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

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**FORM 10-Q**

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

For the quarterly period ended March 31, 2012

Commission File Numbers: 333-82124-01  
333-82124-04

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**Mediacom LLC  
Mediacom Capital Corporation\***

(Exact names of Registrants as specified in their charters)

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**New York  
New York**  
(State or other jurisdiction of  
incorporation or organization)

**06-1433421  
06-1513997**  
(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)

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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  No

Note: As voluntary filers, not subject to the filing requirements as of March 31, 2012, the Registrants have filed all reports under Section 13 or 15(d) of the Exchange Act during the preceding 12 months.

Indicate by check mark whether the Registrants have submitted electronically and posted on their corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrants were required to submit and post such files).  Yes  No

Indicate by check mark whether the Registrants are large accelerated filers, accelerated filers, non-accelerated filers or smaller reporting companies. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filers  Accelerated filers  Non-accelerated filers  Smaller reporting companies

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

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**MEDIACOM LLC AND SUBSIDIARIES**  
**FORM 10-Q**  
**FOR THE PERIOD ENDED MARCH 31, 2012**  
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This Quarterly Report on Form 10-Q is for the three months ended March 31, 2012. Any statement contained in a prior periodic report shall be deemed to be modified or superseded for purposes of this Quarterly Report to the extent that a statement contained herein modifies or supersedes such statement. The Securities and Exchange Commission allows us to “incorporate by reference” information that we file with them, which means that we can disclose important information by referring you directly to those documents. Information incorporated by reference is considered to be part of this Quarterly Report. References in this Quarterly Report to “we,” “us,” or “our” are to Mediacom LLC and its direct and indirect subsidiaries (including Mediacom Capital Corporation), unless the context specifies or requires otherwise. References in this Quarterly Report to “Mediacom” or “MCC” are to Mediacom Communications Corporation.

### **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 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 “anticipates,” “believes,” “continue,” “could,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “should” or “will,” or the negative of those and other comparable words. These forward-looking statements are not guarantees of future performance or results, and are subject to risks and uncertainties that could cause actual results to differ materially from historical results or those we anticipate as a result of various factors, many of which are beyond our control. Factors that may cause such differences to occur include, but are not limited to:

- increased levels of competition from existing and new competitors;
- lower demand for our video, high-speed data and phone services;
- our ability to successfully introduce new products and services to meet customer demands and preferences;
- changes in laws, regulatory requirements or technology that may cause us to incur additional costs and expenses;
- greater than anticipated increases in programming costs and other delivery expenses related to our products and services;
- changes in assumptions underlying our critical accounting policies;
- our ability to secure hardware, software and operational support for the delivery of products and services to our customers;
- disruptions or failures of our network and information systems, including those caused by natural disasters;
- our reliance on certain intellectual properties;
- our ability to generate sufficient cash flow to meet our debt service obligations;
- our ability to refinance future debt maturities or provide future funding for general corporate purposes and potential strategic transactions, on similar terms as we currently experience; and
- other risks and uncertainties discussed in this Quarterly Report, our Annual Report on Form 10-K for the year ended December 31, 2011 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 required by applicable federal securities laws.

**PART I****ITEM 1. FINANCIAL STATEMENTS****MEDIACOM LLC AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

	March 31, 2012	December 31, 2011
(Amounts in thousands)		
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 8,216	\$ 12,438
Accounts receivable, net of allowance for doubtful accounts of \$281 and \$740	26,125	35,648
Accounts receivable—affiliates	8,672	—
Prepaid expenses and other current assets	9,409	6,736
Total current assets	52,422	54,822
Preferred equity investment in affiliated company (Note 8)	150,000	150,000
Property, plant and equipment, net of accumulated depreciation of \$1,340,547 and \$1,315,170	667,242	675,555
Franchise rights	616,807	616,807
Goodwill	24,046	24,046
Subscriber lists, net of accumulated amortization of \$118,262 and \$118,186	14	90
Other assets, net of accumulated amortization of \$6,134 and \$8,143	21,021	23,840
Total assets	<u>\$1,531,552</u>	<u>\$1,545,160</u>
<b>LIABILITIES AND MEMBER'S DEFICIT</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable, accrued expenses and other current liabilities	\$ 127,808	\$ 146,073
Deferred revenue	26,852	26,608
Current portion of long-term debt	9,000	12,000
Total current liabilities	163,660	184,681
Long-term debt, less current portion	1,571,000	1,571,000
Other non-current liabilities	36,683	39,050
Total liabilities	1,771,343	1,794,731
Commitments and contingencies (Note 10)		
<b>MEMBER'S DEFICIT</b>		
Capital contributions	336,072	335,979
Accumulated deficit	(575,863)	(585,550)
Total member's deficit	(239,791)	(249,571)
Total liabilities and member's deficit	<u>\$1,531,552</u>	<u>\$1,545,160</u>

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

**MEDIACOM LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

	Three Months Ended	
	March 31,	
	2012	2011
	(Amounts in thousands)	
Revenues	\$ 168,657	\$ 166,306
Costs and expenses:		
Service costs (exclusive of depreciation and amortization)	73,713	76,560
Selling, general and administrative expenses	27,618	27,541
Management fee expense	3,460	3,082
Depreciation and amortization	29,066	29,299
Operating income	34,800	29,824
Interest expense, net	(24,294)	(25,011)
Gain on derivatives, net	1,612	7,702
Loss on early extinguishment of debt	(6,468)	—
Investment income from affiliate	4,500	4,500
Other expense, net	(463)	(556)
Net income	<u>\$ 9,687</u>	<u>\$ 16,459</u>

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

**MEDIACOM LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	Three Months Ended	
	March 31,	
	2012	2011
	(Amounts in thousands)	
<b>OPERATING ACTIVITIES:</b>		
Net income	\$ 9,687	\$ 16,459
Adjustments to reconcile net loss to net cash flows provided by operating activities:		
Depreciation and amortization	29,066	29,299
Gain on derivatives, net	(1,612)	(7,702)
Loss on early extinguishment of debt	6,468	—
Amortization of deferred financing costs	939	1,020
Changes in assets and liabilities, net of effects from acquisitions:		
Accounts receivable, net	9,523	1,013
Prepaid expenses and other assets	(11,351)	(3,684)
Accounts payable, accrued expenses and other current liabilities	(14,083)	11,403
Deferred revenue	244	491
Other non-current liabilities	(62)	(64)
Net cash flows provided by operating activities	<u>\$ 28,819</u>	<u>\$ 48,235</u>
<b>INVESTING ACTIVITIES:</b>		
Capital expenditures	\$ (20,537)	\$ (20,095)
Change in accrued property, plant and equipment	(3,900)	—
Redemption of restricted cash and cash equivalents	—	8,853
Net cash flows used in investing activities	<u>\$ (24,437)</u>	<u>\$ (11,242)</u>
<b>FINANCING ACTIVITIES:</b>		
New borrowings of bank debt	79,000	101,500
Repayment of bank debt	(332,000)	(15,000)
Issuance of senior notes	250,000	—
Capital distributions to parent	—	(136,500)
Financing costs	(4,722)	—
Other financing activities—book overdrafts	(882)	(386)
Net cash flows used in financing activities	<u>\$ (8,604)</u>	<u>\$ (50,386)</u>
Net decrease in cash	(4,222)	(13,393)
CASH, beginning of period	12,438	22,014
CASH, end of period	<u>\$ 8,216</u>	<u>\$ 8,621</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Cash paid during the period for interest, net of amounts capitalized	<u>\$ 28,698</u>	<u>\$ 32,296</u>

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**

***Basis of Preparation of Unaudited Consolidated Financial Statements***

Mediacom LLC (“Mediacom LLC” and collectively with its subsidiaries, “we,” “our” or “us”), 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. Our principal operating subsidiaries conduct all of our consolidated operations and own substantially all of our consolidated assets. Our operating subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to make funds available to us.

We have 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 our 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. For a summary of our accounting policies and other information, refer to our Annual Report on Form 10-K for the year ended December 31, 2011. 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, 2012.

Mediacom Capital Corporation (“Mediacom Capital”), a New York corporation wholly-owned by us, co-issued, jointly and severally with us, public debt securities. Mediacom Capital has no operations, revenues or cash flows and has no assets, liabilities or stockholders’ equity on its balance sheet, 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.

Franchise fees imposed by local governmental authorities are collected on a monthly basis from our customers and are periodically remitted to the local governmental authorities. Because franchise fees are our obligation, we present them on a gross basis with a corresponding operating expense. Franchise fees reported on a gross basis amounted to approximately \$3.1 million and \$3.2 million for the three months ended March 31, 2012 and 2011, respectively.

*Reclassifications*

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

***Revision of Prior Period Financial Statements***

In connection with the preparation of our consolidated financial statements as of, and for the year ended December 31, 2011, during the fourth quarter of 2011, we identified and corrected errors in the manner in which we recorded fixed assets and the related depreciation expense on fixed assets purchased by MCC on behalf of our operating subsidiaries. Such capital expenditures and associated depreciation were recorded at MCC, whereas they were related to, and should have been incurred by, our operating subsidiaries. In accordance with accounting guidance found in ASC 250-10 (SEC Staff Accounting Bulletin No. 99, *Materiality*), we assessed the materiality of the errors and concluded that the errors were not material to any of our previously-issued financial statements. In accordance with accounting guidance found in ASC 250-10 (SEC Staff Accounting Bulletin No. 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements*), we have revised all affected periods. These non-cash errors impacted our statement of operations and cash flows for the comparative periods presented.

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The following table presents the impact of the revision on our Consolidated Statements of Operations (amounts in thousands):

	Three Months Ended March 31, 2011		
	As Previously Reported	Adjustment	As Revised
Depreciation and amortization expense	\$ 29,231	\$ 68	\$29,299
Operating income	29,892	(68)	29,824
Net income	16,527	(68)	16,459

The following table presents the impact of the revision on our Consolidated Statements of Cash Flows (amounts in thousands):

	Three Months Ended March 31, 2011		
	As Previously Reported	Adjustment	As Revised
Net income	\$ 16,527	\$ (68)	\$ 16,459
Depreciation and amortization expense	29,231	68	29,299
Changes in assets and liabilities	8,605	554	9,159
Net cash flows provided by operating activities	47,681	554	48,235
Capital expenditures	(19,541)	(554)	(20,095)
Net cash flows used in investing activities	(10,688)	(554)	(11,242)

## 2. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In January 2010, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update No. 2010-06 (“ASU 2010-06”), *Improving Disclosures about Fair Value Measurements*, which amends Accounting Standards Codification (“ASC”) No. 820 — *Fair Value Measurements and Disclosures* (“ASC 820”) to add new requirements for disclosures about transfers into and out of Levels 1 and 2 and separate disclosures about purchases, sales, issuances, and settlements relating to Level 3 measurements. The ASU also clarifies existing fair value disclosures about the level of disaggregation and about inputs and valuation techniques used to measure fair value. The ASU is effective for the first reporting period (including interim periods) beginning after December 15, 2009, except for the requirement to provide the Level 3 activity of purchases, sales, issuances, and settlements on a gross basis, which will be effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. Early adoption is permitted. The adoption of this ASU did not have a material impact on our financial statements or related disclosures.

In December 2010, the FASB issued Accounting Standards Update 2010-28 (“ASU 2010-28”) — *When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts (a consensus of the FASB Emerging Issues Task Force)*. The amendments to ASC 350 — *Intangibles — Goodwill and Other* in ASU 2010-28 affect all entities that have recognized goodwill and have one or more reporting units whose carrying amount for purposes of performing Step 1 of the goodwill impairment test is zero or negative. The amendments modify Step 1 so that for those reporting units, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. In determining whether it is more likely than not that a goodwill impairment exists, an entity should consider whether there are any adverse qualitative factors indicating that an impairment may exist. The qualitative factors are consistent with existing guidance, which requires that goodwill of a reporting unit be tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. We adopted ASU 2010-28 as of January 1, 2011. The adoption of ASU 2010-28 did not have a material impact on our financial statements.



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In May 2011, the FASB issued Accounting Standards Update No. 2011-04 (“ASU 2011-04”), *Fair Value Measurement (Topic 820) — Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*, which provides a converged framework for fair value measurements and related disclosures between generally accepted accounting principles in the U.S. and International Financial Reporting Standards. ASU 2011-04 amends the fair value measurement and disclosure guidance in the following areas: (i) Highest-and-best use and the valuation-premise concepts for non-financial assets, (ii) application to financial assets and liabilities with offsetting positions in market or counterparty credit risk, (iii) premiums or discounts in fair value measurement, (iv) fair value measurements for amounts classified in equity; and (v) other disclosure requirements particularly involving Level 3 inputs. This guidance will be effective for us as of January 1, 2012. We adopted ASU 2011-04 on January 1, 2012. ASU 2011-04 did not have a material impact on our financial statements or related disclosures.

In September 2011, the FASB issued Accounting Standards Update No. 2011-08 (“ASU 2011-08”) *Intangibles — Goodwill and Other (Topic 350)*. Under ASU 2011-08, an entity has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, an entity determines it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, then performing the two-step impairment test is unnecessary. However, if an entity concludes otherwise, then it is required to perform the first step of the two-step impairment test. Under ASU 2011-08, an entity has the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to performing the first step of the two-step goodwill impairment test. An entity may resume performing the qualitative assessment in any subsequent period. ASU 2011-08 is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. We adopted ASU 2011-08 on January 1, 2012. ASU 2011-08 did not have a material impact on our financial statements or related disclosures.

### 3. FAIR VALUE

The tables below set forth our financial assets and liabilities measured at fair value on a recurring basis using a market-based approach at March 31, 2012. These assets and liabilities have been categorized according to the three-level fair value hierarchy established by ASC 820, which prioritizes the inputs used in measuring fair value, as follows:

- Level 1 — Quoted market prices in active markets for identical assets or liabilities.
- Level 2 — Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3 — Unobservable inputs that are not corroborated by market data.

As of March 31, 2012, our interest rate exchange agreement liabilities, net, were valued at \$51.5 million using Level 2 inputs, as follows (dollars in thousands):

	Fair Value as of March 31, 2012			
	Level 1	Level 2	Level 3	Total
<b><u>Assets</u></b>				
Interest rate exchange agreements	\$ —	\$ —	\$ —	\$ —
<b><u>Liabilities</u></b>				
Interest rate exchange agreements	\$ —	\$51,485	\$ —	\$51,485
Interest rate exchange agreements—liabilities, net	\$ —	\$51,485	\$ —	\$51,485

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As of December 31, 2011, our interest rate exchange agreement liabilities, net, were valued at \$53.1 million using Level 2 inputs, as follows (dollars in thousands):

	Fair Value as of December 31, 2011			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Interest rate exchange agreements	\$ —	\$ —	\$ —	\$ —
<b>Liabilities</b>				
Interest rate exchange agreements	\$ —	\$53,097	\$ —	\$53,097
Interest rate exchange agreements—liabilities, net	\$ —	\$53,097	\$ —	\$53,097

The fair value of our interest rate exchange agreements is the estimated amount that we would receive or pay to terminate such agreements, taking into account market interest rates and the remaining time to maturities. As of March 31, 2012, based upon mark-to-market valuation, we recorded on our consolidated balance sheet, an accumulated current liability of \$18.0 million and an accumulated long-term liability of \$33.5 million. As of December 31, 2011, based upon mark-to-market valuation, we recorded on our consolidated balance sheet an accumulated current liability of \$17.3 million and an accumulated long-term liability of \$35.8 million. As a result of the mark-to-market valuations on these interest rate exchange agreements, we recorded a net gain on derivatives of \$1.6 million and \$7.7 million for the three months ended March 31, 2012 and 2011, respectively.

#### 4. PROPERTY, PLANT AND EQUIPMENT

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

	March 31, 2012	December 31, 2011
Cable systems, equipment and subscriber devices	\$ 1,905,694	\$ 1,888,852
Furniture, fixtures and office equipment	48,572	47,467
Vehicles	35,301	36,208
Buildings and leasehold improvements	16,641	16,617
Land and land improvements	1,581	1,581
Property, plant and equipment, gross	2,007,789	1,990,725
Accumulated depreciation	(1,340,547)	(1,315,170)
Property, plant and equipment, net	\$ 667,242	\$ 675,555

## 5. ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accounts payable, accrued expenses and other current liabilities consisted of the following (dollars in thousands):

	March 31, 2012	December 31, 2011
Accounts payable—non-affiliates	\$ 18,946	\$ 19,728
Accrued programming costs	18,873	19,040
Liabilities under interest rate exchange agreements	18,005	17,311
Accrued taxes and fees	16,214	16,733
Subscriber advance payments	11,497	10,301
Accrued service costs	9,682	9,208
Accrued payroll and benefits	9,672	12,232
Accrued interest	7,945	13,319
Accrued property, plant and equipment	4,245	8,145
Book overdrafts <sup>(1)</sup>	2,417	3,393
Accrued telecommunications costs	1,347	1,179
Accounts payable—affiliates	—	6,924
Other accrued expenses	8,965	8,560
Accounts payable, accrued expenses and other current liabilities	<u>\$127,808</u>	<u>\$ 146,073</u>

<sup>(1)</sup> Book overdrafts represent outstanding checks in excess of funds on deposit at our disbursement accounts. We transfer funds from our depository accounts to our disbursement accounts upon daily notification of checks presented for payment. Changes in book overdrafts are reported as part of net cash flows from financing activities in our Consolidated Statements of Cash Flows.

## 6. DEBT

As of March 31, 2012 and December 31, 2011, debt consisted of (dollars in thousands):

	March 31, 2012	December 31, 2011
Bank credit facility	\$ 980,000	\$1,233,000
9 1/8% senior notes due 2019	350,000	350,000
7 1/4% senior notes due 2022	250,000	—
Total debt	\$1,580,000	\$1,583,000
Less: current portion	9,000	12,000
Total long-term debt	<u>\$1,571,000</u>	<u>\$1,571,000</u>

### **Bank Credit Facility**

As of March 31, 2012, we maintained a \$1.087 billion bank credit facility (the “credit facility”), comprising:

- \$225.2 million of revolving credit commitments, which expire on December 31, 2014;
- \$615.9 million of outstanding Term Loan C borrowings, which mature on January 31, 2015; and
- \$245.6 million of outstanding Term Loan E borrowings, which mature on October 23, 2017.

As of March 31, 2012, we had \$97.2 million of unused revolving credit commitments, all of which were able to be borrowed and used for general corporate purposes, after giving effect to \$118.5 million of outstanding loans and \$9.5 million of letters of credit issued to various parties as collateral.

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The credit facility is collateralized by our ownership interests in our operating subsidiaries, and is guaranteed by us on a limited recourse basis to the extent of such ownership interests. As of March 31, 2012, the credit agreement governing the credit facility (the “credit agreement”) required us to maintain a total leverage ratio (as defined) of no more than 5.5 to 1.0 and an interest coverage ratio (as defined) of no less than 2.0 to 1.0. The total leverage ratio covenant will be reduced to 5.0 to 1.0 commencing on October 1, 2012. For all periods through March 31, 2012, we were in compliance with all of the covenants under the credit agreement and, as of the same date, our total leverage ratio and interest coverage ratio were 3.4 to 1.0 and 2.8 to 1.0, respectively.

On February 7, 2012, the entire outstanding amount of \$293.3 million under Term Loan D of the credit facility was repaid with proceeds from the issuance of new senior notes combined with a draw down from our revolving credit commitments. See “*Senior Notes*.”

As a result of the repayment of Term Loan D, we recorded in our consolidated statements of operations a loss on early extinguishment of \$6.5 million for the three months ended March 31, 2012. This amount represents the write-off of unamortized deferred financing costs.

### *Interest Rate Exchange Agreements*

We use interest rate exchange agreements (which we refer to as “interest rate swaps”) with various banks to fix the variable portion of borrowings under the credit facility. We believe this reduces the potential volatility in our interest expense that would otherwise result from changes in market interest rates. Our interest rate swaps have not been designated as hedges for accounting purposes, and have been accounted for on a mark-to-market basis as of, and for the three months ended, March 31, 2012, and 2011. As of March 31, 2012:

- We had current interest rate swaps which set the variable portion of \$700 million of borrowings under the credit facility at a rate of 3.0%. Our current interest rate swaps are scheduled to expire in the amounts of \$400 million and \$300 million during the years ending December 31, 2012 and 2014, respectively; and
- We had forward-starting interest rate swaps which will fix the variable portion of \$600 million of borrowings under the credit facility at a rate of 2.9%. Our forward-starting interest rate swaps are scheduled to commence in the amounts of \$400 million and \$200 million during the years ending December 31, 2012 and 2014, respectively.

As of March 31, 2012, the average interest rate on outstanding borrowings under the credit facility, including the effect of these interest rate swaps, was 4.6%, as compared to 5.3% as of the same date last year.

### *Senior Notes*

As of March 31, 2012, we had \$600 million of senior notes outstanding. Our senior notes are unsecured obligations, and the indentures governing our senior notes (the “indentures”) limits the incurrence of additional indebtedness based upon a maximum debt to operating cash flow ratio (as defined) of 8.5 to 1.0. As of March 31, 2012, we were in compliance with all of the covenants under the indentures and, as of the same date, our debt to operating cash flow ratio was 5.8 to 1.0.

On February 7, 2012, we issued 7 1/4% senior notes due February 2022 (the “7 1/4% Notes”) in the aggregate principal amount of \$250.0 million. The 7 1/4% notes are unsecured obligations, and the indenture governing the 7 1/4% notes is substantially similar to the existing indenture governing our existing 9 1/8% senior notes due 2019. After giving effect to \$4.7 million of financing costs, proceeds from the issuance of the 7 1/4% notes of \$245.3 million, together with borrowings under our revolving credit commitments, were used to repay the entire outstanding amount under Term Loan D of the credit facility. As a percentage of par value, the 7 1/4% notes are redeemable at 103.625% through February 15, 2018, 102.417% through February 15, 2019, 101.208% through February 15, 2020 and at par value thereafter.

### *Debt Ratings*

Our future access to the debt markets, and the terms and conditions we receive, are influenced by our debt ratings. MCC’s corporate credit rating is B1, with a stable outlook, by Moody’s, and B+, with a stable outlook, by Standard and Poor’s. Our senior unsecured credit rating is B3, with a stable outlook by Moody’s, and B-, with a stable outlook, by Standard and Poor’s. We cannot assure you that Moody’s and Standard and Poor’s will maintain their ratings on MCC and us. A negative change to these credit ratings could result in higher interest rates on future debt issuance than we currently experience, or adversely impact our ability to raise additional funds.

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There are no covenants, events of default, borrowing conditions or other terms in the credit agreement or indenture that are based on changes in our credit rating assigned by any rating agency.

### **Fair Value**

As of March 31, 2012, the fair values of our senior notes and outstanding debt under the credit facility (using Level 2 inputs) were as follows (dollars in thousands):

9 1/8% senior notes due 2019	\$ 381,938
7 1/4% senior notes due 2022	<u>254,688</u>
	<u>\$ 636,626</u>
Bank credit facility	<u>\$ 959,984</u>

## **7. MEMBER'S DEFICIT**

### **Going Private Transaction**

On November 12, 2010, MCC entered into an Agreement and Plan of Merger (the "Merger Agreement"), by and among MCC, JMC Communications LLC ("JMC") and Rocco B. Commisso, MCC's founder, Chairman and Chief Executive Officer, who was also the sole member and manager of JMC, for the purpose of taking MCC private (the "Going Private Transaction").

At a special meeting of stockholders on March 4, 2011, MCC's stockholders voted to adopt the Merger Agreement. On the same date, JMC was merged with and into MCC, with MCC continuing as the surviving corporation, a private company that is wholly-owned by an entity controlled by Mr. Commisso (the "Merger").

The Going Private Transaction required funding of approximately \$381.5 million, including related transaction expenses, and was funded, in part, by capital distributions to MCC from us, consisting of \$100.0 million of borrowings under our revolving credit facility and \$36.5 million of cash on hand. The balance was funded by Mediacom Broadband LLC ("Mediacom Broadband"), another wholly-owned subsidiary of MCC.

## **8. PREFERRED EQUITY INVESTMENT IN AFFILIATED COMPANY**

We have a \$150 million preferred membership investment in Mediacom Broadband, which has a 12% annual cash dividend, payable quarterly. During each of the three months ended March 31, 2012 and 2011, we received \$4.5 million in cash dividends on the preferred membership interest.

## **9. RELATED PARTY TRANSACTIONS**

MCC manages us pursuant to a management agreement with our operating subsidiaries. Under such agreements, MCC has full and exclusive authority to manage our day to day operations and conduct our business. We remain responsible for all expenses and liabilities relating to the construction, development, operation, maintenance, repair, and ownership of our systems. Management fees for the three months ended March 31, 2012 and 2011 amounted to approximately \$3.5 million and \$3.1 million, respectively.

Accounts receivable — affiliates and accounts payable — affiliates represent amounts due from, or amounts due to, Mediacom Communications Corporation or its subsidiaries (other than us).

See Note 7 for more information about the Going Private Transaction between MCC and MCC's Chairman and Chief Executive Officer, Rocco B. Commisso.

## 10. COMMITMENTS AND CONTINGENCIES

### *Legal Proceedings*

#### *Gary Ogg and Janice Ogg v. Mediacom LLC*

We are 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, originally filed in April 2001. The lawsuit alleges that we, in areas where there was no cable franchise, failed to obtain permission from landowners to place our fiber interconnection cable notwithstanding the possession of agreements or permission from other third parties. While the parties continue to contest liability, there also remains a dispute as to the proper measure of damages. Based on a report by their experts, the plaintiffs claim compensatory damages of approximately \$14.5 million. Legal fees, prejudgment interest, potential punitive damages and other costs could increase that estimate to approximately \$26.0 million. Before trial, the plaintiffs proposed an alternative damage theory of \$42.0 million in compensatory damages. Notwithstanding the verdict in the trial described below, we remain unable to reasonably determine the amount of our final liability in this lawsuit. Prior to trial our experts estimated our liability to be within the range of approximately \$0.1 million to \$2.3 million. This estimate did not include any estimate of damages for prejudgment interest, attorneys' fees or punitive damages.

On March 9, 2009, a jury trial commenced solely for the claim of Gary and Janice Ogg, the designated class representatives. On March 18, 2009, the jury rendered a verdict in favor of Gary and Janice Ogg setting compensatory damages of \$8,863 and punitive damages of \$35,000. The Court did not enter a final judgment on this verdict and therefore the amount of the verdict could not at that time be judicially collected. Although we believe that the particular circumstances of each class member may result in a different measure of damages for each member, if the same measure of compensatory damages was used for each member, the aggregate compensatory damages would be approximately \$16.2 million plus the possibility of an award of attorneys' fees, prejudgment interest, and punitive damages.

On April 22, 2011, the Circuit Court of Clay County, Missouri issued an opinion and order decertifying the class in this putative class action. A notice of appeal was filed by the plaintiff on May 2, 2011 regarding the court's decertification of the class and the court's refusal to award prejudgment interest on the Gary and Janice Ogg judgment. On April 4, 2012, oral arguments took place in the Missouri Court of Appeals, Western District regarding this appeal. The court has yet to announce a decision on these issues. We will vigorously defend this appeal as well as any claims made by the other members of the purported class.

We believe that the amount of actual liability would not have a significant effect on our consolidated financial position, results of operations, cash flows or business. There can be no assurance, however, if the decision of the Circuit Court of Clay County, Missouri is reversed, that the actual liability ultimately determined for all members of the class would not exceed our estimated range or any amount derived from the verdict rendered on March 18, 2009. We have tendered the lawsuit to our insurance carrier for defense and indemnification. The carrier has agreed to defend us under a reservation of rights, and a declaratory judgment action is pending regarding the carrier's defense and coverage responsibilities.

### *Other Legal Proceedings*

We are 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 our consolidated financial position, results of operations, cash flows or business.

## **11. GOODWILL AND OTHER INTANGIBLE ASSETS**

In accordance with ASC 350 — *Intangibles — Goodwill and Other* (“ASC 350”) (formerly SFAS No. 142, “*Goodwill and Other Intangible Assets*”), the amortization of goodwill and indefinite-lived intangible assets is prohibited and requires such assets to be tested annually for impairment, or more frequently if impairment indicators arise. We have determined that our cable franchise rights and goodwill are indefinite-lived assets and therefore not amortizable.

In accordance with ASU 2010-28, we have evaluated the qualitative factors surrounding our Mediacom LLC reporting unit with its negative equity carrying value. We do not believe that it is “more likely than not” that a goodwill impairment exists. As such, we have not performed Step 2 of the goodwill impairment test.

The economic conditions currently affecting the U.S. economy and the long-term impact on the fundamentals of our business may have a negative impact on the fair values of the assets in our reporting units. This may result in the recognition of an impairment loss in the future.

Because we believe there has not been a meaningful change in the long-term fundamentals of our business during the first three months of 2012, we have determined that there has been no triggering event under ASC 350, and as such, no interim impairment test was required as of March 31, 2012.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our unaudited consolidated financial statements as of, and for the three months ended, March 31, 2012 and 2011, and with our annual report on Form 10-K for the year ended December 31, 2011.

### Overview

We are a wholly-owned subsidiary of Mediacom Communications Corporation ("MCC"), the nation's eighth largest cable company based on the number of video customers. As of March 31, 2012, we served approximately 468,000 video customers, 398,000 HSD customers and 165,000 phone customers, aggregating 1.03 million primary service units ("PSUs").

Through our interactive broadband network, we provide our residential and commercial customers with a wide variety of products and services, including our primary services of video, high-speed data ("HSD") and phone, which we refer to as our "triple play bundle." We also provide network and transport services to medium and large sized businesses in our service areas, including cell tower backhaul for wireless telephone providers, and sell advertising time we receive under our programming license agreements to local, regional and national advertisers.

Our performance has been affected by general economic conditions and by the competition we face. We believe high unemployment levels, and weakness in the housing sector and consumer spending have, in part, contributed to lower connect activity for all of our services and negatively impacted our residential customer and revenue growth. While we expect improvement as the economy recovers, a continuation or broadening of such effects may adversely impact our results of operations, cash flows and financial position.

Our residential video service principally competes with direct broadcast satellite ("DBS") providers, who offer video programming substantially similar to ours. For the past several years, DBS competitors have deployed aggressive marketing campaigns, including deeply discounted promotional packages, which we believe has contributed to video customer losses in our markets. Our programming costs, particularly for sports and local broadcast programming, have risen well in excess of the inflation rate in recent years, a trend we expect to continue. Given these factors, we have generally limited our offering of discounted pricing for video-only customers, as we believe it has become uneconomic to offer a low-priced, low-margin video-only product in an attempt to match the competition's pricing. While the reduction of discounted pricing has positively impacted per-unit video revenues, we believe that it, along with weak economic conditions, has contributed to further video customer losses. If such losses were to continue, we may experience future annual declines in video revenues. We expect to mostly offset such declines through higher average unit pricing and greater penetration of our advanced video services, including video-on-demand ("VOD"), high-definition television ("HDTV") and digital video recorders ("DVRs").

Our residential HSD service competes primarily with local telephone companies, such as AT&T, CenturyLink, Frontier and Verizon. Such companies compete with our HSD product by offering digital subscriber line ("DSL") services. In our markets, widely-available DSL service is typically limited to downstream speeds ranging from 1.5Mbps to 3Mbps, compared to our downstream speeds ranging from 3 Mbps to 105Mbps. We believe we will continue to increase HSD revenues through future growth in residential HSD customers and customers taking higher speed tiers.

Our residential phone service competes with local telephone companies that offer a product substantially similar to ours, and with cellular phone services offered by national wireless providers. We expect to face pricing pressure for our phone service, which may partially or fully offset greater revenues resulting from continuing growth of residential phone customers.

Certain local telephone companies, including AT&T and Verizon, have deployed fiber-based networks which allow for a triple play bundle that is comparable to ours. As of March 31, 2011, based on internal estimates, approximately 10% of our cable systems actively competed with these local telephone companies.

Our commercial video, HSD and phone services face similar competition to our comparable residential services. Historically, local telephone companies have been in a better position to offer HSD services to businesses, as their networks tend to be more developed in commercial areas. However, we have recently increased our efforts to offer and market a more complete array of products and services suited to businesses, and continue to extend our distribution network further into business districts in the cities and towns we serve. Our enterprise networks business faces competition from local telephone companies and other carriers, such as metro and regional fiber providers. We believe we will continue to increase business services revenues through increasing our commercial HSD, phone and, to a lesser extent, video customer base, and continued growth of our enterprise networks business, including fees for cell tower backhaul.



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We face significant competition in our advertising business from a wide range of national, regional and local competitors. We compete for advertising revenues principally against local broadcast stations, national cable and broadcast networks, radio, newspapers, magazines, outdoor display and Internet companies. Advertising revenues are generally sensitive to the political election cycle, and we believe advertising revenues may increase for the full year 2012, as this is an election year.

### **Recent Developments**

#### ***New Financing***

On February 7, 2012, we issued 7<sup>1</sup>/<sub>4</sub>% senior notes due February 2022 (the “7<sup>1</sup>/<sub>4</sub>% Notes”) in the aggregate principal amount of \$250.0 million (the “financing”). After giving effect to \$4.7 million of financing costs, net proceeds of \$245.3 million, together with borrowings under our revolving credit commitments, were used to repay the entire outstanding amount under Term Loan D under our bank credit facility (the “credit facility”). See Note 6 in our Notes to Consolidated Financial Statements.

### **Revenues**

#### ***Video***

Video revenues primarily represent monthly subscription fees charged to our residential video customers, which vary according to the level of service and equipment taken, and revenue from the sale of VOD content and pay-per-view events. Video revenues also include installation, reconnection and wire maintenance fees, franchise and late payment fees, and other ancillary revenues.

#### ***HSD***

HSD revenues primarily represent monthly subscription fees charged to our residential HSD customers, which vary according to the level of HSD service taken.

#### ***Phone***

Phone revenues primarily represent monthly subscription fees charged to our residential phone customers for our phone service.

#### ***Business Services***

Business services revenues primarily represent monthly fees charged to our commercial video, HSD and phone customers, which vary according to the level of service taken, and fees charged to large sized businesses for our scalable, fiber-based enterprise networks products and services, which include wireless telephone providers for cell tower backhaul.

#### ***Advertising***

Advertising revenues primarily represent revenues received from selling advertising time we receive under our programming license agreements to local, regional and national advertisers for the placement of commercials on channels offered on our video services.

### **Costs and Expenses**

#### ***Service Costs***

Service costs consist of the direct costs related to providing and maintaining services to our customers. Significant service costs include: video programming expenses; HSD service costs, including bandwidth connectivity; phone service costs, including leased circuits and long distance; costs related to our enterprise networks business; employee costs for technical personnel who maintain our cable network, perform customer installation activities and provide customer support; network operations center costs, including employee costs; and field operating costs, including the use of outside contractors, vehicle, utility and pole rental expenses.

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Programming costs, which are generally paid on a per video customer basis, have historically represented our single largest expense. In recent years, we have experienced substantial increases in the cost of our programming, which we believe will continue to grow due to the increasing demands of large programmers. Our HSD and phone service costs fluctuate depending on the level of investments we make in our cable systems, and the resulting operational efficiencies. In June 2011, we completed a transition to an internal phone service platform, which greatly reduced our phone service expenses. Our other service costs generally rise as a result of customer growth and inflationary cost increases for personnel, outside vendors and other expenses. Personnel and related support costs may increase as the percentage of expenses that we capitalize declines due to lower levels of new service installations. We anticipate that our service costs, with the exception of programming expenses, will remain fairly consistent as a percentage of our revenues.

### ***Selling, General and Administrative Expenses***

Significant selling, general and administrative expenses include: wages and related expenses for our call center, customer service, marketing, business services, support and administrative personnel; franchise fees and other taxes; bad debt expense; billing costs; advertising and marketing expenses; and general office administration costs. These expenses generally rise due to customer growth and inflationary cost increases for personnel, outside vendors and other expenses. We anticipate that our selling, general and administrative expenses will remain fairly consistent as a percentage of our revenues.

### ***Management Fee Expense***

Management fee expense reflects compensation paid to MCC for the performance of services it provides our operating subsidiaries in accordance with management agreements between MCC and our operating subsidiaries.

Service costs, selling, general and administrative expenses, and management fee expenses exclude depreciation and amortization, which is presented separately.

### **Use of Non-GAAP Financial Measures**

“OIBDA” is not a financial measure calculated in accordance with generally accepted accounting principles (“GAAP”) in the United States. We define OIBDA as operating income before depreciation and amortization. OIBDA has inherent limitations as discussed below.

OIBDA is one of the primary measures used by management to evaluate our performance and to forecast future results. We believe OIBDA is useful for investors because it enables them to assess our performance in a manner similar to the methods used by management, and provides a measure that can be used to analyze value and compare the companies in the cable industry. A limitation of OIBDA, however, is 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. Management uses a separate process to budget, measure and evaluate capital expenditures. In addition, OIBDA may not be comparable to similarly titled measures used by other companies, which may have different depreciation and amortization policies.

OIBDA should not be regarded as an alternative to operating income or net income (loss) as an indicator of operating performance, or to the statement of cash flows as a measure of liquidity, nor should it be considered in isolation or as a substitute for financial measures prepared in accordance with GAAP. We believe that operating income is the most directly comparable GAAP financial measure to OIBDA.

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**Actual Results of Operations**

*Three Months Ended March 31, 2012 compared to Three Months Ended March 31, 2011*

The table below sets forth our consolidated statements of operations and OIBDA for the three months ended March 31, 2012 and 2011 (dollars in thousands and percentage changes that are not meaningful are marked NM):

	Three Months Ended March 31,		\$ Change	% Change
	2012	2011		
Revenues	\$ 168,657	\$ 166,306	\$ 2,351	1.4%
Costs and expenses:				
Service costs (exclusive of depreciation and amortization)	73,713	76,560	(2,847)	(3.7%)
Selling, general and administrative expenses	27,618	27,541	77	0.3%
Management fee expense	3,460	3,082	378	12.3%
Depreciation and amortization	29,066	29,299	(233)	(0.8%)
Operating income	34,800	29,824	4,976	16.7%
Interest expense, net	(24,294)	(25,011)	717	(2.9%)
Gain on derivatives, net	1,612	7,702	(6,090)	(79.1%)
Loss on early extinguishment of debt	(6,468)	—	(6,468)	NM
Investment income from affiliate	4,500	4,500	—	NM
Other expense, net	(463)	(556)	93	(16.7%)
Net income	<u>\$ 9,687</u>	<u>\$ 16,459</u>	<u>\$(6,772)</u>	<u>(41.1%)</u>
OIBDA	<u>\$ 63,866</u>	<u>\$ 59,123</u>	<u>\$ 4,743</u>	<u>8.0%</u>

The table below represents a reconciliation of OIBDA to operating income, which is the most directly comparable GAAP measure (dollars in thousands):

	Three Months Ended March 31,		\$ Change	% Change
	2012	2011		
OIBDA	\$ 63,866	\$ 59,123	\$ 4,743	8.0%
Depreciation and amortization	(29,066)	(29,299)	233	(0.8%)
Operating income	<u>\$ 34,800</u>	<u>\$ 29,824</u>	<u>\$ 4,976</u>	<u>16.7%</u>

**Revenues**

The tables below set forth our revenues and selected customer and average monthly revenue statistics as of, and for the three months ended, March 31, 2012 and 2011 (dollars in thousands, except per customer and per unit data):

	Three Months Ended March 31,		\$ Change	% Change
	2012	2011		
Video	\$ 90,940	\$ 95,837	\$(4,897)	(5.1%)
HSD	45,696	41,076	4,620	11.2%
Phone	15,096	14,698	398	2.7%
Business services	13,259	11,451	1,808	15.8%
Advertising	3,666	3,244	422	13.0%
Total revenues	<u>\$ 168,657</u>	<u>\$ 166,306</u>	<u>\$ 2,351</u>	<u>1.4%</u>

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	March 31,		Increase/ (Decrease)	% Change
	2012	2011		
Video customers	468,000	521,000	(53,000)	(10.2%)
HSD customers	398,000	386,000	12,000	3.1%
Phone customers	165,000	158,000	7,000	4.4%
Primary service units (PSUs)	1,031,000	1,065,000	(34,000)	(3.2%)
Digital customers	303,000	319,000	(16,000)	(5.0%)
Revenue generating units	1,334,000	1,384,000	(50,000)	(3.6%)
Average total monthly revenue per video customer <sup>(1)</sup>	\$ 119.49	\$ 105.49	\$ 14.00	13.3%
Average total monthly revenue per PSU <sup>(2)</sup>	\$ 54.96	\$ 52.03	\$ 2.93	5.6%

<sup>(1)</sup> Represents average total monthly revenues for the period divided by average video customers for such period.

<sup>(2)</sup> Represents average total monthly revenues for the period divided by average PSUs for such period.

Revenues increased 1.4%, primarily due to greater HSD and, to a lesser extent, business services revenues, offset in part by lower video revenues. Average total monthly revenue per video customer increased 13.3% to \$119.49, and average total monthly revenue per PSU increased 5.6% to \$54.96.

Video revenues declined 5.1%, as lower revenues resulting from video customer losses were partly offset by higher unit pricing. During the three months ended March 31, 2012, we lost 5,000 video customers, compared to a loss of 9,000 in the prior year period. As of March 31, 2012, we served 468,000 video customers, or 36.1% of our estimated homes passed. As of the same date, 64.7% of our video customers were digital customers, and 49.2% of our digital customers were taking our DVR and/or HDTV services.

HSD revenues grew 11.2%, largely a result of higher unit pricing and, to a lesser extent, an increased HSD customer base. During the three months ended March 31, 2012, we gained 15,000 HSD customers, compared to an increase of 7,000 in the prior year period. As of March 31, 2012, we served 398,000 HSD customers, or 30.7% of our estimated homes passed.

Phone revenues were 2.7% higher, as a larger phone customer base was offset in part by lower unit pricing. During the three months ended March 31, 2012, we gained 6,000 phone customers, compared to an increase of 1,000 in the prior year period. As of March 31, 2012, we served 165,000 phone customers, or 12.7% of our estimated homes passed.

Business services revenues grew 15.8%, primarily due to an increase in commercial HSD and phone customers, and greater revenues from our enterprise networks business.

Advertising revenues rose 13.0%, principally due to increased levels of local and national political advertising.

### **Costs and Expenses**

Service costs decreased 3.7%, primarily due to lower phone service expenses and, to a much lesser extent, decreased programming costs, offset in part by greater field operating costs. Phone service costs fell 46.4%, substantially due to cost savings resulting from our transition from a third-party provider to an internal phone service platform. Programming costs decreased 1.9%, principally due to a lower number of video customers, mostly offset by greater retransmission consent fees and higher contractual rates charged by our programming vendors. Field operating costs grew 9.5%, largely as a result of unfavorable insurance adjustments and, to a lesser extent, a greater use of outside contractors. Service costs as a percentage of revenues were 43.7% and 46.0% for the three months ended March 31, 2012 and 2011, respectively.

Selling, general and administrative expenses increased 0.3%, mainly due to higher marketing costs, mostly offset by decreases in other employee expenses, bad debt and taxes and fees. Marketing costs grew 17.3%, primarily due to higher employee compensation resulting from increased business services marketing staffing levels, and greater spending on direct mail marketing and market research. Other employee expenses declined 7.6%, largely a result of favorable insurance adjustments and greater capitalization of overhead costs. Bad debt fell 9.5%, primarily due to increased debt recoveries and, to a lesser extent, a lower number of written off accounts. Taxes and fees decreased 4.9%, mainly due to a decline in franchise fees and property taxes. Selling, general and administrative expenses as a percentage of revenues were 16.4% and 16.6% for the three months ended March 31, 2012 and 2011, respectively.

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Management fee expense was 12.3% higher, reflecting greater overhead charges costs charged by MCC. Management fee expense as a percentage of revenues was 2.1% and 1.9% for the three months ended March 31, 2012 and 2011, respectively.

Depreciation and amortization decreased 0.8%, largely a result of the depreciation of shorter-lived customer premise equipment and certain investments related to our internal phone service platform, mostly offset by certain assets becoming fully depreciated.

### ***OIBDA***

OIBDA grew 8.0%, mainly due to the decline in service costs and higher revenues.

### ***Operating Income***

Operating income rose 16.7%, principally due to the growth in OIBDA.

### ***Interest Expense, Net***

Interest expense, net, decreased 2.9%, substantially due to lower average outstanding indebtedness.

### ***Gain on Derivatives, Net***

As of March 31, 2012, we had interest rate exchange agreements (which we refer to as “interest rate swaps”) with an aggregate notional amount of \$1.3 billion, of which \$600 million are forward-starting interest rate swaps. These interest rate swaps have not been designated as hedges for accounting purposes, and the changes in their mark-to-market values are derived primarily from changes in market interest rates and the decrease in their time to maturity. As a result of changes to the mark-to-market valuation of these interest rate swaps, based upon information provided by our counterparties, we recorded a net gain on derivatives of \$1.6 million and \$7.7 million for the three months ended March 31, 2012 and 2011, respectively.

### ***Loss on Early Extinguishment of Debt***

Loss on early extinguishment of debt totaled \$6.5 million for the three months ended March 31, 2012. This amount represents the write-off of deferred financing costs as a result of the repayment of certain term loans.

### ***Investment Income from Affiliate***

Investment income from affiliate was \$4.5 million for each of the three months ended March 31, 2012 and 2011. This amount represents the investment income on our \$150.0 million preferred equity investment in Mediacom Broadband. See Note 8 in our Notes to Consolidated Financial Statements.

### ***Other Expense, Net***

Other expense, net, was \$0.5 million and \$0.6 million for the three months ended March 31, 2012 and 2011, respectively. During the three months ended March 31, 2012, other expense, net, consisted of \$0.3 million of revolving credit commitment fees and \$0.2 million of other fees. During the three months ended March 31, 2011, other expense, net, consisted of \$0.5 million of revolving credit commitment fees and \$0.1 million of other fees.

### ***Net Income***

As a result of the factors described above, we recognized net income of \$9.7 million for the three months ended March 31, 2012, compared to \$16.5 million for the three months ended March 31, 2011.

## **Liquidity and Capital Resources**

### **Overview**

Our net cash flows provided by operating activities are primarily used to fund investments in the capacity and reliability of our network and the further expansion of our products and services, as well as scheduled repayments of our indebtedness and periodic contributions to MCC. Our liquidity requirements in the foreseeable future include scheduled term loan amortization of \$6.8 million during the remainder of 2012 and \$9.0 million in each of the years ending December 31, 2013 and 2014, and \$118.5 million of outstanding loans under our revolving credit facility, which is scheduled to expire on December 31, 2014.

As of March 31, 2012, our sources of liquidity included \$8.2 million of cash on hand and \$97.2 million of unused and available lines under our revolving credit facility. We believe that cash generated by or available to us will meet our anticipated capital and liquidity needs for the foreseeable future.

In the longer term, specifically 2015 and beyond, we do not expect to generate sufficient net cash flows from operations to fund our maturing term loans and senior notes. If we are unable to obtain sufficient future financing on similar terms as we currently experience, or at all, we may need to take other actions to conserve or raise capital that we would not take otherwise. However, we have accessed the debt markets for significant amounts of capital in the past, and expect to continue to be able to access these markets in the future as necessary.

### ***Net Cash Flows Provided by Operating Activities***

Net cash flows provided by operating activities were \$28.8 million for the three months ended March 31, 2012, primarily due to OIBDA of \$63.9 million, offset in part by interest expense of \$24.3 million and, to a lesser extent, the \$15.7 million net change in our operating assets and liabilities. The net change in our operating assets and liabilities was primarily due to a decrease in accounts payable, accrued expenses and other current liabilities of \$14.1 million and an increase in prepaid expenses and other assets of \$11.4 million, offset in part by a decrease in accounts receivable, net, of \$9.5 million.

Net cash flows provided by operating activities were \$48.2 million for the three months ended March 31, 2011, primarily due to OIBDA of \$59.1 million and, to a lesser extent, the \$9.2 million net change in our operating assets and liabilities, offset in part by interest expense of \$25.0 million. The net change in our operating assets and liabilities was substantially due to an increase in accounts payable, accrued expenses and other current liabilities of \$11.4 million and, to a much lesser extent, a decrease in accounts receivable, net, of \$1.0 million, offset in part by an increase in prepaid expenses and other assets of \$3.7 million.

### ***Net Cash Flows Used in Investing Activities***

Capital expenditures continue to be our primary use of capital resources and the majority of our net cash flows used in investing activities. Net cash flows used in investing activities were \$24.4 million for the three months ended March 31, 2012, compared to \$11.2 million in the prior year period. The \$13.2 million increase in net cash flows used in investing activities was primarily due to a \$8.9 million redemption of restricted cash and cash equivalents in the prior year period and, to a lesser extent, a \$3.9 million net change in accrued plant, property and equipment and a \$0.4 million increase in capital expenditures. The growth in capital expenditures largely reflects increases in capital labor resulting from greater connect activity, mostly offset by reduced outlays for investments in our phone service and HSD platforms.

### ***Net Cash Flows Used in Financing Activities***

Net cash flows used in financing activities were \$8.6 million for the three months ended March 31, 2012, principally due to net repayments of \$253.0 million under the credit facility and, to a much lesser extent, financing costs of \$4.7 million, mostly offset by the \$250.0 million issuance of new senior notes. See “*New Financing.*”

Net cash flows used in financing activities were \$50.4 million for the three months ended March 31, 2011, primarily due to capital distributions to MCC of \$136.5 million, which were mainly funded by net borrowings of \$86.5 million under the credit facility. The capital distributions to MCC included a distribution to partially fund the Going Private Transaction. See Note 7 in our Notes to Consolidated Financial Statements.

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### **Capital Structure**

As of March 31, 2012, our total indebtedness was \$1.580 billion, of which approximately 60% was at fixed interest rates or subject to interest rate protection. During the three months ended March 31, 2012, we paid cash interest of \$28.7 million, net of capitalized interest.

#### ***Bank Credit Facility***

As of March 31, 2012, we maintained a \$1.087 billion credit facility (the “credit facility”), comprising \$861.5 million of term loans with maturities ranging from January 2015 to October 2017, and a \$225.2 million revolving credit facility, which is scheduled to expire on December 31, 2014. As of the same date, we had \$97.2 million of unused lines under the revolver, all of which were available to be borrowed and used for general corporate purposes, after giving effect to \$118.5 million of outstanding loans and \$9.5 million of letters of credit issued to various parties as collateral.

The credit facility is collateralized by our ownership interests in our operating subsidiaries, and is guaranteed by us on a limited recourse basis to the extent of such ownership interests. As of March 31, 2012, the credit agreement governing the credit facility required us to maintain a total leverage ratio (as defined) of no more than 5.5 to 1.0 and an interest coverage ratio (as defined) of no less than 2.0 to 1.0. The total leverage ratio covenant will be reduced to 5.0 to 1.0 commencing on October 1, 2012.

#### ***Interest Rate Exchange Agreements***

We use interest exchange agreements (which we refer to as “interest rate swaps”) in order to fix the variable portion of debt under the credit facility to reduce the potential volatility in our interest expense that would otherwise result from changes in market interest rates. As of March 31, 2012, we had interest rate swaps with various banks pursuant to which the rate on \$700 million of floating rate debt was fixed at a weighted average rate of 3.0%. As of the same date, we also had \$600 million of forward starting interest rate swaps with a weighted average fixed rate of approximately 2.9%.

Including the effects of these interest rate swaps, the average interest rates on outstanding debt under the credit facility as of March 31, 2012 and 2011 were 4.6% and 5.3%, respectively.

#### ***Senior Notes***

As of March 31, 2012, we had \$600.0 million of outstanding senior notes, of which \$350.0 million and \$250.0 million mature in August 2019 and February 2022, respectively. Our senior notes are unsecured obligations, and the indenture governing our senior notes limits the incurrence of additional indebtedness based upon a maximum debt to operating cash flow ratio (as defined) of 8.5 to 1.0.

#### ***New Financing***

On February 7, 2012, we issued 7<sup>1</sup>/<sub>4</sub>% senior notes due February 2022 (the “7<sup>1</sup>/<sub>4</sub>% Notes”) in the aggregate principal amount of \$250.0 million. After giving effect to \$4.7 million of financing costs, net proceeds of \$245.3 million, together with borrowings under our revolving credit commitments, were used to repay the entire outstanding amount under Term Loan D of the credit facility. See Note 6 in our Notes to Consolidated Financial Statements.

#### ***Covenant Compliance and Debt Ratings***

For all periods through March 31, 2012, we were in compliance with all of the covenants under the credit facility and senior note arrangements. We do not believe that we will have any difficulty complying with any of the applicable covenants in the near future.

Our future access to the debt markets and the terms and conditions we receive are influenced by our debt ratings. MCC’s corporate credit rating is B1, with a stable outlook, by Moody’s, and B+, with a stable outlook, by Standard and Poor’s. Our senior unsecured credit rating is B3 by Moody’s, with a stable outlook, and B-, with a stable outlook, by Standard and Poor’s. We cannot assure you that Moody’s and Standard and Poor’s will maintain their ratings on MCC and us. A negative change to these credit ratings could result in higher interest rates on future debt issuance than we currently experience, or adversely impact our ability to raise additional funds.

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**Contractual Obligations and Commercial Commitments**

Other than the items noted above in “*New Financing*,” there have been no material changes to our contractual obligations and commercial commitments as previously disclosed in our annual report on Form 10-K for the year ended December 31, 2011.

The following table updates our contractual obligations and commercial commitments for debt and interest expense, and the effects they are expected to have on our liquidity and cash flow, for the five years subsequent to December 31, 2011 and thereafter (dollars in thousands)\*:

	<u>Debt</u>	<u>Interest Expense (1) (2)</u>	<u>Total</u>
2012	9,000	85,168	94,168
2013-2014	141,975	169,752	311,727
2015-2016	603,000	109,712	712,712
Thereafter	833,750	165,461	999,211
Total cash obligations	<u>1,587,725</u>	<u>530,093</u>	<u>2,117,818</u>

\* Refer to Note 6 of our consolidated financial statements for a discussion of our long-term debt.

(1) The amounts give effect to the Refinancing Transactions completed in February 2012.

(2) Interest payments on floating rate debt and interest rate swaps are estimated using amounts outstanding as of December 31, 2011 and the average interest rates applicable under such debt obligations. Interest expense amounts are net of amounts capitalized.



## **Critical Accounting Policies**

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. We believe that the application of the critical accounting policies requires significant judgments and estimates on the part of management. For a summary of our critical accounting policies, please refer to our annual report on Form 10-K for the year ended December 31, 2011.

### ***Goodwill and Other Intangible Assets***

In accordance with the Financial Accounting Standards Board's Accounting Standards Codification No. 350 *Intangibles — Goodwill and Other* ("ASC 350"), the amortization of goodwill and indefinite-lived intangible assets is prohibited and requires such assets to be tested annually for impairment, or more frequently if impairment indicators arise. We have determined that our cable franchise rights and goodwill are indefinite-lived assets and therefore not amortizable.

In accordance with Accounting Standards Update 2010-28 ("ASU 2010-28") — *When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts (a consensus of the FASB Emerging Issues Task Force)*, we have evaluated the qualitative factors surrounding our Mediacom LLC reporting unit with its negative equity carrying value. We do not believe that it is "more likely than not" that a goodwill impairment exists. As such, we have not performed Step 2 of the goodwill impairment test.

The economic conditions currently affecting the U.S. economy and the long-term impact on the fundamentals of our business may have a negative impact on the fair values of the assets in our reporting units. This may result in the recognition of an impairment loss in the future.

Because we believe there has not been a meaningful change in the long-term fundamentals of our business during the first three months of 2012, we have determined that there has been no triggering event under ASC 350, and as such, no interim impairment test was required as of March 31, 2012.

### **Inflation and Changing Prices**

Our costs and expenses are subject to inflation and price fluctuations. Such changes in costs and expenses can generally be passed through to customers. 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 our rates.

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### **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 Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2011.

### **ITEM 4. CONTROLS AND PROCEDURES**

#### **Mediacom LLC**

Under the supervision and with the participation of the management of Mediacom LLC, including Mediacom LLC's Chief Executive Officer and Chief Financial Officer, Mediacom LLC evaluated the effectiveness of Mediacom LLC's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon that evaluation, Mediacom LLC's Chief Executive Officer and Chief Financial Officer concluded that Mediacom LLC's disclosure controls and procedures were effective as of March 31, 2012.

There has not been any change in Mediacom LLC's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2012 that has materially affected, or is reasonably likely to materially affect, Mediacom LLC's internal control over financial reporting.

#### **Mediacom Capital Corporation**

Under the supervision and with the participation of the management of Mediacom Capital Corporation ("Mediacom Capital"), including Mediacom Capital's Chief Executive Officer and Chief Financial Officer, Mediacom Capital evaluated the effectiveness of Mediacom Capital's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. 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 as of March 31, 2012.

There has not been any change in Mediacom Capital's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2012 that has materially affected, or is reasonably likely to materially affect, Mediacom Capital's internal control over financial reporting.

## **PART II**

### **ITEM 1. LEGAL PROCEEDINGS**

See Note 10 in our Notes to Consolidated Financial Statements.

### **ITEM 1A. RISK FACTORS**

There have been no material changes in our risk factors from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2011.

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### ITEM 6. EXHIBITS

<u>Exhibit Number</u>	<u>Exhibit Description</u>
4.1	Indenture relating to 7 1/4% senior notes due 2022 of Mediacom LLC and Mediacom Capital Corporation <sup>(1)</sup>
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
101	The following financial information from Mediacom LLC's and Mediacom Capital Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, formatted in eXtensible Business Reporting Language (XBRL): (i) Consolidated Balance Sheets at March 31, 2012 and December 31, 2011, (ii) Consolidated Statements of Operations for the three months ended March 31, 2012 and 2011, (iii) Consolidated Statements of Cash Flows for the three months ended March 31, 2012 and 2011, (iv) Notes to Consolidated Financial Statements

<sup>(1)</sup> Filed as an exhibit to the Annual Report on Form 10-K for the fiscal year ended December 31, 2011 of Mediacom LLC and Mediacom Capital Corporation and incorporated herein by reference.

**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.

May 11, 2012

**MEDIACOM LLC**

By: /s/ Mark E. Stephan

**Mark E. Stephan**

Executive Vice President and Chief Financial Officer

**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**

May 11, 2012

By: /s/ Mark E. Stephan

**Mark E. Stephan**

Executive Vice President and Chief Financial Officer

**EXHIBIT INDEX**

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(1)	Filed as an exhibit to the Annual Report on Form 10-K for the fiscal year ended December 31, 2011 of Mediacom LLC and Mediacom Capital Corporation and incorporated herein by reference.

## 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - 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.

May 11, 2012

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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - 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.

May 11, 2012

By: /s/ MARK E. STEPHAN

**Mark E. Stephan**

Executive Vice President and Chief Financial Officer



## 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - 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.

May 11, 2012

By: /s/ ROCCO B. COMMISSO

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**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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - 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.

May 11, 2012

By: /s/ MARK E. STEPHAN

**Mark E. Stephan**

Executive Vice President and Chief Financial Officer

**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 March 31, 2012 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.

May 11, 2012

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

**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 March 31, 2012 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.

May 11, 2012

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