

**CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND OPERATING DATA**  
(dollars in millions, except per share data)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	2016	% Change	2017	2016	% Change
	Actual	Actual		Actual	Actual	
<b>REVENUES:</b>						
Video	\$ 4,124	\$ 2,605	58.3%	\$ 8,203	\$ 3,775	117.3%
Internet	3,513	1,950	80.2%	6,911	2,754	151.0%
Voice	650	423	53.4%	1,344	558	140.6%
Residential revenue	8,287	4,978	66.4%	16,458	7,087	132.2%
Small and medium business	924	520	77.7%	1,824	722	152.5%
Enterprise	548	296	85.1%	1,087	395	175.1%
Commercial revenue	1,472	816	80.4%	2,911	1,117	160.5%
Advertising sales	381	237	61.3%	718	309	132.9%
Other	217	130	67.0%	434	178	143.8%
Total Revenue	<u>10,357</u>	<u>6,161</u>	68.1%	<u>20,521</u>	<u>8,691</u>	136.1%
<b>COSTS AND EXPENSES:</b>						
Programming	2,649	1,541	71.9%	5,253	2,244	134.1%
Regulatory, connectivity and produced content	532	317	67.2%	1,030	429	139.7%
Costs to service customers	1,907	1,189	60.4%	3,855	1,647	134.0%
Marketing	601	382	57.6%	1,183	547	116.3%
Transition costs	30	25	21.9%	81	46	77.3%
Other expense	791	487	62.3%	1,618	675	139.8%
Total operating costs and expenses (exclusive of items shown separately below)	<u>6,510</u>	<u>3,941</u>	65.2%	<u>13,020</u>	<u>5,588</u>	133.0%
Adjusted EBITDA	<u>3,847</u>	<u>2,220</u>	73.3%	<u>7,501</u>	<u>3,103</u>	141.7%
Adjusted EBITDA margin	<u>37.1%</u>	<u>36.0%</u>		<u>36.5%</u>	<u>35.7%</u>	
Depreciation and amortization	2,595	1,436		5,145	1,975	
Stock compensation expense	65	63		134	87	
Other operating expenses, net	135	551		229	569	
Income from operations	<u>1,052</u>	<u>170</u>		<u>1,993</u>	<u>472</u>	
<b>OTHER EXPENSES:</b>						
Interest expense, net	(749)	(593)		(1,462)	(1,047)	
Loss on extinguishment of debt	(1)	(110)		(35)	(110)	
Loss on financial instruments, net	(70)	(50)		(32)	(55)	
Other pension benefits	13	520		26	520	
Other expense, net	(2)	(2)		(11)	(5)	
	<u>(809)</u>	<u>(235)</u>		<u>(1,514)</u>	<u>(697)</u>	
Income (loss) before income taxes	243	(65)		479	(225)	
Income tax benefit (expense)	(48)	3,179		(73)	3,151	
Consolidated net income	<u>195</u>	<u>3,114</u>		<u>406</u>	<u>2,926</u>	
Less: Net income attributable to noncontrolling interests	<u>(56)</u>	<u>(47)</u>		<u>(112)</u>	<u>(47)</u>	
Net income attributable to Charter shareholders	<u>\$ 139</u>	<u>\$ 3,067</u>		<u>\$ 294</u>	<u>\$ 2,879</u>	
<b>EARNINGS PER COMMON SHARE</b>						
<b>ATTRIBUTABLE TO CHARTER SHAREHOLDERS:</b>						
Basic	<u>\$ 0.53</u>	<u>\$ 16.73</u>		<u>\$ 1.11</u>	<u>\$ 20.21</u>	
Diluted	<u>\$ 0.52</u>	<u>\$ 15.17</u>		<u>\$ 1.09</u>	<u>\$ 19.00</u>	
Weighted average common shares outstanding, basic	<u>263,460,911</u>	<u>183,362,776</u>		<u>266,217,549</u>	<u>142,457,435</u>	
Weighted average common shares outstanding, diluted	<u>267,309,261</u>	<u>205,214,266</u>		<u>270,249,433</u>	<u>153,959,234</u>	

Adjusted EBITDA is a non-GAAP term. See page 7 of this addendum for the reconciliation of Adjusted EBITDA to consolidated net income as defined by GAAP. All percentages are calculated using whole numbers. Minor differences may exist due to rounding.

**CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND OPERATING DATA**  
(dollars in millions, except per share data)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2017 Actual	2016 Pro Forma	% Change	2017 Actual	2016 Pro Forma	% Change
<b>REVENUES:</b>						
Video	\$ 4,124	\$ 4,125	— %	\$ 8,203	\$ 8,198	0.1 %
Internet	3,513	3,133	12.1 %	6,911	6,170	12.0 %
Voice	650	729	(10.9)%	1,344	1,458	(7.9)%
Residential revenue	8,287	7,987	3.8 %	16,458	15,826	4.0 %
Small and medium business	924	843	9.7 %	1,824	1,651	10.5 %
Enterprise	548	501	9.3 %	1,087	991	9.7 %
Commercial revenue	1,472	1,344	9.5 %	2,911	2,642	10.2 %
Advertising sales	381	405	(5.8)%	718	770	(6.7)%
Other	217	233	(6.8)%	434	473	(8.3)%
Total Revenue	<u>10,357</u>	<u>9,969</u>	3.9 %	<u>20,521</u>	<u>19,711</u>	4.1 %
<b>COSTS AND EXPENSES:</b>						
Programming	2,649	2,417	9.6 %	5,253	4,824	8.9 %
Regulatory, connectivity and produced content	532	550	(3.3)%	1,030	1,055	(2.4)%
Costs to service customers	1,907	1,984	(3.9)%	3,855	3,917	(1.6)%
Marketing	601	616	(2.4)%	1,183	1,208	(2.1)%
Transition costs	30	25	21.9 %	81	46	77.3 %
Other expense	791	835	(5.2)%	1,618	1,686	(4.0)%
Total operating costs and expenses (exclusive of items shown separately below)	<u>6,510</u>	<u>6,427</u>	1.3 %	<u>13,020</u>	<u>12,736</u>	2.2 %
Adjusted EBITDA	<u>3,847</u>	<u>3,542</u>	8.6 %	<u>7,501</u>	<u>6,975</u>	7.5 %
Adjusted EBITDA margin	<u>37.1%</u>	<u>35.5%</u>		<u>36.5%</u>	<u>35.4%</u>	
Depreciation and amortization	2,595	2,338		5,145	4,623	
Stock compensation expense	65	72		134	138	
Other operating expenses, net	135	289		229	312	
Income from operations	<u>1,052</u>	<u>843</u>		<u>1,993</u>	<u>1,902</u>	
<b>OTHER EXPENSES:</b>						
Interest expense, net	(749)	(723)		(1,462)	(1,431)	
Loss on extinguishment of debt	(1)	(110)		(35)	(110)	
Loss on financial instruments, net	(70)	(50)		(32)	(55)	
Other pension benefits	13	526		26	536	
Other income (expense), net	(2)	2		(11)	10	
	<u>(809)</u>	<u>(355)</u>		<u>(1,514)</u>	<u>(1,050)</u>	
Income before income taxes	243	488		479	852	
Income tax expense	(48)	(157)		(73)	(272)	
Consolidated net income	<u>195</u>	<u>331</u>		<u>406</u>	<u>580</u>	
Less: Net income attributable to noncontrolling interests	<u>(56)</u>	<u>(83)</u>		<u>(112)</u>	<u>(153)</u>	
Net income attributable to Charter shareholders	<u>\$ 139</u>	<u>\$ 248</u>		<u>\$ 294</u>	<u>\$ 427</u>	
<b>EARNINGS PER COMMON SHARE</b>						
<b>ATTRIBUTABLE TO CHARTER SHAREHOLDERS:</b>						
Basic	<u>\$ 0.53</u>	<u>\$ 0.92</u>		<u>\$ 1.11</u>	<u>\$ 1.58</u>	
Diluted	<u>\$ 0.52</u>	<u>\$ 0.91</u>		<u>\$ 1.09</u>	<u>\$ 1.56</u>	
Weighted average common shares outstanding, basic	<u>263,460,911</u>	<u>270,464,654</u>		<u>266,217,549</u>	<u>270,105,143</u>	
Weighted average common shares outstanding, diluted	<u>267,309,261</u>	<u>273,802,246</u>		<u>270,249,433</u>	<u>273,469,536</u>	

Pro forma results reflect certain acquisitions of cable systems in 2016 as if they occurred as of January 1, 2015. Adjusted EBITDA is a non-GAAP term. See page 7 of this addendum for the reconciliation of Adjusted EBITDA to consolidated net income as defined by GAAP. All percentages are calculated using whole numbers. Minor differences may exist due to rounding.

**CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(dollars in millions)

	<u>June 30,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
	(unaudited)	
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 694	\$ 1,535
Accounts receivable, net	1,489	1,432
Prepaid expenses and other current assets	381	333
Total current assets	2,564	3,300
INVESTMENT IN CABLE PROPERTIES:		
Property, plant and equipment, net	32,948	32,963
Customer relationships, net	13,231	14,608
Franchises	67,316	67,316
Goodwill	29,554	29,509
Total investment in cable properties, net	143,049	144,396
OTHER NONCURRENT ASSETS	1,347	1,371
Total assets	\$ 146,960	\$ 149,067
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 8,123	\$ 7,544
Current portion of long-term debt	—	2,028
Total current liabilities	8,123	9,572
LONG-TERM DEBT	63,248	59,719
DEFERRED INCOME TAXES	26,574	26,665
OTHER LONG-TERM LIABILITIES	2,582	2,745
SHAREHOLDERS' EQUITY:		
Controlling interest	36,628	40,139
Noncontrolling interests	9,805	10,227
Total shareholders' equity	46,433	50,366
Total liabilities and shareholders' equity	\$ 146,960	\$ 149,067

**CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(dollars in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Consolidated net income	\$ 195	\$ 3,114	\$ 406	\$ 2,926
Adjustments to reconcile consolidated net income to net cash flows from operating activities:				
Depreciation and amortization	2,595	1,436	5,145	1,975
Stock compensation expense	65	63	134	87
Accelerated vesting of equity awards	20	145	37	145
Noncash interest income, net	(88)	(48)	(196)	(41)
Other pension benefits	(13)	(520)	(26)	(520)
Loss on extinguishment of debt	1	110	35	110
Loss on financial instruments, net	70	50	32	55
Deferred income taxes	26	(3,192)	42	(3,164)
Other, net	2	(3)	8	—
Changes in operating assets and liabilities, net of effects from acquisitions:				
Accounts receivable	(175)	(124)	61	(100)
Prepaid expenses and other assets	60	32	(23)	11
Accounts payable, accrued liabilities and other	187	527	133	530
Net cash flows from operating activities	<u>2,945</u>	<u>1,590</u>	<u>5,788</u>	<u>2,014</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchases of property, plant and equipment	(2,148)	(1,260)	(3,703)	(1,689)
Change in accrued expenses related to capital expenditures	347	194	197	138
Purchases of cable systems, net of cash acquired	—	(28,810)	—	(28,810)
Change in restricted cash and cash equivalents	—	22,313	—	22,264
Other, net	(42)	(4)	(49)	(6)
Net cash flows from investing activities	<u>(1,843)</u>	<u>(7,567)</u>	<u>(3,555)</u>	<u>(8,103)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Borrowings of long-term debt	2,506	3,858	7,146	5,997
Repayments of long-term debt	(2,054)	(3,343)	(5,529)	(4,070)
Payments for debt issuance costs	(21)	(266)	(42)	(283)
Issuance of equity	—	5,000	—	5,000
Purchase of treasury stock	(3,328)	(84)	(4,223)	(99)
Proceeds from exercise of stock options	14	19	86	24
Purchase of noncontrolling interest	(402)	—	(429)	—
Distributions to noncontrolling interest	(37)	(18)	(75)	(18)
Proceeds from termination of interest rate derivatives	—	88	—	88
Other, net	(6)	—	(8)	—
Net cash flows from financing activities	<u>(3,328)</u>	<u>5,254</u>	<u>(3,074)</u>	<u>6,639</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(2,226)	(723)	(841)	550
CASH AND CASH EQUIVALENTS, beginning of period	2,920	1,278	1,535	5
CASH AND CASH EQUIVALENTS, end of period	<u>\$ 694</u>	<u>\$ 555</u>	<u>\$ 694</u>	<u>\$ 555</u>
<b>CASH PAID FOR INTEREST</b>	<u>\$ 761</u>	<u>\$ 544</u>	<u>\$ 1,653</u>	<u>\$ 1,014</u>
<b>CASH PAID FOR TAXES</b>	<u>\$ 32</u>	<u>\$ 4</u>	<u>\$ 33</u>	<u>\$ 4</u>

**CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES**  
**UNAUDITED SUMMARY OF OPERATING STATISTICS**  
(in thousands, except per customer and penetration data)

	Approximate as of			
	June 30, 2017 (a)	March 31, 2017 (a)	December 31, 2016 (a)	June 30, 2016 (a)(j)
<b><u>Footprint (b)</u></b>				
Estimated Video Passings	49,615	49,401	49,229	48,762
Estimated Internet Passings	49,309	49,123	48,955	48,414
Estimated Voice Passings	48,587	48,331	48,142	47,566
<b><u>Penetration Statistics (c)</u></b>				
Video Penetration of Estimated Video Passings	34.4%	34.7%	35.0%	35.5%
Internet Penetration of Estimated Internet Passings	47.3%	46.9%	46.2%	45.1%
Voice Penetration of Estimated Voice Passings	23.1%	23.1%	23.1%	23.1%
<b><u>Customer Relationships (d)</u></b>				
Residential	25,298	25,131	24,801	24,306
Small and Medium Business	1,483	1,439	1,404	1,333
Total Customer Relationships	<u>26,781</u>	<u>26,570</u>	<u>26,205</u>	<u>25,639</u>
<b><u>Residential</u></b>				
<b><u>Primary Service Units ("PSUs")</u></b>				
Video	16,646	16,736	16,836	16,934
Internet	22,033	21,802	21,374	20,667
Voice	10,378	10,364	10,327	10,255
	<u>49,057</u>	<u>48,902</u>	<u>48,537</u>	<u>47,856</u>
<b><u>Pro Forma Quarterly Net Additions/(Losses)</u></b>				
Video	(90)	(100)	(51)	(152)
Internet	231	428	357	236
Voice	14	37	39	83
	<u>155</u>	<u>365</u>	<u>345</u>	<u>167</u>
Single Play (e)	10,177	9,980	9,640	9,252
Double Play (e)	6,484	6,540	6,586	6,559
Triple Play (e)	8,637	8,611	8,575	8,495
Single Play Penetration (f)	40.2%	39.7%	38.9%	38.1%
Double Play Penetration (f)	25.6%	26.0%	26.6%	27.0%
Triple Play Penetration (f)	34.1%	34.3%	34.6%	35.0%
% Residential Non-Video Customer Relationships	34.2%	33.4%	32.1%	30.3%
Pro Forma Monthly Residential Revenue per Residential Customer (g)	\$ 109.46	\$ 109.11	\$ 109.77	\$ 109.74
<b><u>Small and Medium Business</u></b>				
<b><u>PSUs</u></b>				
Video	425	411	400	378
Internet	1,285	1,249	1,219	1,148
Voice	847	809	778	725
	<u>2,557</u>	<u>2,469</u>	<u>2,397</u>	<u>2,251</u>
<b><u>Pro Forma Quarterly Net Additions/(Losses)</u></b>				
Video	14	11	12	9
Internet	36	30	34	41
Voice	38	31	27	32
	<u>88</u>	<u>72</u>	<u>73</u>	<u>82</u>
Pro Forma Monthly Small and Medium Business Revenue per Customer (h)	\$ 210.64	\$ 211.21	\$ 214.25	\$ 214.52
<b><u>Enterprise PSUs (i)</u></b>				
Enterprise PSUs	103	99	97	90

Pro forma results reflect certain acquisitions of cable systems in 2016 as if they occurred as of January 1, 2015. All percentages are calculated using whole numbers. Minor differences may exist due to rounding. See footnotes to unaudited summary of operating statistics on page 6 of this addendum.

- (a) All customer statistics include the operations of Legacy TWC, Legacy Bright House and Legacy Charter each of which is based on individual legacy company reporting methodology. These methodologies differ and their differences may be material. Statistical reporting will be conformed over time to a single Charter reporting methodology.

We calculate the aging of customer accounts based on the monthly billing cycle for each account. On that basis, at June 30, 2017, March 31, 2017, December 31, 2016 and June 30, 2016, actual customers include approximately 209,500, 168,400, 208,400 and 208,600 customers, respectively, whose accounts were over 60 days past due, approximately 14,800, 13,300, 15,500 and 14,000 customers, respectively, whose accounts were over 90 days past due and approximately 8,700, 7,900, 8,000 and 8,000 customers, respectively, whose accounts were over 120 days past due.

- (b) Passings represent our estimate of the number of units, such as single family homes, apartment and condominium units and small and medium business and enterprise sites passed by our cable distribution network in the areas where we offer the service indicated. These estimates are based upon the information available at this time and are updated for all periods presented when new information becomes available.
- (c) Penetration represents residential, small and medium business and enterprise customers as a percentage of estimated passings for the service indicated.
- (d) Customer relationships include the number of customers that receive one or more levels of service, encompassing video, Internet and voice services, without regard to which service(s) such customers receive. Customers who reside in residential multiple dwelling units ("MDUs") and that are billed under bulk contracts are counted based on the number of billed units within each bulk MDU. Total customer relationships excludes enterprise customer relationships.
- (e) Single play, double play and triple play customers represent customers that subscribe to one, two or three of Charter service offerings, respectively.
- (f) Single play, double play and triple play penetration represents the number of residential single play, double play and triple play customers, respectively, as a percentage of residential customer relationships.
- (g) Pro forma monthly residential revenue per residential customer is calculated as total pro forma residential video, Internet and voice quarterly revenue divided by three divided by average pro forma residential customer relationships during the respective quarter.
- (h) Pro forma monthly small and medium business revenue per customer is calculated as total pro forma small and medium business quarterly revenue divided by three divided by average pro forma small and medium business customer relationships during the respective quarter.
- (i) Enterprise PSUs represents the aggregate number of fiber service offerings counting each separate service offering at each customer location as an individual PSU.
- (j) In the second quarter of 2017, Charter conformed the seasonal customer program in the Legacy Bright House footprint to Charter's program. Prior to the plan change, Legacy Bright House customers enrolling in the seasonal plan were charged a one-time fee and counted as customer disconnects, and as new connects, when moving off the seasonal plan. Under Charter's seasonal plan, residential customers pay a reduced monthly fee while the seasonal plan is active and remain reported as customers. Excluding the impact of customer disconnect activity related to the previous seasonal plan, Legacy Bright House residential customer relationships at June 30, 2016, would have been higher by approximately 58,000, and video, Internet and voice PSUs and net additions for the second quarter of 2016, would have been higher by 52,000, 72,000 and 49,000 respectively.

**CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES**  
**UNAUDITED RECONCILIATION OF NON-GAAP MEASURES TO GAAP MEASURES**  
(dollars in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	Actual	Actual	Actual	Actual
Consolidated net income	\$ 195	\$ 3,114	\$ 406	\$ 2,926
Plus: Interest expense, net	749	593	1,462	1,047
Income tax (benefit) expense	48	(3,179)	73	(3,151)
Depreciation and amortization	2,595	1,436	5,145	1,975
Stock compensation expense	65	63	134	87
Loss on extinguishment of debt	1	110	35	110
Loss on financial instruments, net	70	50	32	55
Other pension benefits	(13)	(520)	(26)	(520)
Other, net	137	553	240	574
Adjusted EBITDA (a)	3,847	2,220	7,501	3,103
Less: Purchases of property, plant and equipment	(2,148)	(1,260)	(3,703)	(1,689)
Adjusted EBITDA less capital expenditures	<u>\$ 1,699</u>	<u>\$ 960</u>	<u>\$ 3,798</u>	<u>\$ 1,414</u>
Net cash flows from operating activities	\$ 2,945	\$ 1,590	\$ 5,788	\$ 2,014
Less: Purchases of property, plant and equipment	(2,148)	(1,260)	(3,703)	(1,689)
Change in accrued expenses related to capital expenditures	347	194	197	138
Free cash flow	<u>\$ 1,144</u>	<u>\$ 524</u>	<u>\$ 2,282</u>	<u>\$ 463</u>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	Actual	Pro Forma (b)	Actual	Pro Forma (b)
Consolidated net income	\$ 195	\$ 331	\$ 406	\$ 580
Plus: Interest expense, net	749	723	1,462	1,431
Income tax expense	48	157	73	272
Depreciation and amortization	2,595	2,338	5,145	4,623
Stock compensation expense	65	72	134	138
Loss on extinguishment of debt	1	110	35	110
Loss on financial instruments, net	70	50	32	55
Other pension benefits	(13)	(526)	(26)	(536)
Other, net	137	287	240	302
Adjusted EBITDA (a)	3,847	3,542	7,501	6,975
Less: Purchases of property, plant and equipment	(2,148)	(2,075)	(3,703)	(3,909)
Adjusted EBITDA less capital expenditures	<u>\$ 1,699</u>	<u>\$ 1,467</u>	<u>\$ 3,798</u>	<u>\$ 3,066</u>

(a) See pages 1 and 2 of this addendum for detail of the components included within Adjusted EBITDA.

(b) Pro forma results reflect certain acquisitions of cable systems in 2016 as if they occurred as of January 1, 2015.

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

**CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES**  
**UNAUDITED CAPITAL EXPENDITURES**  
(dollars in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	Actual	Actual	Actual	Actual
Customer premise equipment (a)	\$ 1,017	\$ 378	\$ 1,724	\$ 515
Scalable infrastructure (b)	382	386	650	496
Line extensions (c)	297	171	545	218
Upgrade/rebuild (d)	145	110	252	151
Support capital (e)	307	215	532	309
Total capital expenditures	\$ 2,148	\$ 1,260	\$ 3,703	\$ 1,689

Capital expenditures included in total related to:

Commercial services	\$ 334	\$ 196	\$ 602	\$ 260
Transition (f)	\$ 86	\$ 111	\$ 162	\$ 164

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	Actual	Pro Forma (g)	Actual	Pro Forma (g)
Customer premise equipment (a)	\$ 1,017	\$ 651	\$ 1,724	\$ 1,412
Scalable infrastructure (b)	382	640	650	1,115
Line extensions (c)	297	277	545	502
Upgrade/rebuild (d)	145	171	252	305
Support capital (e)	307	336	532	575
Total capital expenditures	\$ 2,148	\$ 2,075	\$ 3,703	\$ 3,909

Capital expenditures included in total related to:

Commercial services	\$ 334	\$ 338	\$ 602	\$ 625
Transition (f)	\$ 86	\$ 111	\$ 162	\$ 164

- (a) Customer premise equipment includes costs incurred at the customer residence to secure new customers and revenue generating units, including customer installation costs and customer premise equipment (e.g., set-top boxes and cable modems).
- (b) Scalable infrastructure includes costs, not related to customer premise equipment, to secure growth of new customers and revenue generating units, or provide service enhancements (e.g., headend equipment).
- (c) Line extensions include network costs associated with entering new service areas (e.g., fiber/coaxial cable, amplifiers, electronic equipment, make-ready and design engineering).
- (d) Upgrade/rebuild includes costs to modify or replace existing fiber/coaxial cable networks, including betterments.
- (e) Support capital includes costs associated with the replacement or enhancement of non-network assets due to technological and physical obsolescence (e.g., non-network equipment, land, buildings and vehicles).
- (f) Transition represents incremental costs incurred to integrate the Legacy TWC and Legacy Bright House operations and to bring the three companies' systems and processes into a uniform operating structure.
- (g) Pro forma results reflect certain acquisitions of cable systems in 2016 as if they occurred as of January 1, 2015.