

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2017	2016	% Change	2017	2016	% Change
	Actual	Actual		Actual	Actual	
REVENUES:						
Video	\$ 4,213	\$ 4,094	2.9 %	\$ 12,416	\$ 7,869	57.8%
Internet	3,556	3,206	10.9 %	10,467	5,960	75.6%
Voice	611	728	(16.1)%	1,955	1,286	51.9%
Residential revenue	8,380	8,028	4.4 %	24,838	15,115	64.3%
Small and medium business	931	867	7.4 %	2,755	1,589	73.3%
Enterprise	553	508	8.9 %	1,640	903	81.6%
Commercial revenue	1,484	1,375	8.0 %	4,395	2,492	76.3%
Advertising sales	373	420	(11.1)%	1,091	729	49.9%
Other	221	214	3.0 %	655	392	66.9%
Total Revenue	<u>10,458</u>	<u>10,037</u>	4.2 %	<u>30,979</u>	<u>18,728</u>	65.4%
COSTS AND EXPENSES:						
Programming	2,699	2,404	12.3 %	7,952	4,648	71.1%
Regulatory, connectivity and produced content	523	515	1.6 %	1,553	944	64.5%
Costs to service customers	1,943	2,016	(3.6)%	5,798	3,663	58.3%
Marketing	629	596	5.6 %	1,812	1,143	58.6%
Transition costs	23	32	(28.6)%	104	78	33.4%
Other expense	822	838	(2.0)%	2,440	1,513	61.3%
Total operating costs and expenses (exclusive of items shown separately below)	<u>6,639</u>	<u>6,401</u>	3.7 %	<u>19,659</u>	<u>11,989</u>	64.0%
Adjusted EBITDA	<u>3,819</u>	<u>3,636</u>	5.0 %	<u>11,320</u>	<u>6,739</u>	68.0%
Adjusted EBITDA margin	<u>36.5%</u>	<u>36.2%</u>		<u>36.5%</u>	<u>36.0%</u>	
Depreciation and amortization	2,701	2,437		7,846	4,412	
Stock compensation expense	64	81		198	168	
Other operating expenses, net	145	207		374	776	
Income from operations	<u>909</u>	<u>911</u>		<u>2,902</u>	<u>1,383</u>	
OTHER EXPENSES:						
Interest expense, net	(788)	(724)		(2,250)	(1,771)	
Loss on extinguishment of debt	—	—		(35)	(110)	
Gain (loss) on financial instruments, net	17	71		(15)	16	
Other pension benefits (costs)	(17)	13		9	533	
Other expense, net	(3)	(5)		(14)	(10)	
	<u>(791)</u>	<u>(645)</u>		<u>(2,305)</u>	<u>(1,342)</u>	
Income before income taxes	118	266		597	41	
Income tax benefit (expense)	(26)	(16)		(99)	3,135	
Consolidated net income	92	250		498	3,176	
Less: Net income attributable to noncontrolling interests	(44)	(61)		(156)	(108)	
Net income attributable to Charter shareholders	<u>\$ 48</u>	<u>\$ 189</u>		<u>\$ 342</u>	<u>\$ 3,068</u>	
EARNINGS PER COMMON SHARE						
ATTRIBUTABLE TO CHARTER SHAREHOLDERS:						
Basic	<u>\$ 0.19</u>	<u>\$ 0.70</u>		<u>\$ 1.31</u>	<u>\$ 16.52</u>	
Diluted	<u>\$ 0.19</u>	<u>\$ 0.69</u>		<u>\$ 1.29</u>	<u>\$ 15.23</u>	
Weighted average common shares outstanding, basic	<u>253,923,805</u>	<u>271,263,259</u>		<u>262,074,603</u>	<u>185,706,106</u>	
Weighted average common shares outstanding, diluted	<u>258,341,851</u>	<u>275,373,202</u>		<u>266,363,602</u>	<u>208,460,148</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)

	Nine Months Ended September 30,		
	2017 Actual	2016 Pro Forma	% Change
REVENUES:			
Video	\$ 12,416	\$ 12,292	1.0 %
Internet	10,467	9,376	11.6 %
Voice	1,955	2,186	(10.6)%
Residential revenue	24,838	23,854	4.1 %
Small and medium business	2,755	2,518	9.4 %
Enterprise	1,640	1,499	9.4 %
Commercial revenue	4,395	4,017	9.4 %
Advertising sales	1,091	1,190	(8.2)%
Other	655	687	(4.8)%
Total Revenue	30,979	29,748	4.1 %
COSTS AND EXPENSES:			
Programming	7,952	7,228	10.0 %
Regulatory, connectivity and produced content	1,553	1,570	(1.1)%
Costs to service customers	5,798	5,933	(2.3)%
Marketing	1,812	1,804	0.5 %
Transition costs	104	78	33.4 %
Other expense	2,440	2,524	(3.3)%
Total operating costs and expenses (exclusive of items shown separately below)	19,659	19,137	2.7 %
Adjusted EBITDA	11,320	10,611	6.7 %
Adjusted EBITDA margin	36.5%	35.7%	
Depreciation and amortization	7,846	7,060	
Stock compensation expense	198	219	
Other operating expenses, net	374	519	
Income from operations	2,902	2,813	
OTHER EXPENSES:			
Interest expense, net	(2,250)	(2,155)	
Loss on extinguishment of debt	(35)	(110)	
Gain (loss) on financial instruments, net	(15)	16	
Other pension benefits	9	549	
Other income (expense), net	(14)	5	
	(2,305)	(1,695)	
Income before income taxes	597	1,118	
Income tax expense	(99)	(288)	
Consolidated net income	498	830	
Less: Net income attributable to noncontrolling interests	(156)	(214)	
Net income attributable to Charter shareholders	\$ 342	\$ 616	
EARNINGS PER COMMON SHARE			
ATTRIBUTABLE TO CHARTER SHAREHOLDERS:			
Basic	\$ 1.31	\$ 2.28	
Diluted	\$ 1.29	\$ 2.25	
Weighted average common shares outstanding, basic	262,074,603	270,028,132	
Weighted average common shares outstanding, diluted	266,363,602	273,824,029	

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)

	September 30, 2017 (unaudited)	December 31, 2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,164	\$ 1,535
Accounts receivable, net	1,652	1,432
Prepaid expenses and other current assets	316	333
Total current assets	4,132	3,300
INVESTMENT IN CABLE PROPERTIES:		
Property, plant and equipment, net	33,300	32,963
Customer relationships, net	12,589	14,608
Franchises	67,316	67,316
Goodwill	29,554	29,509
Total investment in cable properties, net	142,759	144,396
OTHER NONCURRENT ASSETS		
	1,337	1,371
Total assets	\$ 148,228	\$ 149,067
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 8,351	\$ 7,544
Current portion of long-term debt	2,068	2,028
Total current liabilities	10,419	9,572
LONG-TERM DEBT		
	66,064	59,719
DEFERRED INCOME TAXES		
	26,576	26,665
OTHER LONG-TERM LIABILITIES		
	2,591	2,745
SHAREHOLDERS' EQUITY:		
Controlling interest	33,229	40,139
Noncontrolling interests	9,349	10,227
Total shareholders' equity	42,578	50,366
Total liabilities and shareholders' equity	\$ 148,228	\$ 149,067

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:				
Consolidated net income	\$ 92	\$ 250	\$ 498	\$ 3,176
Adjustments to reconcile consolidated net income to net cash flows from operating activities:				
Depreciation and amortization	2,701	2,437	7,846	4,412
Stock compensation expense	64	81	198	168
Accelerated vesting of equity awards	6	57	43	202
Noncash interest income, net	(87)	(107)	(283)	(148)
Other pension (benefits) costs	17	(13)	(9)	(533)
Loss on extinguishment of debt	—	—	35	110
(Gain) loss on financial instruments, net	(17)	(71)	15	(16)
Deferred income taxes	11	(6)	53	(3,170)
Other, net	85	—	93	—
Changes in operating assets and liabilities, net of effects from acquisitions:				
Accounts receivable	(162)	98	(101)	(2)
Prepaid expenses and other assets	60	74	37	85
Accounts payable, accrued liabilities and other	138	1	271	531
Net cash flows from operating activities	2,908	2,801	8,696	4,815
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of property, plant and equipment	(2,393)	(1,748)	(6,096)	(3,437)
Change in accrued expenses related to capital expenditures	79	(52)	276	86
Purchases of cable systems, net of cash acquired	—	—	—	(28,810)
Change in restricted cash and cash equivalents	—	—	—	22,264
Other, net	(14)	(2)	(63)	(8)
Net cash flows from investing activities	(2,328)	(1,802)	(5,883)	(9,905)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Borrowings of long-term debt	5,014	—	12,115	5,997
Repayments of long-term debt	(50)	(50)	(5,534)	(4,120)
Payments for debt issuance costs	(41)	—	(83)	(283)
Issuance of equity	—	—	—	5,000
Purchase of treasury stock	(3,525)	(349)	(7,748)	(448)
Proceeds from exercise of stock options	25	47	111	71
Purchase of noncontrolling interest	(493)	—	(922)	—
Distributions to noncontrolling interest	(38)	(37)	(115)	(55)
Proceeds from termination of interest rate derivatives	—	—	—	88
Other, net	(2)	—	(8)	—
Net cash flows from financing activities	890	(389)	(2,184)	6,250
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,470	610	629	1,160
CASH AND CASH EQUIVALENTS, beginning of period	694	555	1,535	5
CASH AND CASH EQUIVALENTS, end of period	\$ 2,164	\$ 1,165	\$ 2,164	\$ 1,165
CASH PAID FOR INTEREST	\$ 891	\$ 950	\$ 2,544	\$ 1,964
CASH PAID FOR TAXES	\$ 5	\$ 44	\$ 38	\$ 48

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

	Approximate as of			
	September 30, 2017 (a)	June 30, 2017 (a)	December 31, 2016 (a)	September 30, 2016 (a)(j)
<u>Footprint (b)</u>				
Estimated Video Passings	49,854	49,615	49,229	49,001
Estimated Internet Passings	49,594	49,309	48,955	48,689
Estimated Voice Passings	48,832	48,587	48,142	47,854
<u>Penetration Statistics (c)</u>				
Video Penetration of Estimated Video Passings	34.1%	34.4%	35.0%	35.3%
Internet Penetration of Estimated Internet Passings	47.6%	47.3%	46.2%	45.6%
Voice Penetration of Estimated Voice Passings	23.1%	23.1%	23.1%	23.1%
<u>Customer Relationships (d)</u>				
Residential	25,470	25,298	24,801	24,551
Small and Medium Business	1,523	1,483	1,404	1,367
Total Customer Relationships	<u>26,993</u>	<u>26,781</u>	<u>26,205</u>	<u>25,918</u>
<u>Residential</u>				
<u>Primary Service Units ("PSUs")</u>				
Video	16,542	16,646	16,836	16,887
Internet	22,282	22,033	21,374	21,017
Voice	10,405	10,378	10,327	10,288
	<u>49,229</u>	<u>49,057</u>	<u>48,537</u>	<u>48,192</u>
<u>Quarterly Net Additions/(Losses)</u>				
Video	(104)	(90)	(51)	(47)
Internet	249	231	357	350
Voice	27	14	39	33
	<u>172</u>	<u>155</u>	<u>345</u>	<u>336</u>
Single Play (e)	10,373	10,177	9,640	9,447
Double Play (e)	6,436	6,484	6,586	6,569
Triple Play (e)	8,661	8,637	8,575	8,535
Single Play Penetration (f)	40.7%	40.2%	38.9%	38.5%
Double Play Penetration (f)	25.3%	25.6%	26.6%	26.8%
Triple Play Penetration (f)	34.0%	34.1%	34.6%	34.8%
% Residential Non-Video Customer Relationships	35.1%	34.2%	32.1%	31.2%
Monthly Residential Revenue per Residential Customer (g)	\$ 110.12	\$ 109.46	\$ 109.77	\$ 109.70
<u>Small and Medium Business</u>				
<u>PSUs</u>				
Video	440	425	400	388
Internet	1,321	1,285	1,219	1,185
Voice	881	847	778	751
	<u>2,642</u>	<u>2,557</u>	<u>2,397</u>	<u>2,324</u>
<u>Quarterly Net Additions/(Losses)</u>				
Video	15	14	12	10
Internet	36	36	34	37
Voice	34	38	27	26
	<u>85</u>	<u>88</u>	<u>73</u>	<u>73</u>
Monthly Small and Medium Business Revenue per Customer (h)	\$ 206.64	\$ 210.64	\$ 214.25	\$ 214.53
<u>Enterprise PSUs (i)</u>				
Enterprise PSUs	108	103	97	93

- (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 September 30, 2017, June 30, 2017, December 31, 2016 and September 30, 2016, actual customers include approximately 218,300, 209,500, 208,400 and 200,900 customers, respectively, whose accounts were over 60 days past due, approximately 20,300, 14,800, 15,500 and 15,200 customers, respectively, whose accounts were over 90 days past due and approximately 12,000, 8,700, 8,000 and 8,900 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) 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 connect activity related to Legacy Bright House residential customers moving off the seasonal plan, net additions for video, Internet and voice PSUs for the third quarter of 2016 would have been lower by 4,000, 6,000 and 4,000, respectively. Excluding the net disconnect activity in the second and third quarters of 2016, residential customer relationships, video, Internet and voice PSUs at September 30, 2016 would have been higher by approximately 54,000, 48,000, 66,000 and 45,000, respectively.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	Actual	Actual	Actual	Actual
Consolidated net income	\$ 92	\$ 250	\$ 498	\$ 3,176
Plus: Interest expense, net	788	724	2,250	1,771
Income tax (benefit) expense	26	16	99	(3,135)
Depreciation and amortization	2,701	2,437	7,846	4,412
Stock compensation expense	64	81	198	168
Loss on extinguishment of debt	—	—	35	110
(Gain) loss on financial instruments, net	(17)	(71)	15	(16)
Other pension (benefits) costs	17	(13)	(9)	(533)
Other, net	148	212	388	786
Adjusted EBITDA (a)	3,819	3,636	11,320	6,739
Less: Purchases of property, plant and equipment	(2,393)	(1,748)	(6,096)	(3,437)
Adjusted EBITDA less capital expenditures	<u>\$ 1,426</u>	<u>\$ 1,888</u>	<u>\$ 5,224</u>	<u>\$ 3,302</u>
Net cash flows from operating activities	\$ 2,908	\$ 2,801	\$ 8,696	\$ 4,815
Less: Purchases of property, plant and equipment	(2,393)	(1,748)	(6,096)	(3,437)
Change in accrued expenses related to capital expenditures	79	(52)	276	86
Free cash flow	<u>\$ 594</u>	<u>\$ 1,001</u>	<u>\$ 2,876</u>	<u>\$ 1,464</u>

	Nine Months Ended September 30,	
	2017	2016
	Actual	Pro Forma (b)
Consolidated net income	\$ 498	\$ 830
Plus: Interest expense, net	2,250	2,155
Income tax expense	99	288
Depreciation and amortization	7,846	7,060
Stock compensation expense	198	219
Loss on extinguishment of debt	35	110
(Gain) loss on financial instruments, net	15	(16)
Other pension benefits	(9)	(549)
Other, net	388	514
Adjusted EBITDA (a)	11,320	10,611
Less: Purchases of property, plant and equipment	(6,096)	(5,657)
Adjusted EBITDA less capital expenditures	<u>\$ 5,224</u>	<u>\$ 4,954</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 September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	Actual	Actual	Actual	Actual
Customer premise equipment (a)	\$ 855	\$ 662	\$ 2,579	\$ 1,177
Scalable infrastructure (b)	632	441	1,282	937
Line extensions (c)	319	249	864	467
Upgrade/rebuild (d)	163	156	415	307
Support capital (e)	424	240	956	549
Total capital expenditures	\$ 2,393	\$ 1,748	\$ 6,096	\$ 3,437

Capital expenditures included in total related to:

Commercial services	\$ 339	\$ 306	\$ 941	\$ 566
Transition (f)	\$ 125	\$ 109	\$ 287	\$ 273

	Nine Months Ended September 30,	
	2017	2016
	Actual	Pro Forma (g)
Customer premise equipment (a)	\$ 2,579	\$ 2,074
Scalable infrastructure (b)	1,282	1,556
Line extensions (c)	864	751
Upgrade/rebuild (d)	415	461
Support capital (e)	956	815
Total capital expenditures	\$ 6,096	\$ 5,657

Capital expenditures included in total related to:

Commercial services	\$ 941	\$ 931
Transition (f)	\$ 287	\$ 273

- (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.