

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

	Three Months Ended December 31,			Year Ended December 31,		
	2017 Actual	2016 Actual	% Change	2017 Actual	2016 Actual	% Change
<b>REVENUES:</b>						
Video	\$ 4,225	\$ 4,098	3.1 %	\$ 16,641	\$ 11,967	39.1 %
Internet	3,638	3,312	9.8 %	14,105	9,272	52.1 %
Voice	587	719	(18.3)%	2,542	2,005	26.8 %
Residential revenue	8,450	8,129	4.0 %	33,288	23,244	43.2 %
Small and medium business	931	891	4.5 %	3,686	2,480	48.6 %
Enterprise	570	526	8.3 %	2,210	1,429	54.7 %
Commercial revenue	1,501	1,417	6.0 %	5,896	3,909	50.8 %
Advertising sales	419	506	(17.3)%	1,510	1,235	22.3 %
Other	232	223	4.1 %	887	615	44.1 %
Total Revenue	<u>10,602</u>	<u>10,275</u>	3.2 %	<u>41,581</u>	<u>29,003</u>	43.4 %
<b>COSTS AND EXPENSES:</b>						
Programming	2,644	2,386	10.8 %	10,596	7,034	50.6 %
Regulatory, connectivity and produced content	511	523	(2.3)%	2,064	1,467	40.7 %
Costs to service customers	1,982	1,991	(0.4)%	7,780	5,654	37.6 %
Marketing	608	564	7.8 %	2,420	1,707	41.8 %
Transition costs	20	78	(74.0)%	124	156	(20.3)%
Other expense	856	880	(2.7)%	3,296	2,393	37.7 %
Total operating costs and expenses (exclusive of items shown separately below)	<u>6,621</u>	<u>6,422</u>	3.1 %	<u>26,280</u>	<u>18,411</u>	42.7 %
Adjusted EBITDA	<u>3,981</u>	<u>3,853</u>	3.3 %	<u>15,301</u>	<u>10,592</u>	44.5 %
Adjusted EBITDA margin	<u>37.5%</u>	<u>37.5%</u>		<u>36.8%</u>	<u>36.5%</u>	
Depreciation and amortization	2,742	2,495		10,588	6,907	
Stock compensation expense	63	76		261	244	
Other operating (income) expenses, net	(28)	209		346	985	
Income from operations	<u>1,204</u>	<u>1,073</u>		<u>4,106</u>	<u>2,456</u>	
<b>OTHER EXPENSES:</b>						
Interest expense, net	(840)	(728)		(3,090)	(2,499)	
Loss on extinguishment of debt	(5)	(1)		(40)	(111)	
Gain on financial instruments, net	84	73		69	89	
Other pension benefits (costs)	(8)	366		1	899	
Other expense, net	(4)	(4)		(18)	(14)	
	<u>(773)</u>	<u>(294)</u>		<u>(3,078)</u>	<u>(1,636)</u>	
Income before income taxes	431	779		1,028	820	
Income tax benefit (expense)	9,186	(210)		9,087	2,925	
Consolidated net income	<u>9,617</u>	<u>569</u>		<u>10,115</u>	<u>3,745</u>	
Less: Net income attributable to noncontrolling interests	<u>(64)</u>	<u>(115)</u>		<u>(220)</u>	<u>(223)</u>	
Net income attributable to Charter shareholders	<u>\$ 9,553</u>	<u>\$ 454</u>		<u>\$ 9,895</u>	<u>\$ 3,522</u>	
<b>EARNINGS PER COMMON SHARE</b>						
<b>ATTRIBUTABLE TO CHARTER SHAREHOLDERS:</b>						
Basic	<u>\$ 39.66</u>	<u>\$ 1.69</u>		<u>\$ 38.55</u>	<u>\$ 17.05</u>	
Diluted	<u>\$ 34.56</u>	<u>\$ 1.67</u>		<u>\$ 34.09</u>	<u>\$ 15.94</u>	
Weighted average common shares outstanding, basic	<u>240,833,636</u>	<u>268,584,368</u>		<u>256,720,715</u>	<u>206,539,100</u>	
Weighted average common shares outstanding, diluted	<u>278,257,245</u>	<u>272,624,270</u>		<u>296,703,956</u>	<u>234,791,439</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)

	Year Ended December 31,		
	2017 Actual	2016 Pro Forma	% Change
<b>REVENUES:</b>			
Video	\$ 16,641	\$ 16,390	1.5 %
Internet	14,105	12,688	11.2 %
Voice	2,542	2,905	(12.5)%
Residential revenue	33,288	31,983	4.1 %
Small and medium business	3,686	3,409	8.1 %
Enterprise	2,210	2,025	9.1 %
Commercial revenue	5,896	5,434	8.5 %
Advertising sales	1,510	1,696	(10.9)%
Other	887	910	(2.6)%
Total Revenue	41,581	40,023	3.9 %
<b>COSTS AND EXPENSES:</b>			
Programming	10,596	9,614	10.2 %
Regulatory, connectivity and produced content	2,064	2,093	(1.4)%
Costs to service customers	7,780	7,924	(1.8)%
Marketing	2,420	2,368	2.2 %
Transition costs	124	156	(20.3)%
Other expense	3,296	3,404	(3.2)%
Total operating costs and expenses (exclusive of items shown separately below)	26,280	25,559	2.8 %
Adjusted EBITDA	15,301	14,464	5.8 %
Adjusted EBITDA margin	36.8%	36.1%	
Depreciation and amortization	10,588	9,555	
Stock compensation expense	261	295	
Other operating expenses, net	346	728	
Income from operations	4,106	3,886	
<b>OTHER EXPENSES:</b>			
Interest expense, net	(3,090)	(2,883)	
Loss on extinguishment of debt	(40)	(111)	
Gain on financial instruments, net	69	89	
Other pension benefits	1	915	
Other income (expense), net	(18)	1	
	(3,078)	(1,989)	
Income before income taxes	1,028	1,897	
Income tax benefit (expense)	9,087	(498)	
Consolidated net income	10,115	1,399	
Less: Net income attributable to noncontrolling interests	(220)	(329)	
Net income attributable to Charter shareholders	\$ 9,895	\$ 1,070	
<b>EARNINGS PER COMMON SHARE</b>			
<b>ATTRIBUTABLE TO CHARTER SHAREHOLDERS:</b>			
Basic	\$ 38.55	\$ 3.97	
Diluted	\$ 34.09	\$ 3.91	
Weighted average common shares outstanding, basic	256,720,715	269,838,374	
Weighted average common shares outstanding, diluted	296,703,956	273,722,472	

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>December 31,</u> <b>2017</b>	<u>December 31,</u> <b>2016</b>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 621	\$ 1,535
Accounts receivable, net	1,635	1,432
Prepaid expenses and other current assets	299	333
Total current assets	2,555	3,300
INVESTMENT IN CABLE PROPERTIES:		
Property, plant and equipment, net	33,888	32,963
Customer relationships, net	11,951	14,608
Franchises	67,319	67,316
Goodwill	29,554	29,509
Total investment in cable properties, net	142,712	144,396
OTHER NONCURRENT ASSETS		
	1,356	1,371
Total assets	\$ 146,623	\$ 149,067
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 9,045	\$ 7,544
Current portion of long-term debt	2,045	2,028
Total current liabilities	11,090	9,572
LONG-TERM DEBT	68,186	59,719
DEFERRED INCOME TAXES	17,314	26,665
OTHER LONG-TERM LIABILITIES	2,502	2,745
SHAREHOLDERS' EQUITY:		
Controlling interest	39,084	40,139
Noncontrolling interests	8,447	10,227
Total shareholders' equity	47,531	50,366
Total liabilities and shareholders' equity	\$ 146,623	\$ 149,067

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

	Three Months Ended December 31,		Year Ended December 31,	
	2017	2016	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Consolidated net income	\$ 9,617	\$ 569	\$ 10,115	\$ 3,745
Adjustments to reconcile consolidated net income to net cash flows from operating activities:				
Depreciation and amortization	2,742	2,495	10,588	6,907
Stock compensation expense	63	76	261	244
Accelerated vesting of equity awards	6	46	49	248
Noncash interest income, net	(87)	(108)	(370)	(256)
Other pension (benefits) costs	8	(366)	(1)	(899)
Loss on extinguishment of debt	5	1	40	111
Gain on financial instruments, net	(84)	(73)	(69)	(89)
Deferred income taxes	(9,169)	212	(9,116)	(2,958)
Other, net	(77)	8	16	8
Changes in operating assets and liabilities, net of effects from acquisitions:				
Accounts receivable	17	(158)	(84)	(160)
Prepaid expenses and other assets	39	26	76	111
Accounts payable, accrued liabilities and other	178	498	449	1,029
Net cash flows from operating activities	<u>3,258</u>	<u>3,226</u>	<u>11,954</u>	<u>8,041</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchases of property, plant and equipment	(2,585)	(1,888)	(8,681)	(5,325)
Change in accrued expenses related to capital expenditures	544	517	820	603
Purchases of cable systems, net of cash acquired	(9)	—	(9)	(28,810)
Change in restricted cash and cash equivalents	—	—	—	22,264
Real estate investments through variable interest entities	(105)	—	(105)	—
Other, net	(60)	(14)	(123)	(22)
Net cash flows from investing activities	<u>(2,215)</u>	<u>(1,385)</u>	<u>(8,098)</u>	<u>(11,290)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Borrowings of long-term debt	13,161	6,347	25,276	12,344
Repayments of long-term debt	(10,973)	(6,401)	(16,507)	(10,521)
Payments for debt issuance costs	(28)	(1)	(111)	(284)
Issuance of equity	—	—	—	5,000
Purchase of treasury stock	(3,967)	(1,114)	(11,715)	(1,562)
Proceeds from exercise of stock options	5	15	116	86
Settlement of restricted stock units	—	(59)	—	(59)
Purchase of noncontrolling interest	(743)	(218)	(1,665)	(218)
Distributions to noncontrolling interest	(38)	(41)	(153)	(96)
Proceeds from termination of interest rate derivatives	—	—	—	88
Other, net	(3)	1	(11)	1
Net cash flows from financing activities	<u>(2,586)</u>	<u>(1,471)</u>	<u>(4,770)</u>	<u>4,779</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,543)	370	(914)	1,530
CASH AND CASH EQUIVALENTS, beginning of period	2,164	1,165	1,535	5
CASH AND CASH EQUIVALENTS, end of period	<u>\$ 621</u>	<u>\$ 1,535</u>	<u>\$ 621</u>	<u>\$ 1,535</u>
CASH PAID FOR INTEREST	<u>\$ 877</u>	<u>\$ 721</u>	<u>\$ 3,421</u>	<u>\$ 2,685</u>
CASH PAID FOR TAXES	<u>\$ 3</u>	<u>\$ 9</u>	<u>\$ 41</u>	<u>\$ 63</u>

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

	Approximate as of		
	December 31, 2017 (a)	September 30, 2017 (a)	December 31, 2016 (a)(j)
<b><u>Footprint (b)</u></b>			
Estimated Video Passings	50,066	49,831	49,206
Estimated Internet Passings	49,820	49,572	48,933
Estimated Voice Passings	49,088	48,809	48,120
<b><u>Penetration Statistics (c)</u></b>			
Video Penetration of Estimated Video Passings	33.9%	34.1%	35.0%
Internet Penetration of Estimated Internet Passings	48.0%	47.6%	46.2%
Voice Penetration of Estimated Voice Passings	23.1%	23.1%	23.1%
<b><u>Customer Relationships (d)</u></b>			
Residential	25,639	25,470	24,801
Small and Medium Business	1,560	1,523	1,404
Total Customer Relationships	<u>27,199</u>	<u>26,993</u>	<u>26,205</u>
<b><u>Residential</u></b>			
<b><u>Primary Service Units ("PSUs")</u></b>			
Video	16,544	16,542	16,836
Internet	22,545	22,282	21,374
Voice	10,427	10,405	10,327
	<u>49,516</u>	<u>49,229</u>	<u>48,537</u>
<b><u>Quarterly Net Additions/(Losses)</u></b>			
Video	2	(104)	(51)
Internet	263	249	357
Voice	22	27	39
	<u>287</u>	<u>172</u>	<u>345</u>
Single Play (e)	10,456	10,373	9,640
Double Play (e)	6,490	6,436	6,586
Triple Play (e)	8,693	8,661	8,575
Single Play Penetration (f)	40.8%	40.7%	38.9%
Double Play Penetration (f)	25.3%	25.3%	26.6%
Triple Play Penetration (f)	33.9%	34.0%	34.6%
% Residential Non-Video Customer Relationships	35.5%	35.1%	32.1%
Monthly Residential Revenue per Residential Customer (g)	\$ 110.21	\$ 110.12	\$ 109.77
<b><u>Small and Medium Business</u></b>			
<b><u>PSUs</u></b>			
Video	453	440	400
Internet	1,358	1,321	1,219
Voice	912	881	778
	<u>2,723</u>	<u>2,642</u>	<u>2,397</u>
<b><u>Quarterly Net Additions/(Losses)</u></b>			
Video	13	15	12
Internet	37	36	34
Voice	31	34	27
	<u>81</u>	<u>85</u>	<u>73</u>
Monthly Small and Medium Business Revenue per Customer (h)	\$ 201.37	\$ 206.64	\$ 214.25
<b><u>Enterprise PSUs (i)</u></b>			
Enterprise PSUs	114	108	97

- (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 December 31, 2017, September 30, 2017 and December 31, 2016, actual customers include approximately 245,800, 218,300 and 208,400 customers, respectively, whose accounts were over 60 days past due, approximately 19,500, 20,300 and 15,500 customers, respectively, whose accounts were over 90 days past due and approximately 12,600, 12,000 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 and small and medium business 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) Monthly residential revenue per residential customer is calculated as total residential video, Internet and voice quarterly revenue divided by three divided by average residential customer relationships during the respective quarter.
- (h) Monthly small and medium business revenue per customer is calculated as total small and medium business quarterly revenue divided by three divided by average 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 activity related to Legacy Bright House's previous seasonal plan, residential customer relationships and video, Internet and voice net additions for the fourth quarter of 2016 would have been lower by 44,000, 40,000, 54,000 and 38,000, respectively, and residential customer relationships and video, Internet and voice PSUs at December, 2016 would have been higher by approximately 10,000, 8,000, 12,000 and 7,000, respectively.

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

	Three Months Ended December 31,		Year Ended December 31,	
	2017	2016	2017	2016
	Actual	Actual	Actual	Actual
Consolidated net income	\$ 9,617	\$ 569	\$ 10,115	\$ 3,745
Plus: Interest expense, net	840	728	3,090	2,499
Income tax (benefit) expense	(9,186)	210	(9,087)	(2,925)
Depreciation and amortization	2,742	2,495	10,588	6,907
Stock compensation expense	63	76	261	244
Loss on extinguishment of debt	5	1	40	111
Gain on financial instruments, net	(84)	(73)	(69)	(89)
Other pension (benefits) costs	8	(366)	(1)	(899)
Other, net	(24)	213	364	999
Adjusted EBITDA (a)	3,981	3,853	15,301	10,592
Less: Purchases of property, plant and equipment	(2,585)	(1,888)	(8,681)	(5,325)
Adjusted EBITDA less capital expenditures	\$ 1,396	\$ 1,965	\$ 6,620	\$ 5,267
Net cash flows from operating activities	\$ 3,258	\$ 3,226	\$ 11,954	\$ 8,041
Less: Purchases of property, plant and equipment	(2,585)	(1,888)	(8,681)	(5,325)
Change in accrued expenses related to capital expenditures	544	517	820	603
Free cash flow	\$ 1,217	\$ 1,855	\$ 4,093	\$ 3,319

	Year Ended December 31,	
	2017	2016
	Actual	Pro Forma (b)
Consolidated net income	\$ 10,115	\$ 1,399
Plus: Interest expense, net	3,090	2,883
Income tax (benefit) expense	(9,087)	498
Depreciation and amortization	10,588	9,555
Stock compensation expense	261	295
Loss on extinguishment of debt	40	111
Gain on financial instruments, net	(69)	(89)
Other pension benefits	(1)	(915)
Other, net	364	727
Adjusted EBITDA (a)	15,301	14,464
Less: Purchases of property, plant and equipment	(8,681)	(7,545)
Adjusted EBITDA less capital expenditures	\$ 6,620	\$ 6,919

(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 December 31,		Year Ended December 31,	
	2017	2016	2017	2016
	Actual	Actual	Actual	Actual
Customer premise equipment (a)	\$ 806	\$ 687	\$ 3,385	\$ 1,864
Scalable infrastructure (b)	725	453	2,007	1,390
Line extensions (c)	312	254	1,176	721
Upgrade/rebuild (d)	157	149	572	456
Support capital (e)	585	345	1,541	894
Total capital expenditures	\$ 2,585	\$ 1,888	\$ 8,681	\$ 5,325

Capital expenditures included in total related to:

Commercial services	\$ 357	\$ 258	\$ 1,298	\$ 824
Transition (f)	\$ 202	\$ 187	\$ 489	\$ 460

	Year Ended December 31,	
	2017	2016
	Actual	Pro Forma (g)
Customer premise equipment (a)	\$ 3,385	\$ 2,761
Scalable infrastructure (b)	2,007	2,009
Line extensions (c)	1,176	1,005
Upgrade/rebuild (d)	572	610
Support capital (e)	1,541	1,160
Total capital expenditures	\$ 8,681	\$ 7,545

Capital expenditures included in total related to:

Commercial services	\$ 1,298	\$ 1,189
Transition (f)	\$ 489	\$ 460

- (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.