and Section 4.10(a) of the Senior Secured Indenture, the 2025 Indenture and the 2025 Holdco Indenture, 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: Michael A. Pflantz  
Title: Senior Vice President, Corporate Finance

Date: April 19, 2016