**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

# FORM 8-K

**Current Report**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): April 19, 2013**

**Charter Communications, Inc.**
*(Exact name of registrant as specified in its charter)*

**Delaware**
*(State or other jurisdiction of incorporation or organization)*

| **001-33664** | **43-1857213** |
|---|---|
| *(Commission File Number)* | *(I.R.S. Employer Identification Number)* |

**400 Atlantic Street, 10th Floor**
**Stamford, Connecticut 06901**
*(Address of principal executive offices including zip code)*

**(203) 905-7801**
*(Registrant's telephone number, including area code)*

**Not Applicable**
*(Former name or former address, if changed since last report)*

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**ITEM 8.01. OTHER EVENTS.**

Charter Communications, Inc. ("Charter") is providing the information in Item 9.01 "Financial Statements and Exhibits" in connection with the contemplated acquisition of Bresnan Broadband Holdings, LLC and its subsidiaries (collectively, "Bresnan"). In February 2013, Charter and Charter Communications Operating, LLC entered into an agreement with a wholly owned subsidiary of Cablevision Systems Corporation to acquire Bresnan, for $1.625 billion in cash, subject to a working capital adjustment, a reduction for certain funded indebtedness of Bresnan and payment of any post-closing refunds of certain Montana property taxes paid under protest by Bresnan prior to the closing. Bresnan manages cable operating systems in Colorado, Montana, Wyoming and Utah that pass more than 660,000 homes and serve 304,000 video customers and 370,000 customer relationships. The transaction is expected to close in the third quarter of 2013. However, there can be no assurances the conditions to closing the transaction will be satisfied or waived or that the closing will occur at all. The pro forma financial information gives effect to the anticipated acquisition of Bresnan and is presented for informational purposes only.

**ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.**

| Exhibit Number | Description |
|---|---|
| 99.1 * | Audited Historical Financial Statements of Bresnan Broadband Holdings, LLC and Subsidiaries as of and for the years ended December 31, 2012 and 2011. |
| 99.2 * | Audited Historical Financial Statements of Bresnan Broadband Holdings, LLC and Subsidiaries as of and for the year ended December 31, 2010. |
| 99.3 * | Unaudited Pro Forma Financial Information. |
| 99.4 * | Consent of KPMG LLP. |

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* filed herewith

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CHARTER COMMUNICATIONS, INC.,
Registrant

By: /s/ Kevin D. Howard

Kevin D. Howard
Senior Vice President - Finance, Controller and
Chief Accounting Officer

Date: April 19, 2013

## EXHIBIT INDEX

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* filed herewith

# BRESNAN BROADBAND HOLDINGS, LLC AND SUBSIDIARIES

**(an indirect wholly-owned subsidiary of Cablevision Systems Corporation)**

## CONSOLIDATED FINANCIAL STATEMENTS
## AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

**Independent Auditors' Report**

The Member
Bresnan Broadband Holdings, LLC,:

We have audited the accompanying consolidated financial statements of Bresnan Broadband Holdings, LLC and subsidiaries (an indirect wholly-owned subsidiary of Cablevision Systems Corporation), which comprise the consolidated balance sheets as of December 31, 2012 and 2011, and the related consolidated statements of operations, member's capital, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the financial position of Bresnan Broadband Holdings, LLC and subsidiaries as of December 31, 2012 and 2011, and the results of their operations and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

/s/ KPMG LLP
Melville, NY
February 28, 2013

**BRESNAN BROADBAND HOLDINGS, LLC AND SUBSIDIARIES**
**(an indirect wholly-owned subsidiary of Cablevision Systems Corporation)**
**CONSOLIDATED BALANCE SHEETS**
**DECEMBER 31, 2012 and 2011**
**(Dollars in thousands)**

| | 2012 | 2011 |
|---|---|---|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | $ 31,670 | $ 22,516 |
| Accounts receivable, trade (less allowance for doubtful accounts of $422 and $632) | 9,951 | 8,854 |
| Prepaid expenses and other current assets | 4,535 | 4,333 |
| Total current assets | 46,156 | 35,703 |
| Property, plant and equipment, net of accumulated depreciation of $248,040 and $125,203 | 418,884 | 478,495 |
| Other assets | 294 | 106 |
| Customer relationships, net of accumulated amortization of $81,434 and $44,088 | 129,916 | 167,262 |
| Other amortizable intangibles, net of accumulated amortization of $596 and $295 | 1,388 | 1,625 |
| Indefinite-lived cable television franchises | 508,380 | 508,380 |
| Indefinite-lived FCC licenses | 4,232 | 4,232 |
| Goodwill | 167,736 | 167,736 |
| Deferred financing costs, net of accumulated amortization of $6,764 and $3,395 | 19,771 | 23,140 |
| | $ 1,296,757 | $ 1,386,679 |
| LIABILITIES AND MEMBER'S CAPITAL | | |
| Current Liabilities: | | |
| Accounts payable | $ 29,952 | $ 44,526 |
| Accrued liabilities: | | |
| Franchise costs | 4,458 | 4,077 |
| Interest | 929 | 7,748 |
| Employee related costs | 4,371 | 5,413 |
| Other accrued expenses | 11,603 | 11,145 |
| Accounts payable to affiliates, net | 942 | 9,470 |
| Deferred revenue | 5,255 | 4,786 |
| Credit facility debt | 7,650 | 7,650 |
| Total current liabilities | 65,160 | 94,815 |
| Other liabilities | 4,408 | 1,992 |
| Deferred tax liability | 68,426 | 55,474 |
| Credit facility debt | 736,455 | 743,084 |
| Senior notes | 250,000 | 250,000 |
| Total liabilities | 1,124,449 | 1,145,365 |
| Commitments and contingencies | | |
| Member's capital | 172,308 | 241,314 |
| | $ 1,296,757 | $ 1,386,679 |

See accompanying notes to consolidated financial statements.

**BRESNAN BROADBAND HOLDINGS, LLC AND SUBSIDIARIES**
**(an indirect wholly-owned subsidiary of Cablevision Systems Corporation)**
**CONSOLIDATED STATEMENTS OF OPERATIONS**
**YEARS ENDED DECEMBER 31, 2012 and 2011**
**(Dollars in thousands)**

| | 2012 | 2011 |
|---|---|---|
| Revenues, net | $ 508,712 | $ 471,655 |
| Operating expenses: | | |
| Technical and operating (excluding depreciation and amortization shown below and including net charges from affiliates of $106,232 and $100,526) | 248,749 | 240,926 |
| Selling, general and administrative (including charges from affiliates of $10,849 and $7,799) | 92,476 | 86,207 |
| Depreciation and amortization | 166,176 | 163,301 |
| | 507,401 | 490,434 |
| Operating income (loss) | 1,311 | (18,779) |
| Other income (expense): | | |
| Interest expense | (59,640) | (59,784) |
| Interest income | 43 | 45 |
| | (59,597) | (59,739) |
| Loss before income taxes | (58,286) | (78,518) |
| Income tax benefit | 19,295 | 28,905 |
| Net loss | $ (38,991) | $ (49,613) |

See accompanying notes to consolidated financial statements.

**BRESNAN BROADBAND HOLDINGS, LLC AND SUBSIDIARIES**
**(an indirect wholly-owned subsidiary of Cablevision Systems Corporation)**
**CONSOLIDATED STATEMENTS OF MEMBER'S CAPITAL**
**YEARS ENDED DECEMBER 31, 2012 AND 2011**
**(Dollars in thousands)**

| | | |
|---|---|---|
| Balance as of December 31, 2010 | $ | 345,095 |
| | | |
| Non-cash capital contributions related to Cablevision equity classified share-based payment awards | | 1,110 |
| Non-cash deemed capital distribution resulting from current income tax benefit | | (55,278) |
| Net loss | | (49,613) |
| Balance as of December 31, 2011 | | 241,314 |
| | | |
| Non-cash capital contributions related to Cablevision equity classified share-based payment awards | | 2,232 |
| Non-cash deemed capital distribution resulting from current income tax benefit | | (32,247) |
| Net loss | | (38,991) |
| Balance as of December 31, 2012 | $ | 172,308 |

See accompanying notes to consolidated financial statements.

**BRESNAN BROADBAND HOLDINGS, LLC AND SUBSIDIARIES**
**(an indirect wholly-owned subsidiary of Cablevision Systems Corporation)**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**YEARS ENDED DECEMBER 31, 2012 and 2011**
**(Dollars in thousands)**

| | 2012 | 2011 |
|---|---|---|
| Cash flows from operating activities: | | |
| Net loss | $ (38,991) | $ (49,613) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | |
| Depreciation and amortization | 166,176 | 163,301 |
| Amortization of deferred financing costs and discounts on indebtedness | 4,390 | 4,224 |
| Share-based compensation expense allocations related to Cablevision equity classified awards | 2,230 | 1,110 |
| Deferred income tax expense | 12,952 | 26,373 |
| Deemed capital distribution resulting from current income tax benefit | (32,247) | (55,278) |
| Provision for doubtful accounts | 4,145 | 3,660 |
| Changes in assets and liabilities: | | |
| Accounts receivable | (5,242) | (6,044) |
| Prepaid expenses and other assets | (390) | (709) |
| Accounts payable to affiliates, net | (8,528) | (10,965) |
| Accounts payable and other liabilities | (5,875) | 21,967 |
| Net cash provided by operating activities | 98,620 | 98,026 |
| Cash flows from investing activities: | | |
| Capital expenditures | (81,804) | (85,666) |
| Capital expenditures with affiliates | (10) | (32) |
| Proceeds from sale of equipment, net of costs of disposal | (2) | 22 |
| Proceeds from sale of equipment with affiliates, net of costs of disposal | — | 34 |
| Net cash used in investing activities | (81,816) | (85,642) |
| Cash flows from financing activities: | | |
| Repayments of credit facility debt | (7,650) | (7,650) |
| Additions to deferred financing costs | — | (440) |
| Distribution to predecessor Bresnan members | — | (7,776) |
| Net cash used in financing activities | (7,650) | (15,866) |
| Net increase (decrease) in cash and cash equivalents | 9,154 | (3,482) |
| Cash and cash equivalents at beginning of year | 22,516 | 25,998 |
| Cash and cash equivalents at end of period | $ 31,670 | $ 22,516 |

See accompanying notes to consolidated financial statements.

## NOTE 1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

*Nature of Operations*

Bresnan Broadband Holdings, LLC and its subsidiaries (the "Company"), an indirect wholly-owned subsidiary of Cablevision Systems Corporation ("Cablevision"), owns and operates cable television systems serving customers located in Colorado, Wyoming, Montana, and Utah under nonexclusive franchises awarded by local governmental authorities for specified periods of time. Accordingly, the Company operates in a single industry segment. The Company's revenues are derived principally through monthly charges to subscribers of the Company's video, high-speed data and Voice over Internet Protocol ("VoIP") and commercial video, data and voice services operations.

In February 2013, Cablevision entered into a definitive agreement pursuant to which Charter Communications Operating, LLC will acquire the Company for $1,625,000 in cash, subject to certain adjustments (See Note 15).

*Basis of Presentation*

The accompanying consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Additionally, even though the Company is not a reporting company under the Securities Exchange Act of 1934, the accompanying consolidated financial statements of the Company have been prepared in accordance with Regulation S-X of the Securities and Exchange Commission ("SEC") for annual financial information, except that the consolidated financial statements do not include a statement of operations, member's capital and cash flows for the year ended December 31, 2010, and related disclosures for such period.

*Principles of Consolidation*

The accompanying consolidated financial statements include the accounts of the Company and its wholly- owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

*Use of Estimates in Preparation of Financial Statements*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. See Note 8 for a discussion of fair value estimates.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Revenue Recognition*

The Company recognizes video, high-speed data and voice services revenues as the services are provided to subscribers. Installation revenue for the Company's video, consumer high-speed data and VoIP services is recognized as installations are completed, as direct selling costs have exceeded this revenue in all periods reported. Advertising revenues are recognized when commercials are aired. Revenues derived from other sources are recognized when services are provided or events occur.

The Company has entered into agreements that obligate it to provide fiber-optic connectivity over future periods. Amounts received under these agreements are initially recorded as deferred revenue and then amortized over the term of the agreement in the Company's statements of operations.

*Gross Versus Net Revenue Recognition*

In the normal course of business, the Company is assessed non-income related taxes by governmental authorities, including franchising authorities, and collects such taxes from its customers. The Company's policy is that, in instances where the tax is being assessed directly on the Company, amounts paid to the governmental authorities and amounts received from the customers are recorded on a gross basis. That is, amounts paid to the governmental authorities are recorded as technical and operating expenses and amounts received from the customer are recorded as revenues. For the years ended December 31, 2012 and 2011, the amount of franchise fees included as a component of net revenue aggregated to $10,485 and $9,931, respectively.

*Technical and Operating Expenses*

Costs of revenue related to sales of services are classified as technical and operating expenses in the accompanying consolidated statements of operations.

*Programming Costs*

Cablevision has entered into agreements with certain third party providers on behalf of its subsidiaries, including the Company, for the majority of its programming, or the Company enters into stand alone agreements for certain programming. Programming expenses relate to fees paid to programming distributors to license the programming distributed to subscribers. This programming is acquired generally under multi-year distribution agreements, with rates usually based on the number of subscribers that receive the programming. There have been periods when an existing affiliation agreement has expired and the parties have not finalized negotiations of either a renewal of that agreement or a new agreement for certain periods of time. In substantially all these instances, the Company continues to carry and pay for these services until execution of definitive replacement agreements or renewals. The amount of programming expense recorded during this interim period is based on the Company's estimates of the ultimate contractual agreement expected to be reached, which is based on several factors, including previous contractual rates, customary rate increases and the current status of negotiations. Such estimates are adjusted as negotiations progress until new programming terms are finalized.

In addition, the Company, primarily through the programming agreements Cablevision has entered into, has received, or may receive, incentives from programming distributors for carriage of the distributors' programming. The Company generally recognizes these incentives as a reduction of programming costs in technical and operating expense, generally over the term of the programming agreement.

*Advertising Expenses*

Advertising costs are charged to expense when incurred and are recorded to selling, general and administrative expenses in the accompanying statements of operations. Advertising costs amounted to $12,878 and $13,896 for the years ended December 31, 2012 and 2011, respectively.

*Share-Based Compensation*

Cablevision charges the Company expenses related to its various employee stock plans. Cablevision records share-based compensation expense during the period based on the fair value of the portion of share-based payment awards that are ultimately expected to vest. For options and performance based option awards, Cablevision recognizes compensation expense based on the estimated grant date fair value using the Black-Scholes valuation model. For options not subject to performance based vesting conditions, Cablevision recognizes the compensation expense using a straight-line amortization method. For options subject to performance based vesting conditions, Cablevision recognizes compensation expense based on the probable outcome of the performance criteria and requisite service period for each tranche of awards subject to performance based vesting conditions. For restricted shares and restricted stock units, Cablevision recognizes compensation expense using a straight-line amortization method, based on the grant date price of CNYG Class A common stock over the vesting period. As the obligations related to stock option and restricted share awards under the Cablevision employee stock plans are satisfied by Cablevision, the allocation to the Company of its proportionate share of the related expenses is reflected as non-cash capital contributions in the accompanying statements of member's capital.

*Comprehensive Income (Loss)*

Comprehensive loss for the years ended December 31, 2012 and 2011 equals the net loss for the periods.

*Income Taxes*

The Company is included in the consolidated federal and state income tax returns of Cablevision. As such, the income tax benefit is based on the tax loss of the Company on a separate return basis reflecting the estimated applicable corporate tax rate determined on a stand-alone basis.

The Company's income tax benefit is based on the current period tax loss and changes in deferred tax assets and liabilities, including changes in the valuation allowance. Deferred tax assets are subject to an ongoing assessment of realizability. Deferred taxes have been measured using the estimated applicable corporate tax rate determined on a stand-alone basis.

Since there is no tax sharing agreement in place between the Company and Cablevision, allocable current income tax benefits for tax losses generated by the Company that are either utilized currently or carried forward by Cablevision have been reflected as non-cash deemed capital distributions from the Company to Cablevision. The non-cash deemed capital distributions for the years ended December 31, 2012 and 2011 were $32,247 and $55,278, respectively.

*Cash and Cash Equivalents*

The Company's cash investments are placed with money market funds and financial institutions that are investment grade as rated by Standard & Poor's and Moody's Investors Service. The Company selects money market funds that predominantly invest in marketable, direct obligations issued or guaranteed by the United States government or its agencies, commercial paper, fully collateralized repurchase agreements, certificates of deposit, and time deposits.

The Company considers the balance of its investment in funds that substantially hold securities that mature within three months or less from the date the fund purchases these securities to be cash equivalents. The carrying amount of cash and cash equivalents either approximates fair value due to the short-term maturity of these instruments or are at fair value.

*Accounts Receivable*

The Company periodically assesses the adequacy of valuation allowances for uncollectible accounts receivable by evaluating the collectability of outstanding receivables and general factors such as historical collection experience, length of time individual receivables are past due, and the economic and competitive environment.

*Long-Lived Assets and Amortizable Intangible Assets*

Property, plant and equipment, including construction materials, are carried at cost, and include all direct costs and certain indirect costs associated with the construction of cable television transmission and distribution systems, and the costs of new product and subscriber installations. Depreciation on equipment is calculated on the straight-line basis over the estimated useful lives of the assets or, with respect to leasehold improvements, amortized over the shorter of the lease term or the assets' useful lives and reported in depreciation and amortization in the consolidated statements of operations.

The Company capitalizes certain internal and external costs incurred to acquire or develop internal-use software. Capitalized software costs are amortized over the estimated useful life of the software and reported in depreciation and amortization.

Customer relationships, trademarks and other intangible assets (including Indefeasible Right to Use agreements for fiber-optic connectivity) established in connection with acquisitions that are finite-lived are amortized in a manner that reflects the pattern in which the projected net cash inflows to the Company are expected to occur, such as the sum of the years' digits method, or when such pattern does not exist, using the straight-line basis over their respective estimated useful lives.

The Company reviews its long-lived assets (property, plant and equipment, and intangible assets subject to amortization that arose from acquisitions) for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. If the sum of the expected cash flows, undiscounted and without interest, is less than the carrying amount of the asset, an impairment loss is recognized as the amount by which the carrying amount of the asset exceeds its fair value.

*Goodwill and Indefinite-Lived Intangible Assets*

Goodwill and the value of cable television franchises and FCC licenses acquired in purchase business combinations, which have indefinite useful lives, are not amortized. Rather, such assets are tested for impairment annually or upon the occurrence of a triggering event.

The following description of the Company's policy for assessing goodwill for possible impairment reflects the adoption in 2011 of Accounting Standards Update ("ASU") No. 2010-28, Intangibles - Goodwill and Other (Topic 350): When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts. Prior to 2011, the Company performed the quantitative two-step process further described below.

The Company assesses qualitative factors for its reporting units that carry goodwill. If the qualitative assessment results in a conclusion that it is more likely than not that the fair value of a reporting unit exceeds the carrying value, then no further testing is performed for that reporting unit.

When the qualitative assessment is not used, or if the qualitative assessment is not conclusive and it is necessary to calculate the fair value of a reporting unit, then the impairment analysis for goodwill is performed at the reporting unit level using a two-step approach. The first step of the goodwill impairment test is used to identify potential impairment by comparing the fair value of a reporting unit with its carrying amount, including goodwill utilizing an enterprise-value based premise approach. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of goodwill impairment loss, if any. The second step of the goodwill impairment test compares the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess. The implied fair value of goodwill is determined in the same manner as the amount of goodwill which would be recognized in a business combination.

The impairment test for indefinite-lived intangible assets not subject to amortization consists of a comparison of the fair value of the intangible asset with its carrying value. If the carrying value of the indefinite-lived intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess.

*Deferred Financing Costs*

Costs incurred to obtain debt are deferred and amortized to interest expense using the effective interest method over the life of the related debt.

*Commitments and Contingencies*

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when the Company believes it is probable that a liability has been incurred and the amount of the contingency can be reasonably estimated.

*Concentrations of Credit Risk*

Financial instruments that may potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents and trade accounts receivable. Cash is invested primarily in money market funds. The Company monitors the financial institutions and money market funds where it invests its cash and cash equivalents. The Company's emphasis is primarily on safety of principal and liquidity and secondarily on maximizing the yield on its investments. Management believes that no significant concentration of credit risk exists with respect to its cash and cash equivalents balances because of its assessment of the creditworthiness and financial viability of the respective financial institutions.

The Company did not have a single customer that represented 10% or more of its consolidated net revenues for the years ended December 31, 2012 and 2011, or 10% or more of its consolidated net trade accounts receivable at December 31, 2012 and 2011.

**NOTE 3. SUPPLEMENTAL CASH FLOW INFORMATION**

During 2012 and 2011, the Company's non-cash investing and financing activities and other supplemental data were as follows:

| | Years Ended December 31, | |
|---|---|---|
| | 2012 | 2011 |
| Non-Cash Investing and Financing Activities: | | |
| Deemed capital distribution resulting from current income tax benefit | $ 32,247 | $ 55,278 |
| Property, plant and equipment accrued but unpaid | 3,124 | 16,048 |
| Capital contributions related to Cablevision equity classified share-based payment awards (of which $2 was capitalized in 2012) | 2,232 | 1,110 |
| Additions to other amortizable intangibles accrued but unpaid | 64 | — |
| Leasehold improvements paid by landlord | 24 | — |
| | | |
| Supplemental Data: | | |
| Cash interest paid | 61,927 | 49,928 |

**NOTE 4. PROPERTY, PLANT AND EQUIPMENT**

Costs incurred in the construction of the Company's cable television system, including line extensions to, and upgrade of, the Company's hybrid fiber-coaxial infrastructure and headend facilities are capitalized. These costs consist of materials, subcontractor labor, direct consulting fees, and internal labor and related costs associated with the construction activities. The internal costs that are capitalized consist of salaries and benefits of the Company's employees and the portion of facility costs, including rent, taxes, insurance and utilities, that support the construction activities. These costs are depreciated over the estimated life of the plant (10 to 25 years) and headend facilities (4 to 25 years). Costs of operating the plant and the technical facilities, including repairs and maintenance, are expensed as incurred.

Costs incurred to connect businesses or residences that have not been previously connected to the infrastructure or digital platform are also capitalized. These costs include materials, subcontractor labor, internal labor to connect, provision and provide on-site and remote technical assistance and other related costs associated with the connection activities. In addition, on-site and remote technical assistance during the provisioning process for new digital product offerings are capitalized. The departmental activities supporting the connection process are tracked through specific metrics, and the portion of departmental costs that is capitalized is determined through a time weighted activity allocation of costs incurred based on time studies used to estimate the average time spent on each activity. New connections are amortized over the estimated useful lives of 5 years or 12 years for residence wiring and feeder cable to the home, respectively. The portion of departmental costs related to reconnection, programming service up-grade and down-grade, repair and maintenance, and disconnection activities are expensed as incurred.

The estimated useful lives assigned to property, plant and equipment are reviewed on an annual basis or more frequently if circumstances warrant and such lives are revised to the extent necessary due to changing facts and circumstances. Any changes in estimated useful lives are reflected prospectively.

Property, plant and equipment consist of the following assets, which are depreciated or amortized on a straight-line basis over the estimated useful lives shown below:

| | December 31, | | Estimated |
|---|---|---|---|
| | 2012 | 2011 | Useful Lives |
| Customer equipment | $ 109,868 | $ 95,126 | 3 to 5 years |
| Headends and related equipment | 113,852 | 96,630 | 3 to 25 years |
| Central office equipment | 13,194 | 11,614 | 3 to 10 years |
| Infrastructure | 349,761 | 313,063 | 3 to 25 years |
| Equipment and software | 20,391 | 18,395 | 3 to 6 years |
| Construction in progress (including materials and supplies) | 9,135 | 23,137 | |
| Furniture and fixtures | 5,181 | 4,891 | 3 to 8 years |
| Transportation equipment | 13,680 | 10,650 | 3 to 10 years |
| Buildings and building improvements | 17,680 | 16,787 | 7 to 36 years |
| Leasehold improvements | 4,860 | 4,260 | Term of lease |
| Land | 9,322 | 9,145 | |
| | 666,924 | 603,698 | |
| Less accumulated depreciation and amortization | (248,040) | (125,203) | |
| | $ 418,884 | $ 478,495 | |

Depreciation and amortization expense for the years ended December 31, 2012 and 2011, related to property, plant, and equipment amounted to $124,347 and $119,978, respectively. The Company acquired approximately $3,124 and $16,048 of property, plant and equipment that was accrued but unpaid, at December 31, 2012 and 2011, respectively.

Included in property, plant and equipment, net in the accompanying balance sheets as of December 31, 2012 and 2011, is $452 and $532, respectively, representing a reserve established and recognized in depreciation expense, based upon the Company's historical experience, to provide for equipment at customer locations that may not be returned when the customer is disconnected from the cable service.

Certain property, plant and equipment with an aggregate cost of approximately $7,885 and a net book value of $4,260, was disposed of in 2012 for $66 in cash, resulting in a loss of approximately $4,194 and recognized in depreciation expense. Additionally, in 2012, $68 was paid for costs incurred primarily related to the removal of retired assets.

Certain property, plant, and equipment with an aggregate cost of approximately $678 and a net book value of $489, was disposed of in 2011 for $26 in cash, resulting in a loss of approximately $463 and recognized in depreciation expense. Additionally, in 2011, $4 was paid for costs incurred primarily related to the removal of retired assets.

During 2012, the Company acquired certain consumer premise and scalable infrastructure equipment from a subsidiary of Cablevision, which had a gross book value and a net book value of $2,125 and $10, respectively. Additionally, during 2011, a subsidiary of Cablevision transferred certain customer equipment, which had an original gross book value and a net book value of $695 and $0, respectively, to the Company. In addition, during 2011, the Company transferred certain equipment to a subsidiary of Cablevision, which had a net book value of $34. As these entities are under common control, no gain or loss has been recognized as a result of these transactions.

## NOTE 5. INTANGIBLE ASSETS

The following table summarizes information relating to the Company's acquired intangible assets at December 31, 2012 and 2011:

| | December 31, | | | | Estimated |
|---|---|---|---|---|---|
| | 2012 | | 2011 | | Useful Lives |
| Customer relationships | $ | 211,350 | $ | 211,350 | 9 years |
| Less: Accumulated amortization | | (81,434) | | (44,088) | |
| | $ | 129,916 | $ | 167,262 | |
| Other amortizable intangibles | $ | 1,984 | $ | 1,920 | 3 to 18 years |
| Less: Accumulated amortization | | (596) | | (295) | |
| | $ | 1,388 | $ | 1,625 | |
| Customer relationships, net of accumulated amortization | $ | 129,916 | $ | 167,262 | |
| Other amortizable intangible assets, net of accumulated amortization | | 1,388 | | 1,625 | |
| Indefinite-lived cable television franchises | | 508,380 | | 508,380 | |
| Indefinite-lived FCC licenses | | 4,232 | | 4,232 | |
| Goodwill | | 167,736 | | 167,736 | |
| Total intangible assets, net | $ | 811,652 | $ | 849,235 | |

Amortization expense for the years ended December 31, 2012 and 2011 amounted to $37,647 and $42,324, respectively.

| Estimated amortization expense | | |
|---|---|---|
| Year ending December 31, 2013 | $ | 32,967 |
| Year ending December 31, 2014 | | 28,034 |
| Year ending December 31, 2015 | | 23,338 |
| Year ending December 31, 2016 | | 18,641 |
| Year ending December 31, 2017 | | 13,944 |

There were no accumulated impairment losses related to goodwill as of December 31, 2012 and 2011.

## NOTE 6. OPERATING LEASES

The Company leases certain business offices and related facilities under terms of leases expiring at various dates through 2036. The leases generally provide for escalating rentals over the term of the lease plus certain real estate taxes and other costs or credits. Costs associated with such operating leases are recognized on a straight-line basis over the initial lease term. The difference between rent expense and rent paid is recorded as deferred rent.

In addition, the Company rents space on utility poles for its operations. The Company's pole rental agreements are for varying terms, and management anticipates renewals as they expire.

Rent expense and pole rental expense for the years ended December 31, 2012 and 2011 are as follows:

| | Years Ended December 31, | |
|---|---|---|
| | 2012 | 2011 |
| Rent expense | $ 2,868 | $ 2,494 |
| Pole rental expense | 1,135 | 1,281 |

The minimum future annual payments for all operating leases (with initial or remaining terms in excess of one year) during the next five years and thereafter, including pole rentals from January 1, 2013 through December 31, 2017, at rates now in force are as follows:

| | |
|---|---|
| 2013 | $ 1,826 |
| 2014 | 2,235 |
| 2015 | 1,998 |
| 2016 | 1,900 |
| 2017 | 1,655 |
| Thereafter | 549 |

## NOTE 7. DEBT

*Credit Facility*

The Company has a $840,000 senior secured credit facility which is comprised of two components: a $765,000 term loan facility (of which $749,700 was outstanding at December 31, 2012) and a $75,000 revolving loan facility (collectively, the "Credit Agreement"). In December 2010, the full $765,000 amount of the term loan facility was drawn, net of an original issue discount of approximately $7,700. The revolving loan facility, which includes a $25,000 sublimit for the issuance of standby letters of credit and a $5,000 sublimit for swingline loans, was not drawn in connection with the transaction. Such revolving loan facility is expected to be available to provide for ongoing working capital requirements and for other general corporate purposes of the Company and its subsidiaries. At December 31, 2012, $300 of the revolving loan facility was restricted for certain letters of credit and $74,700 of the revolver was undrawn and available to be drawn, subject to covenant limitations.

Borrowings under the Credit Agreement bear interest at a floating rate, which at the option of the Company may be either 2.0% over a floating base rate or 3.0% over an adjusted LIBOR rate, subject to a LIBOR floor of 1.50%. The Credit Agreement requires the Company to pay a commitment fee of 0.75% in respect of the average daily unused commitments under the revolving credit facility. The Company is also required to pay customary letter of credit fees, as well as fronting fees, to banks that issue letters of credit pursuant to the Credit Agreement. The interest rate on the $765,000 term loan facility was 4.5% at December 31, 2012.

All obligations under the Credit Agreement are guaranteed by each of the Company's existing and future direct and indirect domestic subsidiaries that are not designated as unrestricted subsidiaries in accordance with the Credit Agreement (the "Guarantors"). All obligations under the Credit Agreement, including the guarantees of those obligations, will be secured by certain assets of the Company and the Guarantors, including a pledge of the equity interests of the Company.

The Company may voluntarily prepay outstanding loans under the Credit Agreement at any time, in whole or in part, without premium or penalty (except for customary breakage costs with respect to Eurodollar loans, if applicable). If the Company makes a prepayment of term loans in connection with certain refinancing transactions, the Company must pay a prepayment premium of 1% of the amount of term loans prepaid.

With certain exceptions, the Company is required to make mandatory prepayments in certain circumstances, including (i) a specified percentage of excess cash flow depending on its cash flow ratio, (ii) from the net cash proceeds of certain sales of assets (subject to reinvestment rights), (iii) from casualty insurance and/or condemnation proceeds, and (iv) upon the incurrence of certain indebtedness.

The term loan facility requires remaining quarterly repayments of $1,913 through September 2017, and a final payment of approximately $713,363 upon maturity in December 2017. Any amounts outstanding under the revolving loan facility are due at maturity in December 2015. In connection with the Credit Agreement, the Company incurred deferred financing costs of $20,754, which are being amortized to interest expense over the term of the credit agreement.

The Credit Agreement contains customary affirmative and negative covenants and also requires the Company to comply with the following financial covenants: (i) a maximum ratio of total indebtedness to operating cash flow (as defined) of 6.75:1 decreasing periodically to 5.00:1 on March 31, 2014; (ii) a minimum ratio of operating cash flow (as defined) to interest expense of 2.25:1 increasing periodically to 2.75:1 on March 31, 2014, and (iii) minimum liquidity (as defined) of $25,000.

The Company was in compliance with all of its financial covenants under its credit agreement as of December 31, 2012.

*Senior Notes*

In December 2010, the Company issued $250,000 aggregate principal amount of 8% senior notes due December 15, 2018 (the "Notes"). The Notes are guaranteed by all of the Company's existing subsidiaries that are not designated as unrestricted subsidiaries and will be guaranteed by certain of the Company's future subsidiaries. At any time prior to December 15, 2013, the Company may redeem some or all of the Notes at a specified "make-whole" price plus accrued and unpaid interest to the redemption date. Beginning on or after December 15, 2013, the Company may redeem some or all of the Notes at a redemption price equal to 106% declining annually to 100% beginning on December 15, 2016. In connection with the issuance of the Notes, the Company incurred deferred financing costs of $5,781, which are being amortized to interest expense over the term of the Notes.

Summary of Five-Year Debt Maturities

Total amounts payable by the Company under its various debt obligations outstanding as of December 31, 2012, during the five years subsequent to December 31, 2012 are as follows:

| Years Ending December 31, | | |
|---|---|---|
| 2013 | $ | 7,650 |
| 2014 | | 7,650 |
| 2015 | | 7,650 |
| 2016 | | 7,650 |
| 2017 | | 719,100 |

**NOTE 8. FAIR VALUE MEASUREMENT**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect a reporting entity's pricing based upon their own market assumptions. The fair value hierarchy consists of the following three levels:

- Level I - Quoted prices for identical instruments in active markets.
- Level II - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level III - Instruments whose significant value drivers are unobservable.

The following table presents for each of these hierarchy levels, the Company's financial assets that are measured at fair value on a recurring basis at December 31, 2012 and 2011:

| | Level I | Level II | Level III | Total |
|---|---|---|---|---|
| Assets: | | | | |
| Money market funds: | | | | |
| December 31, 2012 | $ 22,362 | $ — | $ — | $ 22,362 |
| December 31, 2011 | $ 18,677 | $ — | $ — | $ 18,677 |

The Company's cash equivalents are classified within Level I of the fair value hierarchy because they are valued using quoted market prices.

In addition, the Company did not have any impairments related to nonfinancial assets not measured at fair value on a recurring basis.

**Fair Value of Financial Instruments**

The following methods and assumptions were used to estimate fair value of each class of financial instruments for which it is practicable to estimate:

*Credit Facility Debt and Senior Notes*

The fair values of each of the Company's debt instruments are based on quoted market prices for the same or similar issues or on the current rates offered to the Company for instruments of the same remaining maturities.

The carrying values, estimated fair values and classification under the fair value hierarchy of the Company's financial instruments at December 31, 2012 and 2011 are summarized as follows:

| | | December 31, 2012 | |
|---|---|---|---|
| | Fair Value Hierarchy | Carrying Amount | Estimated Fair Value |
| Debt instruments: | | | |
| Credit facility debt[(a)] | Level II | $ 744,105 | $ 752,699 |
| Senior notes | Level II | 250,000 | 270,000 |
| | | $ 994,105 | $ 1,022,699 |

(a) The carrying amount of the credit facility debt is net of an original issue discount of $5,595 at December 31, 2012.

| | December 31, 2011 | |
|---|---|---|
| | Carrying Amount | Estimated Fair Value |
| Debt instruments: | | |
| Credit facility debt[(a)] | $ 750,734 | $ 749,777 |
| Senior notes | 250,000 | 260,000 |
| | $ 1,000,734 | $ 1,009,777 |

(a) The carrying amount of the credit facility debt is net of an original issue discount of $6,616 at December 31, 2011.

Fair value estimates related to the Company's debt instruments presented above are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgments and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

**NOTE 9. INCOME TAXES**

The Company is a single-member limited liability company, indirectly wholly-owned by Cablevision, a taxable corporation. As such, the Company is treated as a division of Cablevision and is included in the consolidated income tax returns of Cablevision for federal and state income tax purposes. Accordingly, the income tax provision is determined on a stand-alone basis as if the Company filed separate income tax returns.

Income tax benefit of the Company for the years ended December 31, 2012 and 2011 consists of the following components:

| | Years Ended December 31, 2012 | Years Ended December 31, 2011 |
|---|---|---|
| Current benefit: | | |
| Federal | $ (28,321) | $ (48,463) |
| State | (3,926) | (6,815) |
| | (32,247) | (55,278) |
| Deferred expense: | | |
| Federal | 11,452 | 23,131 |
| State | 1,500 | 3,242 |
| | 12,952 | 26,373 |
| Income tax benefit | $ (19,295) | $ (28,905) |

The income tax benefit of the Company for the years ended December 31, 2012 and 2011 differs from the amount derived by applying the statutory federal rate to the pretax loss due principally to the effect of the following items:

| | Years Ended December 31, 2012 | Years Ended December 31, 2011 |
|---|---|---|
| Federal tax benefit at statutory rate | $ (20,400) | $ (27,481) |
| State income taxes, net of federal benefit | (1,798) | (2,396) |
| Changes in the valuation allowance | 2,788 | 892 |
| Nondeductible expenses | 105 | 57 |
| Other | 10 | 23 |
| Income tax benefit | $ (19,295) | $ (28,905) |

The tax effects of temporary differences that give rise to significant portions of deferred tax assets or liabilities and the corresponding valuation allowance at December 31, 2012 and 2011 are as follows:

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| Deferred Tax Asset (Liability) | | |
| *Current* | | |
| Allowance for doubtful accounts | $ 160 | $ 240 |
| Compensation and benefit plans | 543 | 376 |
| Deferred revenue | 1,997 | — |
| Deferred tax asset | 2,700 | 616 |
| Valuation allowance | (1,640) | (616) |
| Net deferred tax asset, current | 1,060 | — |
| Prepaid expenses | (1,060) | — |
| Deferred tax liability, current | (1,060) | — |
| Net deferred tax asset, current | — | — |
| *Noncurrent* | | |
| Compensation and benefit plans | 977 | 276 |
| Deferred revenue | 1,063 | — |
| Deferred tax asset | 2,040 | 276 |
| Valuation allowance | (2,040) | (276) |
| Net deferred tax asset, noncurrent | — | — |
| Fixed assets and intangible assets | (68,426) | (55,474) |
| Deferred tax liability, noncurrent | (68,426) | (55,474) |
| Net deferred tax liability, noncurrent | (68,426) | (55,474) |
| Total net deferred tax liability | $ (68,426) | $ (55,474) |

The increase in the deferred tax liability from December 31, 2011 to December 31, 2012 is primarily attributable to the estimated impact of additional first-year bonus depreciation deductions for certain capital expenditures and amortization of intangible assets.

Deferred tax assets have resulted from the Company's future deductible temporary differences. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax asset will not be realized. The Company's ability to realize its deferred tax assets depends upon the generation of sufficient future taxable income to allow for the realization of its future deductible temporary differences. Management evaluates the realizability of the deferred tax assets and the need for valuation allowances on a quarterly basis. As of December 31, 2012, based on current facts and circumstances, management believes that it is more likely than not that the Company will not realize the benefit associated with its gross deferred tax assets.

The Company has not recorded any liabilities for uncertain tax positions. The Company's policy is to reflect interest and penalties associated with uncertain tax positions as a component of income tax expense. Changes in the liabilities for uncertain tax positions, if any, will be recognized in the interim period in which the positions are effectively settled or there is a change in factual circumstances.

## NOTE 10. AFFILIATE TRANSACTIONS

The Company receives services from subsidiaries of Cablevision. As many of these transactions are conducted between subsidiaries under common control of Cablevision, amounts charged for these services have not necessarily been based upon arm's length negotiations. It is not practicable to determine whether the amounts charged for such services represent amounts that it might have incurred on a stand-alone basis.

A subsidiary of Cablevision has entered into agreements with certain third party providers of cable television programming on behalf of Cablevision and its subsidiaries, including the Company. Such agreements generally provide for payment based upon either a monthly fee per subscriber per channel or a percentage of certain subscriber revenues. The Company is charged or the Company directly pays for programming services received under these agreements. Such charges are included in technical and operating expenses in the accompanying consolidated statements of operations and were $104,711 and $99,089 for the years ended December 31, 2012 and 2011, respectively.

Affiliates of Cablevision are engaged in providing cable television programming and other services to the cable television industry. For the years ended December 31, 2012 and 2011, the Company was charged approximately $1,844 and $1,437, respectively, by these affiliates for such services. Such amounts are included in technical and operating expenses in the accompanying consolidated statements of operations.

Additionally, in 2012, the Company charged $323 of costs to a subsidiary of Cablevision for Superstorm Sandy remediation support. These charges were recognized as a reduction of technical and operating expenses.

General and administrative costs, including costs of maintaining corporate headquarters and common support functions (such as human resources, legal, finance, accounting, tax, audit, treasury, strategy planning, information technology, and insurance, etc.) have been allocated by Cablevision to the Company. Such charges are included in selling, general, and administrative expenses in the accompanying consolidated statements of operations and were $6,454 and $6,146 for the years ended December 31, 2012 and 2011, respectively.

A subsidiary of Cablevision allocated costs for common support functions (such as billing and collections, customer service, sales and telemarketing, and administration, etc.) to the Company. Such charges are included in selling, general, and administrative expenses in the accompanying consolidated statements of operations and were $1,779 and $148 for the years ended December 31, 2012 and 2011, respectively.

Cablevision charges to the Company its proportionate share of expenses or benefits related to Cablevision's employee share-based and long-term incentive plans. For the years ended December 31, 2012 and 2011, the Company recorded expenses of $2,230 and $1,110, respectively, for its proportionate share of Cablevision's share-based compensation expense and $386 and $395, respectively, related to Cablevision's long-term incentive plans. Such amounts are included in selling, general and administrative expenses in the accompanying consolidated statements of operations. Share-based compensation expense allocated to the Company is reflected as capital contributions from Cablevision in the consolidated financial statements. Liabilities related to Cablevision's long-term incentive plans are funded by the Company and aggregate liabilities of $440 and $247 related to these plans are included in accrued employee related costs and other liabilities in the Company's consolidated balance sheets at December 31, 2012 and 2011, respectively. These liabilities include certain Cablevision annual performance based awards for which the performance criteria had not been met as of December 31, 2012 as such awards are based on achievement of certain performance criteria through December 31, 2014. The Company has accrued an amount that Cablevision currently believes will ultimately be paid based upon the performance criteria established for these performance based awards. If it is subsequently determined by Cablevision that the performance criteria for such awards is not probable of being achieved, the Company would reverse the accrual in respect of such award at that time.

Starting in May 2011, the Company began utilizing certain components of Cablevision's switching facilities to provide VoIP services to new or migrated customers. Cablevision does not charge a fee for the use of the facilities.

During 2012, the Company received certain customer premise and scalable infrastructure equipment from a subsidiary of Cablevision, which had a gross book value and a net book value of $2,125 and $10, respectively.

During 2011, a subsidiary of Cablevision transferred certain consumer premise equipment, which had a gross book value and a net book value of $695 and $0, respectively, to the Company. In addition, the Company received certain support equipment from a subsidiary of Cablevision, which had a gross and a net book value of $32. Also, the Company transferred certain equipment to a subsidiary of Cablevision, which had a gross and net book value of $46 and $34, respectively.

**NOTE 11. BENEFIT PLANS**

The Company sponsors a 401(k) savings plan for the majority of its employees. The plan allows employees to contribute a portion of their pretax income in accordance with specified guidelines. Employee contributions are matched up to certain limits.

Matching contributions made by the Company for the year ended December 31, 2012 and 2011 amounted to $1,279 and $1,212, respectively.

## NOTE 12. COMMITMENTS AND CONTINGENCIES

*Commitments*

Future cash payments and commitments required under arrangements pursuant to contracts entered into by the Company in the normal course of business as of December 31, 2012 are as follows:

| | Payments Due by Period | | | | |
|---|---|---|---|---|---|
| | Total | Year 1 | Years 2-3 | Years 4-5 | More than 5 years |
| Off balance sheet arrangements: | | | | | |
| Purchase obligations[(a)] | $ 526,506 | $ 137,398 | $ 218,218 | $ 154,338 | $ 16,552 |
| Letters of credit[(b)] | 300 | — | 300 | — | — |
| Total | $ 526,806 | $ 137,398 | $ 218,518 | $ 154,338 | $ 16,552 |

(a) Purchase obligations primarily include contractual commitments with various programming vendors to provide video services to the Company's subscribers and minimum purchase obligations to purchase goods or services. Future fees payable under contracts with programming vendors are based on numerous factors, including the number of subscribers receiving the programming. Amounts reflected above related to programming agreements are based on the number of subscribers receiving the programming as of December 2012 multiplied by the per subscriber rates or the stated annual fee, as applicable, contained in the executed agreements in effect as of December 31, 2012.

(b) Consists primarily of letters of credit obtained by the Company in favor of certain governmental authorities. Amounts due by period for this off balance sheet arrangement represent the year in which the commitment expires.

Legal Matters

*Montana Property Tax Matter*

The Montana Department of Revenue ("MT DOR") generally assesses property taxes on cable companies at 3% and on telephone companies at 6%. Historically, the Company's cable and telephone businesses have been taxed separately by the MT DOR. In 2010, the MT DOR assessed the Company as a single telephone business and retroactively assessed it as such for 2007 through 2009. The Company filed a declaratory judgment action against the MT DOR in Montana State Court challenging its property tax classifications for 2007 through 2010. Under Montana law, a taxpayer must first pay a current assessment of disputed property tax in order to challenge such assessment. In accordance with that law, the Company paid the disputed 2010 property tax assessment of $5,384 under protest, which the Company expensed when the payments were made. In the fourth quarter of 2011, the Company paid and expensed the first half of the 2011 protest assessment of $5,456 and in the second quarter of 2012, the Company paid and expensed the second half of the 2011 protest assessment of $5,456, which is included in technical and operating expense. No provision for additional tax for 2007 through 2009, which could be up to approximately $15,000, including interest, has been made. On September 26, 2011, the Court granted the Company's summary judgment motion seeking to vacate the MT DOR's retroactive tax assessments for the years 2007, 2008, and 2009. The MT DOR's assessment for 2010 was the subject of a trial which took place the week of October 24, 2011, in Billings, Montana. On July 6, 2012, the Court entered judgment in favor of the Company, ruling that the MT DOR's 2010 assessment was invalid and contrary to law, vacating the 2010 assessment, and directing that the MT DOR refund the amounts paid by the Company under protest, plus interest and certain costs. The MT DOR filed a notice of appeal to the Montana Supreme Court on September 20, 2012 and filed its opening brief on January 15, 2013. The Company's response is due March 15, 2013. The judgment is not final until it is affirmed on appeal. Pending entry of a final judgment, the MT DOR continues to hold the Company's protest payments for 2010 ($5,384) and 2011 ($10,912) in escrow and continues to assess the Company as a single telephone business for 2012. The Company continues to make additional protest payments until a final judgment is entered and applied to subsequent assessments. The first half of the 2012 protest assessment of $4,607 was paid on November 30, 2012; the second half is due May 31, 2013.

*Other Matters*

*Mortensen, et al. v. Bresnan Communications*: On February 16, 2010, a purported class action was filed against Bresnan Communications, LLC ("BCL"), a wholly-owned subsidiary of the Company, in the U.S. District Court for the District of Montana. The allegations arise out of a limited online trial of a software system designed by a third party advertising network, NebuAd, for delivery of advertisements to computer users while they are navigating the Internet. The trial of the NebuAd technology involved approximately 6,000 customers and ran from April 1, 2008 to June 26, 2008. The plaintiffs allege that as a result of this trial their electronic communications were intercepted and used in violation of federal and state electronic privacy laws. BCL filed a motion to dismiss and a motion to compel arbitration. In December 2010, the Court granted in part and denied in part BCL's motion to dismiss, dismissing the federal Wiretap Act and state invasion of privacy claims, while declining to dismiss, as a matter of law, claims made under the federal Computer Fraud and Abuse Act and state trespass to chattels law. In January 2011, BCL answered these two remaining counts of the complaint. In November 2010, the Court denied BCL's motion to compel arbitration. BCL filed a motion for reconsideration which the Court denied in September 2011. In October 2011, BCL appealed this ruling to the Ninth Circuit. Pending consideration of the appeal by the Ninth Circuit, the District Court has no authority to proceed with the case. BCL intends to vigorously defend its position in this action, and based on the Company's assessment of this contingency, no provision has been made for this matter in the accompanying consolidated financial statements.

In addition to the matters discussed above, the Company is party to various lawsuits, some involving claims for substantial damages. Although the outcome of these other matters cannot be predicted and the impact of the final resolution of these other matters on the Company's results of operations in a particular subsequent reporting period is not known, management does not believe that the resolution of these other lawsuits will have a material adverse effect on the financial position of the Company or the ability of the Company to meet its financial obligations as they become due.

**NOTE 13. INTERIM FINANCIAL INFORMATION (Unaudited)**

The following is a summary of the Company's selected quarterly financial data for the years ended December 31, 2012 and 2011:

| 2012: | Quarter Ended March 31, | Quarter Ended June 30, | Quarter Ended September 30, | Quarter Ended December 31, | Total |
|---|---|---|---|---|---|
| Revenues, net | $ 123,532 | $ 125,336 | $ 128,484 | $ 131,360 | $ 508,712 |
| Operating expenses | (123,050) | (129,254) | (124,203) | (130,894) | (507,401) |
| Operating income (loss) | $ 482 | $ (3,918) | $ 4,281 | $ 466 | $ 1,311 |
| Net loss | $ (8,999) | $ (12,020) | $ (8,561) | $ (9,411) | $ (38,991) |

| 2011: | Quarter Ended March 31, | Quarter Ended June 30, | Quarter Ended September 30, | Quarter Ended December 31, | Total |
|---|---|---|---|---|---|
| Revenues, net | $ 114,917 | $ 117,057 | $ 117,588 | $ 122,093 | $ 471,655 |
| Operating expenses | (113,590) | (120,171) | (125,420) | (131,253) | (490,434) |
| Operating income (loss) | $ 1,327 | $ (3,114) | $ (7,832) | $ (9,160) | $ (18,779) |
| Net loss | $ (8,347) | $ (11,211) | $ (15,459) | $ (14,596) | $ (49,613) |

**NOTE 14. VALUATION AND QUALIFYING ACCOUNTS**

The following table summarizes the activities in the Company's allowance for doubtful accounts for the years ended December 31, 2012 and 2011:

| | Balance at Beginning of Period | Provision for Bad Debt | Deductions/Write-Offs and Other Charges | Balance at End of Period |
|---|---|---|---|---|
| Year ended December 31, 2012 | | | | |
| Allowance for doubtful accounts | $ 632 | $ 4,145 | $ (4,355) | $ 422 |
| Year ended December 31, 2011 | | | | |
| Allowance for doubtful accounts | $ 155 | $ 3,660 | $ (3,183) | $ 632 |

**NOTE 15. SUBSEQUENT EVENTS**

In February 2013, Cablevision entered into a purchase agreement pursuant to which Charter Communications Operating, LLC will acquire the Company for $1,625,000 in cash, subject to certain adjustments, including a reduction for certain funded indebtedness of the Company. The closing of the transactions contemplated by the purchase agreement is subject to customary closing conditions, including the expiration or early termination of the waiting period applicable under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and receipt of FCC approvals, franchise approvals covering not less than 80% of the Company's video customers as of the date of the purchase agreement and certain state telecommunication authorizations. The closing of the transactions contemplated by the purchase agreement is expected to occur during the third quarter of 2013. However, there can be no assurances that the conditions to closing set forth in the purchase agreement will be satisfied or waived or that the closing will occur at all. The purchase agreement does not provide any post-closing recourse against Cablevision or its subsidiaries.

The Company has evaluated events subsequent to the balance sheet date through February 28, 2013, the date the Company's consolidated financial statements for the year ended December 31, 2012 were available to be issued. Other than the event discussed above, there have not been any other material events that have occurred that would require adjustment to or disclosure in the Company's consolidated financial statements.

Exhibit 99.2

# Bresnan Broadband Holdings, LLC and Subsidiaries

## CONSOLIDATED FINANCIAL STATEMENTS
## DECEMBER 14, 2010 THROUGH DECEMBER 31, 2010 (SUCCESSOR);
## JANUARY 1, 2010 THROUGH DECEMBER 13, 2010 (PREDECESSOR)

## Independent Auditors' Report

The Member
Bresnan Broadband Holdings, LLC:

We have audited the accompanying consolidated balance sheet of Bresnan Broadband Holdings, LLC and subsidiaries (Successor) as of December 31, 2010, and the related consolidated statement of operations, member's capital and cash flow for the period December 14, 2010 through December 31, 2010. We have also audited the accompanying consolidated statements of operations, members' deficiency and cash flow of Bresnan Broadband Holdings, LLC and subsidiaries (Predecessor) for the period January 1, 2010 through December 13, 2010. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the aforementioned Successor consolidated financial statements present fairly, in all material respects, the financial position of Bresnan Broadband Holdings, LLC and subsidiaries (Successor) as of December 31, 2010, and the results of their operations and their cash flows for the period December 14, 2010 through December 31, 2010, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the aforementioned Predecessor consolidated financial statements present fairly, in all material respects, the results of operations and cash flows of Bresnan Broadband Holdings, LLC and subsidiaries (Predecessor) for the period January 1, 2010 through December 13, 2010, in conformity with U.S. generally accepted accounting principles.

As discussed in notes 1 and 2 to the consolidated financial statements, effective December 14, 2010, an indirect wholly owned subsidiary of Cablevision Systems Corporation acquired all of the outstanding stock of Bresnan Broadband Holdings, LLC in a business combination accounted for as a purchase. As a result of the acquisition, the consolidated financial information for the period after the acquisition is presented on a different cost basis than that for the period before the acquisition and, therefore, is not comparable.

/s/ KPMG LLP
May 9, 2011
New York, New York

**BRESNAN BROADBAND HOLDINGS, LLC and SUBSIDIARIES (SUCCESSOR)**
**CONSOLIDATED BALANCE SHEET**
**DECEMBER 31, 2010**
**(Dollars in thousands)**
**(See Note 2)**

| | | |
|---|---|---|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | $ | 25,998 |
| Accounts receivable, trade (less allowance for doubtful accounts of $155) | | 6,181 |
| Prepaid expenses and other current assets | | 3,809 |
| Total current assets | | 35,988 |
| Property, plant and equipment, net of accumulated depreciation of $4,732 | | 502,452 |
| Other assets | | 525 |
| Cable television franchise costs | | 508,380 |
| Customer relationships, net of accumulated amortization of $2,045 | | 209,305 |
| Other amortizable intangibles, net of accumulated amortization of $14 | | 1,906 |
| FCC licenses | | 4,232 |
| Goodwill | | 167,030 |
| Deferred financing costs, net of accumulated amortization of $156 | | 25,939 |
| | $ | 1,455,757 |
| LIABILITIES AND TOTAL MEMBER'S CAPITAL | | |
| Current Liabilities: | | |
| Accounts payable | $ | 20,441 |
| Accrued liabilities: | | |
| Franchise costs | | 3,925 |
| Interest | | 2,269 |
| Employee related costs | | 5,624 |
| Other accrued expenses | | 18,145 |
| Accounts payable to affiliates | | 20,436 |
| Deferred revenue | | 3,358 |
| Credit facility debt | | 7,650 |
| Total current liabilities | | 81,848 |
| Other liabilities | | 23 |
| Deferred tax liability | | 29,042 |
| Credit facility debt | | 749,749 |
| Senior notes | | 250,000 |
| Total liabilities | | 1,110,662 |
| Commitments and contingencies | | |
| Member's Capital | | 345,095 |
| | $ | 1,455,757 |

See accompanying notes to consolidated financial statements.

**BRESNAN BROADBAND HOLDINGS, LLC and SUBSIDIARIES**
**CONSOLIDATED STATEMENT OF OPERATIONS**
**(Dollars in thousands)**
**(See Note 2)**

| | December 14, 2010 through December 31, 2010 (Successor) | January 1, 2010 through December 13, 2010 (Predecessor) |
|---|---|---|
| Revenues, net | $ 22,135 | $ 422,846 |
| Operating expenses: | | |
| Technical and operating (excluding depreciation and amortization shown below) | 25,117 | 199,412 |
| Selling, general and administrative | 4,247 | 68,635 |
| Depreciation and amortization | 6,791 | 77,245 |
| | 36,155 | 345,292 |
| Operating income (loss) | (14,020) | 77,554 |
| | | |
| Other income (expense): | | |
| Interest expense | (6,589) | (27,083) |
| Gain on asset disposals and divestiture of cable television systems | — | 5,086 |
| Gain on interest rate swaps | — | 5,548 |
| Miscellaneous, net | (1) | (21) |
| | (6,590) | (16,470) |
| Income (loss) before income taxes | (20,610) | 61,084 |
| Income tax benefit | 7,847 | — |
| Net income (loss) | $ (12,763) | $ 61,084 |

See accompanying notes to consolidated financial statements.

**BRESNAN BROADBAND HOLDINGS, LLC and SUBSIDIARIES**
**CONSOLIDATED STATEMENT OF CAPITAL (DEFICIENCY)**
**(Dollars in thousands)**
**(See Note 2)**

| | Common Series B | Preferred Series B | Accumulated Deficit | Total Members' Deficiency |
|---|---|---|---|---|
| **Predecessor:** | | | | |
| Balances as of January 1, 2010 | $ 48,637 | $ 32,424 | $ (183,328) | $ (102,267) |
| Net income January 1, 2010 through December 13, 2010 | — | — | 61,084 | 61,084 |
| Balance as of December 13, 2010 | $ 48,637 | $ 32,424 | $ (122,244) | $ (41,183) |

| | Total Members' Capital |
|---|---|
| **Successor:** | |
| Balance as of December 14, 2010 | $ — |
| Contribution from Cablevision | 395,000 |
| Deemed capital distribution resulting from current income tax benefit | (37,142) |
| Net loss December 14, 2010 through December 31, 2010 | (12,763) |
| Balance as of December 31, 2010 | $ 345,095 |

See accompanying notes to consolidated financial statements.

**BRESNAN BROADBAND HOLDINGS, LLC and SUBSIDIARIES**
**CONSOLIDATED STATEMENT OF CASH FLOWS**
**(Dollars in thousands)**
**(See Note 2)**

| | December 14, 2010 through December 31, 2010 (Successor) | January 1, 2010 through December 13, 2010 (Predecessor) |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Net income (loss) | $ (12,763) | $ 61,083 |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | |
| Depreciation and amortization | 6,791 | 77,245 |
| Gain on asset disposals and divestiture of cable television systems | — | (5,086) |
| Amortization of deferred financing costs | 205 | 1,292 |
| Gain on interest rate swaps | — | (5,548) |
| Deferred income tax expense | 29,295 | — |
| Deemed capital distribution resulting from current income tax benefit | (37,142) | — |
| Provision for doubtful accounts | 155 | — |
| Changes in assets and liabilities: | | |
| Accounts receivable | (1,544) | (8,321) |
| Prepaid expenses and other current assets | (621) | 250 |
| Accounts payable to affiliate, net | 20,436 | — |
| Accounts payable, employee compensation and benefits, and other current liabilities | 8,811 | (10,838) |
| Net cash provided by operating activities | 13,623 | 110,077 |
| **Cash flows from investing activities:** | | |
| Capital expenditures | (7,380) | (47,223) |
| Divestiture of cable television systems | — | 9,607 |
| Other intangible assets | — | (2,675) |
| Acquired property and equipment | — | (5,473) |
| Other, net | — | (65) |
| Net cash used in investing activities | (7,380) | (45,829) |
| **Cash flows from financing activities:** | | |
| Proceeds from credit facility debt | 757,350 | 167,300 |
| Repayments of credit facility debt | — | (241,288) |
| Proceeds from issuance of senior notes | 250,000 | — |
| Contribution from CSC Holdings | 395,000 | — |
| Payments from unwinding of interest rate swaps | — | (11,312) |
| Distribution to Bresnan members | (1,356,500) | — |
| Addition to deferred financing costs | (26,095) | — |
| Net cash provided by (used in) financing activities | 19,755 | (85,300) |
| Net increase (decrease) in cash | 25,998 | (21,052) |
| Cash and cash equivalents, beginning of period | — | 21,052 |
| Cash and cash equivalents, end of period | $ 25,998 | $ — |
| **Supplemental disclosures of cash flow information:** | | |
| Cash paid for interest and fees | $ 4,115 | $ 29,900 |

See accompanying notes to consolidated financial statements.

## NOTE I. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

*Nature of Operations*

Bresnan Broadband Holdings, LLC and its subsidiaries (the "Company") own and operate cable television systems serving customers located in Colorado, Wyoming, Montana, and Utah under nonexclusive franchises awarded by local government authorities for specified periods of time. Accordingly, the Company operates in a single industry segment. The Company's revenues are derived principally from cable television operations, which include recurring monthly fees paid by subscribers.

On December 14, 2010, BBHI Holdings LLC ("Holdings Sub"), BBHI Acquisition LLC ("Acquisition Sub") and. CSC Holdings, LLC ("CSC Holdings") each of which is a wholly-owned subsidiary of Cablevision Systems Corporation ("Cablevision"), consummated the merger contemplated by the Agreement and Plan of Merger by and among Holdings Sub, Acquisition Sub, CSC Holdings, the Company and Providence Equity Bresnan Cable LLC dated June 13, 2010 (the "Merger Agreement"). Acquisition Sub merged with and into the Company, with the Company being the surviving entity, and becoming a direct wholly-owned subsidiary of Holdings Sub and an indirect wholly-owned subsidiary of Cablevision and CSC Holdings. The purchase price was $1,363,922 subject to final working capital adjustments. The acquisition was financed using an equity contribution by CSC Holdings of $395,000 and debt consisting of an undrawn $75,000 revolving credit facility, a $765,000 term loan facility and $250,000 8.0% senior notes due 2018. For income tax purposes, the acquisition was treated as an asset acquisition with a full step-up in tax basis.

*Basis of Presentation*

The accompanying consolidated financial statements of the Company have been prepared in accordance with. U.S. generally accepted accounting principles ("GAAP"). Additionally, even though the Company is not a reporting company under the Securities Exchange Act of 1934, the accompanying consolidated financial statements of the Company have been prepared in accordance with Regulation S-X of the Securities and Exchange Commission ("SEC") for annual financial information, except that the consolidated financial statements do not include a balance sheet at December 31, 2009, and statements of operations, capital (deficiency) and cash flows for the years ended December 31, 2009 and 2008, and related disclosures for such periods.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Principles of Consolidation*

The acquisition has been accounted for in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 805, Business Combinations. The Company's consolidated financial statements for the period from January 1, 2010 through December 31, 2010 are presented in two distinct periods to indicate the application of the different bases of accounting between the periods presented: (1) the period up to, and including, the acquisition date (January 1, 2010 through December 13, 2010, labeled "Predecessor") and (2) the period after that date (December 14, 2010 through December 31, 2010, labeled "Successor"). The accompanying consolidated financial statements include a black line division to indicate the application of the bases of accounting recorded by the Predecessor and Successor reporting entities.

Assets acquired and liabilities assumed by the Successor have been recorded at fair value which generally results in increased amortization and depreciation reported in subsequent periods. Accordingly, the accompanying consolidated financial statements of the Predecessor for the period January 1, 2010 through December 13, 2010 and the Successor for the period December 14, 2010 through December 31, 2010, are not comparable in all material respects.

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

*Revenue Recognition*

The Company recognizes video, high-speed data and voice revenues as the services are provided to subscribers. Video and non-video installation revenue is recognized in the period installation services are provided to the extent of direct selling costs. Any remaining amount is deferred and recognized over the estimated average period that customers are expected to remain connected to the cable distribution system. Advertising revenues are recognized when commercials are aired. Revenues derived from other sources are recognized when services are provided or events occur.

The Company has entered into agreements that obligate it to provide fiber-optic connectivity over future periods. Amounts received under these agreements are initially recorded as deferred revenue and then amortized into income over the term of the agreement.

*Gross Versus Net Revenue Recognition*

In the normal course of business, the Company is assessed non-income related taxes by governmental authorities, including franchising authorities, and collects such taxes from its customers. The Company's policy is that, in instances where the tax is being assessed directly on the Company, amounts paid to the governmental authorities and amounts received from the customers are recorded on a gross basis. That is, amounts paid to the governmental authorities are recorded as technical and operating expenses and amounts received from the customer are recorded as revenues.

Franchise fees as a component of net revenue for the period from December 14, 2010 through December 31, 2010 (Successor) amounted to $476 and for the period from January 1, 2010 through December 13, 2010 (Predecessor) amounted to $9,284.

*Technical and Operating Expenses*

Costs of revenue related to sales of services are classified as "technical and operating" expenses in the accompanying consolidated statement of operations.

*Programming Costs*

Programming expenses relate to fees paid to programming distributors to license the programming distributed to subscribers. This programming is acquired generally under multi-year distribution agreements, with rates usually based on the number of subscribers that receive the programming. When an existing affiliation agreement has expired and the parties have not finalized negotiations of either a renewal of that agreement or a new agreement, the Company generally continues to carry and pay for these services until execution of definitive replacement agreements or renewals. The amount of programming expense recorded during this interim period is based on the Company's estimates of the ultimate contractual agreement expected to be reached, and such estimates are adjusted based on the current status of negotiations until new programming terms are finalized.

In addition, the Company has received, or may receive, incentives from programming distributors for carriage of the distributors' programming. The Company generally recognizes these incentives as a reduction of programming costs in technical and operating expense, generally over the term of the programming agreement.

*Advertising Expenses*

Advertising costs are charged to expense when incurred and are recorded to "selling, general and administrative" expenses in the accompanying statements of operations.

Advertising costs for the period from December 14, 2010 through December 31, 2010 (Successor) amounted to $718 and for the period from January 1, 2010 through December 13, 2010 (Predecessor) amounted to $10,344.

*Comprehensive Income (Loss)*

Comprehensive income (loss) for the period ended December 14 through December 31, 2010 (Successor) and for the period January 1, 2010 through December 13, 2010 (Predecessor) equals net income (loss) for the respective periods.

*Cash and Cash Equivalents*

The Company's cash investments are placed with money market funds and financial institutions that are investment grade as rated by Standard & Poor's and Moody's Investors Service. The Company selects money market funds that predominantly invest in marketable, direct obligations issued or guaranteed by the United States government or its agencies, commercial paper, fully collateralized repurchase agreements, certificates of deposit, and time deposits.

The Company considers the balance of its investment in funds that substantially hold securities that mature within three months or less from the date the fund purchases these securities to be cash equivalents. The carrying amount of cash and cash equivalents either approximates fair value due to the short-term maturity of these instruments or are at fair value.

*Accounts Receivable*

The Company periodically assesses the adequacy of valuation allowances for uncollectible accounts receivable by evaluating the collectability of outstanding receivables and general factors such as length of time individual receivables are past due, historical collection experience, and the economic and competitive environment.

*Long-Lived and Indefinite-Lived Assets*

Property, plant and equipment, including construction materials, are carried at cost, and include all direct costs and certain indirect costs associated with the construction of cable television transmission and distribution systems, and the costs of new product and subscriber installations. Depreciation on equipment is calculated on the straight-line basis over the estimated useful lives of the assets or, with respect to equipment under capital leases and leasehold improvements, amortized over the shorter of the lease term or the assets' useful lives and reported in depreciation and amortization (including impairments) in the consolidated statements of operations.

Intangible assets established in connection with acquisitions consist of franchise costs, customer relationships, trademarks and other intangible assets {including Indefeasible Right to Use agreements for fiber-optic connectivity) and goodwill. Customer relationships and trademarks are amortized in a manner that reflects the pattern in which the projected net cash inflows to the Company are expected to occur, such as the sum of the years' digits method, or when such pattern does not exist, using the straight-line basis over their respective estimated useful lives. Goodwill and the value of franchises, and certain other intangibles acquired in purchase business combinations which have indefinite useful lives are not amortized.

The Company reviews its long-lived assets (property, plant and equipment, and intangible assets subject to amortization that arose from acquisitions) for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. If the sum of the expected cash flows, undiscounted and without interest, is less than the carrying amount of the asset, an impairment loss is recognized as the amount by which the carrying amount of the asset exceeds its fair value.

The Company evaluates the recoverability of its goodwill and indefinite-lived intangible assets annually or more frequently whenever events or circumstances indicate that the asset may be impaired. Goodwill impairment is determined using a two-step process. The first step of the goodwill impairment test is used to identify potential impairment by comparing the fair value of a reporting unit with its carrying amount, including goodwill utilizing an enterprise-value based premise approach. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of goodwill impairment loss, if any. The second step of the goodwill impairment test compares the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess. The implied fair value of goodwill is determined in the same manner as the amount of goodwill which would be recognized in a business combination.

The impairment test for other intangible assets not subject to amortization consists of a comparison of the fair value of the intangible asset with its carrying value. If the carrying value of the intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess.

*Deferred Financing Costs*

Costs incurred to obtain debt are deferred and amortized to interest expense over the life of the related debt.

*Derivative Instruments and Hedging Activities*

The Company accounts for derivatives and hedging activities in accordance with ASC Topic 815, Derivatives and Hedging, which requires that all derivative instruments be recorded on the balance sheet at their respective fair values. For derivatives designated as hedges, changes in the fair value are either offset against the change in fair value of the assets and liabilities through earnings, or recognized in accumulated other comprehensive income until the hedged item is recognized in earnings. When it is probable that the related forecasted transaction will not occur, the Company discontinues hedge accounting and recognizes immediately in earnings, gains, and losses that were accumulated in other comprehensive income. For derivatives not designated as hedges, the Company continues to carry the derivative at its fair value on the balance sheet and recognizes any subsequent changes in its fair value in earnings.

*Income Taxes*

The Company will be included in the consolidated federal and state income tax returns of Cablevision starting on. December 14, 2010 (Successor). The income tax expense in the consolidated statement of operations is based upon the taxable income of the Company on a separate tax return basis.

The Company's provision for income taxes for the Successor period is based on current period income and changes in deferred tax assets and liabilities. Deferred tax assets are subject to an ongoing assessment of realizability. Interest and penalties, if any, associated with uncertain tax positions are included in income tax expense. Deferred taxes have been measured using the estimated applicable corporate tax rate determined on a stand-alone basis.

Since there is no tax sharing agreement in place between the Company and Cablevision, allocable current income tax benefit for tax tosses generated by the Company that are either utilized currently or carried forward by Cablevision have been reflected as a deemed capital distribution from the Company to Cablevision. The deemed capital distribution for the period from. December 14, 2010 through December 31, 2010 (Successor) was $37,142.

*Concentrations of Credit Risk*

Financial instruments that may potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents and trade accounts receivable. Cash is invested primarily in money market funds. The Company monitors the financial institutions and money market funds where it invests its cash and cash equivalents. The Company's emphasis is primarily on safety of principal and liquidity and secondarily on maximizing the yield on its investments. The Company did not have a single customer that represented 10% or more of its consolidated net revenues for the period December 14, 2010 through December 31, 2010 (Successor) and for the period January 1, 2010 through December 13, 2010 (Predecessor). or 10% or more of its consolidated net trade receivables at December 31, 2010.

*Use of Estimates in Preparation of Financial Statements*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Commitments and Contingencies*

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the contingency can be reasonably estimated.

## NOTE 3. TRANSACTIONS

*Purchase Price Allocation and Goodwill*

As discussed in Note 1, on December 14, 2010, Holdings Sub, Acquisition Sub and CSC Holdings consummated the merger among Holdings Sub, Acquisition Sub, CSC Holdings, the Company and Providence Equity Bresnan Cable LLC dated June 13, 2010. The purchase price was $1,363,922 subject to final working capital adjustments.

The total estimated purchase price was allocated to the identifiable tangible and intangible assets acquired and the liabilities assumed based on their fair values. The excess of the estimated purchase price over those fair values was recorded as goodwill. The fair value assigned to the identifiable tangible and intangible assets acquired and liabilities assumed are based upon assumptions developed by management and other information compiled by management, including a preliminary purchase price allocation analysis.

The following table provides the allocation of the estimated purchase price of the assets acquired and liabilities assumed based on preliminary fair value information currently available, which is subject to change upon finalization:

| | Estimated Useful Life | |
|---|---|---|
| Accounts receivable | | $ 4,792 |
| Prepaid expenses and other assets | | 4,137 |
| Property and equipment | 2 to 26 years | 499,804 |
| Other amortizable intangibles | 3 to 18 years | 1,920 |
| Customer relationships | 9 years | 211,350 |
| Franchise costs | Indefinite-lived | 508,380 |
| FCC licenses | Indefinite-lived | 4,232 |
| Goodwill | Indefinite-lived | 167,030 |
| Accounts payable and accrued liabilities | | (34,473) |
| Deferred revenue | | (3,250) |
| Net assets acquired * | | $ 1,363,922 |

* At December 31, 2010, approximately $7,422 of the purchase price had not been paid and is reflected in "other accrued expenses" on the Company's consolidated balance sheet.

Identification and allocation of value to the identified intangible assets was based on the acquisition method of accounting. The fair value of the identified intangible assets was estimated by performing a discounted cash flow ("DCF") analysis using the "income" approach. Significant judgments in the preliminary purchase price included the selection of appropriate discount rates, estimating the amount and timing of estimated future cash flows attributable to the cable television franchises, identification of appropriate continuing growth rate assumptions and attributing the appropriate attrition factor for customer relationships. The projected cash flow assumptions considered contractual relationships, customer attrition, eventual development of new technologies and market competition. The discount rates used in the DCF analysis are intended to reflect the risk inherent in the projected future cash flows generated by the respective intangible assets. This method includes a forecast of direct revenues and costs associated with the respective intangible assets and charges for economic returns on tangible and intangible assets utilized in cash flow generation. Net cash flows attributable to the identified intangible assets are discounted to their present value at a rate commensurate with the perceived risk.

The fair value of tangible assets was estimated using a cost approach. A cost approach consists of either applying current pricing of the same or comparable assets based on a physical appraisal or applying current costs based on price trend indexes to historical asset costs.

The estimates of expected useful lives take into consideration the effects of contractual relationships, customer attrition, eventual development of new technologies and market competition.

Approximately $166,700 of goodwill recorded in connection with the acquisition is deductible for tax purposes.

The unaudited pro forma revenues and net income for the year ended December 31, 2010 are presented as if the acquisition had occurred on January 1, 2010. The pro forma results are not necessarily indicative of the results that would have occurred if the acquisition had been in effect on the dates indicated, or which may result in future periods.

| | Year ended December 31, 2010 | |
|---|---|---|
| Revenues, net | $ | 444,981 |
| Net loss | $ | (25,223) |

*Cable Television Asset Purchase (Predecessor Transaction)*

On October 1, 2010, the Company purchased cable television assets serving approximately 3,600 customers in areas surrounding Billings, Montana for $8,000 before adjustments for working capital and other items as defined in the asset purchase agreement. This purchase was accounted for using the purchase method of accounting; accordingly, the results of operations are included in the consolidated financial statements from the date of acquisition.

*Cable Television Asset Sale (Predecessor Transaction)*

On May 5, 2010, the Company sold certain cable television assets in Vernal, Utah. The results of operations related to these assets have been excluded from the consolidated financial statements since that date. The sale price was $10,000 plus adjustments for working capital and other items as defined in the asset purchase agreement. The following table summarizes the net assets sold:

| | | |
|---|---|---|
| Property, plant and equipment, net of accumulated depreciation of $3,765 | $ | 3,174 |
| Franchise costs | | 80 |
| Total net assets sold | $ | 3,254 |

The Company recognized a net gain of $6,221 that is included in "gain on asset disposals and divestiture of cable television systems" in the accompanying consolidated statements of operations for the period January 1, 2010 through December 13, 2010.

## NOTE 4. PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment are carried at cost, including acquisition costs allocated to tangible assets acquired. Costs of additions and substantial improvements to property, plant, and equipment are capitalized. The costs of repairs and maintenance are charged to operations. Initial customer installation costs are capitalized. Sales and marketing costs, as well as costs of subsequently disconnecting and reconnecting a given household are charged to expense. Capitalized costs include materials, labor, and overhead directly attributable to the capitalizable activities.

Property, plant and equipment consist of the following assets, which are depreciated or amortized on a straight-line basis over the estimated useful lives shown below:

| | December 31, 2010 | Estimated Useful Lives |
|---|---|---|
| Customer equipment | $ 73,015 | 3 to 5 years |
| Headends and related equipment | 85,620 | 4 to 25 years |
| Central office equipment | 8,735 | 5 years |
| Infrastructure | 283,555 | 5 to 25 years |
| Equipment | 15,151 | 5 to 10 years |
| Construction in progress (including materials and supplies) | 4,784 | |
| Furniture and fixtures | 4,357 | 4 to 12 years |
| Transportation equipment | 8,111 | 10 years |
| Buildings and building improvements | 12,730 | 10 to 40 years |
| Leasehold improvements | 2,006 | Term of lease |
| Land | 9,120 | |
| | 507,184 | |
| Less accumulated depreciation and amortization | (4,732) | |
| | $ 502,452 | |

Depreciation expense for the period from December 14, 2010 through December 31, 2010 (Successor) amounted to $4,732 and for the period from January 1, 2010 through December 13, 2010 (Predecessor) amounted to $63,615.

**NOTE 5. INTANGIBLE ASSETS**

The following table summarizes information relating to the Company's acquired intangible assets at December 31, 2010:

| | | | Estimated Useful Lives |
|---|---|---|---|
| Customer relationships | $ | 211,350 | 9 years |
| Less: Accumulated amortization | | (2,045) | |
| | | 209,305 | |
| | | | |
| Other amortizable intangibles | | 1,920 | 3 to 18 years |
| Less: Accumulated amortization | | (14) | |
| | $ | 1,906 | |
| | | | |
| Customer relationships, net of accumulated amortization | $ | 209,305 | |
| Other amortizable intangible assets, net of accumulated amortization | | 1,906 | |
| Indefinite-lived cable television franchises | | 508,380 | |
| FCC licenses | | 4,232 | |
| Goodwill | | 167,030 | |
| | | | |
| Total intangible assets, net | $ | 890,853 | |

Amortization expense for the period from December 14, 2010 through December 31, 2010 (Successor) amounted to $2,059 and for the period from January 1, 2010 through December 13, 2010 (Predecessor) amounted to $13,630.

| Estimated amortization expense | | |
|---|---|---|
| Year ending December 31, 2011 | $ | 42,323 |
| Year ending December 31, 2012 | | 37,626 |
| Year ending December 31, 2013 | | 32,919 |
| Year ending December 31, 2014 | | 28,033 |
| Year ending December 31, 2015 | | 23,336 |

There were no accumulated impairment losses related to goodwill as of December 31, 2010.

**NOTE 6. OPERATING LEASES**

The Company leases certain business offices and related facilities under terms of leases expiring at various dates through 2018. The leases generally provide for escalating rentals over the term of the lease plus certain real estate taxes and other costs or credits. Costs associated with such operating leases are recognized on a straight-line basis over the initial lease term. The difference between rent expense and rent paid is recorded as deferred rent.

In addition, the Company rents space on utility poles for its operations. The Company's pole rental agreements are for varying terms, and management anticipates renewals as they expire.

Rent expense and pole rental expense for the year ended December 31, 2010 are as follows:

| | December 14, 2010 through December 31, 2010 (Successor) | January 1, 2010 through December 13, 2010 (Predecessor) |
|---|---|---|
| Rent expense | $ 90 | $ 1,668 |
| Pole rental expense | 55 | 1,046 |

The minimum future annual payments for all operating leases (with initial or remaining terms in excess of one year) during the next five years and thereafter, including pole rentals from January 1, 2011 through December 31, 2015, at rates now in force are as follows:

| | |
|---|---|
| 2011 | $ 2,524 |
| 2012 | 2,997 |
| 2013 | 2,661 |
| 2014 | 1,722 |
| 2015 | 1,518 |
| Thereafter | 47 |

**NOTE 7. DEBT**

*Credit Facility (Successor)*

The Company has a $840,000 senior secured credit facility which is comprised of two components: a $765,000 term loan facility and a $75,000 revolving credit facility (collectively, the "Credit Agreement"). In connection with the financing of the acquisition of the Company, the full $765,000 amount of the term loan facility was drawn, net of an original issue discount of approximately $7,650. The revolving credit facility, which includes a $25,000 sublimit for the issuance of standby letters of credit and a $5,000 sublimit for swingline loans, was not drawn in connection with the acquisition. The revolving credit facility is expected to be available to provide for ongoing working capital requirements and for other general corporate purposes of the Company and its subsidiaries.

Borrowings under the Credit Agreement bear interest at a floating rate, which at the option of the Company may be either 2.0% over a floating base rate or 3.0% over an adjusted LIBOR rate, subject to a LIBOR floor of 1.50%. The Credit Agreement requires the Company to pay a commitment fee of 0.75% in respect of the average daily unused commitments under the revolving credit facility. The Company is also required to pay customary letter of credit fees, as well as fronting fees, to banks that issue letters of credit pursuant to the Credit Agreement.

All obligations under the Credit Agreement are guaranteed by the Holdings Sub and each of its existing and future direct and indirect domestic subsidiaries that are not designated as unrestricted subsidiaries in accordance with the Credit Agreement (the "Guarantors"). All obligations under the Credit Agreement, including the guarantees of those obligations, will be secured by certain assets of the Company and the Guarantors, including a pledge of the equity interests of the Company.

The Company may voluntarily prepay outstanding loans under the Credit Agreement at any time after December 14, 2011, in whole or in part, without premium or penalty (except for customary breakage costs with respect to Eurodollar loans, if applicable). On or prior to December 14, 2011, if the Company makes a prepayment of term loans in connection with certain refinancing transactions, the Company must pay a prepayment premium of 1% of the amount of term loans prepaid.

With certain exceptions, the Company is required to make mandatory prepayments in certain circumstances, including (i) a specified percentage of excess cash flow beginning in 2012 depending on its cash flow ratio, (ii) from the net cash proceeds of certain sales of assets (subject to reinvestment rights), (iii) from casualty insurance and/or condemnation proceeds, and (iv) upon the incurrence of certain indebtedness.

The term credit facility requires quarterly repayments of $1,913 from 2011 through September 2017, and $713,363 on December 14, 2017, the maturity date of the term credit facility. Any amounts outstanding under the revolving credit facility are due at maturity on December 14, 2015.

The Credit Agreement contains customary affirmative and negative covenants and also requires the Company to comply with the following financial covenants: (i) a maximum ratio of total indebtedness to operating cash flow of 8.00:1 decreasing to 5.00:1 on and after March 31, 2014; (ii) a minimum ratio of operating cash flow to interest expense of 2.00:1 increasing to 2.75:1 on and after March 31, 2014, and (iii) minimum liquidity of $25,000. In connection with the Credit Agreement, the Company incurred deferred financing costs of $20,542, which are being amortized to interest expense over the term of the credit agreement.

*Senior Credit Facility (Predecessor)*

The Company had entered into a senior credit facility ("Senior Facility"), as amended, that provided for four tranches: a 6.5-year revolving loan tranche of $125,000, a 6.5-year term-loan tranche of $75,000, a 7.5-year term-loan tranche of $540,000, and an 8-year second lien loan tranche of $100,000. Costs incurred in connection with the Senior Facility were capitalized and amortized over the expected terms of the related debt. In connection with the financing of the acquisition on December 14, 2010, the $624,775 amount outstanding on the Senior Facility was repaid in full.

*Senior Notes (Successor)*

On December 14, 2010, in connection with the financing of the acquisition, the Company issued $250,000 aggregate principal amount of 8% senior notes due December 15, 2018 (the "Notes"). The Notes are guaranteed by all of the Company's existing subsidiaries that are not designated as unrestricted subsidiaries and will be guaranteed by certain of the Company's future subsidiaries. In connection with the issuance of the Notes, the Company incurred deferred financing costs of $5,553, which are being amortized to interest expense over the term of the Notes.

Summary of Five-Year Debt Maturities

Total amounts payable by the Company under its various debt obligations outstanding as of December 31, 2010, during the five years subsequent to December 31, 2010 are as follows:

| Years Ending December 31, | | |
|---|---|---|
| 2011 | $ | 7,650 |
| 2012 | | 7,650 |
| 2013 | | 7,650 |
| 2014 | | 7,650 |
| 2015 | | 7,650 |

## NOTE 8. DERIVATIVES

*Predecessor Transactions*

The Company used derivative instruments to manage its interest rate exposure. The Company did not enter into derivative instruments for any purpose other than cash flow hedging.

The Company had used variable rate debt to finance its operations. The debt obligations exposed the Company to variability in interest payments due to changes in interest rates. The Company believed that it was prudent to limit the variability of a portion of its interest payments. To meet this objective, the Company had entered into interest rate swap agreements to manage fluctuations in cash flows resulting from interest rate risk. These swaps had converted the variable rate cash flow exposure on related debt obligations to fixed cash flows. Under the terms of the interest rate swaps, the Company had received variable interest rate payments and made fixed interest rate payments, thereby creating the equivalent of fixed rate debt.

For the period January 1, 2010 through December 13, 2010, gains resulting from changes in the fair value of these interest rate swap agreements of $5,548 are reflected in gain on interest rate swaps in the accompanying consolidated statement of operations. In connection with the financing of the acquisition on December 14, 2010, the remaining outstanding amount on these interest rate swaps with a notional value of $290,000 were repaid in full.

## NOTE 9. FAIR VALUE MEASUREMENT

The fair value hierarchy as outlined in ASC Topic 820 is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect a reporting entity's pricing based upon their own market assumptions. The fair value hierarchy consists of the following three levels:

- Level I - Quoted prices for identical instruments in active markets.
- Level II - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level. III - Instruments whose significant value drivers are unobservable.

The following table presents for each of these hierarchy levels, the Company's financial assets that are measured at fair value on a recurring basis at December 31, 2010:

| | Level I | Level II | Level III | Total |
|---|---|---|---|---|
| **Assets:** | | | | |
| Money market funds: | $ 11,543 | $ — | $ — | $ 11,543 |

The Company's cash equivalents at December 31, 2010 are classified within Level I of the fair value hierarchy because they are valued using quoted market prices.

*Fair Value of Financial Instruments*

The following methods and assumptions were used to estimate fair value of each class of financial instruments for which it is practicable to estimate that value:

Credit Facility Debt and Senior Notes

The fair values of each of the Company's debt instruments are based on quoted market prices for the same or similar issues or on the current rates offered to the Company for instruments of the same remaining maturities.

The carrying values and estimated fair values of the Company's financial instruments, excluding those that are carried at fair value in the accompanying consolidated balance sheet are summarized as follows:

| | December 31, 2010 | |
|---|---|---|
| | Carrying Amount | Estimated Fair Value |
| Debt instruments: | | |
| Credit facility debt[(a)] | $ 757,399 | $ 768,366 |
| Senior notes | 250,000 | 257,500 |
| | $ 1,007,399 | $ 1,025,866 |

(a) The carrying amount of the credit facility debt is net of an original issue discount of $7,601 at December 31, 2010.

Fair value estimates related to the Company's debt instruments presented above are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgments and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

**NOTE 10. INCOME TAXES**

The Company is a single-member limited liability company, indirectly wholly-owned by Cablevision, a taxable corporation. As such, the Company is treated as a division of Cablevision and is included in the consolidated income tax return of Cablevision for federal and state income tax purposes. Accordingly, the income tax provision is determined on a stand-alone basis as if the Company filed separate income tax returns for the period from December 14, 2010 through December 31, 2010 (Successor).

Prior to the acquisition on December 14, 2010, the Company (Predecessor) was a limited liability company treated as a partnership for income tax purposes. Accordingly, no provision has been made for income tax expense or benefit in the accompanying consolidated financial statement for the period from January 1, 2010 through December 13, 2010 (Predecessor), as federal and state income taxes were the responsibility of the members of the Company.

Pursuant to the acquisition on December 14, 2010, the Company will recognize a full step-up in tax basis of its assets equal to the total purchase price as determined for income tax purposes.

The income tax benefit of the Company for the period from December 14, 2010 through December 31, 2010 consists of the following components:

| | | |
|---|---|---|
| Current benefit: | | |
| Federal | $ | (32,519) |
| State | | (4,623) |
| | | (37,142) |
| Deferred expense: | | |
| Federal | | 25,648 |
| State | | 3,647 |
| | | 29,295 |
| Tax expense relating to uncertain tax positions, including accrued interest | | — |
| | | |
| Income tax benefit | $ | (7,847) |

The income tax benefit of the Company for the period from December 14, 2010 through December 31, 2010 (Successor) differs from the amount derived by applying the statutory federal rate to the pretax loss due principally to the effect of the following items:

| | | |
|---|---|---|
| Federal tax benefit at statutory rate | $ | (7,214) |
| State income taxes, net of federal effect | | (634) |
| Tax expense relating to uncertain tax positions, including accrued interest, net of deferred tax benefits | | — |
| Nondeductible expenses | | 1 |
| Income tax benefit | $ | (7,847) |

The tax effects of temporary differences that give rise to significant portions of deferred tax assets or liabilities at December 31, 2010 are as follows:

| | | |
|---|---|---|
| Deferred Tax Asset (Liability) | | |
| *Current* | | |
| Allowance for doubtful accounts | $ | 59 |
| Other | | (118) |
| Net deferred tax liability, current | | (59) |
| | | |
| *Non-current* | | |
| Fixed assets and intangible assets | | (29,042) |
| Net deferred tax liability, non-current | | (29,042) |
| | | |
| Total net deferred tax liability | $ | (29,101) |

Deferred tax assets have resulted from the Company's future deductible temporary differences. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax asset will not be realized. The Company's ability to realize its deferred tax assets depends upon the generation of sufficient future taxable income to allow for the realization of its deductible temporary differences. If such estimates and related assumptions change in the future, the Company may be required to record a valuation allowance against its deferred tax assets resulting in additional income tax expense in the Company's consolidated statement of operations. Management evaluates the realizability of the deferred tax assets and the need for valuation allowances quarterly. As of December 31, 2010, based on current facts and circumstances, management believes that it is more likely than not that the Company will fully realize the benefit associated with its gross deferred tax assets.

The Company has not recorded any liabilities for uncertain tax positions. The Company's policy is to reflect interest and penalties associated with uncertain tax positions as a component of income tax expense. Since the acquisition on December 14, 2010 was treated as a purchase of assets for income tax purposes, the Company is not responsible for uncertain tax positions, if any, taken or expected to be taken on all tax returns for all periods through December, 14, 2010. Changes in the liabilities for uncertain tax positions, if any, will be recognized in the interim period in which the positions are effectively settled or there is a change in factual circumstances.

**NOTE 11. AFFILIATE TRANSACTIONS**

For the period from January 1, 2010 through December 13, 2010, the Company purchased approximately 79% of its pay television and other programming from affiliates of one of its former members. Charges for such programming are included in "technical and operating" expenses in the accompanying consolidated statement of operations.

In addition, prior to December 14, 2010, the Company was party to a management agreement with Bresnan Communications, Inc. ("BCI") under which BCI provided management services to the Company. As compensation for these services, BCI was paid a quarterly fee equal to 4% of the Company's consolidated gross revenue. Such amount aggregating $17,045 for the period from January 1, 2010 through December 13, 2010 is included in "selling, general and administrative" expenses in the accompanying consolidated statement of operations. The Company also shared office facilities with BCI and allocated a portion of its rental expense to BCI. The amount of rent charged to BCI was $791 for the period from January 1, 2010 through. December 13, 2010 and is included in "selling, general and administrative" in the accompanying consolidated statement of operations.

Subsequent to December 14, 2010, the Company received services from affiliates of CSC Holdings. As many of these transactions are conducted between subsidiaries under common control of CSC Holdings, amounts charged for these services have not necessarily been based upon arm's length negotiations. It is not practicable to determine whether the amounts charged for such services represent amounts that it might have incurred on a stand-alone basis.

CSC Holdings has interests in several entities engaged in providing cable television programming and other services to the cable television industry. For the period December 14, 2010 through December 31, 2010, the Company was charged approximately $78 by these entities for such services. Such amounts are included in "technical and operating" expenses in the accompanying consolidated statement of operations.

**NOTE 12. BENEFIT PLANS**

The Company sponsors a 401(k) savings plan for the majority of its employees. The plan allows employees to contribute a portion of their pretax income in accordance with specified guidelines. Employee contributions are matched up to certain limits.

Matching contributions made by the Company for the period from December 14, 2010 through December 31, 2010 (Successor) amounted to $46 and for the period from January 1, 2010 through December 13, 2010 (Predecessor) amounted to $853.

## NOTE 13. COMMITMENTS AND CONTINGENCIES

*Commitments*

Future cash payments required under arrangements pursuant to contracts entered into by the Company in the normal course of business as of December 31, 2010 are as follows:

| | Payments Due by Period | | | | |
|---|---|---|---|---|---|
| | Total | Year 1 | Years 2-3 | Years 4-5 | More than 5 years |
| Off balance sheet arrangements: | | | | | |
| Purchase obligations[1] | $ 177,000 | $ 73,561 | $ 79,566 | $ 19,371 | $ 4,502 |
| Letters of credit | 350 | 50 | — | 300 | — |
| Total | $ 177,350 | $ 73,611 | $ 79,566 | $ 19,671 | $ 4,502 |

(1) Purchase obligations primarily include contractual commitments with various programming vendors to provide video services to the Company's subscribers mid minimum purchase obligations to purchase goods or services. Future fees payable under contracts with programming vendors arc based on numerous factors, including the number of subscribers receiving the programming. Amounts reflected above related to programming agreements are based on the number of subscribers receiving the programming as of December 2010 multiplied by the per subscriber rates or the stated annual fee, as applicable, contained in the executed agreements in effect as of December 31, 2010.

Other Matters

*Montana Property Tax Matter*

The Montana Department of Revenue ("MT DOR") generally assesses property taxes on cable companies at 3% and on telephone companies at 6%. Historically, the Company's cable and telephone businesses have been taxed separately by the MT DOR. In 2010, MT DOR assessed the Company as a single telephone business and retroactively assessed it as such for 2007 through 2009. The Company filed a declaratory judgment action against the MT DOR challenging its property tax classifications for 2007 through 2010. The MT DOR has filed an answer to the action and discovery has commenced. Under Montana law, a taxpayer must first pay a disputed property tax assessment in order to challenge such assessment. In accordance with that law, in November 2010, the Company paid half of its 2010 property tax assessment under protest and is seeking a refund of the protested amount. No provision for additional tax, which amount could be up to approximately $15,000, including interest, as a single telephone business for 2007 through 2009 or for the second half of 2010 has been made. The Company believes it has substantial grounds for challenging the legal validity of MT DOR's assessments for 2007 through 2010 and intends to vigorously assert such challenges.

*Legal Matters*

On February 16, 2010, a class action was filed against Bresnan Communications, LLC ("BCL"), a wholly-owned subsidiary of the Company, in the United States District Court for the District of Montana. The class action complaint arose out of a limited online advertising trial of a software system designed by a third-party advertising network, NebuAd, for delivery of advertisements to computer users while they are navigating the internet. The trial of the NebuAd technology involved approximately 6,000 customers and ran from April 1, 2008 to June 26, 2008. The plaintiffs alleged that their electronic communications were intercepted and used in violation of federal and state electronic privacy laws. BCL filed a motion to dismiss and a motion to compel arbitration. In November 2010 the court denied BCL's motion to compel arbitration. In December 2010 the court granted in part and denied in part BCL's motion to dismiss, dismissing the federal Wiretap Act and state invasion of privacy claims, while declining to dismiss as a matter of law claims made under the federal Consumer Fraud and Abuse Act and state trespass to chattels law. In January 2011 BCL answered these two remaining counts of the complaint, and it intends to vigorously defend them in this action.

The Company is party to various lawsuits, some involving claims for substantial damages. Although the outcome of these other matters cannot be predicted with certainty and the impact of the final resolution of these other matters on the Company's results of operations in a particular subsequent reporting period is not known, management does not believe that the resolution of these other lawsuits will have a material adverse effect on the financial position of the Company or the ability of the Company to meet its financial obligations as they become due.

**NOTE 14. INTERIM FINANCIAL INFORMATION (Unaudited)**

The following is a summary of the Company's selected quarterly financial data for the year ended December 31, 2010:

| | Quarter Ended | | | Period from | |
|---|---|---|---|---|---|
| | March 31, 2010 (Predecessor) | June 30, 2010 (Predecessor) | September 30, 2010 (Predecessor) | October 1, 2010 through December 13, 2010 (Predecessor) | December 14, 2010 through December 31, 2010 (Successor) |
| Revenues, net | $ 108,537 | $ 110,418 | $ 111,059 | $ 92,832 | $ 22,135 |
| Operating expenses | (92,076) | (87,514) | (89,446) | (76,256) | (36,155) |
| Operating income (loss) | $ 16,461 | $ 22,904 | $ 21,613 | $ 16,576 | $ (14,020) |
| Net income (loss) | $ 8,746 | $ 23,010 | $ 15,817 | $ 13,511 | $ (12,763) |

**NOTE 15. VALUATION AND QUALIFYING ACCOUNTS**

The following table summarizes the activities in the Company's allowance for doubtful accounts for the period from December 14, 2010 through December 31, 2010 (Successor) and for the period from January 1, 2010 through December 13, 2010 (Predecessor):

| | Balance at Beginning of Period | Provision for Bad Debt | Deductions/Write-Offs and Other Charges | Balance at End of Period |
|---|---|---|---|---|
| *Successor:* | | | | |
| Period from December 14, 2010 through December 31, 2010 | | | | |
| Allowance for doubtful accounts | $ — | $ 155 | $ — | $ 155 |
| *Predecessor:* | | | | |
| Period from January 1, 2010 through December 13, 2010 | | | | |
| Allowance for doubtful accounts | $ 938 | $ 2,886 | $ (3,016) | $ 808 |

**NOTE 16. SUBSEQUENT EVENTS**

The Company has evaluated events subsequent to the balance sheet date through May 9, 2011, the issue date of the Company's consolidated financial statements for the periods January 1, 2010 through December 13, 2010 (Predecessor) and December 14, 2010 through December 31, 2010 (Successor). There have not been any material events that have occurred that would require adjustment to or disclosure in the Company's consolidated financial statements.

**Exhibit 99.3**

## CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
## UNAUDITED PRO FORMA FINANCIAL STATEMENTS

In February 2013, Charter Communications, Inc. (“Charter”) and Charter Communications Operating, LLC (“Charter Operating”) entered into an agreement with a wholly owned subsidiary of Cablevision Systems Corporation (“Cablevision”) to acquire Bresnan Broadband Holdings, LLC and its subsidiaries (collectively, “Bresnan”), for $1.625 billion in cash, subject to a working capital adjustment, a reduction for certain funded indebtedness of Bresnan and payment of any post-closing refunds of certain Montana property taxes paid under protest by Bresnan prior to the closing. Charter will fund the purchase of Bresnan with a $1.5 billion term loan E (the “Term Loan”) to fund a portion of the purchase price. Pricing on the Term Loan is set at LIBOR plus 2.25% with a LIBOR floor of .75% , and issued at a price of 99.5% of the aggregate principal amount.

The following unaudited pro forma financial information of Charter are based on the historical consolidated financial statements of Charter and the historical consolidated financial statements of Bresnan and is intended to provide information about how the acquisition of Bresnan and related financing may have affected Charter's historical consolidated financial statements if they had closed as of January 1, 2012, in the case of consolidated statement of operations information, and as of December 31, 2012, in the case of consolidated balance sheet information. The pro forma financial information below is based on available information and assumptions that we believe are reasonable. The pro forma financial information is for illustrative and informational purposes only and is not intended to represent or be indicative of what Charter's financial condition or results of operations would have been had the transactions described above occurred on the dates indicated. The pro forma financial information also should not be considered representative of Charter's future financial condition or results of operations.

Following the acquisition date, we will apply acquisition accounting to Bresnan, and their results of operations will be included in our consolidated results of operations. Bresnan's assets and liabilities will be recorded at their estimated fair value. Pro forma purchase price allocation adjustments have been made for the purpose of providing pro forma financial information based on current estimates and currently available information, and are subject to revision based on final determinations of fair value and the final allocation of purchase price to the assets and liabilities of the business acquired.

The consolidated statements of operations are adjusted on a pro forma basis to illustrate the estimated effects of the acquisition of Bresnan as if it had occurred on January 1, 2012, the issuance of the Term Loan to fund a portion of the acquisition and the borrowing of approximately $192 million under the Charter Operating credit facilities. For purposes of these pro forma financial statements only, we have assumed the redemption of the $250 million aggregate principal amount of 8% senior notes (“Bresnan Notes”) assumed in the acquisition. The indentures of the Bresnan Notes do not require redemption upon closing of this transaction. The assumption that we will redeem the Bresnan Notes is for illustrative purposes only and may not reflect the actual results of the transaction.

**CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES**
**UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET**
**AS OF DECEMBER 31, 2012**
**(IN MILLIONS)**

| | Charter Historical | Bresnan Acquisition | Pro Forma Adjustments | | Charter Pro Forma |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| CURRENT ASSETS: | | | | | |
| Cash and cash equivalents | $ 7 | $ 32 | $ (32) | a | $ 7 |
| Restricted cash | 27 | — | — | | 27 |
| Accounts receivable, net | 234 | 10 | — | | 244 |
| Prepaid expenses and other current assets | 65 | 4 | — | | 69 |
| Total current assets | 333 | 46 | (32) | | 347 |
| INVESTMENT IN CABLE PROPERTIES: | | | | | |
| Property, plant and equipment, net | 7,206 | 419 | 84 | b | 7,709 |
| Franchises | 5,287 | 508 | 221 | b | 6,016 |
| Customer relationships, net | 1,424 | 130 | 128 | b | 1,682 |
| Goodwill | 953 | 168 | 35 | b | 1,156 |
| Total investment in cable properties, net | 14,870 | 1,225 | 468 | | 16,563 |
| OTHER NONCURRENT ASSETS | 396 | 26 | (4) | a, b | 418 |
| Total assets | $ 15,599 | $ 1,297 | $ 432 | | $ 17,328 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | | | |
| Accounts payable and accrued liabilities | $ 1,224 | $ 57 | $ — | | $ 1,281 |
| Current portion of long-term debt | — | 8 | (8) | a | — |
| Total current liabilities | 1,224 | 65 | (8) | | 1,281 |
| LONG-TERM DEBT | 12,808 | 986 | 699 | a, b | 14,493 |
| DEFERRED INCOME TAXES | 1,122 | 69 | (69) | b | 1,122 |
| OTHER LONG-TERM LIABILITIES | 296 | 5 | (5) | b | 296 |
| SHAREHOLDERS' EQUITY | 149 | 172 | (185) | c | 136 |
| Total liabilities and shareholders equity | $ 15,599 | $ 1,297 | $ 432 | | $ 17,328 |

**CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES**
**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS**
**YEAR ENDED DECEMBER 31, 2012**
**(IN MILLIONS)**

| | Charter Historical | Bresnan Acquisition | Pro Forma Adjustments | | Charter Pro Forma |
|---|---|---|---|---|---|
| **REVENUES:** | | | | | |
| Video | $ 3,639 | $ 277 | $ 3 | d | $ 3,919 |
| Internet | 1,866 | 144 | (17) | d | 1,993 |
| Telephone | 828 | 65 | (20) | d | 873 |
| Commercial | 658 | — | 41 | d | 699 |
| Advertising sales | 334 | 15 | — | | 349 |
| Other | 179 | 8 | (3) | d | 184 |
| Total revenues | 7,504 | 509 | 4 | | 8,017 |
| **COSTS AND EXPENSES:** | | | | | |
| Operating costs and expenses (excluding depreciation and amortization) | 4,860 | 342 | 4 | d | 5,206 |
| Depreciation and amortization | 1,713 | 166 | (14) | e | 1,865 |
| Other operating expenses, net | 15 | — | — | | 15 |
| | 6,588 | 508 | (10) | | 7,086 |
| Income from operations | 916 | 1 | 14 | | 931 |
| **OTHER EXPENSES:** | | | | | |
| Interest expense, net | 907 | 59 | (6) | f | 960 |
| Loss on extinguishment of debt | 55 | — | — | | 55 |
| Other expense, net | 1 | — | — | | 1 |
| | 963 | 59 | (6) | | 1,016 |
| Loss before taxes | (47) | (58) | 20 | | (85) |
| Income tax benefit (expense) | (257) | 19 | (62) | g | (300) |
| Net loss before nonrecurring charges directly attributable to the transaction (c) | $ (304) | $ (39) | $ (42) | | $ (385) |
| LOSS PER COMMON SHARE, BASIC AND DILUTED | $ (3.05) | | | | $ (3.86) |
| Weighted average common shares outstanding, basic and diluted | 99,657,989 | | | | 99,657,989 |

## Description of Pro Forma Adjustments

**a) Sources and Uses**

Represents the following sources and uses of funds as a result of the acquisition of Bresnan and the redemption of the Bresnan Notes assumed in the acquisition. The following are assumptions and may not reflect the actual sources and uses of funds.

**Sources and Uses (in millions):**

| | | | | |
|---|---|---|---|---|
| **Sources:** | | | | |
| Term Loan | | | $ | 1,493 |
| Charter Operating revolving credit facility | | | | 192 |
| | | | $ | 1,685 |
| **Uses:** | | | | |
| Enterprise value | $ | 1,625 | | |
| Bresnan Notes assumed (including accrued interest) | | (251) | | |
| Working Capital Adjustment (net of cash acquired) | | 7 | | |
| Purchase Price | | | $ | 1,381 |
| Repayment of Bresnan Notes | | | | 273 |
| Deferred financing fees on the Term Loan | | | | 18 |
| Advisor and miscellaneous fees | | | | 13 |
| | | | $ | 1,685 |

The adjustment to long-term debt reflects the repayment of $744 million of credit facility debt by Cablevision prior to closing of the Bresnan transaction and repayment of $250 million principal amount of Bresnan Notes for an amount, including a make-whole premium, of $273 million after closing of the transaction.

**b) Preliminary Purchase Price Allocation**

We will apply acquisition accounting to Bresnan and as such assets and liabilities of Bresnan will be recorded at their estimated fair value. Preliminary purchase price allocation adjustments have been made for the purpose of providing pro forma financial information based on current estimates and currently available information, and are subject to revision based on the final allocation of purchase price to the assets and liabilities of Bresnan. Franchises, customer relationships, goodwill, other noncurrent assets and long-term debt balances have been adjusted to reflect the preliminary purchase price allocation. Other non-current assets have been adjusted for the elimination of Bresnan's deferred financing fees of $22 million. Deferred income taxes have been eliminated as we have assumed no difference between the tax basis and book basis at consummation of the acquisition. Other long-term liabilities have been eliminated as they are assumed to have no fair value. No adjustments are reflected in the working capital balances of Bresnan as they are estimated to be at fair value.

**Preliminary Purchase Price Allocation (in millions):**

| | | |
|---|---|---|
| Property, plant and equipment, net | $ | 503 |
| Franchises | | 729 |
| Customer relationships, net | | 258 |
| Goodwill | | 203 |
| Other noncurrent assets | | 4 |
| Current assets | | 14 |
| Current liabilities | | (57) |
| Long-term debt | | (273) |
| | $ | 1,381 |

**c) Equity Adjustment**

Reflects the elimination of Bresnan's historical member's capital and $13 million of advisor fees and other expenses directly related to the acquisition. These charges are not reflected in the pro forma statement of operations.

**d) Revenues and Operating Expenses Adjustments**

Revenues and operating expenses have been adjusted to reflect Charter's classifications.

**e) Depreciation and Amortization Expense Adjustments**

We have decreased depreciation and amortization expense by $14 million as a result of adjusting the values and lives of property, plant and equipment and customer relationships based on the preliminary pro forma purchase price allocation. The decrease was estimated using a preliminary average useful life of 5 years for property, plant and equipment and 9 years for customer relationships. Customer relationships are amortized using an accelerated method to reflect the period over which the relationships are expected to generate cash flows. The pro forma adjustments are based on current estimates and may not reflect actual depreciation and amortization once the purchase price allocation is finalized and final determination of useful lives are made.

**f) Interest Expense Adjustments**

We have reflected a $6 million reduction of interest expense representing i) the elimination of interest on the Bresnan Notes; ii) the elimination of interest on Bresnan's $744 million credit facility debt; iii) additional interest on the Term Loan; iv) additional interest on $192 million of borrowings under the Charter Operating revolving credit facility; and v) related amortization of deferred financing fees.

**g) Income Tax Adjustments**

Represents the elimination of Bresnan's income tax benefit and the reflection of $43 million of income tax expense related to indefinite-lived intangibles that are amortized for tax purposes but not for book purposes and a reduction of partnership related basis step-ups as a result of additional borrowings to fund the acquisition. The calculation of income tax expense is based on the preliminary purchase price allocation and financing of the transaction both of which are subject to change.

**Items Not Adjusted in the Unaudited Pro Forma Financial Information**

Included in operating expenses in the above pro forma statement of operations is $10 million of property tax payments made to the Montana Department of Revenue which are currently being disputed by Bresnan in the Montana Supreme Court and $6 million of corporate overhead allocations from Bresnan's parent company. The pro forma statement of operations does not include any revenue or expense synergies or dis-synergies resulting from the acquisition nor an estimated $13 million of non-recurring costs directly attributable to the transaction.

**Exhibit 99.4**

Consent of Independent Registered Public Accounting Firm

The Member
Bresnan Broadband Holdings, LLC:

We consent to the incorporation by reference in the registration statement Nos. 333-163357 and 333-170475 on Form S-8 and Nos. 333-170530 and 333-171526 on Form S-3 of Charter Communications, Inc. and subsidiaries of our reports dated February 28, 2013 and May 9, 2011, with respect to the consolidated balance sheets of Bresnan Broadband Holdings, LLC and subsidiaries as of December 31, 2012 and 2011, and December 31, 2010, and the related consolidated statements of operations, members' capital, and cash flows, for each of the years in the two-year period ended December 31, 2012, and for the period of December 14, 2010 through December 31, 2010 (Successor) and the related consolidated statements of operations, members' deficiency and cash flows for the period of January 1, 2010 through December 13, 2010 (Predecessor) which reports appear in the April 19, 2013 Form 8-K of Charter Communications, Inc., and to the reference to our firm under the heading "Experts" in the prospectus supplement dated April 19, 2013. Our report dated May 9, 2011 contains an explanatory paragraph that states that effective December 14, 2010 as a result of the acquisition of all of the outstanding stock of Bresnan Broadband Holdings, LLC by Cablevision Systems Corporation in a business combination accounted for as a purchase, the consolidated financial information for the period after the acquisition is presented on a different cost basis than that for the period before the acquisition and, therefore, is not comparable.

/s/ KPMG LLP
Melville, New York
April 19, 2013