

## **FOR IMMEDIATE RELEASE**

### **Suddenlink Reports Second Quarter and Year-to-date 2010 Financial and Operating Results**

ST. LOUIS (August 13, 2010) – Cequel Communications Holdings I, LLC (“Cequel,” and together with its subsidiaries, the “Company” or “Suddenlink”) today reported financial and operating results for the three and six months ended June 30, 2010.

#### **Second Quarter Highlights**

- Second quarter revenues of \$420.7 million grew 7.7% compared to the second quarter of the prior year. Revenues for the first six months of 2010 of \$831.8 million grew 7.3% compared to the first six months of the prior year.
- Adjusted EBITDA (as defined herein) for the second quarter of \$154.7 million grew 11.6% compared to the second quarter of the prior year. Adjusted EBITDA for the first six months of 2010 was \$302.2, an increase of 11.4% compared to the first six months of the prior year.
- Revenue generating units (“RGUs”) increased 24,600 for the second quarter and 219,100 year-over-year, or an 8.1% annual gain.
- Total average monthly revenue per basic video customer for the second quarter was \$113.50, an increase of 11.0% compared to the second quarter of the prior year.
- Bundled customers represented 56.6% of total customer relationships at June 30, 2010, an increase from 50.4% one year ago, primarily from growth in triple play customer relationships, which represented 19.1% of total customer relationships at June 30, 2010.

“We are excited that our second quarter growth built upon the strong performance from the first quarter,” said Suddenlink Chairman and CEO Jerry Kent. “We believe the momentum from this strong start validates the strategic investments we are making in our employees, technologies and services to further enhance our customers’ experiences.”

## **Second Quarter 2010 Compared to Second Quarter 2009**

Second quarter 2010 revenues rose 7.7%, largely attributable to the increase in the number of telephone and high-speed Internet customers, basic video rate increases, digital video customer growth, and increases in advertising revenue, offset in part by the decrease in basic video customers over the past twelve months.

Video revenues increased 2.4%, primarily due to basic rate increases and customer growth in our advanced digital video services, offset in part by a lower number of basic video customers. The Company lost approximately 18,800 basic video customers during the second quarter 2010, compared to a loss of 21,500 basic video customers during the second quarter 2009. Digital video customers increased by 19,700 during the second quarter 2010, compared with an increase of 2,900 during the same period in the prior year.

High-speed Internet revenues increased 9.9% 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 3,100 during the second quarter 2010, as compared to a gain of 1,700 during the second quarter 2009.

Telephone revenues increased 28.6%, primarily due to an increase in residential telephone customers and growth in commercial telephone services to small and medium sized businesses. This growth was offset in part by average revenue per unit declines in our residential telephone product as a result of bundling discounts. Residential telephone customers grew by 20,600 during the second quarter 2010, as compared to a gain of 20,900 during the second quarter 2009.

Advertising revenues increased 11.6%, largely due to increases in national advertising, primarily from political and automotive advertising.

Other revenues increased 14.1% due to, among other things, increased converter rental charges for high-definition and DVR capable digital converters, increased home shopping revenues, increased home networking revenues, and higher franchise, regulatory and administrative fees associated with the underlying growth of the business.

Operating costs and expenses rose 5.6%, primarily due to higher programming costs, increased telephone service costs and increased net compensation and employee related expenses.

Adjusted EBITDA for the second quarter 2010 was \$154.7 million, an increase of 11.6% from the same quarter last year, resulting in an Adjusted EBITDA margin of 36.8%, an increase of 130 basis points.

Income from operations for the second quarter 2010 was \$63.8 million, an increase of 17.5% compared to \$54.3 million for the second quarter 2009.

Net loss was \$39.8 million for the second quarter 2010 compared to a net loss of \$7.0 million for the second quarter 2009. The increase in net loss was primarily attributable to losses on the extinguishment of debt and termination of interest rate swap contracts associated with our May 2010 financing activities.

## **Liquidity and Capital Resources**

At June 30, 2010, the Company had approximately \$328.4 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 were \$96.4 million and \$54.1 million for the three months ended June 30, 2010 and 2009, respectively. The Company's bandwidth investment plan, which the Company refers to as Project Imagine, is proceeding as planned. This investment in the Company's existing network, which will be made through 2012, 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.

For 2010, we expect capital expenditures to be approximately \$345.0 to \$355.0 million, which includes Project Imagine capital expenditures, an increase of \$15.0 to \$20.0 million from previous forecasts. The increase in the capital expenditure range is comprised of: approximately \$3.0 million related to the Greenwood, Mississippi system acquired on August 1, 2010; approximately \$6.0 million resulting from additional commercial cellular backhaul opportunities providing fiber connectivity to carrier cell sites; with the remaining increase driven by digital subscriber growth in excess of our original expectations and historical trends. Capital expenditure forecasts for Project Imagine, excluding success based capital, remains unchanged at \$88.0 to \$93.0 million.

Net cash used in operating activities was \$45.9 million for the three months ended June 30, 2010, compared to net cash provided by operating activities of \$95.3 million for the three months ended June 30, 2009. This change was primarily due to payment of \$112.3 million of paid-in-kind interest on the retired amended second lien guaranty and credit agreement (the "2<sup>nd</sup> Lien Credit Facility"), cash payments of \$17.8 million to terminate interest rate swap contracts and payment of \$9.7 million of call premiums to extinguish debt. Net cash flows used in investing activities, primarily consisting of capital expenditures, increased to \$96.5 million for the three months ended June 30, 2010, compared to \$54.1 million for the three months ended June 30, 2009, primarily as a result of capital expenditures related to Project Imagine. Net cash provided by financing activities was \$215.6 million for the three months ended June 30, 2010, compared to net cash used in financing activities of \$5.9 million for the three months ended June 30, 2009. The increase was a result of the proceeds from the issuance of long-term debt, partially offset by the repayment of long-term debt (as described below). On May 4, 2010, we issued an additional \$600.0 million of senior notes at a premium, and a portion of the proceeds from the offering was used to repay all the borrowings under the 2<sup>nd</sup> Lien Credit Facility and to pay related fees and expenses.

Free Cash Flow (as defined herein) for the quarter ended June 30, 2010 was (\$4.3) million compared to \$30.1 million for the quarter ended June 30, 2009. The decrease in Free Cash Flow for the second 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, as defined in and calculated in accordance with the indenture governing the Notes (as defined below), was 5.3x at June 30, 2010. The Total Leverage Ratio for Cequel net of cash on hand was 4.8x at June 30, 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 amended and restated credit and guaranty agreement, was 3.3x at June 30, 2010.

### **New Financings**

On May 4, 2010, Cequel and its subsidiary co-issuer Cequel Capital Corporation issued an additional \$600.0 million aggregate principal amount of 8.625% senior notes due 2017 (the “Additional Notes”). The \$600.0 million aggregate principal amount of the Additional Notes bear interest at 8.625% and were sold at an offering price of 102 resulting in a yield to worst effective interest rate of 8.167%. The Additional Notes form a single series (collectively the “Notes”) with the \$600.0 million aggregate principal amount of the 8.625% senior notes due 2017 co-issued by Cequel and Cequel Capital Corporation on November 4, 2009. The Company used the proceeds from the Additional Notes to prepay the entire outstanding balance of \$487.3 million of the 2<sup>nd</sup> Lien Credit Facility, along with related fees and expenses, with the remaining net proceeds available for working capital and general corporate purposes. In connection with the issuance of the Additional Notes, the 2<sup>nd</sup> Lien Credit Facility and the associated intercreditor agreement were terminated.

### **Acquisition**

On August 1, 2010, the Company purchased a cable system in Greenwood, Mississippi, that serves approximately 13,400 revenue generating units, of which approximately 8,000 are basic video customers, for a purchase price of approximately \$20.3 million, subject to customary acquisition related adjustments.

### **Conference Call**

As previously announced, the Company will host a conference call to discuss its second quarter results at 11:00 p.m. (Eastern Time) on Friday, August 13, 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	87853951

A replay of this earnings call will be available at the Investor Relations link on the Company's website ([www.suddenlink.com](http://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 June 30, 2010, which will be posted on the Company's website ([www.suddenlink.com](http://www.suddenlink.com)) on August 13, 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, loss on swap termination, loss on extinguishment of debt 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 facility.

### **Company Description**

The Company, which does business as Suddenlink Communications, is the seventh 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](http://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			Six Months Ended		
	June 30,		Percent Change	June 30,		Percent Change
	2010	2009		2010	2009	
Revenues:						
Video	\$ 211,411	\$ 206,448	2.4%	\$ 422,646	\$ 411,945	2.6%
High Speed Internet	99,582	90,583	9.9%	196,737	180,488	9.0%
Telephone	29,898	23,253	28.6%	58,093	44,683	30.0%
Advertising Sales	18,262	16,357	11.6%	34,732	31,271	11.1%
Other	61,548	53,925	14.1%	119,634	106,966	11.8%
Total Revenues	420,701	390,566	7.7%	831,842	775,353	7.3%
Costs and Expenses:						
Operating (excluding depreciation and amortization)	175,236	167,303	-4.7%	349,969	332,900	-5.1%
Selling, general and administrative (excluding non-cash share based compensation expense)	90,716	84,643	-7.2%	179,696	171,245	-4.9%
Operating costs and expenses	265,952	251,946	-5.6%	529,665	504,145	-5.1%
Adjusted EBITDA	154,749	138,620	11.6%	302,177	271,208	11.4%
Adjusted EBITDA Margin (a)	36.8%	35.5%		36.3%	35.0%	
Depreciation and amortization	89,217	82,634	-8.0%	171,296	163,782	-4.6%
Non-cash share based compensation expense	1,926	1,828	-5.4%	3,810	3,631	-4.9%
Gain on sale of cable assets	(183)	(130)	40.8%	(247)	(56)	-341.1%
Income from operations	63,789	54,288	17.5%	127,318	103,851	22.6%
Interest expense, net	(65,595)	(60,275)	-8.8%	(130,551)	(119,346)	-9.4%
Loss on swap termination	(17,774)	-	NM	(17,774)	-	NM
Loss on extinguishment of debt	(16,344)	-	NM	(16,344)	-	NM
Loss before provision for income taxes	(35,924)	(5,987)	-500.0%	(37,351)	(15,495)	-141.1%
Provision for income taxes	(3,878)	(975)	-297.7%	(4,347)	(1,064)	-308.6%
Net loss	\$ (39,802)	\$ (6,962)	-471.7%	\$ (41,698)	\$ (16,559)	-151.8%

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

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

	<b>June 30, 2010</b>	<b>December 31, 2009</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 328,393	\$ 257,003
Accounts receivable, net	135,079	127,896
Prepaid expenses	15,566	14,460
Total current assets	<u>479,038</u>	<u>399,359</u>
Property, plant and equipment, net	1,321,519	1,302,297
Intangible assets, net	2,081,105	2,096,122
Other assets, net	52,786	60,033
Total assets	<u>\$ 3,934,448</u>	<u>\$ 3,857,811</u>
<b>LIABILITIES AND MEMBER'S EQUITY</b>		
Accounts payable and accrued expenses	\$ 223,172	\$ 234,610
Deferred revenue	104,749	101,945
Current portion of long-term debt	15,287	5,096
Other current liabilities	73,247	91,691
Total current liabilities	<u>416,455</u>	<u>433,342</u>
Long-term debt, less current portion	3,155,837	3,040,745
Deferred tax liabilities	24,964	23,299
Other long-term liabilities	69,915	83,667
Total liabilities	<u>3,667,171</u>	<u>3,581,053</u>
Total member's equity	<u>267,277</u>	<u>276,758</u>
Total liabilities and member's equity	<u>\$ 3,934,448</u>	<u>\$ 3,857,811</u>

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

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Net cash (used in)/provided by operating activities	\$ (45,908)	\$ 95,287	\$ 36,111	\$ 192,065
Net cash used in investing activities	(96,449)	(54,068)	(180,215)	(107,606)
Net cash provided by/(used in) financing activities	215,577	(5,890)	215,494	(14,719)
Increase in cash and cash equivalents	73,220	35,329	71,390	69,740
Cash and cash equivalents, beginning of period	255,173	204,928	257,003	170,517
Cash and cash equivalents, end of period	<u>\$ 328,393</u>	<u>\$ 240,257</u>	<u>\$ 328,393</u>	<u>\$ 240,257</u>

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

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Customer premise equipment	\$ 34,286	\$ 16,185	\$ 71,053	\$ 39,017
Scalable infrastructure	14,998	7,781	23,188	13,145
Line extensions	1,803	1,586	3,466	2,685
Upgrade/rebuild	8,163	660	14,578	869
Commercial	4,058	3,450	5,999	6,305
Support capital	33,140	24,402	57,919	46,388
	<u>\$ 96,448</u>	<u>\$ 54,064</u>	<u>\$ 176,203</u>	<u>\$ 108,409</u>

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

	<b>June 30, 2010</b>	<b>March 31, 2010</b>	<b>December 31, 2009</b>	<b>June 30, 2009</b>
<b>Revenue Generating Units (RGU):</b>				
Basic video customers (a)	1,225,100	1,243,900	1,239,100	1,262,700
Digital video customers (b)	595,400	575,700	545,100	514,500
Residential high-speed Internet customers (c)	787,000	783,900	749,100	707,100
Residential telephone customers (d)	322,800	302,200	280,400	226,900
<b>Total revenue generating units (e)</b>	<b>2,930,300</b>	<b>2,905,700</b>	<b>2,813,700</b>	<b>2,711,200</b>
<b>Quarterly net customer additions (losses)</b>				
Basic video customers	(18,800)	4,800	(15,400)	(21,500)
Digital video customers	19,700	30,600	14,300	2,900
Residential high-speed Internet customers	3,100	34,800	17,800	1,700
Residential telephone customers	20,600	21,800	27,200	20,900
<b>Total revenue generating units</b>	<b>24,600</b>	<b>92,000</b>	<b>43,900</b>	<b>4,000</b>
<b>Average Revenue per Unit (ARPU):</b>				
Average monthly revenue per basic video customer (f)	\$ 113.50	\$ 110.58	\$ 106.19	\$ 102.21
<b>Residential Customer Relationships</b>				
Total customer relationships (g)	1,264,900	1,279,500	1,259,700	1,267,500
Double play relationships (h)	475,000	482,100	472,200	465,400
Double play penetration (i)	37.6%	37.7%	37.5%	36.7%
Triple play relationships (j)	241,100	227,500	209,500	173,200
Triple play penetration (k)	19.1%	17.8%	16.6%	13.7%
Total bundled customers (l)	716,100	709,600	681,700	638,600
Bundled penetration (m)	56.6%	55.5%	54.1%	50.4%
<b>Estimated Customer Penetration</b>				
Estimated basic penetration (n)	46.1%	46.9%	46.9%	48.1%
Estimated digital penetration (o)	48.6%	46.3%	44.0%	40.7%
Estimated residential high-speed Internet penetration (p)	30.6%	30.5%	29.2%	27.8%
Estimated residential telephone penetration (q)	15.1%	14.2%	13.4%	11.0%
<b>Commercial Customers</b>				
Commercial Internet (r)	38,200	37,400	36,400	35,200
Commercial fiber (s)	860	830	800	700
Commercial telephone (t)	7,900	6,600	5,200	2,800

- (a) Basic video customers include all residential customers who receive video cable services. Also included are commercial or multiple 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 represent 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.
- (r) Commercial Internet customers consist of commercial accounts that receive high-speed Internet service via a cable modem. Commercial Internet customers are not included in Total RGUs.
- (s) Commercial fiber customers are commercial accounts that receive broadband service optically, via fiber connections. Commercial fiber customers are not included in Total RGUs.
- (t) Commercial telephone customers are commercial accounts that subscribe to our telephone service. Commercial telephone customers are not included in Total RGUs.

**TABLE 6**  
**Ceque! Communications Holdings I, LLC**  
**Free Cash Flow (unaudited)**  
**(in thousands)**

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Adjusted EBITDA	\$ 154,749	\$ 138,620	\$ 302,177	\$ 271,208
Capital expenditures	(96,448)	(54,064)	(176,203)	(108,409)
Cash interest expense	(62,623)	(54,434)	(123,854)	(102,802)
Free Cash Flow	<u>\$ (4,322)</u>	<u>\$ 30,122</u>	<u>\$ 2,120</u>	<u>\$ 59,997</u>

**TABLE 7**  
**Ceque! Communications Holdings I, LLC**  
**Reconciliation of Net Loss to Adjusted EBITDA (unaudited)**  
**(in thousands)**

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Net Loss	\$ (39,802)	\$ (6,962)	\$ (41,698)	\$ (16,559)
Add back:				
Interest expense, net	65,595	60,275	130,551	119,346
Provision for income taxes	3,878	975	4,347	1,064
Depreciation and amortization	89,217	82,634	171,296	163,782
Non-cash share based compensation	1,926	1,828	3,810	3,631
Loss on swap termination	17,774	-	17,774	-
Loss on extinguishment of debt	16,344	-	16,344	-
Gain on sale of cable assets	(183)	(130)	(247)	(56)
Adjusted EBITDA	<u>\$ 154,749</u>	<u>\$ 138,620</u>	<u>\$ 302,177</u>	<u>\$ 271,208</u>

**TABLE 8****Cequel Communications Holdings I, LLC****Reconciliation of Net Cash from Operating Activities to Free Cash Flow (unaudited)**

(in thousands)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2010	2009	2010	2009
Net cash from operating activities	\$ (45,908)	\$ 95,287	\$ 36,111	\$ 192,065
Capital expenditures	(96,448)	(54,064)	(176,203)	(108,409)
Current income tax expense	2,393	525	2,682	105
Interest income	(94)	(101)	(158)	(195)
Write-off of deferred financing costs	(6,599)	-	(6,599)	-
New borrowing premium	(12,000)	-	(12,000)	-
Repayment of paid in kind debt interest	112,254	-	112,254	-
Loss on swap termination	17,774	-	17,774	-
Loss on extinguishment of debt	16,344	-	16,344	-
Changes in assets and liabilities, net	7,962	(11,525)	11,915	(23,569)
Free Cash Flow	<u>\$ (4,322)</u>	<u>\$ 30,122</u>	<u>\$ 2,120</u>	<u>\$ 59,997</u>

**TABLE 9****Cequel Communications Holdings I, LLC****Reconciliation of Interest Expense, net to Cash Interest Expense (unaudited)**

(in thousands)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2010	2009	2010	2009
Interest expense, net	\$ 65,595	\$ 60,275	\$ 130,551	\$ 119,346
Add: interest income	94	101	158	195
Add: bond premium amortization	183	-	183	-
Less: deferred financing amortization	(2,893)	(3,120)	(6,318)	(5,749)
Less: bond discount amortization	(356)	-	(720)	-
Less: non-cash paid-in kind interest expense	-	(2,822)	-	(10,990)
Cash interest expense	<u>\$ 62,623</u>	<u>\$ 54,434</u>	<u>\$ 123,854</u>	<u>\$ 102,802</u>

Source: Cequel Communications Holdings I, LLC

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