

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	% Change	2019	2018	% Change
<b>REVENUES:</b>						
Video	\$ 4,359	\$ 4,332	0.6 %	\$ 13,134	\$ 12,987	1.1 %
Internet	4,195	3,809	10.1 %	12,322	11,286	9.2 %
Voice	477	512	(6.8)%	1,470	1,599	(8.0)%
Residential revenue	9,031	8,653	4.4 %	26,926	25,872	4.1 %
Small and medium business	974	922	5.7 %	2,882	2,737	5.3 %
Enterprise	644	632	1.8 %	1,939	1,881	3.0 %
Commercial revenue	1,618	1,554	4.1 %	4,821	4,618	4.4 %
Advertising sales	394	440	(10.6)%	1,134	1,223	(7.3)%
Mobile	192	17	NM	490	17	NM
Other	215	228	(5.6)%	632	673	(6.0)%
Total Revenue	<u>11,450</u>	<u>10,892</u>	5.1 %	<u>34,003</u>	<u>32,403</u>	4.9 %
<b>COSTS AND EXPENSES:</b>						
Programming	2,790	2,778	0.4 %	8,482	8,333	1.8 %
Regulatory, connectivity and produced content	612	546	12.3 %	1,770	1,639	8.0 %
Costs to service customers	1,894	1,854	2.2 %	5,483	5,492	(0.2)%
Marketing	793	790	0.4 %	2,296	2,310	(0.6)%
Mobile	337	94	NM	874	135	NM
Other expense	938	879	6.7 %	2,772	2,599	6.6 %
Total operating costs and expenses (exclusive of items shown separately below)	<u>7,364</u>	<u>6,941</u>	6.1 %	<u>21,677</u>	<u>20,508</u>	5.7 %
Adjusted EBITDA	<u>4,086</u>	<u>3,951</u>	3.4 %	<u>12,326</u>	<u>11,895</u>	3.6 %
Adjusted EBITDA margin	<u>35.7%</u>	<u>36.3%</u>		<u>36.2%</u>	<u>36.7%</u>	
Depreciation and amortization	2,415	2,482		7,465	7,784	
Stock compensation expense	71	71		238	213	
Other operating expenses, net	14	18		71	116	
Income from operations	<u>1,586</u>	<u>1,380</u>		<u>4,552</u>	<u>3,782</u>	
<b>OTHER INCOME (EXPENSES):</b>						
Interest expense, net	(963)	(901)		(2,833)	(2,630)	
Gain (loss) on financial instruments, net	(34)	12		(116)	—	
Other pension benefits, net	9	207		27	247	
Other expense, net	(5)	(5)		(131)	(75)	
	<u>(993)</u>	<u>(687)</u>		<u>(3,053)</u>	<u>(2,458)</u>	
Income before income taxes	593	693		1,499	1,324	
Income tax expense	(126)	(109)		(329)	(178)	
Consolidated net income	<u>467</u>	<u>584</u>		<u>1,170</u>	<u>1,146</u>	
Less: Net income attributable to noncontrolling interests	<u>(80)</u>	<u>(91)</u>		<u>(216)</u>	<u>(212)</u>	
Net income attributable to Charter shareholders	<u>\$ 387</u>	<u>\$ 493</u>		<u>\$ 954</u>	<u>\$ 934</u>	
<b>EARNINGS PER COMMON SHARE</b>						
<b>ATTRIBUTABLE TO CHARTER SHAREHOLDERS:</b>						
Basic	<u>\$ 1.77</u>	<u>\$ 2.14</u>		<u>\$ 4.30</u>	<u>\$ 3.99</u>	
Diluted	<u>\$ 1.74</u>	<u>\$ 2.11</u>		<u>\$ 4.23</u>	<u>\$ 3.93</u>	
Weighted average common shares outstanding, basic	<u>218,499,213</u>	<u>230,554,633</u>		<u>221,818,079</u>	<u>234,159,830</u>	
Weighted average common shares outstanding, diluted	<u>222,355,867</u>	<u>233,607,414</u>		<u>225,337,984</u>	<u>237,343,924</u>	

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

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

NM - Not meaningful

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

	<b>September 30,</b>	<b>December 31,</b>
	<b>2019</b>	<b>2018</b>
	(unaudited)	
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 508	\$ 551
Accounts receivable, net	2,284	1,733
Prepaid expenses and other current assets	596	446
Total current assets	3,388	2,730
RESTRICTED CASH	89	214
INVESTMENT IN CABLE PROPERTIES:		
Property, plant and equipment, net	34,218	35,126
Customer relationships, net	7,956	9,565
Franchises	67,322	67,319
Goodwill	29,554	29,554
Total investment in cable properties, net	139,050	141,564
OPERATING LEASE RIGHT-OF-USE ASSETS	1,103	—
OTHER NONCURRENT ASSETS	1,637	1,622
Total assets	\$ 145,267	\$ 146,130
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 8,263	\$ 8,805
Operating lease liabilities	210	—
Current portion of long-term debt	3,509	3,290
Total current liabilities	11,982	12,095
LONG-TERM DEBT	71,390	69,537
DEFERRED INCOME TAXES	17,609	17,389
LONG-TERM OPERATING LEASE LIABILITIES	991	—
OTHER LONG-TERM LIABILITIES	2,773	2,837
SHAREHOLDERS' EQUITY:		
Controlling interest	32,974	36,285
Noncontrolling interests	7,548	7,987
Total shareholders' equity	40,522	44,272
Total liabilities and shareholders' equity	\$ 145,267	\$ 146,130

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Consolidated net income	\$ 467	\$ 584	\$ 1,170	\$ 1,146
Adjustments to reconcile consolidated net income to net cash flows from operating activities:				
Depreciation and amortization	2,415	2,482	7,465	7,784
Stock compensation expense	71	71	238	213
Accelerated vesting of equity awards	—	—	—	5
Noncash interest income, net	(17)	(65)	(89)	(242)
Other pension benefits, net	(9)	(207)	(27)	(247)
(Gain) loss on financial instruments, net	34	(12)	116	—
Deferred income taxes	96	80	233	137
Other, net	(3)	5	148	81
Changes in operating assets and liabilities, net of effects from acquisitions and dispositions:				
Accounts receivable	(227)	(117)	(564)	(101)
Prepaid expenses and other assets	(49)	(6)	(225)	(97)
Accounts payable, accrued liabilities and other	165	(11)	(75)	(80)
Net cash flows from operating activities	<u>2,943</u>	<u>2,804</u>	<u>8,390</u>	<u>8,599</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchases of property, plant and equipment	(1,651)	(2,118)	(4,913)	(6,692)
Change in accrued expenses related to capital expenditures	(21)	(154)	(449)	(620)
Real estate investments through variable interest entities	(61)	(15)	(125)	(15)
Other, net	2	(36)	10	(103)
Net cash flows from investing activities	<u>(1,731)</u>	<u>(2,323)</u>	<u>(5,477)</u>	<u>(7,430)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Borrowings of long-term debt	2,443	5,924	13,157	11,552
Repayments of long-term debt	(763)	(5,464)	(10,886)	(8,964)
Payments for debt issuance costs	(16)	(12)	(48)	(29)
Purchase of treasury stock	(2,767)	(933)	(4,568)	(3,214)
Proceeds from exercise of stock options	25	13	106	56
Purchase of noncontrolling interest	(339)	(145)	(593)	(473)
Distributions to noncontrolling interest	(38)	(38)	(116)	(114)
Borrowings for real estate investments through variable interest entities	—	170	—	170
Distributions to variable interest entities noncontrolling interest	—	(107)	—	(107)
Other, net	(6)	(2)	(133)	(7)
Net cash flows from financing activities	<u>(1,461)</u>	<u>(594)</u>	<u>(3,081)</u>	<u>(1,130)</u>
<b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>(249)</b>	<b>(113)</b>	<b>(168)</b>	<b>39</b>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, beginning of period	846	773	765	621
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, end of period	<u>\$ 597</u>	<u>\$ 660</u>	<u>\$ 597</u>	<u>\$ 660</u>
CASH PAID FOR INTEREST	<u>\$ 1,048</u>	<u>\$ 1,031</u>	<u>\$ 3,065</u>	<u>\$ 2,920</u>
CASH PAID FOR TAXES	<u>\$ 12</u>	<u>\$ 5</u>	<u>\$ 55</u>	<u>\$ 27</u>

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

	Approximate as of			
	September 30, 2019 (a)	June 30, 2019 (a)	December 31, 2018 (a)	September 30, 2018 (a)
<b>Footprint (b)</b>				
Estimated Video Passings	51,579	51,258	50,824	50,616
Estimated Internet Passings	51,416	51,093	50,652	50,421
Estimated Voice Passings	50,867	50,538	50,086	49,833
<b>Penetration Statistics (c)</b>				
Video Penetration of Estimated Video Passings	31.5%	31.8%	32.7%	32.9%
Internet Penetration of Estimated Internet Passings	51.2%	50.8%	49.9%	49.4%
Voice Penetration of Estimated Voice Passings	21.1%	21.6%	22.3%	22.6%
<b>Customer Relationships (d)</b>				
Residential	27,037	26,755	26,270	26,063
Small and Medium Business	1,930	1,902	1,833	1,792
Total Customer Relationships	<u>28,967</u>	<u>28,657</u>	<u>28,103</u>	<u>27,855</u>
<b>Quarterly Net Additions/(Losses)</b>				
Residential	282	164	207	192
Small and Medium Business	28	39	41	42
Total Customer Relationships	<u>310</u>	<u>203</u>	<u>248</u>	<u>234</u>
<b>Residential</b>				
<b>Primary Service Units ("PSUs")</b>				
Video	15,725	15,802	16,104	16,140
Internet	24,595	24,244	23,625	23,336
Voice	9,595	9,808	10,135	10,218
<b>Quarterly Net Additions/(Losses)</b>				
Video	(77)	(150)	(36)	(66)
Internet	351	221	289	266
Voice	(213)	(207)	(83)	(107)
Single Play (e)	11,557	11,354	10,928	10,858
Double Play (e)	8,088	7,709	7,097	6,789
Triple Play (e)	7,392	7,692	8,245	8,416
Single Play Penetration (f)	42.7%	42.4%	41.6%	41.7%
Double Play Penetration (f)	29.9%	28.8%	27.0%	26.1%
Triple Play Penetration (f)	27.3%	28.8%	31.4%	32.3%
% Residential Non-Video Customer Relationships	41.8%	40.9%	38.7%	38.1%
Monthly Residential Revenue per Residential Customer (g)	\$ 112.00	\$ 112.20	\$ 111.78	\$ 111.13
<b>Small and Medium Business</b>				
<b>PSUs</b>				
Video	520	518	502	488
Internet	1,730	1,701	1,634	1,594
Voice	1,120	1,097	1,051	1,024
<b>Quarterly Net Additions/(Losses)</b>				
Video	2	9	14	12
Internet	29	37	40	42
Voice	23	25	27	30
Monthly Small and Medium Business Revenue per Customer (h)	\$ 169.44	\$ 170.42	\$ 170.62	\$ 173.52
<b>Enterprise PSUs (i)</b>				
Enterprise PSUs	264	258	248	243

- (a) Customer statistics do not include mobile. We calculate the aging of customer accounts based on the monthly billing cycle for each account. On that basis, at September 30, 2019, June 30, 2019, December 31, 2018 and September 30, 2018, actual customers include approximately 148,000, 152,900, 217,600 and 231,400 customers, respectively, whose accounts were over 60 days past due, approximately 16,400, 13,800, 24,000 and 23,100 customers, respectively, whose accounts were over 90 days past due and approximately 14,100, 15,800, 19,200 and 18,500 customers, respectively, whose accounts were over 120 days past due.
- (b) Passings represent our estimate of the number of units, such as single family homes, apartment and condominium units and small and medium business and enterprise sites passed by our cable distribution network in the areas where we offer the service indicated. These estimates are based upon the information available at this time and are updated for all periods presented when new information becomes available.
- (c) Penetration represents residential and small and medium business customers as a percentage of estimated passings for the service indicated.
- (d) Customer relationships include the number of customers that receive one or more levels of service, encompassing video, Internet and voice services, without regard to which service(s) such customers receive. Customers who reside in residential multiple dwelling units ("MDUs") and that are billed under bulk contracts are counted based on the number of billed units within each bulk MDU. Total customer relationships exclude enterprise customer relationships.
- (e) Single play, double play and triple play customers represent customers that subscribe to one, two or three of Charter service offerings, respectively.
- (f) Single play, double play and triple play penetration represents the number of residential single play, double play and triple play customers, respectively, as a percentage of residential customer relationships.
- (g) Monthly residential revenue per residential customer is calculated as total residential video, Internet and voice quarterly revenue divided by three divided by average residential customer relationships during the respective quarter.
- (h) Monthly small and medium business revenue per customer is calculated as total small and medium business quarterly revenue divided by three divided by average small and medium business customer relationships during the respective quarter.
- (i) Enterprise PSUs represents the aggregate number of fiber service offerings counting each separate service offering at each customer location as an individual PSU.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Net income attributable to Charter shareholders	\$ 387	\$ 493	\$ 954	\$ 934
Plus: Net income attributable to noncontrolling interest	80	91	216	212
Interest expense, net	963	901	2,833	2,630
Income tax expense	126	109	329	178
Depreciation and amortization	2,415	2,482	7,465	7,784
Stock compensation expense	71	71	238	213
(Gain) loss on financial instruments, net	34	(12)	116	—
Other pension benefits, net	(9)	(207)	(27)	(247)
Other, net	19	23	202	191
Adjusted EBITDA (a)	<u>4,086</u>	<u>3,951</u>	<u>12,326</u>	<u>11,895</u>
Less: Mobile revenue	(192)	(17)	(490)	(17)
Plus: Mobile costs and Expenses	337	94	874	135
Cable Adjusted EBITDA	<u>\$ 4,231</u>	<u>\$ 4,028</u>	<u>\$ 12,710</u>	<u>\$ 12,013</u>
Net cash flows from operating activities	\$ 2,943	\$ 2,804	\$ 8,390	\$ 8,599
Less: Purchases of property, plant and equipment	(1,651)	(2,118)	(4,913)	(6,692)
Change in accrued expenses related to capital expenditures	(21)	(154)	(449)	(620)
Free cash flow	<u>1,271</u>	<u>532</u>	<u>3,028</u>	<u>1,287</u>
Plus: Mobile net cash outflows from operating activities	156	83	563	154
Purchases of mobile property, plant and equipment	100	66	281	136
Cable free cash flow	<u>\$ 1,527</u>	<u>\$ 681</u>	<u>\$ 3,872</u>	<u>\$ 1,577</u>

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

The above schedule is presented in order to reconcile Adjusted EBITDA, cable Adjusted EBITDA, free cash flow and cable free cash flow, non-GAAP measures, to the most directly comparable GAAP measures in accordance with Section 401(b) of the Sarbanes-Oxley Act.

**CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES**  
**UNAUDITED CAPITAL EXPENDITURES**  
(dollars in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Customer premise equipment (a)	\$ 470	\$ 675	\$ 1,527	\$ 2,437
Scalable infrastructure (b)	320	505	840	1,578
Line extensions (c)	370	348	1,054	992
Upgrade/rebuild (d)	165	190	451	522
Support capital (e)	326	400	1,041	1,163
Total capital expenditures	1,651	2,118	4,913	6,692
Less: Mobile capital expenditures	(100)	(66)	(281)	(136)
Cable capital expenditures	<u>\$ 1,551</u>	<u>\$ 2,052</u>	<u>\$ 4,632</u>	<u>\$ 6,556</u>

Capital expenditures included in total related to:

Commercial services	\$ 327	\$ 342	\$ 956	\$ 934
All-digital transition	\$ —	\$ 42	\$ —	\$ 316

- (a) Customer premise equipment includes costs incurred at the customer residence to secure new customers and revenue generating units, including customer installation costs and customer premise equipment (e.g., set-top boxes and cable modems).
- (b) Scalable infrastructure includes costs, not related to customer premise equipment, to secure growth of new customers and revenue generating units, or provide service enhancements (e.g., headend equipment).
- (c) Line extensions include network costs associated with entering new service areas (e.g., fiber/coaxial cable, amplifiers, electronic equipment, make-ready and design engineering).
- (d) Upgrade/rebuild includes costs to modify or replace existing fiber/coaxial cable networks, including betterments.
- (e) Support capital includes costs associated with the replacement or enhancement of non-network assets due to technological and physical obsolescence (e.g., non-network equipment, land, buildings and vehicles).