

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

	Three Months Ended March 31,		
	2019	2018	% Change
<b>REVENUES:</b>			
Video	\$ 4,384	\$ 4,292	2.1 %
Internet	4,024	3,707	8.6 %
Voice	504	556	(9.4)%
Residential revenue	8,912	8,555	4.2 %
Small and medium business	945	900	5.0 %
Enterprise	643	622	3.4 %
Commercial revenue	1,588	1,522	4.3 %
Advertising sales	345	356	(3.1)%
Mobile	140	—	NM
Other	221	224	(1.3)%
Total Revenue	<u>11,206</u>	<u>10,657</u>	5.1 %
<b>COSTS AND EXPENSES:</b>			
Programming	2,865	2,752	4.1 %
Regulatory, connectivity and produced content	561	533	5.0 %
Costs to service customers	1,822	1,854	(1.7)%
Marketing	735	751	(2.0)%
Mobile	260	8	NM
Other expense	908	866	4.8 %
Total operating costs and expenses (exclusive of items shown separately below)	<u>7,151</u>	<u>6,764</u>	5.7 %
Adjusted EBITDA	<u>4,055</u>	<u>3,893</u>	4.2 %
Adjusted EBITDA margin	<u>36.2%</u>	<u>36.5%</u>	
Depreciation and amortization	2,550	2,710	
Stock compensation expense	85	72	
Other operating (income) expenses, net	(5)	69	
Income from operations	<u>1,425</u>	<u>1,042</u>	
<b>OTHER INCOME (EXPENSES):</b>			
Interest expense, net	(925)	(851)	
Gain on financial instruments, net	37	63	
Other pension benefits, net	9	20	
Other expense, net	(110)	(23)	
	<u>(989)</u>	<u>(791)</u>	
Income before income taxes	436	251	
Income tax expense	(119)	(28)	
Consolidated net income	<u>317</u>	<u>223</u>	
Less: Net income attributable to noncontrolling interests	(64)	(55)	
Net income attributable to Charter shareholders	<u>\$ 253</u>	<u>\$ 168</u>	
<b>EARNINGS PER COMMON SHARE</b>			
<b>ATTRIBUTABLE TO CHARTER SHAREHOLDERS:</b>			
Basic	<u>\$ 1.13</u>	<u>\$ 0.71</u>	
Diluted	<u>\$ 1.11</u>	<u>\$ 0.70</u>	
Weighted average common shares outstanding, basic	<u>224,630,122</u>	<u>237,762,295</u>	
Weighted average common shares outstanding, diluted	<u>227,595,365</u>	<u>241,420,722</u>	

Adjusted EBITDA is a non-GAAP term. See page 6 of this addendum for the reconciliation of Adjusted EBITDA to net income attributable to Charter shareholders as defined by GAAP.

All percentages are calculated using whole numbers. Minor differences may exist due to rounding.

NM - Not meaningful

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

	<u>March 31,</u> <b>2019</b>	<u>December 31,</u> <b>2018</b>
	(unaudited)	
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,451	\$ 551
Accounts receivable, net	1,578	1,733
Prepaid expenses and other current assets	722	446
Total current assets	3,751	2,730
RESTRICTED CASH	175	214
INVESTMENT IN CABLE PROPERTIES:		
Property, plant and equipment, net	34,859	35,126
Customer relationships, net	8,997	9,565
Franchises	67,319	67,319
Goodwill	29,554	29,554
Total investment in cable properties, net	140,729	141,564
OPERATING LEASE RIGHT-OF-USE ASSETS	1,101	—
OTHER NONCURRENT ASSETS	1,501	1,622
Total assets	\$ 147,257	\$ 146,130
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 8,213	\$ 8,805
Operating lease liabilities	205	—
Current portion of long-term debt	3,532	3,290
Total current liabilities	11,950	12,095
LONG-TERM DEBT	70,567	69,537
DEFERRED INCOME TAXES	17,473	17,389
LONG-TERM OPERATING LEASE LIABILITIES	981	—
OTHER LONG-TERM LIABILITIES	2,643	2,837
SHAREHOLDERS' EQUITY:		
Controlling interest	35,734	36,285
Noncontrolling interests	7,909	7,987
Total shareholders' equity	43,643	44,272
Total liabilities and shareholders' equity	\$ 147,257	\$ 146,130

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

	<b>Three Months Ended March 31,</b>	
	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Consolidated net income	\$ 317	\$ 223
Adjustments to reconcile consolidated net income to net cash flows from operating activities:		
Depreciation and amortization	2,550	2,710
Stock compensation expense	85	72
Accelerated vesting of equity awards	—	5
Noncash interest income, net	(55)	(89)
Other pension benefits, net	(9)	(20)
Gain on financial instruments, net	(37)	(63)
Deferred income taxes	81	28
Other, net	98	38
Changes in operating assets and liabilities:		
Accounts receivable	155	226
Prepaid expenses and other assets	(300)	(131)
Accounts payable, accrued liabilities and other	(199)	(300)
Net cash flows from operating activities	2,686	2,699
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property, plant and equipment	(1,665)	(2,183)
Change in accrued expenses related to capital expenditures	(376)	(565)
Real estate investments through variable interest entities	(39)	—
Other, net	—	10
Net cash flows from investing activities	(2,080)	(2,738)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Borrowings of long-term debt	6,884	2,929
Repayments of long-term debt	(5,572)	(2,185)
Payments for debt issuance costs	(25)	—
Purchase of treasury stock	(940)	(617)
Proceeds from exercise of stock options	44	36
Purchase of noncontrolling interest	(93)	(127)
Distributions to noncontrolling interest	(39)	(39)
Other, net	(4)	(3)
Net cash flows from financing activities	255	(6)
<b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	861	(45)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, beginning of period	765	621
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, end of period	\$ 1,626	\$ 576
<b>CASH PAID FOR INTEREST</b>	\$ 966	\$ 1,007
<b>CASH PAID FOR TAXES</b>	\$ 4	\$ 1

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

	Approximate as of		
	March 31, 2019 (a)	December 31, 2018 (a)	March 31, 2018 (a)
<b>Footprint (b)</b>			
Estimated Video Passings	51,023	50,824	50,165
Estimated Internet Passings	50,857	50,652	49,947
Estimated Voice Passings	50,292	50,086	49,265
<b>Penetration Statistics (c)</b>			
Video Penetration of Estimated Video Passings	32.3%	32.7%	33.4%
Internet Penetration of Estimated Internet Passings	50.5%	49.9%	48.8%
Voice Penetration of Estimated Voice Passings	22.0%	22.3%	23.0%
<b>Customer Relationships (d)</b>			
Residential	26,591	26,270	25,730
Small and Medium Business	1,863	1,833	1,695
Total Customer Relationships	<u>28,454</u>	<u>28,103</u>	<u>27,425</u>
<b>Residential</b>			
<b>Primary Service Units ("PSUs")</b>			
Video	15,952	16,104	16,279
Internet	24,023	23,625	22,852
Voice	10,015	10,135	10,370
	<u>49,990</u>	<u>49,864</u>	<u>49,501</u>
<b>Quarterly Net Additions/(Losses)</b>			
Video	(152)	(36)	(121)
Internet	398	289	334
Voice	(120)	(83)	(54)
	<u>126</u>	<u>170</u>	<u>159</u>
Single Play (e)	11,189	10,928	10,577
Double Play (e)	7,412	7,097	6,537
Triple Play (e)	7,990	8,245	8,616
Single Play Penetration (f)	42.1%	41.6%	41.1%
Double Play Penetration (f)	27.9%	27.0%	25.4%
Triple Play Penetration (f)	30.0%	31.4%	33.5%
% Residential Non-Video Customer Relationships	40.0%	38.7%	36.7%
Monthly Residential Revenue per Residential Customer (g)	\$ 112.47	\$ 111.78	\$ 111.41
<b>Small and Medium Business</b>			
<b>PSUs</b>			
Video	509	502	460
Internet	1,664	1,634	1,503
Voice	1,072	1,051	957
	<u>3,245</u>	<u>3,187</u>	<u>2,920</u>
<b>Quarterly Net Additions/(Losses)</b>			
Video	7	14	10
Internet	30	40	33
Voice	21	27	27
	<u>58</u>	<u>81</u>	<u>70</u>
Monthly Small and Medium Business Revenue per Customer (h)	\$ 170.64	\$ 170.62	\$ 178.84
<b>Enterprise PSUs (i)</b>			
Enterprise PSUs	253	248	228

- (a) Customer statistics do not include mobile. We calculate the aging of customer accounts based on the monthly billing cycle for each account. On that basis, at March 31, 2019, December 31, 2018 and March 31, 2018, actual customers include approximately 171,100, 217,600 and 190,700 customers, respectively, whose accounts were over 60 days past due, approximately 19,500, 24,000 and 17,200 customers, respectively, whose accounts were over 90 days past due and approximately 20,800, 19,200 and 13,400 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 exclude 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.

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

	<b>Three Months Ended March 31,</b>	
	<b>2019</b>	<b>2018</b>
Net income attributable to Charter shareholders	\$ 253	\$ 168
Plus: Net income attributable to noncontrolling interest	64	55
Interest expense, net	925	851
Income tax expense	119	28
Depreciation and amortization	2,550	2,710
Stock compensation expense	85	72
Gain on financial instruments, net	(37)	(63)
Other pension benefits, net	(9)	(20)
Other, net	105	92
Adjusted EBITDA (a)	<u>4,055</u>	<u>3,893</u>
Less: Mobile revenue	(140)	—
Plus: Mobile costs and Expenses	260	8
Cable Adjusted EBITDA (a)	<u>\$ 4,175</u>	<u>\$ 3,901</u>
Net cash flows from operating activities	\$ 2,686	\$ 2,699
Less: Purchases of property, plant and equipment	(1,665)	(2,183)
Change in accrued expenses related to capital expenditures	(376)	(565)
Free cash flow	<u>645</u>	<u>(49)</u>
Plus: Mobile net cash outflows from operating activities	203	8
Purchases of mobile property, plant and equipment	88	17
Cable free cash flow	<u>\$ 936</u>	<u>\$ (24)</u>

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

The above schedule is presented in order to reconcile Adjusted EBITDA, cable Adjusted EBITDA, free cash flow and cable free cash flow, 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)

	<b>Three Months Ended March 31,</b>	
	<b>2019</b>	<b>2018</b>
Customer premise equipment (a)	\$ 565	\$ 934
Scalable infrastructure (b)	297	486
Line extensions (c)	321	291
Upgrade/rebuild (d)	131	142
Support capital (e)	351	330
Total capital expenditures	<u>\$ 1,665</u>	<u>\$ 2,183</u>

Capital expenditures included in total related to:

Commercial services	\$ 305	\$ 283
All-digital transition	\$ —	\$ 186
Mobile	\$ 88	\$ 17

- (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).