UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2006

Commission File Numbers:	**333-57285-01** **333-57285**

Mediacom LLC
Mediacom Capital Corporation*

(Exact names of Registrants as specified in their charters)

New York **New York**	**06-1433421** **06-1513997**
(State or other jurisdiction of incorporation or organization)	***(I.R.S. Employer Identification Numbers)***

100 Crystal Run Road
Middletown, New York 10941
(Address of principal executive offices)

(845) 695-2600
(Registrants' telephone number)

Indicate by check mark whether the Registrants (1) have filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days.

☑ Yes o No

Indicate by check mark whether the Registrants are large accelerated filers, accelerated filers, or non-accelerated filers. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

o Large accelerated filers o Accelerated filers ☑ Non-accelerated filers

Indicate by check mark whether the Registrants are a shell company (as defined in Rule 12b-2 of the Exchange Act).

o Yes ☑ No

Indicate the number of shares outstanding of the Registrants' common stock: Not Applicable

*Mediacom Capital Corporation meets the conditions set forth in General Instruction H (1) (a) and (b) of Form 10-Q and is therefore filing this form with the reduced disclosure format.

MEDIACOM LLC AND SUBSIDIARIES

FORM 10-Q
FOR THE PERIOD ENDED SEPTEMBER 30, 2006

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Cautionary Statement Regarding Forward-Looking Statements

You should carefully review the information contained in this Quarterly Report and in other reports or documents that we file from time to time with the Securities and Exchange Commission (the “SEC”).

In this Quarterly Report, we state our beliefs of future events and of our future financial performance. In some cases, you can identify those so-called “forward-looking statements” by words such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” or “continue” or the negative of those words and other comparable words. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from historical results or those we anticipate. Factors that could cause actual results to differ from those contained in the forward-looking statements include, but are not limited to: competition in our video, high-speed Internet access and phone businesses; our ability to achieve anticipated customer and revenue growth and to successfully introduce new products and services; increasing programming costs; changes in laws and regulations; our ability to generate sufficient cash flow to meet our debt service obligations and access capital to maintain our financial flexibility; and the other risks and uncertainties discussed in this Quarterly Report and in our Annual Report on Form 10-K for the year ended December 31, 2005 and other reports or documents that we file from time to time with the SEC. Statements included in this Quarterly Report are based upon information known to us as of the date that this Quarterly Report is filed with the SEC, and we assume no obligation to update or alter our forward-looking statements made in this Quarterly Report, whether as a result of new information, future events or otherwise, except as otherwise required by applicable federal securities laws.

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PART I

ITEM 1. FINANCIAL STATEMENTS

MEDIACOM LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(All dollar amounts in thousands)
(Unaudited)

	September 30, 2006	December 31, 2005
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 9,421	$ 6,466
Accounts receivable, net of allowance for doubtful accounts of $940 and $1,235, respectively	30,862	27,617
Prepaid expenses and other current assets	2,493	6,064
Total current assets	42,776	40,147
Preferred equity investment in affiliated company	150,000	150,000
Investment in cable television systems:		
Property, plant and equipment, net of accumulated depreciation of $885,076 and $815,387, respectively	708,611	711,804
Franchise rights, net of accumulated amortization of $102,195	552,610	552,610
Goodwill	16,800	16,800
Subscriber lists, net of accumulated amortization of $138,524 and $138,504, respectively	29	49
Total investment in cable television systems	1,278,050	1,281,263
Other assets, net of accumulated amortization of $12,388 and $12,759, respectively	15,075	20,600
Total assets	$ 1,485,901	$ 1,492,010
LIABILITIES AND MEMBERS' DEFICIT		
CURRENT LIABILITIES		
Accrued liabilities	$ 132,729	$ 117,411
Deferred revenue	20,837	18,600
Current portion of long-term debt	5,253	6,412
Total current liabilities	158,819	142,423
Long-term debt, less current portion	1,559,339	1,462,369
Other non-current liabilities	12,451	10,819
Total liabilities	1,730,609	1,615,611
Commitments and contingencies (Note 9)		
MEMBERS' DEFICIT		
Capital contributions	440,521	548,521
Accumulated deficit	(685,229)	(672,122)
Total members' deficit	(244,708)	(123,601)
Total liabilities and members' deficit	$ 1,485,901	$ 1,492,010

The accompanying notes to the unaudited financial statements are an integral part of these statements

MEDIACOM LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(All amounts in thousands)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	**2005**	**2006**	**2005**
Revenues	$ 134,276	$ 122,274	$ 393,449	$ 362,810
Costs and expenses:				
Service costs (exclusive of depreciation and amortization of $26,490, $25,445, $77,921, and $74,232, respectively, shown separately below)	55,999	51,258	164,706	148,628
Selling, general and administrative expenses	26,372	23,905	73,659	69,900
Management fee expense	2,397	2,464	6,978	7,374
Depreciation and amortization	26,490	25,445	77,921	74,232
Operating income	23,018	19,202	70,185	62,676
Interest expense, net	(29,259)	(25,427)	(82,477)	(75,573)
Loss on early extinguishment of debt	—	—	(4,624)	(4,742)
(Loss) gain on derivatives, net	(7,459)	2,936	(6,498)	5,297
Gain on sale of assets and investments, net	—	1,446	—	2,628
Investment income from affiliate	4,500	4,500	13,500	13,500
Other expense	(939)	(1,045)	(3,193)	(3,717)
Net (loss) income	$ (10,139)	$ 1,612	$ (13,107)	$ 69

The accompanying notes to the unaudited financial statements are an integral part of these statements

MEDIACOM LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(All amounts in thousands)
(Unaudited)

	Nine Months Ended September 2006	Nine Months Ended September 2005
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	$ (13,107)	$ 69
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	77,921	74,232
Loss (gain) on derivatives, net	6,498	(5,297)
Gain on sale of assets and investments, net	—	(2,628)
Loss on early extinguishment of debt	2,999	4,742
Amortization of original issue discounts and deferred financing costs	1,881	2,313
Share-based compensation	293	84
Changes in assets and liabilities, net of effects from acquisitions:		
Accounts receivable, net	(3,245)	854
Prepaid expenses and other assets	784	10,813
Accrued liabilities	15,318	(12,089)
Deferred revenue	2,237	710
Other non-current liabilities	(1,705)	(2,607)
Net cash flows provided by operating activities	89,874	71,196
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(74,707)	(89,840)
Proceeds from sale of assets and investments	—	4,616
Net cash flows used in investing activities	(74,707)	(85,224)
CASH FLOWS FROM FINANCING ACTIVITIES:		
New borrowings	811,000	493,000
Repayment of debt	(715,189)	(284,626)
Capital distribution	(108,000)	—
Redemption of senior notes	—	(200,000)
Other financing activities — book overdrafts	(23)	(50)
Net cash flows (used in) provided by financing activities	(12,212)	8,324
Net increase (decrease) in cash and cash equivalents	2,955	(5,704)
CASH AND CASH EQUIVALENTS, beginning of period	6,466	12,131
CASH AND CASH EQUIVALENTS, end of period	$ 9,421	$ 6,427
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for interest, net of amounts capitalized	$ 90,798	$ 94,008

The accompanying notes to the unaudited financial statements are an integral part of these statements

MEDIACOM LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION

Mediacom LLC ("Mediacom," and collectively with its subsidiaries, the "Company"), a New York limited liability company wholly-owned by Mediacom Communications Corporation ("MCC"), is involved in the acquisition and operation of cable systems serving smaller cities and towns in the United States.

The Company has prepared these unaudited consolidated financial statements in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC"). In the opinion of management, such statements include all adjustments, consisting of normal recurring accruals and adjustments, necessary for a fair presentation of the Company's consolidated results of operations and financial position for the interim periods presented. The accounting policies followed during such interim periods reported are in conformity with generally accepted accounting principles in the United States of America and are consistent with those applied during annual periods, except for the adoption of SFAS No. 123(R), *"Share-Based Payment"* ("SFAS No. 123(R)"), as discussed in Note 7. For a summary of the Company's accounting policies and other information, refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2005. The results of operations for the interim periods are not necessarily indicative of the results that might be expected for future interim periods or for the full year ending December 31, 2006.

Mediacom relies on its parent, MCC, for various services such as corporate and administrative support. The financial position, results of operations and cash flows of Mediacom could differ from those that would have resulted had Mediacom operated autonomously or as an entity independent of MCC.

Mediacom Capital Corporation ("Mediacom Capital"), a New York corporation wholly-owned by Mediacom, co-issued, jointly and severally with Mediacom, public debt securities. Mediacom Capital has no operations, revenues or cash flows, and has no assets, liabilities or stockholders' equity on its consolidated balance sheets other than a one-hundred dollar receivable from an affiliate and the same dollar amount of common stock. Therefore, separate financial statements have not been presented for this entity.

Allowance for Doubtful Accounts

During the nine months ended September 30, 2006, the Company revised its estimate of probable losses in the accounts receivable of its video, data and phone business to better reflect historical collection experience. The change in estimate resulted in a benefit to the consolidated statement of operations of $0.5 million for nine months ended September 30, 2006.

The allowance for doubtful accounts represents the Company's best estimate of probable losses in the accounts receivable balance. The allowance is based on the number of days outstanding, customer balances, historical experience and other currently available information. During the three months ended September 30, 2006, the Company revised its estimate of probable losses in the accounts receivable of its advertising businesses to better reflect historical collection experience. The change in estimate resulted in a benefit to the consolidated statement of operations of $0.1 million for the three and nine months ended September 30, 2006.

Reclassifications

Certain reclassifications have been made to the prior year amounts to conform to the current year's presentation.

2. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In February 2006, the FASB issued FASB Statement No. 155, "*Accounting for Certain Hybrid Financial Instruments, Amendment of FASB Statement No. 133 and 140*" ("SFAS No. 155"). SFAS No. 155 amends SFAS No. 133, "*Accounting for Derivative Instruments and Hedging Activities*" ("SFAS No. 133") and SFAS No. 140, "*Accounting for Transfers and*

Servicing of Financial Assets and Extinguishments of Liabilities" ("SFAS No. 140"). SFAS No. 155 gives entities the option of applying fair value accounting to certain hybrid financial instruments in their entirety if they contain embedded derivatives that would otherwise require bifurcation under SFAS No. 133. SFAS No. 155 will be effective as of January 1, 2007 and the Company does not believe that the adoption will have a material impact on its consolidated financial condition or results of operations.

In March 2006, the FASB issued SFAS No. 156, "*Accounting for Servicing of Financial Assets — an Amendment of FASB Statement No 140"* ("SFAS No. 156"). SFAS No. 156 provides guidance on the accounting for servicing assets and liabilities when an entity undertakes an obligation to service a financial asset by entering into a servicing contract. This statement is effective for all transactions in fiscal years beginning after September 15, 2006. The Company does not expect the adoption of SFAS No. 156 will have a material impact on its Consolidated Financial Condition or results of operations.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements ("SFAS No. 157"). SFAS No. 157 establishes a single authoritative definition of fair value, sets out a framework for measuring fair value, and expands on required disclosures about fair value measurement. SFAS No. 157 will be effective as of January 1, 2008 and will be applied prospectively. The Company has not completed its evaluation of SFAS No. 157 to determine the impact that adoption will have on its consolidated financial condition or results of operations.

3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following (dollars in thousands):

	September 30, 2006	December 31, 2005
Cable systems, equipment and subscriber devices	$ 1,525,445	$ 1,462,189
Vehicles	30,529	30,040
Furniture, fixtures and office equipment	19,888	17,595
Buildings and leasehold improvements	16,122	15,877
Land and land improvements	1,704	1,490
	1,593,688	1,527,191
Accumulated depreciation	(885,077)	(815,387)
Property, plant and equipment, net	$ 708,611	$ 711,804

MEDIACOM LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. ACCRUED LIABILITIES

Accrued liabilities consisted of the following (dollars in thousands):

	September 30, 2006	December 31, 2005
Accrued interest	$ 23,369	$ 31,022
Accrued programming costs	19,202	20,320
Accrued taxes and fees	12,206	14,572
Accrued payroll and benefits	11,690	8,762
Accrued service costs	8,013	6,214
Accrued property, plant and equipment	6,970	7,851
Accrued telecommunications costs	6,431	4,432
Subscriber advance payments	5,809	5,189
Other accrued expenses	39,039	19,049
	$ 132,729	$ 117,411

5. DEBT

Debt consisted of the following (dollars in thousands):

	September 30, 2006	December 31, 2005
Bank credit facilities	$ 939,000	$ 842,500
7?% senior notes due 2011	125,000	125,000
9$\frac{1}{2}$% senior notes due 2013	500,000	500,000
Capital lease obligations	592	1,281
	1,564,592	1,468,781
Less: Current portion	5,253	6,412
Total long-term debt	$ 1,559,339	$ 1,462,369

Bank Credit Facilities

On May 5, 2006, the Company refinanced a $543.1 million term loan with a new term loan in the amount of $650.0 million. Borrowings under the new term loan bear interest at a rate that is 0.5% less than the interest rate of the term loan that it replaced. The new term loan matures in January 2015, whereas the term loan it replaced had a maturity of February 2013.

For the nine months ended September 30, 2006, the Company recorded in its consolidated statement of operations a loss on early extinguishment of debt of $4.6 million, representing $1.6 million of bank fees and the write-off of $3.0 million of unamortized deferred financing costs.

The average interest rates on outstanding debt under the bank credit facilities as of September 30, 2006 and 2005, were 7.1% and 5.7%**,** respectively, before giving effect to the interest rate exchange agreements discussed below. As of September 30, 2006, the Company had unused credit commitments of approximately $292.7 million under its bank credit facilities, all of which could be borrowed and used for general corporate purposes based on the terms and conditions of the Company’s debt arrangements. The Company was in compliance with all covenants under its debt arrangements as of September 30, 2006.

As of September 30, 2006, approximately $18.3 million of letters of credit were issued to various parties as collateral for the Company's performance relating primarily to insurance and franchise requirements.

Interest Rate Exchange Agreements

The Company uses interest rate exchange agreements in order to fix the interest rate on its floating rate debt. As of September 30, 2006, the Company had interest rate exchange agreements with various banks pursuant to which the interest rate on $500.0 million is fixed at a weighted average rate of approximately 4.1%. In addition, in June 2006, the Company entered into forward interest rate exchange agreements that fixed interest rates at a weighted average of approximately 5.4% on $100.0 million of floating rate debt for three years commencing on December 29, 2006. These agreements have been accounted for on a mark-to-market basis as of, and for the three months ended September 30, 2006. The Company's interest rate exchange agreements are scheduled to expire in the amounts of $150.0 million, $50.0 million, $300.0 million and $100.0 million during the years ended December 31, 2006, 2007, 2009 and 2010, respectively.

As of September 30, 2006, based on the mark-to-market valuation, the Company recorded on its consolidated balance sheet a net accumulated liability for derivatives of $1.0 million. As a result of the mark-to-market valuations on these interest rate swaps, the Company recorded a loss on derivatives of $7.5 million and a gain on derivatives of $2.9 million for the three months ended September 30, 2006 and 2005, respectively, and a loss on derivatives of $6.5 million and a gain on derivatives of $5.3 million for the nine months ended September 30, 2006 and 2005, respectively.

6. MEMBERS' EQUITY

On June 29, 2006, the Company made an $8.0 million capital distribution to MCC that was funded with available cash.

On July 12, 2006, the Company made a $100.0 million capital distribution to MCC that was funded with a drawdown of the Company's revolving credit facility and available cash.

7. SHARE-BASED COMPENSATION

Effective January 1, 2006, the Company adopted SFAS No. 123(R) using the modified prospective method. SFAS No. 123(R) revises SFAS No. 123, "*Accounting for Stock-Based Compensation"* (SFAS No. 123) and supersedes Accounting Principles Board ("APB") Opinion No. 25, "*Accounting for Stock Issued to Employees*" (APB No. 25). SFAS No. 123(R) requires the cost of all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values at the grant date, or the date of later modification, over the requisite service period. In addition, SFAS 123(R) requires unrecognized cost, based on the amounts previously disclosed in the Company's pro forma footnote disclosure, related to options vesting after the date of initial adoption to be recognized in the financial statements over the remaining requisite service period. All share-based payments are in the form of equity securities of MCC.

Under this method, prior periods are not restated and the amount of compensation cost recognized includes: (i) compensation cost for all share-based payments granted prior to, but not yet vested as of January 1, 2006, based on the grant date fair value estimated in accordance with the provisions of SFAS No. 123, and (ii) compensation cost for all share-based payments granted subsequent to January 1, 2006, based on the grant date fair value estimated in accordance with the provisions of SFAS No. 123(R). The Company uses the Black-Scholes option pricing model which requires extensive use of accounting judgment and financial estimates, including estimates of the expected term employees will retain their vested stock options before exercising them, the estimated volatility of the MCC's stock price over the expected term, and the number of options that will be forfeited prior to the completion of their vesting requirements. Application of alternative assumptions could produce significantly different estimates of the fair value of share-based compensation and consequently, the related amounts recognized in the Consolidated Statements of Operations. The provisions of SFAS No. 123(R) apply to new stock awards and stock awards outstanding, but not yet vested, on the effective date. In March 2005, the SEC issued SAB No. 107 relating to SFAS No. 123(R). We have applied the provisions of SAB No. 107 in our adoption.

MEDIACOM LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Impact of the Adoption of SFAS No. 123(R)

Upon adoption of SFAS 123(R), the Company recognizes share-based compensation expenses associated with share awards on a straight-line basis over the requisite service period using the fair value method. The incremental share-based compensation expense recognized due to the adoption of SFAS 123(R) was $0.1 million for the three months ended September 30, 2006 and $0.1 million for the nine months ended September 30, 2006. Results for prior periods have not been restated.

Total share-based compensation expense for the three and nine months ended September 30, 2006, were as follows (amounts in thousands):

	Three Months Ended September 30, 2006	Nine Months Ended September 30, 2006
Share-based compensation expense by type of award:		
Employee stock options	$ 24	$ 94
Employee stock purchase plan	26	51
Restricted stock units	53	148
Total share-based compensation expense	$ 103	$ 293

As required by SFAS No. 123(R), the Company made an estimate of expected forfeitures and is recognizing compensation costs only for those equity awards expected to vest. The cumulative effect of initially adopting SFAS No. 123(R) was not material. The total future compensation cost related to unvested share-based awards was $0.2 million as of September 30, 2006, which will be recognized over a weighted average period of 2.1 years.

MEDIACOM LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Pro forma Information for Periods Prior to the Adoption of SFAS No. 123(R)

Prior to January 1, 2006, the Company accounted for share-based compensation in accordance with APB No. 25, as permitted by SFAS No. 123, and accordingly did not recognize compensation expense for stock options with an exercise price equal to or greater than the market price of the underlying stock at the date of grant. Had the fair value method prescribed by SFAS No. 123 been applied, the effect on net loss would have been as follows for the three and nine months ended September 30, 2005 (dollars in thousands):

	Three Months Ended September 30, 2005	Nine Months Ended September 30, 2005
Net income as reported	$ 1,612	$ 69
Add: Total stock-based compensation expense included in net income as reported above	35	84
Deduct: Total stock-based compensation expense determined under fair value based method for all awards	(217)	(654)
Pro forma net income	$ 1,430	$ (501)

Valuation Assumptions

As required by SFAS 123(R), the Company estimated the fair value of stock options using the Black-Scholes valuation model and the straight-line attribution approach with the following weighted average assumptions:

	Employee Stock Option Plans Nine Months Ended September 30,		Employee Stock Purchase Plans Nine Months Ended September 30,	
	2006	2005	2006	2005
Dividend yield	0%	0%	0%	0%
Expected volatility	56.0%	45.0%	33.0%	45.0%
Risk free interest rate	4.8%	3.9%	4.7%	4.0%
Expected option life (in years)	4.0	6.0	0.5	0.5
Forfeiture rate	14.0%	14.0%	—	—

MCC does not expect to declare dividends. Expected volatility is based on a combination of implied and historical volatility of the MCC's Class A common stock. Prior to January 1, 2006, the Company used historical data and other factors to estimate the option life of the share-based payments granted. For the three and nine months ended September 30, 2006, the Company elected the simplified method in accordance with Staff Accounting Bulletin 107's ("SAB 107") to estimate the option life of share-based awards. The risk free interest rate is based on the U.S. Treasury yield in effect at the date of grant.

MEDIACOM LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Stock Option Plan

In April 2003, MCC's Board of Directors adopted MCC's 2003 Incentive Plan, or the "2003 Plan," which amended and restated the MCC's 1999 Stock Option Plan and incorporated into the 2003 Plan options that were previously granted outside the 1999 Stock Option Plan. The 2003 Plan was approved by MCC's stockholders in June 2003. The 2003 Plan provides for the grant of incentive stock options, nonqualified stock options, restricted shares, and other share-based awards, in addition to annual incentive awards.

The following table summarized the activity of the 2003 Plan for the nine months ended September 30, 2006:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)
Outstanding at January 1, 2006	1,146,270	$ 17.69	
Granted	15,000	5.66	
Exercised	—	—	
Forfeited	(83,022)	18.48	
Expired	—	—	
Outstanding at September 30, 2006	1,078,248	$ 17.39	3.9
Exercisable at September 30, 2006	1,030,334	$ 17.90	3.8

The weighted average fair value at the date of grant of a Class A common stock option granted under the 2003 Plan during the nine months ended September 30, 2006 and 2005 was $5.66 and $5.42, respectively.

The following table summarizes information concerning stock options outstanding as of September 30, 2006:

	Options Outstanding				Options Exercisable			
Range of Exercise Prices	Number of Shares Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Aggregate Intrinsic Value (in thousands)	Number of Shares Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Aggregate Intrinsic Value (in thousands)
$5.00 - $12.00	116,070	6.0	$ 7.72	$ 24	68,156	6.3	$ 8.45	$ 4
$12.01 - $18.00	252,970	4.4	17.33	—	252,970	4.4	17.33	—
$18.01 - $22.00	709,208	3.6	19.01	—	709,208	3.6	19.01	—
	1,078,248	3.9	$ 17.39	$ 24	1,030,334	3.8	$ 17.90	$ 4

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value, based on MCC's average stock price of $6.26 per share during the nine months ended September 30, 2006, which would have been received by the option holders had all option holders exercised their options as of that date.

Restricted Stock Units

MCC grants restricted stock units to certain employees and directors ("participants") in MCC's Class A common stock. Awards of restricted stock units are valued by reference to shares of common stock that entitle participants to receive, upon the settlement of the unit, one share of common stock for each unit. The awards are subject to annual vesting periods not exceeding 4 years from the date of grant. The Company made estimates of expected forfeitures and recognized compensation costs for equity awards expected to vest. The intrinsic value of outstanding restricted stock units, based on the MCC's average stock price of $6.26 per share during the nine months ended September 30, 2006, was $1.0 million.

The following table summarizes the activity of MCC's restricted stock unit awards for the nine months ended September 30, 2006:

	Number of Non-Vested Share Unit Awards	Weighted Average Grant Date Fair Value
Unvested Awards at January 1, 2006	100,500	$ 5.49
Granted	60,100	5.72
Awards Vested	(6,275)	5.69
Foreited	(1,400)	5.70
Unvested Awards at September 30, 2006	152,925	$ 5.57

Employee Stock Purchase Plan

MCC maintains an employee stock purchase plan ("ESPP"). Under the ESPP, all employees are allowed to participate in the purchase of MCC's Class A Common Stock at 85% of the lower of the fair market value on the first or last day of each six month offering period, which expire in March and September of each year, respectively. Shares purchased by employees amounted to 17,460 and 18,477 for the three months ended September 30, 2006 and 2005, respectively. Shares purchased by employees amounted to 36,524 and 36,016 for the nine months ended September 30, 2006 and 2005, respectively. The net proceeds to the Company were approximately $0.1 million and $0.1 million for the three months ended September 30, 2006 and 2005, respectively. The net proceeds to the Company were approximately $0.2 million and $0.2 million for the nine months ended September 30, 2006 and 2005, respectively. Compensation expense related to the adoption of SFAS No. 123(R) was $0.1 million and $0.2 million for the three and nine months ended September 30, 2006. Compensation expense was not recorded on the issuance of these shares in accordance with APB No. 25 for the nine months ended September 30, 2005.

8. INVESTMENT IN AFFILIATED COMPANY

The Company has a $150.0 million preferred equity investment in Mediacom Broadband LLC, a wholly owned subsidiary of MCC. The preferred equity investment has a 12% annual cash dividend, payable quarterly in cash. During the three and nine months ended September 30, 2006, the Company received in aggregate $4.5 million and $13.5 million, respectively, in cash dividends on the preferred equity. During the three and nine months ended September 30, 2005, the Company received in aggregate $4.5 million and $13.5 million, respectively, in cash dividends on the preferred equity.

9. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company is named as a defendant in a putative class action, captioned *Gary Ogg and Janice Ogg v. Mediacom, LLC*, pending in the Circuit Court of Clay County, Missouri, by which the plaintiffs are seeking class-wide damages for alleged trespasses on land owned by private parties. The lawsuit was originally filed on April 24, 2001. Pursuant to various agreements with the relevant state, county or other local authorities and with utility companies, the Company placed interconnect fiber optic cable within state and county highway rights-of-way and on utility poles in areas of Missouri not presently encompassed by a cable franchise. The lawsuit alleges that the Company was required but failed to obtain permission from the landowners to place the cable. The lawsuit has not made a claim for specified damages. An order declaring that this action is appropriate for class relief was entered on April 14, 2006. The Company's petition for an interlocutory appeal or in the alternative a writ of mandamus was denied by order of the Supreme Court of Missouri, dated October 31, 2006. The Company intends to vigorously defend against any claims made by the plaintiffs, including at trial, and on appeal, if necessary. The Company has tendered the lawsuit to its insurance carrier for defense and indemnification. The carrier has agreed to defend the Company under a reservation of rights, and a declaratory judgment action is pending regarding the carrier's defense and coverage responsibilities. The Company is unable to reasonably evaluate the likelihood of an unfavorable outcome or quantify the possible damages, if any, associated with these matters, or judge whether or not those damages would be material to its consolidated financial position, results of operations, cash flows or business.

The Company, its subsidiaries, MCC and other affiliated companies are also involved in various legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's consolidated financial position, results of operations, cash flows or business.

ITEM 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Company's unaudited consolidated financial statements as of, and for the three and nine months ended, September 30, 2006 and 2005, and with the Company's annual report on Form 10-K for the year ended December 31, 2005.

Overview

We are a wholly-owned subsidiary of Mediacom Communications Corporation ("MCC"). Through our interactive broadband network, we provide our customers with a wide array of broadband products and services, including video services, such as video-on-demand ("VOD"), high-definition television ("HDTV") and digital video recorders ("DVRs"), high-speed data access ("HSD") and phone service. Where our phone service is available, we offer triple-play bundles of video, HSD and voice. Bundled products and services offer our customers a single provider contact for ordering, provisioning, billing and customer care.

As of September 30, 2006, our cable systems passed an estimated 1.35 million homes and served 636,000 basic video subscribers. We provide digital video service to 217,000 customers, representing a penetration of 34.1% of our basic subscribers. We also currently provide HSD to 243,000 customers, representing a penetration of 18.0% of our estimated homes passed. We introduced phone service during the second quarter of 2005 and marketed and provided service to 550,000 and 23,000 customers, respectively, as of September 30, 2006.

Adjusted operating income before depreciation and amortization ("Adjusted OIBDA") noted below represents operating income before depreciation and amortization and non-cash share-based compensation charges. Adjusted OIBDA is not a financial measure calculated in accordance with generally accepted accounting principles ("GAAP") in the United States of America. However, Adjusted OIBDA is one of the primary measures used by management to evaluate our performance and to forecast future results. We believe Adjusted OIBDA is useful for investors because it enables them to assess our performance in a manner similar to the method used by management, and provides a measure that can be used to analyze, value and compare our performance with other companies in our business, although our measure may not be directly comparable to similar measures used by other companies. In addition, our debt agreements use Adjusted OIBDA in their covenant calculations.

Limitations of this measure, however, are that it excludes depreciation and amortization, which represents the periodic costs of certain capitalized tangible and intangible assets used in generating revenues in our business, and non-cash, share-based compensation charges. Therefore, Adjusted OIBDA should not be regarded as a substitute for operating income, net income (loss), or net cash flows provided from operating activities, or other measures of performance or liquidity we have reported in accordance with GAAP. We believe that operating income is the most directly comparable GAAP financial measure to Adjusted OIBDA. Refer to Note 7 of our financial statements for more information on non-cash, share-based compensation costs.

Retransmission Consent

Cable systems serving our subscribers carry the broadcast signals of 21 local broadcast stations owned or programmed by Sinclair Broadcast Group, Inc. under a month-to-month retransmission arrangement terminable at the end of any month on 45-days notice. Ten of these stations are affiliates of one of the "big-4" networks (ABC, CBS, FOX and NBC) that we deliver to approximately half of our aggregate total subscribers. The other stations are affiliates of the recently launched CW or MyNetwork broadcast networks or are unaffiliated with a national broadcast network. In negotiations for a longer-term retransmission consent agreement, Sinclair is seeking compensation that we believe to be in excess of what is appropriate, although the amount is not material to our results of operations or financial condition.

On September 28, 2006, Sinclair exercised its right to deliver notice to us to terminate retransmission of all of its stations effective December 1, 2006. We cannot predict whether we will be able to reach a new agreement before our systems actually have to cease carriage. If there is an actual termination of carriage, we are unable to predict how many of our subscribers might switch to direct broadcast service providers that carry the Sinclair stations as the result of marketing campaigns launched by those providers or Sinclair; however, a permanent loss of a significant number of subscribers could adversely affect our results of operations, financial condition and prospects.

Actual Results of Operations

Three Months Ended September 30, 2006 compared to Three Months Ended September 30, 2005

The following table sets forth our unaudited consolidated statements of operations for the three months ended September 30, 2006 and 2005 (dollars in thousands and percentage changes that are not meaningful are marked NM):

	Three Months Ended September 30, 2006	Three Months Ended September 30, 2005	$ Change	% Change
Revenues	$ 134,276	$ 122,274	$ 12,002	9.8%
Costs and expenses:				
Service costs	55,999	51,258	4,741	9.2%
Selling, general and administrative expenses	26,372	23,905	2,467	10.3%
Management fee expense	2,397	2,464	(67)	(2.7%)
Depreciation and amortization	26,490	25,445	1,045	4.1%
Operating income	23,018	19,202	3,816	19.9%
Interest expense, net	(29,259)	(25,427)	(3,832)	15.1%
(Loss) gain on derivatives, net	(7,459)	2,936	(10,395)	NM
Gain on sale of assets and investments, net	—	1,446	(1,446)	NM
Investment income from affiliate	4,500	4,500	—	—
Other expense	(939)	(1,045)	106	(10.1%)
Net (loss) income	$ (10,139)	$ 1,612	$ (11,751)	NM

The following represents a reconciliation of Adjusted OIBDA to operating income, which is the most directly comparable GAAP measure (dollars in thousands and percentage changes that are not meaningful are marked NM):

	Three Months Ended September 30, 2006	Three Months Ended September 30, 2005	$ Change	% Change
Adjusted OIBDA	$ 54,111	$ 49,182	$ 4,929	10.0%
Non-cash, share-based compensation charges	(103)	(35)	(68)	NM
Investment income from affiliate	(4,500)	(4,500)	—	NM
Depreciation and amortization	(26,490)	(25,445)	(1,045)	4.1%
Operating income	$ 23,018	$ 19,202	$ 3,816	19.9%

Revenues

The following table sets forth revenues and selected subscriber, customer and average monthly revenue statistics for the three months ended September 30, 2006 and 2005 (dollars in thousands, except per subscriber and customer data and percentage changes that are not meaningful are marked NM):

	Three Months Ended September 30, 2006	Three Months Ended September 30, 2005	$ Change	% Change
Video	$ 100,104	$ 95,812	$ 4,292	4.5%
Data	27,225	22,298	4,927	22.1%
Phone	2,064	50	2,014	NM
Advertising	4,883	4,114	769	18.7%
	$ 134,276	$ 122,274	$ 12,002	9.8%

	Three Months Ended September 30, 2006	Three Months Ended September 30, 2005	Increase (Decrease)	% Change
Basic subscribers	636,000	655,000	(19,000)	(2.9%)
Data customers	243,000	200,000	43,000	21.5%
Phone customers	23,000	1,000	22,000	NM
Average monthly video revenue per basic subscriber (1)	$ 52.14	$ 48.21	$ 3.93	8.2%
Average monthly data revenue per data customer (2)	$ 38.29	$ 37.92	$ 0.37	1.0%

(1) Average monthly video revenue per basic subscriber is calculated based on monthly video revenue divided by the average number of basic subscribers for the quarter.

(2) Average monthly data revenue per data customer is calculated based on monthly data revenue divided by the average number of data customers for the quarter.

Video revenues represent monthly subscription fees charged to customers for our core cable television products and services (including basic, expanded basic and digital cable programming services, wire maintenance, equipment rental and services to commercial establishments), pay-per-view charges, installation, reconnection, and late payment fees, and other ancillary revenues. Data revenues primarily represent monthly fees charged to customers, including commercial establishments, for our data products and services and equipment rental fees. Franchise fees charged to customers for payment to local franchising authorities are included in their corresponding revenue category. Phone revenues represent monthly fees charged to our customers. Advertising revenues represent the sale of advertising time on various channels.

Revenues rose 9.8%, largely attributable to growth in our data and phone customers, higher video rates and service fees and greater advertising revenues. As of September 30, 2006, and within one year of the initial launch of our phone service, we were marketing this product to about 40% of the estimated homes in our markets.

Video revenues increased 4.5% as a result of basic rate increases applied on our video subscribers and higher service fees from our advanced video products and services offset in part by a 2.9% reduction in basic subscribers. Average monthly video revenue per basic subscriber increased 8.2%. During the three months ended September 30, 2006, we lost 8,000 basic subscribers, compared to a loss of 15,000 basic subscribers during the same period last year, which included the loss of 9,000 subscribers as a result of Hurricane Katrina. Digital customers increased 20,000 to 217,000 when compared to the same period last year.

Data revenues rose 22.1%, primarily due to a 21.5% year-over-year increase in data customers. Largely as a result of the expiration of promotional offers taken in 2005, average monthly data revenue per data customer increased 1.0% from the prior year period and grew 1.0% sequentially from $37.89 in the second quarter of 2006.

As of September 30, 2006, Mediacom Phone was marketed to approximately 550,000 of our 1.35 million estimated homes passed and served 23,000 customers. Phone revenues grew 50.0% sequentially from the previous quarter to $2.1 million.

Advertising revenues increased 18.7%, largely as a result of stronger local advertising sales.

Costs and Expenses

Significant service costs include: programming expenses; employee expenses related to wages and salaries of technical personnel who maintain our cable network, perform customer installation activities, and provide customer support; data costs, including costs of bandwidth connectivity and customer provisioning; and field operating costs, including outside contractors, vehicle, utilities and pole rental expenses. Programming expenses, which are generally paid on a per subscriber basis, have historically increased due to both increases in the rates charged for existing programming services and the introduction of new programming services to our customers.

Service costs rose 9.2%, primarily due to increases in programming expenses and customer growth in our phone and HSD services. Programming expense, the largest component of service costs, increased 7.8%, principally as a result of higher unit costs charged by our programming vendors, offset in part by a lower number of basic subscribers. Recurring expenses related to our phone and HSD services grew 40.7% commensurate with the significant increase of our phone and data customers. Service costs as a percentage of revenues were 41.7% and 41.9% for the three months ended September 30, 2006 and 2005, respectively.

Significant selling, general and administrative expenses include: wages and salaries for our call centers, customer service and support and administrative personnel; franchise fees and taxes; marketing; bad debt; billing; advertising; and office costs related to telecommunications and office administration.

Selling, general and administrative expenses rose 10.3%, principally due to higher marketing, office and customer service employee expenses. Marketing costs rose 25.2% largely due to product and service mailing campaigns. Office costs increased by 19.9% due to higher call center telecommunications charges. Customer service employee expenses were higher by 6.7% mainly due to greater levels of staffing in our customer service workforce. Selling, general and administrative expenses as a percentage of revenues were 19.6% for the three months ended September 30, 2006 and 2005, respectively.

We expect continued revenue growth in our advanced products and services. As a result, we expect our service costs and selling, general and administrative expenses to increase.

Management fee expense reflects charges incurred under management arrangements with our parent, MCC. Management fee expense decreased 2.7%, reflecting lower overhead charges by MCC. As a percentage of revenues, management fee expense was 1.8% and 2.0% for the three months ended September 30, 2006 and 2005, respectively.

Depreciation and amortization increased 4.1% due to higher spending on shorter-lived customer premise equipment over the past two years, offset in part by a decline in overall capital spending.

Adjusted OIBDA

Adjusted OIBDA rose 10.0%, principally due to revenue growth, partially offset by higher costs and expenses.

Operating Income

Operating income grew 19.9%, largely due to growth in Adjusted OIBDA, offset in part by higher depreciation and amortization expense.

Interest Expense, Net

Interest expense, net, increased by 15.1%, primarily due to higher market interest rates on variable rate debt.

Gain (Loss) on Derivatives, Net

We enter into interest rate exchange agreements, or "interest rate swaps," with counterparties to fix the interest rate on a portion of our variable rate debt to reduce the potential volatility in our interest expense that would otherwise result from changes in variable market interest rates. As of September 30, 2006 we had interest rate swaps with an aggregate principal amount of $500.0 million, as well as forward interest rate swaps that go into effect later in 2006 with an aggregate principal amount of $100.0 million. The changes in their mark-to-market values are derived from changes in market interest rates, the decrease in their time to maturity and the creditworthiness of the counterparties. As a result of the quarterly mark-to-market valuation of these interest rate swaps, we recorded a loss on derivatives, net amounting to $7.5 million for the three months ended September 30, 2006 compare to a gain of $2.9 million for the three months ended September 30, 2005.

Investment Income from Affiliate

Investment income from affiliate was $4.5 million for the three months ended September 30, 2006 and 2005, respectively. This amount represents the investment income on our $150.0 million preferred equity investment in Mediacom Broadband LLC.

Net (Loss) Income

As a result of the factors described above, primarily the loss on derivatives, net, we incurred a net loss for the three months ended September 30, 2006 of $10.1 million, compared to net income of $1.6 million for the three months ended September 30, 2005.

Nine Months Ended September 30, 2006 compared to Nine Months Ended September 30, 2005

The following table sets forth our unaudited consolidated statements of operations for the nine months ended September 30, 2006 and 2005 (dollars in thousands and percentage changes that are not meaningful are marked NM):

	Nine Months Ended September 30,			
	2006	**2005**	**$ Change**	**% Change**
Revenues	$ 393,449	$ 362,810	$ 30,639	8.4%
Costs and expenses:				
Service costs	164,706	148,628	16,078	10.8%
Selling, general and administrative expenses	73,659	69,900	3,759	5.4%
Management fee expense	6,978	7,374	(396)	(5.4%)
Depreciation and amortization	77,921	74,232	3,689	5.0%
Operating income	70,185	62,676	7,509	12.0%
Interest expense, net	(82,477)	(75,573)	(6,904)	9.1%
Loss on early extinguishment of debt	(4,624)	(4,742)	118	NM
(Loss) gain on derivatives, net	(6,498)	5,297	(11,795)	NM
Gain on sale of assets and investments, net	—	2,628	(2,628)	NM
Investment income from affiliate	13,500	13,500	—	—
Other expense	(3,193)	(3,717)	524	(14.1%)
Net (loss) income	$ (13,107)	$ 69	$ (13,176)	NM

The following represents a reconciliation of Adjusted OIBDA to operating income, which is the most directly comparable GAAP measure (dollars in thousands and percentage changes that are not meaningful are marked NM):

	Nine Months Ended September 30, 2006	Nine Months Ended September 30, 2005	$ Change	% Change
Adjusted OIBDA	$ 134,899	$ 123,492	$ 11,407	9.2%
Non-cash, share-based compensation charges	(293)	(84)	(209)	NM
Investment income from affiliate	13,500	13,500	0	NM
Depreciation and amortization	(77,921)	(74,232)	(3,689)	5.0%
Operating income	$ 70,185	$ 62,676	$ 7,509	12.0%

Revenues

The following table sets forth revenues, and selected subscriber, customer and average monthly revenue statistics for the nine months ended September 30, 2006 and 2005 (dollars in thousands, except per subscriber and customer data and percentage changes that are not meaningful are marked NM):

	Nine Months Ended September 30, 2006	Nine Months Ended September 30, 2005	$ Change	% Change
Video	$ 297,574	$ 288,908	$ 8,666	3.0%
Data	77,534	63,447	14,087	22.2%
Phone	4,185	50	4,135	NM
Advertising	14,156	10,405	3,751	36.0%
	$ 393,449	$ 362,810	$ 30,639	8.4%

	Nine Months Ended September 30, 2006	Nine Months Ended September 30, 2005	Increase (Decrease)	% Change
Basic subscribers	636,000	655,000	(19,000)	(2.9%)
Data customers	243,000	200,000	43,000	21.5%
Phone customers	23,000	1,000	22,000	NM
Average monthly video revenue per basic subscriber (1)	$ 51.21	$ 47.95	$ 3.26	6.8%
Average monthly data revenue per data customer (2)	$ 37.85	$ 38.22	$ (0.37)	(1.0%)

(1) Average monthly video revenue per basic subscriber is calculated based on monthly video revenue divided by the average number of basic subscribers for the quarter.

(2) Average monthly data revenue per data customer is calculated based on monthly data revenue divided by the average number of data customers for the quarter.

Revenues rose 8.4%, largely attributable to growth in our data and phone customers, higher video rates and service fees and greater advertising revenues.

Video revenues increased 3.0% as a result of higher service fees from our advanced video products and services and basic rate increases applied on our video subscribers offset in part by the 2.9% reduction in basic subscribers. Average monthly video revenue per basic video subscriber increased 6.8%.

Data revenues rose 22.2%, primarily due to a 21.5% year-over-year increase in data customers. Largely as a result of longer-term promotional offers taken in 2005, average monthly data revenue per data customer of $37.85 decreased 1.0% from the prior year period.

Phone revenues were $4.2 million for the nine months ended September 30, 2006.

Advertising revenues increased 36.0%, largely as a result of stronger local advertising sales.

Costs and Expenses

Service costs rose 10.8%, primarily due to increases in programming and employee expenses and customer growth in our phone and HSD services. Programming expense, the largest component of service costs, increased 8.2%, principally as a result of higher unit costs charged by our programming vendors, offset in part by a lower number of basic subscribers. Recurring expenses related to our phone and HSD services grew 40.3% commensurate with the significant increase of our phone and data customers. Employee operating costs rose by 9.5% primarily due to insurance-related expenses, increased headcount and lower capitalized activity by our technicians. Service costs as a percentage of revenues were 41.9% and 41.0% for the nine months ended September 30, 2006 and 2005, respectively.

Selling, general and administrative expenses rose 5.4%, principally due to higher office, advertising sales, customer service employee and billing expenses. Office expenses increased by 17.0% due to higher call center telecommunications charges. Advertising sales expenses rose 38.4% commensurate with the increase in advertising sales revenue. Employee costs grew by 7.0% mainly due to greater levels of staffing in our customer service workforce. Billing expenses increased by 10.5%, due primarily to higher processing fees. Selling, general and administrative expenses as a percentage of revenues were 18.7% and 19.3% for the nine months ended September 30, 2006 and 2005, respectively.

We expect continued revenue growth in advanced services. As a result, we expect our service costs and selling, general and administrative expenses to increase.

Management fee expense decreased 5.4%, reflecting lower overhead charges by MCC. As a percentage of revenues, management fee expense was 1.8% and 2.0% for the nine months ended September 30, 2006 and 2005, respectively.

Depreciation and amortization increased 5.0% due to higher spending on shorter-lived customer premise equipment over the past two years, offset in part by a decline in overall capital spending.

Adjusted OIBDA

Adjusted OIBDA rose 9.2%, principally due to revenue growth, partially offset by higher costs and expenses.

Operating Income

Operating income grew 12.0%, largely due to growth in Adjusted OIBDA and only a modest increase in depreciation and amortization expense.

Interest Expense, Net

Interest expense, net, increased by 9.1%, primarily due to higher market interest rates on variable rate.

Gain on Derivatives, Net

We enter into interest rate exchange agreements, or "interest rate swaps," with counterparties to fix the interest rate on a portion of our variable rate debt to reduce the potential volatility in our interest expense that would otherwise result from changes in variable market interest rates. As of September 30, 2006 we had interest rate swaps with an aggregate principal amount of $500.0 million, as well as forward interest rate swaps that go into effect later in 2006 with an aggregate principal amount of $100.0 million. The changes in their mark-to-market values are derived from changes in market interest rates, the decrease in their time to maturity and the creditworthiness of the counterparties. As a result of the quarterly mark-to-market valuation of these interest rate swaps, we recorded a loss on derivatives amounting to $6.5 million for the nine months ended September 30, 2006 compared to a gain of $5.3 million for the nine months ended September 30, 2005.

Investment Income from Affiliate

Investment income from affiliate was $13.5 million for the nine months ended September 30, 2006 and 2005, respectively. This amount represents the investment income on our $150.0 million preferred equity investment in Mediacom Broadband LLC.

Loss on Early Extinguishment of Debt

Loss on early extinguishment of debt totaled $4.6 million and $4.7 million for the nine months ended September 30, 2006 and 2005, respectively. This represents call premiums paid and the write-off of deferred financing costs associated with various refinancing transactions occurring in both 2006 and 2005.

Net (Loss) Income

As a result of the factors described above, primarily higher interest expense, loss on early extinguishment of debt, and loss on derivatives, net, we incurred a net loss for the nine months ended September 30, 2006 of $13.1 million, as compared to net income of $0.1 million for the nine months ended September 30, 2005.

Liquidity and Capital Resources

Overview

We have invested, and will continue to invest, in our network to enhance its reliability and capacity, and in the further deployment of advanced broadband services. Our capital spending has recently shifted from network upgrade investments to the deployment of advanced services. We also may continue to make strategic acquisitions of cable systems. We have a high level of indebtedness and incur significant amounts of interest expense each year. We believe that we will meet our debt service, capital spending and other requirements through a combination of our net cash flows from operating activities, borrowing availability under our bank credit facilities, and our ability to secure future external financing.

As of September 30, 2006, our total debt was $1.56 billion. Of this amount, $5.3 million matures within the twelve months ending September 30, 2007. During the nine months ended September 30, 2006, we paid cash interest of $90.8 million, net of capitalized interest.

We have a $1.25 billion bank credit facility expiring in 2015. As of September 30, 2006, we had, in total, unused revolving credit commitments of approximately $292.7 million, all of which could be borrowed and used for general corporate purposes based on the terms and conditions of our debt arrangements.

For all periods through September 30, 2006, we were in compliance with all of the covenants under our debt arrangements. Continued access to our credit facilities is subject to our remaining in compliance with the covenants of these credit facilities, including covenants tied to our operating performance. We believe that we will not have any difficulty in the foreseeable future complying with these covenants and that we will meet our current and long-term debt service, capital spending, and other cash requirements through a combination of our net cash flows from operating activities, borrowing availability under our bank credit facilities, and our ability to secure future external financing. However, there is no assurance that we will be able to obtain sufficient future financing, or, if we were able to do so, that the terms would be favorable to us. We expect to continue generating and obtaining sufficient funds and financing to service our long-term business plan, service our debt obligations and complete future acquisitions if the opportunities arise.

Operating Activities

Net cash flows provided by operating activities were $89.9 million for the nine months ended September 30, 2006, as compared to $71.2 million for the comparable period last year. The change of $18.7 million is primarily due to the net change in operating assets and liabilities, offset in part by higher interest expense.

During the nine months ended September 30, 2006, the net change in our operating assets and liabilities was $13.4 million, primarily due to an increase in our accrued liabilities of $15.3 million and an increase in deferred revenue of $2.2 million, offset by an increase in our accounts receivable, net of $3.2 million, and a decrease in other non-current liabilities of $1.7 million.

Investing Activities

Net cash flows used in investing activities, which consisted primarily of capital expenditures, were $74.7 million for the nine months ended September 30, 2006, as compared to $89.8 million for the prior year. Capital expenditures decreased $15.1 million; primarily due to lower spending on customer premise equipment.

Financing Activities

Net cash flows used in financing activities were $12.2 million for the nine months ended September 30, 2006, as compared to net cash flows provided by financing activities of $8.3 million for the comparable period in 2005, largely due to net bank financing of $95.8 million, offset in part by distributions of $108.0 million to MCC.

Our principal financing activities included the following:

- On May 5, 2006, we refinanced a $543.1 million term loan with a new term loan in the amount of $650.0 million. Borrowings under the new term loan bear interest at a rate that is 0.5% less than the interest rate of the term loan that it replaced. The new term loan matures in January 2015, whereas the term loan it replaced had a maturity of February 2013.

- On June 29, 2006, we used available cash to make an $8.0 million capital distribution to MCC.

- On July 12, 2006, we borrowed $74.0 million (the "Revolver Draw") under the revolving credit portion of our subsidiary credit facility. On the same day, we used the proceeds of the Revolver Draw and $26.0 million of available cash to make a $100.0 million capital distribution to MCC.

Other

We have entered into interest rate exchange agreements with counterparties, which expire from October 2006 through August 2010, to hedge $500.0 million of floating rate debt. In addition, in June 2006, we entered into forward interest rate exchange agreements that fixed interest rates at 5.4% on $100.0 million of floating rate debt for three years commencing on December 29, 2006. These agreements have been accounted for on a mark-to-market basis as of, and for the nine months ended September 30, 2006. Our interest rate exchange agreements are scheduled to expire in the amounts of $150.0 million, $50.0 million, $300.0 million and $100.0 million during the years ended December 31, 2006, 2007, 2009 and 2010, respectively.

As of September 30, 2006, approximately $18.3 million of letters of credit were issued to various parties as collateral for our performance relating to insurance and franchise requirements.

Contractual Obligations and Commercial Commitments

There have been no material changes to the Company's contractual obligations and commercial commitments as previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2005.

Critical Accounting Policies

Use of Estimates

The preparation of our financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. Periodically, we evaluate our estimates, including those related to doubtful accounts, long-lived assets, capitalized costs and accruals. We base our estimates on historical experience and on various other assumptions that we believe are reasonable. Actual results may differ from these estimates under different assumptions or conditions.

During the nine months ended September 30, 2006, we revised our estimate of probable losses in the accounts receivable of its video, data and phone business to better reflect historical collection experience in its video, data and phone business. The change in estimate resulted in a benefit to the consolidated statement of operations of $0.4 million for nine months ended September 30, 2006.

During the three months ended September 30, 2006, we revised our estimate of probable losses in the accounts receivable of our advertising businesses to better reflect historical collection experience. The change in estimate resulted in a benefit to the consolidated statement of operations of $0.1 million for the three and nine months ended September 30, 2006.

Share-based Compensation

We estimate the fair value of stock options granted using the Black-Scholes option-pricing model. This fair value is then amortized on a straight-line basis over the requisite service periods of the awards, which is generally the vesting period. This option-pricing model requires the input of highly subjective assumptions, including the option's expected life and the price volatility of the underlying stock. The estimation of stock awards that will ultimately vest requires judgment, and to the extent actual results or updated estimates differ from our current estimates, such amounts will be recorded as a cumulative adjustment in the periods the estimates are revised. Actual results, and future changes in estimates, may differ substantially from our current estimates.

For a discussion of the critical accounting judgments and estimates we identified that we believe require significant judgment in the preparation of our consolidated financial statements, please refer to our Form 10-K for the year ended December 31, 2005.

Inflation and Changing Prices

Our systems' costs and expenses are subject to inflation and price fluctuations. Such changes in costs and expenses can generally be passed through to subscribers. Programming costs have historically increased at rates in excess of inflation and are expected to continue to do so. We believe that under the Federal Communications Commission's existing cable rate regulations, we may increase rates for cable television services to more than cover any increases in programming. However, competitive conditions and other factors in the marketplace may limit our ability to increase its rates.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no significant changes to the information required under this Item from what was disclosed in our 2005 Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Mediacom LLC

The management of Mediacom LLC ("Mediacom") carried out an evaluation, with the participation of Mediacom's Chief Executive Officer and Chief Financial Officer, of the effectiveness of Mediacom's disclosure controls and procedures as of September 30, 2006. Based upon that evaluation, Mediacom's Chief Executive Officer and Chief Financial Officer concluded that Mediacom's disclosure controls and procedures were effective to ensure that information required to be disclosed by Mediacom in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act are accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

There has not been any change in Mediacom's internal control over financial reporting in connection with the evaluation required by Rule 15d-15(d) under the Exchange Act that occurred during the quarter ended September 30, 2006 that has materially affected, or is reasonably likely to materially affect, Mediacom's internal control over financial reporting.

Mediacom Capital Corporation

The management of Mediacom Capital Corporation ("Mediacom Capital") carried out an evaluation, with the participation of Mediacom Capital's Chief Executive Officer and Chief Financial Officer, of the effectiveness of Mediacom Capital's disclosure controls and procedures as of September 30, 2006. Based upon that evaluation, Mediacom Capital's Chief Executive Officer and Chief Financial Officer concluded that Mediacom Capital's disclosure controls and procedures were effective to ensure that information required to be disclosed by Mediacom Capital in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act are accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

There has not been any change in Mediacom Capital's internal control over financial reporting in connection with the evaluation required by Rule 15d-15(d) under the Exchange Act that occurred during the quarter ended September 30, 2006 that has materially affected, or is reasonably likely to materially affect, Mediacom Capital's internal control over financial reporting.

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PART II

ITEM 1. LEGAL PROCEEDINGS

See Note 9 to our consolidated financial statements.

ITEM 1A. RISK FACTORS

There have been no material changes in the risk factors from those disclosed in our risk factors section in Item 1A of our 2005 Form 10-K.

ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description
31.1	Rule 15d-14(a) Certifications of Mediacom LLC
31.2	Rule 15d-14(a) Certifications of Mediacom Capital Corporation
32.1	Section 1350 Certifications of Mediacom LLC
32.2	Section 1350 Certifications of Mediacom Capital Corporation

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.

MEDIACOM LLC

November 9, 2006	By: /s/ MARK E. STEPHAN
	Mark E. Stephan
	Executive Vice President and Chief Financial Officer

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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.

MEDIACOM CAPITAL CORPORATION

November 9, 2006

By: /s/ MARK E. STEPHAN
Mark E. Stephan
Executive Vice President and Chief Financial Officer

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EXHIBIT INDEX

Exhibit Number	Exhibit Description
31.1	Rule 15d-14(a) Certifications of Mediacom LLC
31.2	Rule 15d-14(a) Certifications of Mediacom Capital Corporation
32.1	Section 1350 Certifications of Mediacom LLC
32.2	Section 1350 Certifications of Mediacom Capital Corporation

Exhibit 31.1

CERTIFICATIONS

I, Rocco B. Commisso, certify that:

(1) I have reviewed this report on Form 10-Q of Mediacom LLC;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Paragraph omitted pursuant to SEC Release Nos. 33-8238 and 34-47986;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 9, 2006

By: /s/ ROCCO B. COMMISSO
Rocco B. Commisso
Chairman and
Chief Executive Officer

CERTIFICATIONS

I, Mark E. Stephan, certify that:

(1) I have reviewed this report on Form 10-Q of Mediacom LLC;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Paragraph omitted pursuant to SEC Release Nos. 33-8238 and 34-47986;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 9, 2006

By: /s/ MARK E. STEPHAN

Mark E. Stephan
Executive Vice President and
Chief Financial Officer

Exhibit 31.2

CERTIFICATIONS

I, Rocco B. Commisso, certify that:

(1) I have reviewed this report on Form 10-Q of Mediacom Capital Corporation;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Paragraph omitted pursuant to SEC Release Nos. 33-8238 and 34-47986;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 9, 2006

By: /s/ ROCCO B. COMMISSO

Rocco B. Commisso
Chairman and
Chief Executive Officer

CERTIFICATIONS

I, Mark E. Stephan, certify that:

(1) I have reviewed this report on Form 10-Q of Mediacom Capital Corporation;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Paragraph omitted pursuant to SEC Release Nos. 33-8238 and 34-47986;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 9, 2006

By: /s/ MARK E. STEPHAN

Mark E. Stephan
Executive Vice President and
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Mediacom LLC (the "Company") on Form 10-Q for the period ended September 30, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Rocco B. Commisso, Chairman and Chief Executive Officer and Mark E. Stephan, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 9, 2006

By: /s/ ROCCO B. COMMISSO
Rocco B. Commisso
Chairman and
Chief Executive Officer

By: /s/ MARK E. STEPHAN
Mark E. Stephan
Executive Vice President and
Chief Financial Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Mediacom Capital Corporation (the “Company”) on Form 10-Q for the period ended September 30, 2006 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Rocco B. Commisso, Chairman and Chief Executive Officer and Mark E. Stephan, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 9, 2006

By: /s/ ROCCO B. COMMISSO
Rocco B. Commisso
Chairman and
Chief Executive Officer

By: /s/ MARK E. STEPHAN
Mark E. Stephan
Executive Vice President and
Chief Financial Officer