

CURRENT REPORT

of

CEQUEL COMMUNICATIONS HOLDINGS I, LLC

November 5, 2015

Pursuant to (i) Section 4.12(a) of the indenture, dated as of October 25, 2012 as supplemented, (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 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 (“Suddenlink”).

Earnings Release for the Three Months and Nine Months Ended September 30, 2015

On November 5, 2015, Cequel issued a press release reporting its financial results for the three and nine months ended September 30, 2015 (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 5, 2015, Cequel held a conference call to discuss its financial results for the three and nine months ended September 30, 2015. A replay of the call is available on Cequel’s website (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 5, 2015

Exhibit 99.1

Press Release Attached Starting on the Next Page

Suddenlink Reports Third Quarter and Year-to-Date 2015 Financial and Operating Results

FOR IMMEDIATE RELEASE

ST. LOUIS (November 5, 2015) – Cequel Communications Holdings I, LLC (“Cequel,” and together with its subsidiaries, the “Company” or “Suddenlink”) today reported financial and operating results for the third quarter 2015.

“With its acquisition expected to close before the end of this year, Altice will take over a company that is performing exceptionally well,” said Suddenlink Chairman and CEO Jerry Kent. “We added nearly 31,000 residential and commercial customer relationships combined in the 12 months ending September 30. And with continued success in residential Internet and business services, we generated 13.1% EBITDA growth before one-time expenses - and 17.1% EBITDA growth after one-time expenses - in the third quarter 2015 compared to the year-ago period.”

Operating results and metrics and year-over-year changes described below are presented on a pro forma basis to include or exclude cable systems acquired or divested, respectively, during 2014.

Third Quarter Highlights

- Third quarter revenue of \$605.1 million grew 3.6% compared to the third quarter of the prior year, highlighted by growth in residential high-speed Internet and commercial services revenue. Excluding the effect of cyclical political advertising sales, total revenue grew 4.1% in the third quarter 2015 versus the third quarter 2014.
- High-speed Internet revenue grew 16.8% in the third quarter 2015 versus the year-ago period. This growth was driven by the addition of 64,900 residential Internet customers, representing growth of 5.7% during the trailing twelve months; growth in home networking revenue; and continued success in selling higher speed tiers of service to new and existing customers.
- Commercial revenue for the third quarter 2015 grew 10.6% versus the third quarter 2014, including 15.1% 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 2015 was \$245.6 million, representing growth of 13.1%, compared to the same period in the prior year, with gross margin improvement in each PSU category. Adjusted EBITDA for the third quarter 2015, after the impact of non-recurring expense, was \$246.0 million, representing growth of 17.1%, compared to the same period in the prior year.
- Free Cash Flow (as defined herein) for the third quarter 2015 was \$76.1 million, an increase of 104.6% from the prior year, even after giving effect to our investments in Operation GigaSpeed.
- Total residential customer relationships were 1,454,200 at September 30, 2015, an increase of 23,500, or 1.6%, since September 30, 2014. Including commercial, total customer relationships were 1,550,300 at September 30, 2015, an increase of 30,900, or 2.0%, since September 30, 2014.
- Non-video residential customers represented 30.5% of total residential customer relationships at September 30, 2015, and increased 29.8% compared to September 30, 2014.

- The Company completed the initial phases of Operation GigaSpeed, raising the flagship Internet speed in markets serving 92% of high-speed Internet customers to 50 megabits per second ("Mbps"), with top speeds of 150 Mbps in most markets, and up to 1 gigabit per second ("Gbps") in 13 markets, which serve approximately 17% of our residential high-speed Internet customers.

Third Quarter 2015 Compared to Third Quarter 2014

Third quarter 2015 revenue increased 3.6%, largely attributable to the increase in residential high-speed Internet revenue and growth in revenue from our commercial business, including carrier services, offset in part by decreases in video revenue and advertising revenue. Excluding political advertising sales, total revenue increased 4.1%.

Video service revenue decreased 2.3% due primarily to basic and digital 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 revenues. Offsetting this decline, in part, was an increase in broadcast retransmission revenue; growth in converter rental revenue for HDTV and DVR capable digital converters; and the impact of video rate increases.

High-speed Internet service revenue rose 16.8% due primarily to an increase in residential high-speed Internet customers; the sell-in of higher tiers and the shift of existing customers to higher speed Internet products; growth in home networking revenue; growth in our commercial high-speed data services to small and medium sized businesses; growth in carrier services, including fiber to the tower; and growth in optical Internet and transport revenue.

Telephone service revenue grew 0.5% 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 and commercial customers.

Advertising revenue decreased 15.8% due largely to a decline in national political advertising and local ad sales revenue.

Other revenue decreased 1.7% due primarily to a decrease in installation revenue, offset in part by an increase in equipment sales 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 \$93.6 million, or 15.5% of total revenue, in the third quarter 2015, representing growth of 10.6% versus the third quarter 2014. Our commercial high-speed data, telephone, and on-net carrier revenue grew 15.1% on a combined basis.

Operating costs and expenses declined 4.0%, primarily due to a decrease in total programming costs and telephone subscriber line costs, as well as a decrease in non-recurring expense following the completion of Operation Reliant, our initiative to replace our use of a third-party provider of certain functions and services necessary to provide our telephone service with our own internal platform and resources. These decreases were offset in part by higher broadcast retransmission consent expense, as well as increased labor and employee related costs, and consulting fees. Total programming costs decreased in the third quarter versus the year ago quarter primarily due to the loss of basic and digital video customers in the trailing twelve month period and the removal of a major programmer from our channel line-up, offset in part by the costs of new channels launched and the impact of contractual rate increases. However, on a cost per basic customer basis, combined basic and retransmission programming costs increased 4.5% in the third quarter 2015 versus the third quarter 2014. Telephone subscriber line costs decreased as we migrated customers onto our internal platform. Retransmission consent expense grew principally as a result of higher contractual rates charged by broadcasters. Labor and employee related expense

increased due to the impact of annual salary increases and headcount increases in our technical labor and door to door sales force and increases in health insurance and other benefits. Consulting fees increased from growth and efficiency related initiatives. The third quarter 2015 includes \$0.3 million of non-recurring expenses primarily related to the Altice Acquisition (as defined in this Earnings Release), while the third quarter 2014 includes \$6.9 million of non-recurring expense primarily related to costs associated with Operation Reliant and acquisition due diligence costs.

Before the impact of non-recurring expense described above, Adjusted EBITDA for the third quarter 2015 was \$245.6 million, an increase of 13.1% compared to the third quarter last year, with an Adjusted EBITDA margin of 40.6% versus 37.1% in the third quarter 2014. After the impact of non-recurring expense, Adjusted EBITDA for the third quarter 2015 was \$246.0 million, an increase of 17.1% from the same quarter last year, resulting in an Adjusted EBITDA margin of 40.7% versus 36.0% in the third quarter 2014.

Income from operations for the third quarter 2015 was \$62.7 million, an increase of 7.9%, compared to income from operations of \$58.1 million for the third quarter 2014, due primarily to improved operating results and a decrease in depreciation and amortization expense, offset, in part, by an increase in non-cash share based compensation expense based on the equity valuation resulting from the Altice Acquisition.

We recorded a benefit of \$45.6 million for current and deferred income taxes for the third quarter 2015, compared to a benefit of \$9.3 million for the third quarter 2014. The Company computes its annual tax provision and quarterly allocation in accordance with the requirements under GAAP for interim tax reporting using the effective tax rate method. The estimated annual effective tax rate differs significantly from the statutory tax rate primarily due to the treatment of estimated permanent differences associated with the accounting for non-cash equity compensation expense and the size of this expense relative to the Company's estimate of full year earnings before income taxes, which causes a magnified and inverse impact on the effective income tax percentage for the quarter.

Net income was \$47.2 million for the third quarter 2015, compared to net income of \$10.1 million for the third quarter 2014.

Key Operating Metrics

At September 30, 2015, Suddenlink served approximately 1,454,200 residential customers, an increase of 1.6% in the last twelve months. Including commercial, Suddenlink served approximately 1,550,300 customers, an increase of 2.0% in the last twelve months. Suddenlink's RGUs were comprised of 1,094,100 basic video; 870,700 digital video; 1,202,400 residential high-speed Internet; and 561,300 residential telephone customers. Suddenlink's approximately 2.9 million PSUs as of September 30, 2015, decreased 1,400, or less than 0.1%, in the last twelve months, and Suddenlink's approximately 3.7 million RGUs as of September 30, 2015, decreased 28,900, or 0.8%, in the last twelve months. In addition, as of September 30, 2015, Suddenlink served approximately 70,200 commercial high-speed data and 45,700 commercial telephone customers, not included in our RGU or customer relationship totals. Including these commercial customers, our PSUs increased 13,900, or 0.5%, in the last twelve months, and our RGUs decreased 13,600, or 0.4%.

Approximately 397,300 of Suddenlink's residential customers receive video, high-speed Internet, and telephone services as part of a triple play bundle, representing 27.3% of Suddenlink's total residential customer relationships, compared to 28.2% a year ago. A decline of 5,600 triple play customers in the last twelve months represented a decrease of 1.4%. Approximately 63.5% of Suddenlink's residential customers subscribe to two or more bundled services. Non-video residential customers of approximately 443,100 at September 30, 2015, represent 30.5% of total residential customer relationships, and grew 29.8% during the last twelve months.

Suddenlink's Average Revenue per Customer Relationship for the third quarter 2015 was \$131.07, an increase of 1.1% compared to the third quarter 2014.

Basic video customers decreased by approximately 8,500 customers and digital video customers increased by approximately 11,600 customers during the third quarter 2015. During the last twelve months, basic video customers decreased 6.7%, and digital video customers decreased 3.1%, which were impacted by the replacement of a major programmer in our channel line-up in the fourth quarter 2014. The trailing-twelve-month trend in basic and digital video will continue to be impacted by the expected volume of video disconnects in the fourth quarter 2014, until full year results for 2015 are available. Estimated basic penetration at September 30, 2015, was 34.2% of estimated homes passed. Digital penetration to basic video customers was 79.6%.

Residential high-speed Internet customers increased by approximately 21,600 during the third quarter 2015, and increased by approximately 64,900, or 5.7%, during the trailing twelve months. At September 30, 2015, estimated residential high-speed Internet penetration was 38.6% of high-speed Internet capable homes passed. During the third quarter 2015, commercial high-speed data customers increased by approximately 2,400, or 3.5%, and increased 7,700, or 12.3%, during the trailing twelve months. These commercial customers are not included in total RGU counts. Including these commercial customers, our high-speed Internet customers increased 72,600, or 6.0%, in the last twelve months.

Residential telephone customers grew by approximately 3,500 during the third quarter 2015, and increased 12,800, or 2.3%, during the last twelve months. At September 30, 2015, estimated residential telephone penetration was 20.8% of telephone capable homes passed. During the third quarter 2015, commercial telephone customers increased by approximately 1,600 customers, and increased by approximately 7,600 during the last twelve months, or 19.8%. These commercial customers purchase 2.7 lines on average and are not included in total RGU counts. Including these commercial customers, our telephone customers increased 20,400, or 3.5%, in the last twelve months.

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 New Wave on October 1, 2014.

At September 30, 2015, the Company had approximately \$269.2 million of cash on hand with \$21.9 million of outstanding letters of credit, which reduced the availability under our revolving credit facility to approximately \$478.1 million.

Net cash provided by operating activities was \$197.9 million for the third quarter 2015, compared to \$156.7 million for the third quarter 2014.

Capital expenditures were \$108.4 million and \$114.9 million for the third quarter 2015 and 2014, respectively. During 2015, we expect capital expenditures to be approximately \$465.0 million to \$475.0 million, which includes \$85.0 million of capital expenditures related to Operation GigaSpeed. The reduction in range is primarily due to the shift of certain commercial and carrier projects to 2016.

In March 2013, we began "Operation Reliant," an initiative to replace our use of a third-party provider with our own internal platform and resources. The majority of the migration activity relating to Operation Reliant began in the third quarter 2014, and we substantially migrated all residential and commercial lines by the end of 2014, which significantly reduced telephone operating expenses upon completion.

Starting in the second half 2014 and extending through 2017, we expect to invest up to \$230 million of capital expenditures to significantly enhance our Internet speeds in markets serving over 90% of our high-speed Internet customers and ultimately position our network to offer speeds of up to 1 Gbps in markets

servicing nearly 85% of our high-speed Internet customers. 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 that began with Project Imagine. 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 Mbps and our top Internet speed to increase from over 100 Mbps to 1 Gbps in a vast majority of our markets. In 2014 and the first nine months of 2015, we completed the initial phases of Operation GigaSpeed in 104 markets, which serve approximately 92% of our residential high-speed Internet customers. Those investments allowed us to increase the flagship Internet speed from 15 Mbps to 50 Mbps and to increase our top Internet speed to up to 150 Mbps in most markets, with top speeds in 13 markets increasing to 1 Gbps, which serve approximately 17% of our residential high-speed Internet customers. We expect to spend \$85.0 million of capital expenditures in 2015 related to Operation GigaSpeed. For the three and nine months ended September 30, 2015, we spent approximately \$21.1 million and \$60.7 million, respectively, in capital expenditures related to this initiative. Since the inception of Operation GigaSpeed, we have incurred \$95.9 million in capital expenditures related to this initiative.

Free Cash Flow for the third quarter 2015, was \$76.1 million, compared to \$37.2 million for the third quarter 2014, an increase of 104.6%. The increase in Free Cash Flow for the third quarter 2015 as compared to the same period in 2014 is due primarily to an increase in Adjusted EBITDA and an increase in accounts payable and accrued expenses related to capital expenditures, offset in part by an increase in property, plant and equipment purchases driven by Operation GigaSpeed and an increase in cash interest expense primarily due to increased average indebtedness.

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 2.33x at September 30, 2015.

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 Notes was 5.07x at September 30, 2015.

Acquisition of Cable Systems

On October 1, 2014, the Company acquired two cable systems from New Wave for approximately \$6.1 million, subject to working capital adjustments, using cash on hand. The cable systems involved in this transaction are located in Nevada and serve nearly 3,000 residential and less than 100 commercial customers.

Altice Acquisition

On May 19, 2015, our parent, 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. As of the date hereof, Cequel Corporation is directly or indirectly owned by investment funds advised by BC Partners Limited ("BCP"), CPPIB-Suddenlink LP, a wholly owned subsidiary of Canada Pension Plan Investment Board ("CPPIB" and together with BCP, the "Sponsors"), and IW4MK Carry Partnership LP (the "Management Holder" and together with the Sponsors, the "Stockholders"). Pursuant to the Purchase Agreement, the Purchasers will purchase from the Sellers approximately 70% of the total outstanding equity interests in Cequel Corporation (the "Altice Acquisition"). The consideration for the acquired equity interests is based on a

total equity valuation for 100% of the capital and voting rights of Cequel Corporation of \$4,132.0 million, which includes \$2,908.9 million of cash consideration, \$723.2 million of retained equity held by the Sponsors and \$500 million funded by the issuance by an affiliate of Altice of a senior vendor note that will be subscribed by the Sponsors. Following the closing of the Altice Acquisition, the Sponsors will retain equity interests in Cequel Corporation representing, in the aggregate, 30% of Cequel Corporation's outstanding capital stock on a post-closing basis. In addition, the Purchase Agreement provides that the carry interest plans of the Stockholders will be cashed out based on an agreement between the Sponsors and the Management Holder whereby payments will be made to participants in such carry interest plans, including certain officers and directors of Cequel and Cequel Corporation. The Purchase Agreement includes customary representations, warranties and covenants. The completion of the Altice Acquisition is also 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 Altice Acquisition is expected to close on or prior to December 31, 2015.

In connection with the Altice Acquisition, on June 12, 2015, affiliates of Altice issued (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"), the proceeds from which were placed in escrow, to finance a portion of the purchase price for the Altice Acquisition. The Holdco Notes were issued by Altice US Finance S.A. (the "Holdco Notes Issuer"), an indirect subsidiary of Altice, bear interest at a rate of 7.75% per annum and were issued at a price of 98.275%. The Senior Notes were issued by Altice US Finance II Corporation (the "Senior Notes Issuer"), an indirect subsidiary of Altice, bear interest at a rate of 7.75% per annum and were issued at a price of 100.00%. The Senior Secured Notes were issued by Altice US Finance I Corporation (the "Senior Secured Notes Issuer"), an indirect subsidiary of Altice, bear interest at a rate of 5.375% per annum and were issued at a price of 100.00%. Interest on the Holdco Notes, the Senior Notes and the Senior Secured Notes is payable semi-annually on January 15 and July 15. The Holdco Notes will automatically exchange into an equal aggregate principal amount of Senior Notes once the Senior Notes Issuer builds sufficient restricted payment capacity and the ability to incur additional indebtedness in excess of the aggregate amount of the Holdco Notes. Following the consummation of the Altice Acquisition and related transactions, (i) the indirect parent of the Holdco Notes Issuer will indirectly own 70% of Cequel Corporation, (ii) the Senior Notes Issuer will be merged into Cequel, the Senior Notes will become the obligations of Cequel and Cequel Capital Corporation will become the co-issuer of the Senior Notes, and (iii) the equity interests in the Senior Secured Notes Issuer will be contributed through one or more intermediary steps to Suddenlink, and the Senior Secured Notes will be guaranteed by Cequel Communications Holdings II LLC, Suddenlink and certain of the subsidiaries of Suddenlink and will be secured by certain assets of Cequel Communications Holdings II LLC, Suddenlink and its subsidiaries. If the Altice Acquisition is not consummated, the Holdco Notes, the Senior Notes and the Senior Secured Notes are subject to a special mandatory prepayment at par, plus accrued interest through the prepayment date.

In connection with the Altice Acquisition, we received consent from holders of the 2020 Notes to, among other things, waive any obligation that the Issuers may have under the 2020 Indenture to repurchase the 2020 Notes as a result of the consummation of the Altice Acquisition and make certain related changes to the 2020 Indenture (the "Indenture Amendments"), and the Issuers entered into a first supplemental indenture to the 2020 Indenture with U.S. Bank National Association, as trustee (the "First Supplemental Indenture"), containing the Indenture Amendments. In exchange for this consent, we will pay holders who consented to these amendments an aggregate fee of approximately \$26.3 million upon the closing of the Altice Acquisition, at which time the Indenture Amendments will become effective.

In connection with the Altice Acquisition, we received consent from lenders under the credit and guaranty agreement, dated February 14, 2012, entered into by Cequel Communications, LLC, Cequel Communications Holdings II, LLC, certain subsidiaries of Cequel Communications, LLC and a syndicate of lenders, as amended, which provides for up to \$2.7 billion of loans in the aggregate, consisting of a \$2.2 billion term loan facility and a \$500.0 million revolving credit facility (collectively, the "Existing Credit Facility"), to amend the definition of change of control and certain other related definitions therein so that

the consummation of the Altice Acquisition will not constitute a change of control and corresponding event of default thereunder (the “Existing Credit Facility Amendments”), and we entered into a Second Amendment and Consent to the Existing Credit Facility (the “Second Amendment and Consent”) with the lenders thereunder, containing, among other things, the Existing Credit Facility Amendments. In exchange for this consent, certain affiliates of Altice paid lenders who consented to these amendments an aggregate fee of approximately \$6.8 million.

In addition, as of June 12, 2015, lenders holding (a) \$290.0 million of loans and commitments under the existing revolving credit facility under the Existing Credit Facility and (b) approximately \$810.2 million of loans under the existing term loan facility under the Existing Credit Facility have consented to roll over, on a cashless basis, such lenders’ loans and commitments under the Existing Credit Facility into loans and commitments of the same amount under a new credit facility (the “New Credit Facility”) made available to Altice US Finance I Corporation to become effective upon the consummation of the Altice Acquisition (the “Roll Consents”). The rollover option will continue to be available to other lenders at any time on or prior to a date selected by Altice US Finance I Corporation in consultation with the agent under the Existing Credit Facility that is prior to the consummation of the Altice Acquisition. The New Credit Facility will mature on December 14, 2022, or sooner if certain amounts of the 2020 Notes, the 2021 Notes or the Senior Secured Notes remain outstanding at certain future dates. Upon the closing of the Altice Acquisition, the \$290.0 million of loans and commitments under the existing revolving credit facility under the Existing Credit Facility that lenders have elected to rollover into the New Credit Facility, plus \$60.0 million of new revolving commitments from other lenders, will form a new \$350 million revolving credit facility under the New Credit Facility, and all remaining commitments under the existing \$500 million revolving credit facility under the Existing Credit Facility will be terminated.

The consummation of the Altice Acquisition is subject to the conditions and approvals set out in the Purchase Agreement. To the extent not already met or obtained, there can be no assurance that such conditions will be met or approvals will be obtained in a timely manner, if at all.

Conference Call

As previously announced, the Company will host a conference call to discuss its third quarter results at 10:00 a.m. (Eastern Time) on Thursday, November 5, 2015. The dial-in information for the earnings call is as follows:

Within the United States	(800) 989-9806
International	(850) 429-1388
Call Name	Suddenlink Q3 Earnings Call
Conference ID	24193

A replay of this earnings call will be available at the Investor Relations link on the Company's website (suddenlink.com) shortly after the conclusion of the call.

During the conference call, representatives of the Company may discuss and answer one or more questions concerning the Company's business and financial matters. In addition, such representatives will discuss certain matters concerning the Company set forth in an earnings presentation, a copy of which is available on the Company's website (suddenlink.com). 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, 2015, which will be posted on the Company's website (suddenlink.com) on November 5, 2015.

Current Report

A current report containing this earnings release and the related earnings presentation will be posted on the Company's website (suddenlink.com) shortly after the conference call on November 5, 2015.

Use of Non-GAAP Financial Measures

The Company uses certain measures, including Adjusted EBITDA and Free Cash Flow, that are not defined by Generally Accepted Accounting Principles ("GAAP") to evaluate various aspects of its business.

Adjusted EBITDA is defined as net income/(loss), plus net interest expense, provision/(benefit) for income taxes, depreciation and amortization, non-cash share based compensation expense and loss on disposal of cable assets. As such, it eliminates the significant non-cash depreciation and amortization expense that results from the capital-intensive nature of the Company's businesses as well as other non-cash or special items, and is unaffected by the Company's capital structure or investment activities. Adjusted EBITDA is used by management and our board of directors to evaluate the performance of the Company's business. In addition, Adjusted EBITDA generally correlates to the covenant calculations under our Credit Agreement. However, this measure is limited in that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenues and the cash cost of financing. Management and our board of directors evaluate these costs through other financial measures.

Free Cash Flow is defined as Adjusted EBITDA, less capital expenditures, plus or minus changes in accounts payable and accrued expenses related to capital expenditures, less cash interest expense.

The Company believes that Adjusted EBITDA and Free Cash Flow provide information useful to investors in assessing the Company's performance and its ability to fund operations, service its debt and make additional investments with internally generated funds.

Adjusted EBITDA and Free Cash Flow, as used herein, 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.

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 3.2 million homes in the United States and serves approximately 1.5 million customers as of September 30, 2015. 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;
- our ability to consummate the Altice Acquisition, which is subject to various conditions and approvals set out in the Purchase Agreement;
- the process of integrating us into the Altice Group and expected synergies from the Altice Acquisition;
- 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, 2014 and in our Quarterly Report for the quarter ended June 30, 2015, which are available on our website (suddenlink.com).

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, changes in our expectations 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.

Tables

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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
	2015	2014		2015	2014	
	Actual	Actual		Actual	Actual	
Revenues:						
Video	\$ 283,550	\$ 289,879	-2.2 %	\$ 857,856	\$ 879,126	-2.4 %
High Speed Internet	220,908	188,410	17.2 %	642,625	552,306	16.4 %
Telephone	51,312	51,017	0.6 %	155,964	152,685	2.1 %
Advertising Sales	21,257	25,236	-15.8 %	62,454	71,625	-12.8 %
Other	28,085	29,064	-3.4 %	82,479	82,831	-0.4 %
Total Revenues	605,112	583,606	3.7 %	1,801,378	1,738,573	3.6 %
Costs and Expenses:						
Operating (excluding depreciation and amortization)	221,597	243,061	8.8 %	677,794	705,836	4.0 %
Selling, general and administrative (excluding non-cash share based compensation expense)	137,479	130,494	-5.4 %	411,187	378,332	-8.7 %
Operating costs and expenses	359,076	373,555	3.9 %	1,088,981	1,084,168	-0.4 %
Adjusted EBITDA	246,036	210,051	17.1 %	712,397	654,405	8.9 %
<i>Adjusted EBITDA Margin (a)</i>	<i>40.7%</i>	<i>36.0%</i>		<i>39.5%</i>	<i>37.6%</i>	
Depreciation and amortization	141,084	147,335	4.2 %	409,357	449,285	8.9 %
Non-cash share based compensation expense	41,905	3,501	-1,096.9 %	178,146	19,344	-820.9 %
Loss on disposal of cable assets	335	1,173	71.4 %	1,573	2,756	42.9 %
Income from operations	62,712	58,042	8.0 %	123,321	183,020	-32.6 %
Interest expense, net	(61,160)	(57,209)	-6.9 %	(183,325)	(168,453)	-8.8 %
Income/(loss) before income taxes	1,552	833	86.3 %	(60,004)	14,567	-511.9 %
Benefit/(provision) for income taxes	45,600	9,258	392.5 %	(187,059)	(2,193)	-8,429.8 %
Net income/(loss)	\$ 47,152	\$ 10,091	367.3 %	\$ (247,063)	\$ 12,374	-2,096.6 %

(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		Percent Change	Nine Months Ended		Percent Change
	September 30,			September 30,		
	2015	2014		2015	2014	
	Actual	Pro-Forma (b)		Actual	Pro-Forma (b)	
Revenues:						
Video	\$ 283,550	\$ 290,297	-2.3 %	\$ 857,856	\$ 880,454	-2.6 %
High Speed Internet	220,908	189,171	16.8 %	642,625	554,638	15.9 %
Telephone	51,312	51,053	0.5 %	155,964	152,800	2.1 %
Advertising Sales	21,257	25,244	-15.8 %	62,454	71,649	-12.8 %
Other	28,085	28,572	-1.7 %	82,479	81,346	1.4 %
Total Revenues	605,112	584,337	3.6 %	1,801,378	1,740,887	3.5 %
Costs and Expenses:						
Operating (excluding depreciation and amortization)	221,597	243,526	9.0 %	677,794	707,263	4.2 %
Selling, general and administrative (excluding non-cash share based compensation expense)	137,479	130,638	-5.2 %	411,187	378,843	-8.5 %
Operating costs and expenses	359,076	374,164	4.0 %	1,088,981	1,086,106	-0.3 %
Adjusted EBITDA	246,036	210,173	17.1 %	712,397	654,781	8.8 %
<i>Adjusted EBITDA Margin (a)</i>	<i>40.7%</i>	<i>36.0%</i>		<i>39.5%</i>	<i>37.6%</i>	
Depreciation and amortization	141,084	147,405	4.3 %	409,357	450,485	9.1 %
Non-cash share based compensation expense	41,905	3,501	-1,096.9 %	178,146	19,344	-820.9 %
Loss on sale of cable assets	335	1,173	71.4 %	1,573	2,756	42.9 %
Income from operations	62,712	58,094	7.9 %	123,321	182,196	-32.3 %
Interest expense, net	(61,160)	(57,209)	-6.9 %	(183,325)	(168,453)	-8.8 %
Income/(loss) before income taxes	1,552	885	75.4 %	(60,004)	13,743	-536.6 %
Benefit/(provision) for income taxes	45,600	9,258	392.5 %	(187,059)	(2,193)	-8,429.8 %
Net Income/(loss)	\$ 47,152	\$ 10,143	364.9 %	\$ (247,063)	\$ 11,550	-2,239.1 %

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

(b) Pro forma to include the impact of the Nevada cable systems acquired from New Wave on October 1, 2014 and other immaterial divestitures in 2014, where applicable.

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

	<u>Sep 30, 2015</u>	<u>Dec 31, 2014</u>
ASSETS		
Cash and cash equivalents	\$ 269,176	\$ 146,922
Accounts receivable, net	193,209	190,063
Deferred tax asset	14,662	14,021
Prepaid expenses and other assets	30,800	26,078
Total current assets	<u>507,847</u>	<u>377,084</u>
Property, plant and equipment, net	1,769,513	1,777,172
Intangible assets, net	4,900,065	4,947,363
Other long-term assets, net	29,991	36,700
Total assets	<u>\$ 7,207,416</u>	<u>\$ 7,138,319</u>
LIABILITIES AND MEMBER'S EQUITY		
Accounts payable and accrued expenses	\$ 227,316	\$ 225,453
Deferred revenue	154,655	148,251
Current portion of long-term debt	74,422	24,422
Other current liabilities	55,104	65,121
Total current liabilities	<u>511,497</u>	<u>463,247</u>
Long-term debt, less current portion	4,995,676	5,067,588
Deferred tax liabilities	859,106	684,376
Other long-term liabilities	5,979	15,033
Total liabilities	<u>6,372,258</u>	<u>6,230,244</u>
Total member's equity	835,158	908,075
Total liabilities and member's equity	<u>\$ 7,207,416</u>	<u>\$ 7,138,319</u>

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

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30,</u>		<u>September 30,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Net cash provided by operating activities	\$ 197,897	\$ 156,709	\$ 521,502	\$ 507,659
Net cash used in investing activities	(111,583)	(111,081)	(365,767)	(356,420)
Net cash used in financing activities	(9,589)	(130,936)	(33,481)	(207,224)
Increase/(Decrease) in cash and cash equivalents	76,725	(85,308)	122,254	(55,985)
Cash and cash equivalents, beginning of period	192,451	221,337	146,922	192,014
Cash and cash equivalents, end of period	<u>\$ 269,176</u>	<u>\$ 136,029</u>	<u>\$ 269,176</u>	<u>\$ 136,029</u>

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
Customer premise equipment	\$ 22,824	\$ 27,763	\$ 93,721	\$ 88,626
Scalable infrastructure	16,677	18,078	56,265	34,869
Line extensions	4,891	5,899	23,658	12,716
Upgrade/rebuild	3,983	6,021	11,615	12,400
Commercial	8,947	8,516	21,702	25,503
Support capital	51,112	48,608	149,906	139,402
Total capital expenditures	<u>\$ 108,434</u>	<u>\$ 114,885</u>	<u>\$ 356,867</u>	<u>\$ 313,516</u>
Changes in accounts payable and accrued expenses related to capital expenditures	3,935	(3,391)	6,517	3,815
Total capital purchases	<u>\$ 112,369</u>	<u>\$ 111,494</u>	<u>\$ 363,384</u>	<u>\$ 317,331</u>

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

	Sep 30, 2015	Jun 30, 2015	Dec 31, 2014	Sep 30, 2014
	Actual	Actual	Actual	Actual
Revenue Generating Units (RGU):				
Basic video customers (a)	1,094,100	1,102,600	1,138,400	1,171,000
Residential high-speed Internet customers (b)	1,202,400	1,180,800	1,149,100	1,135,500
Residential telephone customers (c)	561,300	557,800	547,700	548,100
Total PSUs (d)	2,857,800	2,841,200	2,835,200	2,854,600
Digital video customers (e)	870,700	859,100	871,900	897,500
Total RGUs (f)	3,728,500	3,700,300	3,707,100	3,752,100
Commercial data (g)	70,200	67,800	63,700	62,500
Commercial telephone (h)	45,700	44,100	40,000	38,300
Total PSUs, including commercial (i)	2,973,700	2,953,100	2,938,900	2,955,400
Total RGUs, including commercial (j)	3,844,400	3,812,200	3,810,800	3,852,900
Quarterly net customer additions (losses):	Actual	Actual	Actual	Actual
Basic video customers	(8,500)	(29,400)	(32,600)	2,200
Residential high-speed Internet customers	21,600	(2,800)	13,600	32,200
Residential telephone customers	3,500	500	(400)	13,500
Total PSUs	16,600	(31,700)	(19,400)	47,900
Digital video customers	11,600	(14,600)	(25,600)	16,000
Total RGUs	28,200	(46,300)	(45,000)	63,900
Commercial data	2,400	2,000	1,200	1,600
Commercial telephone	1,600	1,900	1,700	2,300

Total PSUs, including commercial	20,600	(27,800)	(16,500)	51,800
Total RGUs, including commercial	32,200	(42,400)	(42,100)	67,800

Average Revenue per Unit (ARPU):	Actual	Actual	Actual	Actual
Average revenue per basic video customer (k)	\$ 184.06	\$ 181.23	\$ 171.11	\$ 166.64
Average residential revenue per residential customer relationship (l)	\$ 113.23	\$ 113.95	\$ 110.76	\$ 111.80
Average revenue per customer relationship (m)	\$ 131.07	\$ 131.66	\$ 129.97	\$ 129.66

Residential Customer Relationships:	Actual	Actual	Actual	Actual
Total customer relationships (n)	1,454,200	1,439,300	1,427,200	1,428,200
Double play relationships (o)	526,000	521,900	528,400	538,000
Double play penetration (p)	36.2%	36.3%	37.0%	37.7%
Triple play relationships (q)	397,300	397,800	396,800	402,700
Triple play penetration (r)	27.3%	27.6%	27.8%	28.2%
Total bundled customers (s)	923,300	919,700	925,200	940,700
Bundled penetration (t)	63.5%	63.9%	64.8%	65.9%
Non-video customer relationships (u)	443,100	421,100	374,800	340,300
Non-video as a % of total customer relationships (v)	30.5%	29.4%	26.3%	23.8%

Quarterly net additions (losses):	Actual	Actual	Actual	Actual
Total customer relationships	14,900	(12,500)	(1,000)	24,700
Double play relationships	4,100	(10,900)	(9,600)	2,700
Triple play relationships	(500)	(4,000)	(5,900)	11,300
Total bundled customers	3,600	(14,900)	(15,500)	14,000
Non-video customer relationships	22,000	16,700	34,500	20,400

Estimated Customer Penetration:	Actual	Actual	Actual	Actual
Estimated basic penetration (w)	34.2%	34.6%	36.0%	37.2%
Estimated digital penetration (x)	79.6%	77.9%	76.6%	76.6%
Estimated residential high-speed Internet penetration (y)	38.6%	38.1%	37.3%	37.0%
Estimated residential telephone penetration (z)	20.8%	20.8%	20.7%	20.8%

Commercial Customer Relationships:	Actual	Actual	Actual	Actual
Total customer relationships (aa)	96,100	93,800	89,900	88,600
Double play relationships (ab)	36,200	34,900	32,200	31,300
Double play penetration (ac)	37.7%	37.2%	35.8%	35.3%
Triple play relationships (ad)	12,700	12,400	11,500	10,900
Triple play penetration (ae)	13.2%	13.2%	12.8%	12.3%
Total bundled customers (af)	48,900	47,300	43,700	42,200
Bundled penetration (ag)	50.9%	50.4%	48.6%	47.6%

Quarterly net additions:	Actual	Actual	Actual	Actual
Total customer relationships	2,300	2,100	1,300	1,800
Double play relationships	1,300	1,300	900	1,100
Triple play relationships	300	400	600	600
Total bundled customers	1,600	1,700	1,500	1,700

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

	Sep 30, 2015	Jun 30, 2015	Dec 31, 2014	Sep 30, 2014
	Actual	Actual	Actual	Pro Forma (ah)
Revenue Generating Units (RGU):				
Basic video customers (a)	1,094,100	1,102,600	1,138,400	1,173,200
Residential high-speed Internet customers (b)	1,202,400	1,180,800	1,149,100	1,137,500
Residential telephone customers (c)	561,300	557,800	547,700	548,500
Total PSUs (d)	2,857,800	2,841,200	2,835,200	2,859,200
Digital video customers (e)	870,700	859,100	871,900	898,200
Total RGUs (f)	3,728,500	3,700,300	3,707,100	3,757,400
Commercial data (g)	70,200	67,800	63,700	62,500
Commercial telephone (h)	45,700	44,100	40,000	38,100
Total PSUs, including commercial (i)	2,973,700	2,953,100	2,938,900	2,959,800
Total RGUs, including commercial (j)	3,844,400	3,812,200	3,810,800	3,858,000
Quarterly net customer additions (losses):				
	Actual	Actual	Pro Forma (ah)	Pro Forma (ah)
Basic video customers	(8,500)	(29,400)	(34,800)	2,200
Residential high-speed Internet customers	21,600	(2,800)	11,600	32,100
Residential telephone customers	3,500	500	(800)	13,500
Total PSUs	16,600	(31,700)	(24,000)	47,800
Digital video customers	11,600	(14,600)	(26,300)	15,900
Total RGUs	28,200	(46,300)	(50,300)	63,700
Commercial data	2,400	2,000	1,200	1,500
Commercial telephone	1,600	1,900	1,900	2,100
Total PSUs, including commercial	20,600	(27,800)	(20,900)	51,400
Total RGUs, including commercial	32,200	(42,400)	(47,200)	67,300
Average Revenue per Unit (ARPU):				
	Actual	Actual	Pro Forma (ah)	Pro Forma (ah)
Average revenue per basic video customer (k)	\$ 184.06	\$ 181.23	\$ 171.05	\$ 166.53
Average residential revenue per residential customer relationship (l)	\$ 113.23	\$ 113.95	\$ 110.78	\$ 111.74
Average revenue per customer relationship (m)	\$ 131.07	\$ 131.66	\$ 129.99	\$ 129.59
Residential Customer Relationships:				
	Actual	Actual	Actual	Pro Forma (ah)
Total customer relationships (n)	1,454,200	1,439,300	1,427,200	1,430,700
Double play relationships (o)	526,000	521,900	528,400	539,000
Double play penetration (p)	36.2%	36.3%	37.0%	37.7%
Triple play relationships (q)	397,300	397,800	396,800	402,900
Triple play penetration (r)	27.3%	27.6%	27.8%	28.2%
Total bundled customers (s)	923,300	919,700	925,200	941,900
Bundled penetration (t)	63.5%	63.9%	64.8%	65.8%
Non-video customer relationships (u)	443,100	421,100	374,800	341,300

Non-video as a % of total customer relationships (v)	30.5%	29.4%	26.4%	23.9%
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Quarterly net additions (losses):	Actual	Actual	Pro Forma (ah)	Pro Forma (ah)
Total customer relationships	14,900	(12,500)	(3,500)	24,600
Double play relationships	4,100	(10,900)	(10,600)	2,700
Triple play relationships	(500)	(4,000)	(6,100)	11,300
Total bundled customers	3,600	(14,900)	(16,700)	14,000
Non-video customer relationships	22,000	16,700	33,500	20,400

Estimated Customer Penetration:	Actual	Actual	Actual	Pro Forma (ah)
Estimated basic penetration (w)	34.2%	34.6%	36.0%	37.2%
Estimated digital penetration (x)	79.6%	77.9%	76.6%	76.6%
Estimated residential high-speed Internet penetration (y)	38.6%	38.1%	37.3%	37.0%
Estimated residential telephone penetration (z)	20.8%	20.8%	20.7%	20.8%

Commercial Customer Relationships:	Actual	Actual	Actual	Pro Forma (ah)
Total customer relationships (aa)	96,100	93,800	89,900	88,700
Double play relationships (ab)	36,200	34,900	32,200	31,300
Double play penetration (ac)	37.7%	37.2%	35.8%	35.3%
Triple play relationships (ad)	12,700	12,400	11,500	10,900
Triple play penetration (ae)	13.2%	13.2%	12.8%	12.3%
Total bundled customers (af)	48,900	47,300	43,700	42,200
Bundled penetration (ag)	50.9%	50.4%	48.6%	47.6%

Quarterly net additions:	Actual	Actual	Pro Forma (ah)	Pro Forma (ah)
Total customer relationships	2,300	2,100	1,200	1,900
Double play relationships	1,300	1,300	900	1,100
Triple play relationships	300	400	600	600
Total bundled customers	1,600	1,700	1,500	1,700

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

(b) 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) Average residential revenue per residential customer relationship represents the total residential revenue for a quarter, divided by three, divided by the average residential customer relationships for the quarter.
- (m) Average revenue per customer relationship represents the total revenue for a quarter, divided by three, divided by the average total customer relationships for the quarter.
- (n) 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.
- (o) Residential double play customer numbers reflect residential customers who subscribe to two of our core services (video, high-speed Internet and telephone).
- (p) Residential double play penetration represents double play customers as a percentage of customer relationships.
- (q) Residential triple play customer numbers reflect residential customers who subscribe to all three of our core services (video, high-speed Internet and telephone).
- (r) Residential triple play penetration represents triple play customers as a percentage of customer relationships.
- (s) Total residential bundled customers represent the sum of residential double play and residential triple play customers.
- (t) Total residential bundled penetration represents the sum of residential double play and residential triple play residential customers as a percentage of customer relationships.
- (u) 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
- (v) Non-video as a percent of total customer relationships represents non-video customer relationships divided by total customer relationships.
- (w) Estimated basic penetration is calculated as basic video customers divided by the estimated total homes passed of the Company.
- (x) Estimated digital penetration is calculated as digital video customers divided by basic video customers.
- (y) 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.
- (z) 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.
- (aa) 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.
- (ab) Commercial double play customer numbers reflect commercial customers who subscribe to two of our core services (video, high-speed data and telephone).

(ac) Commercial double play penetration represents double play commercial customers as a percentage of customer relationships.

(ad) Commercial triple play customer numbers reflect commercial customers who subscribe to all three of our core services (video, high-speed data and telephone).

(ae) Commercial triple play penetration represents triple play commercial customers as a percentage of customer relationships.

(af) Total commercial bundled customers represent the sum of commercial double play and commercial triple play customers.

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

(ah) Pro forma to include the impact of cable systems acquired from Northland on January 2, 2014, the Nevada cable systems acquired from New Wave on October 1, 2014, and other immaterial divestitures in 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,	
	2015	2014	2015	2014
Adjusted EBITDA	\$ 246,036	\$ 210,051	\$ 712,397	\$ 654,405
Capital purchases	(112,369)	(111,494)	(363,384)	(317,331)
Change in accounts payable and accrued expenses related to capital expenditures	3,935	(3,391)	6,517	3,815
Cash interest expense	(61,504)	(57,976)	(184,444)	(170,953)
Free Cash Flow	<u>\$ 76,098</u>	<u>\$ 37,190</u>	<u>\$ 171,086</u>	<u>\$ 169,936</u>

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,	
	2015	2014	2015	2014
Net income/(loss)	\$ 47,152	\$ 10,091	\$ (247,063)	\$ 12,374
Add back:				
Interest expense, net	61,160	57,209	183,325	168,453
(Benefit)/provision for income taxes	(45,600)	(9,258)	187,059	2,193
Depreciation and amortization	141,084	147,335	409,357	449,285
Non-cash share based compensation	41,905	3,501	178,146	19,344
Loss on disposal of cable assets	335	1,173	1,573	2,756
Adjusted EBITDA	<u>\$ 246,036</u>	<u>\$ 210,051</u>	<u>\$ 712,397</u>	<u>\$ 654,405</u>

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
Net cash provided by operating activities	\$ 197,897	\$ 156,709	\$ 521,502	\$ 507,659
Add back:				
Capital purchases	(112,369)	(111,494)	(363,384)	(317,331)
Change in accounts payable and accrued expenses related to capital expenditures	3,935	(3,391)	6,517	3,815
Cash income tax expense	(7,114)	1,826	12,970	4,120
Interest income	(76)	(69)	(173)	(172)
Changes in assets and liabilities, net	(6,175)	(6,391)	(6,346)	(28,155)
Free Cash Flow	<u>\$ 76,098</u>	<u>\$ 37,190</u>	<u>\$ 171,086</u>	<u>\$ 169,936</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,	
	2015	2014	2015	2014
Interest expense, net	\$ 61,160	\$ 57,209	\$ 183,325	\$ 168,453
Add: interest income	76	69	173	172
Add: non-cash interest expense	268	698	946	2,328
Cash interest expense	<u>\$ 61,504</u>	<u>\$ 57,976</u>	<u>\$ 184,444</u>	<u>\$ 170,953</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