

# **First Quarter 2017 Results**

May 2, 2017

# Cautionary Statement Regarding Forward-Looking Statements

This quarterly presentation includes 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 Exchange Act, regarding, among other things, our plans, strategies and prospects, both business and financial. Although we believe that our plans, intentions and expectations as reflected in or suggested by these forward-looking statements are reasonable, we cannot assure you that we will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions including, without limitation, the factors described under "Risk Factors" from time to time in our filings with the SEC. Many of the forward-looking statements contained in this quarterly presentation may be identified by the use of forward-looking words such as "believe," "expect," "anticipate," "should," "planned," "will," "may," "intend," "estimated," "aim," "on track," "target," "opportunity," "tentative," "positioning," "designed," "create," "predict," "project," "initiatives," "seek," "would," "could," "continue," "ongoing," "upside," "increases" and "potential," among others. Important factors that could cause actual results to differ materially from the forward-looking statements we make in this quarterly presentation are set forth in this quarterly presentation, in our annual report on Form 10-K, and in other reports or documents that we file from time to time with the Securities and Exchange Commission, and include, but are not limited to:

Risks Related to the Time Warner Cable Inc. Transaction and Bright House Networks, LLC Transaction collectively, (the "Transactions"):

Our ability to promptly, efficiently and effectively integrate acquired operations; managing a significantly larger company than before the completion of the Transactions; our ability to achieve the synergies and value creation contemplated by the Transactions; changes in Legacy Charter, Legacy TWC or Legacy Bright House operations' businesses, future cash requirements, capital requirements, results of operations, revenues, financial condition and/or cash flows; disruption in our business relationships as a result of the Transactions; the increase in indebtedness as a result of the Transactions, which will increase interest expense and may decrease our operating flexibility; operating costs and business disruption that may be greater than expected; the ability to retain and hire key personnel; and costs, disruptions and possible limitations on operating flexibility related to, and our ability to comply with, regulatory conditions applicable to us as a result of the Transactions.

Risks Related to Our Business:

Our ability to sustain and grow revenues and cash flow from operations by offering video, Internet, voice, advertising and other services to residential and commercial customers, to adequately meet the customer experience demands in our markets and to maintain and grow our customer base, particularly in the face of increasingly aggressive competition, the need for innovation and the related capital expenditures; the impact of competition from other market participants, including but not limited to incumbent telephone companies, direct broadcast satellite operators, wireless broadband and telephone providers, digital subscriber line ("DSL") providers, fiber to the home providers, video provided over the Internet by (i) market participants that have not historically competed in the multichannel video business, (ii) traditional multichannel video distributors, and (iii) content providers that have historically licensed cable networks to multichannel video distributors, and providers of advertising over the Internet; general business conditions, economic uncertainty or downturn, unemployment levels and the level of activity in the housing sector; our ability to obtain programming at reasonable prices or to raise prices to offset, in whole or in part, the effects of higher programming costs (including retransmission consents); our ability to develop and deploy new products and technologies including our cloud-based user interface, Spectrum Guide®, and downloadable security for set-top boxes, and any other cloud-based consumer services and service platforms; the effects of governmental regulation on our business or potential business combination transactions; any events that disrupt our networks, information systems or properties and impair our operating activities or our reputation; the availability and access, in general, of funds to meet our debt obligations prior to or when they become due and to fund our operations and necessary capital expenditures, either through (i) cash on hand, (ii) free cash flow, or (iii) access to the capital or credit markets; and our ability to comply with all covenants in our indentures and credit facilities, any violation of which, if not cured in a timely manner, could trigger a default of our other obligations under cross-default provisions.

All forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by this cautionary statement. We are under no duty or obligation to update any of the forward-looking statements after the date of this presentation.

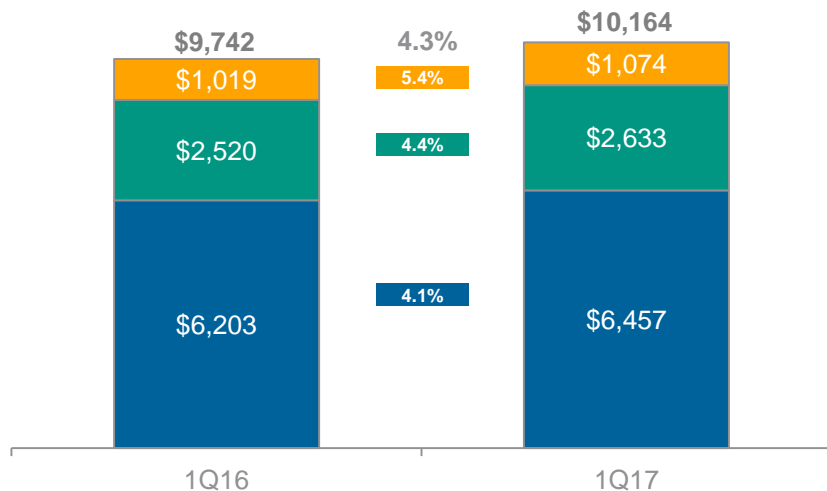
# **Thomas M. Rutledge**

**Chairman and CEO, Charter Communications**

# First Quarter Overview

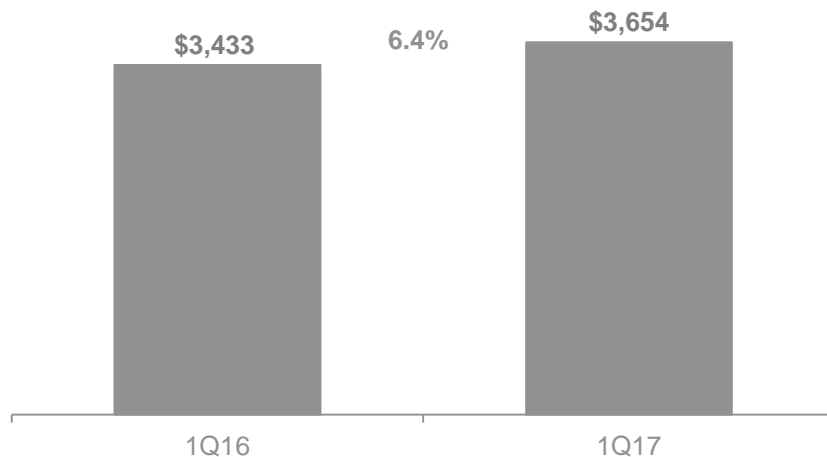
## Revenue

(In Millions) ■ Legacy TWC ■ Legacy Charter ■ Legacy Bright House



## Adjusted EBITDA<sup>1)</sup>

(In Millions) ■ Charter



## Operating and Financial Overview

- Total customer relationship growth of 4.3% Y/Y, with net adds of 365K in 1Q17 vs. 415K in 1Q16
- Total PSUs up 1.5M over last twelve months
- Revenue growth of 4.3% Y/Y
  - Residential revenue growth of 4.2% Y/Y
  - Commercial revenue growth of 10.8% Y/Y
- Adjusted EBITDA<sup>1)</sup> growth of 6.4% Y/Y, or 7.3% Y/Y excluding transition costs of \$51M in 1Q17 and \$21M in 1Q16
- Net income attributable to Charter shareholders, also on a pro forma basis, decreased from \$179M in 1Q16 to \$155M in 1Q17, driven by higher D&A and severance-related expenses, largely offset by higher Adjusted EBITDA

Note: All results for periods prior to 3Q16 are *pro forma* for certain acquisitions as if they had occurred on January 1, 2015.

1) See notes on slide 16.

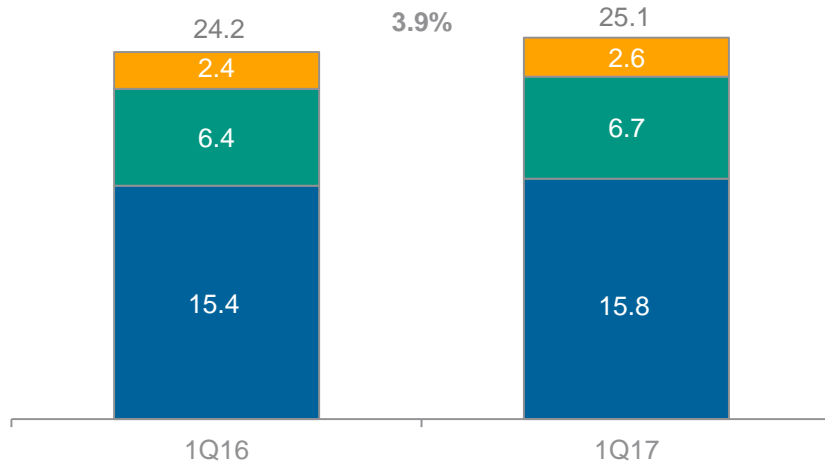
# **Christopher L. Winfrey**

**Executive Vice President and CFO, Charter Communications**

# Residential Customers<sup>1)</sup>

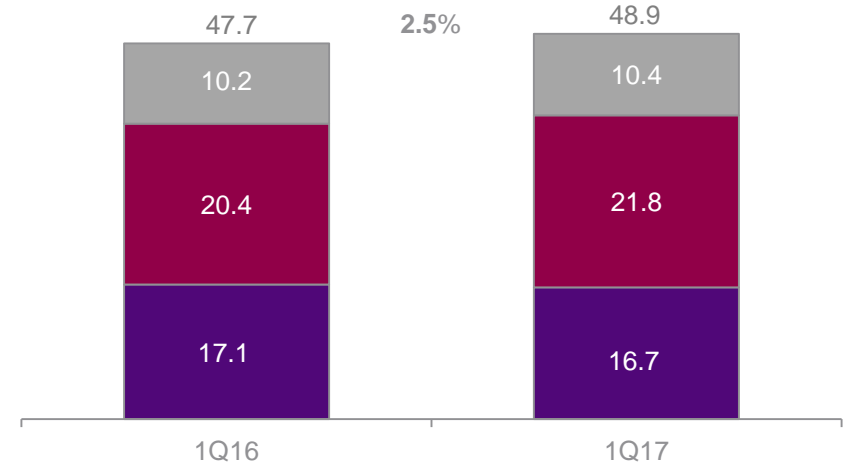
## Total Residential Customer Relationships

(In Millions) ■ Legacy TWC ■ Legacy Charter ■ Legacy Bright House



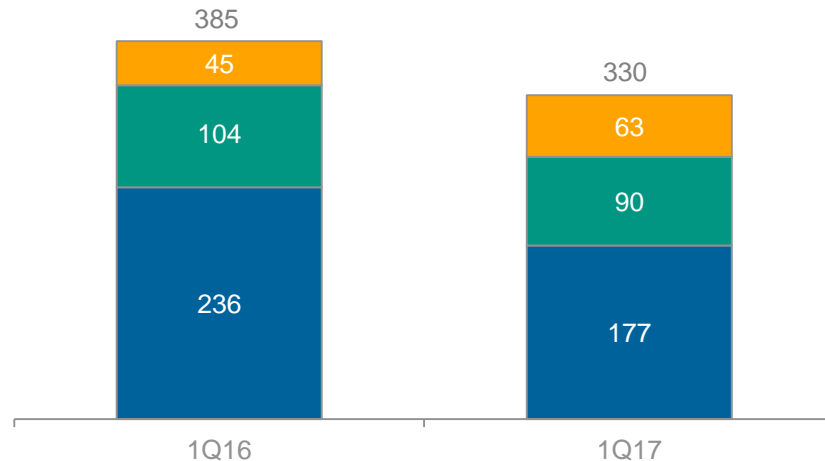
## Total Residential Primary Service Units (PSUs)

(In Millions) ■ Video ■ Internet ■ Voice



## Residential Customer Net Additions / (Losses)

(In '000s) ■ Legacy TWC ■ Legacy Charter ■ Legacy Bright House



## Residential Revenue per Resi. Customer

■ Charter



Note: All results for periods prior to 3Q16 are *pro forma* for certain acquisitions as if they had occurred on January 1, 2015.  
 1) All customer data based on legacy company reporting methodologies. Data in columns may not sum to total due to rounding.

# Residential Customers<sup>1)</sup>

## Residential Video Net Additions / (Losses)

(In '000s)

	1Q16	1Q17	Y/Y Change
Legacy TWC	21	<b>(108)</b>	(129)
Legacy Charter	10	<b>(13)</b>	(23)
Legacy Bright House	(7)	<b>21</b>	28
Charter	24	<b>(100)</b>	(124)

## Residential Internet Net Additions / (Losses)

(In '000s)

	1Q16	1Q17	Y/Y Change
Legacy TWC	314	<b>235</b>	(79)
Legacy Charter	141	<b>116</b>	(25)
Legacy Bright House	65	<b>77</b>	12
Charter	520	<b>428</b>	(92)

## Residential Voice Net Additions / (Losses)

(In '000s)

	1Q16	1Q17	Y/Y Change
Legacy TWC	178	<b>(27)</b>	(205)
Legacy Charter	35	<b>14</b>	(21)
Legacy Bright House	0	<b>50</b>	50
Charter	213	<b>37</b>	(176)

## Residential PSU Net Additions / (Losses)

(In '000s)

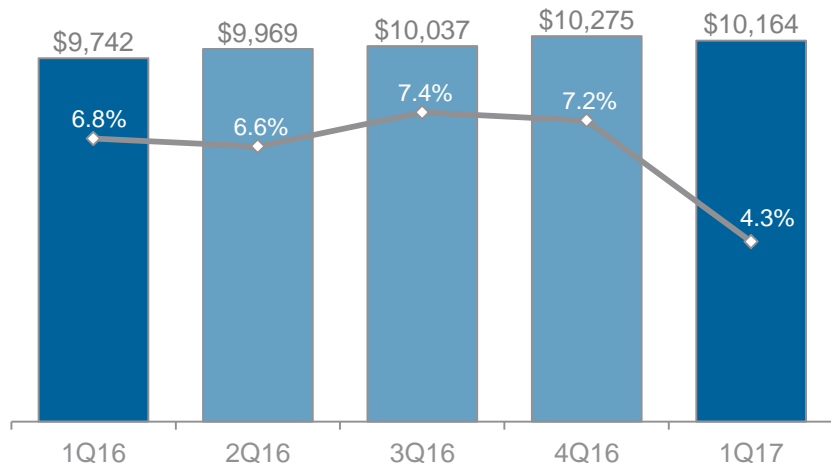
	1Q16	1Q17	Y/Y Change
Legacy TWC	513	<b>100</b>	(413)
Legacy Charter	186	<b>117</b>	(69)
Legacy Bright House	58	<b>148</b>	90
Charter	757	<b>365</b>	(392)

Note: All results for periods prior to 3Q16 are *pro forma* for certain acquisitions as if they had occurred on January 1, 2015.  
 1) All customer data based on legacy company reporting methodologies.

# Revenue

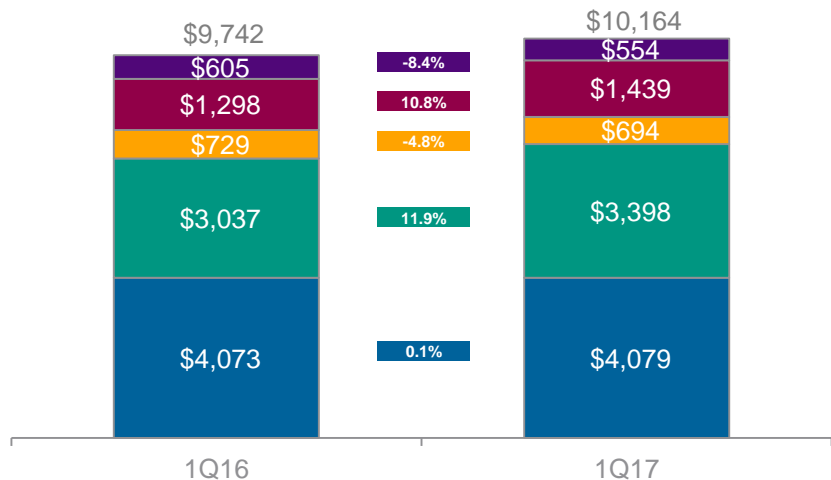
## Revenue and Y/Y Growth

(In Millions)



## Revenue Contribution

(In Millions) ■ Video ■ Internet ■ Voice ■ Commercial ■ Advertising & Other



## Revenue Split

(In Millions)

	1Q16	1Q17	Y/Y Change
Residential	7,839	8,171	4.2%
Commercial	1,298	1,439	10.8%
Other	240	217	-9.7%
Revenue Ex.-Advert.	\$9,377	\$9,827	4.8%
Advertising	365	337	-7.7%
<b>Total Revenue</b>	<b>\$9,742</b>	<b>\$10,164</b>	<b>4.3%</b>

## Revenue by Legacy Entity

(In Millions)

	1Q16	1Q17	Y/Y Change
Legacy TWC	6,203	6,457	4.1%
Legacy Charter	2,520	2,633	4.4%
Legacy Bright House	1,019	1,074	5.4%
<b>Charter</b>	<b>\$9,742</b>	<b>\$10,164</b>	<b>4.3%</b>

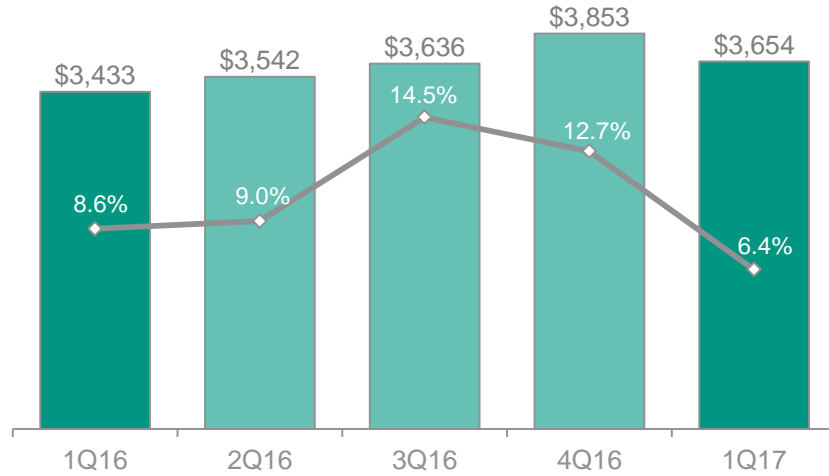
Note: All results for periods prior to 3Q16 are *pro forma* for certain acquisitions as if they had occurred on January 1, 2015.



# Adjusted EBITDA<sup>1)</sup>

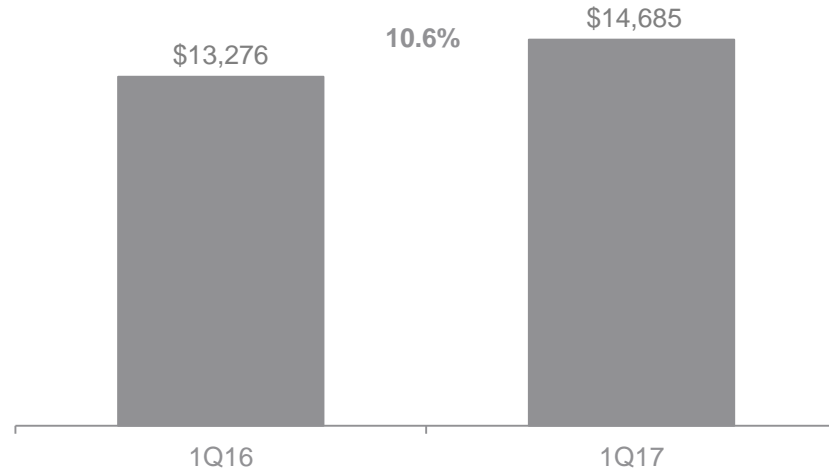
## Adjusted EBITDA<sup>1)</sup> and Y/Y Growth

(In Millions)



## LTM Adjusted EBITDA<sup>1)</sup>

(In Millions)



## Quarterly Highlights

- Adjusted EBITDA<sup>1)</sup> grew 6.4% Y/Y, and 7.3% excluding transition costs
  - Total operating costs rose 3.2% Y/Y
  - Programming expense increased 8.2% Y/Y, reflecting contractual increases and improving expanded basic video sell-in at TWC, partly offset by Transactions synergies
  - Costs to service customers increased by 0.2% Y/Y, despite Y/Y customer growth of 4.3%
  - Marketing expenses decreased by 1.5% Y/Y, driven by efficiencies from the consolidation of marketing strategies
  - Transition costs of \$51M related to the Transactions
  - Other expenses decreased 1.4% Y/Y, reflecting Transactions synergies
  - Excluding transition costs, a contractual settlement in 1Q16, and accrued customer credits, revenue grew by 4.7% Y/Y and Adjusted EBITDA grew by over 8% Y/Y

Note: All results for periods prior to 3Q16 are *pro forma* for certain acquisitions as if they had occurred on January 1, 2015.  
1) See notes on slide 16.

# Net Income

## Net Income

(In Millions, except per share data)

	1Q17 A	1Q16 PF	Y/Y Var.
Adjusted EBITDA <sup>1)</sup>	\$ 3,654	\$ 3,433	221
Legacy D&A	1,783	1,625	158
D&A from Purchase Price Step-up	767	660	107
Depreciation and Amortization	2,550	2,285	265
Stock compensation expense	69	66	3
Stock-awards flash vesting	17	-	17
Cash-based severance	61	-	61
Other	16	23	(7)
Other operating expenses, net	94	23	71
<b>Income from operations</b>	<b>941</b>	<b>1,059</b>	<b>(118)</b>
Interest expense, net	(713)	(708)	(5)
Loss on extinguishment of debt	(34)	-	(34)
Gain (loss) on financial instruments, net	38	(5)	43
Other income, net	4	18	(14)
	(705)	(695)	(10)
<b>Income before income taxes</b>	<b>236</b>	<b>364</b>	<b>(128)</b>
Income tax expense	(25)	(115)	90
<b>Consolidated net income</b>	<b>\$ 211</b>	<b>\$ 249</b>	<b>\$ (38)</b>
Less: Noncontrolling Interest	(56)	(70)	14
<b>Net income attributable to Charter shareholders</b>	<b>\$ 155</b>	<b>\$ 179</b>	<b>\$ (24)</b>
<b>Earnings per common share attributable to Charter shareholders</b>			
Basic	\$ 0.58	\$ 0.66	\$ (0.08)
Diluted	\$ 0.57	\$ 0.65	\$ (0.08)

## Highlights

- First quarter total operating costs include \$51M of transition expense vs. \$21M in the prior year
- Depreciation and amortization \$265M higher Y/Y
- Other operating expenses of \$94M, includes:
  - Cash-based severance of \$61M
  - Stock-awards flash vesting of \$17M
  - Other of \$16M, driven primarily by transactions-related expenses
- Interest expense reflects:
  - \$817M of interest on principal
  - \$19M of other non-cash interest expense and interest income
  - Less \$123M amortization of purchase accounting premium on acquired debt
- Tax expense lower due to \$56 million stock compensation-related benefit and lower income before taxes

Note: All results for periods prior to 3Q16 are *pro forma* for certain acquisitions as if they had occurred on January 1, 2015.

1) See notes on slide 16.

# Capital Investment

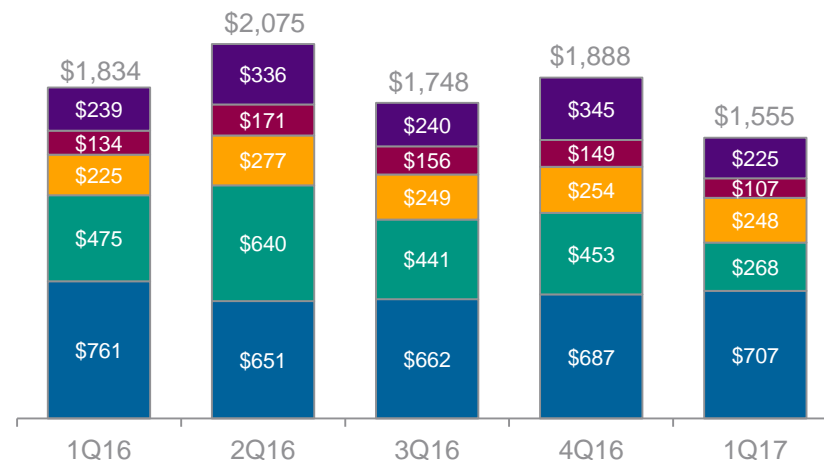
## Highlights

- 1Q17 capex decreased \$279M Y/Y
  - 1Q17 capex includes \$76M of transition-related spending for Transactions vs. \$53M in the prior year period, primarily reflected in scalable infrastructure and support capital
  - \$207M Y/Y decrease in scalable infrastructure due to the timing of network spending
  - \$54M Y/Y decrease in CPE driven primarily by the timing of set-top box equipment purchases
  - \$14M Y/Y decrease in support capital driven by the timing of vehicle purchases

## Capital Expenditures by NCTA Category

(In Millions)

■ CPE/Install ■ Scalable Infrastructure ■ Line Ext. ■ Upgrade/Rebuild ■ Support



Transition Related	\$53	\$111	\$109	\$187	\$76
Commercial	\$287	\$338	\$306	\$258	\$268

Note: All results for periods prior to 3Q16 are *pro forma* for certain acquisitions as if they had occurred on January 1, 2015.

# Free Cash Flow<sup>1)</sup>

## Free Cash Flow<sup>1)</sup>

(In Millions)	1Q17A	1Q16A	Y/Y Var.
Adjusted EBITDA <sup>1)</sup>	\$ 3,654	\$ 883	\$ 2,771
Capex	(1,555)	(429)	(1,126)
<b>Adjusted EBITDA<sup>1)</sup> - Capex</b>	<b>2,099</b>	<b>454</b>	<b>1,645</b>
Cash Paid for Interest, Net <sup>2)</sup>	(889)	(448)	(441)
Cash Taxes	(1)	-	(1)
Other Working Capital	9	(49)	58
Other	(80)	(18)	(62)
<b>Free Cash Flow<sup>1)</sup></b>	<b>1,138</b>	<b>(61)</b>	<b>1,199</b>
Financing Activities	254	1,385	(1,131)
Other	(7)	(51)	44
<b>Change in Cash</b>	<b>\$ 1,385</b>	<b>\$ 1,273</b>	<b>\$ 112</b>
<b>Total Liquidity<sup>3)</sup></b>	<b>\$ 5,682</b>	<b>\$ 2,507</b>	<b>\$ 3,175</b>
<b>Leverage (LTM Adj. EBITDA)<sup>1,4)</sup></b>	<b>4.0x</b>	<b>4.1x</b>	<b>-0.1x</b>

## Quarterly Highlights

### Free Cash Flow<sup>1)</sup>

- Free Cash Flow higher Y/Y driven by the Transactions and Adjusted EBITDA growth

### Financing and Leverage

- Current target leverage 4-4.5 times
- Financing activities includes:
  - Borrowings of long-term debt exceeding repayments by \$1.2B
  - Repurchase of 2.5M<sup>5)</sup> CHTR shares, or equivalent, for \$826M
  - Payment of preferred dividend to A/N

1) See notes on slide 16.

2) Includes payments on interest rate swaps and is net of interest received.

3) Includes available cash on hand and revolver availability. In April 2017, Charter redeemed \$2 billion of Time Warner Cable, LLC's 5.850% senior notes due 2017.

4) Leverage is total principal amount of debt of \$61,264M less cash and cash equivalents of \$2,920M divided by LTM pro forma Adjusted EBITDA<sup>1)</sup> of \$14,685M as of 3/31/17 and total principal amount of debt (excluding financing associated with the Transactions) of \$15,513M, less cash and cash equivalents of \$1,278M, divided by LTM adjusted EBITDA<sup>1)</sup> of \$3,489M as of 3/31/16.

5) Excludes 343,191 shares withheld from employees for the payment of taxes and exercise costs upon the exercise of stock options or vesting of other equity awards during the first quarter of 2017.

# Capital Structure Summary

As of Mar. 31, 2017  
(\$ In Millions, unless  
otherwise noted)

Issue	Type	Rate / Shares <sup>1)</sup>	Issuer Amount <sup>2)</sup>	Aggregate Debt <sup>3)</sup>	Leverage Ratio <sup>4)</sup>
<b>Equity (Mkt Cap)</b>					
<b>Charter Communications, Inc. (CCI)</b>	• Shares Outstanding (S/O)	Equity	• 268M	• \$88B	
	• S/O + As-Converted and As-Exchanged CCH Units		• 305M <sup>5)</sup>	• \$100B	
<b>Charter Communications Holdings, LLC (CCH) Partnership</b>	A/N Preferred CCH Units	Convertible Preferred	6.0%	\$2,500	
<b>CCO Holdings, LLC (CCOH)</b>	Sr. Notes due 2021-2027	High Yield	5.125 - 5.875%	\$14,650	\$61,264 4.0x
<b>Charter Communications Operating, LLC (CCO)</b>	Sr. Sec. Notes due 2017-2055	Investment Grade	3.579 - 8.750%	\$37,748	
	<u>1<sup>st</sup> Lien Bank due 2020-2024</u>	Loans / Revolver	L + 1.75 - 2.25%	<u>\$8,866</u>	
	<b>Total CCO</b>			<b>\$46,614</b>	<b>\$46,614 3.0x</b>
<b>Operating Subsidiaries</b>					

1) Interest rates are stated bank interest rates or bond coupon rates.

2) Issuer amount includes principal value of debt and current equity market capitalization of shares outstanding based on a closing share price of \$327.32 as of 3/31/17. Equity market capitalization, on an as-converted-as-exchanged basis, includes the estimated market value of A/N common CCH units and the market value of A/N convertible preferred CCH units with a face value of \$2,500M.

3) Aggregate debt is total principal amount of debt, excluding intercompany loans and \$383M of letters of credit and capital leases.

4) Leverage at CCOH = aggregate debt less cash and cash equivalents divided by LTM *pro forma* Adjusted EBITDA<sup>6)</sup> of \$14,685M. Leverage at CCO = aggregate debt less cash and cash equivalents divided by LTM *pro forma* Adjusted EBITDA<sup>6)</sup> of \$14,685M. The leverage calculations do not reflect the leverage calculations pursuant to Charter's indentures and credit agreements.

5) Assumes exchange and conversion of Advance/Newhouse (A/N) common and preferred CCH units into Charter stock.

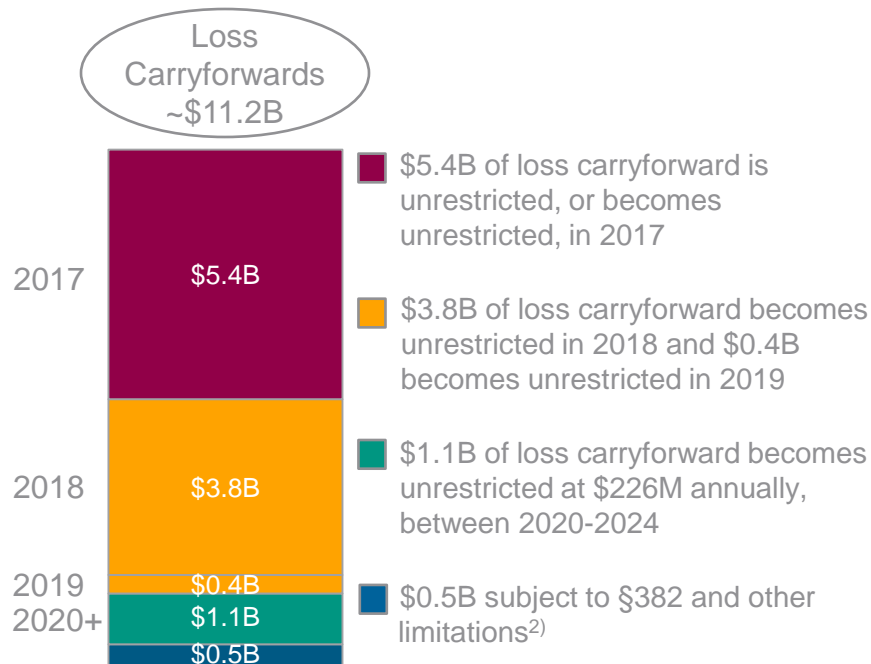
6) See notes on slides 16.

# Significant Tax Assets Support Cash Flow Growth

## Tax Assets as of December 31, 2016

- \$11.2B of loss carryforwards shield cash taxes
- Charter is not expected to be a significant cash taxpayer until 2019, at the earliest, with remaining NOL carryforward benefits becoming available through 2024
- Tax receivable agreement with A/N drives meaningful value for Charter shareholders via basis step-up at point of conversion and/or exchange of partnership units

## Estimated Loss Carryforward Availability<sup>1)</sup>



1) Current availability estimates subject to change.

2) \$415 million of the \$11.2 billion NOL is subject to a valuation allowance and may not be usable in the future.

## Valuable Tax Receivables Agreement With A/N

- Charter will receive additional tax basis step-up upon any future A/N conversion and/or exchange of its partnership units into Charter stock
- Charter retains 50% of the cash tax savings value associated with the tax basis step-up received, if and when A/N converts and/or exchanges partnership units for shares in Charter
- A/N receives 50% of the net cash tax savings value associated with the tax basis step-up received by Charter, on a with and without FIFO basis, when the step-up benefits are used by Charter
- The December 2016 share exchange resulted in an estimated tax basis step-up of \$580M

**Investor Inquiries:**

Stefan Anninger | 203.905.7955  
stefan.anninger@charter.com

## **Appendix**



# Use of Non-GAAP Financial Metrics

We use certain measures that are not defined by U.S. generally accepted accounting principles ("GAAP") to evaluate various aspects of our business. Adjusted EBITDA and free cash flow are non-GAAP financial measures and should be considered in addition to, not as a substitute for, consolidated net income (loss) and net cash flows from operating activities reported in accordance with GAAP. These terms, as defined by us, may not be comparable to similarly titled measures used by other companies. Adjusted EBITDA and free cash flow are reconciled to consolidated net income (loss) and net cash flows from operating activities, respectively, in the appendix of this presentation.

Adjusted EBITDA is defined as consolidated net income (loss) plus net interest expense, income taxes, depreciation and amortization, stock compensation expense, loss on extinguishment of debt, (gain) loss on financial instruments, other (income) expense, net and other operating (income) expenses, such as merger and restructuring costs, special charges and (gain) loss on sale or retirement of assets. As such, it eliminates the significant non-cash depreciation and amortization expense that results from the capital-intensive nature of our businesses as well as other non-cash or special items, and is unaffected by our capital structure or investment activities. 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 our cash cost of financing. These costs are evaluated through other financial measures.

Free cash flow is defined as net cash flows from operating activities, less capital expenditures and changes in accrued expenses related to capital expenditures.

Management and Charter's board of directors use Adjusted EBITDA and free cash flow to assess Charter's performance and its ability to service its debt, fund operations and make additional investments with internally generated funds. In addition, Adjusted EBITDA generally correlates to the leverage ratio calculation under our credit facilities or outstanding notes to determine compliance with the covenants contained in the facilities and notes (all such documents have been previously filed with the Securities and Exchange Commission (the "SEC")). For the purpose of calculating compliance with leverage covenants, we use Adjusted EBITDA, as presented, excluding certain expenses paid by our operating subsidiaries to other Charter entities. Our debt covenants refer to these expenses as management fees, which were \$273 million and \$102 million for the three months ended March 31, 2017 and 2016, respectively.

The Transactions closed on May 18<sup>th</sup>, 2016. We provide pro forma results that give effect to the Transactions as if they had occurred on January 1, 2015 and include the operations of Legacy Charter, Legacy TWC and Legacy Bright House for the full twelve months ended December 31, 2016 and 2015. Due to the transformative nature of the Transactions, the Company believes that providing a discussion of its results of operations on this pro forma basis provides management and investors a more meaningful perspective on the Company's financial and operational performance and trends. The results of operations data on a *pro forma* basis are provided for illustrative purposes only and are based on available information and assumptions that Charter believes are reasonable and do not purport to represent what the actual consolidated results of operations of Charter would have been had the Transactions occurred on January 1, 2015, nor are they necessarily indicative of future consolidated results of operations or consolidated financial position. Exhibit 99.1 in the Company's Quarterly Report on Form 10-Q for the three and nine months ended September 30, 2016 provides *pro forma* financial information for each quarter of 2015 and the first and second quarters of 2016 and a reconciliation of the pro forma financial information to the actual results of operations of the Company.

For a reconciliation of Adjusted EBITDA to the most directly comparable GAAP financial measure, see slides 17, 18 and 19.

# GAAP Reconciliations

**CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES**  
**UNAUDITED RECONCILIATION OF NON-GAAP MEASURES TO GAAP MEASURES**  
**(DOLLARS IN MILLIONS)**

	Three Months Ended	
	March 31, 2017	March 31, 2016
<b><u>Actual Reconciliation</u></b>		
Consolidated net income (loss)	\$ 211	\$ (188)
Plus: Interest expense, net	713	454
Income tax expense	25	28
Depreciation and amortization	2,550	539
Stock compensation expense	69	24
Loss on extinguishment of debt	34	-
(Gain) loss on financial instruments, net	(38)	5
Other, net	90	21
Adjusted EBITDA <sup>1)</sup>	3,654	883
Less: Purchases of property, plant and equipment	(1,555)	(429)
Adjusted EBITDA <sup>1)</sup> less capital expenditures	\$ 2,099	\$ 454
Net cash flows from operating activities	\$ 2,843	\$ 424
Less: Purchases of property, plant and equipment	(1,555)	(429)
Change in accrued expenses related to capital expenditures	(150)	(56)
Free cash flow <sup>1)</sup>	\$ 1,138	\$ (61)

The above schedules are presented in order to reconcile Adjusted EBITDA and free cash flow, both non-GAAP measures, to the most directly comparable GAAP measure in accordance with Section 401(b) of the Sarbanes-Oxley Act.

1) See notes on slide 16.

# GAAP Reconciliations

**CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES**  
**UNAUDITED RECONCILIATION OF NON-GAAP MEASURES TO GAAP MEASURES**  
**(DOLLARS IN MILLIONS)**

	Three Months Ended				
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
<b><i>Pro Forma Reconciliation</i></b>					
Consolidated net income	\$ 211	\$ 569	\$ 250	\$ 331	\$ 249
Plus: Interest expense, net	713	728	724	723	708
Income tax expense	25	210	16	157	115
Depreciation and amortization	2,550	2,495	2,437	2,338	2,285
Stock compensation expense	69	76	81	72	66
Loss on extinguishment of debt	34	1	—	110	—
(Gain) loss on financial instruments, net	(38)	(73)	(71)	50	5
Other, net	90	(153)	199	(239)	5
Adjusted EBITDA <sup>1)</sup>	3,654	3,853	3,636	3,542	3,433
Less: Purchases of property, plant and equipment	(1,555)	(1,888)	(1,748)	(2,075)	(1,834)
Adjusted EBITDA <sup>1)</sup> less capital expenditures	<u>\$ 2,099</u>	<u>\$ 1,965</u>	<u>\$ 1,888</u>	<u>\$ 1,467</u>	<u>\$ 1,599</u>

The above schedules are presented in order to reconcile Adjusted EBITDA, a non-GAAP measure, to the most directly comparable GAAP measure in accordance with Section 401(b) of the Sarbanes-Oxley Act.

1) See notes on slide 16.

# GAAP Reconciliations

**CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES**  
**UNAUDITED RECONCILIATION OF NON-GAAP MEASURES TO GAAP MEASURES**  
**(DOLLARS IN MILLIONS)**

<b>Reconciliation</b>	<b>Last Twelve Months Ended March 31,</b>		
	<b>2017</b>	<b>2016</b>	<b>2016</b>
	<i>Pro Forma</i>	<i>Pro Forma</i>	<b>Actual</b>
Consolidated net income (loss)	\$ 1,361	\$ 569	\$ (378)
Plus: Interest expense, net	2,888	2,875	1,471
Income tax (benefit) expense	408	227	(67)
Depreciation and amortization	9,820	9,355	2,150
Stock compensation expense	298	251	83
Loss on extinguishment of debt	145	128	128
(Gain) loss on financial instruments, net	(132)	3	3
Other, net	(103)	(132)	99
Adjusted EBITDA <sup>1)</sup>	14,685	13,276	3,489
Less: Purchases of property, plant and equipment	(7,266)	(7,219)	(1,918)
Adjusted EBITDA <sup>1)</sup> less capital expenditures	\$ 7,419	\$ 6,057	\$ 1,571

The above schedules are presented in order to reconcile Adjusted EBITDA, a non-GAAP measure, to the most directly comparable GAAP measure in accordance with Section 401(b) of the Sarbanes-Oxley Act.

1) See notes on slide 16.

# Shares

## Shares Outstanding as of March 31, 2017

---

Class A Common Shares	267,528,131
Class B Common Shares <sup>1)</sup>	1
Restricted Stock <sup>2)</sup>	<u>9,811</u>
<b>Total Outstanding Common Shares</b>	<b>267,537,943</b>
As-converted, as-exchanged Charter Holdings Partnership Units <sup>3)</sup>	<u>37,640,319</u>
<b>Total Shares (as-converted/as-exchanged)</b>	<b>305,178,262</b>
<b>Fully Diluted Shares (as-converted/as-exchanged)<sup>4,5)</sup></b>	<b>309,372,954</b>

Note: Charter's financial statements only include partnership units, restricted stock units and options, in diluted weighted average common shares outstanding when such inclusion is dilutive to earnings per common share attributable to Charter shareholders.

1) Class B Common is a special class of stock solely owned by Advance/Newhouse and provides it with governance rights at Charter, reflecting Advance/Newhouse's ownership in the Charter Holdings Partnership.

2) Unvested restricted stock has voting rights and is therefore included in issued and outstanding total. Vesting occurs depending upon the terms of each award agreement.

3) Includes 28,306,819 of Advance/Newhouse as-exchanged common partnership units in Charter Holdings, and 9,333,500 of Advance/Newhouse as-converted, as-exchanged preferred partnership units in Charter Holdings.

4) Includes 2,797,511 restricted stock units which vest over various periods of time depending upon the terms of each award agreement. Units are included based on the treasury stock method. Units which have not met price-vesting thresholds are excluded for dilution purposes. As of March 31, 2017, there were 494,296 units which contain price-vesting hurdles, in addition to time vesting requirements, which are excluded from fully diluted shares.

5) Includes 9,992,781 outstanding options for which the weighted average exercise price is \$198.31 per share with various time vesting requirements. Options are included based on the treasury stock method. Units which have not met price-vesting thresholds are excluded for dilution purposes. As of March 31, 2017, there were 4,448,660 options which contain price-vesting hurdles in addition to time vesting requirements, of which 3,558,932 had not been met as of March 31, 2017, and which are excluded from fully diluted shares.

# Debt Maturity Profile

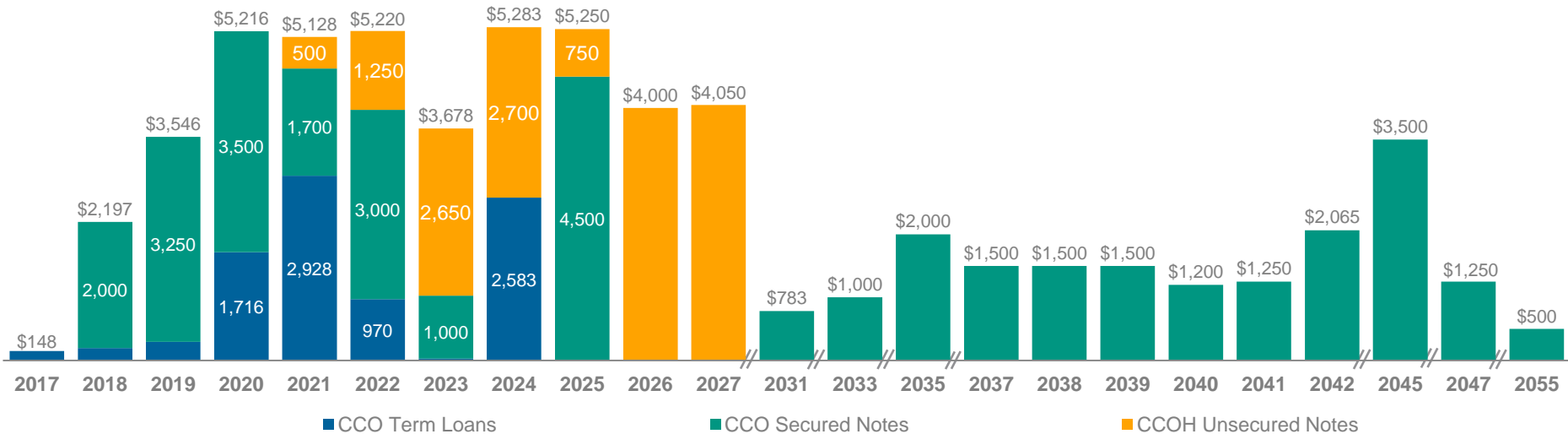
As of March 31, 2017<sup>1)</sup>

(In Millions)

Weighted Average Cost of Debt = 5.4%

Weighted Average Life of Debt = 11.6 Years

90% of debt matures beyond 2019



<sup>1)</sup> Maturity towers include scheduled amortization for term loans. Data are pro forma for the April 10, 2017 call of \$2.0B TWC 5.85% Notes due 2017 and the April 20, 2017 issuance of \$1.25B CCOH 5.125% notes due 2027 and \$1.25B CCO 5.375% Sr. Secured notes due 2047.