

**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,		
	2019	2018	% Change	2019	2018	% Change
<b>REVENUES:</b>						
Video	\$ 4,391	\$ 4,363	0.6 %	\$ 8,775	\$ 8,655	1.4 %
Internet	4,103	3,770	8.8 %	8,127	7,477	8.7 %
Voice	489	531	(7.8)%	993	1,087	(8.6)%
Residential revenue	8,983	8,664	3.7 %	17,895	17,219	3.9 %
Small and medium business	963	915	5.3 %	1,908	1,815	5.1 %
Enterprise	652	627	4.0 %	1,295	1,249	3.7 %
Commercial revenue	1,615	1,542	4.7 %	3,203	3,064	4.5 %
Advertising sales	395	427	(7.5)%	740	783	(5.5)%
Mobile	158	—	NM	298	—	NM
Other	196	221	(11.3)%	417	445	(6.3)%
Total Revenue	11,347	10,854	4.5 %	22,553	21,511	4.8 %
<b>COSTS AND EXPENSES:</b>						
Programming	2,827	2,803	0.9 %	5,692	5,555	2.5 %
Regulatory, connectivity and produced content	597	560	6.7 %	1,158	1,093	5.9 %
Costs to service customers	1,767	1,784	(0.9)%	3,589	3,638	(1.3)%
Marketing	768	769	(0.1)%	1,503	1,520	(1.1)%
Mobile	277	33	NM	537	41	NM
Other expense	926	854	8.4 %	1,834	1,720	6.6 %
Total operating costs and expenses (exclusive of items shown separately below)	7,162	6,803	5.3 %	14,313	13,567	5.5 %
Adjusted EBITDA	4,185	4,051	3.3 %	8,240	7,944	3.7 %
Adjusted EBITDA margin	36.9%	37.3%		36.5%	36.9%	
Depreciation and amortization	2,500	2,592		5,050	5,302	
Stock compensation expense	82	70		167	142	
Other operating expenses, net	62	29		57	98	
Income from operations	1,541	1,360		2,966	2,402	
<b>OTHER INCOME (EXPENSES):</b>						
Interest expense, net	(945)	(878)		(1,870)	(1,729)	
Loss on financial instruments, net	(119)	(75)		(82)	(12)	
Other pension benefits, net	9	20		18	40	
Other expense, net	(16)	(47)		(126)	(70)	
	(1,071)	(980)		(2,060)	(1,771)	
Income before income taxes	470	380		906	631	
Income tax expense	(84)	(41)		(203)	(69)	
Consolidated net income	386	339		703	562	
Less: Net income attributable to noncontrolling interests	(72)	(66)		(136)	(121)	
Net income attributable to Charter shareholders	\$ 314	\$ 273		\$ 567	\$ 441	
<b>EARNINGS PER COMMON SHARE</b>						
<b>ATTRIBUTABLE TO CHARTER SHAREHOLDERS:</b>						
Basic	\$ 1.41	\$ 1.17		\$ 2.54	\$ 1.87	
Diluted	\$ 1.39	\$ 1.15		\$ 2.50	\$ 1.84	
Weighted average common shares outstanding, basic	222,392,274	234,241,769		223,505,016	235,992,306	
Weighted average common shares outstanding, diluted	225,942,172	237,073,566		226,889,745	239,246,727	

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)

	<b>June 30,</b>	<b>December 31,</b>
	<b>2019</b>	<b>2018</b>
	<u>(unaudited)</u>	
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 696	\$ 551
Accounts receivable, net	2,070	1,733
Prepaid expenses and other current assets	574	446
Total current assets	<u>3,340</u>	<u>2,730</u>
 RESTRICTED CASH	 150	 214
 INVESTMENT IN CABLE PROPERTIES:		
Property, plant and equipment, net	34,475	35,126
Customer relationships, net	8,461	9,565
Franchises	67,319	67,319
Goodwill	29,554	29,554
Total investment in cable properties, net	<u>139,809</u>	<u>141,564</u>
 OPERATING LEASE RIGHT-OF-USE ASSETS	 1,166	 —
 OTHER NONCURRENT ASSETS	 1,620	 1,622
 Total assets	 <u>\$ 146,085</u>	 <u>\$ 146,130</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 8,145	\$ 8,805
Operating lease liabilities	208	—
Current portion of long-term debt	1,522	3,290
Total current liabilities	<u>9,875</u>	<u>12,095</u>
 LONG-TERM DEBT	 71,784	 69,537
 DEFERRED INCOME TAXES	 17,522	 17,389
 LONG-TERM OPERATING LEASE LIABILITIES	 1,052	 —
 OTHER LONG-TERM LIABILITIES	 2,758	 2,837
 SHAREHOLDERS' EQUITY:		
Controlling interest	35,286	36,285
Noncontrolling interests	7,808	7,987
Total shareholders' equity	<u>43,094</u>	<u>44,272</u>
 Total liabilities and shareholders' equity	 <u>\$ 146,085</u>	 <u>\$ 146,130</u>

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Consolidated net income	\$ 386	\$ 339	\$ 703	\$ 562
Adjustments to reconcile consolidated net income to net cash flows from operating activities:				
Depreciation and amortization	2,500	2,592	5,050	5,302
Stock compensation expense	82	70	167	142
Accelerated vesting of equity awards	—	—	—	5
Noncash interest income, net	(17)	(88)	(72)	(177)
Other pension benefits, net	(9)	(20)	(18)	(40)
Loss on financial instruments, net	119	75	82	12
Deferred income taxes	56	29	137	57
Other, net	53	38	151	76
Changes in operating assets and liabilities:				
Accounts receivable	(492)	(210)	(337)	16
Prepaid expenses and other assets	124	40	(176)	(91)
Accounts payable, accrued liabilities and other	(41)	231	(240)	(69)
Net cash flows from operating activities	<u>2,761</u>	<u>3,096</u>	<u>5,447</u>	<u>5,795</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchases of property, plant and equipment	(1,597)	(2,391)	(3,262)	(4,574)
Change in accrued expenses related to capital expenditures	(52)	99	(428)	(466)
Real estate investments through variable interest entities	(25)	—	(64)	—
Other, net	8	(77)	8	(67)
Net cash flows from investing activities	<u>(1,666)</u>	<u>(2,369)</u>	<u>(3,746)</u>	<u>(5,107)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Borrowings of long-term debt	3,830	2,699	10,714	5,628
Repayments of long-term debt	(4,551)	(1,315)	(10,123)	(3,500)
Payments for debt issuance costs	(7)	(17)	(32)	(17)
Purchase of treasury stock	(861)	(1,664)	(1,801)	(2,281)
Proceeds from exercise of stock options	37	7	81	43
Purchase of noncontrolling interest	(161)	(201)	(254)	(328)
Distributions to noncontrolling interest	(39)	(37)	(78)	(76)
Other, net	(123)	(2)	(127)	(5)
Net cash flows from financing activities	<u>(1,875)</u>	<u>(530)</u>	<u>(1,620)</u>	<u>(536)</u>
<b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	(780)	197	81	152
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, beginning of period	1,626	576	765	621
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, end of period	<u>\$ 846</u>	<u>\$ 773</u>	<u>\$ 846</u>	<u>\$ 773</u>
<b>CASH PAID FOR INTEREST</b>	<u>\$ 1,051</u>	<u>\$ 882</u>	<u>\$ 2,017</u>	<u>\$ 1,889</u>
<b>CASH PAID FOR TAXES</b>	<u>\$ 39</u>	<u>\$ 21</u>	<u>\$ 43</u>	<u>\$ 22</u>

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

	Approximate as of			
	June 30, 2019 (a)	March 31, 2019 (a)	December 31, 2018 (a)	June 30, 2018 (a)
<b>Footprint (b)</b>				
Estimated Video Passings	51,258	51,023	50,824	50,364
Estimated Internet Passings	51,093	50,857	50,652	50,149
Estimated Voice Passings	50,538	50,292	50,086	49,532
<b>Penetration Statistics (c)</b>				
Video Penetration of Estimated Video Passings	31.8%	32.3%	32.7%	33.1%
Internet Penetration of Estimated Internet Passings	50.8%	50.5%	49.9%	49.1%
Voice Penetration of Estimated Voice Passings	21.6%	22.0%	22.3%	22.9%
<b>Customer Relationships (d)</b>				
Residential	26,755	26,591	26,270	25,871
Small and Medium Business	1,902	1,863	1,833	1,750
Total Customer Relationships	<u>28,657</u>	<u>28,454</u>	<u>28,103</u>	<u>27,621</u>
<b>Quarterly Net Additions/(Losses)</b>				
Residential	164	321	207	141
Small and Medium Business	39	30	41	55
Total Customer Relationships	<u>203</u>	<u>351</u>	<u>248</u>	<u>196</u>
<b>Residential</b>				
<b>Primary Service Units ("PSUs")</b>				
Video	15,802	15,952	16,104	16,206
Internet	24,244	24,023	23,625	23,070
Voice	9,808	10,015	10,135	10,325
<b>Quarterly Net Additions/(Losses)</b>				
Video	(150)	(152)	(36)	(73)
Internet	221	398	289	218
Voice	(207)	(120)	(83)	(45)
Single Play (e)	11,354	11,189	10,928	10,694
Double Play (e)	7,709	7,412	7,097	6,633
Triple Play (e)	7,692	7,990	8,245	8,544
Single Play Penetration (f)	42.4%	42.1%	41.6%	41.3%
Double Play Penetration (f)	28.8%	27.9%	27.0%	25.6%
Triple Play Penetration (f)	28.8%	30.0%	31.4%	33.0%
% Residential Non-Video Customer Relationships	40.9%	40.0%	38.7%	37.4%
Monthly Residential Revenue per Residential Customer (g)	\$ 112.20	\$ 112.47	\$ 111.78	\$ 111.88
<b>Small and Medium Business</b>				
<b>PSUs</b>				
Video	518	509	502	476
Internet	1,701	1,664	1,634	1,552
Voice	1,097	1,072	1,051	994
<b>Quarterly Net Additions/(Losses)</b>				
Video	9	7	14	16
Internet	37	30	40	49
Voice	25	21	27	37
Monthly Small and Medium Business Revenue per Customer (h)	\$ 170.42	\$ 170.64	\$ 170.62	\$ 176.96
<b>Enterprise PSUs (i)</b>				
Enterprise PSUs	258	253	248	235

- (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 June 30, 2019, March 31, 2019, December 31, 2018 and June 30, 2018, actual customers include approximately 152,900, 171,100, 217,600 and 227,500 customers, respectively, whose accounts were over 60 days past due, approximately 13,800, 19,500, 24,000 and 19,300 customers, respectively, whose accounts were over 90 days past due and approximately 15,800, 20,800, 19,200 and 13,200 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)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net income attributable to Charter shareholders	\$ 314	\$ 273	\$ 567	\$ 441
Plus: Net income attributable to noncontrolling interest	72	66	136	121
Interest expense, net	945	878	1,870	1,729
Income tax expense	84	41	203	69
Depreciation and amortization	2,500	2,592	5,050	5,302
Stock compensation expense	82	70	167	142
Loss on financial instruments, net	119	75	82	12
Other pension benefits, net	(9)	(20)	(18)	(40)
Other, net	78	76	183	168
Adjusted EBITDA (a)	4,185	4,051	8,240	7,944
Less: Mobile revenue	(158)	—	(298)	—
Plus: Mobile costs and Expenses	277	33	537	41
Cable Adjusted EBITDA (a)	\$ 4,304	\$ 4,084	\$ 8,479	\$ 7,985
Net cash flows from operating activities	\$ 2,761	\$ 3,096	\$ 5,447	\$ 5,795
Less: Purchases of property, plant and equipment	(1,597)	(2,391)	(3,262)	(4,574)
Change in accrued expenses related to capital expenditures	(52)	99	(428)	(466)
Free cash flow	1,112	804	1,757	755
Plus: Mobile net cash outflows from operating activities	204	63	407	71
Purchases of mobile property, plant and equipment	93	53	181	70
Cable free cash flow	\$ 1,409	\$ 920	\$ 2,345	\$ 896

(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)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Customer premise equipment (a)	\$ 492	\$ 828	\$ 1,057	\$ 1,762
Scalable infrastructure (b)	223	587	520	1,073
Line extensions (c)	363	353	684	644
Upgrade/rebuild (d)	155	190	286	332
Support capital (e)	364	433	715	763
Total capital expenditures	1,597	2,391	3,262	4,574
Less: Mobile capital expenditures	(93)	(53)	(181)	(70)
Cable capital expenditures	\$ 1,504	\$ 2,338	\$ 3,081	\$ 4,504

Capital expenditures included in total related to:

Commercial services	\$ 324	\$ 309	\$ 629	\$ 592
All-digital transition	\$ —	\$ 88	\$ —	\$ 274

- (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).