

FOR IMMEDIATE RELEASE

Suddenlink Reports First Quarter 2010 Financial and Operating Results

ST. LOUIS (May 18, 2010) – Cequel Communications Holdings I, LLC (“Cequel,” and together with its subsidiaries, the “Company” or “Suddenlink”) today reported financial and operating results for the first quarter 2010.

First Quarter Highlights

- First quarter revenues of \$411.1 million grew 6.8% compared to the prior year.
- Adjusted EBITDA (as defined herein) for the first quarter of \$147.4 million grew 11.2% compared to the first quarter of the prior year.
- Revenue generating units (“RGUs”) increased 92,000 for the first quarter and 198,500 year-over-year, a 7.3% annual gain. The 92,000 RGU increase for the first quarter 2010 represented the greatest quarterly net RGU increase in the Company’s history.
- Total average monthly revenue per basic video customer for the first quarter was \$110.58, an increase of 10.3% year-over-year.
- Bundled customers represented 55.5% of total customer relationships, an increase from 49.0% one year ago, primarily from growth in triple play customer relationships, which represented 17.8% of total customer relationships at March 31, 2010.

“We are very pleased with the company’s strong performance in the first quarter, including our record growth in revenue-generating units,” said Suddenlink Chairman and CEO Jerry Kent. “We believe these results validate the strategic investments we’re making in customer care, products and services, and tools and training for our employees.”

First Quarter 2010 Compared to First Quarter 2009

First quarter 2010 revenues rose 6.8%, largely attributable to the growth in RGUs and an increase in advertising revenues.

Video revenues increased 2.8%, primarily due to customer growth in digital video and advanced video services, as well as basic video rate increases, offset in part by a lower number of basic video customers.

The Company gained approximately 4,800 basic video customers during the first quarter 2010, compared to a gain of 9,300 basic customers during the first quarter 2009. Digital video customers increased by 30,600 during the first quarter 2010, compared with an increase of 15,400 during the same period in the prior year.

High-speed Internet revenues increased 8.1% due to an increase in residential high-speed Internet customers and growth in commercial high-speed Internet services to small and medium sized businesses. Residential high-speed Internet customers grew by 34,800 during the first quarter 2010, as compared to a gain of 31,300 during the first quarter 2009.

Telephone revenues increased 31.6%, primarily due to an increase in residential telephone customers and growth in commercial telephone services to small and medium sized businesses. Residential telephone customers grew by 21,800 during the first quarter 2010, as compared to a gain of 23,300 during the first quarter 2009.

Advertising revenues increased 10.4%, largely due to increases in national advertising, primarily from political advertising.

Other revenues increased 9.5% due to, among other things, increased converter rental charges for HDTV and DVR capable digital converters, and from broadcast retransmission fees, which were collected for the first time in the first quarter 2009.

Operating costs and expenses rose 4.6%, primarily due to higher programming costs, increased telephone service costs, higher marketing expenses and increased employee related expenses, offset in part by lower bad debt expenses.

Adjusted EBITDA for the first quarter 2010 was \$147.4 million, an increase of 11.2% from the same quarter last year, resulting in an Adjusted EBITDA margin of 35.9%, an increase of 140 basis points.

Income from operations for the first quarter 2010 was \$63.5 million, an increase of 28.2%, compared to \$49.6 million for the first quarter 2009.

Net loss was \$1.9 million for the first quarter 2010, compared to a net loss of \$9.6 million for the first quarter 2009.

Liquidity and Capital Resources

At March 31, 2010, the Company had approximately \$255.2 million in cash and cash equivalents on hand and a \$200.0 million undrawn revolving credit facility, reduced by \$12.1 million of outstanding letters of credit.

Capital expenditures for the three months ended March 31, 2010 were \$79.8 million, compared to \$54.3 million for the three months ended March 31, 2009. In the fourth quarter 2009, the Company began the first phase of its bandwidth investment plan, which the Company refers to as Project Imagine. This

investment in the Company's existing network, which will be made over the next three years, is expected to provide additional capacity to launch video on demand services into new areas, additional capacity for high definition channels and increased Internet speeds for the Company's customers and capacity to launch telephone service in a few additional communities. Capital expenditures for Project Imagine, including related success based capital, were approximately \$35.7 million during the first quarter 2010. For 2010, we expect capital expenditures to be approximately \$330 to \$335 million, which includes Project Imagine capital expenditures.

Net cash flows from operating activities were \$82.0 million for the three months ended March 31, 2010, compared to \$96.8 million for the three months ended March 31, 2009. This change was primarily due to changes in working capital balances, offset in part by improved operating results in 2010. Net cash flows used in investing activities, primarily consisting of capital expenditures, increased to \$83.8 million for the three months ended March 31, 2010, compared to \$53.5 million for the three months ended March 31, 2009, primarily as a result of capital expenditures related to Project Imagine. Net cash flows used in financing activities were \$0.1 million for the first quarter of 2010 and \$8.8 million for the first quarter of 2009. The decrease was a result of scheduled debt payments and other financing costs incurred in the first quarter 2009 that were not present in 2010.

Free Cash Flow (as defined herein) for the quarter ended March 31, 2010 was \$6.4 million compared to \$29.9 million for the quarter ended March 31, 2009. The decrease in Free Cash Flow for the first quarter 2010 as compared to 2009 is due to additional capital expenditures related to Project Imagine and related success based capital expenditures, and an increase in cash interest expense, offset in part by improved operating results in 2010.

The Total Leverage Ratio (Consolidated Total Debt to Adjusted Pro Forma EBITDA) for Cequel Communications, LLC, an indirect wholly owned subsidiary of Cequel, as defined in and calculated in accordance with the applicable credit agreements, was 4.2x at March 31, 2010.

The Total Leverage Ratio (Consolidated Total Debt to Adjusted Pro Forma EBITDA) for Cequel, as defined in and calculated in accordance with the indenture governing the Notes, was 5.3x at March 31, 2010. The Total Leverage Ratio for Cequel net of cash on hand was 4.9x at March 31, 2010.

New Financings

On May 4, 2010, Cequel and its subsidiary co-issuer Cequel Capital Corporation issued an additional \$600 million aggregate principal amount of 8.625% senior notes due November 2017 which we refer to as the Notes. The additional \$600 million aggregate principal amount of the Notes, which we refer to as the Additional Notes, bear interest at 8.625%, and were sold at a premium to yield an effective interest rate of 8.167%. The Additional Notes form part of the same series as the \$600 million aggregate principal amount of the Notes co-issued by Cequel and Cequel Capital Corporation on November 4, 2009. The Company used the proceeds to prepay \$487.3 million outstanding under its amended second lien guaranty and credit agreement, along with certain associated fees and expenses, and will use the remaining net proceeds for working capital and general corporate purposes. In connection with the issuance of the Additional Notes, the amended second lien guaranty and credit agreement and the

associated intercreditor agreement were terminated. Pro forma for this transaction, the Total Leverage Ratio for Cequel, as defined in and calculated in accordance with the indenture governing the Notes, was 5.5x at March 31, 2010.

Conference Call

As previously announced, the Company will host a conference call to discuss its first quarter results at 12:00 p.m. (Eastern Time) on Tuesday, May 18, 2010. The dial-in information for the earnings call is as follows:

| | |
|--------------------------|-----------------------|
| Within the United States | 866-394-9561 |
| International | 281-312-0031 |
| Password | Cequel Communications |
| Conference ID | 73228569 |

A replay of this earnings call will be available at the Investor Relations link on the Company's website (www.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 March 31, 2010, which will be posted on the Company's website (www.suddenlink.com) on May 18, 2010.

Use of Non-GAAP Financial Measures

The Company uses certain measures that are not defined by Generally Accepted Accounting Principles, or 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 loss, plus interest expense, provision 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 loss to Adjusted EBITDA is provided in Table 7. A reconciliation of net cash provided by operating activities to Free Cash Flow is provided in Table 8.

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 Company's credit facilities.

Company Description

The Company, which does business as Suddenlink Communications, is the eighth largest cable broadband company in the United States, supporting the information, communication and entertainment demands of approximately 1.3 million residential customers and thousands of commercial customers in Texas, West Virginia, Louisiana, Arkansas, North Carolina, Oklahoma, and elsewhere. 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 Press Release are known as "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended.

Forward-looking statements may relate to, among other things:

- competition for video, high-speed Internet and telephone customers;
- the Company's ability to achieve anticipated customer and revenue growth and to successfully introduce new products and services;
- the Company's ability to complete Project Imagine and other capital investment plans as described;
- greater than anticipated effects of the current, or future, economic downturns or other factors which may negatively affect demand for the Company's products and services;

- increasing programming costs and delivery expenses related to the Company’s products and services;
- changes in consumer preferences, laws and regulations or technology that may cause the Company to change its operational strategies;
- the Company’s substantial indebtedness;
- the restrictions contained in the Company’s financing agreements;
- the Company’s ability to generate sufficient cash flow to meet its debt service obligations; and
- fluctuations in interest rates which may cause the Company’s interest expense to vary from quarter to quarter.

These forward-looking statements include, but are not limited to, statements about our plans, objectives, expectations and intentions and other statements contained in this Press Release that are not historical facts. When used in this Press 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 our plans, objectives, expectations and intentions and other factors. You should not place undue reliance on such forward-looking statements, which are based on the information currently available to the Company and speak only as of the date on which this Press Release is posted on the Company’s website (www.suddenlink.com). The Company undertakes 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 the Company’s subsequent reports furnished to holders of the Notes.

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

| | Three Months Ended | | Percent |
|---|---------------------------|-------------------|----------------|
| | March 31, | | |
| | 2010 | 2009 | Change |
| Revenues: | | | |
| Video | \$ 211,235 | \$ 205,497 | 2.8% |
| High Speed Internet | 97,156 | 89,905 | 8.1% |
| Telephone | 28,194 | 21,430 | 31.6% |
| Advertising Sales | 16,470 | 14,914 | 10.4% |
| Other | 58,086 | 53,041 | 9.5% |
| Total Revenues | 411,141 | 384,787 | 6.8% |
| Costs and Expenses: | | | |
| Operating (excluding depreciation and amortization) | 176,241 | 167,463 | -5.2% |
| Selling, general and administrative (excluding non-cash share based compensation expense) | 87,472 | 84,735 | -3.2% |
| Operating costs and expenses | 263,713 | 252,198 | -4.6% |
| Adjusted EBITDA | 147,428 | 132,589 | 11.2% |
| <i>Adjusted EBITDA Margin (a)</i> | <i>35.9%</i> | <i>34.5%</i> | |
| Depreciation and amortization | 82,079 | 81,148 | -1.1% |
| Non-cash share based compensation expense | 1,884 | 1,804 | -4.4% |
| (Gain) / loss on sale of cable assets | (64) | 74 | -186.5% |
| Income from operations | 63,529 | 49,563 | 28.2% |
| Interest expense, net | (64,956) | (59,071) | -10.0% |
| Loss before provision for income taxes | (1,427) | (9,508) | 85.0% |
| Provision for income taxes | (469) | (89) | -427.0% |
| Net loss | \$ (1,896) | \$ (9,597) | 80.2% |

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

TABLE 2
Cequel Communications Holdings I, LLC
Condensed Consolidated Balance Sheets (unaudited)
(in thousands)

| | <u>March 31,</u> <u>2010</u> | <u>December 31,</u> <u>2009</u> |
|--|---------------------------------|------------------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 255,173 | \$ 257,003 |
| Accounts receivable, net | 127,015 | 127,896 |
| Prepaid expenses | 16,471 | 14,460 |
| Total current assets | <u>398,659</u> | <u>399,359</u> |
| Property, plant and equipment, net | 1,307,356 | 1,302,297 |
| Intangible assets, net | 2,088,538 | 2,096,122 |
| Other assets, net | 54,099 | 60,033 |
| Total assets | <u>\$ 3,848,652</u> | <u>\$ 3,857,811</u> |
| LIABILITIES AND MEMBER'S EQUITY | | |
| Accounts payable and accrued expenses | \$ 223,994 | \$ 234,610 |
| Deferred revenue | 105,511 | 101,945 |
| Current portion of long-term debt | 10,191 | 5,096 |
| Other current liabilities | 96,139 | 91,691 |
| Total current liabilities | <u>435,835</u> | <u>433,342</u> |
| Long-term debt, less current portion | 3,036,014 | 3,040,745 |
| Deferred tax liabilities | 23,479 | 23,299 |
| Other long-term liabilities | 77,142 | 83,667 |
| Total liabilities | <u>3,572,470</u> | <u>3,581,053</u> |
| Total member's equity | <u>276,182</u> | <u>276,758</u> |
| Total liabilities and member's equity | <u>\$ 3,848,652</u> | <u>\$ 3,857,811</u> |

TABLE 3
Cequel Communications Holdings I, LLC
Condensed Consolidated Statements of Cash Flows (unaudited)
(in thousands)

| | <u>Three Months Ended</u> <u>March 31,</u> | |
|--|---|-------------------|
| | <u>2010</u> | <u>2009</u> |
| Net cash provided by operating activities | \$ 82,019 | \$ 96,779 |
| Net cash used in investing activities | (83,766) | (53,539) |
| Net cash used in financing activities | <u>(83)</u> | <u>(8,829)</u> |
| Increase in cash and cash equivalents | (1,830) | 34,411 |
| Cash and cash equivalents, beginning of period | 257,003 | 170,517 |
| Cash and cash equivalents, end of period | <u>\$ 255,173</u> | <u>\$ 204,928</u> |

TABLE 4
Ceque! Communications Holdings I, LLC
Capital Expenditures
(in thousands)

| | Three Months Ended | |
|----------------------------|---------------------------|------------------|
| | March 31, | |
| | 2010 | 2009 |
| Customer premise equipment | \$ 36,768 | \$ 22,832 |
| Scalable infrastructure | 8,190 | 5,364 |
| Line extensions | 1,663 | 1,099 |
| Upgrade/rebuild | 6,415 | 209 |
| Commercial | 1,941 | 2,855 |
| Support capital | 24,779 | 21,986 |
| | <u>\$ 79,756</u> | <u>\$ 54,345</u> |

TABLE 5
Cequel Communications Holdings I, LLC
Pro Forma Summary Operating Statistics
Approximate as of:

| | March 31 | December 31, | March 31 |
|---|------------------|---------------------|------------------|
| | 2010 | 2009 | 2009 |
| Revenue Generating Units (RGU): | | | |
| Basic video customers (a) | 1,243,900 | 1,239,100 | 1,284,200 |
| Digital video customers (b) | 575,700 | 545,100 | 511,600 |
| Residential high-speed Internet customers (c) | 783,900 | 749,100 | 705,400 |
| Residential telephone customers (d) | 302,200 | 280,400 | 206,000 |
| Total revenue generating units (e) | 2,905,700 | 2,813,700 | 2,707,200 |
| Quarterly net customer additions (losses) | | | |
| Basic video customers | 4,800 | (15,400) | 9,300 |
| Digital video customers | 30,600 | 14,300 | 15,400 |
| Residential high-speed Internet customers | 34,800 | 17,800 | 31,300 |
| Residential telephone customers | 21,800 | 27,200 | 23,300 |
| Total revenue generating units | 92,000 | 43,900 | 79,300 |
| Average Revenue per Unit (ARPU): | | | |
| Average monthly revenue per basic video customer (f) | \$ 110.58 | \$ 106.19 | \$ 100.23 |
| Customer Relationships | | | |
| Total customer relationships (g) | 1,279,500 | 1,259,700 | 1,291,500 |
| Double play relationships (h) | 482,100 | 472,200 | 473,500 |
| Double play penetration (i) | 37.7% | 37.5% | 36.7% |
| Triple play relationships (j) | 227,500 | 209,500 | 159,000 |
| Triple play penetration (k) | 17.8% | 16.6% | 12.3% |
| Total bundled customers (l) | 709,600 | 681,700 | 632,500 |
| Bundled penetration (m) | 55.5% | 54.1% | 49.0% |
| Estimated Customer Penetration | | | |
| Estimated basic penetration (n) | 46.9% | 46.9% | 49.0% |
| Estimated digital penetration (o) | 46.3% | 44.0% | 39.8% |
| Estimated residential high-speed Internet penetration (p) | 30.5% | 29.2% | 27.8% |
| Estimated residential telephone penetration (q) | 14.2% | 13.4% | 10.1% |

- (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 by dividing the total bulk billed basic revenues of a particular system by the most prevalent retail rate paid by non-bulk basic customers in that market for a comparable level of service. This conversion method is consistent with methodology used in determining costs paid to programmers. Our methodology of calculating the number of basic video customers may not be identical to those used by other companies offering similar services.
- (b) Digital video customers include all basic video customers that have one or more digital set-top boxes or cable cards in use.
- (c) Residential high-speed Internet customers include all residential customers who subscribe to our high-speed Internet service. Excluded from these totals are all commercial high-speed Internet customers, including small and medium sized commercial cable modem accounts and customers who take our scalable, fiber-based enterprise network services.

- (d) Residential telephone customers include all residential customers who subscribe to our telephone service. Residential customers who take multiple telephone lines are only counted once in the total. Excluded from these totals are all commercial telephone customers.
- (e) Total RGUs represents the sum of basic video, digital video, residential high-speed Internet and residential telephone customers.
- (f) 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.
- (g) Customer relationships represent the number of residential customers who receive at least one level of service, encompassing video, high-speed Internet or telephone services, without regard to the number of services purchased. For example, a residential customer who purchases only high-speed Internet service and no video service will count as one customer relationship, and a residential customer who purchases both video and high-speed Internet services will also count as only one customer relationship.
- (h) Double play customer numbers reflect residential customers who subscribe to two of our core services (video, high-speed Internet and telephone).
- (i) Double play penetration represents double play customers as a percentage of customer relationships.
- (j) Triple play customer numbers reflect residential customers who subscribe to all three of our core services (video, high-speed Internet and telephone).
- (k) Triple play penetration represents triple play customers as a percentage of customer relationships.
- (l) Total bundled customers represents the sum of double play and triple play customers.
- (m) Bundled penetration represents total bundled customers as a percentage of customer relationships.
- (n) Estimated basic penetration is calculated as basic video customers divided by the estimated total homes passed of the Company.
- (o) Estimated digital penetration is calculated as digital video customers divided by basic video customers.
- (p) 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.
- (q) 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.

TABLE 6
CequeI Communications Holdings I, LLC
Free Cash Flow (unaudited)
(in thousands)

| | Three Months Ended | |
|-----------------------|---------------------------|------------------|
| | March 31 | |
| | 2010 | 2009 |
| Adjusted EBITDA | \$ 147,428 | \$ 132,589 |
| Capital expenditures | (79,756) | (54,345) |
| Cash interest expense | (61,231) | (48,368) |
| Free Cash Flow | <u>\$ 6,441</u> | <u>\$ 29,876</u> |

TABLE 7
Cequel Communications Holdings I, LLC
Reconciliation of Net Loss to Adjusted EBITDA
(in thousands)

| | Three Months Ended | |
|-------------------------------------|---------------------------|-------------------|
| | March 31, | |
| | 2010 | 2009 |
| Net Loss | \$ (1,896) | \$ (9,597) |
| Add back: | | |
| Interest expense, net | 64,956 | 59,071 |
| Provision for income taxes | 469 | 89 |
| Depreciation and amortization | 82,079 | 81,148 |
| Non-cash share based compensation | 1,884 | 1,804 |
| (Gain)/loss on sale of cable assets | (64) | 74 |
| Adjusted EBITDA | <u>\$ 147,428</u> | <u>\$ 132,589</u> |

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

| | Three Months Ended | |
|---|---------------------------|------------------|
| | March 31, | |
| | 2010 | 2009 |
| Net cash provided by operating activities | \$ 82,019 | \$ 96,779 |
| Capital expenditures | (79,756) | (54,345) |
| Current income tax expense | 290 | (420) |
| Interest income | (64) | (94) |
| Changes in assets and liabilities, net | 3,953 | (12,044) |
| Free Cash Flow | <u>\$ 6,442</u> | <u>\$ 29,876</u> |

TABLE 9
Cequel Communications Holdings I, LLC
Reconciliation of Cash Interest Expense
(in thousands)

| | Three Months Ended | |
|--|---------------------------|------------------|
| | March 31, | |
| | 2010 | 2009 |
| Interest expense, net | \$ 64,956 | \$ 59,071 |
| Add: interest income | 64 | 94 |
| Less: deferred financing amortization | (3,425) | (2,630) |
| Less: bond discount amortization | (364) | - |
| Less: non-cash paid-in kind interest expense | - | (8,167) |
| Cash interest expense | <u>\$ 61,231</u> | <u>\$ 48,368</u> |

Source: Cequel Communications Holdings I, LLC

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