As filed with the Securities and Exchange Commission on December 22, 1999

Registration No. 333-90879

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 1

to
Form S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Mediacom Communications Corporation
(Exact name of registrant as specified in its charter)

Delaware	4841	06-1566067
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

100 Crystal Run Road
Middletown, New York 10941
(914) 695-2600
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Rocco B. Commisso
Chairman and Chief Executive Officer
Mediacom Communications Corporation
100 Crystal Run Road
Middletown, New York 10941
(914) 695-2600
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box. [_]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. [_]

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit(1)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(2)
Class A common stock, $.01 par value per				

share.................	23,000,000	$20.00	$460,000,000	$126,270

(1) Estimated pursuant to Rule 457(a) under the Securities Act of 1933 solely for the purpose of calculating the registration fee.

(2) $95,910 previously paid.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

+The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.+

SUBJECT TO COMPLETION, DATED DECEMBER 22, 1999

20,000,000 Shares

Mediacom Communications Corporation

Class A Common Stock

Prior to this offering, there has been no public market for our Class A common stock. The initial public offering price of the Class A common stock is expected to be between $15.00 and $20.00 per share. We have made application to list our Class A common stock on The Nasdaq Stock Market's National Market under the symbol "MCCC."

The underwriters have an option to purchase a maximum of 3,000,000 additional shares to cover over-allotments of shares.

Following this offering, we will have two classes of common stock, Class A common stock and Class B common stock. Holders of each class generally have identical rights, except for differences in voting. Holders of our Class A common stock have one vote per share, while holders of our Class B common stock have ten votes per share. After this offering, the holders of our Class B common stock will have 82.6% of the combined voting power of our common stock.

Investing in the Class A common stock involves risks. See "Risk Factors" on page 10.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Mediacom
Per Share	$	$	$
Total	$	$	$

Delivery of the shares of Class A common stock will be made on or about .

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Credit Suisse First Boston   Salomon Smith Barney   Donaldson, Lufkin & Jenrette

Goldman, Sachs & Co.   Merrill Lynch & Co.

Chase Securities Inc.   CIBC World Markets   First Union Securities, Inc.

The date of this prospectus is .

[Map of the United States marked to indicate location of our cable systems.]

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You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

Dealer Prospectus Delivery Obligation

Until   , 25 days after the commencement of this offering, all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to unsold allotments or subscriptions.

PROSPECTUS SUMMARY

This summary highlights some of the information in this prospectus. It may not contain all the information that is important to you. For a more complete understanding of this offering, you should read the entire prospectus carefully, including the risk factors and the financial statements. We were formed as a Delaware corporation on November 8, 1999, and immediately prior to this offering will issue shares of our common stock in exchange for all membership interests in Mediacom LLC. Upon completion of the exchange, Mediacom LLC will become our subsidiary and will continue to serve as the holding company for our operating subsidiaries. Unless we tell you otherwise, the information in this prospectus assumes that Mediacom LLC is our subsidiary, that the underwriters will not exercise their over-allotment option and that the Class A common stock being offered will be sold at $17.50 per share, which is the mid-point of the range set forth on the cover page of this prospectus.

Overview

We are the eighth largest cable operator in the United States, based on customers served by wholly-owned systems after giving effect to our pending acquisitions and recently announced industry transactions. Our cable systems pass approximately 1.1 million homes and serve approximately 744,000 basic subscribers, including our pending acquisitions. We were founded in July 1995 by Rocco B. Commisso, our Chairman and Chief Executive Officer, to acquire and develop cable television systems serving principally non-metropolitan markets of the United States.

Since commencement of our operations in March 1996, we have experienced significant growth in basic subscribers, revenues and cash flows. We have deployed a disciplined strategy of acquiring underperforming cable systems primarily in markets with favorable demographic profiles. Through September 1999, we spent approximately $432.4 million to complete nine acquisitions of cable systems that served 358,000 basic subscribers. In October and November 1999, we acquired for approximately $759.6 million the cable systems of Triax Midwest Associates, L.P. and Zylstra Communications Corporation that served 358,000 basic subscribers as of September 30, 1999. On a pro forma basis, in 1998 our revenues were $272.3 million, EBITDA was $124.5 million, operating loss was $50.5 million and net loss was $114.5 million. On the same basis, for the nine months ended September 30, 1999, our revenues were $218.6 million, EBITDA was $103.6 million, operating loss was $42.2 million and net loss was $88.2 million. For purposes of this prospectus, EBITDA is operating income (loss) before depreciation and amortization.

We also have generated strong internal growth and improved the operating and financial performance of our systems. These results have been achieved primarily through the introduction of an expanded array of core cable television products and services made possible by the rapid upgrade of our cable network. Assuming all our systems, excluding the Triax and Zylstra systems, were acquired on January 1, 1997, in 1998 our revenues grew by 13.0%, EBITDA increased by 31.9% and our internal subscriber growth was 2.5% compared to the prior year. Based on the same assumptions, for the nine months ended September 30, 1999, our revenues grew by 11.8%, EBITDA increased by 21.6% and our internal subscriber growth was 1.8% compared to the corresponding period in 1998.

We believe that advancements in digital technologies, together with the explosive growth of the Internet, have positioned the cable industry's high-speed, interactive, broadband network as the primary platform for the delivery of video, voice and data services to homes and businesses. We believe that there is considerable demand in the communities we serve for these products and services. To capitalize on these opportunities, we are rapidly upgrading our cable network to provide our customers with an expanded array of broadband products and services. These include digital cable television, two-way, high-speed Internet access, interactive video and telephony.

Approximately 73% of our customers are currently served by systems which have been upgraded to bandwidth capacities of 550MHz to 750MHz, excluding customers served by the Triax and Zylstra systems. Upon completion of our upgrade program in December 2002, we anticipate that 91% of our customers, including the Triax and Zylstra customers, will be served by upgraded systems. In addition, as a result of plans to consolidate our headend facilities, we anticipate that 92% of our customers will be served by 40 headend facilities allowing us to more economically deliver new broadband products and services. As part of our upgrade program, we plan to deploy over 10,000 route miles of fiber optic cable to create high capacity regional networks with the potential to provide advanced telecommunications services.

Our upgrade program already has enabled us to begin introducing new broadband products and services. As of December 1999, we offered digital cable services in systems passing more than 243,000 homes. In addition, through our strategic relationship with SoftNet Systems, Inc.'s subsidiary, ISP Channel, we have deployed two-way, high-speed Internet service in systems passing more than 177,000 homes as of December 1999.

Rocco B. Commisso is a highly regarded cable television veteran with over 21 years of industry experience. Our other senior managers have an average of 18 years of industry experience in acquiring, financing and operating cable systems. Mr. Commisso, through his ownership of our Class B common stock, has the power to elect all of our directors and control stockholder decisions immediately following this offering.

Business Strategy

Our objective is to become the leading cable operator focused on providing entertainment, information and telecommunications services in non-metropolitan markets of the United States. The key elements of our strategy are to:

- Improve the operating and financial performance of our acquired cable systems;
- Develop efficient operating clusters;
- Rapidly upgrade our cable network;
- Introduce new and enhanced products and services;
- Maximize customer satisfaction to build customer loyalty;
- Acquire underperforming cable systems principally in non-metropolitan markets; and
- Implement a flexible financing structure.

Recent Developments

In October and November 1999, we acquired the Zylstra and Triax cable systems serving approximately 358,000 basic subscribers in nine states, principally Illinois, Indiana and Minnesota, as of September 30, 1999.

In November 1999, we finalized an agreement with SoftNet for the provision of high-speed Internet access and content services in our cable systems. As consideration for giving SoftNet access to our customers, SoftNet agreed to issue to us 3.5 million shares of its common stock, representing a market value of approximately $95 million as of December 14, 1999. We received approximately 628,300 of the shares on November 9, 1999 and expect to receive the remaining shares by December 31, 1999.

In the second half of 1999, we signed five letters of intent to acquire cable systems serving approximately 28,000 basic subscribers for an aggregate purchase price of $47.7 million. We expect to complete the acquisitions of these systems in the first half of 2000, subject to the completion of definitive documentation.

The Offering

Class A common stock offered	20,000,000 shares
Common stock to be outstanding after this offering	60,977,562 shares of Class A common stock 29,022,438 shares of Class B common stock 90,000,000 shares
Voting rights	Holders of each class of our common stock generally have identical rights, except for differences in voting. Holders of our Class A common stock have one vote per share, while holders of our Class B common stock have ten votes per share. After this offering, the holders of our Class B common stock will have 82.6% of the combined voting power of our common stock.
Proposed Nasdaq National Market symbol	MCCC

The outstanding shares of common stock excludes 2,151,108 shares of Class A common stock and 7,848,892 shares of Class B common stock issuable upon the exercise of stock options to be outstanding upon completion of this offering, none of which will then be exercisable.

Principal Executive Offices

Our principal executive offices are located at 100 Crystal Run Road, Middletown, New York 10941. Our telephone number is (914) 695-2600, and our website is located at www.mediacomllc.com. The information on our website is not part of this prospectus.

Summary Unaudited Pro Forma Consolidated Financial and Operating Data

The following summary unaudited pro forma consolidated financial and operating data has been derived from and should be read in conjunction with "Unaudited Pro Forma Consolidated Financial Data," "Selected Historical Consolidated Financial and Operating Data" and the historical financial statements included elsewhere in this prospectus.

	Year Ended December 31, 1998	Nine Months Ended September 30, 1999
	(dollars in thousands, except per share and per subscriber data)	
Statement of Operations Data:		
Revenues	$ 272,258	$ 218,631
Costs and expenses:		
Service costs	90,928	73,154
Selling, general and administrative expenses	51,355	37,504
Corporate expense	5,445	4,373
Depreciation and amortization	175,071	145,796
Operating loss	(50,541)	(42,196)
Interest expense, net	59,921	45,008
Other expenses	4,058	979
Loss before income taxes	(114,520)	(88,183)
Provision (benefit) for income taxes	--	--
Net loss from continuing operations	$ (114,520)	$ (88,183)
Pro forma basic and diluted net loss per share(1)	$ (1.27)	$ (0.98)
Pro forma weighted average common shares outstanding	90,000,000	90,000,000
Balance Sheet Data (end of period):		
Total assets		$ 1,244,567
Total debt		813,375
Total stockholders' equity		385,101
Other Data:		
System cash flow(2)	$ 129,975	$ 107,973
System cash flow margin(3)	47.7%	49.4%
EBITDA(4)	$ 124,530	103,600
EBITDA margin(5)	45.7%	47.4%
Net cash flows from operating activities	$ 90,129	$ 56,412
Net cash flows used in investing activities	(93,091)	(98,027)
Net cash flows from financing activities	8,719	46,347
Operating Data (end of period, except average):		
Homes passed(6)	1,051,000	1,069,000
Basic subscribers(7)	707,500	716,000
Basic penetration(8)	67.3%	67.0%
Premium service units(9)	592,850	567,500
Premium penetration(10)	83.8%	79.3%
Average monthly revenues per basic subscriber(11)		$34.00

(notes on following page)

Notes to Summary Unaudited Pro Forma Consolidated Financial and Operating Data

(1) Pro forma basic and diluted loss per share is calculated based on 90,000,000 shares of common stock. The number of shares of common stock reflects the 40,977,562 Class A shares and 29,022,438 Class B shares issued to effect the exchange of membership interests of Mediacom LLC and the 20,000,000 Class A shares that will be issued in this offering as if these shares were outstanding for all periods presented. The shares issued to effect the exchange for the membership interests are based upon the relative ownership percentages of membership interests in Mediacom LLC immediately prior to the completion of this offering and are based on an initial public offering price of $17.50 per share.

(2) Represents EBITDA, as defined in note 4 below, before corporate expense. System cash flow:

- is not intended to be a performance measure that should be regarded as an alternative either to operating income or net income as an indicator of operating performance or to the statement of cash flows as a measure of liquidity;

- is not intended to represent funds available for debt service, dividends, reinvestment or other discretionary uses; and

- should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles.

System cash flow is included in this prospectus because our management believes that system cash flow is a meaningful measure of performance commonly used in the cable television industry and by the investment community to analyze and compare cable television companies. Our definition of system cash flow may not be identical to similarly titled measures reported by other companies.

(3) Represents system cash flow as a percentage of revenues. This measurement is used by us, and is commonly used in the cable television industry, to analyze and compare cable television companies on the basis of operating performance, for the reasons discussed in note 2 above.

(4) Represents operating income (loss) before depreciation and amortization. EBITDA:

- is not intended to be a performance measure that should be regarded as an alternative either to operating income or net income as an indicator of operating performance or to the statement of cash flows as a measure of liquidity;

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(5) Represents EBITDA as a percentage of revenues. This measurement is used by us, and is commonly used in the cable television industry, to analyze and compare cable television companies on the basis of operating performance, for the reasons discussed in note 4 above.

(6) Represents the number of single residence homes, apartments and condominium units passed by the cable distribution network in a cable system's service area.

(7) Represents subscribers of a cable system who receive a package of over-the-air broadcast stations, local access channels and/or certain satellite-delivered cable television services, and who are usually charged a flat monthly rate for a number of channels.

(8) Represents basic subscribers as a percentage of total number of homes passed.

(9) Represents the number of subscriptions to premium services. A subscriber may purchase more than one premium service, each of which is counted as a separate premium service unit. For the nine months ended

September 30, 1999, premium service units decreased primarily due to the Disney Channel being moved from a premium service to the basic programming packages in several of our cable systems.

(10) Represents premium service units as a percentage of total number of basic subscribers.

(11) Represents average monthly revenues for the period divided by average monthly basic subscribers for such period. This measurement is commonly used in the cable television industry to analyze and compare cable television companies on the basis of operating performance.

Summary Historical Consolidated Financial and Operating Data

The following summary historical consolidated financial and operating data of Mediacom LLC should be read in conjunction with "Selected Historical Consolidated Financial and Operating Data," "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and the historical consolidated financial statements of Mediacom LLC included elsewhere in this prospectus.

	March 12 Through December 31, 1996	Year Ended December 31, 1997	Year Ended December 31, 1998	Nine Months Ended September 30, 1998	Nine Months Ended September 30, 1999
				(Unaudited)	
	(dollars in thousands, except per share and per subscriber data)				
Statement of Operations Data:					
Revenues	$ 5,411	$ 17,634	$ 129,297	$ 94,374	$ 113,230
Costs and expenses:					
Service costs	1,511	5,547	43,849	32,873	36,571
Selling, general and administrative expenses	931	2,696	25,596	18,101	21,816
Management fee expense(1)	270	882	5,797	4,340	5,150
Depreciation and amortization	2,157	7,636	65,793	44,338	66,154
Operating income (loss)	542	873	(11,738)	(5,278)	(16,461)
Interest expense, net(2)	1,528	4,829	23,994	17,786	20,577
Other expenses	967	640	4,058	3,838	979
Net loss	$ (1,953)	$ (4,596)	$ (39,790)	$ (26,902)	$ (38,017)
Pro forma provision (benefit) for income taxes(3)			--		--
Pro forma net loss(4)			$ (39,790)		$ (38,017)
Pro forma basic and diluted net loss per share(5)			$ (0.57)		$ (0.54)
Pro forma weighted average common shares outstanding			70,000,000		70,000,000
Balance Sheet Data (end of period):					
Total assets	$ 46,560	$102,791	$ 451,152	$ 447,666	$ 455,155
Total debt	40,529	72,768	337,905	317,398	377,500
Total members' equity	4,537	24,441	78,651	91,539	40,634
Other Data:					
System cash flow(6)	$ 2,969	$ 9,391	$ 59,852	$ 43,400	$ 54,843
System cash flow margin(7)	54.9%	53.3%	46.3%	46.0%	48.4%
EBITDA(8)	$ 2,699	$ 8,509	$ 54,055	$ 39,060	$ 49,693
EBITDA margin(9)	49.9%	48.3%	41.8%	41.4%	43.9%
Net cash flows from operating activities	$ 237	$ 7,007	$ 53,556	$ 47,796	$ 29,795
Net cash flows used in investing activities	(45,257)	(60,008)	(397,085)	(372,452)	(60,632)
Net cash flows from financing activities	45,416	53,632	344,714	324,597	32,325
Operating Data (end of period, except average):					
Homes passed(10)	38,749	87,750	520,000	512,000	525,000
Basic subscribers(11)	27,153	64,350	354,000	348,000	358,000
Basic penetration(12)	70.1%	73.3%	68.1%	68.0%	68.2%
Premium service units(13)	11,691	39,288	407,100	387,100	396,500
Premium penetration(14)	43.1%	61.1%	115.0%	111.2%	110.8%
Average monthly revenues per basic subscriber(15)				$32.14	$35.34

(notes on following page)

Notes to Summary Historical Consolidated Financial and Operating Data

(1) Represents fees paid to Mediacom Management Corporation for management services rendered to our operating subsidiaries. Mediacom Management utilizes these fees to compensate its employees as well as to fund its corporate overhead. The management agreements with Mediacom Management were amended effective November 19, 1999 in connection with an amendment to Mediacom LLC's operating agreement. The amended agreements provide for management fees equal to 2% of annual gross revenues. Each of the management agreements will be terminated upon the completion of this offering. At that time, Mediacom Management's employees will become our employees and its corporate overhead will become our corporate overhead. These expenses will be reflected as our corporate expense, which we estimate will amount to approximately 2% of our annual gross revenues.

(2) Net of interest income. Interest income for the periods presented was not material.

(3) Represents an income tax provision (benefit) assuming the exchange of membership interests in Mediacom LLC for shares of our common stock. We have operating losses for the periods presented and have not reflected any tax benefit for such losses.

(4) Pro forma net loss does not include a one-time $12.5 million non-recurring, non-cash charge associated with the amendments to our management agreements with Mediacom Management, for which additional membership interests will be issued to an existing member of Mediacom LLC and one-time $9.3 million and $12.8 million non-recurring, non-cash compensation charges associated with grants of equity interests by an existing member of Mediacom LLC to certain members of our management team for the year ended December 31, 1998 and the nine months ended September 30, 1999. See note 6 of Mediacom LLC's interim financials for further discussion.

(5) Pro forma basic and diluted loss per share is calculated based on 70,000,000 shares of common stock. The number of shares of common stock reflects the 40,977,562 Class A shares and 29,022,438 Class B shares issued to effect the exchange of membership interests of Mediacom LLC as if these shares were outstanding for all periods presented and excludes the shares that will be issued in this offering. The shares issued to effect the exchange for the membership interests are based upon the relative ownership percentages of membership interests in Mediacom LLC immediately prior to the completion of the offering and are based on an initial public offering price of $17.50 per share.

(6) Represents EBITDA, as defined in note 8 below, before management fee expense. System cash flow:

- is not intended to be a performance measure that should be regarded as an alternative either to operating income or net income as an indicator of operating performance or to the statement of cash flows as a measure of liquidity;

- is not intended to represent funds available for debt service, dividends, reinvestment or other discretionary uses; and

- should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles.

System cash flow is included in this prospectus because our management believes that system cash flow is a meaningful measure of performance commonly used in the cable television industry and by the investment community to analyze and compare cable television companies. Our definition of system cash flow may not be identical to similarly titled measures reported by other companies.

(7) Represents system cash flow as a percentage of revenues. This measurement is used by us, and is commonly used in the cable television industry, to analyze and compare cable television companies on the basis of operating performance, for the reasons discussed in note 6 above.

(8) Represents operating income (loss) before depreciation and amortization. EBITDA:

- is not intended to be a performance measure that should be regarded as an alternative either to operating income or net income as an indicator of operating performance or to the statement of cash flows as a measure of liquidity;

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(9) Represents EBITDA as a percentage of revenues. This measurement is used by us, and is commonly used in the cable television industry, to analyze and compare cable television companies on the basis of operating performance, for the reasons discussed in note 8 above.

(10) Represents the number of single residence homes, apartments and condominium units passed by the cable distribution network in a cable system's service area.

(11) Represents subscribers of a cable television system who receive a package of over-the-air broadcast stations, local access channels and/or certain satellite-delivered cable television services and who are usually charged a flat monthly rate for a number of channels.

(12) Represents basic subscribers as a percentage of total number of homes passed.

(13) Represents the number of subscriptions to premium services. A subscriber may purchase more than one premium service, each of which is counted as a separate premium service unit. For the nine months ended September 30, 1999, premium service units decreased primarily due to the Disney Channel being moved from a premium service to the basic programming packages in several of our cable systems.

(14) Represents premium service units as a percentage of total number of basic subscribers. This ratio may be greater than 100% if the average basic subscriber subscribes to more than one premium service unit.

(15) Represents average monthly revenues for the period divided by average monthly basic subscribers for such period. This measurement is commonly used in the cable television industry to analyze and compare cable television companies on the basis of operating performance.

RISK FACTORS

An investment in our Class A common stock involves the following risks. You should consider carefully these risk factors, as well as the other information in this prospectus, before you decide to purchase shares of our Class A common stock.

Our Business

We have a history of net losses and may not be profitable in the future.

We have had a history of net losses and expect to continue to report net losses for the foreseeable future, which could cause our stock price to decline and adversely affect our ability to finance our business in the future. We reported net losses of $4.6 million, $39.8 million and $38.0 million for the years ended December 31, 1997 and 1998 and the nine months ended September 30, 1999. On a pro forma basis, we had net losses of $114.5 million and $88.2 million for the year ended December 31, 1998 and the nine months ended September 30, 1999. The principal reasons for our prior and anticipated net losses include the depreciation and amortization expenses associated with our acquisitions, the capital expenditures related to expanding and upgrading our cable systems and interest costs on borrowed money. We expect that we will continue to incur these expenses at increased levels as a result of our network upgrade program and our recent and pending acquisitions, which expenses will result in continued net losses. For additional information, you should read the discussion under "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources."

We have grown rapidly and have a limited history of operating our current cable systems, which may make it difficult for you to evaluate our performance.

We commenced operations in 1996 and have grown rapidly since then, principally through acquisitions. We acquired a substantial portion of our operations in early 1998. In addition, our recent acquisitions of the Triax and Zylstra systems nearly doubled the number of subscribers served by our systems. As a result, you have limited information upon which to evaluate our performance in managing our current systems, and our historical financial information may not be indicative of the future results we can achieve with our systems.

If we are unable to successfully integrate our newly acquired cable systems, our business could be adversely affected.

Since January 1, 1998, we have completed five acquisitions that comprise approximately 91% of our current basic subscribers. In addition, we expect to continue to acquire cable systems as an element of our business strategy. The effective integration and management of acquired cable systems involve the following principal risks:

- our acquired systems may result in unexpected operating difficulties, liabilities or contingencies, which could be significant;

- the integration of acquired systems may place significant demands on our management, diverting their attention from, and making it more difficult for them to manage, our other systems;

- the integration of acquired systems may require significant financial resources that could otherwise be used for the ongoing development of our other systems, including our network upgrade program;

- we may be unable to recruit additional qualified personnel which may be required to integrate and manage acquired systems; and

- our existing operational, financial and management systems may be incompatible with or inadequate to effectively integrate and manage acquired systems and any steps taken to implement changes in our systems may not be sufficient.

Our business, financial condition and results of operations could be materially adversely affected if we fail to successfully integrate and manage acquired cable systems in a timely manner.

The loss of key personnel could have a material adverse effect on our business.

Our success is substantially dependent upon the retention and continued performance of our key personnel, including Rocco B. Commisso, our Chairman and Chief Executive Officer. We have not entered into an employment agreement with Mr. Commisso. If Mr. Commisso or any of our other key personnel become unable or unwilling to participate in our business and operations, our financial condition and results of operations could be materially adversely affected. In addition, our subsidiary credit facilities provide that a default will result if Mr. Commisso ceases to be our Chairman and Chief Executive Officer. We do not currently maintain key man life insurance on Mr. Commisso. You should read the discussion under "Management" for information concerning the experience of Mr. Commisso and our other executive officers.

We have substantial existing debt and may incur substantial additional debt, which could adversely affect our ability to obtain financing in the future and require our operating subsidiaries to apply a substantial portion of their cash flow to debt service.

As of September 30, 1999, we had outstanding total indebtedness of $377.5 million and our net interest expense for the nine months ended September 30, 1999 was $20.6 million. On a pro forma basis, our total indebtedness as of September 30, 1999 was $813.4 million and our net interest expense for the nine months ended September 30, 1999 was $45.0 million. This high level of debt and our debt service obligations could have material consequences, including:

- we may have limited ability to obtain additional financing for working capital, capital expenditures, acquisitions and general corporate purposes in the future;

- our operating subsidiaries will be required to dedicate a substantial portion of their cash flow from operations to the payment of the principal of and interest on their debt, thereby reducing funds we have available for working capital, capital expenditures, acquisitions and general corporate purposes;

- we may have limited flexibility in planning for, or reacting to, changes in our business and industry; and

- we may be at a disadvantage when compared to those of our competitors that have less debt.

We anticipate incurring additional debt in the future to finance acquisitions and to fund the expansion, maintenance and upgrade of our systems. If new debt is added to our current debt levels, the related risks that we now face could intensify. For additional information, you should read the discussion under "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources" and "Description of Certain Indebtedness."

The terms of our indebtedness require us to comply with various financial and operational restrictions, and may adversely affect our ability to obtain financing in the future and react to changes in our business.

The indentures governing our senior notes and the agreements governing our subsidiary credit facilities contain numerous operating covenants. The instruments governing our subsidiary credit facilities also contain a number of financial covenants that require our operating subsidiaries to meet specified financial ratios and tests. The breach of any of these covenants will result in a default under the applicable debt agreement or instrument, which could result in acceleration of the debt. Any default under our indentures or our subsidiary credit facilities could materially adversely affect our growth, financial condition and results of operations.

In addition, several of these covenants could materially limit our financial and operating flexibility by restricting, among other things, our ability and the ability of our operating subsidiaries to:

- incur additional indebtedness;

- create liens and other encumbrances;

- pay dividends and make other payments, investment, loans and guarantees;

- enter into transactions with related parties;

- sell or otherwise dispose of assets and merge or consolidate with another entity;

- repurchase or redeem capital stock or debt;

- pledge assets; and

- issue capital stock.

For additional information, you should read the discussion under "Description of Certain Indebtedness."

We may not be able to obtain additional capital to continue the development of our business.

Our business requires substantial capital for the upgrade, expansion and maintenance of our cable systems. We may not be able to obtain the funds necessary to finance our capital improvement program through internally generated funds, additional borrowings or other sources. If we are unable to obtain these funds, our growth, financial condition and results of operation could be materially adversely affected. For additional information, you should read the discussion under "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources."

If we are unsuccessful in implementing our growth strategy, our financial condition and results of operations could be adversely affected.

We expect that a substantial portion of our future growth will be achieved through revenues from new products and services and the acquisition of additional cable systems. We may not be able to offer these new products and services successfully to our customers and these new products and services may not generate adequate revenues. In addition, our acquisition strategy may not be successful. In the past year, the cable television industry has undergone dramatic consolidation, which has reduced the number of future acquisition prospects. This consolidation may increase the purchase price of future acquisitions, and we may not be successful in identifying attractive acquisition targets or obtaining the financing necessary to complete acquisitions in the future.

We may be unable to negotiate construction agreements on favorable terms and our construction costs may increase significantly, which could adversely affect our growth, financial condition and results of operations.

The expansion and upgrade of our cable systems will require us to hire and enter into construction agreements with contractors. We may have difficulty hiring experienced contractors, and the contractors we hire may encounter cost overruns or delays in construction. Our construction costs may increase significantly over the next few years as existing agreements expire and as demand for cable construction services continues to grow. We may not be able to construct new cable systems or expand or upgrade existing or acquired systems in a timely manner or at a reasonable cost, which may adversely affect our growth, financial condition and results of operations.

Our programming costs are substantial and may increase, which could result in a decrease in profitability if we are unable to pass increases on to our customers.

In recent years, the cable television industry has experienced a rapid escalation in the cost of programming, particularly sports programming. The escalation in programming costs may continue, and we may not be able to pass programming cost increases on to our customers. In addition, as we upgrade the channel capacity of our cable systems and add programming to our basic and expanded basic programming tiers, we may face additional market constraints on our ability to pass programming costs on to our customers. Channel capacity refers to the number of traditional video programming channels that can be carried over a communications system. Our basic service tier is a package of over-the-air broadcast stations, local access channels and/or certain satellite delivered cable television services, other than premium services. Our expanded service tier refers to all other cable programming services other than those offered in the basic service tier or on a per-channel or per-program basis. The inability to pass these cost increases on to our customers could adversely affect our financial condition and results of operations.

Our Chairman and Chief Executive Officer has the ability to control all major corporate decisions, which could inhibit or prevent a change of control or change in management.

Following this offering, Rocco B. Commisso, our Chairman and Chief Executive Officer, will beneficially own 29,022,438 shares of our Class B common stock, representing 82.6% of the combined voting power of our common stock. As a result, Mr. Commisso will generally have the ability to control the outcome of all matters requiring stockholder approval, including the election of our entire board of directors, the approval of any merger or consolidation involving us and the sale of all or substantially all of our assets. If a change of control or change in management is delayed or prevented by Mr. Commisso, the market price of our Class A common stock could be adversely affected or holders may not receive a change of control premium over the then-current market price of our Class A common stock. Because of the voting structure of the Class A and Class B common stock, Mr. Commisso may continue to be able to control all matters submitted to our stockholders even if he owns a minority economic interest in Mediacom Communications. The instruments governing our subsidiary credit facilities provide that a default will result if Mr. Commisso, together with one or more of our employees, ceases to own at least 50.1% of the combined voting power of our common stock on a fully-diluted basis. In addition, Mr. Commisso's control over our management and affairs could create conflicts of interest if he is faced with decisions that could have implications for him, for us and for the other holders of our Class A common stock.

If our computer systems or those of third parties with whom we do business are not Year 2000 compliant, our operations could be significantly disrupted.

We are evaluating the impact of the Year 2000 problem on our business operations, as well as our products and services. Areas that could be adversely impacted by the Year 2000 problem include the following:

- information process and financial reporting systems;
- customer billing systems;
- customer service systems;
- cable headend equipment and advertising insertion equipment; and
- services from third-party vendors.

System failure or miscalculation could result in an inability to process transactions, send invoices, accept customer orders or provide customers with products and services. We presently do not have a formal contingency plan in place if we or any third parties with which we have material relationships sustain business interruptions caused by Year 2000 problems.

For a description of our Year 2000 compliance efforts you should read the discussion under "Management's Discussion and Analysis of Financial Condition and Results of Operations--Year 2000 Compliance."

We have been threatened with legal action unless we cease using the term "Mediacom" in our business.

We have received notice from a third party alleging that our use of the term "Mediacom" in connection with our business infringes their right to use the mark. A subsequent notice from this third party has threatened legal action unless we immediately cease using the term "Mediacom." If we are found to have infringed the proprietary rights of this or other third parties with respect to our use of the term "Mediacom" or variations thereof, we could be required to pay material damages, cease further use of the term in our business or take other remedial action.

Our Industry

We operate in a highly competitive industry, which may adversely affect our business and operations.

Our industry is highly competitive. The nature and level of the competition we face affects, among other things, how much we must spend to upgrade our cable systems, how much we must spend on marketing and promotions and the prices we can charge our customers. We may not have the resources necessary to compete effectively. Many of our present and potential competitors may have fewer regulatory burdens, substantially greater resources, greater brand name recognition and long-standing relationships with regulatory authorities. We expect advances in communications technology, as well as changes in the marketplace, to occur in the future which may compete with services that our cable systems offer. The success of these ongoing and future developments could have a negative impact on our business and operations. For example, several telephone companies are introducing digital subscriber line technology, which will allow Internet access to subscribers at data transmission speeds equal to or greater than that of modems over conventional telephone lines. You should read the discussion under "Business--Competition" for additional information.

Continued growth of direct broadcast satellite operators could adversely affect our financial condition and results of operations.

Direct broadcast satellite operators have emerged as a significant competitor to cable operators. Direct broadcast satellite service consists of television programming transmitted via high-powered satellites to individual homes, each served by a small satellite dish. Direct broadcast satellite operators have grown rapidly over the last several years, far exceeding the growth rate of the cable television industry. Legislation permitting direct broadcast satellite operators to transmit local broadcast signals was enacted on November 29, 1999. This eliminates a significant competitive advantage which cable system operators have had over direct broadcast satellite operators. Direct broadcast satellite operators have begun delivering local broadcast signals in several of the largest markets and there are plans to expand such carriage to more markets over the next year. The continued growth of direct broadcast satellite operators may adversely affect our growth, financial condition and results of operations.

Recent changes in the regulatory environment may introduce additional competitors in our markets.

Recent changes in federal law and recent administrative and judicial decisions have removed restrictions that have limited entry into the cable television industry by potential competitors such as telephone companies and registered utility holding companies. These developments will enable local telephone and utility companies to provide a wide variety of video services in their service areas which will be directly competitive with the services provided by cable television systems in the same area. As a result, competition may materialize in our franchise areas from other cable television operators, other video programming distribution systems and other broadband telecommunications services to the home.

Our business has been and continues to be subject to extensive governmental legislation and regulation, and changes in this legislation and regulation could increase our costs of compliance and reduce the profitability of our business.

The cable television industry is subject to extensive governmental legislation and regulation and many aspects of this legislation and regulation are currently the subject of judicial proceedings and administrative or legislative proposals. Many of our present and future competitors may have fewer regulatory burdens than we do, which may adversely effect our ability to compete effectively. In addition, operating in a regulated industry generally increases the cost of doing business. As we begin to offer telecommunication services, we may be required to obtain licenses or other authorizations to offer such services. We may not be able to obtain these licenses or authorizations in a timely manner, or at all, or conditions could be imposed upon these licenses and authorizations that may not be favorable to us. Future changes in legislation or regulations could have an adverse impact on us and our business operations. You should read the discussion under "Legislation and Regulation" for additional information.

Our franchises are non-exclusive and local franchising authorities may grant competing franchises in our markets.

Our cable systems are operated under non-exclusive franchises granted by local franchising authorities. As a result, competing operators of cable systems and other potential competitors, such as municipal utility providers, may be granted franchises and may build cable systems in markets where we hold franchises. Any such competition could materially and adversely affect our financial condition and results of operations. The existence of multiple cable systems in the same geographic area is generally referred to as an overbuild. We currently face overbuilds in a limited number of our markets. You should read the discussion under "Business--Competition" for additional information.

We may be required to provide access to our networks to other Internet service providers, which could significantly increase our competition and our ability to provide new products and services.

The U.S. Congress and the Federal Communications Commission have been asked to require cable operators to provide access over their cable systems to other Internet service providers. If we are required to provide open access, it could prohibit us from entering into or limit our existing agreements with Internet service providers, adversely impact our anticipated revenues from high-speed Internet access services and complicate marketing and technical issues associated with the introduction of these services. To date, the U.S. Congress and the Federal Communications Commission have declined to impose these requirements. This same open access issue is also being considered by some local franchising authorities and several courts. Franchise renewals and transfers could become more difficult depending upon the outcome of this issue.

Our franchises are subject to non-renewal or termination by local authorities, which could cause us to lose our right to operate some of our systems.

Cable television companies operate under non-exclusive franchises granted by local authorities that are subject to renewal, renegotiation and termination from time to time. Our cable systems are dependent upon the retention and renewal of their respective local franchises. Our cable systems may not be able to retain or renew their franchises and any renewals may not be on terms favorable to us. The non-renewal or termination of franchises with respect to a significant portion of any of our cable systems would have a material adverse effect on our ability to provide service to current or future customers and on our financial condition and results of operations. You should read the discussion under "Business--Franchises" and "Legislation and Regulation--State and Local Regulation" for additional information concerning our franchises.

This Offering

Existing stockholders may sell their common stock after this offering, which could adversely affect the market price of the Class A common stock.

Sales of a substantial number of shares of our common stock, or the perception that sales could occur, could adversely affect the market price for shares of our Class A common stock by causing the amount of our common stock available for sale to exceed the demand for our common stock. These sales could also make it more difficult for us to sell equity securities in the future at a time and price we deem appropriate. After this offering, we will have outstanding 60,977,562 shares of Class A common stock and 29,022,438 shares of Class B common stock. Approximately 40,977,562 shares of Class A common stock and all shares of Class B common stock, in the aggregate representing 77.8% of our outstanding common stock upon completion of this offering, will be restricted securities under the Securities Act of 1933. These securities will be subject to restrictions on the timing, manner and volume of sales of the restricted shares. However, each of Rocco B. Commisso, our Chairman and Chief Executive Officer, Morris Communications Corporation, CB Capital Investors, L.P., Chase Manhattan Capital, L.P., U.S. Investor, Inc., Private Market Fund and our less than 5% stockholders, will have rights to require us to register their shares beginning 180 days after the completion of this offering. For additional information regarding these registration rights, you should read the discussion under "Shares Eligible for Future Sale--Registration Rights."

FORWARD-LOOKING STATEMENTS

Some of the information in this prospectus contains forward-looking statements. You can identify these statements by forward-looking words such as "may," "will," "expect," "plan," "intend," "anticipate," "believe," "estimate," and "continue" or similar words. You should read statements that contain these words carefully because they:

- discuss our future expectations;

- contain projections of our future results of operations or of our financial condition; or

- state other forward-looking information.

We believe it is important to communicate our expectations to our investors. However, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by any forward-looking statements. These factors include, among other things, those listed under "Risk Factors" and elsewhere in this prospectus. Although we believe that the expectations reflected in our forward-looking statements are reasonable, we cannot assure you of future results, performance or achievements.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of our Class A common stock in this offering, after deducting the estimated underwriting discounts, commissions and offering expenses payable by us, will be approximately $326.4 million, or approximately $375.7 million if the underwriters' over-allotment option is exercised in full. We intend to use all of the net proceeds of this offering to repay indebtedness outstanding under our subsidiary credit facilities.

As of December 15, 1999, we had $817.0 million of indebtedness outstanding under our subsidiary credit facilities. These facilities, which have final maturities ranging from March 2008 to December 2008, are subject to earlier repayment on dates ranging from June 2007 to December 2007 if we do not refinance our 8 1/2% senior notes prior to March 31, 2007. Weighted interest rates for loans outstanding under our subsidiary credit facilities was 8.4% as of December 15, 1999. Borrowings under our subsidiary credit facilities were used to refinance prior indebtedness and to fund our acquisitions of the Triax and Zylstra systems. You should read the discussion under "Description of Certain Indebtedness--Credit Facilities" for additional information about our subsidiary credit facilities.

DIVIDEND POLICY

We have never paid or declared cash dividends on our common stock and currently intend to retain any future earnings for the development of our business. Therefore, we do not currently anticipate paying any cash dividends in the forseeable future. In addition, our subsidiary credit facilities restrict the ability of our subsidiaries to pay dividends. Our future dividend policy is within the discretion of our board of directors and will depend upon various factors, including our results of operations, financial condition, capital requirements and investment opportunities.

CAPITALIZATION

The following table sets forth as of September 30, 1999, on a consolidated basis:

- the historical capitalization of Mediacom LLC;

- the pro forma capitalization of Mediacom LLC to reflect:

  - the repayment of an unsecured senior subordinated note in the original amount of $2.8 million and accrued interest,

  - the $10.5 million equity contribution made by the members of Mediacom LLC in connection with the acquisition of the Triax systems in November 1999,

  - borrowings of $762.3 million under our subsidiary credit facilities to finance the acquisitions of the Triax and Zylstra systems and the related write-off of unamortized financing fees from our former subsidiary credit facilities,

  - a one-time $12.5 million non-recurring, non-cash charge associated with amendments to our management agreements with Mediacom Management, for which additional membership interests will be issued to an existing member of Mediacom LLC, and

  - a one-time $12.8 million non-recurring, non-cash compensation charge and the effect to deferred compensation of $11.8 million associated with a grant of equity interests, based on an initial public offering price of $17.50 per share, by an existing member of Mediacom LLC to certain members of our management team as further discussed in note 6 of Mediacom LLC's interim financials; and

- our pro forma as adjusted capitalization to reflect:

  - the exchange of membership interests in Mediacom LLC for shares of our common stock,

  - a one-time $1.9 million non-recurring, non-cash charge to equity to record a net deferred tax liability as of September 30, 1999 that will be recognized upon the exchange of membership interests in Mediacom LLC for shares of our common stock, and

  - the issuance and sale of our Class A common stock in this offering at an initial public offering price of $17.50 per share and the application of the net proceeds from the sale to repay $326.4 million of indebtedness outstanding under our subsidiary credit facilities.

The table below should be read in conjunction with the historical consolidated financial statements of Mediacom LLC included elsewhere in this prospectus. For additional information, see "Unaudited Pro Forma Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources" and "Description of Certain Indebtedness."

	As of September 30, 1999		
	Mediacom LLC		Mediacom Communications Corporation
	Historical	Pro Forma	Pro Forma As Adjusted
	(dollars in millions)		
Cash and cash equivalents	$ 3.7	$ 4.6	$ 4.6
Total debt:			
7 7/8% senior notes	$200.0	$ 200.0	$ 200.0
8 1/2% senior notes	125.0	125.0	125.0
Subsidiary credit facilities(1)	52.5	814.8	488.4
Total debt	377.5	1,139.8	813.4
Total members' equity	40.6	60.7	--
Stockholders' equity:			
Class A common stock, par value $0.01, 300,000,000 shares authorized, and 60,977,562 shares issued and outstanding	--	--	0.6
Class B common stock, par value $0.01, 100,000,000 shares authorized, and 29,022,438 shares issued and outstanding	--	--	0.3
Additional paid-in capital	--	--	498.1
Accumulated deficit	--	--	(113.9)
Total stockholders' equity	--	--	385.1
Total capitalization	$418.1	$1,200.5	$1,198.5

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(1) After completion of this offering, we will have approximately $609 million of unused credit commitments under our subsidiary credit facilities.

DILUTION

The difference between the initial public offering price per share of our Class A common stock and the pro forma net tangible book value per share of our Class A and Class B common stock after this offering constitutes the dilution to investors in this offering. Net tangible book value per share is determined by subtracting our total liabilities from the total book value of our tangible assets and dividing the difference by the number of shares of Class A and Class B common stock deemed to be outstanding on the date total book value is determined.

As of September 30, 1999, our net tangible book value was a deficit of $(543.0), or $(7.76) per share of common stock, after giving effect to the transactions described under "Capitalization," excluding this offering. After giving effect to the sale of 20,000,000 shares of our Class A common stock at an initial public offering price of $17.50 per share, and the deduction of estimated underwriting discounts, commissions and offering expenses, our pro forma net tangible book value as of September 30, 1999 would have been $(218.5), or $(2.43) per share of common stock. This represents an immediate decrease in our net negative tangible book value of $5.33 per share to current stockholders and an immediate dilution of $19.93 per share to new investors purchasing our Class A common stock. The following table illustrates the foregoing information as of September 30, 1999 with respect to dilution to new investors:

Assumed initial public offering price per share		$17.50
Pro forma net tangible book deficit per share before this offering	$(7.76)	
Increase per share attributable to this offering	5.33	
Pro forma net tangible book value (deficit) per share after this offering		(2.43)
Dilution per share to new investors		$19.93

The following table sets forth as of September 30, 1999, information with respect to our existing stockholders and new investors, after giving effect to the exchange of membership interests of Mediacom LLC for shares of our common stock:

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders	70,000,000	77.8%	$135,490,000	27.9%	$1.94
New investors	20,000,000	22.2	350,000,000	72.1	17.50
Total	90,000,000	100.0%	$485,490,000	100.0%	

To the extent that shares of our common stock are issued in connection with the stock option arrangements, there will be further dilution to new investors.

COMPLETED AND PENDING ACQUISITIONS

Completed Acquisitions

Since commencement of our operations in March 1996, we have completed 11 acquisitions of cable systems. The table below summarizes information related to our completed acquisitions of cable systems in chronological order. The systems were purchased from the named party identified in the Predecessor Owner column or from one or more of its related parties or its controlling or managing operator. The dollar amount set forth in the Purchase Price column represents the final purchase price before closing costs and adjustments.

Location of Systems	Predecessor Owner	Acquisition Date	Purchase Price (in millions)	Basic Subscribers as of September 30, 1999
Ridgecrest, CA	Benchmark Communications	March 1996	$ 18.8	9,300
Kern Valley, CA	Booth American Company	June 1996	11.0	6,000
Nogales, AZ	Saguaro Cable TV Investors, L.P.	December 1996	11.4	7,900
Valley Center, CA	Valley Center Cable Systems, L.P.	December 1996	2.5	1,950
Dagsboro, DE	American Cable TV Investors 5, Ltd.	June 1997	42.6	32,300
Sun City, CA	Cox Communications, Inc.	September 1997	11.5	9,950
Clearlake, CA	Jones Intercable, Inc.	January 1998	21.4	18,200
Various States	Cablevision Systems Corporation	January 1998	308.2	268,350
Caruthersville, MO	Cablevision Systems Corporation	October 1998	5.0	4,050
Various States	Zylstra Communications Corporation	October 1999	19.5	14,000
Various States	Triax Midwest Associates, L.P.	November 1999	740.1	344,000
			$1,192.0	716,000

Pending Acquisitions

In the second half of 1999, we signed five letters of intent to acquire cable systems serving approximately 28,000 basic subscribers for an aggregate purchase price of $47.7 million. These cable systems are in close proximity to our systems, thereby complementing our operating clusters. We expect to complete the acquisitions of these systems in the first half of 2000, subject to the completion of definitive documentation.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL DATA

The following unaudited pro forma consolidated financial data as of and for the nine months ended September 30, 1999 and for the year ended December 31, 1998 are based on the historical consolidated financial statements of Mediacom LLC, as adjusted to illustrate the estimated effects of the following transactions as if each transaction had occurred on January 1, 1998 for the statement of operations data and on September 30, 1999 for the balance sheet data:

- our acquisitions of cable systems described under "Completed and Pending Transactions" that were completed in 1998 and the incurrence of indebtedness arising from the acquisitions under our former subsidiary credit facilities;

- the issuance and sale of our 8 1/2% senior notes on April 1, 1998 and the application of $194.5 million of net proceeds from the sale to repay outstanding indebtedness under our former subsidiary credit facilities;

- the issuance and sale of our 7 7/8% senior notes on February 26, 1999 and the application of $121.9 million of net proceeds from the sale to repay outstanding indebtedness under our former subsidiary credit facilities;

- the repayment of an unsecured senior subordinated note in the original amount of $2.8 million and accrued interest;

- the establishment of our current subsidiary credit facilities and the repayment of all outstanding indebtedness under our former subsidiary credit facilities;

- the $10.5 million equity contribution made by members of Mediacom LLC in connection with the acquisition of the Triax systems in November 1999;

- our acquisitions of cable systems described under "Completed and Pending Transactions" that were completed in 1999 and the incurrence of indebtedness arising from the acquisitions under our current subsidiary credit facilities;

- a one-time $12.5 million non-recurring, non-cash charge associated with amendments to our management agreements with Mediacom Management, for which additional membership interests will be issued to an existing member of Mediacom LLC;

- a one-time $12.8 million non-recurring, non-cash compensation charge and the effect to deferred compensation of $11.8 million associated with a grant of equity interests, based on an initial public offering price of $17.50 per share, by an existing member of Mediacom LLC to certain members of our management team as further discussed in note 6 of Mediacom LLC's interim financials;

- the exchange of membership interests in Mediacom LLC for shares of our common stock;

- the effect to management fee expense as a result of amending the management agreements with Mediacom Management;

- a one-time $1.9 million non-recurring, non-cash charge to equity to record a net deferred tax liability as of September 30, 1999 that will be recognized upon the exchange of membership interests in Mediacom LLC for shares of our common stock;

- the reclassification of management fee expense to corporate expense due to the termination of our management agreements with Mediacom Management; and

- the issuance and sale of our Class A common stock in this offering at an initial public offering price of $17.50 per share and the application of the net proceeds from the sale to repay $326.4 million of outstanding indebtedness under our subsidiary credit facilities.

The unaudited pro forma consolidated financial data give effect to the acquisitions of our cable systems under the purchase method of accounting. The purchase price allocation among property, plant and equipment, intangible assets, other assets and liabilities of the Triax and Zylstra systems is preliminary and will be completed upon receipt of appraisal reports. We do not believe that the adjustment resulting from the final allocation of the purchase price will be material.

The unaudited pro forma consolidated financial data do not purport to represent what our results of operations or financial condition would actually have been had the transactions described above occurred on the dates indicated or to project our results of operations or financial condition for any future period or date. You should read the historical consolidated financial statements of Mediacom LLC and U.S. Cable Television Group, L.P. and the historical financial statements of Triax, appearing elsewhere in this prospectus.

Unaudited Pro Forma Consolidated Statement of Operations

For the Nine Months Ended September 30, 1999

(dollars in thousands, except per share data)

	Mediacom LLC (historical)	Triax (historical)	Zylstra (historical)	Acquisition Adjustments	Other Adjustments	Subtotal	Offering Adjustments	Total
Statement of Operations Data:								
Revenues	$113,230	$ 101,654	$3,747	$ --	$ --	$ 218,631	$ --	$ 218,631
Costs and expenses:								
Service costs	36,571	34,925	1,658	--	--	73,154	--	73,154
Selling, general and administrative expenses	21,816	15,038	650	--	--	37,504	--	37,504
Management fee expense	5,150	3,331	452		(4,560)(e)	4,373	(4,373)(f)	--
Corporate expense	--	--	--	--	--	--	4,373 (f)	4,373
Depreciation and amortization	66,154	54,111	409	25,122 (b)	--	145,796	--	145,796
Operating (loss) income	(16,461)	(5,751)	578	(25,122)	4,560	(42,196)	--	(42,196)
Interest expense (income), net	20,577	24,941	(41)	19,513 (c)	--	64,990	(19,982)(g)	45,008
Other expenses (income)	979	--	(36)	36 (d)	--	979	--	979
Provision (benefit) for income taxes							-- (h)	--
Net (loss) income from continuing operations	$(38,017)	$ (30,692)	$ 655	$(44,671)	$4,560	$(108,165)	$ 19,982	$ (88,183)
Pro forma basic and diluted net loss per share(a)								$ (0.98)
Pro forma weighted average common shares outstanding								

average
common shares outstanding..90,000,000

See accompanying notes to unaudited pro forma consolidated statement of operations.

Notes to Unaudited Pro Forma Consolidated Statement of Operations

For the Nine Months Ended September 30, 1999

(dollars in thousands, except per share data)

For purposes of determining the pro forma effects of the transactions described above on the historical consolidated statement of operations of Mediacom LLC for the nine months ended September 30, 1999, the following adjustments have been made:

(a) Pro forma basic and diluted loss per share is calculated based on 90,000,000 shares of common stock. The number of shares of common stock reflects the 40,977,562 Class A shares and 29,022,438 Class B shares issued to effect the exchange of membership interests of Mediacom LLC and the 20,000,000 Class A shares that will be issued in this offering. Upon completion of this offering, options to purchase our common stock will be issued to certain employees with an exercise price equal to the initial public offering price. Accordingly, these stock options have no effect on the pro forma loss per share amounts.

No adjustment has been made to the unaudited pro forma consolidated statement of operations for a one-time $12,837 non-recurring, non-cash compensation charge associated with a grant of vested and non-forfeitable equity interests, based on an initial public offering price of $17.50 per share, by an existing member of Mediacom LLC to certain members of our management team as further discussed in note 6 of Mediacom LLC's interim financials.

(b) Represents increase to historical depreciation and amortization expense as a result of a preliminary allocation of the Triax and Zylstra purchase price and other costs:

Triax and Zylstra	Estimated Fair Values	Asset Life	Pro Forma Expense
Property, plant and equipment................	$297,558	7	$ 42,508
Franchise costs..............................	227,964	15	15,198
Subscriber lists.............................	236,990	5	47,398
Deferred financing costs.....................	7,000	8.5	824
Other acquisition costs......................	3,900	15	260
Annualized pro forma depreciation and amortization (A)...........................			106,188
Pro forma depreciation and amortization--Nine months ended September 30, 1999 (A multiplied by 75%)......................			79,642
Historical--Triax and Zylstra...............			(54,520)
Increase to depreciation and amortization....			$ 25,122

(c) Represents increase to interest expense due to incremental indebtedness arising from our acquisitions of the Triax and Zylstra systems and our 7 7/8% senior note offering and decrease to interest expense arising from our repayment of the unsecured senior subordinated note in the original amount of $2,800 and accrued interest. An 1/8% change in the interest rates will increase or decrease the interest expense per annum by $956 after adjusting for interest rate swap agreements. Historical interest expense of Triax and Zylstra has been eliminated, as we have not assumed their debt obligations.

	Principal	Interest Rate	Pro Forma Expense
Subsidiary credit facilities..............	$814,750	7.34%	$59,803
8 1/2% senior notes.......................	200,000	8.50	17,000
7 7/8% senior notes.......................	125,000	7.88	9,850
Pro forma interest expense (A)............			86,653
Pro forma interest expense--Nine months ended September 30, 1999 (A multiplied by 75%)...................................			64,990
Historical interest expense...............			(45,477)
Increase to interest expense..............			$19,513

(d) Represents elimination of other income of Zylstra.

(e) The management agreements with Mediacom Management were amended effective November 19, 1999 in connection with an amendment to Mediacom LLC's operating agreement. The amended agreements provide for management fees equal to 2% of annual gross revenues. No adjustment has been made to the unaudited pro forma consolidated statement of operations for a one-time $12,500 non-recurring, non-cash charge associated with the amendments to the management agreements with Mediacom Management, for which additional membership interests will be issued to an existing member of Mediacom LLC. We have adjusted management fee expense for the Triax and Zylstra systems so that their historical fee structure is consistent with the management agreements.

Revenues	$218,631
2% of revenues	4,373
Historical management fees	(8,933)
Decrease to management fee expense	$ (4,560)

(f) Represents elimination of management fees paid to Mediacom Management for management services rendered to our operating subsidiaries. Mediacom Management utilized these fees to compensate its employees as well as to fund its corporate overhead. The management agreements with Mediacom Management were revised effective November 19, 1999 in connection with an amendment to Mediacom LLC's operating agreement. The amended agreements provide for management fees equal to 2% of annual gross revenues. Each of the management agreements will be terminated upon completion of this offering. At that time, Mediacom Management's employees will become our employees and its corporate overhead will become our corporate overhead. These expenses will be reflected as our corporate expense, which we estimate will amount to approximately 2% of our annual gross revenues.

(g) Represents decrease to interest expense arising from the repayment of $326,375 of outstanding indebtedness under our subsidiary credit facilities with the net proceeds of this offering. An 1/8% change in the interest rates will increase or decrease the interest expense per annum by $548 after adjusting for interest rate swap agreements.

	Principal	Interest Rate	Pro Forma Expense
Subsidiary credit facilities	$488,375	6.79%	$ 33,161
8 1/2% senior notes	200,000	8.50	17,000
7 7/8% senior notes	125,000	7.88	9,850
Pro forma interest expense after offering (A)			60,011
Pro forma interest expense after offering--Nine months ended September 30, 1999 (A multiplied by 75%)			45,008
Pro forma interest expense prior to offering			(64,990)
Decrease to interest expense			$(19,982)

(h) No provision has been made in the unaudited pro forma consolidated statement of operations for federal, state or local income taxes because Mediacom LLC is a limited liability company and its members are required to report their share of income or loss in their respective income tax returns. After the completion of this offering and the exchange of membership interests in Mediacom LLC for shares of our common stock, our results will be included in our corporate tax returns. However, due to our pro forma consolidated net loss, no income tax benefit has been reflected.

Unaudited Pro Forma Consolidated Statement of Operations

For the Year Ended December 31, 1998

(dollars in thousands, except per share data)

	Mediacom LLC (historical)	Adjustments	Subtotal	Triax (historical)	Zylstra (historical)	Acquisition Adjustments	Other Adjustments
Statement of Operations Data:							
Revenues........	$129,297	$ 6,888 (b)	$136,185	$119,669	$4,970	$ 11,434 (e)	$ --
Costs and expenses:							
Service costs...	43,849	2,803 (b)	46,652	38,496	1,883	3,897 (e)	--
Selling, general and administrative expenses.......	25,596	2,274 (b)	27,870	20,846	747	1,892 (e)	--
Management fee expense........	5,797	7 (b)	5,804	4,048	482	--	(4,889)(h)
Corporate expense........	--	--	--	--	--	--	--
Depreciation and amortization...	65,793	3,090 (c)	68,883	65,391	279	40,518 (f)	--
Operating (loss) income.........	(11,738)	(1,286)	(13,024)	(9,112)	1,579	(34,873)	4,889
Interest expense (income), net..	23,994	2,769 (d)	26,763	29,358	(51)	33,005 (g)	--
Other expenses..	4,058	--	4,058	--	--	--	--
Provision (benefit) for income taxes..........							
Net (loss) income.........	$(39,790)	$(4,055)	$(43,845)	$(38,470)	$1,630	$(67,878)	$4,889
Pro forma basic and diluted net loss per share(a).......							
Pro forma weighted average of common shares outstanding....							

	Subtotal	Offering Adjustments	Total
Statement of Operations Data:			
Revenues........	$ 272,258	$ --	$ 272,258
Costs and expenses:			
Service costs...	90,928	--	90,928
Selling, general and administrative expenses.......	51,355	--	51,355
Management fee expense........	5,445	(5,445)(i)	--
Corporate expense........	--	5,445 (i)	5,445
Depreciation and amortization...	175,071	--	175,071
Operating (loss) income.........	(50,541)	--	(50,541)
Interest expense (income), net..	89,075	(29,154)(j)	59,921
Other expenses..	4,058	--	4,058
Provision (benefit) for income taxes..........		-- (k)	--
Net (loss) income.........	$(143,674)	$29,154	$ (114,520)
Pro forma basic and diluted net loss per			

share(a).......	$ (1.27)
Pro forma weighted average of common shares outstanding....	90,000,000

See accompanying notes to unaudited pro forma consolidated statement of operations.

Notes to Unaudited Pro Forma Consolidated Statement of Operations

For the Year Ended December 31, 1998

(dollars in thousands, except per share data)

For purposes of determining the pro forma effects of the transactions described above on the historical consolidated statement of operations of Mediacom LLC for the year ended December 31, 1998, the following adjustments have been made:

(a) Pro forma basic and diluted loss per share is calculated based on 90,000,000 shares of common stock. The number of shares of common stock reflects the 40,977,562 Class A shares and 29,022,438 Class B shares issued to effect the exchange of membership interests of Mediacom LLC and the 20,000,000 Class A shares that will be issued in this offering. Upon completion of this offering, options to purchase our common stock will be issued to certain employees with an exercise price equal to the public offering price. Accordingly, these stock options have no effect on the pro forma loss per share amounts.

No adjustment has been made to the unaudited pro forma consolidated statement of operations for a one-time $9,302 non-recurring, non-cash compensation charge associated with a grant of vested and non-forfeitable equity interests, based on an initial public offering price of $17.50 per share, by an existing member of Mediacom LLC to certain members of our management team as further discussed in note 6 of Mediacom LLC's interim financials.

(b) The table below represents actual revenues, service costs, and selling, general and administrative expenses and management fee expense of certain cable systems owned by:

- Jones Intercable, Inc., referred to as Clearlake, and acquired on January 9, 1998;
- Cablevision Systems Corporation in various states, referred to as Cablevision, and acquired on January 23, 1998; and
- Cablevision Systems Corporation, referred to as Caruthersville, and acquired on October 1, 1998.

These amounts were recognized prior to our acquisition of such cable systems.

	Clearlake	Cablevision	Caruthersville	Total
Revenues...................	$ 133	$ 5,603	$ 1,152	$ 6,888
Service costs.............	152	2,272	379	2,803
Selling, general and administrative expenses...	139	1,839	296	2,274
Management fee expense.....	7	--	--	7

(c) Represents historical depreciation and amortization of the Cablevision, Clearlake and Caruthersville systems recognized prior to the respective dates of acquisition and additional depreciation and amortization related to the step-up in value of the systems based on the final allocation of their purchase price. See note 3 of the historical consolidated financial statements of Mediacom LLC for the year ended December 31, 1998.

(d) Represents increase to interest expense due to incremental indebtedness arising from our acquisition of the Clearlake, Cablevision and Caruthersville systems and our 8 1/2% senior note offering. An 1/8% change in the interest rates will increase or decrease the interest expense per annum by $106 after adjusting for interest rate swap agreements.

	Principal	Interest Rate	Pro Forma Expense
Subsidiary credit facilities	$134,425	7.03%	$ 9,450
8 1/2% senior notes	200,000	8.50	17,000
Unsecured senior subordinated note	3,480	9.00	313
Pro forma interest expense			26,763
Historical--Mediacom LLC			(23,994)
Increase to interest expense			$ 2,769

(e) The table below represents historical revenues, service costs, and selling, general and administrative expenses of the Jones systems and the Marcus systems, recognized prior to the respective dates of acquisition by Triax. These systems were acquired by Triax on June 30, 1998 and September 30, 1998, for $22.8 million and $60.8 million, respectively. See note 3 to the historical financial statements of Triax for the year ended December 31, 1998.

	Jones	Marcus	Total
Revenues	$2,920	$8,514	$11,434
Service costs	936	2,961	3,897
Selling, general and administrative expenses	702	1,190	1,892

(f) Represents increase to historical depreciation and amortization as a result of a preliminary allocation of the Triax and Zylstra purchase price and other costs:

Triax and Zylstra	Estimated Fair Values	Asset Life	Pro Forma Expense
Property, plant and equipment	$297,558	7	$ 42,508
Franchise costs	227,964	15	15,198
Subscriber lists	236,990	5	47,398
Deferred financing costs	7,000	8.5	824
Other acquisition costs	3,900	15	260
Pro forma depreciation and amortization			106,188
Historical--Triax and Zylstra			(65,670)
Increase to depreciation and amortization			$ 40,518

(g) Represents increase to interest expense due to incremental indebtedness arising from our acquisitions of the Triax and Zylstra systems, our 8 1/2% senior note offering and our 7 7/8% senior note offering and decrease to interest expenses arising from our repayment of the unsecured senior subordinated note in the original amount of $2,800 and accrued interest. An 1/8% change in the interest rates will increase or decrease the interest expense per annum by $911 after adjusting for interest rate swap agreements. Historical interest expense of Triax and Zylstra has been eliminated, as we have not assumed their debt obligations.

	Principal	Interest Rate	Pro Forma Expense
Subsidiary credit facilities	$778,780	7.99%	$ 62,225
8 1/2% senior notes	200,000	8.50	17,000
7 7/8% senior notes	125,000	7.88	9,850
Pro forma interest expense			89,075
Pro forma--Mediacom LLC			(26,763)
Historical--Triax and Zylstra			(29,307)
Increase to interest expense			$ 33,005

(h) The management agreements with Mediacom Management were amended effective November 19, 1999 in connection with an amendment to Mediacom LLC's operating agreement. The amended agreements provide for management fees equal to 2% of annual gross revenues. No adjustment has been made to the unaudited pro forma consolidated statement of operations for a one-time $12,500 non-recurring, non-cash charge associated with the amendments to the management agreements with Mediacom Management, for which additional membership interests will be issued to an existing member of Mediacom LLC. We have adjusted management fee expense for the Triax and Zylstra systems so that their historical fee structure is consistent with the management agreements.

Revenues	$272,258
2% of revenues	5,445
Historical management fees	(10,334)
Decrease to management fee expense	$ 4,889

(i) Represents elimination of management fees paid to Mediacom Management for management services rendered to our operating subsidiaries. Mediacom Management utilized these fees to compensate its employees as well as to fund its corporate overhead. The management agreements with Mediacom Management were revised effective November 19, 1999 in connection with an amendment to Mediacom LLC's operating agreement. The amended agreements provide for management fees equal to 2% of annual gross revenues. Each of the management agreements will be terminated upon completion of this offering. At that time, Mediacom Management's employees will become our employees and its corporate overhead will become our corporate overhead. These expenses will be reflected as our corporate expense, which we estimate will amount to approximately 2% of our annual gross revenues.

(j) Represents decrease to interest expense arising from the repayment of $326,375 of outstanding indebtedness under our subsidiary credit facilities with the net proceeds of this offering. An 1/8% change in the interest rates will increase or decrease the interest expense per annum by $503 after adjusting for interest rate swap agreements.

	Principal	Interest Rate	Pro Forma Expense
Subsidiary credit facilities	$452,405	7.31%	$ 33,071
8 1/2% senior notes	200,000	8.50	17,000
7 7/8% senior notes	125,000	7.88	9,850
Pro forma interest expense after offering			59,921
Pro forma interest expense prior to offering			(89,075)
Decrease to interest expense			$(29,154)

(k) No provision has been made in the unaudited pro forma consolidated statement of operations for federal, state or local income taxes because Mediacom LLC is a limited liability company and its members are required to report their share of income or loss in their respective income tax returns. After the completion of this offering and the exchange of membership interests in Mediacom LLC for shares of our common stock, our results will be included in our corporate tax returns. However, due to our pro forma consolidated net loss, no income tax benefit has been reflected.

Unaudited Pro Forma Consolidated Balance Sheet

As of September 30, 1999
(dollars in thousands)

	Mediacom LLC (historical)	Triax (historical)	Zylstra (historical)	Adjustments	Other Adjustments	Subtotal	Offering Adjustments
Assets							
Cash and cash equivalents.........	$ 3,700	$ --	$ --	$ 890 (a)	$ --	$ 4,590	$ --
Subscriber accounts receivable, net.....	2,269	2,043	532	696 (a)	--	5,540	--
Prepaid expenses and other assets........	2,947	--	72	238 (a)	--	3,257	--
Inventory...........	11,606	--	--	2,000 (b)	--	13,606	--
Property, plant and equipment, net......	286,900	168,588	4,872	124,098 (b)	--	584,458	--
Intangible assets, net.................	134,768	153,604	59	315,191 (b)	--	603,622	--
Other assets, net...	12,965	7,450	--	(2,695)(c)	11,774 (g)	29,494	--
Total assets.......	$455,155	$331,685	$5,535	$440,418	$11,774	$1,244,567	$ --
Liabilities and Members'/Stockholders' Equity							
Debt................	$377,500	$418,810	$ --	$343,440 (d)	$ --	$1,139,750	$(326,375)(j)
Accounts payable and accrued expenses....	35,164	13,108	618	(9,624)(a)	--	39,266	--
Subscriber advance payments and deposits............	1,857	782	442	1,807 (a)	--	4,888	--
Deferred income tax liability...........	--	--	--	--	--	--	1,937 (k)
Other liabilities...	--	--	--	--	--	--	--
Total liabilities..	414,521	432,700	1,060	335,623	--	1,183,904	(324,438)
Members' equity							
Capital contributions.......	124,990	--	1,588	8,912 (e)	37,111 (h)	172,601	(172,601)(l)
Accumulated deficit............	(84,356)	(101,015)	2,887	95,883 (f)	(25,337)(i)	(111,938)	111,938 (l)
Total member's equity (deficit)..	40,634	(101,015)	4,475	104,795	11,774	60,663	(60,663)
Stockholders' equity							
Class A common stock...............							610 (m)
Class B common stock.............							290 (m)
Additional paid-in capital.............							498,076 (m)
Accumulated deficit............							(113,875)(n)
Total stockholders' equity...........							385,101
Total liabilities and members'/stockholders' equity...........	$455,155	$331,685	$5,535	$440,418	$11,774	$1,244,567	$ --

	Total
Assets	
Cash and cash equivalents.........	$ 4,590
Subscriber accounts receivable, net.....	5,540
Prepaid expenses and other assets........	3,257
Inventory...........	13,606
Property, plant and equipment, net......	584,458
Intangible assets, net.................	603,622
Other assets, net...	29,494
Total assets.......	$1,244,567
Liabilities and Members'/Stockholders' Equity	
Debt................	$ 813,375

Accounts payable and accrued expenses....	39,266
Subscriber advance payments and deposits............	4,888
Deferred income tax liability...........	1,937
Other liabilities...	--
Total liabilities..	859,466
Members' equity	
Capital contributions.......	--
Accumulated deficit.............	--
Total member's equity (deficit)..	--
Stockholders' equity	
Class A common stock...............	610
Class B common stock..............	290
Additional paid-in capital.............	498,076
Accumulated deficit.............	(113,875)
Total stockholders' equity............	385,101
Total liabilities and members'/stockholders' equity............	$1,244,567

See accompanying notes to unaudited pro forma consolidated balance sheet.

Notes to Unaudited Pro Forma Consolidated Balance Sheet

As of September 30, 1999
(dollars in thousands)

For purposes of determining the pro forma effect of the transactions described above on the historical consolidated balance sheet of Mediacom LLC as of September 30, 1999, the following adjustments have been made:

(a) Represents elimination of cash not included in the acquisition of Triax, which was acquired on November 5, 1999, and Zylstra, which was acquired on October 15, 1999, and adjustments to working capital due to timing differences. These adjustments reflect changes in working capital as of the acquisition date as compared to working capital as of September 30, 1999 since those acquisitions were completed subsequent to September 30, 1999. Working capital as of the acquisition date was prepared jointly by the seller and us based on the most recent financial information available.

	Working Capital as of Acquisition Date	Working Capital as of September 30, 1999	Adjustments
Assets acquired:			
Cash and cash equivalents.....	$ 890	$ --	$ 890
Subscriber accounts receivable, net..............	3,271	2,575	696
Prepaid expenses and other assets.......................	310	72	238
Liabilities assumed:			
Accounts payable and accrued expenses.....................	4,102	13,726	(9,624)
Subscriber advance payments and deposits.................	3,031	1,224	1,807
Net working capital............	$(2,662)	$(12,303)	$ 9,641

(b) Represents an increase to property, plant and equipment and intangible assets as a result of our acquisitions based on a preliminary allocation of the purchase price assuming estimated fair values. Preliminary subscriber and purchase price adjustments are estimates made at the acquisition date to adjust the purchase price based on various conditions of the contract. These conditions include the number of subscribers as of the acquisition date and the amount of capital investment made to property, plant and equipment by the seller during 1999. These adjustments will be finalized approximately 120 days after the acquisition date and should not be materially different from the estimates used here. The preliminary subscriber adjustment is allocated to intangibles as it relates directly to subscriber lists. The preliminary purchase price adjustment of $4,282 is allocated to property, plant and equipment, primarily since it relates to the amount of capital investment not made by the seller. The remaining preliminary purchase price adjustment of $168 is allocated to intangibles since it represents direct costs of the acquisition.

			Estimated Fair Values	
	Purchase Price	Other Net Assets	Property, Plant and Equipment	Intangibles
Original Triax purchase price.......................	$740,100	$ --	$ 296,040	$444,060
Original Zylstra purchase price.......................	19,500	--	7,800	11,700
Preliminary subscriber adjustment..................	9,026	--	--	9,026
Preliminary purchase price adjustment..................	(4,114)	--	(4,282)	168
Property, plant and equipment reclassified as inventory...	--	2,000	(2,000)	--
Net working capital	(2,662)	(2,662)	--	--
Subtotal.....................	761,850	(662)	297,558	464,954
Closing costs................	3,900	--	--	3,900
Total acquisition costs......	$765,750	$ (662)	297,558	468,854
Historical amounts...........			(173,460)	(153,663)
Increase.....................			$ 124,098	$315,191

(c) Represents adjustment to other assets in connection with:

- incurrence of $7,000 in closing costs in connection with our subsidiary credit facilities;
- elimination of unamortized deferred financing costs of $2,245 related to our former credit facilities; and
- elimination of unamortized deferred loan costs and other costs of Triax of $7,450.

(d) Represents the following adjustments to debt related to our acquisitions of the Triax and Zylstra systems:

Proceeds from our subsidiary credit facilities................	$ 814,750
Repayment of our former subsidiary credit facilities..........	(52,500)
Elimination of Triax and Zylstra debt.........................	(418,810)
Increase to debt..	$ 343,440

(e) Represents adjustments to capital contributions in connection with:

- the elimination of Triax and Zylstra contributed capital accounts of $1,588; and
- additional capital contributions to Mediacom LLC by its members of $10,500.

(f) Represents adjustments to accumulated deficit in connection with:

- the elimination of Triax and Zylstra accumulated deficit of $98,128; and
- the write-off of unamortized deferred financing costs related to our former credit facilities of $2,245.

(g) Represents the effect to deferred compensation as a result of a grant of vested and non-forfeitable equity interests, based on an initial public offering price of $17.50 per share, by an existing member of Mediacom LLC to certain members of our management team as further discussed in note 6 of Mediacom LLC's interim financials.

(h) Represents the following adjustments to capital contributions in connection with:

- a grant of additional membership interest by an existing member of $12,500 associated with amendments to the management agreements with Mediacom Management; and
- a grant of additional membership interests of $24,611 by an existing member of Mediacom LLC to certain members of our management team.

(i) Represents adjustments to accumulated deficit in connection with:

- a one-time $12,500 non-recurring, non-cash charge associated with amendments to the management agreements with Mediacom Management, for which additional membership interests will be issued to an existing member of Mediacom LLC; and
- a one-time $12,837 non-recurring, non-cash compensation charge associated with the vested portion of a grant of equity interest by an existing member of Mediacom LLC to certain members of our management team as further discussed in note 6 of Mediacom LLC's interim financials.

(j) Represents the repayment of outstanding indebtedness under subsidiary credit facilities with the net proceeds of this offering.

(k) Represents the recognition of a one-time $1,937 non-recurring, non-cash charge to record a net deferred tax liability as of September 30, 1999 that will be recognized upon the exchange of membership interests in Mediacom LLC for shares of our common stock.

(l) Reflects the elimination of members' equity upon the exchange of membership interests for shares of our common stock.

(m) Represents adjustments to stockholders' equity in connection with:

- the issuance of 40,977,562 shares of Class A common stock, based upon an initial public offering price of $17.50 per share, and 29,022,438 shares of Class B common stock, based upon an initial public offering price of $17.50 per share, upon the exchange of membership interests in Mediacom LLC for shares of our common stock; and

- the issuance and sale of 20,000,000 shares of Class A common stock in this offering at an initial public offering price of $17.50 per share.

(n) Reflects the following assumptions:

- reclassification of accumulated deficit to stockholders' equity from members' equity; and

- recognition of a one-time $1,937 non-recurring, non-cash charge to record a net deferred tax liability as of September 30, 1999 that will be recognized upon the exchange of membership interests in Mediacom LLC for shares of our common stock.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OPERATING DATA

In the table below, we provide you with:

- selected historical financial data for the years ended December 31, 1994 and 1995 and for the period from January 1, 1996 through March 11, 1996, and balance sheet data as of December 31, 1994 and 1995, and March 11, 1996, which are derived from the audited financial statements of Benchmark Acquisition Fund II Limited Partnership, which is our predecessor company;

- selected historical consolidated financial and operating data for the period from the commencement of our operations on March 12, 1996 to December 31, 1996 and for the years ended December 31, 1997 and 1998, and balance sheet data as of December 31, 1996, 1997 and 1998, which are derived from and should be read in conjunction with the audited consolidated financial statements of Mediacom LLC included elsewhere in this prospectus; and

- selected historical consolidated financial and operating data for the nine months ended September 30, 1998 and 1999, and balance sheet data as of September 30, 1998 and 1999, which are derived from and should be read in conjunction with the unaudited consolidated financial statements of Mediacom LLC included elsewhere in this prospectus.

We commenced operations on March 12, 1996 with the acquisition of a cable system from Benchmark Acquisition Fund II Limited Partnership and have since completed eight additional acquisitions as of September 30, 1999. The historical results of operations of the systems acquired have been included from their respective dates of acquisition to the end of the period presented.

In our opinion, the unaudited interim financial statements have been prepared on the same basis as the audited financial statements and include all adjustments, which consist only of normal recurring adjustments, necessary to present fairly the financial position and the results of operations for the interim periods. Financial and operating results for the nine months ended September 30, 1999 are not necessarily indicative of the results that may be expected for the full year.

We were formed as a limited liability company in July 1995 and commenced our operations on March 12, 1996. Accordingly, since that time, our taxable income or loss has been included in the federal and certain state income tax returns of our members. Upon completion of this offering, we will become subject to the provisions of Subchapter C of the Internal Revenue Code. As a C corporation, we will be fully subject to the federal, state and local income taxes.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Selected Historical Consolidated Financial and Operating Data

	Predecessor			Mediacom LLC				
							Nine Months Ended September 30,	
	Year Ended December 31, 1994	Year Ended December 31, 1995	January 1 Through March 11, 1996	March 12 Through December 31, 1996	Year Ended December 31, 1997	Year Ended December 31, 1998	1998	1999
							(Unaudited)	
	(dollars in thousands, except per share and per subscriber data)							
Statement of Operations Data:								
Revenues...........	$ 5,075	$ 5,171	$1,038	$ 5,411	$ 17,634	$ 129,297	$ 94,374	$ 113,230
Costs and expenses:								
Service costs.......	1,322	1,536	297	1,511	5,547	43,849	32,873	36,571
Selling, general and administrative expenses...........	1,016	1,059	222	931	2,696	25,596	18,101	21,816
Management fee expense(1)..........	252	261	52	270	882	5,797	4,340	5,150
Depreciation and amortization........	4,092	3,945	527	2,157	7,636	65,793	44,338	66,154
Operating income (loss).............	(1,607)	(1,630)	(60)	542	873	(11,738)	(5,278)	(16,461)
Interest expense, net(2).............	878	935	201	1,528	4,829	23,994	17,786	20,577
Other expenses......	--	--	--	967	640	4,058	3,838	979
Net loss...........	$(2,485)	$(2,565)	$ (261)	$ (1,953)	$ (4,596)	$ (39,790)	$ (26,902)	$ (38,017)
Pro forma provision (benefit) for income taxes(3)...........						--		--
Pro forma net loss(4)............						$ (39,790)		$ (38,017)
Pro forma basic and diluted net loss per share(5)...........						$ (0.57)		$ (0.54)
Pro forma weighted average common shares outstanding..						70,000,000		70,000,000
Balance Sheet Data (end of period):								
Total assets........	$11,755	$ 8,149		$ 46,560	$102,791	$ 451,152	$ 447,666	$ 455,155
Total debt..........	13,294	12,217		40,529	72,768	337,905	317,398	377,500
Total members' equity.............	(2,003)	(4,568)		4,537	24,441	78,651	91,539	40,634
Other Data:								
System cash flow(6)............	$ 2,737	$ 2,576	$ 519	$ 2,969	$ 9,391	$ 59,852	$ 43,400	$ 54,843
System cash flow margin(7)..........	53.9%	49.8%	50.0%	54.9%	53.3%	46.3%	46.0%	48.4%
EBITDA(8)...........	$ 2,485	$ 2,315	$ 467	$ 2,699	$ 8,509	$ 54,055	$ 39,060	49,693
EBITDA margin(9)....	49.0%	44.8%	45.0%	49.9%	48.3%	41.8%	41.4%	43.9%
Net cash flows from operating activities..........	$ 1,395	$ 1,478	$ 226	$ 237	$ 7,007	$ 53,556	$ 47,796	$ 29,795
Net cash flows used in investing activities..........	(552)	(261)	(86)	(45,257)	(60,008)	(397,085)	(372,452)	(60,632)
Net cash flows (used in) from financing activities..........	(919)	(1,077)	--	45,416	53,632	344,714	324,597	32,325
Operating Data (end of period, except average):								
Homes passed(10)....				38,749	87,750	520,000	512,000	525,000
Basic subscribers(11).....				27,153	64,350	354,000	348,000	358,000
Basic penetration(12).....				70.1%	73.3%	68.1%	68.0%	68.2%
Premium service units(13)...........				11,691	39,288	407,100	387,100	396,500
Premium penetration(14).....				43.1%	61.1%	115.0%	111.2%	110.8%
Average monthly revenues per basic subscriber(15)......							$32.14	$35.34

(notes on following page)

Notes to Selected Historical Consolidated Financial and Operating Data

(1) Represents fees paid to Mediacom Management for management services rendered to our operating subsidiaries. Mediacom Management utilizes these fees to compensate its employees as well as to fund its corporate overhead. The management agreements with Mediacom Management were amended effective November 19, 1999 in connection with an amendment to Mediacom LLC's operating agreement. The amended agreements provide for management fees equal to 2% of annual gross revenues. Each of the management agreements will be terminated upon the completion of this offering. At that time, Mediacom Management's employees will become our employees and its corporate overhead will become our corporate overhead. These expenses will be reflected as our corporate expense, which we estimate will amount to approximately 2% of our annual gross revenues.

(2) Net of interest income. Interest income for the periods presented is not material.

(3) Represents an income tax provision (benefit) assuming the exchange of membership interests in Mediacom LLC for shares of our common stock. We have operating losses for the periods presented and have not reflected any tax benefit for such losses.

(4) Pro forma net loss does not include a one-time $12.5 million non-recurring, non-cash charge associated with the amendments to our management agreements with Mediacom Management, for which additional membership interests will be issued to an existing member of Mediacom LLC and one-time $9.3 million and $12.8 million non-recurring, non-cash compensation charges associated with grants of equity interests by an existing member of Mediacom LLC to certain members of our management team for the year ended December 31, 1998 and the nine months ended September 30, 1999. See note 6 of Mediacom LLC's interim financials for further discussion.

(5) Pro forma basic and diluted loss per share is calculated based on 70,000,000 shares of common stock. The number of shares of common stock reflects the 40,977,562 Class A shares and 29,022,438 Class B shares issued to effect the exchange of membership interests of Mediacom LLC as if these shares were outstanding for all periods presented and excludes the shares that will be issued in this offering. The shares issued to effect the exchange for the membership interests are based upon the relative ownership percentages of membership interests in Mediacom LLC immediately prior to the completion of this offering and are based on an initial public offering price of $17.50 per share.

(6) Represents EBITDA, as defined in note 8 below, before management fee expense. System cash flow:

- is not intended to be a performance measure that should be regarded as an alternative either to operating income or net income as an indicator of operating performance or to the statement of cash flows as a measure of liquidity;

- is not intended to represent funds available for debt service, dividends, reinvestment or other discretionary uses; and

- should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles.

System cash flow is included in this prospectus because our management believes that system cash flow is a meaningful measure of performance commonly used in the cable television industry and by the investment community to analyze and compare cable television companies. Our definition of system cash flow may not be identical to similarly titled measures reported by other companies.

(7) Represents system cash flow as a percentage of revenues. This measurement is used by us, and is commonly used in the cable television industry, to analyze and compare cable television companies on the basis of operating performance, for the reasons discussed in note 6 above.

(8) Represents operating income (loss) before depreciation and amortization. EBITDA:

- is not intended to be a performance measure that should be regarded as an alternative either to operating income or net income as an indicator of operating performance or to the statement of cash flows as a measure of liquidity;

- is not intended to represent funds available for debt service, dividends, reinvestment or other discretionary uses; and

- should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles.

EBITDA is included in this prospectus because our management believes that EBITDA is a meaningful measure of performance commonly used in the cable television industry and by the investment community to analyze and compare cable television companies. Our definition of EBITDA may not be identical to similarly titled measures reported by other companies.

(9) Represents EBITDA as a percentage of revenues. This measurement is used by us, and is commonly used in the cable industry, to analyze and compare cable companies on the basis of operating performance, for the reasons discussed in note 8 above.

(10) Represents the number of single residence homes, apartments and condominium units passed by the cable distribution network in a cable system's service area.

(11) Represents subscribers of a cable television system who receive a package of over-the-air broadcast stations, local access channels and/or certain satellite-delivered cable television services, and who are usually charged a flat monthly rate for a number of channels.

(12) Represents basic subscribers as a percentage of total number of homes passed.

(13) Represents the number of subscriptions to premium services. A subscriber may purchase more than one premium service, each of which is counted as a separate premium service unit. For the nine months ended September 30, 1999, premium service units reflect the Disney Channel being moved from a premium service to the basic programming packages in several of our cable systems.

(14) Represents premium service units as a percentage of total number of basic subscribers. This ratio may be greater than 100% if the average basic subscriber subscribes to more than one premium service unit.

(15) Represents average monthly revenues for the period divided by average monthly basic subscribers for such period. This measurement is commonly used in the cable television industry to analyze and compare cable companies on the basis of operating performance.

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

Introduction

We materially expanded our business in 1997 and 1998 through acquisitions. The acquisitions of the Zylstra and Triax systems in October and November 1999 together doubled the number of our basic subscribers. All acquisitions have been accounted for under the purchase method of accounting and, therefore, our historical results of operations include the results of operations for each acquired system, other than the Zylstra and Triax systems, subsequent to its respective acquisition date. As such, we do not believe the discussion and analysis of our historical financial condition and results of operations set forth below are indicative nor should they be relied upon as an indicator of our future performance.

General

Our revenues are primarily attributable to monthly subscription fees charged to basic subscribers for our basic and premium cable television programming services.

- Basic revenues consist of monthly subscription fees for all services other than premium programming and also include monthly charges for customer equipment rental and installation fees.

- Premium revenues consist of monthly subscription fees for programming provided on a per channel basis or as part of premium service packages.

- Other revenues represent pay-per-view charges, late payment fees, advertising revenues and commissions related to the sale of goods by home shopping services. Pay-per-view is programming offered on a per-program basis which a subscriber selects and pays a separate fee.

The following table sets forth for the periods indicated the percentage of our total revenues attributable to the sources indicated:

	Period From March 12, 1996 to December 31,	Year Ended December 31,		Nine Months Ended September 30,	
	1996	1997	1998	1998	1999
Basic revenues	80.0%	81.0%	80.0%	80.0%	81.0%
Premium revenues	8.0	9.0	15.0	15.0	13.0
Other revenues	12.0	10.0	5.0	5.0	6.0
Total revenues	100.0%	100.0%	100.0%	100.0%	100.0%

For the nine months ended September 30, 1999, for each of the past two years and for the period ended December 31, 1996, we generated significant increases in revenues as a result of our acquisition activities, increases in monthly revenues per basic subscriber and internal subscriber growth.

Our operating expenses consist of service costs and selling, general and administrative expenses directly attributable to our cable systems. Service costs include fees paid to programming suppliers, expenses related to copyright fees, wages and salaries of technical personnel and plant operating costs. Programming fees have historically increased at rates in excess of inflation due to increases in the number of programming services we have offered and improvements in the quality of programming. We believe that under the Federal Communication Commission's existing cable rate regulations, we will be able to increase our rates for cable television services to more than cover any increases in the costs of programming. However, competitive factors may limit our ability to increase our rates. We benefit from our membership in a cooperative of cable television companies which serve over twelve million basic subscribers, which provides its members with significant volume discounts from programming suppliers and cable equipment vendors. Selling, general and administrative expenses directly attributable to our cable television systems include wages and salaries for customer service and administrative personnel, franchise fees and expenses related to billing, marketing, bad debt, advertising sales and office administration.

Mediacom Management provides management services to the operating subsidiaries of Mediacom LLC and receives annual management fees. Until November 19, 1999, management fees ranged from 4.0% to 5.0% of our annual gross revenues. The management agreements with Mediacom Management were amended effective November 19, 1999 in connection with an amendment to Mediacom LLC's operating agreement to provide for annual management fees equal to 2.0% of annual gross revenues. Also, Mediacom Management received an acquisition fee ranging from 0.5% to 1.0% of the purchase price of acquisitions made by Mediacom LLC and such fees are included in other expenses. Mediacom Management utilizes these fees to compensate its employees as well as to fund its corporate overhead. Mediacom Management has agreed to waive all management fees accrued from July 1, 1999 through November 19, 1999, and to waive the acquisition fees related to the acquisitions of the Triax and Zylstra systems. Each of the management agreements will be terminated upon the completion of this offering. At that time, Mediacom Management's employees will become our employees and its corporate overhead will become our corporate overhead. These expenses will be reflected as our corporate expense, which we estimate will amount to approximately 2% of our annual gross revenues. Also in accordance with the amendment to Mediacom LLC's operating agreement, no further acquisition fees will be payable.

The high level of depreciation and amortization associated with our acquisition activities as well as the interest expense related to our financing activities have caused us to report net losses in our limited operating history. We believe that such net losses are common for cable television companies and anticipate that we will continue to incur net losses for the foreseeable future.

EBITDA represents operating income (loss) before depreciation and amortization. EBITDA:

- is not intended to be a performance measure that should be regarded as an alternative either to operating income or net income as an indicator of operating performance or to the statement of cash flows as a measure of liquidity;

- is not intended to represent funds available for debt service, dividends, reinvestment or other discretionary uses; and

- should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles.

EBITDA is included in this prospectus because our management believes that EBITDA is a meaningful measure commonly used in the cable television industry and by the investment community to analyze and compare cable television companies. Our definition of EBITDA may not be identical to similarly titled measures reported by other companies.

Results of Operations

Nine Months Ended September 30, 1999 Compared to Nine Months Ended September 30, 1998

The following historical information for the nine months ended September 30, 1999 and 1998 includes the results of operations of the Clearlake system, which was acquired on January 9, 1998, the Cablevision systems, which were acquired on January 23, 1998, and the Caruthersville system, which was acquired on October 1, 1998, only for that portion of the respective period that such cable television systems were owned by us.

Revenues. Revenues increased 20.0% to approximately $113.2 million for the nine months ended September 30, 1999, as compared to approximately $94.4 million for the nine months ended September 30, 1998, primarily as a result of:

- an increase in the average monthly basic service rate of $3.01 per basic subscriber;

- the inclusion of the results of operations of the cable television systems acquired by us during the nine months ended September 30, 1998 for the full nine-month period in 1999; and

- internal basic subscriber growth of 1.8%, excluding the acquisition of the Caruthersville system.

Service costs. Service costs increased 11.2% to approximately $36.6 million for the nine months ended September 30, 1999, as compared to approximately $32.9 million for the nine months ended September 30, 1998. Our ownership of the Clearlake, Cablevision and Caruthersville systems for the full nine-month period in 1999 accounted for 74.1% of this increase. The remaining 25.9% of this increase is due principally to higher programming costs. As a percentage of revenues, service costs were 32.3% for the nine months ended September 30, 1999, as compared to 34.8% for the nine months ended September 30, 1998 due to revenues increasing at a faster rate than service costs for the period.

Selling, general and administrative expenses. Selling, general and administrative expenses increased 20.5% to approximately $21.8 million for the nine months ended September 30, 1999, as compared to approximately $18.1 million for the nine months ended September 30, 1998. Our ownership of the Clearlake, Cablevision and Caruthersville systems for the full nine-month period in 1999 accounted for 38.2% of this increase in selling, general and administrative expenses. The remaining 61.8% of this increase is primarily due to increased marketing costs associated with the promotion of new programming services and increased personnel expenses. As a percentage of revenues, selling, general and administrative expenses were 19.3% for the nine months ended September 30, 1999, as compared to 19.2% for the nine months ended September 30, 1998.

Management fee expense. Management fee expense increased 18.7% to approximately $5.2 million for the nine months ended September 30, 1999, as compared to approximately $4.3 million for the nine months ended September 30, 1998, due to the higher revenues generated in the 1999 period.

Depreciation and amortization. Depreciation and amortization increased 49.2% to approximately $66.2 million for the nine months ended September 30, 1999, as compared to approximately $44.3 million for the nine months ended September 30, 1998. This increase was substantially due to our purchase of the Clearlake, Cablevision and Caruthersville systems in 1998 and additional capital expenditures associated with the upgrade of our systems.

Operating income (loss). Due to the factors described above, we generated an operating loss of approximately $16.5 million for the nine months ended September 30, 1999, as compared to an operating loss of approximately $5.3 million for the nine months ended September 30, 1998.

Interest expense, net. Interest expense, net, increased 15.7% to approximately $20.6 million for the nine months ended September 30, 1999, as compared to approximately $17.8 million for the nine months ended September 30, 1998. This increase was substantially due to higher average debt outstanding during the 1999 period as a result of the debt incurred in connection with the purchase of the Clearlake, Cablevision and Caruthersville systems.

Other expenses. Other expenses decreased 74.5% to approximately $979,000 for the nine months ended September 30, 1999, as compared to approximately $3.8 million for the nine months ended September 30, 1998. This decrease was principally due to acquisition fees paid to Mediacom Management in the 1998 period in connection with the acquisition of the Clearlake and Cablevision systems.

Net loss. Due to the factors described above, we generated a net loss of approximately $38.0 million for the nine months ended September 30, 1999, as compared to a net loss of approximately $26.9 million for the nine months ended September 30, 1998.

EBITDA. EBITDA increased 27.2% to approximately $49.7 million for the nine months ended September 30, 1999, as compared to approximately $39.1 million for the nine months ended September 30, 1998. This increase was substantially due to the reasons noted above. As a percentage of revenues, EBITDA increased to 43.9% for the nine months ended September 30, 1999, as compared to 41.4% for the nine months ended September 30, 1998. On a pro forma basis, assuming the Clearlake, Cablevision and Caruthersville systems were owned and operated by us as of January 1, 1998, EBITDA increased 21.6% for the nine months ended September 30, 1999 over the comparable period in 1998.

Year Ended December 31, 1998 Compared to Year Ended December 31, 1997

The following historical information for the years ended December 31, 1998 and 1997 includes the results of operations of the Lower Delaware system, which was acquired on June 24, 1997, the Sun City system, which was acquired on September 19, 1997, the Clearlake system, which was acquired on January 9, 1998, the Cablevision systems, which were acquired on January 23, 1998, and the Caruthersville system, which was acquired on October 1, 1998, only for that portion of the respective period that such cable television systems were owned by us.

The Cablevision, Caruthersville, Clearlake, Lower Delaware and Sun City systems comprise a substantial portion of our basic subscribers. At December 31, 1998, these systems served 328,350 basic subscribers, representing 92.8% of the 354,000 subscribers served by us as of such date. Accordingly, the Cablevision, Caruthersville, Clearlake, Lower Delaware and Sun City systems have had a significant impact on the results of operations for the year ended December 31, 1998, compared to the prior year. Consequently, we believe that any comparison of our results of operations between the years ended December 31, 1998 and 1997 are not indicative of our results of operations in the future.

Revenues. Revenues increased to approximately $129.3 million for the year ended December 31, 1998, as compared to approximately $17.6 million for the prior year principally due to:

- the inclusion of the results of operations of the Lower Delaware and Sun City systems for the full year ended December 31, 1998;
- the inclusion of the results of operations of the Clearlake, Cablevision and Caruthersville systems from their respective acquisition dates;
- an increase in the average monthly basic service rate of $3.34 per basic subscriber; and
- internal basic subscriber growth of 2.5%.

Service costs. Service costs increased to approximately $43.8 million for the year ended December 31, 1998, as compared to approximately $5.5 million for the prior year. Substantially all of this increase was due to the inclusion of the results of operations of the Cablevision, Caruthersville, Clearlake, Lower Delaware and Sun City systems. As a percentage of revenues, service costs were 33.9% in 1998, as compared to 31.5% in 1997.

Selling, general and administrative expenses. Selling, general and administrative expenses increased to approximately $25.6 million for the year ended December 31, 1998, as compared to approximately $2.7 million for the prior year. Substantially all of this increase was due to the inclusion of the results of operations of the Cablevision, Caruthersville, Clearlake, Lower Delaware and Sun City systems. As a percentage of revenues, selling, general and administrative expenses were 19.8% in 1998, as compared to 15.3% in 1997.

Management fee expense. Management fee expense increased to approximately $5.8 million for the year ended December 31, 1998, as compared to approximately $882,000 for the prior year due to the higher revenues generated in 1998.

Depreciation and amortization. Depreciation and amortization increased to approximately $65.8 million for the year ended December 31, 1998, as compared to approximately $7.6 million for the prior year. This increase was substantially due to our acquisitions described above and additional capital expenditures associated with the upgrade of our systems.

Operating income (loss). Due to the factors described above, we generated an operating loss of approximately $11.7 million for the year ended December 31, 1998, as compared to operating income of approximately $873,000 for the prior year.

Interest expense, net. Interest expense, net, increased to approximately $24.0 million for the year ended December 31, 1998, as compared to approximately $4.8 million for the prior year. This increase was substantially due to the additional debt incurred in connection with the acquisitions described above.

Other expenses. Other expenses increased to approximately $4.1 million for the year ended December 31, 1998, as compared to approximately $640,000 for the prior year. This increase was substantially due to acquisition fees paid to Mediacom Management in connection with the acquisitions described above.

Net loss. Due to the factors described above, we generated a net loss of approximately $39.8 million for the year ended December 31, 1998, as compared to a net loss of approximately $4.6 million for the prior year.

EBITDA. EBITDA increased to approximately $54.1 million for the year ended December 31, 1998, as compared to approximately $8.5 million for the prior year. This increase was substantially due to the inclusion of the results of operations from the date of their acquisition by us of the Cablevision, Caruthersville, Clearlake, Lower Delaware and Sun City systems. As a percentage of revenues, EBITDA decreased to 41.8% for the year ended December 31, 1998, as compared to 48.3% for the prior year. This decrease was principally due to the higher programming costs and selling, general and administrative expenses of the Cablevision, Caruthersville, Clearlake, Lower Delaware and Sun City systems in relation to the revenues generated by such cable television systems. On a pro forma basis, assuming the Cablevision, Caruthersville, Clearlake, Lower Delaware and Sun City systems were owned and operated by us as of January 1, 1997, EBITDA increased 31.9% for the year ended December 31, 1998 as compared to the prior year.

Year Ended December 31, 1997 Compared to the Period from March 12, 1996 to December 31, 1996

The following historical information includes the results of operations of the Ridgecrest system--acquired on March 12, 1996, which is the date of commencement of our operations, the Kern Valley system--acquired on June 28, 1996, the Valley Center and Nogales systems--acquired on December 27, 1996, the Lower Delaware system--acquired on June 24, 1997 and the Sun City system--acquired on September 19, 1997, only for that portion of the respective period that such systems were owned by us.

Revenues. Revenues increased to approximately $17.6 million for the year ended December 31, 1997, as compared to approximately $5.4 million for the period ended December 31, 1996, principally due to the inclusion of:

- the full year of results of operations of the Ridgecrest, Kern Valley, Nogales and Valley Center systems;

- the results of operations of the Lower Delaware system from the date of its acquisition on June 24, 1997; and

- the results of operations of the Sun City system from the date of its acquisition on September 19, 1997.

Service costs. Service costs increased to approximately $5.5 million for the year ended December 31, 1997, as compared to approximately $1.5 million for the period ended December 31, 1996. Substantially all of this increase was due to the inclusion of the results of operations of Lower Delaware and Sun City systems and the full year of results of the Ridgecrest, Kern Valley, Nogales and Valley Center systems. As a percentage of revenues, service costs were 31.5% in 1997, as compared to 27.9% in 1996.

Selling, general and administrative expenses. Selling, general and administrative expenses increased to approximately $2.7 million for the year ended December 31, 1997, as compared to approximately $931,000 for the period ended December 31, 1996. Substantially all of this increase was due to the inclusion of the results of operations of the aforementioned acquisitions in 1997 and the full year of results of operations of the Ridgecrest, Kern Valley, Nogales and Valley Center systems. As a percentage of revenues, selling, general and administrative expenses were 15.3% in 1997, as compared to 17.2% in 1996.

Management fee expense. Management fee expense increased to approximately $882,000 for the year ended December 31, 1997, as compared to approximately $270,000 for the period ended December 31, 1996, due to the higher revenues generated in 1997.

Depreciation and amortization. Depreciation and amortization increased to approximately $7.6 million for the year ended December 31, 1997, as compared to approximately $2.2 million for the period ended December 31, 1996. This increase was substantially due to our acquisitions described above and additional capital expenditures associated with the upgrade of our systems.

Operating income. Due to the factors described above, we had operating income of approximately $873,000 for the year ended December 31, 1997, as compared to operating income of approximately $542,000 for the period ended December 31, 1996.

Interest expense, net. Interest expense, net, increased to approximately $4.8 million for the year ended December 31, 1997, as compared to approximately $1.5 million for the period ended December 31, 1996. This increase was principally due to the increased levels of debt incurred in connection with the Lower Delaware and Sun City systems.

Other expenses. Other expenses decreased to approximately $640,000 for the year ended December 31, 1997, as compared to approximately $967,000 for the period ended December 31, 1996. This decrease was principally due to pre-acquisition expenses recorded in 1996.

Net loss. Due to the factors described above, we generated a net loss of approximately $4.6 million for the year ended December 31, 1997, as compared to a net loss of approximately $2.0 million for the period ended December 31, 1996.

EBITDA. EBITDA increased to approximately $8.5 million for the year ended December 31, 1997, as compared to approximately $2.7 million for the prior year. This increase was substantially due to the inclusion of the results of operations from the date of their acquisition by us of the Lower Delaware and Sun City systems and the results of operations of the Ridgecrest, Kern Valley, Nogales and Valley Center systems for the full year. As a percentage of revenues, EBITDA decreased to 48.3% for the year ended December 31, 1997, as compared to 49.9% for the period ended December 31, 1996. This decrease was principally due to the higher programming costs of the cable television systems acquired during 1997 in relation to the revenues generated by such cable television systems.

Liquidity and Capital Resources

Our business requires substantial capital for the upgrade, expansion and maintenance of our cable network. In addition, we have pursued, and will continue to pursue, a business strategy that includes selective acquisitions. We have funded our working capital requirements, capital expenditures and acquisitions through a combination of internally generated funds, long-term borrowings and equity contributions. We intend to continue to finance such expenditures through internally generated funds, long-term borrowings and equity financings.

During the third quarter of 1998, we modified our previously disclosed five-year system upgrade program by accelerating its planned completion date to June 30, 2000. Upon completion, we anticipate that 85% of our customers, excluding the Triax and Zylstra customers, will be served by systems with 550MHz to 750MHz bandwidth capacity. Bandwidth measures the information-carrying capacity of a communication channel and indicates the range of usable frequencies that can be carried by a cable television system.

As a result of our accelerated capital improvement program, total capital expenditures were $53.7 million for the year ended December 31, 1998 and $60.2 million for the nine months ended September 30, 1999. For the year ended December 31, 1998, and for the nine months ended September 30, 1999, net cash flows from operations were $53.6 million and $29.8 million, respectively, which together with borrowings under our subsidiary credit facilities, funded such capital expenditures. We anticipate that total capital expenditures will be approximately $80.0 million during 1999, as compared to our original plans to spend approximately

$66.0 million during this fiscal year. This increase is principally due to expenditures relating to our launch of digital cable and two-way, high-speed Internet services in several of our systems and to the Triax and Zylstra systems. We intend to use net cash flows from operations and borrowings under our subsidiary credit facilities to fund these capital expenditures.

As a result of our recent acquisitions of the Triax and Zylstra systems, we have updated our capital improvement program and now expect to spend approximately $400 million over the three-year period ending December 2002, of which approximately $240 million will be invested to upgrade our cable network and approximately $160 million will be used for plant expansion, digital headends and set-top boxes, cable modems and maintenance. The Triax and Zylstra systems represent 58.0% of total capital spending in this period, including approximately $150 million of planned investments to upgrade the cable network of these systems. We expect to fund these expenditures through net cash flows from operations and additional borrowings under our subsidiary credit facilities. By December 2002, including the Triax and Zylstra systems, we anticipate:

- 91% of our basic subscribers will be served by systems with 550MHz to 750MHz bandwidth capacity and two-way communications capability, which provides for upstream and downstream communications; and

- 360 headend facilities will be eliminated, resulting in 90 headend facilities serving all of our basic subscribers and 40 headend facilities serving 92% of our basic subscribers.

From commencement of our operations in March 1996 through December 1998, we acquired nine cable systems for an aggregate purchase price of $432.4 million, before closing costs and adjustments. In October and November 1999, we spent $759.6 million, before closing costs and adjustments, to acquire the Triax and Zylstra systems.

To finance our acquisitions, working capital requirements and capital expenditures and to provide liquidity for future capital needs, we had completed the following financing arrangements as of December 1999:

- $200.0 million offering of our 8 1/2% senior notes due April 2008;

- $125.0 million offering of our 7 7/8% senior notes due February 2011;

- $550.0 million subsidiary credit facility expiring in September 2008;

- $550.0 million subsidiary credit facility expiring in December 2008; and

- $135.4 million of equity capital contributed by the members of Mediacom LLC.

The final maturities of our subsidiary credit facilities are subject to earlier repayment on dates ranging from June 2007 to December 2007 if we do not refinance our 8 1/2% senior notes prior to March 31, 2007.

As of December 15, 1999, we had entered into interest rate swap agreements, which expire from 2000 through 2002, to hedge $50.0 million of floating rate debt under our subsidiary credit facilities. As of such date, the weighted average interest rate on all indebtedness outstanding under our subsidiary credit facilities was 8.4%, before giving effect to these interest rate swap agreements. As of December 15, 1999, we had approximately $282.6 million of unused credit commitments.

The proceeds from this offering will reduce the indebtedness under our subsidiary credit facilities. This reduction of indebtedness will increase our existing borrowing capacity under our subsidiary credit facilities, which will fund the upgrade of our systems and future acquisitions, including our pending acquisitions. In addition, borrowings under our subsidiary credit facilities may be used for general corporate purposes, including working capital requirements.

We are regularly presented with opportunities to acquire cable systems that are evaluated on the basis of our acquisition strategy. Although we presently do not have any definitive agreements or letters of intent to acquire or sell any of our cable systems, other than the five letters of intent to acquire the systems serving approximately 28,000 basic subscribers, from time to time we negotiate with prospective sellers to acquire additional cable systems. These potential acquisitions are subject to the negotiation and completion of definitive documentation, which will include customary representations and warranties and will be subject to a number of closing conditions. No assurance can be given that such definitive documents will be entered into or that, if entered into, the acquisitions will be completed.

Although we have not generated earnings sufficient to cover fixed charges, we have generated cash and obtained financing sufficient to meet our debt service, working capital, capital expenditure and acquisition requirements. We expect that we will continue to be able to generate funds and obtain financing sufficient to service our obligations and complete our pending acquisitions. There can be no assurance that we will be able to obtain sufficient financing, or, if we were able to do so, that the terms would be favorable to us.

Recent Pronouncements

In 1998, Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," was issued. SFAS 133 establishes accounting and reporting standards requiring that every derivative instrument be recorded in the balance sheet as either an asset or liability measured at its fair value. We will adopt SFAS 133 in 2001, but have not quantified the impact or not yet determined the timing or method of the adoption.

Inflation and Changing Prices

Our systems' costs and expenses are subject to inflation and price fluctuations. Since changes in costs can be passed through to subscribers, such changes are not expected to have a material effect on our results of operations.

Year 2000 Compliance

We have formed a Year 2000 program management team responsible for overseeing, coordinating and reporting on the Year 2000 remediation efforts. We have implemented a company-wide effort to assess and remediate our computer systems, related software and equipment to ensure such systems, software and equipment recognize, process and store information in the year 2000 and thereafter. Our Year 2000 remediation efforts include an assessment of our most critical systems, such as customer service and billing systems, headend facilities, business support operations and other equipment and facilities. We are also verifying the Year 2000 readiness of our non-information technology systems and of our significant suppliers and vendors.

Our Year 2000 program management team has defined a four-phase approach to determining the Year 2000 readiness of our internal systems, software and equipment. This approach is intended to provide a detailed method for tracking the evaluation, repair and testing of systems, software and equipment, as follows:

1. Assessment--involves the inventory of all systems, software and equipment and the identification of any Year 2000 issues.

2. Remediation--involves repairing, upgrading and/or replacing any non-compliant equipment and systems.

3. Testing--involves testing systems, software and equipment for Year 2000 readiness, or in certain cases, relying on test results provided to us by outside vendors.

4. Implementation--involves placing compliant systems, software and equipment into production or service.

As of December 15, 1999, our assessment and remediation were substantially complete, other than the Triax and Zylstra systems, and testing and implementation were substantially complete, with final completion expected by December 31, 1999.

The completion dates set forth above are based on current expectations. However, due to the uncertainties inherent in Year 2000 remediation, no assurances can be given as to whether such projects will be completed on such dates.

We acquired the Zylstra systems in October 1999 and the Triax systems in November 1999, and we are monitoring the Year 2000 remediation process for such systems to ensure completion of remediation promptly after acquisition of these systems. We expect to be complete with testing and implementation of the Triax and Zylstra systems by December 31, 1999. However, we cannot determine at this time the materiality of information technology and non-information technology issues, if any, relating to the Year 2000 problem affecting those cable systems. We have included these acquisitions in our Year 2000 program, and we are not currently aware of any likely material system failures relating to the Year 2000 affecting those systems.

Third Party Systems, Software and Equipment

We purchase most of our technology from third parties. Our Year 2000 program management team has surveyed the significant third-party vendors and suppliers whose systems, services or products are important to our operations: for example, suppliers of addressable controllers and set-top boxes, and the provider of billing services. The Year 2000 readiness of such providers is critical to the continued provision of cable television service without interruption. Our Year 2000 project management team has received information that the most critical systems, services or products supplied to our cable television systems by third-parties are either Year 2000 ready or are expected to be Year 2000 ready by the fourth quarter. Our Year 2000 project management team is developing contingency plans for systems provided by vendors who have not responded to its surveys or systems that may not be Year 2000 ready in a timely fashion. As of September 30, 1999, approximately 20% of our significant third-party vendors had not responded to the project management team surveys.

In addition to the survey process described above, our Year 2000 project management team has identified our most critical supplier/vendor relationships and has instituted a verification process to determine the vendors' Year 2000 readiness. Such verification includes reviewing vendors' test and other data and engaging in regular communications with vendors' Year 2000 teams. We are currently testing to validate the Year 2000 compliance of critical products and services.

Costs

As of September 30, 1999, we have not incurred material Year 2000 costs. Although no assurances can be given, we currently expect that the total projected costs associated with the Year 2000 program for our existing operations will be less than $350,000.

Contingency Plans

The failure to correct a material Year 2000 problem could result in an interruption or failure of important business operations. We believe that our Year 2000 program will significantly reduce risks associated with the changeover to the Year 2000 and are currently developing contingency plans to minimize the effect of any potential Year 2000 related disruptions which relate to systems, software, equipment and services that we have deemed critical in regard to customer service, business operations, financial impact or safety. Possibilities of our worst-case business disruptions include:

- the failure of addressable controllers contained in some headend facilities could disrupt the delivery of premium services to customers and could necessitate crediting customers for failure to receive such premium services;

- a failure of the services provided by our billing systems service provider could result in a loss of customer records which could disrupt the ability to bill customers for a protracted period; and

- advertising revenue could be adversely affected by the failure of advertising insertion equipment which could impede or prevent the insertion of advertising spots in cable television programming.

The financial impact of any or all of the above worst-case scenarios has not been and cannot be estimated by us due to the numerous uncertainties and variables associated with such scenarios. Our Year 2000 program calls for appropriate contingency planning for our at-risk business functions. In addition, as part of our routine operations, contingency plans are in place to minimize disruption of service to our customers and other critical business functions.

INDUSTRY

Unless otherwise specified, all cable television industry statistical data in this prospectus are from Paul Kagan Associates, Inc., a leading cable television industry publisher.

The U.S. cable television industry is projected to pass 96.6 million homes and serve 67.3 million basic subscribers, representing a penetration of 69.7%, as of December 31, 1999. Over the past six years, the industry has experienced a compound annual growth rate of 2.7% in basic subscribers and 8.4% in total revenues. It is estimated that the annual revenues of the U.S. cable television industry will be $36.9 billion in 1999 and will grow to $66.4 billion in 2004. The following table details the projected revenues and growth rates of core cable services, digital video, high-speed data and telephony from 1999 to 2004:

	1999	2004	Compound Annual Growth Rate
	(dollars in millions)		
Core cable services(1)	$34,384	$45,892	5.9%
Digital video(2)	1,275	8,091	44.7
High-speed data	503	3,805	49.9
Telephony(3)	727	8,602	63.9
Total revenues	$36,889	$66,390	12.5%

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(1) Includes basic cable, premium services, advanced analog, local advertising, home shopping, equipment rental and installation.

(2) Includes digital video, pay-per-view, near video-on-demand, video-on-demand and other interactive services. Near video-on-demand is a pay-per-view service that allows customers to select and order a movie of their choice from a selection of movies being broadcast on several dedicated channels. Each movie is broadcast on multiple channels to offer the customer several start times for the same movie. Video-on-demand is a pay-per-view service that allows customers to select and order a movie of their choice on demand from a large library of movies.

(3) Includes business and residential.

The compound annual growth rate in revenues from core cable services is projected to slow to 5.9% as a result of increased competition in the multichannel video marketplace and lower subscriber growth rates. We believe, however, that the cable industry's higher projected total revenues growth during the next five years will be fueled by a dramatic increase in consumer awareness of and demand for new broadband services.

- Digital Video. On an industry-wide basis, 5.1 million customers are projected to subscribe to a digital cable service as of December 31, 1999. By the end of 2000, the number of digital service customers is projected to increase to 10.6 million, representing a penetration of 15.6% of basic subscribers, and to 33.6 million by 2004, representing a penetration of 47.3% of basic subscribers.

- Two-Way, High-Speed Data. Cable companies currently deliver Internet services to over 200 markets throughout the United States, and over 1.6 million households are projected to receive Internet access from their cable providers by December 31, 1999. The number of homes passed by cable systems offering high-speed, residential cable Internet services is projected to increase from 29.0 million homes in 1999 to 39.0 million homes by 2000 and to 62.9 million homes by 2004. The number of high-speed Internet service customers is expected to be 3.3 million by the end of 2000, representing a penetration of 3.4% of homes passed, and is further expected to increase to 12.7 million homes by the end of 2004, representing a penetration of 12.5% of homes passed.

- Telephony. The number of cable telephony customers is expected to be 600,000 by the end of 2000, representing a penetration of 9.0% of the marketed homes, and 9.8 million customers by 2004, representing a penetration of 25.0%.

We believe that the increase in consumer demand for and availability of new broadband services will be driven largely by the following developments:

Internet

A significant development for the cable television industry has been the emergence of the Internet as a mass medium for commerce and communications. International Data Corporation estimates that there were approximately 142 million worldwide users of the Internet at the end of 1998 and that the number of users will grow to 502 million by the end of 2003. The growth in the number of users, together with the wealth of content available on the Internet, have led to sharp increases in the daily traffic volume on the Internet. The ability of Internet service providers to attract and retain customers is largely based on their capacity to deliver content quickly and reliably. The combination of richer content and rapidly increasing volume of usage on the Internet can lengthen the time required for a user to download information over traditional telephone networks. This has caused Internet users to seek alternative providers, such as cable television operators, that have the technical infrastructure to deliver higher speeds.

Telecommunications Act of 1996

The Telecommunications Act of 1996, the first comprehensive revision of the federal telecommunications laws since 1934, has led to a sharp acceleration of the industry's evolution. Among other things, this new law intended to promote competition in the local telephone markets for the first time. Today, several of the nation's largest cable operators offer local phone service. We believe recent developments, including AT&T's purchase of Tele-Communications, Inc., AT&T's proposed purchase of MediaOne, Inc. and AT&T's proposed joint ventures with six other cable operators, will likely accelerate the pace of development of the voice telephony business for the cable industry.

Competition

Cable television operators face increasing competition from satellite, wireless and wireline competitors in the delivery of multichannel video programming. From 1993 to 1999, these alternative providers increased their market share from 3.1% to nearly 16.0% of total television households. During this same period, however, cable television's penetration of homes passed increased from 63.1% to 69.7% due to the cable industry's introduction of an array of core cable products and services, greater technical reliability of its network and the enhanced quality of its customer service which has resulted in improved customer satisfaction. In response to increasing competition and to meet the growing needs of their customers, cable operators are rapidly upgrading their broadband networks with new technologies to provide their customers with new and enhanced products and services.

Technology

Most cable operators' upgrade programs feature the use of high capacity, hybrid fiber optic coaxial architecture in their network design. The hybrid fiber optic coaxial architecture combines the use of fiber optic cable, which can carry hundreds of video, data and voice channels over extended distances, with coaxial cable, which is the most efficient delivery medium for the connection to the home. As a result, fiber optics and advanced transmission technology has made it cost-effective for cable operators to consolidate headends to create large regional networks. This modern network architecture can provide cable customers with a wide array of enhanced video, voice and high-speed data communications possibilities. The cable television industry as a whole invested in excess of $7.7 billion in 1998 to maintain and upgrade cable networks, creating an enhanced platform for the delivery of digital television, two-way, high-speed Internet access, interactive services and telephony.

BUSINESS

Introduction

We are the eighth largest cable operator in the United States, based on customers served by wholly-owned systems after giving effect to our pending acquisitions and recently announced industry transactions. Our cable systems pass approximately 1.1 million homes and serve approximately 744,000 basic subscribers, including our pending acquisitions. We were founded in July 1995 by Rocco B. Commisso, our Chairman and Chief Executive Officer, to acquire and develop cable television systems serving principally non-metropolitan markets of the United States.

Since commencement of our operations in March 1996, we have experienced significant growth in basic subscribers, revenues and cash flows. We have deployed a disciplined strategy of acquiring underperforming cable systems primarily in markets with favorable demographic profiles. Through September 1999, we spent approximately $432.4 million to complete nine acquisitions of cable systems that served 358,000 basic subscribers. In October and November 1999, we acquired for approximately $759.6 million the cable systems of Triax and Zylstra that served 358,000 basic subscribers as of September 30, 1999. On a pro forma basis, in 1998 our revenues were $272.3 million, EBITDA was $124.5 million, operating loss was $50.5 million and net loss was $114.5 million. On the same basis, for the nine months ended September 30, 1999, our revenues were $218.6 million, EBITDA was $103.6 million, operating loss was $42.2 million and net loss was $88.2 million.

We also have generated strong internal growth and improved the operating and financial performance of our systems. These results have been achieved primarily through the introduction of an expanded array of core cable television products and services made possible by the rapid upgrade of our cable network. Assuming all our systems, excluding the Triax and Zylstra systems, were acquired on January 1, 1997, in 1998 our revenues grew by 13.0%, EBITDA increased by 31.9%, the EBITDA margin improved from 35.1% to 41.0% and our internal subscriber growth was 2.5% compared to the prior year. Based on the same assumptions, for the nine months ended September 30, 1999, our revenues grew by 11.8%, EBITDA increased by 21.6%, the EBITDA margin improved from 40.4% to 43.9% and our internal subscriber growth was 1.8% compared to the corresponding period in 1998.

Business Strategy

Our objective is to become the leading cable operator focused on providing entertainment, information and telecommunications services in non-metropolitan markets of the United States. The key elements of our strategy are to:

Improve the Operating and Financial Performance of Our Acquired Cable Systems

We seek to rapidly integrate our acquired cable systems and improve their operating and financial performance. Prior to completion of an acquisition, we formulate plans for customer care and billing improvements, network upgrades, headend consolidation, new product and service launches, competitive positioning and human resource requirements. After completing an acquisition, we implement managerial, operating, purchasing, personnel and engineering changes designed to effect these plans.

Develop Efficient Operating Clusters

Our systems are managed through six operating clusters, including the Triax and Zylstra systems, by local management teams that oversee system activities and operate autonomously within financial and operating guidelines established by our corporate office. To enhance these clusters, our acquisition strategy focuses, in part, on acquiring or trading for systems in close proximity to our own systems. By further concentrating the geographic clustering of our cable systems, we expect additional operating efficiencies through the consolidation of many managerial, customer service, marketing, administrative and technical functions.

The clustering of systems also enables us to consolidate headend facilities, resulting in lower fixed capital costs on a per home basis as we introduce new and enhanced products and services because of the larger number of customers served by a single headend facility. As a result of our clustering and upgrade program, we expect to reduce the number of our headend facilities from 450 as of September 30, 1999 to 90 by December 2002, so that 92% of our customers will be served by 40 headend facilities.

Rapidly Upgrade Our Cable Network

We are rapidly upgrading our cable network to provide new broadband products and services, improve our competitive position and increase overall customer satisfaction. By December 2002, we anticipate that 91% of our basic subscribers will be served by cable systems with 550MHz to 750MHz bandwidth capacity and two-way communications capability. As part of our upgrade program, we plan to deploy over 10,000 route miles of fiber optic cable to create large regional fiber optic networks with the potential to provide advanced telecommunications services. Our upgrade plans will allow us to:

- offer digital cable television, two-way, high-speed Internet access and interactive video;
- increase channel capacity to a minimum of 82 channels, and significantly more with digital video technology;
- activate the two-way communications capability of our systems, which will give our customers the ability to send and receive signals over our cable network;
- eliminate 360 headend facilities, lowering our fixed capital costs on a per home basis as we introduce new products and services; and
- utilize our regional fiber optic networks to offer advanced telecommunications services.

Introduce New and Enhanced Products and Services

We have acquired cable systems that prior to our ownership generally underserved their customers. We believe that significant opportunities exist to increase our revenues by expanding the array of products and services we offer. We have used and will continue to use the expanded channel capacity of our upgraded systems to introduce several new basic programming services, additional premium services and numerous pay-per-view channels.

Utilizing digital video technology, we are offering multiple packages of premium services, several pay-per-view channels on a near video-on-demand basis, digital music services and interactive program guides. As of December 1999, we offered digital cable services in systems passing 243,000 homes. As a result of our strategic relationship with SoftNet's ISP Channel, we expect to accelerate the deployment of two-way, high-speed Internet access throughout our systems. As of December 1999, we had deployed ISP Channel's two-way, high-speed Internet access service in systems passing over 177,000 homes. In addition, we are currently exploring opportunities in interactive video programming and telecommunications services.

Maximize Customer Satisfaction to Build Customer Loyalty

As a result of our strong regional and local management presence, we are more responsive to customer needs and preferences and better positioned to strengthen relations with the local government authorities and the communities we serve. We seek a high level of customer satisfaction by providing superior customer service and attractively priced product and service offerings. We believe our investments in the cable network are increasing customer satisfaction as a result of a wide array of new product and service introductions, greater technical reliability and improved quality of service. We have implemented stringent internal customer service standards, which we believe meet or exceed those established by the National Cable Television Association. We have regional calling centers servicing 87% of our customers that are staffed with dedicated personnel who provide service 24 hours a day, seven days a week. We believe that our focus on customer service has enhanced our reputation in the communities we serve, which has increased customer loyalty and the potential demand for our new and enhanced products and services.

Acquire Underperforming Cable Systems Principally in Non-Metropolitan Markets

Our disciplined acquisition strategy targets underperforming cable systems serving primarily non-metropolitan markets with favorable demographic profiles. These systems are typically within the top 50 to 100 television markets and small and medium-sized communities where customers generally require cable to clearly receive a full complement of off-air television signals. Our markets have attractive demographic characteristics, including household growth rates that on average are higher than the national average. According to National Decision Systems, the projected household growth in areas served by our systems is 5.4% for the period ending 2004, exceeding the projected U.S. household growth of 5.2% for the same period. We believe that there are advantages in acquiring and operating cable systems in non-metropolitan markets, including:

- less direct competition given the lower housing densities and the resulting higher costs per customer of constructing a cable network;

- higher penetration levels of our services and lower customer turnover as a result of fewer competing entertainment alternatives; and

- generally lower overhead and operating costs than those incurred by cable operators serving larger markets.

In addition, we seek to acquire or trade for cable systems in close proximity to our existing operations because it is more cost effective to provide cable television and advanced telecommunications services over an expanded subscriber base within a concentrated geographic area. We believe that we may be able to purchase fill-in acquisitions at favorable prices in geographic regions where we are the dominant provider of cable television services. In the second half of 1999, we signed five letters of intent to acquire cable systems serving approximately 28,000 subscribers located in close proximity to our systems, thereby complementing our operating clusters.

Implement a Flexible Financing Structure

To support our business strategy and enhance our financial flexibility, we have developed a financing strategy utilizing a blend of equity and debt capital to complement our acquisition and operating activities. We have diversified our sources of debt capital by raising long term debt at the holding company level, while utilizing our subsidiaries to access debt, principally in the commercial bank market, through separate borrowing groups.

We believe our financing strategy is beneficial because it broadens our access to various equity and debt markets, enhances our flexibility in managing our capital structure, reduces the overall cost of debt capital and permits us to maintain a substantial liquidity position in the form of unused and available subsidiary credit facilities. We intend to use the net proceeds of this offering to repay approximately $326.4 million of outstanding indebtedness under our subsidiary credit facilities. As a result, on a pro forma basis for the offering, we will reduce our financial leverage, increase our unused credit commitments to approximately $609 million and lower our overall cost of debt capital to 7.4%.

Products and Services

We provide our customers with the ability to tailor their product selection from a full array of core cable television services. In addition, we have begun to offer our customers new and enhanced products and services such as digital cable services and two-way, high-speed Internet access. We also are exploring opportunities in interactive video programming and telecommunications services.

Core Cable Television Services

We design both our basic channel line-up and our additional channel offerings for each system according to demographics, programming preferences, channel capacity, competition, price sensitivity and local regulation. Our core cable television service offering includes the following:

Limited Basic. Our limited basic service includes, for a monthly fee, local broadcast channels, network and independent stations, available over-the-air limited satellite-delivered programming, and local public, government, home-shopping and leased access channels.

Family Cable. Our Family Cable service includes, for an additional monthly fee, various satellite-delivered, non-broadcast channels such as CNN, MTV, USA Network, ESPN, Lifetime, Nickelodeon and TNT.

Premium Channels. These services are satellite delivered channels consisting principally of feature films, original programming, live sports events, concerts and other special entertainment features, usually presented without commercial interruption. HBO, Cinemax, Showtime, The Movie Channel and Starz are typical examples. Such premium programming services are offered by the systems both on a per-channel basis and as part of premium service packages designed to enhance customer value and to enable us to take advantage of programming agreements offering cost incentives based on premium service unit growth.

The significant expansion of bandwidth capacity resulting from our capital improvement program will allow us to expand the use of tiered and multichannel packaging strategies for marketing and promoting premium and niche programming services. We believe that these packaging strategies will increase basic and premium penetration as well as revenue per basic subscriber.

Pay-Per-View. These channels allow customers to pay to view a single showing of a feature film, live sporting event, concert and other special event, on an unedited, commercial-free basis. Such pay-per-view services are offered by us on a per-viewing basis, with subscribers only paying for programs which they select for viewing.

Digital Cable Services

Digital video technology is a computerized method of defining, transmitting and storing information that makes up a television signal. Digital video technology allows us to greatly increase our channel offerings through the use of compressed digital video technology, which converts one analog channel into eight to 12 digital channels. The digitally compressed signal is uplinked to a satellite, which sends the signal back down to our cable system's headend to be distributed, via optical fiber and coaxial cable, to our customer's home. A digital capable set-top box in the customer's home converts the digital signal back into an analog format so that it can be viewed on a normal television screen. We believe the implementation of digital technology has significantly enhanced and expanded the video and service offerings we provide to our customers.

We provided our digital video customers with programming packages that include:

- up to 41 multichannel premium services;
- 34 pay-per-view movie and sports channels;
- up to 45 channels of digital music; and
- an interactive on-screen program guide to help them navigate the new digital choices.

We introduced digital cable services in June 1999. To date, we have achieved a penetration of 7.4%, representing the number of digital customers as a percentage of basic subscribers, in the two systems where digital cable services have been available since June 1999. For the month of November 1999, per customer revenue was approximately $20.04 for our digital service. As of December 1999, we offered digital cable services in systems passing approximately 243,000 homes. We expect to rapidly introduce digital cable television in our remaining systems, including the Triax and Zylstra systems, as we upgrade our cable network and consolidate our headend facilities.

High-Speed Internet Access

We plan to introduce two-way, high-speed Internet access over our network in substantially all of our systems. The broadband cable network enables data to be transmitted up to 100 times faster than traditional telephone modem technologies. This high-speed capability allows our cable modem customer to download large files from the Internet in a fraction of the time required when using the traditional telephone modem. It also allows much quicker response times when surfing the Internet, providing a richer experience for the customer. In addition, the two-way communications capability of the cable Internet connection eliminates the need for a telephone line, is always on and does not require the customer to dial into the Internet service provider and await authorization.

To ensure that inter-operable, non-proprietary cable modems are made available for purchase by customers on a retail basis, the cable industry has developed general software operating standards, known as data over cable service interface specifications. As of December 1999, thirteen cable industry vendors, including equipment manufacturers such as Cisco, General Instrument, Phillips Electronics, Samsung, Scientific-Atlanta, Sony, Thomson and Toshiba, received official certification from Cable Television Laboratories. As a result, standardized cable modems are currently available for purchase through various distribution channels including retail outlets, bundled with personal computer purchases, and directly through the cable operator. Such availability will allow customers to use these modems in different systems similar to the traditional telephone modem, and should accelerate the deployment of high speed internet access over cable networks.

We believe that the speed, ease of installation and ubiquity of cable modems will increase the use and impact of the Internet. Furthermore, we believe that the cable television network combined with data over cable service interface specifications is currently the best vehicle to deliver all Internet protocol services including Internet access, broadband content, streaming media and Internet protocol telephony to our customers both on the computer and to the television via a digital set-top box, even though other high-speed alternatives are being developed.

In November 1999, we completed an agreement with SoftNet to deploy its two-way, high-speed Internet access services throughout our cable systems. The service will be marketed under SoftNet's branded name, ISP Channel. ISP Channel also provides several additional services, such as the ability to dial-up from the customer's home or business, multiple computer access and Internet fax services. Through the agreement with SoftNet, we are required to upgrade our cable network to provide two-way communications capability in systems passing 900,000 homes, including the Triax and Zylstra systems, and make available such homes to SoftNet by December 2002. As of December 1999, we had deployed ISP Channel's two-way, high-speed Internet access service in systems passing over 177,000 homes.

We currently provide high-speed Internet access to approximately 300 customers through the use of one-way cable modems, which permit data to be downstreamed at high-speed while utilizing a telephone line return path. We also provide dial-up telephone Internet access to approximately 4,500 customers in two of our markets. The provision of this dial-up service creates a customer base that can be upgraded to the two-way, high-speed cable modem service in the future.

Interactive Services

Our upgraded cable network will have the capacity to deliver various interactive television services. Interactive television can be divided among three general service categories: enhanced television; Internet over the television; and video-on-demand. These new services enable the customer to interact over the television set, generally by using a conventional remote television control or a computer keyboard, to either buy a product or service or request information on a product or service.

Enhanced television includes such services as ancillary programming information, interactive advertising and impulse sales and purchases. Companies delivering enhanced television services include TV Guide Interactive, Wink Communications and Source Media. TV Guide Interactive provides the most basic enhanced television service, a navigator that permits customers to customize television program listings, set reminders and parental controls and order pay-per-view events. Wink offers viewers the opportunity to interact with the television during programs or commercials by way of flashing icons, leading them to program-related information, such as news, sports and weather, or the ability to purchase merchandise, or request product samples, coupons or catalogues. Source Media allows viewers to receive local programming and information services using a local guide and navigator with an Internet style experience.

Companies providing Internet access over the television include WebTV and WorldGate Communications. Internet access and e-mail are delivered using a set-top box with the customer using a wireless keyboard. WebTV customers buy the set-top device at retail outlets and are able to view enhanced web images on the television screen. WorldGate Communications allows a viewer watching a commercial or program on the television to link directly to a related web page and requires no purchase by the customer of the set-top box. WorldGate Communications uses the set-top boxes now being deployed by the cable industry.

Companies providing video-on-demand such as DIVA Systems Corporation and Intertainer Inc. use servers at the headend facility of a cable system to provide hundreds of movies or special events on demand with video cassette recorder functionality, or the ability to fast forward, pause and rewind a program at will. Using a remote control, customers order programming through their set-tops that signals the server, enabling hardware and software residing at the headend facility.

While we have not entered into any agreements with any interactive service providers, we are in discussions with several such providers and plan to introduce interactive services to our customers in 2000.

Telecommunications Services

During the last several years, the cable industry has been developing the capability to provide telephony services. Several of the nation's largest cable operators now offer residential and/or commercial phone service. We believe recent developments, including AT&T's purchase of Tele-Communications, Inc., its proposed purchase of MediaOne, Inc. and its proposed joint ventures with six other cable operators, will likely accelerate the pace of development of the voice telephony business for the cable industry. We are exploring technologies using Internet protocol telephony as well as traditional switching technologies that are currently available to transmit telephony signals over our cable network.

Our upgrade plans include the installation of over 10,000 route miles of fiber optic cable resulting in the creation of large, high capacity regional networks. We expect to construct our networks with excess fiber optic capacity, thereby affording us the flexibility to pursue new data and telecommunications opportunities such as:

- providing wide-area networks, which extends a local area network outside one building to other local area networks in other buildings and in possibly other cities;
- providing point-to-point data services, which is a secure circuit that directly connects two points;
- offering virtual private networks, which use a shared data network to transport private data reliably and securely;
- leasing dark fiber capacity to enable carriers to penetrate markets and bypass incumbent providers; and
- entering into strategic relationships, similar to our relationship with SoftNet, to leverage our network footprints.

Our Systems

Overview

Prior to the acquisitions of the Triax and Zylstra systems, we managed our systems through four operating regions: Southern, Mid-Atlantic, Central and Western. The table below and the discussion that follows provide an overview of selected operating and technical statistics for our four established regions and the Triax and Zylstra systems as of September 30, 1999, unless otherwise indicated.

	Southern	Mid-Atlantic	Central	Western	Triax	Zylstra	Total
Operating Data:							
Homes passed	191,700	126,000	125,500	81,800	522,500	21,500	1,069,000
Basic subscribers	135,200	88,300	81,200	53,300	344,000	14,000	716,000
Basic penetration	70.5%	70.1%	64.7%	65.2%	65.8%	65.1%	67.0%
Premium service units	185,400	80,900	107,100	23,100	167,000	4,000	567,500
Premium penetration	137.1%	91.6%	131.9%	43.3%	48.5%	28.6%	79.3%
Average monthly revenues per basic subscriber(1)	$37.51	$34.89	$35.07	$37.48	$33.16	$29.41	$34.65
Cable Network Data:							
Miles of plant	4,850	2,980	2,990	1,370	9,800	280	22,270
Density(2)	40	42	42	60	53	77	48
Headend facilities	53	12	66	9	305	5	450
Headend facilities after upgrades(3)	10	7	18	9	42	4	90
Percentage of basic subscribers at 550MHz to 750MHz	66.6%	93.9%	65.8%	65.7%	30.3%	31.4%	51.7%

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(1) Represents average monthly revenues for the three months ended September 30, 1999, divided by average basic subscribers for such period.

(2) Represents homes passed divided by miles of plant.

(3) Represents number of headend facilities by December 2002 based on our current upgrade program.

Southern Region

Over 82% of our basic subscribers in this region are located in the suburbs and outlying areas of Pensacola, Fort Walton Beach and Panama City, Florida; Mobile and Huntsville, Alabama and Biloxi, Mississippi. As of September 30, 1999, the region's systems passed approximately 191,700 homes and served approximately 135,200 basic subscribers. The internal subscriber growth for this region was 2.7% for the period ending September 30, 1999. We measure internal subscriber growth as the percentage change in basic subscribers over a 12-month period, excluding the effects of acquisitions. According to National Decision Systems, the projected household growth in areas served by the Southern region's systems is 8.8% for the period ending 2004, exceeding the projected U.S. household growth of 5.2% for the same period. All of the region's basic subscribers are serviced from a regional customer service center in Gulf Breeze, Florida, which provides 24 hour, seven day per week service.

We have made and continue to make significant investments to upgrade the Southern region's cable network. By June 2000, we expect that 85% of this region's basic subscribers will be served by systems with 550MHz to 750MHz bandwidth capacity. As of December 1999, we offered digital cable services in systems passing 73,000 homes and ISP Channel's Internet services in systems passing 53,000 homes. By December 2002, we anticipate that 95% of the region's basic subscribers will be served by systems with two-way communications capability and that the number of headend facilities will be reduced from 53 to ten. At that time, we expect that 85% of this region's basic subscribers will be served by five headend facilities.

Mid-Atlantic Region

The Mid-Atlantic region's systems serve communities in lower Delaware, southeastern Maryland and the northeastern and western areas of North Carolina. Our two largest systems in this region are Hendersonville, North Carolina, near Asheville, North Carolina, and Lower Delaware, outside of Ocean City, Maryland. As of

September 30, 1999, the region's systems passed approximately 126,000 homes and served approximately 88,300 basic subscribers. According to National Decision Systems, the projected household growth in areas served by the Mid-Atlantic region's systems is 8.6% for the period ending 2004, exceeding the projected U.S. household growth of 5.2% for the same period. The internal subscriber growth for this region was 2.4% for the period ending September 30, 1999. Approximately 65% of the region's basic subscribers are serviced from our regional customer service centers, which provide 24 hour, seven day per week service.

We have significantly upgraded the Mid-Atlantic region's systems with 92% of basic subscribers served by systems with at least 550MHz bandwidth capacity. As of December 1999, we offered digital cable services in systems passing 77,000 homes and ISP Channel's Internet services in systems passing 45,000 homes. By December 2002, we expect that 95% of the region's basic subscribers will be served by systems with two-way communications capability and that the number of headend facilities will be reduced from 12 to seven. At that time, we expect that 94% of the region's basic subscribers will be served by three headend facilities.

Central Region

The Central region's systems serve the suburbs and outlying areas of Kansas City and Springfield, Missouri, Topeka, Kansas, and communities in the western portion of Kentucky. As of September 30, 1999, the region's systems passed approximately 125,500 homes and served approximately 81,200 basic subscribers. The internal subscriber growth rate of this region was 0.6% for the period ending September 30, 1999. According to National Decision Systems, the projected U.S. household growth in areas served by the Central region's systems is 4.7% for the period ending 2004, as compared to the projected U.S. household growth of 5.2% for the same period. Substantially all of the region's basic subscribers are serviced from our regional customer service centers, which provide 24 hour, seven day per week service.

As a result of our continuing investments in the cable network, the Central region has seen significant increases in channel capacity. By June 2000, we expect that 89% of this region's basic subscribers will be served by one system with 550MHz to 750MHz bandwidth capacity. As of December 1999, we offered digital cable services in systems passing 21,000 homes and ISP Channel's Internet services in systems passing 12,000 homes. By December 2002, we expect that 90% of the Central region's basic subscribers will be served by systems with two-way communications capability and that the number of headend facilities will be reduced from 66 to 18. At that time, we expect that 60% of the region's basic subscribers will be served by three headend facilities.

Western Region

The Western region's systems serve communities in the following areas: Clearlake, California; the Indian Wells Valley in central California; portions of Riverside County and San Diego County, California; and Nogales, Arizona and outlying areas. As of September 30, 1999, the region's systems passed approximately 81,800 homes and served approximately 53,300 basic subscribers. The region's internal basic subscriber growth was flat for the period ending September 30, 1999. According to National Decision Systems, the projected household growth in areas served by the Western region's systems is 6.7% for the period ending 2004, exceeding the projected U.S. household growth of 5.2% for the same period. The region's basic subscribers are serviced from seven local offices. In the Western Region, we also provide high-speed Internet access to approximately 300 customers through the use of one-way cable modems and dial-up telephone Internet access to approximately 4,500 customers.

We have significantly upgraded the Western region's systems with all basic subscribers served by systems with a minimum 450MHz bandwidth capacity and over 65% served by systems with 550MHz bandwidth capacity. As of December 1999, we offered digital cable services in systems passing 46,000 homes and ISP Channel's Internet services in systems passing over 42,000 homes. Where possible we plan to offer to all our existing Internet customers ISP Channel's two-way, high-speed services. By December 2002, we expect that 90% of the Western region's basic subscribers will be served by systems with at least 550MHz bandwidth capacity and two-way communications capability. The region's basic subscribers are served by nine headend facilities.

Triax Systems

As of September 30, 1999, the Triax systems passed approximately 522,500 homes and served approximately 344,000 basic subscribers. Many of Triax's systems are located within 30 miles of major or medium-sized markets, including Minneapolis and Rochester, Minnesota; Bloomington, Champaign, Decatur, Peoria, and Springfield, Illinois; Elkhart, Fort Wayne, and South Bend, Indiana; and Cedar Rapids, Iowa. Substantially all of Triax's basic subscribers are serviced from two regional customer service centers, which provide 24 hour, seven day per week service. The Triax systems also include two systems serving approximately 8,000 customers in Arizona, which our Western region will manage and operate.

The Triax systems consist of two operating regions: the Midwest region and the North Central region. The Midwest region manages and operates systems serving approximately 173,500 basic subscribers principally in Illinois and Indiana. The Midwest region's larger systems serve the communities of Jacksonville, Ottawa, Pontiac and Streater, Illinois and Angola, Auburn, Bluffton, Bremen, Kendallville and North Webster, Indiana. According to National Decision Systems, the projected household growth in areas served by the Midwest region's systems is 3.5% for the period ending 2004, as compared to the projected U.S. household growth of 5.2% for the same period.

The North Central region manages and operates systems serving approximately 162,500 basic subscribers principally in Iowa, Minnesota and Wisconsin. The North Central region's larger systems serve the communities of Lake Minnetonka, Savage and Prior Lake, Minnesota; Praire du Chien, Mauston, Platteville and Viroqua, Wisconsin; and Esterville and Spencer, Iowa. According to National Decision Systems, the projected household growth in areas served by the North Central region's systems is 3.5% for the period ending 2004, as compared to the projected U.S. household growth of 5.2% for the same period.

As of September 30, 1999, approximately 62% of Triax's subscribers were served by systems with at least 400MHz bandwidth capacity. As of December 1999, we offered digital cable services in systems passing 20,000 homes and ISP Channel's Internet services in systems passing 25,000 homes. We plan to make significant capital investments in the Triax systems to increase bandwidth capacity, activate two-way communications capability and consolidate headend facilities. By December 2002, as a result of our planned investments to upgrade Triax's cable network, we expect that 88% of Triax's basic subscribers will be served by systems with 550MHz to 750MHz bandwidth capacity and two-way communications capability. At that time, we expect the number of Triax's headend facilities will be reduced from 305 to 42 and that 60% of Triax's basic subscribers will be served by five headend facilities.

Zylstra Systems

The Zylstra systems serve communities in Vermillion and Yankton, South Dakota; Worthington and Luverne, Minnesota; and Orange City and Alton, Iowa. As of September 30, 1999, these systems passed approximately 21,500 homes and served approximately 14,000 basic subscribers. We anticipate expanding the level of customer service that Zylstra's subscribers receive by utilizing our customer service centers to provide 24 hour, seven day per week service. The Zylstra systems are now part of our North Central region.

As of September 30, 1999, approximately 66% of Zylstra's subscribers were served by systems with at least 400MHz bandwidth capacity. As of December 1999, we offered digital cable services in one system passing over 6,000 homes. By December 2001, we expect that all of the Zylstra systems will be upgraded to 750MHz bandwidth capacity and that digital cable and ISP Channel's Internet services will be made available to our customers. Zylstra's basic subscribers are served by five headend facilities, one of which is scheduled to be eliminated.

Technology Overview

As part of our commitment to maximize customer satisfaction, to improve our competitive position and to introduce new and enhanced products and services to our customers, we plan to make significant investments in our cable network, including the Triax and Zylstra systems, over the three-year period ending December 2002. During such period, we intend to invest approximately $400 million, with approximately $240 million used to upgrade our cable network. The remaining $160 million will be spent on plant expansion, digital headends and set-top boxes, cable modems and maintenance. The objectives of our upgrade program are:

- to increase the bandwidth capacity to 750MHz or higher;

- to activate two-way communications capability;

- to consolidate our headend facilities, through the extensive deployment of fiber optic networks; and

- to allow us to provide digital cable television, two-way, high-speed Internet access, interactive video and other telecommunications services.

The following table describes the technological state of our cable network, including the Triax and Zylstra systems, as of September 30, 1999 and through December 31, 2002, based on our current upgrade plans:

	Percentage of Basic Subscribers			
	Less than 400MHz	400MHz-450MHz	550MHz-750MHz	Two-Way Capable
September 30, 1999	25%	23%	52%	6%
December 31, 1999	19%	23%	58%	11%
December 31, 2000	7%	21%	72%	41%
December 31, 2001	0%	19%	81%	65%
December 31, 2002	0%	9%	91%	91%

By December 2002, we expect that 91% of our basic subscribers will be served by systems with two-way communications capability. This will permit our customers to send and receive signals over the cable network so that interactive services, such as video-on-demand, will be accessible and high-speed Internet access will not require a separate telephone line. Two-way communications capability will also position us to offer cable telephony, using either Internet protocol telephony as it becomes commercially feasible, or the traditional switching technologies that are currently available.

A central feature of our upgrade program is the deployment of high capacity, hybrid fiber-optic coaxial architecture. The hybrid fiber optic coaxial architecture combines the use of fiber optic cable, which can carry hundreds of video, data and voice channels over extended distances, with coaxial cable, which requires a more extensive signal amplification in order to obtain the desired levels for delivering channels. In most of our systems, we connect fiber optic cable to individual nodes serving an average of 350 homes or commercial buildings. A node is a single connection to a system's main, high-capacity fiber optic cable that is shared by a number of customers. Coaxial cable is then connected from each node to the individual homes or buildings. We believe hybrid fiber optic coaxial architecture provides higher capacity, superior signal quality, greater network reliability and reduced operating costs than traditional cable network design. Together with our plans for two-way communications capability, we believe hybrid fiber optic coaxial architecture will enhance our cable network's capability to provide advanced telecommunications services.

As of September 30, 1999, our systems were operated from 450 headend facilities, including the Triax and Zylstra systems. We believe that fiber optics and advanced transmission technologies make it cost effective to consolidate our headend facilities, allowing us to realize operating efficiencies and resulting in lower fixed capital costs on a per home basis as we introduce new products and services. By December 2002, we plan to eliminate 360 headend facilities so that all of our customers will be served by 90 headend facilities and 92% of our customers will be served by 40 headend facilities.

As part of this headend consolidation program, we plan to deploy over 10,000 route miles of fiber optic cable to create large regional fiber optic networks with the potential to provide advanced telecommunications services. We expect to construct our regional networks with excess fiber optic capacity in order to accommodate new and expanded products and services in the future.

Sales and Marketing

We seek to be the premier provider of entertainment, information and telecommunications services in the markets we serve. Our marketing programs and campaigns offer a variety of cable services creatively packaged and tailored to appeal to each of our local markets and to segments within each market. We routinely survey our customers to ensure that we are meeting their demands and our customer surveys keep us abreast of our competition so that we can counter effectively competitors' service offerings and promotional campaigns. With our strong local presence, we interact with our customers on a more individualized basis allowing us to better service our customers and enhance customer loyalty and trust.

We use a coordinated array of marketing techniques to attract and retain customers and to increase premium service penetration, including door-to-door and direct mail solicitation, telemarketing, media advertising, local promotional events typically sponsored by programming services and cross-channel promotion of new services and pay-per-view.

We build awareness of our brand through a variety of promotional campaigns, particularly in our newly acquired systems. As a result of our branding efforts, our emphasis on customer service and our investments in the cable network, we believe we have developed a reputation for quality, reliability and timely introduction of new products and services.

We invest a significant amount of time, effort and financial resources in the training and evaluation of our marketing professionals and customer sales representatives. Our approximately 100 customer sales representatives customize their sales presentation to fit each of our customers' specific needs by conducting focused consumer research and are given the incentive to use their frequent contact with our customers as opportunities to sell our new products and services. As a result, we believe we can accelerate the introduction of new products and services to our customers and achieve high success rates in attracting and retaining customers.

Programming Supply

We have various contracts to obtain basic and premium programming for the systems from program suppliers whose compensation is typically based on a fixed fee per customer. Our programming contracts are generally for a fixed period of time and are subject to negotiated renewal. Some program suppliers provide volume discount pricing structures or offer marketing support to us. Our successful marketing of multiple premium service packages emphasizing customer value enables us to take advantage of such cost incentives. In addition, we are a member of the National Cable Television Cooperative, Inc., a programming consortium consisting of small to medium-sized multiple system operators serving, in the aggregate, over twelve million cable subscribers. A multiple system operator is a cable television operator that owns or operates more than one cable television system. The consortium helps create efficiencies in the areas of obtaining and administering programming contracts, as well as secures more favorable programming rates and contract terms for small to medium-sized cable operators. We intend to negotiate programming contract renewals both directly and through the consortium to obtain the best available contract terms.

Our programming costs are expected to increase in the future due to additional programming being provided to our customers, increased costs to purchase programming, inflationary increases and other factors affecting the cable television industry. Although we will legally be able to pass through expected increases in our programming costs to customers, there can be no assurance that the marketplace will allow us to do so. We also have various retransmission consent arrangements with commercial broadcast stations which generally expire in December 1999 and beyond. None of these consents require payment of fees for carriage. However, we have entered into agreements with certain stations to carry satellite-delivered cable programming which is affiliated with the network carried by such stations.

Currently, there are over 150 cable networks seeking to be carried on our systems. We leverage our analog and digital channel capacity resulting from our capital improvement program to negotiate with our programming suppliers more favorable long-term contracts and other financial arrangements to offset programming cost increases.

Customer Rates

Monthly customer rates for services vary from market to market, primarily according to the amount of programming provided. As of September 30, 1999, excluding the Triax and Zylstra systems, our monthly basic service rates for residential customers ranged from $4.93 to $35.95; the combined monthly basic and expanded basic service rates for residential customers ranged from $23.95 to $36.95; and per-channel premium service rates, not including special promotions, ranged from $1.75 to $12.50 per service for our systems, excluding the Triax and Zylstra systems. For the three months ended September 30, 1999, excluding the Triax and Zylstra systems, the weighted average monthly rate for our combined basic and expanded basic services was approximately $27.35.

Prior to our acquisition of the Triax systems, we were an eligible small cable company under FCC rules which enabled us to utilize a simplified rate setting methodology for most of the systems in establishing maximum rates for basic and expanded basic services. This methodology almost always results in rates that exceed those produced by the cost-of-service rules applicable to larger cable operators. The cost-of-service rules refer to the rate setting methodology prescribed by the FCC. Prior to our acquisition of their systems, Triax also used the simplified rate setting methodology, although in a small percentage of their systems. Although we are no longer an eligible small cable company, in most cases, our systems which utilized this methodology, including the recently acquired Triax systems, are allowed to maintain the rates set thereby. For additional information, see "Legislation and Regulation--Federal Regulation--Rate Regulation." We believe that our rate practices are generally consistent with the current practices in the industry.

A one-time installation fee, which we may wholly or partially waive during a promotional period, is usually charged to new customers. We charge monthly fees for converters and remote control tuning devices and also charge administrative fees for delinquent payments for service. Customers are free to discontinue service at any time without additional charge in the majority of the systems and may be charged a reconnection fee to resume service. Commercial customers, such as hotels, motels and hospitals, are charged negotiated monthly fees and a non-recurring fee for the installation of service. Multiple dwelling units, which include commercial customers as well as condominiums and apartment complexes, may be offered a bulk rate in exchange for single-point billing and basic service to all units.

In addition to customer fees, we derive modest amounts of revenues from the sale of local spot advertising time on locally originated and satellite-delivered programming and from affiliations with home shopping services, which offer merchandise for sale to customers and compensate system operators with a percentage of their sales receipts. We expect to increase the sale of advertising time and the revenues derived from such sales as a result of the consolidation of our headend facilities. This consolidation will significantly increase the number of customers we serve from many of our headend facilities which we expect will result in increased advertising revenues.

Customer Service and Community Relations

We are dedicated to providing superior customer service. Our emphasis on system reliability and customer satisfaction is a cornerstone of our business strategy. We expect that on-going investments in our cable network will significantly strengthen customer service as it will enhance the reliability of our cable network and allow us to introduce new programming and other services to our customers. We have implemented stringent internal customer service standards, which we believe meet or exceed those established by the National Cable Television Association. We maintain five regional calling centers, which service 87% of our systems' customers. They are staffed with dedicated personnel who provide service to our customers 24 hours a day, seven days a week, on a toll-free basis. We believe our regional calling centers allow us to coordinate more effectively installation appointments and response time to customer inquiries. We continue to invest in both personnel and equipment of our regional calling centers to ensure that these operating units are professionally managed and employ state-of-the-art technology.

In addition, we are dedicated to fostering strong community relations in the communities served by our systems. We support local charities and community causes in various ways, including staged events and promotional campaigns to raise funds and supplies for persons in need and in-kind donations that include production services and free airtime on cable networks. We participate in the "Cable in the Classroom" program, which is a national effort by cable companies to provide schools with free cable television service and, where available, Internet access. We also install and provide free cable television service to government buildings and not-for-profit hospitals in our franchise areas. We believe that our relations with the communities in which our systems operate are good.

Franchises

Cable systems are generally operated under non-exclusive franchises granted by local governmental authorities. These franchises typically contain many conditions, such as: time limitations on commencement and completion of construction; conditions of service, including number of channels, types of programming and the provision of free service to schools and other public institutions; and the granting of insurance and indemnity bonds by the company. The provisions of local franchises are subject to federal regulation under the Cable Communications Policy Act of 1984, as amended by the Cable Television Consumer Protection and Competition Act of 1992.

As of September 30, 1999, our systems, including the Triax and Zylstra systems, were subject to 891 franchises. These franchises, which are non-exclusive, provide for the payment of fees to the issuing authority. In most of the systems, such franchise fees are passed through directly to the customers. The 1984 Cable Act prohibits franchising authorities from imposing franchise fees in excess of 5% of gross revenues and also permits the cable television system operator to seek renegotiation and modification of franchise requirements if warranted by changed circumstances.

Substantially all of our systems' basic subscribers are in service areas that require a franchise. The table below groups the franchises of our systems, including the Triax and Zylstra systems, by date of expiration and presents the approximate number and percentage of basic subscribers for each group of franchises on a pro forma basis as of September 30, 1999.

Year of Franchise Expiration	Number of Franchises	Percentage of Total Franchises	Number of Basic Subscribers	Percentage of Total Basic Subscribers
1999 through 2002.......	214	24.0%	174,100	24.3%
2003 and thereafter.....	677	76.0%	541,900	75.7%
Total.................	891	100.0%	716,000	100.0%

The 1984 Cable Act provides, among other things, for an orderly franchise renewal process in which franchise renewal will not be unreasonably withheld or, if renewal is denied and the franchising authority acquires ownership of the system or effects a transfer of the system to another person, the operator generally is entitled to the fair market value for the system covered by such franchise. In addition, the 1984 Cable Act established comprehensive renewal procedures which require that an incumbent franchisee's renewal application be assessed on its own merits and not as part of a comparative process with competing applications.

We believe that we generally have good relationships with our franchising communities. We have never had a franchise revoked or failed to have a franchise renewed. In addition, substantially all of our franchises eligible for renewal have been renewed or extended prior to their stated expirations, and no franchise community has refused to consent to a franchise transfer to us.

Competition

Providers of Broadcast Television and Other Entertainment

Cable systems compete with other communications and entertainment media, including over-the-air television broadcast signals that a viewer is able to receive directly. The extent to which a cable system competes with over-the-air broadcasting depends upon the quality and quantity of the broadcast signals available by direct antenna reception compared to the quality and quantity of such signals and alternative services offered by a cable system. Cable systems also face competition from alternative methods of distributing and receiving television signals and from other sources of entertainment such as live sporting events, movie theaters and home video products, including videotape recorders and videodisc players. In recent years, the FCC has adopted policies authorizing new technologies and a more favorable operating environment for certain existing technologies that provide, or may provide, substantial additional competition for cable television systems. The extent to which a cable television service is competitive depends in significant part upon the cable system's ability to provide a greater variety of programming, superior technical performance and superior customer service than are available over the air or through competitive alternative delivery sources.

Direct Broadcast Satellite Providers

Individuals can purchase home satellite dishes, which allow them to receive satellite-delivered broadcast and non-broadcast program services that formerly were available only to cable television subscribers. Most satellite-distributed program signals are electronically scrambled to permit reception only with authorized decoding equipment for which the consumer must pay a fee. The 1992 Cable Act enhances the right of cable competitors to purchase non-broadcast satellite-delivered programming. For additional information, see "Legislation and Regulation--Federal Regulation."

Television programming is now also being delivered to individuals by high-powered direct broadcast satellites utilizing video compression technology. This technology can provide more than 150 channels of programming over single high-powered satellites with significantly higher capacity available if, as is the case with DIRECTV, multiple satellites are placed in the same orbital position. Until recently, direct broadcast satellite operators could not legally deliver local broadcast signals. Legislation permitting direct broadcast satellite operators to transmit local broadcast signals was enacted on November 29, 1999. This eliminates a significant competitive advantage which cable system operators have had over direct broadcast satellite operators. Direct broadcast satellite operators have begun delivering local broadcast signals in several of the largest markets and there are plans to expand such coverage to more markets over the next year. Direct broadcast satellite service can be received virtually anywhere in the continental United States through the installation of a small roof top or side-mounted antenna, and it is more accessible than cable television service where a cable plant has not been constructed or where it is not cost effective to construct cable television facilities. Direct broadcast satellite service is being heavily marketed on a nationwide basis by several service operators.

Multichannel Multipoint Distribution Systems

Multichannel multipoint distribution systems deliver programming services over microwave channels licensed by the FCC and received by subscribers with special antennas. These wireless cable systems are less capital intensive, are not required to obtain local franchises or pay franchise fees, and are subject to fewer regulatory requirements than cable television systems. To date, the ability of wireless cable services to compete with cable systems has been limited by a channel capacity of up to 35-channels and the need for unobstructed line-of-sight over-the-air transmission. Although relatively few wireless cable systems in the United States are currently in operation or under construction, virtually all markets have been licensed or tentatively licensed. The use of digital compression technology, and the FCC's recent amendment to its rules to permit reverse path or two-way transmission over wireless facilities, may enable multichannel multipoint distribution systems to deliver more channels and additional services, including Internet related services. Digital compression technology refers to the conversion of the standard video signal into a digital signal and the compression of that signal to facilitate multiple channel transmissions through a single channel's signal.

Private Cable Television Systems

Private cable television systems compete with conventional cable television systems for the right to service condominiums, apartment complexes and other multiple unit residential developments. The operators of these private systems, known as satellite master antenna television systems, often enter into exclusive agreements with apartment building owners or homeowners' associations that preclude franchised cable television operators from serving residents of such private complexes. However, the 1984 Cable Act gives franchised cable operators the right to use existing compatible easements within their franchise areas on nondiscriminatory terms and conditions. Accordingly, where there are preexisting compatible easements, cable operators may not be unfairly denied access or discriminated against with respect to access to the premises served by those easements. Conflicting judicial decisions have been issued interpreting the scope of the access right granted by the 1984 Cable Act, particularly with respect to easements located entirely on private property. Under the 1996 Telecom Act, satellite master antenna television systems can interconnect non-commonly owned buildings without having to comply with local, state and federal regulatory requirements that are imposed upon cable systems providing similar services, as long as they do not use public rights of way. The FCC has held that the latter provision is not violated so long as interconnection across public rights of way is provided by a third party.

Advertising Sales

The cable television industry competes with radio, broadcast television, print media, and the Internet for advertising revenues. As the cable television industry continues to offer more of its own programming channels, such as Discovery and USA Network, income from advertising revenues can be expected to increase.

Traditional Overbuilds

Cable television systems are operated under non-exclusive franchises granted by local authorities. More than one cable system may legally be built in the same area. These franchising authorities have from time to time granted additional franchises to other companies, including other cable operators or telephone companies, and these additional franchises might contain terms and conditions more favorable than those afforded us. In addition, entities willing to establish an open video system, under which they offer unaffiliated programmers non-discriminatory access to a portion of the system's cable system may be able to avoid significant local franchising requirements. Well financed businesses from outside the cable industry, such as public utilities which already possess or are developing fiber optic and other transmission facilities in the areas they serve may over time become competitors. We believe that various entities are currently offering cable service to an estimated 20,000 homes passed in the service areas of our franchises.

Other Competition

The FCC has authorized a new interactive television service which permits non-video transmission of information between an individual's home and entertainment and information service providers. This service, which can be used by direct broadcast satellite systems, television stations, and other video programming distributors, including cable television systems, is an alternative technology for the delivery of interactive video services. It does not appear at the present time that this service will have a material impact on the operations of cable television systems.

The FCC has allocated spectrum in the 28GHz range for a new multichannel wireless service that can be used to provide video and telecommunications services. The FCC recently completed the process of awarding licenses to use this spectrum via a market-by-market auction. We do not know whether such a service would have a material impact on the operations of cable television systems.

The 1996 Telecom Act directed the FCC to establish, and the FCC has adopted, regulations and policies for the issuance of licenses for digital television to incumbent television broadcast licensees. Digital television can deliver high definition television pictures and multiple digital-quality program streams, as well as CD-quality audio programming and advanced digital services, such as data transfer or subscription video. The FCC also has authorized television broadcast stations to transmit textual and graphic information that may be useful to both consumers and businesses. The FCC also permits commercial and noncommercial FM stations to use their subcarrier frequencies to provide non-broadcast services, including data transmission.

We have begun to accelerate the offering by our cable systems of high-speed Internet access to our basic subscribers. These cable systems will compete with a number of other companies, many of which have substantial resources, such as existing Internet service providers and local and long distance telephone companies. For example, telephone companies are accelerating the deployment of asymmetric digital subscriber line technology. These companies report this technology will allow Internet access to subscribers at peak data transmission speeds greater than that of modems over conventional telephone lines. Recently, a number of Internet service providers have asked local authorities and the FCC to give them rights of access to cable systems' broadband infrastructure so that they can deliver their services directly to cable systems' customers. Several local franchising authorities have been examining the issue and a few have required cable operators to provide such access. A U.S. District Court recently ruled that localities are authorized to require such access. This decision is being appealed. Some cable companies have initiated litigation challenging municipal open access requirements. The FCC has thus far declined to take action on Internet service providers access to broadband cable facilities. Congress and several state and local jurisdictions are also reviewing this issue.

Advances in communications technology, as well as changes in the marketplace and the regulatory and legislative environment, are constantly occurring. Thus, it is not possible to predict the competitive effect that ongoing or future developments might have on the cable industry. See the discussion under "Legislation and Regulation."

Properties

Our principal physical assets consist of cable television operating plant and equipment, including signal receiving, encoding and decoding devices, headend facilities and distribution systems and equipment at or near customers' homes for each of the systems. The signal receiving apparatus typically includes a tower, antenna, ancillary electronic equipment and earth stations for reception of satellite signals. Headend facilities, consisting of associated electronic equipment necessary for the reception, amplification and modulation of signals, are located near the receiving devices. Some basic subscribers of the systems utilize converters that can be addressed by sending coded signals from the headend facility over the cable network. Our distribution system consists primarily of coaxial and fiber optic cables and related electronic equipment.

We own the real property housing our regional call center in Gulf Breeze, Florida as well as numerous locations for business offices and warehouses throughout our operating regions. We lease space for our other regional call centers in Chillocothe, Illinois; Benton, Kentucky; Waseca, Minnesota; and Henderson, North Carolina. We also lease additional locations for business offices and warehouses throughout our operating regions. Our headend facilities, signal reception sites and microwave facilities are located on owned and leased parcels of land, and we generally own the towers on which certain of our equipment is located. We own most of our service vehicles. Our annual lease payments currently are approximately $2.9 million. We believe that our properties both owned and leased, are in good condition and are suitable and adequate for our operations.

Our cable television plant and related equipment generally are attached to utility poles under pole rental agreements with local public utilities, although in some areas the distribution cable is buried in underground ducts or trenches. The physical components of the systems require maintenance and periodic upgrading to improve system performance and capacity.

Employees

As of December 15, 1999, we employed 1,239 full-time employees and 215 part-time employees. None of our employees are represented by a labor union. We consider our relations with our employees to be good.

Legal Proceedings

There are no material pending legal proceedings to which we are a party or to which any of our properties are subject.

LEGISLATION AND REGULATION

A federal law known as the Communications Act of 1934, as amended, establishes a national policy to guide the regulation, development and operation of cable communications systems. In 1996, a comprehensive amendment to the Communications Act became effective and is expected to promote competition and decrease governmental regulation of various communications industries, including the cable television industry. However, until the desired competition develops, various federal, state and local governmental units will have broad regulatory authority and responsibilities over telecommunications and cable television matters. The courts, especially the federal courts, will continue to play an important oversight role as the statutory and regulatory provisions are interpreted and enforced by the various federal, state and local governmental units.

The Communications Act allocates principal responsibility for enforcing the federal policies between the FCC, state and local governmental authorities. The FCC and state regulatory agencies regularly conduct administrative proceedings to adopt or amend regulations implementing the statutory mandate of the Communications Act. At various times, interested parties to these administrative proceedings challenge the new or amended regulations and policies in the courts with varying levels of success. We expect that further court actions and regulatory proceedings will occur and will refine the rights and obligations of various parties, including the government, under the Communications Act. The results of these judicial and administrative proceedings may materially affect the cable industry and our business and operations. In the following paragraphs, we summarize the federal laws and regulations materially affecting the growth and operation of the cable industry. We also provide a brief description of certain state and local laws.

Federal Regulation

The Communications Act and the regulations and policies of the FCC affect significant aspects of our cable system operations, including:

- subscriber rates;
- the content of the programming we offer to subscribers, as well as the way we sell our program packages to subscribers;
- the use of our cable systems by the local franchising authorities, the public and other unrelated companies;
- our franchise agreements with local governmental authorities;
- cable system ownership limitations and prohibitions; and
- our use of utility poles and conduit.

Rate Regulation

The Communications Act and the FCC's regulations and policies limit the ability of cable systems to raise rates for basic services and equipment. No other rates can be regulated. Federal law exempts cable systems from rate regulation of cable services and customer equipment only in communities that are subject to effective competition, as defined by federal law. Federal law also prohibits the regulation of cable operators' rates where comparable video programming services, other than direct broadcast satellites, are offered by local telephone companies, or their related parties, or by third parties using the local telephone company's facilities.

Where there is no effective competition to the cable operator's services, federal law gives local franchising authorities the responsibility to regulate the rates charged by the operator for:

- the lowest level of programming service offered by cable operator, typically called basic service, which includes the local broadcast channels and any public access or governmental channels that are required by the operator's franchise; and

- the installation, sale and lease of equipment used by subscribers to receive basic service, such as converter boxes and remote control units.

Local franchising authorities who wish to regulate basic service rates and related equipment rates must first obtain FCC certification to regulate by following a simplified FCC certification process and agreeing to follow established FCC rules and policies when regulating the operator's rates.

Several years ago, the FCC adopted detailed rate regulations, guidelines and rate forms that a cable system operator and the local franchising authority must use in connection with the regulation of basic service and equipment rates. The FCC adopted a benchmark methodology as the principal method of regulating rates. However, if this methodology produces unacceptable rates, the operator may also justify rates using a detailed cost-of-service methodology. The FCC's rules also require franchising authorities to regulate equipment rates on the basis of actual cost plus a reasonable profit, as defined by the FCC.

If the local franchising authority concludes that an operator's rates are too high under the FCC's rate rules, the local franchising authority may require the operator to reduce rates and to refund overcharges to subscribers, with interest. The operator may appeal adverse local rate decisions to the FCC.

The FCC's regulations allow an operator to modify regulated rates on a quarterly or annual basis to account for changes in:

- the number of regulated channels;

- inflation; and

- certain external costs, such as franchise and other governmental fees, copyright and retransmission consent fees, taxes, programming fees and franchise-related obligations.

As a further alternative, in 1995 the FCC adopted a simplified cost-of-service methodology which can be used by small cable systems owned by small cable companies. A small cable system is defined as a cable television system which serves 15,000 or fewer basic customers. A small cable company is defined as an entity serving a total of 400,000 or fewer basic customers that is not affiliated with a larger cable television company: i.e., a larger cable television company does not own more that a 20 percent equity share or exercise legal control. This small system rate-setting methodology almost always results in rates which exceed those produced by the cost-of-service rules applicable to larger cable television operators. Once the initial rates are set they can be adjusted periodically for inflation and external cost changes as described above. When an eligible small system grows larger than 15,000 basic customers, it can maintain its then current rates, but it cannot increase its rates in the normal course until an increase would be warranted under the rules applicable to systems that have more than 15,000 customers. When a small cable company grows larger than 400,000 basic customers, the qualified systems it then owns will not lose their small system eligibility. If a small cable company sells a qualified system, or if the company itself is sold, the qualified systems retain that status even if the acquiring company is not a small cable company. We were a small cable company, but with the completion of the Triax acquisition, we no longer enjoy this status. However, as noted above, the systems with less than 15,000 customers owned by us prior to the completion of the Triax acquisition remain eligible for small cable system rate regulation.

The Communications Act and the FCC's regulations also:

- require operators to charge uniform rates throughout each franchise area that is not subject to effective competition;

- prohibit regulation of non-predatory bulk discount rates offered by operators to subscribers in commercial and residential developments; and

- permit regulated equipment rates to be computed by aggregating costs of broad categories of equipment at the franchise, system, regional or company level.

Content Requirements

The Communications Act and the FCC's regulations contain broadcast signal carriage requirements that allow local commercial television broadcast stations:

- to elect once every three years to require a cable system to carry the station, subject to certain exceptions; or

- to negotiate with us on the terms by which we carry the station on our cable system, commonly called retransmission consent.

The Communications Act requires a cable operator to devote up to one-third of its activated channel capacity for the mandatory carriage of local commercial television stations. The Communications Act also gives local non-commercial television stations mandatory carriage rights; however, such stations are not given the option to negotiate retransmission consent for the carriage of their signals by cable systems. Additionally, cable systems must obtain retransmission consent for:

- all distant commercial television stations, except for commercial satellite-delivered independent superstations such as WGN;

- commercial radio stations; and

- certain low-power television stations.

The FCC has also initiated an administrative proceeding to consider the requirements, if any, for mandatory carriage of digital television signals offered by local television broadcasters. We are unable to predict the ultimate outcome of this proceeding or the impact of new carriage requirements on the operations of our cable systems.

The Communications Act requires our cable systems to permit subscribers to purchase video programming we offer on a per channel or a per program basis without the necessity of subscribing to any tier of service, other than the basic cable service tier. However, we are not required to comply with this requirement until December 2002 for any of our cable systems that do not have addressable converter boxes or that have other substantial technological limitations. Many of our cable systems do not have the technological capability to offer programming in the manner required by the statute and thus currently are exempt from complying with the requirement. We anticipate having significant capital expenditures over the next two to three years in order for us to meet this requirement. We are unable to predict whether the full implementation of this statutory provision in December 2002 will have a material impact on the operation of our cable systems.

To increase competition between cable operators and other video program distributors, the Communications Act and the FCC's regulations:

- preclude any satellite video programmer affiliated with a cable company, or with a common carrier providing video programming directly to its subscribers, from favoring an affiliated company over competitors;

- require such programmers to sell their programming to other unaffiliated video program distributors; and

- limit the ability of such programmers to offer exclusive programming arrangements to their related parties.

The Communications Act and the FCC's regulations contain restrictions on the transmission by cable operators of obscene or indecent programming. It requires cable operators to fully block both the video and audio portion of sexually explicit or indecent programming on channels that are primarily dedicated to sexually oriented programming or alternatively to carry such programming only at safe harbor time periods, which are currently defined by the FCC as the hours between 10 p.m. to 6 a.m. A three-judge federal district court recently determined that this provision was unconstitutional. The federal government appealed the lower court's decision to the United States Supreme Court which recently agreed to review this case.

The FCC actively regulates other aspects of our programming, involving such areas as:

- our use of syndicated and network programs and local sports broadcast programming;
- advertising in children's programming;
- political advertising;
- origination cablecasting;
- sponsorship identification; and
- closed captioning of video programming.

Use of Our Cable Systems by the Government and Unrelated Third Parties

The Communications Act allows local franchising authorities and unrelated third parties to have access to our cable systems' channel capacity for their own use. For example, it:

- permits franchising authorities to require cable operators to set aside channels for public, educational and governmental access programming; and
- requires a cable system with 36 or more activated channels to designate a significant portion of its channel capacity for commercial leased access by third parties to provide programming that may compete with services offered by the cable operator.

The FCC regulates various aspects of third party commercial use of channel capacity on our cable systems, including:

- the maximum reasonable rate a cable operator may charge for third party commercial use of the designated channel capacity;
- the terms and conditions for commercial use of such channels; and
- the procedures for the expedited resolution of disputes concerning rates or commercial use of the designated channel capacity.

The FCC has from time to time received petitions from Internet service providers to require access to our cable systems. We cannot predict if these or other similar proposals will be adopted, or, if adopted, whether they will have an adverse impact on our business and operations.

Franchise Matters

We have franchises in virtually every community in which we operate that authorize us to construct, operate and maintain our cable systems. Although franchising matters are normally regulated at the local level through a franchise agreement and/or a local ordinance, the Communications Act provides oversight and guidelines to govern our relationship with local franchising authorities. For example, the Communications Act:

- affirms the right of franchising authorities, which may be state or local, depending on the practice in individual states, to award one or more franchises within their jurisdictions;
- generally prohibits us from operating in communities without a franchise;
- encourages competition with existing cable systems by:
  - allowing municipalities to operate their own cable systems without franchises, and

-- preventing franchising authorities from granting exclusive franchises or from unreasonably refusing to award additional franchises covering an existing cable system's service area;

. permits local authorities, when granting or renewing our franchises, to establish requirements for cable-related facilities and equipment, but prohibits franchising authorities from establishing requirements for specific video programming or information services other than in broad categories;

. permits us to obtain modification of our franchise requirements from the franchise authority or by judicial action if warranted by commercial impracticability; and

. generally prohibits franchising authorities from:

-- imposing requirements during the initial cable franchising process or during franchise renewal that require, prohibit or restrict us from providing telecommunications services,

-- imposing franchise fees on revenues we derived from providing telecommunications services over our cable systems,

-- restricting our use of any type of subscriber equipment or transmission technology, and

-- limits our payment of franchise fees to the local franchising authority to 5.0% of our gross revenues derived from providing cable services over our cable system.

The Communications Act contains renewal procedures designed to protect us against arbitrary denials of renewal of our franchises although, under certain circumstances, the franchising authority could deny us a franchise renewal. Moreover, even if our franchise is renewed, the franchising authority may seek to impose upon us new and more onerous requirements, such as significant upgrades in facilities and services or increased franchise fees as a condition of renewal. Similarly, if a franchising authority's consent is required for the purchase or sale of our cable system or franchise, the franchising authority may attempt to impose more burdensome or onerous franchise requirements on us in connection with a request for such consent. Historically, cable operators providing satisfactory services to their subscribers and complying with the terms of their franchises have almost always obtained franchise renewals. We believe that we have generally met the terms of our franchises and have provided quality levels of service. We anticipate that our future franchise renewal prospects generally will be favorable.

Various courts have considered whether franchising authorities have the legal right to limit the number of franchises awarded within a community and to impose substantive franchise requirements. These decisions have been inconsistent and, until the U.S. Supreme Court rules definitively on the scope of cable operators' First Amendment protections, the legality of the franchising process generally and of various specific franchise requirements is likely to be in a state of flux.

Ownership Limitations

The Communications Act generally prohibits us from owning or operating a satellite master antenna television system or multichannel multipoint distribution system in any area where we provide franchised cable service and do not have effective competition, as defined by federal law. We may, however, acquire and operate a satellite master antenna television system in our existing franchise service areas if the programming and other services provided to the satellite master antenna television system subscribers are offered according to the terms and conditions of our local franchise agreement.

The Communications Act also authorizes the FCC to adopt nationwide limits on the number of subscribers under the control of a cable operator. A federal district court has concluded that this subscriber limitation is unconstitutional and the FCC has stayed its enforcement; an appeal of this decision is pending in a federal appellate court. Pending further action by the federal courts, the FCC recently reconsidered its cable ownership regulations and:

- reaffirmed its 30% nationwide subscriber ownership limit, but maintained its voluntary stay on enforcement of that limitation pending further action;

- reaffirmed its subscriber ownership information reporting rules that require any person holding an attributable interest, as defined by FCC rules, in cable systems reaching 20% or more of homes passed by cable plant nationwide to notify the FCC of any incremental change in that person's cable ownership interests;

- retained its 5% voting stock attribution benchmark;

- raised the passive investor voting stock benchmark from 10% to 20%; and

- adopted a new equity/debt rule that will attribute any interest of over 33% of the total assets, i.e., debt plus equity, voting or nonvoting, of an entity.

The Communications Act and FCC regulations also impose limits on the number of channels that can be occupied on a cable system by a video programmer in which a cable operator has an interest. A federal district court has also declared this statutory provision unconstitutional. An appeal of the district court's decision has been consolidated with the appeal challenging the FCC's subscriber ownership limitation regulations.

The 1996 amendments to the Communications Act eliminated the statutory prohibition on the common ownership, operation or control of a cable system and a television broadcast station in the same service area. The identical FCC regulation remains in place pending re-examination, although the FCC has eliminated its regulatory restriction on cross-ownership of cable systems and national broadcasting networks.

The 1996 amendments to the Communications Act also made far-reaching changes in the relationship between local telephone companies and cable service providers. These amendments:

- eliminated federal legal barriers to competition in the local telephone and cable communications businesses, including allowing local telephone companies to offer video services in their local telephone service areas;

- preempted legal barriers to telecommunications competition that previously existed in state and local laws and regulations;

- set basic standards for relationships between telecommunications providers; and

- generally limited acquisitions and prohibited joint ventures between local telephone companies and cable operators in the same market.

Local telephone companies may provide service as traditional cable operators with local franchises or they may opt to provide their programming over open video systems, subject to certain conditions, including, but not limited to, setting aside a portion of their channel capacity for use by unaffiliated program distributors on a non-discriminatory basis. A federal appellate court recently overturned various parts of the FCC's open video rules, including the FCC's preemption of local franchising requirements for open video operators.

Pole Attachment Regulation

The Communications Act requires the FCC to regulate the rates, terms and conditions imposed by public utilities for cable systems' use of utility pole and conduit space unless state authorities have demonstrated to the FCC that they adequately regulate pole attachment rates, as is the case in certain states in which we operate. In the absence of state regulation, the FCC administers pole attachment rates on a formula basis. The FCC's current rate formula, which is being reevaluated by the FCC, governs the maximum rate certain utilities may charge for attachments to their poles and conduit by cable operators providing only cable services and until

2001, by certain companies providing telecommunications services. The FCC also adopted a new rate formula that will be effective in 2001 and will govern the maximum rate certain utilities may charge for attachments to their poles and conduit by companies providing telecommunications services, including cable operators.

Any resulting increase in attachment rates due to the FCC's new rate formula will be phased in over a five-year period in equal annual increments, beginning in February 2001. Several parties have requested the FCC to reconsider its new regulations and several parties have challenged the new rules in court. A federal district court recently upheld the constitutionality of the new statutory provision which requires that utilities provide cable systems and telecommunications carriers with nondiscriminatory access to any pole, conduit or right-of-way controlled by the utility. The lower court's decision was upheld on appeal. We are unable to predict the ultimate impact of any revised FCC rate formula or of any new pole attachment rate regulations on our business and operations.

Other Regulatory Requirements of the Communications Act and the FCC

The Communications Act also includes provisions, among others, regulating:

- customer service;
- subscriber privacy;
- equal employment opportunity; and
- regulation of technical standards and equipment compatibility.

The FCC has adopted cable inside wiring rules to provide a more specific procedure for the disposition of residential home wiring and internal building wiring that belongs to an incumbent cable operator that is forced by the building owner to terminate its cable services in a building with multiple dwelling units. The FCC is also considering additional rules relating to inside wiring that, if adopted, may disadvantage incumbent cable operators.

The FCC actively regulates other parts of our cable operations, involving such areas as:

- equal employment opportunity;
- consumer protection and customer service;
- technical standards and testing of cable facilities;
- consumer electronics equipment compatibility;
- registration of cable systems;
- maintenance of various records and public inspection files;
- microwave frequency usage; and
- antenna structure notification, marking and lighting.

The FCC may enforce its regulations through the imposition of fines, the issuance of cease and desist orders and/or the imposition of other administrative sanctions, such as the revocation of FCC licenses needed to operate transmission facilities often used in connection with cable operations. The FCC has ongoing rulemaking proceedings that may change its existing rules or lead to new regulations. We are unable to predict the impact that any further FCC rule changes may have on our business and operations.

Other bills and administrative proposals pertaining to cable communications have previously been introduced in Congress or considered by other governmental bodies over the past several years. It is probable that Congress and other governmental bodies relating to the regulation of cable communications services will make further attempts.

Copyright

Our cable systems typically include in their channel line-ups local and distant television and radio broadcast signals, which are protected by the copyright laws. We generally do not obtain a license to use this programming directly from the owners of the programming, but instead comply with an alternative federal compulsory copyright licensing process. In exchange for filing certain reports and contributing a percentage of our revenues to a federal copyright royalty pool, we obtain blanket permission to retransmit the copyrighted material carried on these broadcast signals. The nature and amount of future copyright payments for broadcast signal carriage cannot be predicted at this time.

Copyrighted music performed in programming supplied to cable television systems by pay cable networks and basic cable networks is licensed by the networks through private agreements with the American Society of Composers and Publishers, commonly referred to as ASCAP, and BMI, Inc., the two major performing rights organizations in the United States. Both the American Society of Composers and Publishers and BMI offer through to the viewer licenses to the cable networks which cover the retransmission of the cable networks' programming by cable television systems to their customers.

Our cable systems also utilize music in other programming and advertising that we provide to subscribers. The rights to use this music are controlled by various music performing rights organizations which negotiate on behalf of their copyright owners for license fees covering each performance. The cable industry and the major music performing rights organizations are negotiating a standard licensing agreement covering the performance of music contained in advertising and other information inserted by operators into cable programming and on local access and origination channels carried on cable systems. Rate courts established by a New York federal court exist to determine appropriate copyright coverage and royalty fees in the event the parties fail to reach a settlement or to negotiate renewals of licensing agreements. Although we cannot predict the ultimate outcome of these industry negotiations or the amount of any license fees we may be required to pay for past and future use of music, we do not believe such license fees will be significant to our financial position, results of operations or liquidity.

State and Local Regulation

Our cable systems use local streets and rights-of-way. Consequently, we must comply with state and local regulation, which is typically imposed through the franchising process. Our cable systems generally are operated in accordance with non-exclusive franchises, permits or licenses granted by a municipality or other state or local government entity. Our franchises generally are granted for fixed terms and in many cases are terminable if we fail to comply with material provisions. The terms and conditions of our franchises vary materially from jurisdiction to jurisdiction. Each franchise generally contains provisions governing:

- franchise fees;
- franchise term;
- system construction and maintenance obligations;
- system channel capacity;
- design and technical performance;
- customer service standards;
- sale or transfer of the franchise;
- territory of the franchise;
- indemnification of the franchising authority;
- use and occupancy of public streets; and
- types of cable services provided.

A number of states subject cable systems to the jurisdiction of centralized state governmental agencies, some of which impose regulation of a character similar to that of a public utility. Attempts in other states to regulate cable systems are continuing and can be expected to increase. To date, no state in which we operate has enacted such state level regulation. State and local franchising jurisdiction is not unlimited; however, it must be exercised consistently with federal law. The Communications Act immunizes franchising authorities from monetary damage awards arising from regulation of cable systems or decisions made on franchise grants, renewals, transfers and amendments.

The foregoing describes all material present and proposed federal, state and local regulations and legislation affecting the cable industry. Other existing federal regulations, copyright licensing, and, in many jurisdictions, state and local franchise requirements, are currently the subject of judicial proceedings, legislative hearings and administrative proposals which could change, in varying degrees, the manner in which cable systems operate. Neither the outcome of these proceedings nor their impact upon the cable industry or our cable operations can be predicted at this time.

MANAGEMENT

Directors and Executive Officers

The table below sets forth our directors and executive officers. As of the date of this prospectus, we have two directors. Upon completion of this offering, the director nominees set forth below will be appointed to our board of directors.

Name	Age	Position
Rocco B. Commisso	50	Chairman and Chief Executive Officer
Mark E. Stephan	43	Senior Vice President, Chief Financial Officer, Treasurer and Director
James M. Carey	48	Senior Vice President, Operations
Joseph Van Loan	57	Senior Vice President, Technology
Italia Commisso Weinand	46	Senior Vice President, Programming and Human Resources and Secretary
William S. Morris III	65	Director Nominee
Craig S. Mitchell	40	Director Nominee
Thomas V. Reifenheiser	64	Director Nominee
Natale S. Ricciardi	50	Director Nominee
Robert L. Winikoff	53	Director Nominee

Rocco B. Commisso has 21 years of experience with the cable television industry and has served as our Chairman and Chief Executive Officer since founding Mediacom LLC in July 1995. From 1986 to 1995, he served as Executive Vice President, Chief Financial Officer and a director of Cablevision Industries Corporation. Prior to that time, Mr. Commisso served as Senior Vice President of Royal Bank of Canada's affiliate in the United States from 1981, where he founded and directed a specialized lending group to media and communications companies. Mr. Commisso began his association with the cable television industry in 1978 at The Chase Manhattan Bank, where he was assigned to manage the bank's lending activities to communications firms including the cable television industry. He serves on the board of directors of SoftNet Systems, Inc. and the National Cable Television Association. Mr. Commisso holds a Bachelor of Science in Industrial Engineering and a Master of Business Administration from Columbia University.

Mark E. Stephan has 12 years of experience with the cable television industry and has served as our Senior Vice President, Chief Financial Officer and Treasurer since the commencement of our operations in March 1996. He is a member of the executive committee of Mediacom LLC. Before joining us, Mr. Stephan served as Vice President, Finance for Cablevision Industries from July 1993. Prior to that time, Mr. Stephan served as Manager of the telecommunications and media lending group of Royal Bank of Canada.

James M. Carey has 18 years of experience in the cable television industry. Before joining us in September 1997, Mr. Carey was founder and President of Infinet Results, a telecommunications consulting firm, from December 1996. Mr. Carey served as Executive Vice President, Operations at MediaOne Group from August 1995 to November 1996, where he was responsible for MediaOne's Atlanta cable operations. Prior to that time, he served as Regional Vice President of Cablevision Industries' Southern Region. Mr. Carey is a member of the board of directors of the American Cable Association.

Joseph Van Loan has 27 years of experience in the cable television industry. Before joining us in November 1996, Mr. Van Loan served as Senior Vice President, Engineering for Cablevision Industries from 1990. Prior to that time, he managed a private telecommunications consulting practice specializing in domestic and international cable television and broadcasting and served as Vice President, Engineering for Viacom Cable. Mr. Van Loan received the 1986 Vanguard Award for Science and Technology from the National Cable Television Association.

Italia Commisso Weinand has 23 years of experience in the cable television industry. Before joining us in April 1996, Ms. Weinand served as Regional Manager for Comcast Corporation from July 1985. Prior to that time, Ms. Weinand held various management positions with Tele-Communications, Times Mirror Cable and Time Warner. She serves on the board of directors of the National Cable Television Cooperative, Inc., a programming consortium consisting of small to medium-sized multiple system operators. Ms. Weinand is the sister of Mr. Commisso.

William S. Morris III is a nominee to become a member of our board of directors upon the completion of this offering. He is a member of the executive committee of Mediacom LLC. Mr. Morris has served as the Chairman and Chief Executive Officer of Morris Communications for more than the past five years. He is the Chairman of the board of directors of the Newspapers Association of America.

Craig S. Mitchell is a nominee to become a member of our board of directors upon the completion of this offering. He is a member of the executive committee of Mediacom LLC. Mr. Mitchell has held various management positions with Morris Communications for more than the past five years. He currently serves as its Vice President, Finance and Treasurer and is also a member of its board of directors.

Thomas V. Reifenheiser is a nominee to become a member of our board of directors upon the completion of this offering. Mr. Reifenheiser has been a Managing Director and Group Executive for the Global Media and Telecom Group of Chase Securities Inc. for more than the past five years. He joined Chase in 1963 and has been the Global Media and Telecom Group Executive since 1977.

Natale S. Ricciardi is a nominee to become a member of our board of directors upon the completion of this offering. Mr. Ricciardi has held various management positions with Pfizer Inc. for more than the past five years. He joined Pfizer in 1972 and currently serves as Vice President of Pfizer Global Manufacturing with responsibility for all of Pfizer's U.S. manufacturing plants.

Robert L. Winikoff is a nominee to become a member of our board of directors upon the completion of this offering. He is a member of the executive committee of Mediacom LLC. Mr. Winikoff has been a partner of the New York City law firm of Cooperman Levitt Winikoff Lester & Newman, P.C. for more than the past five years, which has served as our general outside counsel since 1995. He is a member of the board of directors of Young Broadcasting Inc., an owner and operator of broadcast television stations.

Key Employees

The table below sets forth our key employees as of the date of this prospectus.

Name	Age	Position
Calvin G. Craib	45	Vice President, Business Development
Bruce J. Gluckman	46	Vice President, Legal and Regulatory Affairs
Richard L. Hale	50	Vice President, Midwest Region
Dale E. Ordoyne	49	Vice President, Southern Region
John G. Pascarelli	38	Vice President, Marketing
Brian M. Walsh	33	Vice President and Controller
William D. Wegener	38	Vice President, Network Development
Arnold P. Cool	51	Regional Director, Central Region
Louis Gentile	39	Regional Director, Western Region
Richard P. Hanson	45	Regional Director, North Central Region
Donald E. Zagorski	40	Regional Director, Mid-Atlantic Region

Calvin G. Craib has 17 years experience in the cable television industry. Before joining us in April 1999, Mr. Craib served as Vice President, Finance and Administration for Interactive Marketing Group from June 1997 to December 1998. Mr. Craib served as Senior Vice President, Operations, and Chief Financial Officer for

Douglas Communications from January 1990 to May 1997. Prior to that time, Mr. Craib served in various financial management capacities at Warner Amex Cable and Tribune Cable.

Bruce J. Gluckman has seven years of experience in the cable television industry. Before joining us as Director of Legal Affairs in February 1998, Mr. Gluckman was in private law practice from January 1996 to October 1997. From June 1993 to January 1996, he served as a Staff Attorney for Cablevision Industries. Mr. Gluckman has twenty years of experience in the practice of law.

Richard L. Hale has 15 years of experience in the cable television industry. Before joining us as Regional Manager for the Central Region in January 1998, Mr. Hale served as Regional Manager of Cablevision Systems' Kentucky/Missouri region and as Sales and Marketing Director from 1988 to 1998. Mr. Hale began his career in the cable television industry in 1984 as Regional Sales and Marketing Director for Adams-Russell Cable.

Dale E. Ordoyne has 17 years of experience in the cable television industry. Before joining us in October 1999, Mr. Ordoyne served as Vice President, Marketing for MediaOne Group from 1995, where he was responsible for all marketing activities for the Atlanta cluster comprised of 500,000 basic subscribers. Prior to that time, Mr. Ordoyne served in various marketing and system management capacities for Cablevision Industries and Cox Communications.

John G. Pascarelli has 19 years of experience in the cable television industry. Before joining us in March 1998, Mr. Pascarelli served as Vice President, Marketing for Helicon from January 1996 to February 1998 and as Corporate Director of Marketing for Cablevision Industries from 1988 to 1995. Prior to that time, Mr. Pascarelli served in various marketing and system management capacities for Continental Cablevision, Cablevision Systems and Storer Communications.

Brian M. Walsh has 11 years of experience in the cable television industry. Before joining us in April 1996 as Director of Accounting, Mr. Walsh served as financial analyst for Helicon from January 1996 to March 1996. Prior to that time, Mr. Walsh served in various financial management capacities for Cablevision Industries, including Business Manager from January 1992 to December 1995. Mr. Walsh began his career in the cable television industry in 1988 when he joined Cablevision Industries as a staff accountant.

William D. Wegener has 18 years of experience in the cable television industry. Before joining us in February 1998, Mr. Wegener served as Senior Sales Engineer for C-Cor Electronics from October 1995 to October 1997. Prior to that time, Mr. Wegener served in various engineering capacities for Cablevision Industries. He is a member of the Society of Cable Telecommunications Engineers.

Arnold P. Cool has 21 years of experience in the cable television industry. Before joining us in January 1998, he served in various capacities for Cablevision Systems' cable television systems in Kentucky and Missouri from April 1993. Prior to that time, Mr. Cool held various technical and supervisory responsibilities for Cablevision Systems and for smaller cable television companies.

Louis Gentile has 10 years of experience in the cable television industry. Before joining us as Divisional Business Manager in January 1998, Mr. Gentile served in various financial management capacities for Cablevision Systems from January 1992. Mr. Gentile began his career in the cable television industry in 1989 when he joined MultiVision Cable as a financial analyst.

Richard P. Hanson has 21 years of experience in the cable television industry. Mr. Hanson joined us upon the closing of the Triax acquisition on November 5, 1999. Before joining us, Mr. Hanson served in various capacities for Triax, most recently as Director of Operations, from March 1988 to October 1999. Prior to joining Triax, he served as Manager for Combined Cable and for Star Cablevision.

Donald E. Zagorski has 18 years of experience in the cable television industry. Before joining us in June 1997, Mr. Zagorski served as System and Regional Manager for Tele-Media Company from March 1990. Prior to that time, Mr. Zagorski held various technical and supervisory positions with Outer Banks Cablevision and Group W Cable.

All directors hold office until the next annual meeting of stockholders and until their successors have been elected and qualify. All executive officers and key employees serve at the discretion of the board of directors. Mr. Commisso has agreed to cause the election of two directors designated by Morris Communications so long as Morris Communications continues to own at least 20% of our outstanding common stock, and one such director so long as it continues to own at least 10% of such common stock. In accordance with this agreement, Mr. Morris and Mr. Mitchell have been designated as directors by Morris Communications and will be appointed to our board of directors upon completion of this offering.

Committees of the Board of Directors

Upon closing of this offering, we will appoint an audit committee, a compensation committee and a stock option committee.

Audit Committee

The members of the audit committee will be Craig S. Mitchell, Thomas V. Reifenheiser and Natale S. Ricciardi. The responsibilities of the audit committee include:

- recommending the appointment of independent accountants;
- reviewing the arrangements for and scope of the audit by independent accountants;
- reviewing the independence of the independent accountants;
- considering the adequacy of the system of internal accounting controls and review any proposed corrective actions;
- reviewing and monitoring our policies regarding business ethics and conflicts of interest;
- discussing with management and the independent accountants our draft annual financial statements and key accounting and reporting matters; and
- reviewing the activities and recommendations of our accounting department.

Compensation Committee

The members of the compensation committee will be Rocco B. Commisso, William S. Morris III and Robert L. Winikoff. The compensation committee has authority to review and make recommendations to our board of directors with respect to the compensation of our executive officers.

Stock Option Committee

The members of the stock option committee will be Thomas V. Reifenheiser, Natale S. Ricciardi and Robert L. Winikoff. The stock option committee administers our 1999 stock option plan and determines, among other things, the time or times at which options will be granted, the recipients of grants, whether a grant will consist of incentive stock options, nonqualified stock options or stock appreciation rights, which may be in tandem with an option or free-standing, or a combination thereof, the option periods, whether an option is exercisable for Class A common stock or Class B common stock, the limitations on option exercise and the number of shares to be subject to such options, taking into account the nature and value of services rendered and contributions made to our success. The stock option committee also has authority to interpret the plan and, subject to certain limitations, to amend provisions of the plan as it deems advisable.

Director Compensation

Those directors who are not also our employees will receive an annual retainer as fixed by our board of directors, which may be in the form of cash or stock options, or a combination of both. Non-employee directors will also receive reimbursement of out-of-pocket expenses incurred for each board meeting or committee meeting attended.

Executive Compensation

Prior to the consummation of this offering, excluding James M. Carey, we did not make any payment in respect of compensation to any of our executive officers. These executive officers received compensation from Mediacom Management, which was entitled to receive management fees from our subsidiaries. Mr. Carey received his compensation from one of our subsidiaries prior to the completion of this offering. For more information regarding the management fees paid by our subsidiaries to Mediacom Management, see "Certain Relationships and Related Transactions--Management Agreements." Following the consummation of this offering, we will pay compensation to our executive officers.

Except where otherwise indicated, the following table summarizes the compensation paid in 1998 by Mediacom Management to our Chief Executive Officer and our four other most highly compensated executive officers who received total compensation in excess of $100,000:

Summary Compensation Table

		Annual Compensation		
Name and Principal Position	Year	Salary($)	Bonus($)	Other Annual Compensation($)
Rocco B. Commisso Chairman and Chief Executive Officer	1998	100,000	--	--
Mark E. Stephan Senior Vice President, Chief Financial Officer, Treasurer and Director	1998	188,834	132,034	--
James M. Carey(1) Senior Vice President, Operations	1998	96,923	15,000	35,500(2)
Joseph Van Loan Senior Vice President, Technology	1998	188,834	132,034	--
Italia Commisso Weinand Senior Vice President, Programming and Human Resources and Secretary	1998	129,702	99,026	--

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(1) Mr. Carey's compensation was paid by one of our operating subsidiaries.

(2) Represents consulting fees from January 1, 1998 to February 2, 1998.

Employment Arrangements

Mark E. Stephan, James M. Carey, Joseph Van Loan, Italia Commisso Weinand and several of our other employees have entered into employment arrangements setting forth the terms of their at-will employment with us. Pursuant to the employment arrangements, Rocco B. Commisso delivered to each of these employees a specified number of membership units in Mediacom LLC, which were owned by Mr. Commisso. In connection with this offering, such membership units are being exchanged for an aggregate of 1,406,346 shares of our Class B common stock and options to acquire an aggregate of 348,892 shares of our Class B common stock at an exercise price equal to the initial public offering price set forth on the cover page of this prospectus. Our common stock and options initially are subject to vesting in five equal annual installments, which vesting period is deemed to have commenced for each officer on various dates prior to this offering. All such common stock and options which vest initially are nonetheless subject to potential forfeiture during the first three years after vesting under the circumstances described below. If the employee desires to sell the vested common stock and options, or if the employee's employment with us is terminated for any reason, Mr. Commisso will have the option to purchase such shares or options at their fair market value. In the event that Mr. Commisso exercises this purchase option, a portion of the vested shares or options vested for less than three years will nonetheless be forfeited to Mr. Commisso if, during such three year period, such employee voluntarily terminates his employment with us or elects to sell such shares or exercise such options, or if such employee's employment with us is terminated for cause. No forfeiture of vested shares or options will occur if Mr. Commisso elects not to exercise his purchase option, or if the employee is terminated by us without cause or as a result of death or disability. Upon a change of control, all such shares will vest and not be subject to forfeiture. Each of the employees has granted to Mr. Commisso an irrevocable proxy with respect to all voting rights relating to our common stock following the exchange. At the request of any of these employees, Mr. Commisso will make a loan to the employee in the amount of any tax liability resulting from such employee's receipt of our options in exchange for membership units in Mediacom LLC. Such loan would be secured by such employee's common stock and options. Each of the employment arrangements also provides that if we terminate the employee's employment without cause, the employee is entitled to a severance payment equal to six months of base salary and precludes the employee from competing with us for a period of three years following termination.

1999 Stock Option Plan

Our board of directors adopted our stock option plan effective as of December 20, 1999. We have reserved 9,000,000 shares of common stock with respect to which options and stock appreciation rights may be granted under the plan. The purpose of the plan is to promote our interests and the interests of our stockholders by strengthening our ability to attract and retain competent employees, to make service on our board of directors more attractive to present and prospective non-employee directors and to provide a means to encourage stock ownership and proprietary interest in Mediacom by officers, non-employee directors and valued employees and other individuals upon whose judgment, initiative and efforts our financial success and growth largely depends.

The plan may be administered by either the entire board of directors or a committee consisting of two or more members of the board of directors, each of whom is a non-employee director. The plan will be administered by a stock option committee of the board of directors which will consist of non-employee directors.

Incentive stock options may be granted only to our officers and employees and the officers and employees of our subsidiaries. Nonqualified stock options and stock appreciation rights may be granted to our officers, employees, directors, agents and consultants and the officers and employees of our subsidiaries. In determining the eligibility of an individual for grants under the plan, as well as in determining the number of shares to be optioned to any individual, the stock option committee takes into account the recommendations of our Chairman of the Board, Mr. Commisso, the position and responsibilities of the individual being considered, the nature and value to us or our subsidiaries of his or her service or accomplishments, his or her present or potential contribution to the success of us or our subsidiaries and such other factors as the stock option committee may deem relevant. In making recommendations to the stock option committee, Mr. Commisso focuses upon individuals who would be motivated by a direct economic stake in us. Options may provide for their exercise into shares of any class of our common stock.

The plan provides for the granting of incentive stock options to purchase our common stock at not less than the fair market value on the date of the option grant and the granting of nonqualified options with any exercise price. Stock appreciation rights may be granted with an exercise price equal to the fair market value of a share of our common stock on the date of grant of the stock appreciation right. Stock appreciation rights granted in tandem with an option have the same exercise price as the related option. Upon completion of this offering, options for an aggregate of 2,800,000 shares of our common stock, comprised of 2,151,108 shares of

Class A common stock and 648,892 shares of Class B common stock, will have been granted under the 1999 stock option plan to various individuals at an exercise price equal to the public offering price set forth on the cover page of this prospectus. Such options will vest in equal annual installments over five years. Vesting is contingent on continuous employment with us. Options that do not vest will be forfeited.

The plan also contains limitations applicable only to incentive stock options granted thereunder. To the extent that the aggregate fair market value, as of the date of grant, of the shares to which incentive stock options become exercisable for the first time by an optionee during the calendar year exceeds $100,000, the option will be treated as a nonqualified option. In addition, if an optionee owns more than 10% of the total combined voting power of all classes of our capital stock or that of our parent or any of our subsidiaries at the time the individual is granted an incentive stock option, the option price per share of the incentive stock option cannot be less than 110% of the fair market value per share as of the date of grant and the term of the incentive stock option cannot exceed five years. No option or stock appreciation right may be granted under the plan after December 19, 2009, and no option or stock appreciation right may be outstanding for more than ten years after its grant.

Upon the exercise of an option, the holder must make payment of the full exercise price. Such payment may be made in cash, check or, under certain circumstances, in shares of any class of our common stock having a fair market value equal to the exercise price of the options, or any combination thereof. Stock appreciation rights, which give the holder the privilege of surrendering such rights for the appreciation in the underlying common stock between the time of the grant and the surrender, may be settled, in the discretion of the stock option committee in cash, in shares of our common stock valued at their fair market value on the date of exercise of the stock appreciation right, or in any combination thereof. The exercise of a stock appreciation right granted in tandem with an option cancels the option to which it relates with respect to the same number of shares as to which the stock appreciation right was exercised. The exercise of a option cancels any related stock appreciation right with respect to the same number of shares as to which the option was exercised. Generally, options and stock appreciation rights may be exercised while the recipient is performing services for us and within three months after termination of such services.

The plan may be terminated at any time by the board of directors, which may also amend the plan, except that without stockholder approval, it may not increase the number of shares subject to the plan or change the class of persons eligible to receive options under the plan.

1999 Employee Stock Purchase Plan

Our board of directors adopted our 1999 Employee Stock Purchase Plan effective as of December 20, 1999. Our 1999 Employee Stock Purchase Plan is intended to qualify under Section 423 of the Internal Revenue Code of 1996, as amended. We have reserved 1,000,000 shares of our common stock for issuance under the plan. The plan will be administered by the compensation committee of our board of directors.

All of our employees are eligible to participate. Eligible employees may begin participating in the 1999 Employee Stock Purchase Plan at the start of any offering period. Each offering period lasts six months, commencing on February 1 and August 1 of each year. However, the first offering period will start on the effective date of this offering and end on July 31, 2000.

Our 1999 Employee Stock Purchase Plan permits each eligible employee to purchase common stock through payroll deductions. Each employee's payroll deductions may not exceed 15% of the employee's cash compensation. Purchases of our common stock will occur on January 31 and July 31 of each year. Each participant may purchase up to 5,000 shares on any purchase date, except that the total value of the shares purchased by a participant in any year, measured as of the beginning of the offering period, may not exceed $25,000.

The price of each share of common stock purchased under our 1999 Employee Stock Purchase Plan will be 85% of the lower of:

- the fair market value per share of common stock on the first day of the applicable offering period; or

- the fair market value per share of common stock on the purchase date.

In the case of the first offering period, the price per share under the plan will be 85% of the lower of:

- the price per share to the public in this offering; or

- the fair market value per share of common stock on the purchase date.

Employees may end their participation in the 1999 Employee Stock Purchase Plan at any time. Participation ends automatically upon termination of employment with us. Our board of directors may amend or terminate the 1999 Employee Stock Purchase Plan at any time. If our board increases the number of shares of common stock reserved for issuance under the plan, it must seek the approval of our stockholders.

401(k) Plan

We maintain a retirement plan established in conformity with Section 401(k) of the Internal Revenue Code of 1986, covering all of our eligible employees. In accordance with the 401(k) plan, employees may elect to defer up to 15% of their current pre-tax compensation and have the amount of the deferral contributed to the 401(k) plan. The maximum elective deferral contribution was $10,000 in 1998, subject to adjustment for cost-of-living in subsequent years. Certain highly compensated employees may be subject to a lesser limit on their maximum elective deferral contribution. The 401(k) plan permits, but does not require, us to make matching contributions and non-matching, profit sharing, contributions up to a maximum dollar amount or maximum percentage of participant or employee contributions. Our contributions under the plan totaled approximately $10,000, $14,000, $264,000 and $241,000 for the period ended December 31, 1996, the years ended December 31, 1997 and 1998, and for the period ended September 30, 1999, respectively.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The following discussion sets forth certain relationships and related transactions of us and our subsidiary, Mediacom LLC, and its operating subsidiaries.

Management Agreements

Each of our operating subsidiaries is a party to a management agreement with Mediacom Management, which is owned by Mr. Commisso. Under these agreements, Mediacom Management provides management services to our operating subsidiaries and is paid annual management fees. Until November 19, 1999, the management fee was 5.0% of the first $50.0 million of our annual gross operating revenues, 4.5% of annual gross operating revenues in excess of $50.0 million, up to $75.0 million, and 4.0% of annual gross operating revenues in excess of $75.0 million. For the period ended December 31, 1996, for the years ended December 31, 1997 and 1998 and for the nine months ended September 30, 1999, management fees paid to Mediacom Management were $235,000, $812,000, $4.9 million and $4.2 million. The management agreements were amended effective November 19, 1999 in connection with an amendment to Mediacom LLC's operating agreement to provide for annual management fees equal to 2% of annual gross operating revenues. In addition, Mediacom Management agreed to waive all management fees accrued from July 1, 1999 through November 19, 1999. Each of the management agreements will be terminated upon completion of this offering, and employees of Mediacom Management will become our employees.

Transaction Fees and Expense Reimbursement

Mediacom LLC's operating agreement was amended effective November 19, 1999. Prior to the amendment, the operating agreement provided that Mediacom Management be paid a fee of 1.0% of the purchase price of acquisitions made by Mediacom LLC until its pro forma annual consolidated operating revenues equaled $75.0 million, and thereafter 0.5% of the purchase price. For the period ended December 31, 1996 and for the years ended December 31, 1997 and 1998, acquisition fees paid to Mediacom Management were $453,000, $540,000 and $3.3 million. No acquisition fees were required to be paid during the nine months ended September 30, 1999 because there were no acquisitions completed during the period. Acquisition fees in the aggregate amount of $3.8 million in connection with the Triax and Zylstra acquisitions have been waived by Mediacom Management. In accordance with the amended operating agreement, no further acquisition fees will be payable after November 19, 1999.

The operating agreement also provides for reimbursement of reasonable out-of-pocket expenses incurred by Mediacom Management in connection with the operation of the business of Mediacom LLC and acting on behalf of Mediacom LLC in connection with any potential acquisition of a cable system. Mediacom LLC reimbursed Mediacom Management $529,000, $59,000, $53,000 and $0 for the period ended December 31, 1996, for the years ended December 31, 1997 and 1998 and for the nine months ended September 30, 1999.

Other Relationships

Prior to the issuance of our common stock in exchange for all membership interests in Mediacom LLC, Chase Manhattan Capital, L.P. and CB Capital Investors, L.P. were members of Mediacom LLC. Chase Manhattan Capital, L.P. and CB Capital Investors, L.P. are parties related to Chase Securities Inc. and The Chase Manhattan Bank. For the years ended December 31, 1997 and 1998, Chase Securities Inc. received fees of approximately $1.3 million and $443,750 for its role as placement agent in connection with the original placement of membership interests in Mediacom LLC. In addition, for the year ended December 31, 1998, Chase Securities Inc. received a fee of approximately $1.8 million for its role as advisor in connection with our acquisition of the Cablevision systems. For the year ended December 31, 1998, The Chase Manhattan Bank received fees of $200,000 in connection with the provision of a letter of credit in favor of the sellers of the Cablevision systems to secure our performance of certain obligations under the acquisition agreement.

Chase Securities Inc. was the arranger and The Chase Manhattan Bank served as the administrative agent and a lender under each of our former subsidiary credit facilities. For the period ended December 31, 1996, and for the years ended December 31, 1997 and 1998, Chase Securities Inc. and The Chase Manhattan Bank received aggregate fees of approximately $600,000, $375,000 and $2.9 million for these services. In addition, Chase Securities Inc. was the arranger and The Chase Manhattan Bank is the administrative agent and a lender under each of our subsidiary credit facilities. For these services, Chase Securities Inc. and The Chase Manhattan Bank received aggregate fees of $1.0 million to date in 1999. We expect to use the net proceeds from this offering to repay outstanding indebtedness under our subsidiary credit facilities. The Chase Manhattan Bank will receive its proportionate share of the repayment. In 1998, we repaid promissory notes held by The Chase Manhattan Bank in the aggregate principal amount of $20.0 million, plus accrued interest in the amount of $300,000.

Chase Securities Inc. acted as an initial purchaser in connection with the offering of our 8 1/2% senior notes in 1998 and our 7 7/8% senior notes in 1999. Chase Securities Inc. received fees in the amount of approximately $5.5 million in 1998 and $3.1 million in 1999 in connection with the offerings.

Chase Securities Inc. acted as an advisor in connection with our acquisition of the Triax systems. For these services, Chase Securities Inc. received a fee in the amount of $3.0 million. Upon completion of this offering, one individual associated with Chase Securities Inc., Thomas V. Reifenheiser, will become a member of our board of directors.

Prior to the issuance of our common stock in exchange for all membership interests in Mediacom LLC, Morris Communications was a member of Mediacom LLC. Morris Communications received commitment fees of $2.0 million in 1998 and $268,000 in 1999 in connection with its capital contributions to Mediacom LLC. Upon completion of this offering, two individuals associated with Morris Communications, William S. Morris III and Craig S. Mitchell, will become members of our board of directors.

Prior to the issuance of our common stock in exchange for all membership interests in Mediacom LLC, U.S. Investor, Inc. was a member of Mediacom LLC. In connection with its purchase of a cable television system in Kern County, California from Booth American Company, the parent of U.S. Investor, one of our subsidiaries issued to Booth American Company an unsecured senior subordinated note in the original amount of $2.8 million. Interest on the note was deferred throughout the term and was payable on prepayment or at maturity on June 28, 2006. In 1998, the annual interest rate on the note was 9.0%. The note, together with all accrued interest, was repaid on September 24, 1999.

Until November 3, 1999, Mediacom LLC's operating agreement obligated its members to make capital contributions to Mediacom LLC. The following table sets forth the capital contributions made since January 1, 1997 by those members of Mediacom LLC who owned more than 5% of its membership interests. The capital contributions made by those members on November 3, 1999 are part of the $10.5 million equity contribution made by the members of Mediacom LLC in connection with the acquisition of the Triax systems.

	Date of Capital Contribution			
Member	June 22, 1997	September 18, 1997	January 22, 1998	November 3, 1999
	(dollars in thousands)			
U.S. Investor, Inc.	$1,950.0	$ 500.0	$ 2,293.8	$ 256.2
Morris Communications Corporation..................	9,750.0	2,500.0	79,832.5	8,917.5
CB Capital Investors, L.P.	3,900.0	1,000.0	4,587.6	512.4

Robert L. Winikoff, one of our director nominees, is a partner at the law firm of Cooperman Levitt Winikoff Lester & Newman, P.C., that has served as our general outside counsel on various matters. Cooperman Levitt Winikoff Lester & Newman, P.C. received fees from Mediacom LLC in the amount of $409,000 in 1996, $462,000 in 1997 and $807,000 in 1998.

Changes to Organizational Structure

We are a newly formed Delaware corporation. Immediately prior to this offering, we will issue 40,977,562 shares of our Class A common stock and 29,022,438 shares of our Class B common stock in exchange for all of the outstanding membership interests of Mediacom LLC, which currently serves as the holding company for our operating subsidiaries. As a result, we will become the parent company of Mediacom LLC, which will continue to serve as the holding company of our subsidiaries.

Mediacom LLC's amended operating agreement provides that upon the occurrence of certain events, including this offering, the executive committee of Mediacom LLC will make a determination of the aggregate equity value of Mediacom LLC. Based on this determination, Mediacom LLC will issue additional membership interests to its members, each having a value upon issuance of $1,000. Giving effect to this offering at an initial public offering price of $17.50 per share and a determination of the aggregate equity value of Mediacom LLC of $1.225 billion, Mediacom LLC will issue additional membership interests to its members based upon such determination immediately prior to this offering. These newly issued membership interests will be exchanged for our common stock.

Mediacom LLC's amended operating agreement contains provisions relating to a special allocation of membership interests to Mr. Commisso and related parties under certain circumstances. In accordance with these special allocation provisions, Mr. Commisso was issued additional membership interests that had a value upon issuance of $600,000, $3.7 million and $57.9 million in 1997, 1998 and 1999. Upon completion of this offering, Mediacom LLC's amended operating agreement will be further amended to remove these special allocation provisions. In connection with the amendment and the removal of a portion of the special allocation provisions of the operating agreement, Mr. Commisso and such related parties will be issued new membership interests representing 16.5% of the aggregate equity value of Mediacom LLC, which amount is then adjusted to give effect to the dilution of the equity interests of Mr. Commisso and related parties resulting from the issuance of such new membership interests. These newly issued membership interests, as adjusted for such dilution effect, will be exchanged for 7,295,025 shares of our Class B common stock.

In addition, in connection with the amendment and the removal of the remainder of the special allocation provisions of the operating agreement, Rocco Commisso, Mark Stephan, James Carey, Joseph Van Loan, Italia Commisso Weinand and nine of our non-executive officers will receive options to purchase 6,851,108, 95,014, 53,208, 64,610, 64,610, and an aggregate of 71,451 shares of our Class B common stock. These options have a term of five years and are exercisable, commencing six months after the date of this prospectus, at a price equal to the initial public offering price set forth on the cover page of this prospectus. Except for shares and options held by Mr. Commisso, the shares and options initially are subject to vesting in five equal annual installments, which vesting period is deemed to have commenced for each officer on various dates prior to this offering. All such shares and options which vest initially are nonetheless subject to potential forfeiture during the first three years after vesting under the circumstances described below. If a beneficial owner other than Mr. Commisso desires to sell such vested shares or exercise such options, or if such beneficial owner's employment with us is terminated for any reason, Mr. Commisso will have the option to purchase such shares or options at their fair market value. In the event that Mr. Commisso exercises this purchase option, a portion of the shares or options vested for less than three years will nonetheless be forfeited to Mr. Commisso if, during such three year period, such owner voluntarily terminates his employment with us or elects to sell such shares or exercise such options, or if such owner's employment with us is terminated for cause. No forfeiture of vested shares or options will occur if Mr. Commisso elects not to exercise his purchase option, or if the employee is terminated by us without cause or as a result of death or disability. Upon a change of control, all such shares will vest and not be subject to forfeiture.

Registration Rights

We and Rocco B. Commisso, Morris Communications, CB Capital Investors, Chase Manhattan Capital, U.S. Investor, Private Market Fund and our less than 5% stockholders have entered into a registration rights agreement with respect to their shares of common stock. For additional information concerning the registration rights agreement, see "Shares Eligible for Future Sale--Registration Rights."

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information with respect to the beneficial ownership of our common stock, after giving effect to the issuance of our common stock in exchange for all membership interests in Mediacom LLC, by:

- each person known by us to beneficially own more than 5% of any class of our common stock;
- each of our directors and director nominees;
- our Chief Executive Officer and our four other most highly compensated executive officers; and
- all of our directors, director nominees and executive officers as a group.

The amounts and percentages of common stock beneficially owned are reported on the basis of regulations of the Securities and Exchange Commission governing the determination of beneficial ownership of securities. Under the rules of the Securities and Exchange Commission, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of such security, or investment power, which includes the power to dispose of or to direct the disposition of such security. Unless otherwise indicated below, each beneficial owner named in the table below has sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable. Holders of Class A common stock are entitled to one vote per share, while holders of Class B common stock are entitled to ten votes per share. Holders of both classes of common stock will vote together as a single class on all matters presented for a vote, except as otherwise required by law. The information set forth in the following table excludes any shares purchased in this offering by the respective beneficial owner. Percentage of beneficial ownership of Class A common stock is based on 40,977,562 shares of Class A common stock outstanding immediately prior to this offering and 60,977,562 shares of Class A common stock outstanding immediately after this offering. Percentage of beneficial ownership of Class B common stock is based on 29,022,438 shares of Class B common stock outstanding both immediately before and after this offering. Unless otherwise indicated, the address of each beneficial owner of more than 5% of Class A or Class B common stock is Mediacom Communications Corporation, 100 Crystal Run Road, Middletown, New York 10941.

	Class A Common Stock				Class B Common Stock		Percent of Vote as a Single Class	
	Before Offering		After Offering				Before Offering	After Offering
Name of Beneficial Owner	Number	Percent	Number	Percent	Number	Percent		
Rocco B. Commisso	--	-- %	--	-- %	29,022,438(7)	100%	87.6%	82.6%
Morris Communications Corporation(1)	28,532,875	69.6	28,532,875	46.8	--	--	8.6	8.1
CB Capital Investors, L.P.(2)	4,256,834	10.4	4,256,834	7.0	--	--	1.3	1.2
U.S. Investor, Inc.(3)	3,075,226	7.5	3,075,226	5.0	--	--	*	*
Private Market Fund, L.P(4)	2,385,768	5.8	2,385,768	3.9	--	--	*	*
Mark E. Stephan	--	--	--	--	382,933(8)(9)	1.3	--	--
William S. Morris III(1)(5)	28,532,875	69.6	28,532,875	46.8	--	--	8.6	8.1
Craig S. Mitchell(1)(6)	28,622,264	69.9	28,622,264	46.9	--	--	8.6	8.1
Thomas V. Reifenheiser	--	--	--	--	--	--	--	--
Natale S. Ricciardi	--	--	--	--	--	--	--	--
Robert L. Winikoff	--	--	--	--	--	--	--	--
James M. Carey	--	--	--	--	214,475(9)(10)	*	--	--
Joseph Van Loan	--	--	--	--	260,434(9)(11)	*	--	--
Italia Commisso Weinand	--	--	--	--	260,434(9)(12)	*	--	--
All executive officers, directors and director nominees as a group (8 persons)	28,622,264	69.9	28,622,264	46.9	28,734,428	99.0	96.3	90.8

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* Represents beneficial ownership of less than 1%.

(1) The address of the beneficial owner is 725 Broad Street, Augusta, Georgia 30901

(2) Includes approximately 862,950 shares of Class A common stock owned by its affiliate, Chase Manhattan Capital, L.P. The address of the beneficial owner is c/o Chase Manhattan Capital Corporation, 380 Madison Avenue, New York, New York 10017

(3) A party related to Booth American Company. The address of the beneficial owner is 333 West Fort Street, Detroit, Michigan 48226.

(4) The address of the beneficial owner is c/o Pacific Corporate Group, 1200 Prospect Street, Suite 200, La Jolla, California 92037.

(5) Represent shares held by Morris Communications. Mr. Morris is the Chairman and Chief Executive Officer of Morris Communications and is deemed to be in control of Morris Communications.

(6) Includes 28,532,875 shares held by Morris Communications. Mr. Mitchell is a director and the Chief Financial Officer of Morris Communications. Mr. Mitchell disclaims any beneficial ownership of the shares held by Morris Communications.

(7) Also includes 1,406,346 shares of Class B common stock owned of record by other stockholders, representing all remaining shares of Class B common stock outstanding for which Mr. Commisso holds an irrevocable proxy.

(8) All of these shares are subject to vesting in five equal annual installments, which vesting period is deemed to have commenced on March 18, 1997. 229,760 of these shares are currently vested.

(9) If such beneficial owner desires to sell vested shares, or if such beneficial owner's employment with us is terminated for any reason, Mr. Commisso will have the option to purchase such shares. In the event that Mr. Commisso exercises this purchase option, a portion of the vested shares vested for less than three years will nonetheless be forfeited to Mr. Commisso if, during such three year period, such beneficial owner voluntarily terminates his employment with us or elects to sell such shares or if such beneficial owner's employment with us is terminated for cause. Such forfeiture of vested shares will not occur if Mr. Commisso does not exercise his purchase option or if the beneficial owner is terminated by us without cause or as a result of death or disability. Upon a change of control, all such shares will vest and not be subject to forfeiture. In addition, such beneficial owner has granted Mr. Commisso an irrevocable proxy which may be exercised by Mr. Commisso in connection with any action to be taken by our stockholders.

(10) All of these shares are subject to vesting in five equal annual installments, which vesting period is deemed to have commenced on September 15, 1998. 84,790 of these shares are currently vested.

(11) All of these shares are subject to vesting in five equal annual installments, which vesting period is deemed to have commenced on November 4, 1997. 156,260 of these shares are currently vested.

(12) All of these shares are subject to vesting in five equal annual installments, which vesting period is deemed to have commenced on April 21, 1997. 156,260 of these shares are currently vested.

DESCRIPTION OF CERTAIN INDEBTEDNESS

Credit Facilities

Our operating subsidiaries, through two separate borrowing groups we refer to as the Mediacom USA Group and the Mediacom Midwest Group, currently obtain bank financing through two separate credit facilities. The credit facilities for each borrowing group have no cross-default provisions relating directly to each other, have different revolving credit periods and contain separately negotiated covenants tailored for each borrowing group. The credit facilities restrict the ability of each borrowing group to make distributions to Mediacom LLC, subject to limited exceptions.

Financing for the operations of the Mediacom USA Group is provided by a credit agreement among the operating subsidiaries comprising the Mediacom USA Group, the lenders party thereto and The Chase Manhattan Bank, as administrative agent. The Mediacom USA credit facility is a $550.0 million credit facility, consisting of a $450.0 million reducing revolving credit facility and a $100.0 million term loan. The revolving credit facility expires March 31, 2008, subject to earlier repayment on June 30, 2007 if we do not refinance our 8 1/2% senior notes prior to March 31, 2007. Principal on the outstanding term loan is payable in quarterly installments of $250,000 with the balance due and payable on September 30, 2008, and is also subject to earlier repayment on September 30, 2007 if we do not refinance our 8 1/2% senior notes prior to March 31, 2007. At December 15, 1999, there was $446.5 million of indebtedness outstanding under the Mediacom USA credit facility. The Mediacom USA credit facility provides us with two interest rate options, at our election, to which a margin is added: a base rate, the higher of the overnight rate plus 1/2 of 1% and the prime commercial lending rate, and a eurodollar rate, based on the interbank eurodollar interest rate. Interest rate margins for the Mediacom USA credit facility depend upon the performance of the Mediacom USA Group measured by its leverage ratio, or the ratio of indebtedness to the immediately preceding quarter's operating cash flow, multiplied by four. The interest rate margins for the Mediacom USA credit facility are as follows:

- interest on outstanding revolving loans is payable at either the eurodollar rate plus a floating percentage ranging from 0.75% to 2.25% depending on the leverage ratio or the base rate plus a floating percentage ranging from 0% to 1.25% depending on the leverage ratio; and

- interest on term loans is payable at either the eurodollar rate plus a floating percentage tied to the leverage ratio ranging from 2.50% to 2.75% or the base rate plus a floating percentage tied to the leverage ratio ranging from 1.50% to 1.75%.

The weighted average interest rate at December 15, 1999 on the outstanding borrowings under the Mediacom USA credit facility was 8.4%. As of December 15, 1999, interest rate swap agreements had been entered into to hedge the underlying eurodollar rate exposure in the amount of $50.0 million with an expiration date ranging from 2000 to 2002.

The reducing revolving credit facility is available to the Mediacom USA Group to fund acquisitions, to make payments to us under limited circumstances, to pay management fees, to make investments and to finance capital expenditures and working capital needs. Up to $100.0 million of the revolving credit facility is available for letters of credit.

Financing for the operations of the Mediacom Midwest Group is provided by a credit agreement among the operating subsidiaries comprising the Mediacom Midwest Group, the lenders party thereto and The Chase Manhattan Bank, as administrative agent. The Mediacom Midwest credit facility is a $550.0 million credit facility, consisting of a $450.0 million reducing revolving credit facility and a $100.0 million term loan. The $450.0 million revolving credit facility expires June 30, 2008, subject to earlier repayment on September 30, 2007 if we do not refinance our 8 1/2% senior notes prior to March 31, 2007. Principal on the outstanding term loan is payable in quarterly installments of between $125,000 and $250,000 with the balance due and payable on December 31, 2008, and is also subject to earlier repayment on December 31, 2007 if we do not refinance our 8 1/2% senior notes prior to March 31, 2007. At December 15, 1999, there was $370.5 million of indebtedness outstanding under the Mediacom Midwest credit facility. The Mediacom Midwest credit facility provides us with two interest rate options, at our election, to which a margin is added: a base rate, the higher of the overnight rate plus 1/2 of 1% and the prime commercial lending rate, and a eurodollar rate based on the interbank eurodollar interest rate. Interest rate margins for the Mediacom Midwest credit facility depend upon performance measured by the leverage ratio of the Mediacom Midwest Group. The interest rate margins for the Mediacom Midwest credit facility are as follows:

- interest on outstanding revolving loans is payable at either the eurodollar rate plus a floating percentage ranging from 0.75% to 2.25% depending on the leverage ratio or the base rate plus a floating percentage ranging from 0% to 1.25% depending on the leverage ratio; and

- interest on term loans is payable at either the eurodollar rate plus a floating percentage tied to the leverage ratio ranging from 2.50% to 2.75% or the base rate plus a floating percentage tied to the leverage ratio ranging from 1.50% to 1.75%.

The weighted average interest rate at December 15, 1999 on the outstanding borrowings under the Mediacom Midwest credit facility was 8.4%.

The reducing revolving credit facility is available to the Mediacom Midwest Group to make restricted payments to us, to pay management fees, to make investments and to finance capital expenditures, working capital needs and acquisitions. Up to $100.0 million of the revolving credit facility is available for letters of credit.

In general, each credit facility requires the borrowing groups to use the proceeds from specified debt issuances and asset dispositions to prepay borrowings under the relevant borrowing group's credit facility and to reduce permanently commitments thereunder. Each facility also requires mandatory prepayments of amounts outstanding and permanent reductions in the commitments thereunder, beginning in 2002, based on a percentage of excess cash flow.

Each credit facility is secured by a pledge of Mediacom LLC's ownership interests in the subsidiaries forming the relevant borrowing group, and is guaranteed by Mediacom LLC on a limited recourse basis to the extent of such ownership interests.

Each credit facility contains covenants, including:

- limitations on mergers and acquisitions, consolidations and sales of assets;

- limitations on liens;

- incurrence of additional indebtedness;

- investments;

- restricted payments;

- maintenance of specified financial ratios;

- payment of management fees;

- capital expenditures; and

- restrictions on transactions with related parties.

In addition, an event of default will occur under each credit facility if, among other things:

- Mr. Commisso ceases to be our Chairman and Chief Executive Officer and, in the case of the Mediacom Midwest credit facility, the Chairman and Chief Executive Officer of Zylstra;

- we or Mediacom LLC shall cease to act as manager of our subsidiaries;

- we or Mediacom LLC shall cease to own 50.1% or more of the aggregate voting rights of the equity interests of our subsidiaries;

- specified change of control events occur and are continuing; or

- Mr. Commisso, his family members, his affiliates and our officers and employees collectively cease to own at least 50.1% of the combined voting power of our common stock on a fully-diluted basis.

Senior Notes

The following is a summary of the 8 1/2% senior notes and the 7 7/8% senior notes:

- Aggregate Principal Amount

  - 8 1/2% senior notes: $200,000,000

  - 7 7/8% senior notes: $125,000,000

- Maturity

  - 8 1/2% senior notes: April 15, 2008

  - 7 7/8% senior notes: February 15, 2011

- Interest Rate and Payment Dates

  - 8 1/2% senior notes: Bear interest at a rate of 8 1/2% per annum, payable semi-annually on April 15 and October 15 of each year.

  - 7 7/8% senior notes: Bear interest at the rate of 7 7/8% per annum, payable semi-annually on February 15 and August 15 of each year.

- Optional Redemption. On or after April 15, 2003 with respect to the 8 1/2% senior notes and on or after February 15, 2006 with respect to the 7 7/8% senior notes, Mediacom LLC and Mediacom Capital Corporation may redeem the notes. On or before April 15, 2001 with respect to the 8 1/2% senior notes and on or before February 15, 2002 with respect to the 7 7/8% senior notes, Mediacom LLC and Mediacom Capital may redeem up to 35% of the aggregate principal amount of the notes originally issued at the price specified in the relevant indenture relating to the notes:

  - only with the proceeds of one or more equity offerings; and

  - only if at least 65% of the aggregate principal amount of the notes originally issued remains outstanding after each redemption.

- Change of Control. If Mediacom LLC and Mediacom Capital sell specified assets or if Mediacom LLC and Mediacom Capital experience specific kinds of changes of control, holders of the 8 1/2% senior notes and the 7 7/8% senior notes will have the opportunity to sell their notes to Mediacom LLC and Mediacom Capital at 101% of the principal amount of such notes plus accrued and unpaid interest and liquidated damages, if any, to the date of purchase.

- Ranking. The 8 1/2% senior notes and the 7 7/8% senior notes:

  - are general unsecured obligations of Mediacom LLC and Mediacom Capital;

  - rank on the same level with the existing and future senior indebtedness of Mediacom LLC and Mediacom Capital; and

  - are subordinated to all indebtedness and other liabilities and commitments of the subsidiaries of Mediacom LLC and Mediacom Capital, including their credit facilities and trade payables.

- Covenants. The indentures governing the 8 1/2% senior notes and the 7 7/8% senior notes limit the activities of Mediacom LLC and Mediacom Capital and the activities of their restricted subsidiaries. The provisions of the indentures limit their ability, subject to important exceptions:

  - to incur additional indebtedness;

  - to pay dividends or make other restricted payments;

  - to sell assets or subsidiary stock;

  - to enter into transactions with related parties;

  - to create liens;

  - to enter into agreements that restrict dividends or other payments from restricted subsidiaries;

  - to merge, consolidate or sell all or substantially all of our assets; and

  - with respect to restricted subsidiaries, to issue capital stock.

DESCRIPTION OF CAPITAL STOCK

General

Our authorized capitalization consists of 300,000,000 shares of Class A common stock, par value $.01 per share, 100,000,000 shares of Class B common stock, par value $.01 per share, and 100,000,000 shares of preferred stock, par value $.01 per share.

Concurrently with the completion of this offering, the holders of the membership interests of Mediacom LLC will exchange all of their membership interests for shares of our common stock in accordance with the relative ownership percentages of membership interests in Mediacom LLC immediately prior to the completion of this offering. As a result of the exchange, Mediacom LLC will become our wholly-owned subsidiary and will continue to serve as the holding company for our operating subsidiaries.

Upon completion of the exchange of membership interests for shares of our common stock and without giving effect to this offering, 40,977,562 shares of Class A common stock and 29,022,438 shares of Class B common stock will be outstanding. No shares of preferred stock will be outstanding.

Common Stock

The rights of the holders of Class A and Class B common stock are substantially identical in all respects, except for their voting rights. Only members of our management group and certain permitted transferees, as defined in our certificate of incorporation, may hold Class B common stock. There is no limitation on who may hold Class A common stock. Holders of Class A common stock are entitled to one vote per share. Holders of Class B common stock are entitled to ten votes per share. Holders of all classes of common stock entitled to vote will vote together as a single class on all matters presented to the stockholders for their vote or approval, except as otherwise required by the Delaware General Corporation Law. Under Delaware law, the holders of each class of common stock are entitled to vote as a separate class with respect to any amendment to our certificate of incorporation that would increase or decrease the aggregate number of authorized shares of such class, increase or decrease the par value of such class, or modify or change the powers, preferences or special rights of the shares of such class so as to affect such class adversely. Our certificate of incorporation does not provide for cumulative voting for the election of our directors, with the result that stockholders owning or controlling more than 50% of the total votes cast for the election of directors can elect all of the directors. See "Risk Factors--Our Chairman and Chief Executive Officer has the ability to control all major corporate decisions, which could inhibit or prevent a change of control or a change in management."

Subject to the dividend rights of holders of preferred stock, holders of common stock are entitled to receive dividends when, as and if declared by the board of directors out of funds legally available for this purpose. In the event of our liquidation, dissolution or winding up, the holders of both classes of common stock are entitled to receive on a proportional basis any assets remaining available for distribution after payment of our liabilities and after provision has been made for payment of liquidation preferences to all holders of preferred stock. Holders of common stock have no conversion, redemption or sinking fund provisions or preemptive or other subscription rights, except that in the event any shares of Class B common stock held by a member of the management group and certain permitted transferees are transferred outside the management group, or permitted transferees, such shares will be converted automatically into shares of Class A common stock on a one-for-one basis.

Preferred Stock

Our certificate of incorporation authorizes us to issue 100,000,000 shares of blank check preferred stock having rights senior to our common stock. Our board of directors is authorized, without further stockholder approval, to issue preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, conversion rights, voting rights, redemption terms and liquidation preferences, and to fix the number of shares constituting any series and the designations of these series.

The issuance of preferred stock may have the effect of delaying or preventing a change of control of us. The issuance of preferred stock could decrease the amount of earnings and assets available for distribution to the holders of common stock or could adversely affect the voting power or other rights of the holders of common stock. We currently have no plans to issue any shares of preferred stock.

Limitations on Liability

As permitted by Delaware law, our certificate of incorporation provides that our directors shall not be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except for liability:

- for any breach of the director's duty of loyalty to us or our stockholders;
- for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- under Section 174 of the Delaware General Corporation Law, relating to unlawful payment of dividends or unlawful stock purchases or redemption; or
- for any transaction from which the director derives an improper personal benefit.

As a result of this provision, we and our stockholders may be unable to obtain monetary damages from a director for breach of his or her duty of care.

Our certificate of incorporation and by-laws provide for the indemnification of our directors and officers, and, to the extent authorized by the board of directors in its sole and absolute discretion, employees and agents, to the fullest extent authorized by, and subject to the conditions set forth in Delaware law, except that we will indemnify a director or officer in connection with a proceeding or part thereof, initiated by such person, only if the proceeding or part thereof was authorized by our board of directors. The indemnification provided under the certificate of incorporation and by-laws includes the right to be paid the expenses, including attorneys's fees, in advance of any proceeding for which indemnification may be had, provided that the payment of these expenses, including attorneys' fees, incurred by a director, officer, employee or agent in advance of the final disposition of a proceeding may be made only upon delivery to us of an undertaking by or on behalf of the director, officer, employee or agent to repay all amounts so paid in advance if it is ultimately determined that the director or officer is not entitled to be indemnified.

Under the by-laws, we have the power to purchase and maintain insurance on behalf of any person who is or was one of our directors, officers, employees or agents, against any liability asserted against the person or incurred by the person in any such capacity, or arising out of the person's status as such, and related expenses, whether or not we would have the power to indemnify the person against such liability under the provisions of Delaware law. We currently have no plans to purchase director and officer liability insurance on behalf of our directors and officers.

Delaware Anti-Takeover Law

We will be subject to the provisions of Section 203 of Delaware law. Section 203 prohibits publicly held Delaware corporations from engaging in a business combination with an interested stockholder for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- prior to the business combination our board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder; or
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, such stockholder owned at least 85% of our outstanding voting stock at the time such

transaction commenced, excluding for the purpose of determining the number of shares outstanding those shares owned:

  - by our officers and directors and

  - by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- at or subsequent to such time the business combination is approved by our board of directors and authorized at an annual or special meeting of our stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of our outstanding voting stock which is not owned by the interested stockholder.

A business combination includes mergers, asset sales and other transactions resulting in a financial benefit to the interested stockholder. Subject to certain exceptions, an interested stockholder is a person who, together with affiliates and associates, owns, or within three years did own, 15% or more of the corporation's voting stock. These provisions could have the effect of delaying, deferring or preventing a change of control of us or reducing the price that certain investors might be willing to pay in the future for shares of our Class A common stock.

Transfer Agent and Registrar

The transfer agent for our Class A common stock will be .

SHARES ELIGIBLE FOR FUTURE SALE

General

Upon the completion of this offering, we will have 90,000,000 shares of common stock issued and outstanding, including 60,977,562 shares of Class A common stock and 29,022,438 shares of Class B common stock. All outstanding shares of common stock other than those issued in this offering will be restricted securities as that term is defined in Rule 144 and also subject to certain restrictions on disposition. Restricted securities may be sold in the public market only if registered or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act. Sales of restricted securities in the public market, or the availability of such shares for sale, could have an adverse effect on the price of the Class A common stock. See "Dilution."

Registration Rights

We and Rocco Commisso, Morris Communications, CB Capital Investors, Chase Manhattan Capital, U.S. Investor, Private Market Fund and our less than a 5% stockholders have entered into a registration rights agreement, in accordance with which we have granted to such persons as long as such persons hold common stock received in exchange for their membership interests in Mediacom LLC various demand rights commencing 180 days after the completion of this offering to cause us to file a registration statement under the Securities Act covering resales of all shares of common stock held by such persons, and to use our best efforts to cause such registration statement to become effective. The registration rights agreement also grants piggyback registration rights which permit such persons to include their registrable securities in a registration of securities by us. We are obligated to pay the expenses of such registrations.

Rule 144

In general, under Rule 144, as currently in effect, beginning 90 days after the date of this prospectus, a person who has beneficially owned restricted shares of our Class A common stock for at least one year would be entitled to sell within any three month period a number of shares that does not exceed the greater of either of the following:

- 1% of the number of shares of Class A common stock then outstanding, which will equal 609,776 shares immediately after this offering; and

- the average weekly trading volume of the Class A common stock on The Nasdaq Stock Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales under Rule 144 are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 144(k)

Under Rule 144(k), a person who is not deemed to have been one of our affiliates at the time of or at any time during the three months preceding a sale, and who has beneficially owned the restricted shares proposed to be sold for at least two years, including the holding period of any prior owner other than an affiliate, is entitled to sell such shares without complying with the manner of sale, public information, volume limitation or notice provisions of Rule 144. Therefore, unless otherwise restricted, shares covered by Rule 144(k) may be sold immediately upon the completion of this offering. The sale of such shares, or the perception that sales will be made, could adversely effect the price of our Class A common stock after this offering because a greater supply of shares would be, or would be perceived to be, available for sale in the public market.

Further Restrictions on Transfer for Certain Persons

Our officers, directors and stockholders have agreed to enter into lock-up agreements with the underwriters of this offering generally providing that they will not offer, sell, contract to sell, pledge or otherwise dispose of any shares of our Class A common stock or securities convertible into or exchangeable or exercisable for any of our Class A common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, without the prior written consent of Credit Suisse First Boston Corporation for a period of 180 days after the date of this prospectus, subject to certain exceptions. As a result of these contractual restrictions, notwithstanding the possible earlier eligibility for sale under the provisions of Rules 144 and 144(k), shares subject to lock-up agreements may not be sold until such agreements expire or are waived by Credit Suisse First Boston Corporation. In addition, we have agreed that we will not offer, sell, contract to sell, pledge or otherwise dispose of or file with the Securities and Exchange Commission a registration statement under Securities Act relating to any shares of our Class A common stock or securities convertible into or exchangeable or exercisable for any of our Class A common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, without the prior written consent of Credit Suisse First Boston Corporation for a period of 180 days after the date of this prospectus, subject to certain exceptions.

UNDERWRITERS

Credit Suisse First Boston Corporation and Salomon Smith Barney Inc. are acting as joint book-running managers for this offering. Credit Suisse First Boston Corporation, Salomon Smith Barney Inc. and Donaldson, Lufkin & Jenrette Securities Corporation are acting as co-lead managers, and Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Chase Securities Inc., CIBC World Markets Corp. and First Union Securities, Inc. are acting as co-managers.

Under the terms and subject to the conditions contained in an underwriting agreement dated , 2000, we have agreed to sell to the underwriters named below, for whom Credit Suisse First Boston Corporation, Salomon Smith Barney Inc., Donaldson, Lufkin & Jenrette Securities Corporation, Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Chase Securities Inc., CIBC World Markets Corp. and First Union Securities, Inc. are acting as representatives, the following respective numbers of shares of our Class A common stock:

Underwriters	Number of Shares
Credit Suisse First Boston Corporation	
Salomon Smith Barney Inc	
Donaldson, Lufkin & Jenrette Securities Corporation	
Goldman, Sachs & Co	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Chase Securities Inc	
CIBC World Markets Corp	
First Union Securities, Inc	
Total	20,000,000

The underwriting agreement provides that the underwriters are obligated to purchase all the shares of our Class A common stock offered in this offering if any are purchased, other than those shares covered by the over-allotment option described below. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or this offering of Class A common stock may be terminated.

We have granted to the underwriters a 30-day option to purchase on a proportional basis up to 3,000,000 additional shares of our Class A common stock at the initial public offering price less the underwriting discounts and commissions. This option may be exercised only to cover any over-allotments of our Class A common stock.

The underwriters propose to offer the shares of our Class A common stock initially at the public offering price on the cover page of this prospectus and to selling group members at that price less a concession of $ per share. The underwriters and selling group members may allow a discount of $ per share on sales to other broker/dealers. After the initial public offering, the public offering price and concession and discount to broker/dealers may be changed by the representatives.

The following table summarizes the compensation and estimated expenses we will pay. The compensation that we will pay to the underwriters will consist solely of the underwriting discounts, which are equal to the public offering price per share of Class A common stock less the amount the underwriters pay to us per share of Class A common stock, and commissions. The underwriters have not received and will not receive from us other items of compensation or expense in connection with this offering considered by the National Association of Securities Dealers, Inc. to be underwriting compensation under its Conduct Rules.

	Per Share		Total	
	Without Over-allotment	With Over-Allotment	Without Over-allotment	With Over-allotment
Underwriting discounts and commissions paid by us.....................	$	$	$	$
Expenses payable by us..	$	$	$	$

The underwriters do not intend to confirm sales to any accounts over which they exercise discretionary authority.

We intend to use more than 10% of the net proceeds from the sale of the Class A common stock to repay indebtedness owed by us to Credit Suisse First Boston, New York branch, Citibank, N.A., The Chase Manhattan Bank, CIBC Inc. and First Union National Bank, each an affiliate of one of the underwriters. Accordingly, the offering is being made in compliance with the requirements of Rule 2710(c)(8) of the National Association of Securities Dealers, Inc. Conduct Rules. This rule provides generally that if more than 10% of the net proceeds from the sale of stock, not including underwriting compensation, is paid to the underwriters or their affiliates, the initial public offering price of the stock may not be higher than that recommended by a qualified independent underwriter meeting certain standards. Accordingly, Donaldson, Lufkin & Jenrette Securities Corporation is assuming the responsibilities of acting as the qualified independent underwriter in pricing the offering and conducting due diligence. The initial public offering price of the shares of common stock is no higher than the price recommended by Donaldson, Lufkin & Jenrette Securities Corporation. We have agreed to pay $5,000 to Donaldson, Lufkin & Jenrette Securities Corporation as compensation for its services as qualified independent underwriter in this offering.

We and our officers, directors and stockholders have agreed that we and they will not offer, sell, contract to sell, pledge or otherwise dispose of or file with the Securities and Exchange Commission a registration statement under the Securities Act relating to, any shares of our Class A common stock or securities convertible into or exchangeable or exercisable for any of our Class A common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, without the prior written consent of Credit Suisse First Boston Corporation for a period of 180 days after the date of this prospectus, except in our case for grants of employee stock options in accordance with the terms of a plan in effect on the date hereof, issuances of securities in accordance with the exercise of such options or the exercise of any other employee stock options outstanding on the date hereof.

At our request, the underwriters will reserve up to 1,000,000 shares of our Class A common stock to be sold, at the initial public offering price, to our directors, officers and employees, as well as to some of our business associates and individuals associated or affiliated with our directors. This directed share program will be administered by Salomon Smith Barney Inc. The number of shares of Class A common stock available for sale to the general public will be reduced to the extent these individuals purchase reserved shares. Any reserved shares of Class A common stock which are not so purchased will be offered by the underwriters to the general public on the same basis as the other shares of Class A common stock offered by this prospectus. We have agreed to indemnify the underwriters against certain liabilities and expenses, including liabilities under the Securities Act, in connection with sales of the directed shares.

We have agreed to indemnify the underwriters against liabilities under the Securities Act, or contribute to payments which the underwriters may be required to make in that respect.

We have made application to list the shares of Class A common stock on The Nasdaq Stock Market's National Market under the symbol "MCCC."

Prior to this offering, there has been no public market for our Class A common stock. The initial public offering price will be determined by negotiation between us and the representatives, and does not reflect the market price for our Class A common stock following this offering. The principal factors to be considered in determining the initial public offering price include:

- the information in this prospectus and otherwise available to the representatives;
- the history of and prospects for the industry in which we will compete;
- our past and present operations;
- our past and present earnings and current financial position;
- the ability of our management;
- our prospects for future earnings;
- the recent market prices of, and the demand for, publicly traded common stock of generally comparable companies;
- the general condition of the securities markets at the time of this offering; and
- other relevant factors.

We can offer no assurance that the initial public offering price will correspond to the price at which the Class A common stock will trade in the public market subsequent to this offering or that an active trading market for the Class A common stock will develop and continue after this offering.

Individuals affiliated with Credit Suisse First Boston Corporation will beneficially own an aggregate of 0.2% of our Class A common stock after giving effect to this offering. These individuals purchased an aggregate of 50.2 membership interests in Mediacom LLC for a total purchase price of $50,240 on November 3, 1999. Chase Manhattan Capital, L.P. and CB Capital Investors, L.P., each an affiliate of Chase Securities Inc., will beneficially own an aggregate of 7.0% of our Class A common stock after giving effect to this offering. CB Capital Investors, L.P. purchased an aggregate of 512.4 membership interests in Mediacom LLC for a total purchase price of $512,440 on November 3, 1999. Entities affiliated with Credit Suisse First Boston Corporation, Salomon Smith Barney Inc., Chase Securities Inc., CIBC World Markets Corp. and First Union Securities, Inc. are lenders under our subsidiary credit facilities, a portion of which will be repaid with the net proceeds of this offering. Chase Securities Inc. and its affiliates engage from time to time in various general financing and banking transactions with us and our affiliates. Chase Securities Inc. was the arranger and The Chase Manhattan Bank is the administrative agent and a lender under each of our subsidiary credit facilities. Chase Securities Inc. acted as an advisor to us in connection with the acquisition of the Triax systems. In addition, certain investment affiliates of Donaldson, Lufkin & Jenrette Securities Corporation previously owned an interest in the Triax systems. Upon completion of this offering, Thomas V. Reifenheiser, a Managing Director and Group Executive for the Global Media and Telecom Group of Chase Securities Inc., will become a member of our board of directors.

The representatives, on behalf of the underwriters, may engage in over-allotment, stabilizing transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the Exchange Act.

- Over-allotment involves syndicate sales in excess of this offering size, which creates a syndicate short position.
- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- Syndicate covering transactions involve purchases of the Class A common stock in the open market after the distribution has been completed in order to cover syndicate short positions.
- Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the Class A common stock originally sold by such syndicate member is purchased in a stabilizing transaction or a syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may cause the price of our Class A common stock to be higher than it would otherwise be in the absence of these transactions. These transactions may be effected on The Nasdaq National Market or otherwise and, if commenced, may be discontinued at any time.

LEGAL MATTERS

The validity of the shares of Class A common stock offered hereby will be passed upon for us by Cooperman Levitt Winikoff Lester & Newman, P.C., New York, New York. Robert L. Winikoff, one of our director nominees, is a partner of Cooperman Levitt Winikoff Lester & Newman, P.C. Cahill Gordon & Reindel, a partnership including a professional corporation, will pass upon certain legal matters in connection with this offering.

EXPERTS

The audited consolidated financial statements of Mediacom LLC and subsidiaries included in this prospectus and elsewhere in the registration statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are included herein in reliance upon the authority of said firm as experts in giving said reports.

The following audited consolidated financial statements of the Cablevision Systems, appearing elsewhere herein, have been included in this prospectus and in the registration statement in reliance upon the reports of KPMG LLP, independent certified public accountants, and upon the authority of said firm as experts in accounting and auditing:

- the consolidated balance sheets of the Cablevision Systems as of December 31, 1997 and 1996 and the related consolidated statements of operations, partners' capital (deficiency) and cash flows for the year ended December 31, 1997 and for the periods January 1, 1996 to August 12, 1996, and August 13, 1996 to December 31, 1996; and

- the consolidated balance sheets of the Cablevision Systems as of December 31, 1996 and 1995 and the related consolidated statements of operations, partners' capital (deficiency) and cash flows for the periods January 1, 1996 to August 12, 1996, and August 13, 1996 to December 31, 1996 and for the years ended December 31, 1995 and 1994.

The reports of KPMG LLP include an explanatory paragraph relating to a change in cost basis of the consolidated financial information as a result of a redemption of certain limited and general partnership interests effective August 13, 1996.

The audited financial statements of Triax Midwest Associates, LP included in this prospectus and elsewhere in the registration statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are included herein in reliance upon the authority of said firm as experts in giving said reports.

AVAILABLE INFORMATION

We have filed with the Securities and Exchange Commission a registration statement on Form S-1, including all amendments, exhibits, schedules and supplements thereto, under the Securities Act and the rules and regulations thereunder, for the registration of the Class A Common Stock offered hereby. Although this prospectus, which forms a part of the registration statement, contains all material information included in the registration statement, parts of the registration statement have been omitted as permitted by the rules and regulations of the Securities and Exchange Commission. For further information about us and the Class A common stock offered in this prospectus, you should refer to the registration statement and its exhibits. You may read and copy any document we file with the Securities and Exchange Commission at the public reference facilities maintained by the Securities and Exchange Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Securities and Exchange Commission's regional offices at 3475 Lenox Road, N.E., Suite 1000, Atlanta, Georgia 30326-1232. Copies of such material may be obtained from the Public

Reference Section of the Securities and Exchange Commission at 450 Fifth Street, NW, Washington, D.C. 20549, at prescribed rates. The public may obtain information regarding the Washington, D.C. Public Reference Room by calling the SEC at 1-800-SEC-0330. You can also review such material by accessing the Securities and Exchange Commission's Internet web site at http://www.sec.gov. This site contains reports, proxy and information statements and other information regarding issuers that file electronically with the Securities and Exchange Commission.

We intend to furnish to each of our stockholders annual reports containing audited financial statements and quarterly reports containing unaudited financial information for the first three-quarters of each fiscal year. We will also furnish to each of our stockholders such other reports as may be required by law.

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MEDIACOM LLC AND SUBSIDIARIES

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Note--Upon completion of this offering and the exchange of membership interests in Mediacom LLC for our common stock, Mediacom LLC will become our wholly-owned subsidiary. Prior to such time, Mediacom Communications Corporation had no assets, liabilities, contingent liabilities or operations.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Mediacom LLC:

We have audited the accompanying consolidated balance sheets of Mediacom LLC (a New York limited liability company) and subsidiaries as of December 31, 1998 and 1997, and the related consolidated statements of operations, changes in members' equity and cash flows for the years ended December 31, 1998 and 1997, and for the period from the commencement of operations (March 12, 1996) through December 31, 1996 and the statements of operations and cash flows from the period January 1, 1996 through March 11, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Mediacom LLC and its subsidiaries as of December 31, 1998 and 1997, and the results of their operations, members' equity and cash flows for the years ended December 31, 1998 and 1997, and for the period from commencement of operations (March 12, 1996) through December 31, 1996 and the statements of operations and cash flows from the period January 1, 1996 through March 11, 1996 in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. Schedule II--Valuation and Qualifying Accounts is presented for purposes of complying with the Securities and Exchange Commissions rules and is not part of the basic consolidated financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

Arthur Andersen LLP

Stamford, Connecticut
March 5, 1999
(except with respect to the
matter discussed in note 15,
as to which the date

is December 20, 1999)

MEDIACOM LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(All dollar amounts in 000's)

	December 31, 1998	December 31, 1997
ASSETS		
Cash and cash equivalents	$ 2,212	$ 1,027
Subscriber accounts receivable, net of allowance for doubtful accounts of $298 in 1998 and $56 in 1997	2,512	618
Prepaid expenses and other assets	1,712	1,358
Investment in cable television systems:		
Inventory	8,240	1,032
Property, plant and equipment, at cost	314,627	51,735
Less--accumulated depreciation	(45,423)	(5,737)
Property, plant and equipment, net	269,204	45,998
Intangible assets, net of accumulated amortization of $26,307 in 1998 and $3,478 in 1997	150,928	48,966
Total investment in cable television systems	428,372	95,996
Other assets, net of accumulated amortization of $3,854 in 1998 and $526 in 1997	16,344	3,792
Total assets	$451,152	$102,791
LIABILITIES AND MEMBERS' EQUITY		
LIABILITIES		
Debt	$337,905	$ 72,768
Accounts payable	2,678	853
Accrued expenses	29,446	4,021
Subscriber advances	1,510	603
Management fees payable	962	105
Total liabilities	372,501	78,350
MEMBERS' EQUITY		
Capital contributions	124,990	30,990
Accumulated deficit	(46,339)	(6,549)
Total members' equity	78,651	24,441
Total liabilities and members' equity	$451,152	$102,791

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

MEDIACOM LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(All dollar amounts in 000's)

	The Company			Predecessor
	Year Ended December 31,		March 12, 1996 through December 31,	January 1, 1996 through March 11, 1996
	1998	1997	1996	
Revenues	$ 129,297	$17,634	$ 5,411	$1,038
Costs and expenses:				
Service costs	43,849	5,547	1,511	297
Selling, general and administrative expenses	25,596	2,696	931	222
Management fee expense	5,797	882	270	52
Depreciation and amortization	65,793	7,636	2,157	527
Operating income (loss)	(11,738)	873	542	(60)
Interest expense, net	23,994	4,829	1,528	201
Other expenses	4,058	640	967	--
Net loss	$ (39,790)	$(4,596)	$(1,953)	$ (261)
Pro forma net loss and loss per share:				
Historical net loss before income taxes	$ (39,790)			
Pro forma income tax effects (note 15)	--			
Pro forma net loss	$ (39,790)			
Pro forma basic and diluted loss per share	$ (0.57)			
Pro forma common shares outstanding (note 15)	70,000,000			

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

MEDIACOM LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY
(All dollar amounts in 000's)

Balance, Commencement of Operations (March 12, 1996)	$ 5,490
Capital contributions	1,000
Net loss	(1,953)
Balance, December 31, 1996	4,537
Capital contributions	24,500
Net loss	(4,596)
Balance, December 31, 1997	24,441
Capital contributions	94,000
Net loss	(39,790)
Balance, December 31, 1998	$ 78,651

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

MEDIACOM LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(All dollar amounts in 000's)

	The Company			Predecessor
	Year Ended December 31,		March 12, 1996 through December 31,	January 1, 1996 through March 11,
	1998	1997	1996	1996
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	$ (39,790)	$ (4,596)	$ (1,953)	$(261)
Adjustments to reconcile net loss to net cash flows from operating activities:				
Accretion of interest on seller note	287	264	129	--
Depreciation and amortization	65,793	7,636	2,157	527
Changes in assets and liabilities, net of effects from acquisitions:				
Increase in subscriber accounts receivable	(1,437)	(351)	(267)	(40)
Decrease (increase) in prepaid expenses and other assets	329	(34)	(1,323)	--
Increase (decrease) in accounts payable	1,822	(242)	514	--
Increase in accrued expenses	24,843	3,762	840	--
Increase in subscriber advances	852	498	105	--
Increase in management fees payable	857	70	35	--
Net cash flows from operating activities	53,556	7,007	237	226
CASH FLOWS USED IN INVESTING ACTIVITIES:				
Capital expenditures	(53,721)	(4,699)	(671)	(86)
Acquisitions of cable television systems	(343,330)	(54,842)	(44,539)	--
Other, net	(34)	(467)	(47)	--
Net cash flows used in investing activities	(397,085)	(60,008)	(45,257)	(86)
CASH FLOWS FROM FINANCING ACTIVITIES:				
New borrowings	488,200	72,225	39,200	--
Repayment of debt	(223,350)	(40,250)	(1,600)	--
Increase in seller note	--	--	2,800	--
Capital contributions	94,000	24,500	6,490	--
Financing costs	(14,136)	(2,843)	(1,474)	--
Net cash flows from financing activities	344,714	53,632	45,416	--
Net increase in cash and cash equivalents	1,185	631	396	140
CASH AND CASH EQUIVALENTS, beginning of period	1,027	396	--	266
CASH AND CASH EQUIVALENTS, end of period	$ 2,212	$ 1,027	$ 396	$ 406
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:				
Cash paid during the year for interest	$ 21,127	$ 4,485	$ 1,190	$ 201

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

(1) The Limited Liability Company:

Organization

Mediacom LLC ("Mediacom" and collectively with its subsidiaries, the "Company"), a New York limited liability company, was formed on July 17, 1995 and initially conducted its affairs pursuant to an operating agreement dated March 12, 1996 (the "1996 Operating Agreement"). On March 31 and June 16, 1997, the 1996 Operating Agreement was amended and restated upon the admission of new members to Mediacom (the "1997 Operating Agreement"). On January 20, 1998, the 1997 Operating Agreement was amended and restated upon the admission of additional members to Mediacom (the "1998 Operating Agreement"). As of December 31, 1998, the Company had acquired and was operating cable television systems in fourteen states, principally Alabama, California, Florida, Kentucky, Missouri and North Carolina. (See Note 3).

Mediacom Capital Corporation ("Mediacom Capital"), a New York corporation wholly-owned by Mediacom, was organized in March 1998 for the sole purpose of acting as co-issuer with Mediacom of $200,000 aggregate principal amount of 8 1/2% Senior Notes due 2008 (the "8 1/2% Senior Notes"), which were issued on April 1, 1998. Mediacom Capital has nominal assets and does not conduct operations of its own. The 8 1/2% Senior Notes are joint and several obligations of Mediacom and Mediacom Capital, although Mediacom received all the net proceeds of the 8 1/2% Senior Notes.

Capitalization

The Company was initially capitalized on March 12, 1996, with equity contributions of $5,445 from Mediacom's members and $45 from Mediacom Management Corporation ("Mediacom Management"), a Delaware corporation. On June 28, 1996, Mediacom received additional equity contributions of $1,000 from an existing member.

On June 22 and September 18, 1997, Mediacom received additional equity contributions of $19,500 and $5,000, respectively, from its members. On January 22, 1998, Mediacom received additional equity contributions of $94,000 from its members.

Allocation of Losses, Profits and Distributions

For 1996, pursuant to the 1996 Operating Agreement, net losses were allocated 98% to the manager as defined in the operating agreements (the "Manager") and the balance to the other members ratably in accordance with their respective membership units. For 1997, pursuant to the 1997 Operating Agreement, net losses were allocated first to the Manager and the balance to the other members ratably in accordance with their respective membership units. For 1998, pursuant to the 1998 Operating Agreement, net losses are to be allocated first to the Manager; second, to the member owning the largest number of membership units in Mediacom; and third, to the members, other than the Manager, ratably in accordance with their respective positive capital account balances and membership units.

Profits are allocated first to the members to the extent of their deficit capital account; second, to the members to the extent of their preferred capital; third, to the members (including the Manager) until they receive an 8% preferred return on their preferred capital (the "Preferred Return"); fourth, to the Manager until the Manager receives an amount equal to 25% of the amount provided to deliver the Preferred Return to all members; the balance, 80% to the members (including the Manager) in proportion to their respective membership units and 20% to the Manager. The 1997 Operating Agreement increased the Preferred Return from 8% to 12%.

Distributions are made first to the members (including the Manager) in proportion to their respective membership units until they receive amounts equal to their preferred capital; second, to the members (including the Manager) in proportion to their percentage interests until all members receive the Preferred Return; third, to the Manager until the Manager receives 25% of the amount provided to deliver the Preferred Return; the balance, 80% to the members (including the Manager) in proportion to their percentage interests and 20% to the Manager.

Redemption Rights

Except as set forth below, no member has the right to have its membership interests redeemed or its capital contributions returned prior to dissolution of Mediacom. Pursuant to the 1998 Operating Agreement, each member has the right to require Mediacom to redeem its membership interests at any time if the holding of such interests exceeds the amount permitted, or is otherwise prohibited or becomes unduly burdensome, by any law to which such member is subject, or, in the case of any member which is a Small Business Investment Company as defined in and subject to regulation under the Small Business Investment Act of 1958, as amended, upon a change in the Company's principal business activities to an activity not eligible for investment by a Small Business Investment Company or a change in the reported use of proceeds of a member's investment in Mediacom. If Mediacom is unable to redeem for cash any or all of such membership interests at such time, Mediacom will issue as payment for such interests a junior subordinated promissory note with a five-year maturity date and deferred interest which accrues and compounds at an annual rate of 5% over the prime rate.

In addition, in connection with the Company's acquisition of the Cablevision Systems on January 23, 1998 (See Note 3), the Federal Communications Commission (the "FCC") issued a transactional forbearance from its cross-ownership restrictions, effective for a period of one year, permitting a certain existing member (the "Transactional Member") to purchase additional units of membership interest in Mediacom. This temporary waiver was originally set to expire on January 23, 1999. However, on January 15, 1999, the FCC granted an extension of such waiver to July 23, 1999. If at the end of this extension, the Transactional Member's membership interest in Mediacom remains above the limitations imposed by the FCC's cross-ownership restrictions, Mediacom will be required to repurchase such number of the Transactional Member's units of membership interest which exceed the permissible ownership level. If such repurchase were to occur on July 23, 1999 (i.e., upon expiration of the transactional forbearance), and assuming no changes in the number of outstanding membership units of Mediacom and no changes in such cross-ownership rules, the repurchase price for such excess membership interests would be approximately $7,500 plus accrued interest.

Duration and Dissolution

Mediacom will be dissolved upon the first to occur of the following: (i) December 31, 2020; (ii) certain events of bankruptcy involving the Manager or the occurrence of any other event terminating the continued membership of the Manager, unless within one hundred eighty days after such event the Company is continued by the vote or written consent of no less than two-thirds of the remaining membership interests; or (iii) the entry of a decree of judicial dissolution.

(2) Summary of Significant Accounting Policies:

Basis of Preparation of Consolidated Financial Statements

The consolidated financial statements include the accounts of Mediacom and its subsidiaries. All significant intercompany transactions and balances have been eliminated. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(All dollar amounts in 000's)

The financial statements for the period from January 1, 1996, through March 11, 1996, and reflecting the results of operations and statement of cash flows, are referred to as the "Predecessor" financial statements. The Predecessor is Benchmark Acquisition Fund II Limited Partnership which owned the assets comprising the cable television system serving at the time of its acquisition by the Company 10,300 subscribers in Ridgecrest, California. Accordingly, the accompanying financial statements of the Predecessor and the Company are not comparable in all material respects since those financial statements report results of operations and cash flows of these two separate entities.

Revenue Recognition

Revenues include subscriber service revenues and charges for installations and connections and are recognized in the period in which the related services are provided to the Company's customers. Other revenues are recognized as services are provided. Revenues obtained from the connection and installation of customers are recognized as revenue to the extent of direct selling costs incurred. The balance, if any, is deferred and amortized to income over the estimated average period that customers are expected to remain connected to the systems.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Concentration of Credit Risk

The Company's accounts receivable is comprised of amounts due from subscribers in varying regions throughout the United States. Concentration of credit risk with respect to these receivables is limited due to the large number of customers comprising the Company's customer base and their geographic dispersion.

Property, Plant and Equipment

Property, plant and equipment is recorded at purchased and capitalized cost. Repairs and maintenance are charged to operations, and replacements, renewals and additions are capitalized. The Company capitalized a portion of salaries and overhead related to the installation of property, plant and equipment of approximately $6,548 and $681 in 1998 and 1997, respectively.

The Company capitalizes interest on funds borrowed for projects under construction. Such interest is charged to property, plant and equipment and amortized over the approximate life of the related assets. Capitalized interest was approximately $1,014 in 1998.

Depreciation is calculated on a straight-line basis over the following useful lives:

Buildings	45 years
Leasehold improvements	Life of respective lease
Cable systems and equipment	5 to 10 years
Subscriber devices	5 years
Vehicles	5 years
Furniture, fixtures and office equipment	5 to 10 years

(All dollar amounts in 000's)

Intangible Assets

Intangible assets include franchising costs, goodwill, subscriber lists and covenants not to compete. Amortization of intangible assets is calculated on a straight-line basis over the following lives:

Franchising costs	15 years
Goodwill	15 years
Subscriber lists	5 years
Covenants not to compete	3 to 7 years

Impairment of Long-Lived Assets

The Company follows the provisions of Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of" ("SFAS 121"). SFAS 121 requires that long-lived assets and certain identifiable intangibles to be held and used by any entity, be reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. There has been no impairment of long-lived assets of the Company under SFAS 121.

Other Assets

Other assets include financing costs of approximately $8,492 and $3,963 as of December 31, 1998 and 1997, respectively. Financing costs incurred to raise debt and equity capital are deferred and amortized on a straight-line basis over the expected term of such financings.

Income Taxes

Since Mediacom is a limited liability company and the Predecessor is a limited partnership, they are not subject to federal or state income taxes, and no provision for income taxes relating to their statements of operations have been reflected in the accompanying financial statements. The members of Mediacom and the limited partners of the Predecessor are required to report their share of income or loss in their respective income tax returns.

Reclassifications

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

(3) Acquisitions:

The Company has completed the undernoted acquisitions (the "Acquired Systems") in 1998 and 1997. These acquisitions were accounted for using the purchase method of accounting, and accordingly, the purchase price of these Acquired Systems have been allocated to the assets acquired and liabilities assumed at their estimated fair values at their respective date of acquisition. The results of operations of the Acquired Systems have been included with those of the Company since the dates of acquisition.

1998

On January 9, 1998, Mediacom California LLC ("Mediacom California"), a subsidiary of Mediacom, acquired the assets of a cable television system serving approximately 17,200 subscribers in Clearlake, California and surrounding communities (the "Clearlake System") for a purchase price of $21,400. The purchase price has been preliminarily allocated as follows: $8,560 to property, plant and equipment, and $12,840 to intangible assets. Such allocations are subject to adjustments based upon the final appraisal information received by the Company. The final allocations of the purchase price are not expected to differ materially from the preliminary allocations. Additionally, approximately $226 of direct acquisition costs has been allocated to other assets. In the first quarter of 1998, the Company recorded acquisition reserves related to this acquisition in the amount of approximately $370, which are included in accrued expenses. The acquisition of the Clearlake System and related closing costs and adjustments were financed with borrowings under the Company's bank credit facilities. See Note 8.

On January 23, 1998, Mediacom Southeast LLC, ("Mediacom Southeast"), a wholly-owned subsidiary of Mediacom, acquired the assets of cable television systems serving approximately 260,100 subscribers in various regions of the United States (the "Cablevision Systems") for a purchase price of $308,200. The purchase price has been allocated based on independent appraisal as follows: $205,500 to property, plant and equipment, and $102,700 to intangible assets. Additionally, approximately $3,500 of direct acquisition costs has been allocated to other assets. In the first quarter of 1998, the Company recorded acquisition reserves related to this acquisition in the amount of $3,750, which are included in accrued expenses. The acquisition of the Cablevision Systems and related closing costs and adjustments were financed with equity contributions, borrowings under the Company's bank credit facilities, and other bank debt. See Notes 1 and 8.

On October 1, 1998, Mediacom Southeast acquired the assets of a cable television system serving approximately 3,800 subscribers in Caruthersville, Missouri (the "Caruthersville System") for a purchase price of $5,000. The purchase price has been preliminarily allocated as follows: $2,000 to property, plant and equipment, and $3,000 to intangible assets. Such allocations are subject to adjustments based upon the final appraisal information received by the Company. The final allocations of the purchase price are not expected to differ materially from the preliminary allocations. The acquisition of the Caruthersville System and related closing costs and adjustments were financed with borrowings under the Company's bank credit facilities. See Note 8.

1997

On June 24, 1997, Mediacom Delaware LLC ("Mediacom Delaware"), a wholly-owned subsidiary of Mediacom, acquired the assets of cable television systems serving approximately 29,300 subscribers in lower Delaware and southwestern Maryland (the "Lower Delaware System") for a purchase price of $42,600. The purchase price has been allocated as follows: $21,300 to property, plant and equipment, and $21,300 to intangible assets. Additionally, $409 of direct acquisition costs has been allocated to other assets.

On September 19, 1997, Mediacom California acquired the assets of a cable television system serving approximately 9,600 subscribers in Sun City, California (the "Sun City System") for a purchase price of $11,500. The purchase price has been allocated as follows: $7,150 to property, plant and equipment, and $4,350 to intangible assets. Additionally, $52 of direct acquisition costs has been allocated to other assets.

(4) Pro Forma Results:

Summarized below are the pro forma unaudited results of operations for the years ended December 31, 1998 and 1997, assuming the purchase of the Acquired Systems had been consummated as of January 1, 1997. Adjustments have been made to: (i) depreciation and amortization reflecting the fair value of the assets acquired; and (ii) interest expense. The pro forma results may not be indicative of the results that would have occurred if the combination had been in effect on the dates indicated or which may be obtained in the future.

(All dollar amounts in 000's)

	1998	1997
Revenue	$136,148	$120,511
Operating loss	(11,809)	(15,352)
Net loss	$(41,340)	$(42,921)

(5) Recent Accounting Pronouncements:

In 1997, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard No. 130, "Reporting Comprehensive Income," Statement of Financial Accounting Standard No. 131, "Disclosure about Segments of an Enterprise and Related Information" and Statement of Financial Accounting Standard No. 132, "Employer's Disclosure about Pension and Other Post Retirement Benefits" which are effective for the Company's fiscal 1998 financial statements. During the years ended December 31, 1998 and 1997 and the period ended December 31, 1996, the Company had no items of comprehensive income. Refer to Note 13 of the consolidated financial statements for disclosure about segments and other related information. Additionally, the Company does not have any defined benefit plans, therefore, additional disclosures are not applicable to the notes of the financial statements.

In 1998, Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," ("SFAS 133") and Statement of Position 98-5, "Reporting on the Costs of Start up Activities" ("SOP 98-5") were issued. SFAS 133 establishes accounting and reporting standards requiring that every derivative instrument be recorded in the balance sheet as either an asset or liability measured at its fair value. The Company will adopt SFAS 133 in fiscal 2001 but has not quantified the impact or not yet determined the timing or method of the adoption. SOP 98-5 provides guidance on accounting for the costs of start-up activities, which include preopening costs, preoperating costs, organization costs, and start-up costs. The Company will adopt SOP 98-5 in fiscal 1999, but does not expect any impact on the financial statements.

(6) Property, Plant and Equipment:

As of December 31, 1998 and 1997, property, plant and equipment consisted of:

	1998	1997
Land and land improvements	$ 341	$ 108
Buildings and leasehold improvements	5,731	337
Cable systems, equipment and subscriber devices	300,051	49,071
Vehicles	5,051	1,135
Furniture, fixtures and office equipment	3,453	1,084
	$314,627	$51,735
Accumulated depreciation	(45,423)	(5,737)
	$269,204	$45,998

(All dollar amounts in 000's)

(7) Intangible Assets:

The following table summarizes the net asset value for each intangible asset category as of December 31, 1998 and 1997:

1998	Gross Asset Value	Amortization	Net Asset Value
Franchising costs	$ 87,509	$ 7,983	$ 79,526
Goodwill	8,400	1,313	7,087
Subscriber lists	76,484	15,701	60,783
Covenants not to compete	4,842	1,310	3,532
	$177,235	$26,307	$150,928

1997	Gross Asset Value	Amortization	Net Asset Value
Franchising costs	$ 22,181	$ 1,732	$ 20,449
Goodwill	6,848	333	6,515
Subscriber list	18,573	1,085	17,488
Covenants not to compete	4,842	328	4,514
	$ 52,444	$ 3,478	$ 48,966

(8) Debt:

As of December 31, 1998 and 1997, debt consisted of:

	1998	1997
Mediacom:		
8 1/2% Senior Notes(a)	$200,000	$ --
Subsidiaries:		
Bank Credit Facilities(b)	134,425	69,575
Seller Note(c)	3,480	3,193
	$337,905	$72,768

(a) On April 1, 1998, Mediacom and Mediacom Capital jointly issued $200,000 aggregate principal amount of 8 1/2% Senior Notes due on April 15, 2008. The 8 1/2% Senior Notes are unsecured obligations of the Company, and the indenture for the 8 1/2% Senior Notes stipulates, among other things, restrictions on incurrence of indebtedness, distributions, mergers and asset sales and has cross-default provisions related to other debt of the Company. Interest accrues at 8 1/2% per annum, beginning from the date of issuance and is payable semi-annually on April 15 and October 15 of each year, commencing on October 15, 1998. The 8 1/2% Senior Notes may be redeemed at the option of Mediacom, in whole or part, at any time after April 15, 2003, at redemption prices decreasing from 104.25% of their principal amount to 100% in 2006, plus accrued and unpaid interest.

(b) On January 23, 1998, Mediacom Southeast entered into an eight and one-half year, $225,000 reducing revolver and term loan agreement (the "Southeast Credit Facility"). On June 24, 1997, Mediacom California, Mediacom Delaware and Mediacom Arizona LLC, a wholly-owned subsidiary of Mediacom (collectively, the "Western Group"), entered into an eight and one-half year, $100,000 reducing revolver and term loan agreement (the "Western Credit Facility" and, together with the Southeast Credit Facility, the "Bank Credit Facilities"). At December 31, 1998, the aggregate commitments under the Bank Credit Facilities were $324,400. The Bank Credit Facilities are non-recourse to Mediacom and have no cross-default provisions relating directly to each other. The reducing revolving credit lines under the Bank Credit Facilities make available a maximum commitment amount for a period of up to eight and one-half years, which is subject to quarterly reductions, beginning September 30, 1998, ranging from 0.21% to 12.42% of the original commitment amount of the reducing revolver. The term loans under the Bank Credit Facilities are repaid in consecutive installments beginning September 30, 1998, ranging from 0.42% to 12.92% of the original term loan amount. The Bank Credit Facilities require mandatory reductions of the reducing revolvers and mandatory prepayments of the term loans from excess cash flow, as defined, beginning December 31, 1999. The Bank Credit Facilities provide for interest at varying rates based upon various borrowing options and the attainment of certain financial ratios and for commitment fees of 3/8% to 1/2% per annum on the unused portion of available credit under the reducing revolver credit lines. The effective interest rates on outstanding debt under the Bank Credit Facilities were 7.2% and 8.8% for the three months ending December 31, 1998 and December 31, 1997, respectively, after giving effect to the interest rate swap agreements discussed below.

(All dollar amounts in 000's)

The applicable margins for the respective borrowing rate options have the following ranges:

Interest Rate Option	Margin Rate
Base Rate	0.250% to 1.625%
Eurodollar Rate	1.250% to 2.625%

The Bank Credit Facilities require Mediacom's subsidiaries to maintain compliance with certain financial covenants including, but not limited to, the leverage ratio, the interest coverage ratio, the fixed charge coverage ratio and the pro forma debt service coverage ratio, as defined in the respective credit agreements. The Bank Credit Facilities also require Mediacom's subsidiaries to maintain compliance with other covenants including, but not limited to, limitations on mergers and acquisitions, consolidations and sales of certain assets, liens, the incurrence of additional indebtedness, certain restrictive payments, and certain transactions with affiliates. The Company was in compliance with all covenants as of December 31, 1998.

The Bank Credit Facilities are secured by Mediacom's pledge of all its ownership interests in the subsidiaries and a first priority lien on all the tangible and intangible assets of the operating subsidiaries, other than real property in the case of the Southeast Credit Facility. The indebtedness under the Bank Credit Facilities is guaranteed by Mediacom on a limited recourse basis to the extent of its ownership interests in the operating subsidiaries. At December 31, 1998, the Company had approximately $189,900 of unused commitments under the Bank Credit Facilities, all of which could have been borrowed by the operating subsidiaries for purposes of distributing such borrowed proceeds to Mediacom under the most restrictive covenants in the Company's bank credit agreements.

As of December 31, 1998, the Company had entered into interest rate exchange agreements (the "Swaps") with various banks pursuant to which the interest rate on $60,000 is fixed at a weighted average swap rate of approximately 6.2%, plus the average applicable margin over the Eurodollar Rate option under the Bank Credit Facilities. Any amounts paid or received due to swap arrangements are recorded as an adjustment to interest expense. Under the terms of the Swaps, which expire from 1999 through 2002, the Company is exposed to credit loss in the event of nonperformance by the other parties to the Swaps. However, the Company does not anticipate nonperformance by the counterparties.

(c) In connection with the acquisition of the Kern Valley System, the Western Group issued to the seller an unsecured senior subordinated note (the "Seller Note") in the amount of $2,800, with a final maturity of June 28, 2006. Interest is deferred throughout the term of the note and is payable at maturity or upon prepayment. For the five-year period ending June 28, 2001, the annual interest rate is 9.0%. After the initial five-year period, the annual interest rate increases to 15.0%, with an interest clawback for the first five years. After the initial seven-year period, the interest rate increases to 18.0%, with an interest clawback for the first seven years. The Company intends to prepay the Seller Note plus accrued interest on or before June 28, 2001, subject to prior approval by the parties to the Western Credit Facilities, which the Company believes it will obtain. The Company expects to repay the Seller Note with cash flow generated from operations and future borrowings. There are no penalties associated with prepayment of this note.

(All dollar amounts in 000's)

The Seller Note agreement contains a debt incurrence covenant limiting the ability of the Western Group to incur additional indebtedness. The Seller Note is subordinated and junior in right of payment to all senior obligations, as defined in the Western Credit Facility.

The stated maturities of all debt outstanding as of December 31, 1998, are as follows:

1999	$ 2,000
2000	2,300
2001	6,600
2002	9,500
2003	13,600
Thereafter	303,905
	$337,905

(9) Related Party Transactions:

Separate management agreements with each of Mediacom's subsidiaries provide for Mediacom Management to be paid compensation for management services performed for the Company. Under such agreements, Mediacom Management, which is wholly-owned by the Manager, is entitled to receive annual management fees calculated as follows: (i) 5.0% of the first $50,000 of annual gross operating revenues of the Company; (ii) 4.5% of such revenues in excess thereof up to $75,000; and (iii) 4.0% of such revenues in excess of $75,000. The Company incurred management fees of approximately $5,797, $882, and $270 for the years ended 1998 and 1997, and for the period ended December 31, 1996, respectively.

The operating agreement of Mediacom provides for Mediacom Management to be paid a fee of 1.0% of the purchase price of acquisitions made by the Company until the Company's pro forma consolidated annual operating revenues equal $75,000 and 0.5% of such purchase price thereafter. The Company incurred acquisition fees of approximately $3,327, $544, and $441 for the years ended 1998 and 1997, and for the period ended December 31, 1996, respectively. The acquisition fees are included in other expenses in the statement of operations.

In addition, the operating agreements of the Company provide for the reimbursement of reasonable out-of-pocket expenses of Mediacom Management incurred in connection with the operation of the business of the Company and acting for or on behalf of the Company in connection with any potential acquisitions. The Company reimbursed Mediacom Management approximately $53, $59, and $529 for the years ended 1998 and 1997, and for the period ended December 31, 1996, respectively.

(10) Employee Benefit Plans:

Substantially all employees of the Company are eligible to participate in a deferred arrangement pursuant to IRC Section 401(k) (the "Plan"). Under such arrangement, eligible employees may contribute up to 15% of their current pre-tax compensation to the Plan. The Plan permits, but does not require, matching contributions and non-matching (profit sharing) contributions to be made by the Company up to a maximum dollar amount or maximum percentage of participant contributions, as determined annually by the Company. The Company presently matches 50% on the first 6% of employee contributions. The Company's contributions under the Plan totaled approximately $264, $14, and $10 for the years ended 1998 and 1997, and for the period ended December 31, 1996, respectively.

(All dollar amounts in 000's)

(11) Commitments and Contingencies:

Under various lease and rental agreements for offices, warehouses and computer terminals, the Company had rental expense of approximately $588, $138, and $22 for the years ended 1998 and 1997, and for the period ended December 31, 1996, respectively. Future minimum annual rental payments are as follows:

1999	$1,815
2000	1,190
2001	768
2002	379
2003	267

In addition, the Company rents utility poles in its operations generally under short-term arrangements, but the Company expects these arrangements to recur. Total rental expense for utility poles was approximately $1,709, $102, and $24 for the years ended 1998 and 1997, and for the period ended December 31, 1996, respectively.

Legal Proceedings

Management is not aware of any legal proceedings currently that will have a material adverse impact on the Company's financial statements.

Regulation in the Cable Television Industry

The cable television industry is subject to extensive regulation by federal, local and, in some instances, state government agencies. The Cable Television Consumer Protection and Competition Act of 1992 and the Cable Communication Policy Act of 1984 (collectively, the "Cable Acts"), both of which amended the Communications Act of 1934 (as amended, the "Communications Act"), established a national policy to guide the development and regulation of cable television systems. The Communications Act was recently amended by the Telecommunications Act of 1996 (the "1996 Telecom Act"). Principal responsibility for implementing the policies of the Cable Acts and the 1996 Telecom Act has been allocated between the FCC and state or local regulatory authorities.

Federal Law and Regulation

The Cable Acts and the FCC's rules implementing such acts generally have increased the administrative and operational expenses of cable television systems and have resulted in additional regulatory oversight by the FCC and local or state franchise authorities. The Cable Acts and the corresponding FCC regulations have established, among other things: (i) rate regulations; (ii) mandatory carriage and retransmission consent requirements that require a cable television system under certain circumstances to carry a local broadcast station or to obtain consent to carry a local or distant broadcast station; (iii) rules for franchise renewals and transfers; and (iv) other requirements covering a variety of operational areas such as equal employment opportunity, technical standards and customer service requirements.

The 1996 Telecom Act deregulates rates for cable programming services tiers ("CPST") on March 31, 1999 and, for certain small cable operators, immediately eliminates rate regulation of CPST, and, in certain limited circumstances, basic services. The FCC is currently developing permanent regulations to implement the rate deregulation provisions of the 1996 Telecom Act. The Company is currently unable to predict the ultimate effect of the Cable Acts or the 1996 Telecom Act on its financial statements.

The FCC and Congress continue to be concerned that rates for regulated programming services are rising at a rate exceeding inflation. It is therefore possible that the FCC will further restrict the ability of cable television operators to implement rate increases and/or Congress will enact legislation which would, for example, delay or suspend the scheduled March 1999 termination of CPST rate regulation.

State and Local Regulation

Cable television systems generally operate pursuant to non-exclusive franchises, permits or licenses granted by a municipality or other state or local governmental entity. The terms and conditions of franchises vary materially from jurisdiction to jurisdiction. A number of states subject cable television systems to the jurisdiction of centralized state government agencies. To date, other than Delaware, no state in which the Company currently operates has enacted state level regulation. The Company cannot predict whether any of the states in which currently operates will engage in such regulation in the future.

(12) Disclosures about Fair Value of Financial Instruments:

Debt

The fair value of the Company's debt is estimated based on the current rates offered to the Company for debt of the same remaining maturities. The fair value of the senior bank debt and the Seller Note approximates the carrying value. The fair value at December 31, 1998 of the 8 1/2% Senior Notes was approximately $204,500.

Interest Rate Exchange Agreements

The fair value of the Swaps is the estimated amount that the Company would receive or pay to terminate the Swaps, taking into account current interest rates and the current creditworthiness of the Swap counterparties. At December 31, 1998, the Company would have paid approximately $1,464 to terminate the Swaps, inclusive of accrued interest.

(13) FASB 131--Disclosure about Segments of an Enterprise and Related Information:

During the fourth quarter of fiscal year 1998, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 131, "Disclosure about Segments of an Enterprise and Related Information". This statement requires the Company to report segment financial information consistent with the presentations made to the Company's management for decision-making purposes. All revenues of the Company are derived solely from cable television operations and related activities. When allocating capital and operational resources to the cable television systems, the Company's management evaluates such factors as the bandwidth capacity and other cable plant characteristics, the offered programming services, and the rate structure. The decision making of the Company's management is based primarily on the impact of such resource allocations on the Company's consolidated system cash flow (defined as operating income before management fee expense, and depreciation and amortization). For the years ended 1998 and 1997, and for the period ended December 31, 1996, the Company's consolidated system cash flow was approximately $59,850, $9,390, and $2,960, respectively.

(14) Recent Events:

On February 26, 1999, Mediacom and Mediacom Capital, a New York corporation wholly-owned by Mediacom, jointly issued $125,000 aggregate principal amount of 7 7/8% Senior Notes due on February 15, 2011. The net proceeds from this offering of approximately $121,900 were used to repay a substantial portion of outstanding indebtedness under the Company's bank credit facilities. Interest on the 7 7/8% Senior Notes will be payable semi-annually on February 15 and August 15 of each year, commencing on August 15, 1999.

The Company is regularly presented with opportunities to acquire cable television systems that are evaluated on the basis of the Company's acquisition strategy. Although the Company presently does not have any definitive agreements to acquire or sell any of its cable television systems, it is negotiating with prospective sellers to acquire additional cable television systems. If definitive agreements for all such potential acquisitions are executed, and if such acquisitions are then consummated, the Company's customer base would approximately double in size. These acquisitions are subject to the negotiation and completion of definitive documentation, which will include customary representations and warranties and will be subject to a number of closing conditions. Financing for these potential transactions has not been determined; however, if such acquisitions are consummated, the Company believes its total indebtedness would substantially increase. No assurance can be given that such definitive documents will be entered into or that, if entered into, the acquisitions will be consummated.

(15) Subsequent events:

The Company has filed a registration statement with the Securities and Exchange Commission with the intent of having an initial public offering of its common stock. In connection therewith, the members of the limited liability company will exchange their membership interests for shares in a C corporation and will become subject to federal and state income taxes. As of December 31, 1998, had the Company been a C corporation, the Company would have recognized a non-recurring non-cash benefit to earnings of approximately $900 to record a net deferred tax asset.

Pro forma earnings per share is calculated in accordance with SFAS No. 128 "Earnings Per Share" and is presented on a pro forma basis as if the shares issued to effect the exchange of membership interests of Mediacom LLC for shares in a C corporation were outstanding for all periods presented. The pro forma common shares outstanding reflect the 40,977,562 Class A shares and 29,022,438 Class B shares issued to effect the exchange of membership interests of Mediacom LLC as if these shares were outstanding for the period January 1, 1998 through December 31, 1998. These shares are based upon the relative ownership percentages of membership interests in Mediacom LLC immediately prior to the completion of this offering and are based on an initial public offering price of $17.50, the mid-point of the range set forth in the registration statement. The calculation does not include the effect of any stock or stock options that may be granted as part of the IPO. The Company has operating losses for the periods presented and has not reflected any income tax benefit as part of the pro forma loss.

At the time of the offering, the Company will terminate the management services agreement with Mediacom Management and all employees of Mediacom Management will become employees of the new C corporation.

MEDIACOM LLC AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
(All dollar amounts in 000's)

	Balance at beginning of period	Additions charged to costs and expenses	Deductions	Balance at end of period
December 31, 1996				
Allowance for doubtful accounts				
Current receivables........	$ --	$ 91	$ 66	$ 25
Acquisition reserves				
Accrued expenses....	$ --	$ --	$ --	$ --
December 31, 1997				
Allowance for doubtful accounts				
Current receivables........	$ 25	$ 45	$ 14	$ 56
Acquisition reserves				
Accrued expenses....	$ --	$ --	$ --	$ --
December 31, 1998				
Allowance for doubtful accounts				
Current receivables........	$ 56	$1,694	$1,452	$ 298
Acquisition reserves(1)				
Accrued expenses....	$ --	$4,120	$ --	$4,120

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(/1/) Addition was charged to intangible assets

MEDIACOM LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(All dollar amounts in 000's)

	September 30, 1999 (Unaudited)	December 31, 1998
ASSETS		
Cash and cash equivalents	$ 3,700	$ 2,212
Subscriber accounts receivable, net of allowance for doubtful accounts of $408 in 1999 and $298 in 1998	2,269	2,512
Prepaid expenses and other assets	2,947	1,712
Investment in cable television systems:		
Inventory	11,606	8,240
Property, plant and equipment, at cost	369,100	314,627
Less--accumulated depreciation	(82,200)	(45,423)
Property, plant and equipment, net	286,900	269,204
Intangible assets, net of accumulated amortization of $45,103 in 1999 and $26,307 in 1998	134,768	150,928
Total investment in cable television systems	433,274	428,372
Other assets, net of accumulated amortization of $4,773 in 1999 and $3,854 in 1998	12,965	16,344
Total assets	$ 445,155	$451,152
LIABILITIES AND MEMBERS' EQUITY		
LIABILITIES		
Debt	$ 377,500	$337,905
Accounts payable	1,662	2,678
Accrued expenses	31,621	29,446
Subscriber advances	1,857	1,510
Management fees payable	1,881	962
Total liabilities	414,521	372,501
COMMITMENTS AND CONTINGENCIES	--	--
MEMBERS' EQUITY		
Capital contributions	124,990	124,990
Accumulated deficit	(84,356)	(46,339)
Total members' equity	40,634	78,651
Total liabilities and members' equity	$ 455,155	$451,152

See accompanying notes to consolidated financial statements

MEDIACOM LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(All dollar amounts in 000's)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
Revenues	$ 39,052	$34,306	$ 113,230	$ 94,374
Costs and expenses:				
Service costs	12,396	11,411	36,571	32,873
Selling, general and administrative expenses	7,314	6,562	21,816	18,101
Management fee expense	1,562	1,557	5,150	4,340
Depreciation and amortization	24,723	16,915	66,154	44,338
Operating loss	(6,943)	(2,139)	(16,461)	(5,278)
Interest expense, net	7,185	6,048	20,577	17,786
Other expenses	245	270	979	3,838
Net loss	$(14,373)	$(8,457)	$ (38,017)	$(26,902)
Pro forma net loss and loss per share:				
Historical net loss before income taxes			$ (38,017)	
Pro forma income tax effects (note 6)			--	
Pro forma net loss			$ (38,017)	
Pro forma basic and diluted loss per share			$ (0.54)	
Pro forma common shares outstanding (note 6)			70,000,000	

See accompanying notes to consolidated financial statements

MEDIACOM LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(All dollar amounts in 000's)
(Unaudited)

	Nine Months Ended September 30, 1999	Nine Months Ended September 30, 1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (38,017)	$ (26,902)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Accretion of interest on seller note	225	205
Depreciation and amortization	66,154	44,338
Decrease (increase) in subscriber accounts receivable	243	(1,389)
Increase in prepaid expenses and other assets	(1,235)	(1,603)
(Decrease) increase in accounts payable	(1,016)	4,003
Increase in accrued expenses	2,175	28,694
Increase in subscriber advances	347	40
Increase in management fees payable	919	409
Net cash flows from operating activities	29,795	47,796
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Capital expenditures	(60,245)	(35,430)
Acquisitions of cable television systems	--	(336,994)
Other, net	(387)	(28)
Net cash flows used in investing activities	(60,632)	(372,452)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings	224,700	466,225
Repayment of debt	(185,330)	(221,800)
Capital contributions	--	94,000
Financing costs	(7,045)	(13,828)
Net cash flows from financing activities	32,325	324,597
Net increase (decrease) in cash and cash equivalents	1,488	(59)
CASH AND CASH EQUIVALENTS, beginning of period	2,212	1,027
CASH AND CASH EQUIVALENTS, end of period	$ 3,700	$ 968
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for interest	$ 16,438	$ 9,420

See accompanying notes to consolidated financial statements

MEDIACOM LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(All dollar amounts in 000's)
(Unaudited)

(1) Statement of Accounting Presentation and Other Information

Mediacom LLC ("Mediacom" and collectively with its subsidiaries, the "Company"), a New York limited liability company, was formed in July 1995 principally to acquire and operate cable television systems. As of September 30, 1999, the Company had acquired and was operating cable television systems in fourteen states, principally Alabama, California, Florida, Kentucky, Missouri and North Carolina.

Mediacom Capital Corporation ("Mediacom Capital"), a New York corporation wholly-owned by Mediacom, was organized in March 1998 for the sole purpose of acting as co-issuer with Mediacom of $200,000 aggregate principal amount of 8 1/2% senior notes due 2008 (the "8 1/2% Senior Notes") and of $125,000 aggregate principal amount of 7 7/8% senior notes due 2011 (the "7 7/8% Senior Notes" and collectively with the 8 1/2% Senior Notes, the "Senior Notes") (see Note 3). Mediacom Capital has nominal assets and does not conduct operations of its own. The Senior Notes are joint and several obligations of Mediacom and Mediacom Capital, although Mediacom received all the net proceeds of the Senior Notes.

The consolidated financial statements include the accounts of Mediacom and its subsidiaries and have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted.

The consolidated financial statements as of September 30, 1999 and 1998 are unaudited; however, in the opinion of management, such statements include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results for the periods presented. The accounting policies followed during such interim periods reported are in conformity with generally accepted accounting principles and are consistent with those applied during annual periods. For additional disclosures, including a summary of the Company's accounting policies, the interim financial statements should be read in conjunction with the Company's Annual Report on Form 10-K, as amended (File Nos. 333-57285-01 and 333-57285). 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, 1999.

(2) Acquisitions

The Company completed the undernoted acquisitions in 1998 (the "1998 Acquisitions"). These acquisitions were accounted for using the purchase method of accounting and accordingly, the purchase price of these acquisitions has been allocated to the assets acquired and liabilities assumed at their estimated fair values at their respective date of acquisition. The results of operations of the 1998 Acquisitions have been included with those of the Company since the dates of acquisition.

On January 9, 1998, the Company acquired the assets of a cable television system serving approximately 17,200 basic subscribers in Clearlake, California and surrounding communities (the "Clearlake System") for a purchase price of $21,400. The purchase price has been allocated based on an independent appraisal as follows: approximately $5,973 to property, plant and equipment, and approximately $15,427 to intangible assets. Additionally, approximately $226 of direct acquisition costs has been allocated to other assets. In the first quarter of 1998, the Company recorded acquisition reserves related to this acquisition in the amount of approximately $370, which are included in accrued expenses. The acquisition of the Clearlake System and related closing costs and adjustments were financed with borrowings under the Company's bank credit facilities (see Note 3).

On January 23, 1998, the Company acquired the assets of cable television systems serving approximately 260,100 basic subscribers in various regions of the United States (the "Cablevision Systems") for a purchase price of approximately $308,200. The purchase price has been allocated based on an independent appraisal as follows: approximately $205,500 to property, plant and equipment, and approximately $102,700 to intangible assets. Additionally, approximately $3,500 of direct acquisition costs has been allocated to other assets. In the first quarter of 1998, the Company recorded acquisition reserves related to this acquisition in the amount of approximately $3,750, which are included in accrued expenses. The acquisition of the Cablevision Systems and related closing costs and adjustments were financed with equity contributions and borrowings under the Company's bank credit facilities (see Note 3).

(All dollar amounts in 000's)

On October 1, 1998, the Company acquired the assets of a cable television system serving approximately 3,800 basic subscribers in Caruthersville, Missouri (the "Caruthersville System") for a purchase price of $5,000. The purchase price has been allocated as follows: approximately $2,300 to property, plant and equipment, and approximately $2,700 to intangible assets. The acquisition of the Caruthersville System and related closing costs and adjustments were financed with borrowings under the Company's bank credit facilities (see Note 3).

(3) Debt

As of September 30, 1999 and December 31, 1998, debt consisted of:

	September 30, 1999	December 31, 1999
Mediacom:		
8 1/2% Senior Notes(a)	$200,000	$200,000
7 7/8% Senior Notes(b)	125,000	--
Subsidiaries:		
Bank Credit Facilities(c)	52,500	134,425
Seller Note(d)	--	3,480
	$377,500	$337,905

(a) On April 1, 1998, Mediacom and Mediacom Capital jointly issued $200,000 aggregate principal amount of 8 1/2% Senior Notes due on April 15, 2008. The 8 1/2% Senior Notes are unsecured obligations of the Company, and the indenture for the 8 1/2% Senior Notes stipulates, among other things, restrictions on incurrence of indebtedness, distributions, mergers and asset sales and has cross-default provisions related to other debt of the Company. Interest accrues at 8 1/2% per annum, beginning from the date of issuance and is payable semi-annually on April 15 and October 15 of each year. The 8 1/2% Senior Notes may be redeemed at the option of Mediacom, in whole or part, at any time after April 15, 2003, at redemption prices decreasing from 104.25% of their principal amount to 100% in 2006, plus accrued and unpaid interest.

(b) On February 26, 1999, Mediacom and Mediacom Capital jointly issued $125,000 aggregate principal amount of 7 7/8% Senior Notes due on February 15, 2011. The 7 7/8% Senior Notes are unsecured obligations of the Company, and the indenture for the 7 7/8% Senior Notes stipulates, among other things, restrictions on incurrence of indebtedness, distributions, mergers and asset sales and has cross-default provisions related to other debt of the Company. Interest accrues at 7 7/8% per annum, beginning from the date of issuance and is payable semi-annually on February 15 and August 15 of each year, commencing on August 15, 1999. The 7 7/8% Senior Notes may be redeemed at the option of Mediacom, in whole or part, at any time after February 15, 2006, at redemption prices decreasing from 103.938% of their principal amount to 100% in 2008, plus accrued and unpaid interest.

(c) On June 24, 1997, the Company entered into an eight and one-half year $100,000 reducing revolver and term loan agreement (the "Western Credit Agreement"). On January 23, 1998, the Company entered into a separate eight and one-half year $225,000 reducing revolver and term loan agreement (the "Southeast Credit Agreement" and together with the Western Credit Agreement, the "Bank Credit Agreements"). By separate amendments dated as of January 26, 1999 to each of the Bank Credit Agreements, the term loans were converted into additional revolving credit loans.

On September 30, 1999, the Company refinanced the Bank Credit Agreements with $550,000 of credit facilities, consisting of a $450,000 reducing revolving credit facility and a $100,000 term loan (the "Mediacom USA Credit Agreement"). The revolving credit facility expires March 31, 2008, subject to repayment on June 30, 2007 if Mediacom does not refinance the 8 1/2% Senior Notes. The term loan is due and payable on September 30, 2008, and is also subject to repayment on September 30, 2007 if Mediacom does not refinance the 8 1/2% Senior Notes. The reducing revolving credit facility makes available a maximum commitment amount for a period of up to eight and one-half years, which is subject to quarterly reductions, beginning September 30, 2002, ranging from 1.25% to 17.50% of the original commitment amount of the reducing revolver. The Mediacom USA Credit Agreement requires mandatory reductions of the reducing revolver facility from excess cash flow, as defined, beginning December 31, 2002. The Mediacom USA Credit Agreement provides for interest at varying rates based upon various borrowing options and the attainment of certain financial ratios, and for commitment fees of 1/4% to 3/8% per annum on the unused portion of available credit under the reducing revolver credit facility. The average interest rate on outstanding bank debt was 6.7% and 6.9% for the three months ended September 30, 1999 and December 31, 1998, respectively, before giving effect to the interest rate swap agreements discussed below.

The Mediacom USA Credit Agreement requires the Company to maintain compliance with certain financial covenants including, but not limited to, the leverage ratio, the interest coverage ratio, and the pro forma debt service coverage ratio, as defined therein. The Mediacom USA Credit Agreement also requires the Company to maintain compliance with other covenants including, but not limited to, limitations on mergers and acquisitions, consolidations and sales of certain assets, liens, the incurrence of additional indebtedness, certain restrictive payments, and certain transactions with affiliates. The Company was in compliance with all covenants of the Mediacom USA Credit Agreement as of September 30, 1999.

The Mediacom USA Credit Agreement is secured by Mediacom's pledge of all its ownership interests in its operating subsidiaries and is guaranteed by Mediacom on a limited recourse basis to the extent of such ownership interests. At September 30, 1999, the Company had $497,500 of unused bank commitments under the Mediacom USA Credit Agreement, of which approximately $384,500 could have been borrowed by the operating subsidiaries for purposes of distributing such borrowed proceeds to Mediacom under the most restrictive covenants.

As of September 30, 1999, the Company had entered into interest rate exchange agreements (the "Swaps") with various banks pursuant to which the interest rate on $50,000 is fixed at a weighted average swap rate of approximately 6.2%, plus the average applicable margin over the Eurodollar Rate option under the Mediacom USA Credit Agreement. Under the terms of the Swaps, which expire from 2000 through 2002, the Company is exposed to credit loss in the event of nonperformance by the other parties to the Swaps. However, the Company does not anticipate nonperformance by the counterparties.

(All dollar amounts in 000's)

(d) In connection with an acquisition completed in 1996, certain subsidiaries of Mediacom issued to the seller an unsecured senior subordinated note (the "Seller Note") in the amount of $2,800, with a final maturity of June 28, 2006. Interest is deferred throughout the term of the Seller Note and is payable at maturity or upon prepayment. The Seller Note was prepaid in full on September 24, 1999 with no penalties associated with such prepayment.

The stated maturities of all debt outstanding as of September 30, 1999 are as follows:

2000	$ --
2001	--
2002	500
2003	1,000
2004	1,000
Thereafter	375,000
	$377,500

(4) Commitments and Contingencies

Pursuant to the Cable Television Consumer Protection and Competition Act of 1992, the Federal Communications Commission (the "FCC") adopted comprehensive regulations governing rates charged to subscribers for basic cable and cable programming services. The FCC's authority to regulate the rates charged for cable programming services expired on March 31, 1999. Basic cable rates must be set using a benchmark formula. Alternatively, a cable operator can attempt to establish higher rates through a cost-of-service showing. The FCC has also adopted regulations that permit qualifying small cable operators to justify their regulated rates using a simplified rate-setting methodology. This methodology almost always results in rates which exceed those produced by the cost-of-service rules applicable to larger cable television operators. Approximately 70% of the basic subscribers served by the Company's cable television systems are covered by such FCC rules. Once rates for basic cable service have been established pursuant to one of these methodologies, the rate level can subsequently be adjusted only to reflect changes in the number of regulated channels, inflation, and increases in certain external costs, such as franchise and other governmental fees, copyright and retransmission consent fees, taxes, programming costs and franchise-related obligations. FCC regulations also govern the rates which can be charged for the lease of customer premises equipment and for installation services.

As a result of such legislation and FCC regulations, the Company's basic cable service rates and its equipment and installation charges (the "Regulated Services") are subject to the jurisdiction of local franchising authorities. The Company believes that it has complied in all material respects with the rate regulation provisions of the federal law. However, the Company's rates for Regulated Services are subject to review by the appropriate franchise authority if it is certified by the FCC to regulate basic cable service rates. If, as a result of the review process, the Company cannot substantiate the rates charged by its cable television systems for Regulated Services, the Company could be required to reduce its rates for Regulated Services to the appropriate level and refund the excess portion of rates received for up to one year prior to the implementation of any increase in rates for Regulated Services.

The Company's agreements with franchise authorities require the payment of fees of up to 5% of annual revenues. Such franchises are generally nonexclusive and are granted by local governmental authorities for a specified term of years, generally for periods of up to fifteen years.

On April 29, 1999, a bank issued two irrevocable letters of credit in the aggregate amount of $30,000 in favor of the seller of the Triax systems (defined below) to secure the Company's performance under the related definitive agreement. On November 5, 1999, the Company completed the acquisition of the Triax systems and accordingly such letters of credit were cancelled.

(5) FASB 131--Disclosure about Segments of an Enterprise and Related Information

As of December 31, 1998, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 131, "Disclosure about Segments of an Enterprise and Related Information". This statement requires the Company to report segment financial information consistent with the presentations made to the Company's management for decision-making purposes. All revenues of the Company are derived solely from cable television operations and related activities. The decision making of the Company's management is based primarily on the impact of capital and operational resource allocations on the Company's consolidated system cash flow (defined as operating income (loss) before management fee expense, and depreciation and amortization). The Company's management evaluates such factors as the bandwidth capacity and other cable plant characteristics, the offered programming services, and the customer rates, when allocating capital and operational resources. The Company's consolidated system cash flow for the three months ended September 30, 1999 and 1998 was approximately $19,300, and $16,300, respectively, and for the nine months ended September 30, 1999 and 1998 was approximately $54,800 and $43,400 respectively.

(6) Recent Developments

Acquisitions and Financings

On October 15, 1999, the Company acquired the stock of Zylstra Communications Corporation ("Zylstra") for a purchase price of approximately $19,500, subject to certain adjustments. Zylstra owns and operates cable television systems serving approximately 14,000 subscribers in Iowa, Minnesota and South Dakota. The Zylstra acquisition was financed with borrowings under the Mediacom USA Credit Agreement.

On November 5, 1999, the Company entered into credit facilities of $550,000, consisting of a $450,000 reducing revolver credit facility expiring on June 2008 and a $100,000 term loan due December 2008 (the "Mediacom Midwest Credit Agreement"). The terms of the Mediacom Midwest Credit Agreement are substantially similar to the terms of the Mediacom USA Credit Agreement.

On November 5, 1999, the Company acquired the assets of cable television systems owned by Triax Midwest Associates, L.P. ("Triax") for a purchase price of approximately $740,100, subject to certain adjustments. The Triax systems serve approximately 344,000 subscribers primarily in Illinois, Indiana, and Minnesota. This acquisition was financed with $10,500 of additional equity contributions from the Company's members and borrowings under the Mediacom USA Credit Agreement and Mediacom Midwest Credit Agreement.

SoftNet Agreement

On November 4, 1999, the Company completed an agreement with SoftNet Systems, Inc. ("SoftNet") a high-speed broadband Internet access and content services company, to deploy SoftNet Systems' high-speed Internet access services throughout the Company's cable television systems. In addition to a revenue sharing arrangement, the Company will receive 3.5 million shares of SoftNet's common stock, representing a fair value of approximately $95,000 as of December 14, 1999, in exchange for SoftNet's long-term rights to deliver high-speed Internet access services to the Company's customers. Under the terms of this agreement, over a period of three years the Company is required to upgrade its cable network to provide two-way communications capability in cable systems passing 900,000 homes, including the Triax and Zylstra systems, and make available such homes to SoftNet. Of the issued shares, 90% are subject to forfeiture in the event the Company does not perform subject to the schedule set forth in this agreement calling for the delivery by the Company of two-way capable homes.

Management Agreements

Each of the Company's operating subsidiaries is a party to a management agreement with Mediacom Management Corporation ("Mediacom Management"). Under these agreements, Mediacom Management provides management services to the Company's operating subsidiaries and is paid annual management fees of 5.0% of the first $50,000 of annual gross operating revenues, 4.5% of revenues in excess of $50,000 up to $75,000 and 4.0% of revenues in excess of $75,000. Mediacom Management utilized such fees to compensate its employees as well as fund its corporate overhead. The management agreements were revised effective November 19, 1999 in connection with an amendment to Mediacom's operating agreement, to provide for management fees equal to 2.0% of annual gross revenues. In addition, Mediacom Management has agreed to waive the management fees accrued from July 1, 1999 through November 19, 1999.

The operating agreement of Mediacom provides that Mediacom Management is paid an acquisition fee of 1.0% of the purchase price of acquisitions made by Mediacom until its pro forma consolidated annual revenues equals $75,000, and thereafter 0.5% of such purchase price. No such fees were paid during the nine months ended September 30, 1999 since there were no acquisitions completed during this period. Pursuant to the amendment to Mediacom's operating agreement, no further acquisition fees will be payable.

During the fourth quarter of fiscal 1999, the Company will record a one-time, non-recurring, non-cash charge of $12,500 associated with the amendments to the management agreements of Mediacom Management for which additional membership interests will be issued to an existing member of Mediacom upon occurrence of a future valuation of Mediacom including an initial public offering.

Employment Arrangements

On November 19, 1999, a certain member granted a specified number of membership units to certain members of management for past and future services. These units will vest over five years and will be subject to forfeiture penalties based on a three year period between the date the membership units become vested and the date the employee leaves Mediacom. Approximately 55% of membership interests will be fully vested and non-forfeitable on the date of grant. During the fourth quarter, Mediacom will record a one-time non-cash compensation charge of $13,483 relating to these vested and non-forfeitable membership interests based on an initial public offering price of $17.50, the mid-point of the range set forth in the registration statement as discussed below. Mediacom will also record deferred compensation for $11,128 relating to the nonvested and forfeitable membership interests and will record this compensation in expense over a period of five to eight years.

Initial Public Offering

On November 12, 1999, a registration statement was filed with the Securities and Exchange Commission for an initial public offering ("IPO") of shares of Class A common stock. In connection therewith, Mediacom Communications Corporation ("MCC"), a Delaware Corporation, was formed. Immediately prior to the IPO, MCC will issue shares of common stock in exchange for all the outstanding membership interests of Mediacom, which currently serves as the holding company for the operating subsidiaries. As a result, MCC will become the parent company of Mediacom, which will continue to serve as the holding company of the subsidiaries.

Immediately prior to the IPO, additional membership interests will be issued to all members of Mediacom in accordance with a formula set forth in Mediacom's amended operating agreement which is based upon a valuation of Mediacom established at the time of the IPO. Effective upon completion of the IPO, a provision in the amended operating agreement providing for a special allocation of membership interests to certain members based upon valuations of Mediacom performed from time to time shall be removed. In connection with the removal of a portion of such provision, the amended operating agreement also provides for the issuance to a certain member, membership interests representing 16.5% of the equity in Mediacom in accordance with a formula based upon the valuation established immediately prior to the IPO. These newly issued membership interests will be exchanged for shares of MCC's common stock in the IPO.

In addition, certain members of management will receive options to purchase 7.2 million shares of common stock in exchange for the removal of the balance of the provision providing for a special allocation of membership interests. These options are for a term of five years and are exercisable, commencing six months after the completion of the IPO, at a price equal to the initial public offering price. With the exception of options to purchase approximately 6.9 million shares of Class B common stock to be held by a certain member of management, such options will be subject to forfeiture penalties based on a three year period between the date the options become vested and the date the employee leaves Mediacom.

The management agreements between Mediacom Management and each of the operating subsidiaries will be terminated upon completion of the IPO, and Mediacom Management's employees will become MCC's employees and its corporate overhead will become MCC's corporate overhead. These expenses will be reflected as a corporate expense in the consolidated statement of operations.

As of December 20, 1999, the Board of Directors adopted a stock option plan for officers and key employees. Upon completion of the IPO, options for an aggregate of 2.8 million shares of Class A and Class B common stock will have been granted to employees at an exercise price equal to the initial public offering price. Such options will vest in equal annual installments over five years. Vesting is contingent on continuous employment. Options that do not vest will be forfeited.

The Company is currently a limited liability company and its members are required to report their share of income or loss in their respective income tax returns. After the completion of the IPO and the exchange of membership interests in Mediacom for shares of MCC's common stock, the results of MCC will be included in MCC's corporate tax returns. MCC will also record a one-time non recurring charge to earnings to record a net deferred tax liability. If the Company had been a C corporation as of September 30, 1999, this charge would have been $1,937.

Pro forma earnings per share is calculated in accordance with SFAS No. 128 "Earnings Per Share" and is presented on a pro forma basis as if the shares issued to effect the exchange of membership interests of Mediacom LLC for shares in a C corporation were outstanding for all periods presented. The pro forma common shares outstanding reflect the 40,977,562 Class A shares and 29,022,438 Class B shares issued to effect the exchange of membership interests of Mediacom LLC as if these shares were outstanding for the period January 1, 1998 through December 31, 1998. These shares are based upon the relative ownership percentages of membership interests in Mediacom LLC immediately prior to the completion of this offering and are based on an initial public offering price of $17.50, the mid-point of the range set forth in the registration statement. The calculation does not include the effect of any stock or stock options that may be granted as part of the IPO. The Company has operating losses for the periods presented and has not reflected any income tax benefit as part of the pro forma loss.

Independent Auditors' Report

The Board of Directors
U.S. Cable Television Group, L.P.

We have audited the accompanying consolidated balance sheets of U.S. Cable Television Group, L.P. and subsidiaries (a wholly-owned subsidiary of Cablevision Systems Corporation) as of December 31, 1997 and 1996, and the related consolidated statements of operations and partners' capital (deficiency) and cash flows for the year ended December 31, 1997, and for the periods from January 1, 1996 to August 12, 1996, and August 13, 1996 to December 31, 1996. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of U.S. Cable Television Group, L.P. and subsidiaries as of December 31, 1997 and 1996, and the results of their operations and their cash flows for the year ended December 31, 1997, and the periods from January 1, 1996 to August 12, 1996, and August 13, 1996 to December 31, 1996, in conformity with generally accepted accounting principles.

As discussed in note 1 to the consolidated financial statements, effective August 13, 1996, U.S. Cable Television Group L.P. redeemed certain limited and general partnership interests in a business combination accounted for as a purchase. As a result of the redemption, the consolidated financial information for the period after the redemption is presented on a different cost basis than that for the period before the redemption and therefore, is not comparable.

KPMG LLP

Jericho, New York
March 20, 1998

U.S. CABLE TELEVISION GROUP, L.P.
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
December 31, 1997 and 1996
(Dollars in thousands)

	1997	1996
ASSETS		
Cash and cash equivalents	$ 281	$ 49
Accounts receivable-subscribers (less allowance for doubtful accounts of $218 and $122)	1,082	995
Other receivables	502	383
Prepaid expenses and other assets	632	477
Property, plant and equipment, net	84,363	93,543
Excess costs over fair value of net assets acquired (less accumulated amortization of $29,158 and $7,952)	119,363	140,487
Deferred financing costs (less accumulated amortization of $1,062 and $292)	1,771	1,997
	$207,994	$237,931
LIABILITIES AND PARTNER'S CAPITAL		
Accounts payable	$ 11,605	$ 10,246
Accrued expenses:		
Franchise fees	1,087	1,089
Payroll and related benefits	4,463	4,728
Interest	879	947
Other	7,174	3,688
Accounts payable-affiliates	1,367	500
Bank debt	154,960	159,460
Total liabilities	181,535	180,658
Partners' capital	26,459	57,273
	$207,994	$237,931

See accompanying notes to consolidated financial statements.

U.S. CABLE TELEVISION GROUP, L.P.
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND
PARTNERS' CAPITAL (DEFICIENCY)
(Dollars in thousands)

	Year ended December 31, 1997	Period from August 13, 1996 to December 31, 1996	Period from January 1, 1996 to August 12, 1996
Revenues................	$ 89,016	$ 32,144	$ 49,685
Operating expenses:			
Technical expenses....	38,513	15,111	23,467
Selling, general and administrative expenses.............	22,099	6,677	11,021
Depreciation and amortization.........	46,116	17,842	21,034
Operating loss......	(17,712)	(7,486)	(5,837)
Other (expense) income:			
Interest expense......	(12,727)	(5,136)	(10,922)
Interest income.......	25	14	33
Other, net............	(400)	(119)	(69)
Net loss................	(30,814)	(12,727)	(16,795)
Partners' capital (deficiency):			
Beginning of period...	57,273	--	(92,795)
Capital contribution..	--	70,000	--
End of period.........	$ 26,459	$ 57,273	$(109,590)

See accompanying notes to consolidated financial statements.

U.S. CABLE TELEVISION GROUP, L.P.
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	Year ended December 31, 1997	Period from August 13, 1996 to December 31, 1996	Period from January 1, 1996 to August 12, 1996
Cash flows from operating activities			
Net loss	$(30,814)	$ (12,727)	$(16,795)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	46,116	17,842	21,034
Amortization of deferred financing costs	770	292	477
(Gain) loss on disposal of equipment	(116)	43	39
Changes in assets and liabilities, net of effects of acquisition:			
Accounts receivable, net	(87)	634	(625)
Other receivables	(119)	94	(129)
Prepaid expenses and other assets	(155)	131	(204)
Accounts payable and accrued expenses	4,510	265	(2,318)
Accounts payable to affiliates	867	(576)	1,029
Net cash provided by operating activities	20,972	5,998	2,508
Cash flows from investing activities:			
Capital expenditures	(15,769)	(5,317)	(11,995)
Proceeds from sale of equipment	155	53	48
Net cash used in investing activities	(15,614)	(5,264)	(11,947)
Cash flows from financing activities:			
Advance from V Cable	--	--	70,000
Cash paid for redemption of partners' interests	--	(4,010)	--
Additions to excess costs	(82)	(98)	--
Additions to deferred financing costs	(544)	(2,289)	
Proceeds from bank debt	10,300	159,810	--
Repayment of bank debt	(14,800)	(350)	--
Repayment of senior debt	--	(153,538)	(60,807)
Net cash (used in) provided by financing activities	(5,126)	(475)	9,193
Net increase (decrease) in cash and cash equivalents	232	259	(246)
Cash and cash equivalents at beginning of period	49	(210)	36
Cash and cash equivalents at end of period	$ 281	$ 49	$ (210)

See accompanying notes to consolidated financial statements.

(Dollars in thousands)

(1) The Company

U.S. Cable Television Group, L.P. (the "Company") was formed for the purpose of acquiring, owning and operating cable television systems, which are generally operated pursuant to non-exclusive franchises awarded by states or local government authorities for specified periods of time. The Company currently operates cable television systems serving portions of the southeastern and midwestern United States. The Company's revenues are derived principally from the provision of cable television services, which include recurring monthly fees paid by subscribers.

Prior to the Redemption discussed in the next paragraph, the partnership consisted of V Cable, Inc. ("V Cable"), a wholly-owned subsidiary of Cablevision Systems Corporation ("CSC"), with an indirect 1% general partnership interest and a 19% limited partnership interest, General Electric Capital Corporation ("GECC"), with a 72% limited partnership interest and various individuals and entities owning the remaining 8% partnership interest, as general and/or limited partners (the "Predecessor Company"). Profits and losses were allocated in accordance with the Amended and Restated Agreement of Limited Partnership.

On March 18, 1996, V Cable advanced $70 million to the Company which was considered a capital contribution coincident with the Redemption. On August 13, 1996, the Company redeemed the partnership interests not already owned by V Cable ("the Redemption") for a payment of approximately $4 million to the holders of 8% of the partnership interests and the repayment of the balance of the debt owed to General Electric Capital Corporation ("GECC") of approximately $154 million. The payment of $4 million and repayment of the GECC debt was financed under a new $175 million credit facility (Note 4). As a result of the Redemption, which was accounted for as a purchase, the consolidated financial information for the periods after the Redemption is presented on a different cost basis than that for the period before the Redemption and, therefore, is not comparable due to the change in ownership.

Subsequent to the Redemption, V Cable, through wholly-owned subsidiaries, holds an indirect 1% general partnership interest and a direct 99% limited partnership interest (the "Successor Company"). The partnership will terminate December 1, 2030, unless earlier termination occurs as provided in the Amended and Restated Agreement of Limited Partnership.

As a result of the capital contribution of $70,000 (discussed above), the $4,010 Redemption price and $98 of miscellaneous transaction costs, the Successor Company effectively paid $74,108 to acquire net liabilities of $74,331, which resulted in excess costs over fair value of $148,439, as follows:

Purchase price and transaction costs	$ 74,108
Net liabilities acquired:	
Cash, receivables and prepaids	2,504
Property, plant and equipment	98,212
Accounts payables and accrued expenses	(20,433)
Accounts payable-affiliate	(1,076)
Senior debt	(153,538)
	(74,331)
Excess costs over fair value of net liabilities acquired	$ 148,439

For purposes of the consolidated financial statements for the year ended December 31, 1997, and for the period from August 13, 1996 to December 31, 1996, this excess cost is being amortized over a 7 year period.

On August 29, 1997, the Company and CSC entered into an agreement with Mediacom LLC ("Mediacom") to sell to Mediacom substantially all of the assets and cable systems owned by the Company. The transaction was consummated on January 23, 1998, for a sales price of approximately $311 million (the "Mediacom Sale").

(2) Significant Accounting Policies

Principles of Consolidation

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

Revenue Recognition

The Company recognizes revenues as cable television services are provided to subscribers.

Long-Lived Assets

Property, plant and equipment, including construction materials, are recorded at cost, which includes all direct costs and certain indirect costs associated with the construction of cable television transmission and distribution systems and the costs of new subscriber installations. Property, plant and equipment are being depreciated over their estimated useful lives using the straight-line method. Leasehold improvements are amortized over the shorter of their useful lives or the terms of the related leases.

With respect to the Predecessor Company, franchise costs were amortized on the straight-line basis over the average term of the franchises (approximately 4-12 years) and excess costs over fair value of net assets acquired were amortized over a 15 year period on the straight-line basis. As mentioned in note 1, the Successor Company is amortizing excess costs over fair value of net assets acquired over 7 years.

The Company implemented the provisions of Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," effective January 1, 1996. The Company reviews its long-lived assets (property, plant and equipment, and related intangible assets that arose from business combinations accounted for under the purchase method) for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. If the sum of the expected cash flows, undiscounted and without interest, is less than the carrying amount of the asset, an impairment loss is recognized as the amount by which the carrying amount of the asset exceeds its fair value. The adoption of Statement No. 121 had no impact on the Company's financial position or results of operations.

Deferred Financing Costs

Costs incurred to obtain debt are deferred and amortized on the straight-line basis over the term of the related debt.

Income Taxes

The Company operates as a limited partnership; accordingly, its taxable income or loss is includable in the tax returns of the partners, and therefore, no provision for income taxes has been made on the books of the Company. ECC Holding Corporation ("ECC"), one of the Company's subsidiaries, is a corporate entity and as such is subject to federal and state income taxes. Income tax amounts in these consolidated financial statements pertain to ECC.

ECC accounts for income taxes under the provisions of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes", which requires the liability method of accounting for deferred income taxes and permits the recognition of deferred tax assets, subject to an ongoing assessment of realizability.

Cash Flows

For purposes of the statement of cash flows, the Company considers short-term investments with a maturity at date of purchase of three months or less to be cash equivalents. The Company paid cash interest of approximately $12,026 for the year ended December 31, 1997, $13,610 for the period from January 1, 1996 to August 12, 1996, and $4,189 for the period from August 13, 1996 to December 31, 1996, respectively.

Use of Estimates in Preparation of Financial Statements

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

(Dollars in thousands)

(3) Property, Plant and Equipment

Property, plant and equipment and estimated useful lives at December 31, 1997 and 1996, are as follows:

	1997	1996	Estimated Useful lives
Cable television transmission and distribution systems:			
Customer equipment	$ 5,175	$ 6,810	5 years
Headends	7,539	6,338	9 years
Infrastructure	94,920	81,502	10 years
Program, service and test equipment	2,824	2,141	4-7 years
Microwave equipment	95	78	4-7 years
Construction in progress (including materials and supplies)	699	521	
	111,252	97,390	
Furniture and fixtures	722	591	5 years
Transportation	3,782	2,886	4 years
Land and land improvements	863	1,074	30 years
Leasehold improvements	1,612	1,305	Term of Lease
	118,231	103,246	
Less accumulated depreciation	(33,868)	(9,703)	
	$ 84,363	$ 93,543	

(4) Debt

Bank Debt

In August 1996, the Successor Company repaid the balance of the debt owed to GECC of approximately $154,000. The repayment of the GECC debt was financed under a new $175,000 credit facility. The credit facility is with a group of banks led by the Bank of New York, as agent, and consists of a three year $175,000 revolving credit facility maturing on August 13, 1999. The revolving credit facility is payable in full upon maturity. As of December 31, 1997 and 1996, the Company had outstanding borrowings under its revolving credit facility of $154,960 and $159,460, inclusive of overdraft amounts of $1,900 and $0, respectively, leaving unrestricted and undrawn funds available amounting to $21,940 and $15,540. Amounts outstanding under the facility bear interest at varying rates based upon the bank's LIBOR rate, as defined in the loan agreement. The weighted average interest rate was 7.1% and 7.6% on December 31, 1997 and 1996, respectively. The Company is also obligated to pay fees of .375% per annum on the unused loan commitment. Substantially all of the general and limited partnership interests in the Company have been pledged in support of the borrowings under the credit agreement. The credit facility contains various restrictive covenants, with which the Company was in compliance at December 31, 1997.

In January 1998, all amounts outstanding under the bank debt were repaid from the proceeds from the Mediacom Sale.

(Dollars in thousands)

Junior Subordinated Note

In August 1996, the Predecessor Company's Junior Term Loan and related accrued interest was forgiven by GECC in the amount of $35,560.

(5) Income Taxes

ECC has a net operating loss carryforward for federal income tax purposes of approximately $65,500 expiring in varying amounts through 2012.

The tax effects of temporary differences which give rise to significant deferred tax assets or liabilities and the corresponding valuation allowance at December 31, 1997 and 1996, are as follows:

Deferred Assets	1997	1996
Depreciation and amortization	$ 7,132	$ 7,132
Allowance for doubtful accounts	51	51
Benefits of tax loss carry forward	27,510	26,166
Net deferred tax assets	34,693	33,349
Valuation allowance	(34,693)	(33,349)
	--	--

ECC has provided a valuation allowance for the total amount of the net deferred tax assets since realization of these assets is not assured.

(6) Operating Leases

The Company leases certain office and transmission facilities under terms of operating leases expiring at various dates through 2008. The leases generally provide for fixed annual rental payments plus real estate taxes and certain other costs. Rent expense for the year ended December 31, 1997, and the periods from January 1, 1996 to August 12, 1996, and from August 13, 1996 to December 31, 1996, amounted to approximately $778, $505, and $303, respectively.

The Company rents space on utility poles for its operations. Pole rental expense for the year ended December 31, 1997, and for the periods from January 1, 1996 to August 12, 1996, and from August 13, 1996 to December 31, 1996, amounted to approximately $1,440, $912, and $547, respectively.

In connection with the Mediacom sale, the Company was relieved of all of its future obligations under its operating leases.

(7) Related Party Transactions

CSC has interests in several entities engaged in providing cable television programming and other services to the cable television industry. During the year ended December 31, 1997 and for the periods from January 1, 1996 to August 12, 1996, and from August 13, 1996 to December 31, 1996, the Company was charged approximately $742, $510 and $268, respectively, by these entities for such services. At December 31, 1997 and 1996, the Company owed approximately $65 and $60, respectively, to these companies for such programming services which is included in accounts payable-affiliates in the accompanying consolidated balance sheet.

CSC provides the Company with general and administrative services. For the year ended December 31, 1997 and for the periods from January 1, 1996 to August 12, 1996, and from August 13, 1996 to December 31, 1996, these charges totaled approximately $3,059, $2,274 and $1,712, respectively. Amounts owed to CSC at December 31, 1997 and 1996, for such expenses were approximately $1,109 and $408, respectively, and is included in accounts payable-affiliates in the accompanying consolidated balance sheet.

(8) Benefit Plan

During 1989, the Company adopted a 401 (k) savings plan (the "Plan"). Employee participation is voluntary. Under the provisions of the Plan, employees may defer up to 15% of their annual compensation (as defined). The Company currently contributes 50% of the contributions made by participating employees subject to a limit of 6% of the employee's compensation. The Company may make additional contributions at its discretion. For the year ended December 31, 1997, and for the periods from January 1, 1996 to August 12, 1996, and from August 13, 1996 to December 31, 1996, expense relating to this Plan amounted to $165, $189 and $138, respectively.

The Company does not provide postretirement benefits for any of its employees.

(9) Disclosures About The Fair Value Of Financial Instruments

Cash and Cash Equivalents, Accounts Receivable-Subscribers, Other Receivables, Accounts Payable, Accrued Expenses, and Accounts Payable-Affiliates

Carrying amounts approximate fair value due to the short maturity of these instruments.

Bank Debt

The carrying amounts of the Company's long term debt instruments approximate fair value as the underlying variable interest rates are adjusted for market rate fluctuations.

Independent Auditor's Report

The Board of Directors
U.S. Cable Television Group, L.P.

We have audited the accompanying consolidated balance sheets of U.S. Cable Television Group, L.P. and subsidiaries as of December 31, 1996 and 1995, and the related consolidated statements of operations and partners' capital (deficiency) and cash flows for the periods from January 1, 1996 to August 12, 1996 and August 13, 1996 to December 31, 1996, and for each of the years in the two year period ended December 31, 1995. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of U.S. Cable Television Group, L.P. and subsidiaries as of December 31, 1996 and 1995, and the results of their operations and their cash flows for the periods from January 1, 1996 to August 12, 1996 and August 13, 1996 to December 31, 1996, and for each of the years in the two year period ended December 31, 1995 in conformity with generally accepted accounting principles.

As discussed in note 1 to the consolidated financial statements, effective August 13, 1996, U.S. Cable Television Group L.P. redeemed certain limited and general partnership interests in a business combination accounted for as a purchase. As a result of the redemption, the consolidated financial information for the period after the redemption is presented on a different cost basis than that for the period before the redemption, and therefore, is not comparable.

KPMG LLP

Jericho, New York
April 1, 1997, except as to Note 11,
which is as of January 23, 1998

U.S. CABLE TELEVISION GROUP, L.P.
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
December 31, 1996 and 1995
(Dollars in thousands)

	1996	1995
ASSETS		
Cash and cash equivalents	$ 49	$ 36
Accounts receivable--subscribers (less allowance for doubtful accounts of $122 and $202)	995	1,004
Other receivables	383	348
Accounts receivable from affiliates	--	75
Prepaid expenses and other assets	477	404
Property, plant and equipment, net	93,543	101,439
Deferred franchise costs (less accumulated amortization of $92,787)	--	13,738
Excess cost over fair value of net assets acquired (less accumulated amortization of $7,952 and $22,272)	140,487	61,197
Deferred financing and other costs (less accumulated amortization of $292 and $4,452)	1,997	1,620
	$237,931	$179,861
LIABILITIES AND PARTNERS' CAPITAL (DEFICIENCY)		
Accounts payable	$ 10,246	$ 4,170
Accrued expenses:		
Franchise fees	1,089	995
Payroll and related benefits	4,728	3,796
Programming costs	--	7,216
Interest	947	--
Other	3,688	7,442
Accounts payable to affiliates	500	--
Bank debt	159,460	--
Senior debt	--	214,392
Junior subordinated note	--	34,645
Total liabilities	180,658	272,656
Partners' capital (deficiency)	57,273	(92,795)
	$237,931	$179,861

See accompanying notes to consolidated financial statements.

U.S. CABLE TELEVISION GROUP, L.P.
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND
PARTNERS' CAPITAL (DEFICIENCY)
(see note 1)
(Dollars in thousands)

	Period from August 13, 1996 to December 31, 1996	Period from January 1, 1996 to August 12, 1996	Year Ended December 31, 1995	Year Ended December 31, 1994
Revenue	$ 32,144	$ 49,685	$ 76,568	$ 71,960
Operating expenses:				
Technical expenses	15,111	23,467	34,895	29,674
Selling, general and administrative expenses	6,677	11,021	19,875	20,776
Depreciation and amortization	17,842	21,034	36,329	41,861
Operating loss	(7,486)	(5,837)	(14,531)	(20,351)
Other (expense) income:				
Interest expense	(5,136)	(10,922)	(26,157)	(24,195)
Interest income	14	33	70	236
Other, net	(119)	(69)	(241)	(1,280)
Net loss	(12,727)	(16,795)	(40,859)	(45,590)
Partners' capital (deficiency):				
Beginning of period	--	(92,795)	(51,936)	(6,346)
Capital contribution	70,000	--	--	--
End of year	$ 57,273	$(109,590)	$(92,795)	$(51,936)

See accompanying notes to consolidated financial statements.

U.S. CABLE TELEVISION GROUP, L.P.
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(see note 1)
(Dollars in thousands)

	Period from August 13, 1996 to December 31, 1996	Period from January 1, 1996 to August 12, 1996	Year Ended December 31, 1995	Year Ended December 31, 1994
Cash flows from operating activities:				
Net loss	$ (12,727)	$(16,795)	$(40,859)	$(45,590)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Depreciation and amortization	17,842	21,034	36,329	41,861
Amortization of deferred financing costs	292	477	746	752
Loss on disposal of equipment	43	39	104	192
Interest on senior subordinated debentures	--	--	10,022	9,038
Interest on junior subordinated debentures	--	--	3,970	3,516
Changes in assets and liabilities, net of effects of acquisition:				
Accounts receivables, net	634	(625)	(546)	(47)
Other receivables	94	(129)	(225)	(54)
Prepaid expenses and other assets	131	(204)	(3)	80
Accounts payable and accrued expenses	265	(2,318)	3,193	2,995
Accounts payable to affiliates	(576)	1,029	(744)	575
Net cash provided by operating activities	5,998	2,508	11,987	13,318
Cash flows used in investing activities:				
Capital expenditures	(5,317)	(11,995)	(20,502)	(21,359)
Proceeds from sale of equipment	53	48	430	--
Net cash used in investing activities	(5,264)	(11,947)	(20,072)	(21,359)
Cash flows from financing activities:				
Advance from V Cable	--	70,000	--	--
Cash paid for redemption of partners' interests	(4,010)	--	--	--
Additions to excess costs	(98)	--	--	--
Additions to deferred financing costs	(2,289)	--	--	--
Proceeds from bank debt	159,810	--	8,000	--
Repayment of bank debt	(350)	--	--	--
Repayment of senior debt	(153,538)	(60,807)	--	--
Repayment of note payable	--	--	--	(35)
Net cash used in financing activities	(475)	9,193	8,000	(35)
Net increase in cash and cash equivalents	259	(246)	(85)	(8,076)
Cash and cash equivalents at beginning of period	(210)	36	121	8,197
Cash and cash equivalents at end of period	$ 49	$ (210)	$ 36	$ 121

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands)

(1) The Company

U.S. Cable Television Group, L.P. (the "Company") was formed for the purpose of acquiring, owning and operating cable television systems, which are generally operated pursuant to non-exclusive franchises awarded by states or local government authorities for specified periods of time. The Company currently operates cable television systems serving portions of the southeastern and Midwestern United States. The Company's revenues are derived principally from the provision of cable television services, which include recurring monthly fees paid by subscribers.

Prior to the Redemption discussed in the next paragraph, the partnership consisted of V Cable, Inc. ("V Cable"), a wholly-owned subsidiary of Cablevision Systems Corporation ("CSC"), with an indirect 1% general partnership interest and a 19% limited partnership interest, General Electric Capital Corporation ("GECC"), with a 72% limited partnership interest and various individuals and entities owning the remaining 8% partnership interest, as general and/or limited partners (the "Predecessor Company"). Profits and losses were allocated in accordance with the Amended and Restated Agreement of Limited Partnership.

On March 18, 1996, V Cable advanced $70 million to the Company which was considered a capital contribution coincident with the Redemption. On August 13, 1996, the Company redeemed the partnership interests not already owned by V Cable ("the Redemption") for a payment of approximately $4 million to the holders of 8% of the partnership interests and the repayment of the balance of the debt owed to General Electric Capital Corporation ("GECC") of approximately $154 million. The payment of $4 million and repayment of the GECC debt was financed under a new $175 million credit facility (Note 4). As a result of the Redemption, which was accounted for as a purchase, the consolidated financial information for the periods after the Redemption is presented on a different cost basis than that for the period before the Redemption and, therefore, is not comparable due to the change in ownership.

Subsequent to the Redemption, V Cable, through wholly-owned subsidiaries, holds an indirect 1% general partnership interest and a direct 99% limited partnership interest (the "Successor Company"). The partnership will terminate December 1, 2030, unless earlier termination occurs as provided in the Amended and Restated Agreement of Limited Partnership.

As a result of the capital contribution of $70,000 (discussed above), the $4,010 Redemption price and $98 of miscellaneous transaction costs, the Successor Company effectively paid $74,108 to acquire net liabilities of $74,331, which resulted in excess costs over fair value of $148,439, as follows:

Purchase price and transaction costs	$ 74,108
Net liabilities acquired:	
Cash, receivables and prepaids	2,504
Property, plant and equipment	98,212
Accounts payables and accrued expenses	(20,433)
Accounts payable--affiliate	(1,076)
Senior debt	(153,538)
	(74,331)
Excess costs over fair value of net liabilities acquired	$ 148,439

For purposes of the consolidated financial statements for the period from August 13, 1996 to December 31, 1996, this excess cost amount is being amortized over a 7 year period.

(2) Significant Accounting Policies

Principles of Consolidation

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

Revenue Recognition

The Company recognizes revenues as cable television services are provided to subscribers.

Long-Lived Assets

Property, plant and equipment, including construction materials, are recorded at cost, which includes all direct costs and certain indirect costs associated with the construction of cable television transmission and distribution systems and the costs of new subscriber installations. Property, plant and equipment are being depreciated over their estimated useful lives using the straight-line method. Leasehold improvements are amortized over the shorter of their useful lives or the terms of the related leases.

With respect to the Predecessor Company, franchise costs were amortized on the straight-line basis over the average term of the franchises (approximately 4-12 years) and excess costs over fair value of net assets acquired were amortized over a 15 year period on the straight-line basis. As mentioned in note 1, the Successor Company is amortizing excess costs over fair value of net assets acquired over 7 years.

The Company implemented the provisions of Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," effective January 1, 1996. The Company reviews its long-lived assets (property, plant and equipment, and related intangible assets that arose from business combinations accounted for under the purchase method) for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. If the sum of the expected cash flows, undiscounted and without interest, is less than the carrying amount of the asset, an impairment loss is recognized as the amount by which the carrying amount of the asset exceeds its fair value. The adoption of Statement No. 121 had no impact on the Company's financial position or results of operations.

Deferred Financing and Other Costs

Costs incurred to obtain debt are deferred and amortized on the straight-line basis over the term of the related debt. Other costs consist of organization costs in 1995 which were amortized over a five year period on the straight line basis.

Income Taxes

The Company operates as a limited partnership; accordingly, its taxable income or loss is includable in the tax returns of the partners, and therefore, no provision for income taxes has been made on the books of the Company. ECC Holdings Corporation ("ECC"), one of the Company's subsidiaries, is a corporate entity and as such is subject to federal and state income taxes. Income tax amounts in these consolidated financial statements pertain to ECC.

(Dollars in thousands)

(2) Significant Accounting Policies (continued)

ECC accounts for income taxes under the provisions of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes", which requires the liability method of accounting for deferred income taxes and permits the recognition of deferred tax assets, subject to an ongoing assessment of realizability.

Cash Flows

For purposes of the statement of cash flows, the Company considers short-term investments with a maturity at date of purchase of three months or less to be cash equivalents. The Company paid cash interest of approximately $13,610 for the period from January 1, 1996 to August 12, 1996, $4,189 for the period from August 13, 1996 to December 31, 1996 and $8,761 and $12,900 for the years ended December 31, 1995 and 1994, respectively.

Use of Estimates in Preparation of Financial Statements

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

(3) Property, Plant and Equipment

Property, plant and equipment and estimated useful lives at December 31, 1996 and 1995 are as follows:

	1996	1995	Estimated Useful lives
Cable television transmission and distribution systems:			
Converters	$ 6,810	$ 18,609	5 years
Headends	6,338	27,363	9 years
Distribution systems	81,502	171,570	10 years
Program, service, microwave and test equipment	2,219	4,396	4-7 years
Construction in progress (including materials and supplies)	521	675	
	97,390	222,613	
Furniture and fixtures	591	4,429	5 years
Vehicles	2,886	7,411	4 years
Building and improvements	1,074	2,895	30 years
Leasehold improvements	1,305	--	Term of Lease
Land	--	852	
	103,246	238,200	
Less accumulated depreciation	(9,703)	(136,761)	
	$ 93,543	$ 101,439	

(Dollars in thousands)

(4) Debt

Bank Debt

As discussed in Note 1, on August 13, 1996, the Successor Company paid GECC approximately $154,000 in exchange for GECC's limited partnership interests in the Company and in satisfaction of the outstanding balance of all indebtedness due GECC. The repayment of the GECC debt was financed under a new $175,000 credit facility. The credit facility is with a group of banks led by the Bank of New York, as agent, and consists of a three year $175,000 revolving credit facility maturing on August 13, 1999. The revolving credit facility is payable in full upon maturity. As of December 31, 1996, the Company has outstanding borrowings under its revolving credit facility of $159,460, leaving unrestricted and undrawn funds available amounting to $15,540. Amounts outstanding under the facility bear interest at varying rates based upon the bank's LIBOR rate, as defined in the loan agreement. The weighted average interest rate was 7.6% on December 31, 1996. The Company is also obligated to pay fees of .375% per annum on the unused loan commitment.

Substantially all of the general and limited partnership interests in the Company have been pledged in support of the borrowings under the credit agreement. The credit facility contains various restrictive covenants, with which the Company was in compliance at December 31, 1996.

Senior Debt and Junior Subordinated Note

At December 31, 1995, the credit agreement between the Predecessor Company and GECC (the "Credit Agreement") was composed of a Senior Loan Agreement and a Junior Loan Agreement. Under the Senior Loan Agreement, GECC had provided a $30,000 revolving line of credit (the "Revolving Line"), a $104,443 term loan (the "Series A Term Loan") with interest payable currently and, a $92,302 term loan (the "Series B Term Loan") with payment of interest deferred until December 31, 2001. Under the Junior Loan Agreement, GECC had provided a $24,039 term loan (the "Junior Term Loan") with payment of interest deferred until December 31, 2001. The senior loan agreement and junior loan agreement are collectively referred to as the "Loan Agreements".

At December 31, 1995, the Predecessor Company's outstanding debt to GECC, which was all due on December 31, 2001, was comprised of the following:

Senior Debt	
Revolving line of credit, with interest at varying rates.......	$ 8,000
Series A Term Loan, with interest at 10.12%....................	104,443
Series B Term Loan, with interest at 10.62%....................	101,949
Total Senior Debt...	214,392
Junior Subordinated Note, with interest at 12.55%................	34,645
Total debt..	$249,037

(5) Income Taxes

ECC has a net operating loss carryforward for federal income tax purposes of approximately $21,708 expiring in varying amounts through 2011.

(Dollars in thousands)

The tax effects of temporary differences which give rise to significant deferred tax assets or liabilities and the corresponding valuation allowance at December 31, 1996 and 1995 are as follows:

Deferred Assets

	1996	1995
Depreciation and amortization	$ 7,132	$ (9,572)
Allowance for doubtful accounts	51	85
Benefits of tax loss carry forwards	9,117	24,783
Net deferred tax assets	16,300	15,296
Valuation allowance	(16,300)	(15,296)
	$ --	$ --

ECC has provided a valuation allowance for the total amount of the net deferred tax assets since realization of these assets is not assured due principally to a history of operating losses. The amount of the valuation allowance increased by $1,004 during the year ended December 31, 1996.

(6) Operating Leases

The Company leases certain office and transmission facilities under terms of operating leases expiring at various dates through 2008. The leases generally provide for fixed annual rental payments plus real estate taxes and certain other costs. Rent expense for the periods from January 1, 1996 to August 12, 1996 and from August 13, 1996 to December 31, 1996 amounted to approximately $505 and $303, respectively, and for the years ended December 31, 1995 and 1994 amounted to $705 and $635, respectively.

The Company rents space on utility poles for its operations. The Company's pole rental agreements are for varying terms, and management anticipates renewals as they expire. Pole rental expense for the periods from January 1, 1996 to August 12, 1996 and from August 13, 1996 to December 31, 1996 amounted to approximately $912 and $547, respectively, and for the years ended December 31, 1995 and 1994 amounted to $1,312 and $1,199, respectively.

The minimum future annual rental payments for all operating leases, including pole rentals from January 1, 1997 through December 31, 2008, at rates presently in force at December 31, 1996, are approximately: 1997, $1,902; 1998, $1,764; 1999, $1,735; 2000, $1,657; 2001, $1,599; and thereafter $2,945.

(7) Related Party Transactions

CSC has interests in several entities engaged in providing cable television programming and other services to the cable television industry. For the periods from January 1, 1996 to August 12, 1996 and from August 13, 1996 to December 31, 1996, the Company was charged approximately $510 and $268, respectively, and for the years ended December 31, 1995 and 1994 the Company was charged approximately $568 and $407, respectively, by these entities for such services. At December 31, 1996 and 1995, the Company owed approximately $60 and $107 to these companies for such programming services which is included in accounts payable-affiliates in the accompanying consolidated balance sheets.

CSC provides the Company with general and administrative services. For the periods from January 1, 1996 to August 12, 1996 and from August 13, 1996 to December 31, 1996, the Company was charged $2,274 and $1,712, respectively, and for the years ended December 31, 1995 and 1994 these charges totaled approximately $3,530 and $3,300. Amounts owed to CSC at December 31, 1996 and 1995 for such expenses were approximately $408 and $365 and is included in accounts payable-affiliates in the accompanying consolidated balance sheet.

(8) Benefit Plan

During 1989, the Company adopted a 401K savings plan (the "Plan"). Employee participation is voluntary. Under the provisions of the Plan, employees may defer up to 15% of their annual compensation (as defined). The Company currently contributes 50% of the contributions made by participating employees subject to a contribution cap of 6% of the employee's compensation. The Company may make additional contributions at its discretion. Expense relating to this Plan amounted to $327, $321 and $295 in 1996, 1995 and 1994, respectively.

The Company does not provide postretirement benefits for any of its employees.

(9) Disclosures About The Fair Value Of Financial Instruments

Cash and Cash Equivalents, Accounts Receivable--Subscribers, Other Receivables, Prepaid Expenses and Other Assets, Accounts Payable, Accrued Expenses, and Accounts Payable to Affiliates

The carrying amount approximates fair value due to the short maturity of these instruments.

Bank Debt

The fair value of the company's long term debt instruments approximates its book value since the interest rate is LIBOR-based and accordingly is adjusted for market rate fluctuations.

Senior and Junior Debt

At December 31, 1995, the carrying amount of the Senior and Junior Debt approximated fair value.

(10) Commitments

CSC and its cable television affiliates (including the Company) have an affiliation agreement with a program supplier whereby CSC and its cable television affiliates are obligated to make Base Rate Annual Payments, as defined and subject to certain adjustments pursuant to the agreement, through 2004. The Company would be contingently liable for its proportionate share of Base Rate Annual Payments, based on subscriber usage, of approximately; $1,276 in 1997; $1,320 in 1998 and $1,366 in 1999. For the years 2000 through 2004, such payments would increase by percentage increases in the Consumer Price Index, or five percent, whichever is less, over the prior year's Base Annual Payment.

(11) Subsequent Event

On August 29, 1997, CSC and certain of its wholly-owned subsidiaries entered into an agreement with Mediacom LLC ("Mediacom") to sell to Mediacom cable systems owned by the Company. The transaction was consummated on January 23, 1998 for a sales price of approximately $311 million.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Triax Midwest Associates, L.P.:

We have audited the accompanying balance sheets of TRIAX MIDWEST ASSOCIATES, L.P. (a Missouri limited partnership) as of December 31, 1997 and 1998, and the related statements of operations, partners' deficit and cash flows for each of the three years in the period ended December 31, 1998. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Triax Midwest Associates, L.P. as of December 31, 1997 and 1998, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1998 in conformity with generally accepted accounting principles.

Denver, Colorado,

February 26, 1999.

TRIAX MIDWEST ASSOCIATES, L.P.

BALANCE SHEETS

As of December 31, 1997 and 1998 and September 30, 1999 (Unaudited)
(In Thousands)

	1997	1998	September 30, 1999 (Unaudited)
ASSETS			
Cash	$ 3,297	$ 2,327	$ --
Receivables, net of allowance of $554, $331 and $353, respectively	2,555	2,303	2,043
Property, plant and equipment, net	124,616	153,224	168,588
Purchased intangibles, net	157,671	185,268	153,604
Deferred costs, net	5,980	6,995	5,364
Other assets	2,202	2,911	2,086
	$296,321	$353,028	$331,685
LIABILITIES AND PARTNERS' DEFICIT			
Accrued interest expense	$ 6, 057	$ 5,383	$ --
Accounts payable and other accrued expenses	11,582	11,714	12,769
Subscriber prepayments and deposits	695	828	782
Payables to affiliates	359	348	339
Debt	323,604	404,418	418,810
	342,297	422,691	432,700
Partners' deficit	(45,976)	(69,663)	(101,015)
	$296,321	$353,028	$331,685

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

TRIAX MIDWEST ASSOCIATES, L.P.

STATEMENTS OF OPERATIONS

For the Years Ended December 31, 1996, 1997 and 1998

and for the Nine Months Ended September 30, 1998 and 1999 (Unaudited)
(In Thousands)

	For the Years Ended December 31,			For the Nine Months Ended September 30,	
	1996	1997	1998	1998	1999
				(Unaudited)	
Revenues	$ 60,531	$ 101,521	$ 119,669	$ 87,129	$101,654
Operating expenses:					
Programming	12,934	20,066	25,275	18,262	22,990
Operating, selling, general and administrative	16,459	26,050	32,241	21,658	25,407
Management fees	2,667	3,573	4,048	2,944	3,331
Administration fees paid to an affiliate	444	1,482	1,826	1,307	1,566
Depreciation and amortization	26,492	48,845	65,391	43,276	54,111
	58,996	100,016	128,781	87,447	107,405
Operating income (loss)	1,535	1,505	(9,112)	(318)	(5,751)
Other expenses:					
Interest	18,311	26,006	29,358	21,358	24,941
Net loss before cumulative effect of accounting change	(16,776)	(24,501)	(38,470)	(21,676)	(30,692)
Cumulative effect of accounting change	--	--	--	--	(660)
Net loss	$ (16,776)	$ (24,501)	$ (38,470)	$(21,676)	$(31,352)

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

TRIAX MIDWEST ASSOCIATES, L.P.

STATEMENTS OF PARTNERS' DEFICIT

For the Years Ended December 31, 1996, 1997 and 1998

and for the Nine Months Ended September 30, 1999 (Unaudited)
(In Thousands)

	Non-Managing General Partner (Effective August 30, 1996)	Managing General Partner (Effective August 30, 1996)	Residual Equity Interest Held by TTC	Pre Recapitalization Limited Partners (Note 1): Special Limited Partner	Pre Recapitalization Limited Partners (Note 1): Cavalier Cable, L.P.	Pre Recapitalization Limited Partners (Note 1): All Others	Post Recapitalization Limited Partners (Note 1)	Total
BALANCES, December 31, 1995............	$ (83,549)	$ --	$ --	$ --	$ --	$ --	$ --	$ (83,549)
Net loss for the eight month period ended August 30, 1996............	(9,022)	--	--	--	--	--	--	(9,022)
BALANCES, August 30, 1996 (Unaudited).....	(92,571)	--	--	--	--	--	--	(92,571)
Cash redemption of partnership interests.......	--	--	--	(6,680)	(12,071)	(19,500)	--	(38,251)
Allocation of partners' capital in connection with recapitalization..	--	--	--	6,680	12,071	19,500	(38,251)	--
Accretion on residual equity interest held by TTC through a charge to accumulated deficit.........	(62)	--	62	--	--	--	--	--
Cash contributions...	1,100	--	--	--	--	--	50,250	51,350
Issuance of limited partnership units in connection with acquisition of cable properties......	--	--	--	--	--	--	59,765	59,765
Cash distributions to DD Cable Partners........	--	--	--	--	--	--	(4,200)	(4,200)
Syndication costs...........	(26)	--	--	--	--	--	(2,578)	(2,604)
Net loss for the four month period ending December 31, 1996............	(78)	--	--	--	--	--	(7,676)	(7,754)
BALANCES, December 31, 1996............	(91,637)	--	62	--	--	--	57,310	(34,265)
Accretion of residual equity interest held by TTC through a charge to accumulated deficit.........	(488)	--	488	--	--	--	--	--
Cash contributions...	--	--	--	--	--	--	13,043	13,043
Syndication costs...........	--	--	--	--	--	--	(253)	(253)
Net loss for the year ended December 31, 1997............	(245)	--	--	--	--	--	(24,256)	(24,501)
BALANCES, December 31,								

1997............	(92,370)	--	550	--	--	--	45,844	(45,976)
Accretion of residual equity interest held by TTC through a charge to accumulated deficit.........	(738)	--	738	--	--	--	--	--
Cash contributions...	--	--	--	--	--	--	15,000	15,000
Syndication costs...........	--	--	--	--	--	--	(217)	(217)
Net loss for the year ended December 31, 1998............	(385)	--	--	--	--	--	(38,085)	(38,470)
BALANCES, December 31, 1998............	(93,493)	--	1,288	--	--	--	22,542	(69,663)
Accretion of residual equity interest held by TTC through a charge to accumulated deficit (Unaudited).....	(735)	--	735	--	--	--	--	--
Net loss for the nine months ended September 30, 1999 (Unaudited).....	(8,810)	--	--	--	--	--	(22,542)	(31,352)
BALANCES, September 30, 1999 (Unaudited).....	$(103,038)	$ --	$2,023	$ --	$ --	$ --	$ --	$(101,015)

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

TRIAX MIDWEST ASSOCIATES, L.P.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 1996, 1997 and 1998

and For the Nine Months Ended September 30, 1998 and 1999 (Unaudited)
(In Thousands)

	For the Years Ended December 31,			For the Nine Months Ended September 30,	
	1996	1997	1998	1998 (Unaudited)	1999 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net loss.............	$ (16,776)	$(24,501)	$ (38,470)	$(21,676)	$(31,352)
Adjustments to reconcile net loss to net cash flows from operating activities--					
Depreciation and amortization.........	26,492	48,845	65,391	43,276	54,111
Accretion of interest on preferred stock obligation...........	90	--	--	--	--
Amortization of deferred loan costs................	370	651	790	567	669
Cumulative effect of accounting change....	--	--	--	--	660
Write-off retired plant................	--	--	1,732	(492)	--
Decrease (increase) in subscriber receivables, net.....	1,926	(503)	93	(147)	265
(Increase) decrease in other assets......	(7)	(556)	(623)	(1,270)	881
Increase (decrease) in accrued interest expense.............	181	1,312	(674)	(1,299)	(5,403)
Increase (decrease) in accounts payable and other accrued expenses............	4,502	525	(452)	(1,040)	828
(Decrease) increase in subscriber prepayments and deposits............	(2,684)	13	129	55	(52)
Write-off loan costs..	174	--	--	--	20
(Decrease) increase in payables to affiliates...........	(31)	113	(11)	(56)	(10)
Net cash flows from operating activities.........	14,237	25,899	27,905	17,918	20,617
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of property, plant and equipment..	(10,275)	(23,101)	(36,122)	(25,222)	(31,830)
Acquisition of properties, including purchased intangibles..........	--	(71,850)	(86,255)	(83,993)	(3,913)
Proceeds from exchange of properties, including intangibles..........	--	--	1,594	1,594	--
Proceeds from sale of properties, including intangibles..........	--	--	1,674	1,674	367
Cash paid for franchise costs......	(582)	(776)	(2,122)	(1,165)	(917)
Cash paid for other intangibles..........	(823)	(37)	--	--	(19)
Net cash flows from investing activities.........	(11,680)	(95,764)	(121,231)	(107,112)	(36,312)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from borrowings...........	275,000	67,000	399,000	391,000	26,000

Repayment of debt.....	(268,477)	(14,000)	(319,000)	(315,000)	(12,000)
Contributions from partners............	51,350	13,043	15,000	15,000	--
Cash redemptions of partnership interests...........	(38,251)	--	--	--	--
Cash distributions to DD Cable Partners....	(4,200)	--	--	--	--
Payments on capital leases..............	(314)	(322)	(703)	(456)	(625)
Cash paid for loan costs................	(5,683)	(80)	(1,724)	(1,597)	(7)
Cash paid for syndication costs....	(2,604)	(253)	(217)	--	--
Repayment of preferred stock obligations....	(2,760)	--	--	--	--
Net cash flows from financing activities.........	4,061	65,388	92,356	88,947	13,368
NET INCREASE (DECREASE) IN CASH..............	6,618	(4,477)	(970)	(247)	(2,327)
CASH, beginning of period................	1,156	7,774	3,297	3,297	2,327
CASH, end of period....	$ 7,774	$ 3,297	$ 2,327	$ 3,050	$ --
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:					
Cash paid during the period for interest..	$ 16,848	$ 24,043	$ 29,209	$ 22,090	$ 29,655
SUPPLEMENTAL SCHEDULE OF NON CASH INVESTING AND FINANCING ACTIVITIES:					
Acquisitions with capital leases.......	$ 391	$ 1,313	$ 1,517	$ 1,054	$ 1,217
Net book value of assets divested in exchange............	--	--	$ 4,404	$ 4,404	--
Net book value of non-monetary assets acquired in exchange............	--	--	$ 2,958	$ 2,958	--

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

TRIAX MIDWEST ASSOCIATES, L.P.

NOTES TO FINANCIAL STATEMENTS

December 31, 1997 and 1998 and September 30, 1999

(All amounts related to the September 30, 1998 and 1999 periods are unaudited)

(1) THE PARTNERSHIP

Organization and Capitalization

Triax Midwest Associates, L.P. (the "Partnership") is a Missouri limited partnership originally formed for the purpose of acquiring, constructing and operating cable television properties, located primarily in Indiana, Illinois, Iowa, Minnesota and Wisconsin. The Partnership was capitalized and commenced operations on June 1, 1988. The non-managing general partner is Triax Cable General Partner, L.P. ("Triax Cable GP"), a Missouri limited partnership. The general partner of Triax Cable GP is Midwest Partners, L.L.C. The managing general partner of the Partnership is Triax Midwest General Partner, L.P., a Delaware limited partnership, and its general partner is Triax Midwest, L.L.C.

Partnership Recapitalization

On August 30, 1996 (the "Contribution Date"), the Partnership completed a recapitalization of the Partnership in which new credit facilities were put in place (Note 4), additional partnership interests were issued and selected partnership interests were redeemed. Under the terms of a partnership amendment and other related documents, the Partnership received approximately $50.3 million in cash from new limited partners in exchange for limited partnership interests ("New Cash Partners"). Approximately $38.3 million in cash was then utilized to redeem the special limited partnership interest and certain other existing limited partnership interests. For financial reporting purposes, this portion of the Partnership Recapitalization was accounted for as an equity transaction with no effect on the carrying value of the Partnership's assets. However, for tax purposes, even though the New Cash Partners acquiesced to the redeemed limited partners' tax basis capital accounts, they will be entitled to additional outside tax basis reflecting the amount invested.

In addition, the Partnership purchased certain net assets of DD Cable Partners, L.P. and DD Cable Holdings, Inc. ("DD Cable") through the net issuance of approximately $55.6 million in limited partnership interests. For financial reporting purposes, the acquisition was accounted for under the purchase method of accounting at fair market value. For tax purposes, the basis in the acquired net assets was recorded at DD Cable's historical tax basis. This results in a built-in gain on these assets based on the difference between the fair market value and tax basis of the assets at August 30, 1996.

In connection with the Partnership Recapitalization, the general partnership interest of Triax Cable GP was converted to a non-managing general partnership interest. Triax Cable GP then contributed an additional $1.1 million to maintain its approximate 1% proportionate interest in the Partnership. Triax Midwest General Partner, L.P. ("Midwest GP" or the "Managing General Partner") was appointed the managing general partner. The general partner of Midwest GP is Triax Midwest, L.L.C., a wholly-owned subsidiary of Triax Telecommunications Company, L.L.C. ("TTC"). Midwest GP made no partnership equity contributions to the Partnership and received only a residual interest in the Partnership, as discussed below under "Allocations of Profits, Losses, Distributions and Credits Subsequent to Partnership Recapitalization".

As provided for in the Partnership Agreement, as amended, certain of the New Cash Partners (the "Committed Partners") committed to fund additional monies totaling $50.0 million for future acquisitions of the Partnership through August 1999. In conjunction with the Partnership's acquisitions of the Indiana and Illinois Acquisitions during 1997 and the Illinois acquisition of September 30, 1998 (Note 3), certain limited partners contributed approximately $13.0 million and $15.0 million, respectively. Of these total contributions, approximately $27.0 million was contributed by the Committed Partners, which reduced their total funding commitment to approximately $23.0 million.

During 1997, TTC and certain officers of TTC (the "Officers") purchased limited partner interests in Triax Investors Midwest, L.P. ("Investors Midwest"), which holds a limited partner interest in the Partnership. Subsequent to TTC's and the Officers' purchase of these Investors Midwest interests, Investors Midwest elected to distribute its interest in the Partnership to certain of its partners, resulting in TTC owning a direct limited partner interest in the Partnership.

The Partnership Agreement, as amended, provides that on August 30, 2001 each limited partner has the option to sell its interest to the Partnership for fair market value at the time of the sale. The fair market value is to be determined by appraised value approved by a majority vote of the Advisory Committee. In accordance with the Partnership Agreement, if the Partnership is unable to finance the acquisition of such interests, such selling limited partners can cause the liquidation of the Partnership.

Allocation of Profits, Losses, Distributions and Credits Subsequent to Partnership Recapitalization

Distributions

Cash distributions are to be made to both the limited partners and Triax Cable GP equal to their adjusted capital contributions, then to the limited partners and Triax Cable GP in an amount sufficient to yield a return of 13% per annum, compounded annually (the "Priority Return"), then varying rates of distribution to the Managing General Partner (17% to 20%) and to the limited partners and Triax Cable GP (83% to 80%) based on internal rates of return earned by the New Cash Partners, as set forth in the Amended and Restated Partnership Agreement, on their adjusted capital contributions.

Losses from Operations

The Partnership will allocate its losses to the limited partners and Triax Cable GP according to their proportionate interests in the book value of the Partnership, except losses will not be allocated to any limited partner which would cause the limited partner's capital account to become negative by an amount greater than an amount which the limited partners are obligated to contribute to the Partnership.

Profits and Gains

Generally, the Partnership will allocate its profits according to the limited partners' and Triax Cable GP's proportionate interests in the book value of the Partnership until profits allocated to limited partners equal losses previously allocated to them. A special allocation of gain equal to the difference between the fair value and tax basis of contributed property will be made, with respect to partners contributing property to the Partnership, upon the sale of the contributed Partnership assets.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

The financial statements as of September 30, 1999 and 1998 are unaudited; however, in the opinion of management, since statements include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results for the periods presented. The accounting policies followed during such interim periods reported are in conformity with generally accepted accounting principles and are consistent with those applied during annual periods. The results of operations for the interim periods are not necessarily indicative of the results that might be expected for the full year ending December 31, 1999.

Revenue Recognition

Revenues are recognized in the period the related services are provided to the subscribers.

Income Taxes

No provision has been made for federal, state or local income taxes because they are the responsibility of the individual partners. The principal difference between tax and financial reporting results from different depreciable tax basis in various assets acquired (Note 1).

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Replacements, renewals and improvements are capitalized and costs for repairs and maintenance are charged directly to expense when incurred. The Partnership capitalized a portion of technician and installer salaries to property, plant and equipment, which amounted to $1,134,000 in 1996, $1,196,132 in 1997, $1,333,296 in 1998 and $980,140 and $994,469 for the nine months ended September 30, 1998 and 1999, respectively. Depreciation and amortization are computed using the straight-line method over the following estimated useful lives (amounts in thousands):

	1997	1998	September 30, 1999	Life
				Predominantly
Property, plant and equipment..............	$ 217,561	$ 266,965	$ 301,880	10 years
Less-- Accumulated depreciation...........	(92,945)	(113,741)	(133,292)	
	$ 124,616	$ 153,224	$ 168,588	

Purchased Intangibles

Purchased intangibles are being amortized using the straight-line method over the following estimated useful lives (amounts in thousands):

	1997	1998	September 30, 1999	Life
Franchises..............	$ 245,028	$ 310,544	$ 312,930	5-11.5 years
Noncompete..............	400	1,595	1,795	3 years
Goodwill................	12,804	12,804	12,804	20 years
	258,232	324,943	327,529	
Less-- Accumulated amortization...........	(100,561)	(139,675)	(173,925)	
	$ 157,671	$ 185,268	$ 153,604	

Impairment of Long-Lived Assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable from future undiscounted cash flows. Impairment losses are recorded for the difference between the carrying value and fair value of the long-lived asset.

Deferred Costs

Deferred costs are being amortized using the straight-line method over the following estimated useful lives (amounts in thousands):

	1997	1998	September 30, 1999	Life
Deferred loan costs...........	$ 5,763	$ 7,488	$ 7,494	2-7 years
Organizational costs..........	858	858	--	5-10 years
Other.........................	500	500	500	
Less--Accumulated amortization.................	(1,141)	(1,851)	(2,630)	
	$ 5,980	$ 6,995	$ 5,364	

Organizational Costs

American Institute of Certified Public Accountants Statement of Position 98-5 ("SOP 98-5") provides guidance on the financial reporting of start-up and organization costs. SOP 98-5 broadly defines start-up activities and requires the costs of such start-up activities and organization costs to be expensed as incurred. SOP 98-5 is effective for fiscal years beginning after December 15, 1998 and the initial application is reported as a cumulative effect of a change in accounting principle. Effective January 1, 1999, the Partnership recognized a cumulative effect of an accounting change adjustment related to net deferred organization costs totaling approximately $660,000 as of December 31, 1998.

Reclassifications

Certain amounts in the accompanying financial statements have been reclassified to conform to the current year presentation.

(3) ACQUISITIONS / SALES

On August 30, 1996, the Partnership purchased certain cable television system assets, located in Illinois, Minnesota, Wisconsin and Iowa, from DD Cable, including the assumption of certain liabilities of the acquired business. The acquisition was financed by issuing net limited partnership interests valued at approximately $55.6 million. In addition, the Partnership utilized a portion of newly executed $375 million credit facility (Note 4) to repay approximately $116 million of existing indebtedness of DD Cable.

The purchase price was allocated to the acquired assets and liabilities as follows (amounts in thousands):

Current assets	$ 3,519
Property, plant and equipment	59,786
Franchise costs	117,007
Subtotal	180,312
Less--current liabilities assumed	(4,579)
	175,733
Less--cash distributed for:	
Payment of existing DD Cable debt	(115,968)
Cash distributions to DD Cable	(4,200)
Total net partnership interest issued	$ 55,565

On June 30, 1997, the Partnership acquired certain cable television system assets, located in Indiana, including certain liabilities of the acquired business, from Triax Associates I, L.P. (the "Indiana Acquisition"). The purchase price of $52.0 million was accounted for by the purchase method of accounting and was allocated to the acquired assets and liabilities as follows (amounts in thousands):

Current assets	$ 316
Property, plant and equipment	18,793
Franchise costs	33,007
Non-compete	200
Subtotal	52,316
Less--current liabilities assumed	(403)
Total cash paid for acquisition	$ 51,913

Also on June 30, 1997, the Partnership acquired certain cable television system assets, located in Illinois, including certain liabilities of the acquired business, from an unrelated third party (the "Illinois Acquisition". The purchase price of $20.1 million was accounted for by the purchase method of accounting.

The Indiana and Illinois Acquisitions were financed by partners' contributions of approximately $13.0 million and proceeds of $60.0 million on the revolving credit facility.

On June 30, 1998, the Partnership purchased certain cable television system assets, located in Illinois, from an unrelated third party ("Marcus"), including the assumption of certain liabilities of the acquired business. The acquisition was financed by partners' contributions of $15.0 million and proceeds of approximately $45.8 million from the revolving credit facility.

The purchase price was allocated to the acquired assets and liabilities as follows (amounts in thousands):

Current assets	$ 109
Property, plant and equipment	10,000
Franchise costs	50,555
Non-compete	500
Subtotal	61,164
Less--current liabilities assumed	(328)
Total cash paid for acquisition	$60,836

The Partnership has reported the operating results of DD Cable, the Indiana Acquisition and Marcus from the respective acquisition dates. The following tables show the unaudited pro forma results of operations for the year of the acquisitions and their prior year:

	For the Year Ended December 31, 1996	
	Actual	Unaudited Pro Forma Results(/1/)
REVENUES	$ 60,531	$ 99,554
NET LOSS	$(16,776)	$(28,878)

(/1/) Presents pro forma effect of the DD Cable Acquisition and the Indiana Acquisition.

	For the Year Ended December 31, 1997	
	Actual	Unaudited Pro Forma Results(/2/)
REVENUES	$101,521	$118,722
NET LOSS	$(24,501)	$(31,001)

(/2/) Presents pro forma effect of the Indiana Acquisition and Marcus.

	For the Year Ended December 31, 1998	
	Actual	Unaudited Pro Forma Results(/3/)
REVENUES	$119,669	$128,182
NET LOSS	$(38,470)	$(41,754)

(/3/) Presents pro forma effect of Marcus.

On June 30, 1998, the Partnership purchased certain cable television system assets, located in Indiana, from an unrelated third party, including the assumption of certain liabilities of the acquired business. The acquisition was financed by proceeds of approximately $22.8 million from the revolving credit facility. The purchase price was allocated to the acquired assets and liabilities as follows (amounts in thousands):

Property, plant and equipment	$ 8,383
Franchise costs	14,499
Non-compete	200
Subtotal	23,082
Less--current liabilities assumed	(270)
Total cash paid for acquisition	$22,812

On January 21, 1998, the Partnership acquired certain cable television system assets located in Gilberts, Illinois, including certain liabilities of the acquired business, from an unrelated third party (the "Gilberts Acquisition"). The purchase price of approximately $307,000 was accounted for by the purchase method of accounting.

On December 31, 1998, the Partnership acquired certain cable television system assets, located in Kentland, Indiana, including certain liabilities of the acquired business, from an unrelated third party (the "Kentland Acquisition"). The purchase price of $2.5 million was accounted for by the purchase method of accounting, $200,000 of which will be paid during 1999, and has been recorded as other accrued expenses in the accompanying balance sheet.

On July 31, 1999, the Partnership acquired certain cable television systems located in Geneseo, Illinois, including certain liabilities from the acquired business, from an unrelated third party. The purchase price of $4.0 million was accounted for by the purchase method of accounting.

On October 4, 1999, the Partnership acquired certain cable television system assets located in Watseka, Illinois, including certain liabilities of the acquired business, from an unrelated third party. The purchase price of $1.1 million was accounted for by the purchase method of accounting.

These acquisitions were financed by proceeds on the revolving credit facility.

On February 27, 1998, the Partnership closed on an Asset Exchange Agreement with an unrelated third party whereby the Partnership conveyed certain systems serving approximately 3,700 subscribers in exchange for another system in Illinois serving approximately 2,400 subscribers and received approximately $1,600,000 in cash consideration. A gain of approximately $150,000 was recognized on this transaction, and was recorded against write-off of retired plant in the accompanying statement of operations.

On June 30, 1998, the Partnership sold certain cable television system assets located in Central City, Iowa, including certain liabilities of the system, to an unrelated third party for cash of approximately $367,000.

On September 30, 1998, the Partnership sold certain cable television system assets related to five systems in Iowa, including certain liabilities of the systems, to an unrelated third party for cash of approximately $1.3 million.

(4) DEBT

Debt consists of the following at December 31, 1997, 1998 and September 30, 1999 (amounts in thousands):

	1997	1998	September 30, 1999 (Unaudited)
Bank Revolving credit loan, due June 30, 2006, interest payable at rates based on varying interest rate options	$ 82,000	$ 97,000	$111,000
Term A Loan, due June 30, 2006, interest payable at rates based on varying interest rate options	180,000	220,000	220,000
Term B Loan, due June 30, 2007, interest payable at rates based on varying interest rate options	35,000	60,000	60,000
Term C Loan, due June 30, 2007, interest payable at 9.48%	25,000	25,000	25,000
Various equipment loans and vehicle leases	1,604	2,418	2,810
	$323,604	$404,418	$418,810

In connection with the Partnership Recapitalization discussed in Note 1, the Partnership entered into a $375 million credit facility with a group of lenders, consisting of a Revolving Credit Loan, Term A, Term B and Term C Loans. A commitment fee is charged on the daily unused portion of the available commitment. This fee ranges from 1/4% to 3/8% per annum based on the Partnership's leverage ratio, as defined. The Revolving Credit Loan and each of the Term A, B, and C Loans are collateralized by all of the property, plant and equipment of the Partnership, as well as the rights under all present and future permits, licenses and franchises.

On June 24, 1998, the Partnership completed a restructuring of the Revolving Credit Loan and the Term A, B and C Loans. Under the terms of the restructuring agreement, the total availability of this facility increased from $375 million to $475 million, in order to complete certain planned acquisitions (see Note 3) and to provide for future growth.

The Partnership entered into LIBOR interest rate agreements with the lenders related to the Revolving Credit Loan and the Term A and Term B Loans. The Partnership fixed the interest rate for the Revolving Credit Loan on $104 million at 7.51% for the period from September 30, 1999 to October 29, 1999 and on $4 million at 7.53% for the period from October 1, 1999 to October 29, 1999. The Term A Loan and Term B Loans are fixed at 7.51% and 7.88%, respectively, for the period from September 30, 1999 to October 29, 1999. In addition, the Partnership has entered into various interest rate swap transactions covering $195 million in notional amount as of September 30, 1999, which fixes the weighted average three-month variable rate at 5.6%. These swap transactions expire at various dates through October 2000.

The Term A Loan requires principal payments to be made quarterly, beginning in September 2000. The quarterly payments begin at $1,375,000 per quarter and increase each September 30th thereafter. The Term B and Term C Loans require total quarterly principal payments of $177,083 for the quarters ending September 2000 and December 2000. Quarterly principal payments totaling $88,542 are then required through December 31, 2005, at which time the quarterly payments increase to $3,187,500 through December 31, 2006 and $35,062,500 at March 31, 2007. The Loans are due in full on June 30, 2007.

The loan agreements contain various covenants, the most restrictive of which relate to maintenance of certain debt coverage ratios, meeting cash flow goals and limitations on indebtedness.

Debt maturities required on all debt as of December 31, 1998 are as follows (amounts in thousands):

Year	Amount
1999	$ 775
2000	3,861
2001	16,375
2002	31,417
2003	39,407
Thereafter	312,583
	$404,418

(5) RELATED PARTY TRANSACTIONS

During the eight month period ending August 31, 1996, TCC provided management services to the Partnership for a fee equal to 5% of gross revenues, as defined. Charges for such management services amounted to approximately $1,567,000. TCC also allocated certain overhead expenses to the Partnership which primarily relate to employment costs. These overhead expenses amounted to approximately $371,000 for the eight months ended August 31, 1996.

Commencing August 30, 1996, the Partnership entered into an agreement with TTC to provide management services to the Partnership for a fee equal to 4% of gross revenues, as defined. The agreement also states the Partnership will only be required to pay a maximum fixed monthly payment of $275,000, which can be adjusted for any acquisitions or dispositions by the Partnership at a rate of $.8333 per acquired/disposed subscriber. Charges for such management services provided by TTC amounted to approximately $1,100,000, $3,573,000 and $4,048,000 in 1996, 1997 and 1998, respectively, and $2,944,000 and $3,331,000 for the nine months ended September 30, 1998 and 1999, respectively. The remainder of the management fees earned but unpaid will be distributable to TTC only after Triax Cable GP and the limited partners have been distributed their original capital investments and then the deferred and unpaid portion of the management fee will be paid pari passu with the first 7.5% of the Priority Return, as defined. The earned but unpaid fees totaled approximately $62,000, $488,000 and $738,000 in 1996, 1997 and 1998, respectively, and $541,000 and $735,000 for the nine months ended September 30, 1998 and 1999, respectively. The cumulative unpaid fees totaled approximately $62,000, $550,000, 1,288,000 and $2,023,000 as of December 31, 1996, 1997, 1998 and September 30, 1999, respectively. These amounts have been reflected in the statement of partners' deficit as "residual equity interest held by TTC through a charge to accumulated deficit", which has been allocated to the non-managing General Partner.

Commencing August 30, 1996, the Partnership entered into a programming agreement with InterMedia Capital Management II, L.P. ("InterMedia"), an affiliate of DD Cable, to purchase programming at InterMedia's cost, which includes volume discounts InterMedia might earn. Included in this agreement is a provision that requires the Partnership to remit to InterMedia an administrative fee, based on a calculation stipulated in the agreement, which amounted to approximately $444,000, $1,482,000 and $1,826,000 in 1996, 1997 and 1998, respectively, and $1,307,000 and $1,566,000 for the nine months ended September 30, 1998 and 1999, respectively.

(6) LEASES

The Partnership leases office facilities, headend sites and other equipment under noncancelable operating lease agreements, some of which contain renewal options. Total rent expense, including month-to-month rental arrangements, was approximately $364,000, $583,000 and $737,000 in 1996, 1997 and 1998, respectively, and $523,000 and $724,000 for the nine months ended September 30, 1998 and 1999, respectively. Pole attachment fees totaled approximately $496,000, $798,000 and $970,000 in 1996, 1997 and 1998, respectively, and $721,000 and $792,000 for the nine months ended September 30, 1998 and 1999, respectively.

Future minimum rental commitments under noncancelable operating leases subsequent to December 31,1998 are as follows (amounts in thousands):

Year	Amount
1999	$685
2000	$511
2001	$377
2002	$298
2003	$238
Thereafter	$757

(7) FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents approximates fair value because of the nature of the investments and the length of maturity of the investments.

The estimated fair value of the Partnership's debt instruments are based on borrowing rates that would be substantially equivalent to existing rates, therefore, there is no material difference in the fair market value and the current value.

(8) REGULATORY MATTERS

In October 1992, Congress enacted the Cable Television Consumer and Competition Act of 1992 (the "1992 Cable Act") which greatly expanded federal and local regulation of the cable television industry. In April 1993, the Federal Communications Commission ("FCC") adopted comprehensive regulations, effective September 1, 1993, governing rates charged to subscribers for basic cable and cable programming services (other than programming offered on a per-channel or per-program basis). The FCC implemented regulation, which allowed cable operators to justify regulated rates in excess of the FCC benchmarks through cost of service showings at both the franchising authority level for basic service and to the FCC in response to complaints on rates for cable programming services.

On February 22, 1994, the FCC issued further regulations which modified the FCC's previous benchmark approach, adopted interim rules to govern cost of service proceedings initiated by cable operators, and lifted the stay of rate regulations for small cable systems, which were defined as all systems serving 1,000 or fewer subscribers.

On November 10, 1994, the FCC adopted "going forward" rules that provided cable operators with the ability to offer new product tiers priced as operators elect, provided certain limited conditions are met, permit cable operators to add new channels at reasonable prices to existing cable programming service tiers, and created an additional option pursuant to which small cable operators may add channels to cable programming service tiers

In May 1995, the FCC adopted small company rules that provided small systems regulatory relief by implementing an abbreviated cost of service rate calculation method. Using this methodology, for small systems seeking to establish rates no higher than $1.24 per channel, the rates are deemed to be reasonable.

In February 1996, the Telecommunications Act of 1996 (1996 Act) was enacted which, among other things, deregulated cable rates for small systems on their programming tiers.

Federal law is expected to eliminate the regulation of rates for non-basic cable programming service tiers after March 31, 1999

Management of the Partnership believes they have complied in all material respects with the provisions of the 1992 Cable Act and the 1996 Act, including rate setting provisions. To date, the FCC's regulations have not had a material adverse effect on the Partnership due to the lack of certifications by the local franchising authorities. Several rate complaints have been filed against the Partnership with the FCC. However, management does not believe this matter will have a material adverse impact on the Partnership.

(9) COMMITMENTS AND CONTINGENCIES

The Partnership has been named as a defendant in a class action lawsuit in the state of Illinois, challenging the Partnership's policy for charging late payment fees when customers fail to pay for subscriber services in a timely manner. The Partnership is currently in settlement negotiations with the plaintiffs and expects the litigation to be settled by the end of the year. However, management does not believe the ultimate outcome of this matter will have a material adverse effect on its financial condition.

(10) EVENTS SUBSEQUENT TO DATE OF AUDITOR'S REPORT (UNAUDITED)

On April 29, 1999, the Partnership entered into a definitive agreement to sell its cable television system assets to Mediacom LLC for $740 million, subject to adjustment for subscriber benchmarks and other pro-rations in the normal course. The sale closed effective November 4, 1999.

On July 31, 1999, the Partnership acquired certain cable television system assets, located in Illinois, including certain liabilities of the acquired business, from an unrelated third party. The purchase price of approximately $4.0 million was accounted for by the purchase method of accounting.

Effective September 30, 1999, the Partnership acquired certain cable television system assets, located in Illinois, including certain liabilities of the acquired business, from an unrelated third party. The purchase price of $1.1 million was accounted for by the purchase method of accounting.

In September 1999, the Partnership's independent billing company notified the Partnership of its intent to assess additional charges should the Partnership terminate the existing contract between the parties prior to the contractual termination date of June 24, 2004. Management of the Partnership understands that Mediacom LLC intends to change the billing service provider for subscribers obtained in connection with its asset purchase from the Partnership as Mediacom LLC did not assume the contract with the billing company in conjunction with the asset purchase. The Partnership intends to vigorously defend against any claims by the billing company, and believes the ultimate resolution of this matter will not have a material adverse impact on its financial position or results of operations.

On November 29, 1999, the Partnership received the final approval for settlement in the class action lawsuit discussed in Note 9. The Partnership has agreed to adjust its late fee charges in the future. In addition for restitution for prior late fee payments, the Partnership has agreed to provide additional programming services at a discount valued at $8 to current eligible subscribers or a cash refund of $8 to former eligible subscribers. To be eligible, a subscriber must have had a late fee in the past. Management does not believe that the ultimate payments related to this matter will have a material adverse effect on its financial position. The Partnership will also pay the plaintiffs' attorneys fees.

[Mediacom Communications Corporation Logo]

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth various expenses, other than underwriting discounts, which will be incurred in connection with this offering:

SEC registration fee	$121,440
Nasdaq National Market listing fee	*
NASD filing fee	30,500
Blue sky fees and expenses	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer Agent fees	*
Miscellaneous expenses	*
Total	$ *

* To be filed by amendment.

Item 14. Indemnification of Directors and Officers

Section 145 of the Delaware General Corporation Law provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed actions, suits or proceedings in which such person is made a party by reason of such person being or having been a director, officer, employee of or agent to the Registrant. The statute provides that it is not exclusive of other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise. The Registrant's by-laws provides for indemnification by the Registrant of any director or officer (as such term is defined in the by-laws) of the Registrant who is or was a director of any of its subsidiaries, or, at the request of the Registrant, is or was serving as a director or officer of, or in any other capacity for, any other enterprise, to the fullest extent permitted by law. The by-laws also provide that the Registrant shall advance expenses to a director or officer and, if reimbursement of such expenses is demanded in advance of the final disposition of the matter with respect to which such demand is being made, upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it is ultimately determined that the director or officer is not entitled to be indemnified by the Registrant. To the extent authorized from time to time by the board of directors of the Registrant, the Registrant may provide to any one or more employees of the Registrant, one or more officers, employees and other agents of any subsidiary or one or more directors, officers, employees and other agents of any other enterprise, rights of indemnification and to receive payment or reimbursement of expenses, including attorneys' fees, that are similar to the rights conferred in the by-laws of the Registrant on directors and officers of the Registrant or any subsidiary or other enterprise. The by-laws do not limit the power of the Registrant or its board of directors to provide other indemnification and expense reimbursement rights to directors, officers, employees, agents and other persons otherwise than pursuant to the by-laws. The Registrant intends to enter into agreements with certain directors, officers and employees who are asked to serve in specified capacities at subsidiaries and other entities.

Section 102(b)(7) of the Delaware General Corporation Law permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for payments of unlawful dividends or unlawful stock repurchases or redemptions, or (iv) for any transaction from which the director derived an improper personal benefit. The Registrant's certificate of incorporation provides for such limitation of liability.

The Registrant intends to maintain policies of insurance under which its directors and officers will be insured, within the limits and subject to the limitations of the policies, against certain expenses in connection with the defense of, and certain liabilities which might be imposed as a result of, actions, suits or proceedings to which they are parties by reason of being or having been such directors or officers.

Reference is also made to Section 7 of the underwriting agreement filed as Exhibit 1.1 to the registration statement for information concerning the underwriters' obligation to indemnify the Registrant and its officers and directors in certain circumstances.

Item 15. Recent Sales of Unregistered Securities

The Registrant has not issued any common stock since its formation on November 8, 1999. Concurrently with the consummation of the offering to which this registration statement relates, the Registrant will issue shares of common stock in exchange for outstanding membership interests in Mediacom LLC in accordance with the relative ownership percentages of membership interests in Mediacom LLC immediately prior to this offering. The exchange of membership interests for shares of common stock will not be registered under the Securities Act of 1933 because the offering and sale will be made in reliance on the exemption provided by Section 4(2) of the Securities Act of 1933 and Rule 506 thereunder for transactions by an issuer not involving a public offering (with the recipients representing their intentions to acquire the securities for their own accounts and not with a view to the distribution thereof and acknowledging that the securities will be issued in a transaction not registered under the Securities Act of 1933).

The following table sets forth the membership interests issued by Mediacom LLC to various persons during the past three years:

Name of Person	Date	Amount of Membership Interests Issued*	Consideration
Chase Manhattan Capital, L.P.	3/31/97	401.8909	**
	1/15/98	864.5288	**
	11/3/99	4,540.8503	**
U.S. Investor, Inc.	3/31/97	641.8909	**
	6/22/97	1,950.0000	$ 1,950,000
	9/18/97	500.0000	$500,000
	1/15/98	2,319.5476	**
	1/15/98	2,293.7799	$ 2,293,780
	11/3/99	256.2200	$ 256,220
	11/3/99	16,026.3555	**
Morris Communications Corp.	6/22/97	9,750.0000	$ 9,750,000
	9/18/97	2,500.0000	$ 2,500,000
	1/15/98	4,693.7111	**
	1/15/98	79,832.5359	$79,832,536
	11/3/99	8,917.4640	$ 8,917,464
	11/3/99	149,422.5253	**
CB Capital Investors, L.P.	6/22/97	3,900.0000	$ 3,900,000
	9/18/97	1,000.0000	$ 1,000,000
	1/15/98	1,877.4844	**
	1/15/98	4,587.5598	$ 4,587,560
	11/3/99	512.4400	$ 512,440
	11/3/99	17,547.6283	**
Private Market Fund, L.P.	6/22/97	1,950.0000	$ 1,950,000
	9/18/97	500.0000	$ 500,000
	1/15/98	938.7422	**
	1/15/98	4,542.5837	$ 4,542,584
	11/3/99	507.4160	$ 507,416
	11/3/99	12,245.9673	**
Rocco B. Commisso	3/31/97	1,956.2182	**
	1/15/98	6,867.2437	**
	11/3/99	80,248.4288	**
Aggregate of less than 5% holders	6/22/97	1,950.0000	$1,950,000
	9/18/97	500.0000	$ 500,000
	1/15/98	938.7422	**
	1/15/98	2,743.5407	$ 2,743,540
	11/3/99	306.4600	$ 306,460
	11/3/99	9,468.2445	**

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* Each membership interest has a value upon issuance of $1,000.

** Such person received additional membership interests based upon a determination by the executive committee of Mediacom LLC that the aggregate equity value of Mediacom LLC increased because of the occurrence of a certain event.

The issuance of the membership interests was not registered under the Securities Act of 1933 because the issuance was made in reliance on the exemption provided by Section 4(2) of the Securities Act of 1933 for transactions by an issuer not involving a public offering.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits

The following exhibits are filed as part of this Registration Statement:

Exhibit Number	Exhibit Description
1.1*	Form of Underwriting Agreement between Registrant and the underwriters
2.1	Asset Purchase and Sale Agreement, dated as of May 23, 1996, by and between Mediacom California LLC and Booth American Company (1)
2.2	Asset Purchase Agreement, dated as of August 29, 1996, between Mediacom LLC and Saguaro Cable TV Investors, L.P. (1)
2.3	Asset Purchase Agreement, dated as of August 29, 1996, between Mediacom California LLC and Valley Center Cablesystems, L.P. (1)
2.4	Asset Purchase Agreement, dated as of December 24, 1996, by and between Mediacom LLC and American Cable TV Investors 5, Ltd. (1)
2.5	Asset Purchase Agreement, dated May 22, 1997, between Mediacom California LLC and CoxCom, Inc. (1)
2.6	Asset Purchase Agreement, dated September 17, 1997, between Mediacom California LLC and Jones Cable Income Fund 1-B/C Venture (1)
2.7	Asset Purchase Agreement, dated August 29, 1997, among Mediacom LLC, U.S. Cable Television Group, L.P., ECC Holding Corporation, Missouri Cable Partners, L.P. and Cablevision Systems Corporation (1)
2.8	Asset Purchase Agreement, dated June 24, 1998, among Mediacom Southeast, Mediacom LLC, Bootheel Video, Inc. and CSC Holdings (2)
2.9	Asset Purchase Agreement, dated April 29, 1999 between Mediacom LLC and Triax Midwest Associates, L.P. (3)
2.10	Stock Purchase Agreement, dated May 25, 1999 among Mediacom LLC, Charles D. Zylstra, Kara M. Zylstra and Trusts created under the Will dated June 3, 1982 of Roger E. Zylstra, deceased, for the benefit of Charles D. Zylstra and Kara M. Zylstra (4)
3.1**	Certificate of Incorporation of Registrant prior to the effective date of this registration statement
3.2*	Form of Restated Certificate of Incorporation of Registrant to be filed on the effective date of this registration statement
3.3**	By-laws of Registrant
4.1*	Form of certificate evidencing shares of Class A common stock
5.1*	Opinion of Cooperman Levitt Winikoff Lester & Newman, P.C.
10.1	Management Agreement dated as of December 27, 1996 by and between Mediacom Arizona LLC and Mediacom Management (1)
10.2	First Amended and Restated Management Agreement dated December 27, 1996 by and between Mediacom California LLC and Mediacom Management (1)
10.3	Management Agreement dated June 24, 1997 by and between Mediacom Delaware LLC and Mediacom Management (1)
10.4	Management Agreement dated January 23, 1998 by and between Mediacom Southeast LLC and Mediacom Management (1)

Exhibit Number	Exhibit Description
10.5**	Credit Agreement dated as of September 30, 1999 for the Mediacom USA Credit Facility
10.6**	Credit Agreement dated as of November 5, 1999 for the Mediacom Midwest Credit Facility
10.7*	1999 Stock Option Plan
10.8*	Amended and Restated Registration Rights Agreement by and among Mediacom Communications Corporation, Rocco B. Commisso, BMO Financial, Inc., CB Capital Investors, L.P., Chase Manhattan Capital, L.P., Morris Communications Corporation, Private Market Fund, L.P. and U.S. Investor, Inc.
10.9*	1999 Employee Stock Purchase Plan
10.10	Stock Purchase Agreement, dated as of November 4, 1999, between SoftNet Systems, Inc. and Mediacom LLC. THIS DOCUMENT HAS BEEN SUBMITTED TO THE SECRETARY OF THE SECURITIES AND EXCHANGE COMMISSION FOR APPLICATION FOR "CONFIDENTIAL TREATMENT."
21.1**	Subsidiaries of Registrant
23.1	Consent of Arthur Andersen LLP
23.2	Consent of Arthur Andersen LLP
23.3	Consent of KPMG LLP
23.4*	Consent of Cooperman Levitt Winikoff Lester & Newman, P.C.
23.5	Consent of William S. Morris III
23.6	Consent of Craig S. Mitchell
23.7	Consent of Thomas V. Reifenheiser
23.8	Consent of Natale S. Ricciardi
23.9	Consent of Robert L. Winikoff
24.1**	Powers of Attorney (included on the signature page of this registration statement)
27.1	Financial Data Schedule of Mediacom LLC (5)

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* To be filed by amendment.

** Previously filed with this Registration Statement.

(1) Filed as an exhibit to the Registration Statement on Form S-4 (File No. 333-57285) of Mediacom LLC and Mediacom Capital Corporation and incorporated herein by reference.

(2) Filed as an exhibit to the Annual Report on Form 10-K for the fiscal year ended December 31, 1998 of Mediacom LLC and Mediacom Capital Corporation and incorporated herein by reference.

(3) Filed as an exhibit to the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1999 of Mediacom LLC and Mediacom Capital Corporation and incorporated herein by reference.

(4) Filed as an exhibit to the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1999 of Mediacom LLC and Mediacom Capital Corporation and incorporated herein by reference.

(5) Filed as an exhibit to the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1999 of Mediacom LLC and Mediacom Capital Corporation and incorporated herein by reference.

(b) Financial Statement Schedules.

Schedule II--Valuation and Qualifying Accounts--Reference is made to page F-20 of the prospectus that is a part of this Registration Statement.

Item 17. Undertakings

(a) The undersigned registrant hereby undertakes:

(1) To provide to the underwriter at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

(2) That for purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(3) That for the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(b) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of Registrant pursuant to Item 14 of this Part II to the registration statement, or otherwise, Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by Registrant of expenses incurred or paid by a director, officer or controlling person of Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Middletown, State of New York, on December 21, 1999.

Mediacom Communications Corporation

By: /s/ Rocco B. Commisso

Rocco B. Commisso, Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Rocco B. Commisso Rocco B. Commisso	Chairman and Chief Executive Officer (principal executive officer)	December 21, 1999
/s/ Mark E. Stephan Mark E. Stephan	Senior Vice President, Chief Financial Officer, Treasurer and Director (principal financial officer and principal accounting officer)	December 21, 1999

Exhibit 10.10

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STOCK PURCHASE AGREEMENT
BY AND BETWEEN
SOFTNET SYSTEMS, INC.,
AND
MEDIACOM LLC

----

dated

November 4, 1999

- --

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT is made as of November 4, 1999, by and between SOFTNET SYSTEMS, INC., a Delaware corporation (the "Company"), and MEDIACOM LLC, a New York limited liability company ("Mediacom").

W I T N E S S E T H:

WHEREAS, the Company wishes to issue to Mediacom, and Mediacom wishes to purchase from the Company, the Common Shares on the terms and subject to the conditions set forth herein; and

WHEREAS, the Common Shares are being issued in order to induce Mediacom to enter into an affiliate agreement pursuant to which, subject to the terms and provisions contained therein, Mediacom will agree to use the Company's subsidiary, ISP Channel, Inc., as the exclusive provider of Internet access to customers passed by Mediacom's cable infrastructure (the "Affiliate Agreement"), a copy of which is attached hereto as Exhibit A; and

WHEREAS, the Company has made a good faith determination that the Common Shares to be issued hereunder represent the fair market value of securing Mediacom's obligations under the Affiliate Agreement; and

WHEREAS, concurrently with this Agreement, the parties shall execute that certain Registration Rights Agreement dated as of the same date as this Agreement, by and among the Company and Mediacom, the form of which is attached hereto as Exhibit B (the "Registration Rights Agreement").

NOW, THEREFORE, in consideration of the foregoing and of the representations, warranties, covenants and agreements contained herein, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions.

1.1 "Additional Shares" means shares of Common Stock issued pursuant to Section 2.2.

1.2 "Alternate Cash Consideration" means the difference between _______________* and the product of (a) the sum of (i) the First Shares plus (ii) the Second Shares, multiplied by (b) the average closing price of the Common Stock for the twenty trading days prior to the trading day immediately preceding the Third Closing Date, as reported by the principal exchange or automated quotation system upon which the Common Stock is then traded.

* Denotes the information has been filed separately with the Securities and Exchange Commission for Confidential Treatment.

1.3 "Ancillary Agreements" means the Affiliate Agreement, the Stockholder Agreement and the Registration Rights Agreement.

1.4 "Committed Home Passed" has the same meaning as set forth in the Affiliate Agreement .

1.5 "Common Shares" means the Initial Shares and the Additional Shares.

1.6 "Common Stock" means the common stock, par value $0.01 per share, of the Company.

1.7 "Default Shares" means _____________* shares of Common Stock.

1.8 "First Closing" has the meaning set forth in Section 7.1

1.9 "First Closing Date" has the meaning set forth in Section 7.1.

1.10 "First Shares" means that number of shares of Common Stock derived by dividing $15,000,000 by the closing price of the Common Stock on the trading day prior to the date hereof, as reported by the principal exchange or automated quotation system upon which the Common Stock is then traded, rounding down, and subtracting one (1).

1.11 "Fully Diluted Common Stock" means, at any given time, the sum of (a) the number of shares of Common Stock that are outstanding, and (b) the number of shares of Common Stock that are issuable upon exercise, conversion or exchange of all outstanding options, warrants and other securities and obligations of the Company.

1.12 "HSR Approval" means the earlier of (a) the termination or expiration of the waiting period for filings made under the Hart-Scott-Rodino Antitrust Improvement Act 1976, as amended (the "HSR Act"), or (b) approval by the Federal Trade Commission and the Department of Justice pursuant to the HSR Act of the transactions contemplated hereby.

1.13 "Initial Shares" means the First Shares, the Second Shares and, subject to Section 6.6, the Third Shares, which shall equal (a) 3.5 million shares of Common Stock in the aggregate or (b) in the event the Company does not obtain Stockholder Approval as required by Section 6.5, the sum of the First Shares and the Second Shares, all as subject to adjustment for Default Shares.

1.14 "ISP Channel Services" has the same meaning as the term "Services" in the Affiliate Agreement.

* Denotes the information has been filed separately with the Securities and Exchange Commision for Confidential Treatment.

1.15 "Material Adverse Effect" means a material adverse effect on the business, operations, properties, assets, condition (financial or otherwise) or results of operations of the Company and its Subsidiaries, taken as a whole.

1.16 "Preferred Share" has the meaning set forth in the Stockholder Agreement.

1.17 "Second Closing" has the meaning set forth in Section 7.2.

1.18 "Second Closing Date" has the meaning set forth in Section 7.2.

1.19 "Second Shares" means that number of shares of Common Stock which on the Second Closing Date will be equal to the maximum number of shares of Common Stock which the Company is permitted to issue to Mediacom without seeking Stockholder Approval under the then current rules of the NASDAQ Stock Market.

1.20 "Stockholder Agreement" means that certain Stockholder Agreement by and between the Company and Mediacom dated the same date as this Agreement, a copy of which is attached hereto as Exhibit C.

1.21 "Stockholder Approval" has the meaning set forth in Section 6.5.

1.22 "Subsidiary" means any corporation, limited liability company or other entity of which the Company or Mediacom, as applicable, directly or indirectly, controls or which the Company or Mediacom, as applicable, owns, directly or indirectly, more than 50% of the capital stock or other voting and/or equity interests.

1.23 "Third Closing" has the meaning set forth in Section 7.3.

1.24 "Third Closing Date" has the meaning set forth in Section 7.3.

1.25 "Third Shares" means that number of shares of Common Stock equal to the difference between 3.5 million and the sum of (a) the First Shares, (b) the Second Shares and (c) any Default Shares payable to the Company as of the Third Closing Date.

1.26 "Unrestricted Shares" has the meaning set forth in the Stockholder Agreement.

1.27 "Year 2000 Issue" means the failure of computer software, hardware and firmware systems and equipment containing embedded computer ships to properly receive, transmit, process, manipulate, store, retrieve, re-transmit or in any other way utilize data and information due to the occurrence of the year 2000 or the inclusion of dates on or after January 1, 2000.

2. Issuance of Common Shares. Subject to the terms and conditions set forth in this Agreement, the Company agrees to issue to Mediacom the Common Shares as follows:

2.1 Initial Shares.

(a) First Shares. The Company shall issue to Mediacom the First Shares on the First Closing Date.

(b) Second Shares. The Company shall issue to Mediacom the Second Shares on the Second Closing Date.

(c) Third Shares. In the event Stockholder Approval is required under Section 6.5, the Company shall issue to Mediacom the Third Shares, or subject to Section 6.6, the Alternate Cash Consideration, on the Third Closing Date.

2.2 Additional Shares. For each Committed Home Passed in excess of 900,000 that Mediacom makes available for ISP Channel Services, the Company shall issue to Mediacom additional shares of Common Stock equal to the greater of (i) ____________* divided by the per share closing price of the Common Stock on the trading day prior to the date such shares are issued, as reported by the principal exchange or automated quotation system upon which the Common Stock is then traded and (ii) the lesser of (x) the quotient derived from dividing (A) ____________* multiplied by the per share closing price of the Common Stock on the trading day prior to the date such shares are issued, as reported by the principal exchange or automated quotation system upon which the Common Stock is then traded by (B) 900,000 and (y) ___________* shares; provided, that the Company shall not be obligated to accept more than 3,000,000 Committed Homes Passed for ISP Channel Services without prior approval by the Board of Directors of the Company; provided, further, that in no event shall Mediacom acquire more than 35% of the Fully Diluted Common Stock without prior approval by the Board of Directors of the Company.

(a) Procedure. For each delivery of such excess Committed Homes Passed, Mediacom shall deliver to the Company a certificate signed by an authorized officer of Mediacom certifying that (i) Mediacom has delivered such excess Committed Homes Passed, and (ii) the Affiliate Agreement has been amended to reflect the delivery of such excess Committed Homes Passed. The Company shall issue to Mediacom such Additional Shares within 30 days of receipt of such certificate.

(b) Adjustment for Subdivisions and Combinations. In the event at any time the Company shall, by subdivision, stock split, reverse stock split, dividend, combination or reclassification of any shares of its capital stock or otherwise change any of the shares of Common Stock into the same or different number of securities of any class or classes. The specific share numbers set forth herein and in the Ancillary Agreements shall be proportionately adjusted to reflect such change. An adjustment made pursuant to this Section

* Denotes the information has been filed separately with the Securities and Exchange Commission for Confidential Treatment.

2.2(b) shall become effective immediately after the effective date of such subdivision or combination.

2.3 Shares to be Subject to Transfer Restrictions. The Common Shares shall be subject to transfer restrictions and other conditions as set forth in the Stockholder Agreement.

3. Execution of Ancillary Agreements. In consideration for the issuance of the Common Shares, Mediacom shall enter into the Ancillary Agreements and use ISP Channel, Inc. as the exclusive provider of Internet access passed by Mediacom's cable infrastructure according to the terms of the Affiliate Agreement.

4. Representations and Warranties of the Company. The Company hereby represents and warrants to Mediacom as follows, except as set forth on a Schedule of Exceptions (the "Schedule of Exceptions") furnished to Mediacom attached hereto as Schedule A, which exceptions shall be deemed to be representations and warranties as if made hereunder:

4.1 Organization and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has all requisite corporate power to carry on its business as it is now being conducted and is duly qualified to do business as a foreign corporation and is in good standing in each of the jurisdictions in which the properties owned, leased or operated by the Company or the nature of the business conducted by the Company makes such qualification necessary and where the failure to so qualify (individually or in the aggregate) would have a Material Adverse Effect.

4.2 Subsidiaries. The Schedule of Exceptions sets forth each Subsidiary of the Company. Except as set forth in the Schedule of Exceptions, the Company does not own any capital stock in any other corporation or similar business entity nor is the Company a partner in any partnership or joint venture. The Schedule of Exceptions describes the state or other jurisdiction of incorporation or organization and the percentage ownership interest owned by the Company of each Subsidiary. Each Subsidiary is a corporation or limited liability company duly organized, validly existing and in good standing under the laws of its state or other jurisdiction of incorporation or organization. Each Subsidiary has all requisite power (corporate or otherwise) to carry on its business as it is now being conducted and is duly qualified to do business as a foreign corporation or limited liability company and is in good standing in the jurisdictions in which the properties owned, leased or operated by such Subsidiary or the nature of the business conducted by such Subsidiary makes such qualification necessary and where the failure to so qualify (individually or in the aggregate) would have a Material Adverse Effect.

4.3 Authorization, Validity and Enforceability. The Company has full power, authority and legal capacity to execute and deliver this Agreement and each of the Ancillary Agreements, and subject to the HSR Approval, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby, including without limitation the issuance of the Common Shares hereunder and the issuance of the Preferred Share pursuant to the Stockholder Agreement. This Agreement and each of the

Ancillary Agreements have been duly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, and (b) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

4.4 <u>No Conflicts</u>. Subject to the HSR Approval, the execution and delivery by the Company of this Agreement and each of the Ancillary Agreements and the performance by the Company of its obligations hereunder and thereunder, and the consummation of the transactions contemplated hereby and thereby (including, without limitation, the offer and sale of the Common Shares hereunder and the issuance of the Preferred Share pursuant to the Stockholder Agreement), do not and will not conflict with or violate the Certificate of Incorporation or By-laws of the Company and do not and will not conflict with, result in any breach or violation of, constitute a default under (or an event which with the giving of notice or the lapse of time or both would constitute a default under), give rise to any right of termination or acceleration of any right or obligation of the Company under, or result in the creation of any lien or encumbrance upon any assets or properties of the Company by reason of the terms of, (a) any material contract to which the Company or by or to which the Company or its assets or properties may be bound or subject, or (b) any order, writ, judgment, injunction, award, decree, law, statute, ordinance, rule or regulation applicable to the Company.

4.5 <u>Third-Party Consents and Approvals</u>. Except for the Stockholder Approval and the HSR Approval, no consent, approval, authorization, license or order of, registration, qualification, designation, declaration or filing with, or notice to, any governmental entity or any other person is necessary to be obtained, made or given by the Company in connection with the execution and delivery of this Agreement, the performance by the Company of its obligations hereunder, and the consummation of the transactions contemplated hereby.

4.6 <u>Title to Securities</u>. The Common Shares, when issued and delivered in accordance with the terms of this Agreement for the consideration expressed herein, and the Preferred Share, when issued and delivered in accordance with the terms of the Stockholder Agreement, will be duly and validly issued, fully paid and nonassessable. The issuance, sale and delivery of the Common Shares is not subject to any preemptive rights of stockholders of the Company or to any right of first refusal or other similar right in favor of any person.

4.7 <u>Capitalization and Voting Rights.</u>

(a) The authorized capital of the Company consists of:

(i) <u>Preferred Stock</u>. 4,000,000 shares of Preferred Stock, par value $.10 per share (the "Preferred Stock"), of which no shares were issued and outstanding as of October 31, 1999.

(ii) Common Stock. 100,000,000 shares of Common Stock, of which _____________ shares were issued and outstanding as of October 31, 1999.

(b) All outstanding shares of Common Stock are duly and validly authorized and issued, fully paid and nonassessable, and were issued in compliance with all applicable state and federal laws concerning the issuance of securities and not in violation of any preemptive rights of stockholders of the Company or to any right of first refusal or other similar right in favor of any person. All shares of Common Stock issuable upon exercise of all options, warrants or other rights or agreements for the purchase or acquisition of Common Stock (including Additional Shares) have been duly reserved for issuance and, upon issuance thereof in accordance with the respective terms of their governing documents, will be duly and validly issued, fully paid and non-assessable.

(c) Except as disclosed in the Schedule of Exceptions there are no (i) outstanding options, warrants, rights (including conversion or preemptive rights) or agreements or obligations (contingent or otherwise) for the purchase, repurchase or acquisition or retirement of any shares of its capital stock or other interests therein, (ii) securities of the Company convertible into or exchangeable for any capital stock of the Company, (iii) commitments of the Company to issue any shares, warrants, options or other such rights or to distribute to holders of any class of its capital stock in respect thereof, any evidences of indebtedness or assets, or (D) agreements to pay any dividend or make any other distribution in respect thereof. Between October 31, 1999 and the Closing Date, the Company has not issued any shares of capital stock or other securities other than upon conversion or exercise or otherwise as a result of conversion rights, options, warrants and other rights or agreements for the purchase of shares of capital stock that were outstanding as of October 31, 1999. The Company is not a party or subject to any agreement and, to the Company's knowledge, there is no agreement between any persons and/or entities, which affects or relates to the voting or giving of written consents with respect to any security or by a director of the Company.

4.8 Governmental Consents. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority on the part of the Company or any of its Subsidiaries is required in connection with (a) the execution, delivery and performance of this Agreement or any of the Ancillary Agreements, (b) the issuance, sale and delivery of the Common Shares and the Preferred Share, and (c) the consummation of the transactions contemplated by this Agreement and the Ancillary Agreements, except for (i) such filings required pursuant to applicable federal and state securities laws and blue sky laws, which filings will be effected within the required statutory period, and (ii) the HSR Approval.

4.9 Litigation. There is no action, suit, proceeding or investigation pending, or to the Company's knowledge, currently threatened against the Company that questions the validity of this Agreement or the right of the Company to enter into such Agreement or to consummate the transactions contemplated hereby, or that might result, either individually or in the aggregate, in a Material Adverse Effect or any change in the current equity ownership of the Company.

4.10 Certificate of Incorporation, By-laws and Minutes. The Company has heretofore made available to Mediacom true and complete copies of its Certificate of Incorporation and By-laws as in effect on the date hereof. The minute books of the Company and the Subsidiaries, which have been made available to Mediacom for inspection, contain true and complete records of all meetings and consents of the Board of Directors and stockholders of the Company and the Subsidiaries.

4.11 No Violation of Law. To the Company's knowledge, the Company and each Subsidiary is not in violation of and has not been given notice or been charged with any violation of any law, statute, order, rule, regulation, ordinance or judgment (including, without limitation, any applicable environmental law, ordinance or regulation) of any governmental or regulatory body or authority, except for violations which, in the aggregate, do not have, and would not reasonably be expected to have a Material Adverse Effect. Neither the Company nor any Subsidiary has received any written notice that any investigation or review with respect to it by any governmental or regulatory body or authority is pending or threatened, other than, in each case, those the outcome of which, as far as reasonably can be foreseen, would not reasonably be expected to have a Material Adverse Effect. The Company and each Subsidiary have all permits, licenses, franchises, variances, exemptions, orders and other governmental authorizations, consents and approvals necessary to conduct their businesses as presently conducted, except for those, the absence of which, alone or in the aggregate, would not have a Material Adverse Effect (collectively, the "Permits"). The Company and each Subsidiary (a) have duly and timely filed all reports and other information required to be filed with any governmental or regulatory authority in connection with its Permits, and (b) are not in material violation of the terms of any of its Permits, except for such omissions or delays in filings, reports or violations which, alone or in the aggregate, would not have a Material Adverse Effect.

4.12 Registration Rights. Except as set forth in the Schedule of Exceptions, the Company has not granted or agreed to grant any registration rights under any applicable securities laws to any person.

4.13 Intellectual Property. The Company and each Subsidiary owns or has the right to use the patents, unpatented inventions, trademarks, tradenames, service marks, service names, copyrights, trade secrets, know-how, design, process and other intangible assets (collectively, "Proprietary Assets") used in the business of the Company and the Subsidiaries free and clear of liens, claims, and encumbrances created outside of the ordinary course of business or identified in agreements referred to in the SEC Reports. Neither the Company nor any Subsidiary is knowingly violating or infringing the rights of others in any patent, unpatented invention, trademark, trade name, servicemark, copyright, trade secret, know-how, design, process or other intangible asset. The Company has not received any communications alleging that the Company (or any of its employees or consultants) has violated or infringed or, by conducting its business as proposed, would violate or infringe, any Proprietary Asset of any other person or entity. To the Company's knowledge, no third party has any ownership, right, title, interest, claim or lien on any of the Company's Proprietary Assets and the Company has taken, and in the future the Company will use its best efforts to take all steps reasonably necessary to preserve its legal rights in, and the secrecy of, all its Proprietary Assets, except those for which disclosure is required for legitimate business or legal reasons. Except as set forth in the Schedule of Exceptions, the Company has not granted, and, to the Company's knowledge there are not outstanding, any options, licenses or agreements of any kind relating to any Proprietary Asset of the Company, nor is the Company bound by or a party to any option, license or agreement of any kind with respect to any of its Proprietary Assets. Except as set forth on the Schedule of Exceptions, the Company is not obligated to pay any royalties or other payments to third parties with respect to the marketing, sale, distribution, manufacture, license or use of any of Proprietary Asset or any other property or rights.

4.14 Company SEC Reports. Since January 1, 1998, the Company has timely filed with the Securities and Exchange Commission (the "SEC") all reports, registrations and other documents, together with any amendments thereto, required to be filed under the Securities Act of 1933, as amended (the "Securities Act"), and the Securities Exchange Act of 1934, as amended (the "Exchange Act")(all such reports, registrations and documents filed with the SEC since January 1, 1998 are collectively referred to as the "Company SEC Reports"). As of their respective dates or such later date as the Company filed an amendment with the SEC, the Company SEC Reports complied in all material respects with all rules and regulations promulgated by the SEC and did not contain any untrue statement of a material fact or omit to state a material face required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading. The consolidated financial statements of the Company (the "Company Financial Statements") included in the Company SEC Reports present fairly, in all material respects, the consolidated financial position of the Company and the Subsidiaries as of their respective dates and the results of their operations and cash flows for the fiscal years and periods covered in accordance with GAAP consistently applied and in accordance with Regulation S-X of the SEC (subject, in the case of unaudited interim period financial statements to normal recurring year-end adjustments which, individully or collectively, are not material). Without limiting the generality of the foregoing, (a) as of the date of the most recent balance sheet included in the Company Fiancial Statements, there was no material debt, liability or obligation of any nature not fully reflected or reserved in accordance with GAAP; and (b) there are no assets of the Company or any Subsidiary, the value of which (in the reasonable judgment of the Company) is materially overstated in the Company Financial Statements. Except as set forth in the Company SEC Reports, neither the Company nor any Subsidiary, to their knowledge, has any liability or obligation of any nature (whether accrued, absolute, contingent or otherwise) other than liabilities and obligations which would not, individually or in the aggregate, have a Material Adverse Effect.

4.15 Brokers and Finders. The Company has not, directly or indirectly, employed any investment banker, broker, finder, consultant or intermediary in connection with the transactions contemplated by this Agreement which would be entitled to any investment banking, brokerage, finder's or similar fee or commission in connection with this Agreement or the transactions contemplated hereby.

4.16 Year 2000 Issue. The Company has reviewed the effect of the Year 2000 Issue on the computer software used by the Company and the Subsidiaries in the business of the Company and the Subsidiaries, as well as those hardware and firmware systems and equipment containing embedded microchips owned or operated by the Company and the Subsidiaries or used or relied upon in the conduct of their business (including systems and equipment supplied by others or with which such computer systems of the Company and the Subsidiaries interface). The costs to the Company of any reprogramming required as a result of the Year 2000 Issue to permit the proper functioning of such systems and equipment and the proper processing of data, and the testing of such reprogramming, are not reasonably expected to have a Material Adverse Effect on the Company.

5. Representations and Warranties of Mediacom. Mediacom hereby represents and warrants to the Company that:

5.1 Authorization. Mediacom has full power and authority to enter into this Agreement, and such Agreement constitutes its valid and legally binding obligation, enforceable in accordance with its terms.

5.2 Purchase Entirely for Own Account. This Agreement is made with Mediacom in reliance upon Mediacom's representation to the Company, which by Mediacom's execution of this Agreement Mediacom hereby confirms, that the Common Shares to be received by Mediacom will be acquired for investment for Mediacom's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that Mediacom has no present intention of selling, granting any participation in, or otherwise distributing the same. By executing this Agreement, Mediacom further represents that Mediacom does not presently have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participation to such person or to any third person, with respect to any of the Common Shares.

5.3 Disclosure of Information. Mediacom believes it has received all the information it considers necessary or appropriate for deciding whether to acquire the Common Shares. Mediacom further represents that it has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Securities and the business, properties, prospects and financial condition of the Company. The foregoing, however, does not limit or modify the representations and warranties of the Company in Section 4 of this Agreement or the right of Mediacom to rely thereon.

5.4 Investment Experience. Mediacom acknowledges that it can bear the economic risk of its investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Common

Shares. Mediacom has the capacity to protect its own interests in connection with the transactions contemplated by this Agreement. Mediacom has not been organized for the purpose of acquiring the Common Shares.

5.5 No Solicitation. Neither the offer nor the sale of the Common Shares to Mediacom has been accomplished by the publication of any form of advertisement or general solicitation.

5.6 Restricted Securities. Mediacom understands that the Common Shares are characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such Securities may be resold without registration under the Securities Act, only in certain limited circumstances. In this connection, Mediacom represents that it is familiar with SEC Rule 144, as presently in effect, and understands the resale limitations imposed thereby and by the Act.

5.7 Legends. Mediacom acknowledges that the Common Shares, and any securities issued in respect thereof or exchange therefor, may bear one or all of the following legends:

(a) "THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED OR UNLESS SOLD PURSUANT TO RULE 144 OF SUCH ACT."

(b) "THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFER, REPURCHASE RIGHTS AND OTHER CONDITIONS CONTAINED IN THAT CERTAIN STOCKHOLDER AGREEMENT BETWEEN MEDIACOM LLC AND THE COMPANY, DATED NOVEMBER 4, 1999."

(c) Any legend required by the laws of the jurisdiction where Mediacom is domiciled or incorporated.

(d) Any legend required by the Blue Sky laws of any other state to the extent such laws are applicable to the shares represented by the certificate so legended.

6. Conditions to the First Closing, Second Closing and Third Closing; Covenants and Alternate Consideration

6.1 *Conditions to the Company's Obligations.* The obligations of the Company to issue the Common Shares shall be subject to the satisfaction of the following conditions as of the First Closing, the Second Closing and the Third Closing:

(a) *Representations and Warranties.* The representations and warranties of Mediacom contained in this Agreement shall be true and correct as of the First Closing Date, the Second Closing Date and the Third Closing Date with the same force and effect as though made as of each such respective Closing Date.

(b) *Covenants.* Mediacom shall have complied with all covenants and agreements required to be complied with by Mediacom hereunder and in the Affiliate Agreement.

(c) *Compliance Certificate.* The Company shall have received from an officer of Mediacom a certificate, dated as of the First Closing Date, the Second Closing Date, or the Third Closing Date, as the case may be, that the conditions specified in Sections 6.1(a) and 6.1(b) have been fulfilled.

(d) *Consents and Approvals.* Mediacom shall have obtained, made or given all consents, approvals, authorizations, licenses or orders of, registrations, qualifications, designations, declarations or filings with, or notice to any governmental entity or any other person to the extent necessary to be obtained, made or given by Mediacom in connection with the transactions contemplated hereby.

(e) *No Injunction or Illegality.* No injunction, order, decree or judgment shall have been issued by any court or other governmental entity and be in effect, and no statute, rule or regulation shall have been enacted or promulgated by any governmental entity and be in effect, which in each case restrains or prohibits any of the transactions contemplated hereby.

(f) *Ancillary Agreements.* Mediacom shall have executed and delivered to the Company the Ancillary Agreements and the Ancillary Agreements shall be in full force and effect.

(g) *Delivery of Documents.* The Company shall have received from Mediacom: incumbency certificates and such other evidence of corporate authority for the transactions contemplated hereby as the Company and its counsel shall reasonably request. The Company may conclusively rely on such documents.

(h) *Celebratory Dinner.* Solely as a condition to the First Closing, Rocco Commisso, the Chairman and Chief Executive Officer of Mediacom, shall have come to California for a celebratory dinner in his honor.

6.2 Conditions to Mediacom's Obligations. The obligations of Mediacom to consummate the First Closing, the Second Closing and the Third Closing shall be subject to the satisfaction of the following conditions:

(a) Representations and Warranties. The representations and warranties of the Company contained in this Agreement shall be true and correct as of the First Closing Date, the Second Closing or the Third Closing Date, as the case may be, (other than representations and warranties made as of a specific date, which shall be true and correct as of the date specified), with the same force and effect as though such representations and warranties had been made as of each such respective Closing Date.

(b) Covenants. The Company shall have performed and complied with all covenants and agreements required to be performed or complied with by the Company hereunder and under the Ancillary Agreements.

(c) Compliance Certificate. Mediacom shall have received from an officer of the Company a certificate, dated as of the First Closing or Second Closing, as the case may be (and as to each issuance of Additional Shares, the date of issuance of such shares), that the conditions specified in Sections 6.2(a) and 6.2(b) have been fulfilled.

(d) Consents and Approvals. All consents, approvals, authorizations, licenses or orders of, registrations, qualifications, designations, declarations or filings with, or notice to any governmental entity or any other person necessary to be obtained, made or given in connection with the transactions contemplated hereby shall have been duly obtained, made or given and shall be in full force and effect.

(e) No Injunction or Illegality. No injunction, order, decree or judgment shall have been issued by any court or other governmental entity and be in effect, and no statute, rule or regulation shall have been enacted or promulgated by any governmental entity and be in effect, which in each case restrains or prohibits any of the transactions contemplated hereby.

(f) Ancillary Agreements. The Company shall have entered into each of the Ancillary Agreements and the Ancillary Agreements shall be in full force and effect.

(g) Share Certificates; Alternate Cash Consideration. Mediacom shall have received stock certificates of the Company representing the First Shares for the First Closing, the Second Shares for the Second Closing, or the Third Shares, or subject to Section 6.6, the Alternate Cash Consideration, for the Third Closing, in such denominations as may be requested by Mediacom.

(h) Delivery of Documents. Mediacom shall have received from the Company: (i) a copy of the Amended and Restated Certificate of Incorporation of the Company in effect at the time of the Closing, certified as having been filed with the Delaware Secretary of

State, (ii) a copy of the By-laws of the Company in effect at the time of the Closing, certified as being true and correct by the Secretary of the Company, and (iii) incumbency certificates, board resolutions and such other evidence of corporate authority for the transactions contemplated hereby as Mediacom and its counsel shall reasonably request. Mediacom may conclusively rely on such documents.

(i) Opinion of Counsel. Mediacom shall have received an opinion from Latham & Watkins, corporate counsel to the Company, dated as of the First Closing Date, the Second Closing Date or the Third Closing Date, as the case may be, in form reasonably satisfactory to Mediacom.

6.3 Additional Conditions to the Second Closing. The obligations of the Company and Mediacom to consummate the Second Closing shall be subject to HSR Approval. The obligation of Mediacom to consummate the Second Closing shall also be subject to the Company's amending its Bylaws as set forth in Section 5.3 of the Stockholder Agreement.

6.4 HSR Filings. Each of the parties hereto covenants and agrees to use its reasonable commercial efforts to comply promptly with any applicable requirements under the HSR Act, and rules and regulations promulgated thereunder, relating to filing and furnishing of information to the Federal Trade Commission ("FTC") and the Antitrust Division of the Department of Justice ("DOJ"), the parties' actions to include, without limitation, (a) filing or causing to be filed the Notification and Report (the "HSR Report") required to be filed by them, or by any other person that is part of the same "person" (as defined in the HSR Act) or any of them, and taking all other action required by the HSR Act; (b) coordinating the filing of such HSR Reports (and exchanging drafts thereof) so as to present both HSR Reports to the FTC and the DOJ within 10 business days after the date of execution of this Agreement, or as soon thereafter as reasonably practicable, and to avoid substantial errors or inconsistencies between the two in the description of the transaction; and (c) using their reasonable commercial efforts to comply with any additional request for documents or information made by the FTC or the DOJ or by a court and assisting the other party to so comply. Notwithstanding anything herein to the contrary, in the event that the consummation of the transactions contemplated under this Agreement is challenged by the FTC, the DOJ or any agency or instrumentality of the federal government by an action to stay or enjoin such consummation, then the parties shall cooperate with each other, as reasonably requested, until either party does not reasonably believe that there are reasonable grounds to contest such action, at which time such party shall have the right to terminate this Agreement and the Ancillary Agreements, unless the other party, at its sole cost and expense, elects to contest such action, in which case the noncontesting party shall cooperate with the contesting party and assist the contesting party, as reasonably requested, to contest such action until such time as any party terminates this Agreement under this Section. In the event that a stay or injunction is granted (preliminary or otherwise), then either party may terminate this Agreement by prompt written notice to the other. If any other form of equitable relief affecting any party is granted to the FTC, the DOJ or other such agency or instrumentality, then the noncontesting party may terminate this Agreement by prompt written notice to the other party. Upon any termination pursuant to this Section 6.4 other than as a result of a breach of this Agreement, no party shall have any further obligation or liability to the other party under this Agreement or the Ancillary Agreements. To effectuate the intent of the foregoing provisions of this Section 6.4, the parties agree to exchange requested or required information in making the filings and in complying as above provided, and the parties agree to take all reasonable steps to preserve the confidentiality of the information set forth in any filings.

6.5 Stockholder Approval. The Company covenants and agrees to submit to its stockholders for approval at the 2000 Annual Meeting of Stockholders, duly called and held as promptly as reasonably possible, but not later than March 31, 2000 (the "Stockholders Meeting"), and the Company will recommend to, and will use its best efforts to solicit and obtain from such stockholders, the approval of (a) the issuance of the Common Shares, as contemplated by this Agreement, but only in the event stockholder approval is necessary to issue the Third Shares in order to comply with the rules of the NASDAQ Stock Market ("Shareholder Approval") and (b) the election of Mediacom's designee to the Company's Board of Directors consistent with Mediacom's percentage ownership of the Common Stock, as set forth in Section 5 of the Stockholder Agreement. The Company shall timely prepare and file with the SEC a preliminary proxy statement in connection with the Stockholders Meeting, and shall endeavor to obtain prompt review of such proxy statement by the SEC, to respond to comments receive and to mail the definitive version thereof (together with any supplements thereto, the "Proxy Statement") promptly to its stockholders. The Proxy Statement will comply as to form in all material respects with all applicable rules and regulations under the Exchange Act . Copies of all preliminary proxy material to be submitted to the SEC, and all SEC responses, comments or inquiries related thereto shall be sent or communicated to Mediacom and its counsel sufficiently in advance of filing or other formal action with respect thereto to provide them with a reasonable opportunity to review and comment thereon.

6.6 Alternate Cash Consideration. In the event that, despite its best efforts, the Company shall not obtain Stockholder Approval, at the Third Closing the Company shall deliver to Mediacom the Alternate Cash Consideration, at Mediacom's option, by the delivery of a certified or cashier's check or by federal wire transfer to an account designated by Mediacom.

6.7 Additional Shares. Solely as a condition to issuing Additional Shares, the Company shall be reasonably satisfied that Mediacom has made available for ISP Channel Services the number of Committed Homes Passed that requires the issuance of Additional Shares.

7. Closing Dates.

7.1 First Closing. Subject to the satisfaction (or waiver) of the conditions thereto set forth in Section 6.1 and 6.2, the date and the time of the issuance and sale of the First Shares pursuant to this Agreement (the "First Closing") shall be 10:00 a.m., on November 3, 1999 at 650 Townsend Street, Suite 225, San Francisco, CA, or at such other date, time and place as the Company and Mediacom mutually agree upon orally or in writing (the "First Closing Date").

7.2 Second Closing. Subject to the satisfaction (or waiver) of the conditions thereto set forth in Section 6.1, 6.2, 6.3 and 6.4, the date and the time of the issuance and sale of the Second Shares pursuant to this Agreement (the "Second Closing") shall be no later than the fifth business day following HSR Approval at 650 Townsend Street, Suite 225, San Francisco, CA, or at such other date, time and place as the Company and Mediacom mutually agree upon orally or in writing (the "Second Closing Date").

7.3 Third Closing. Subject to the satisfaction (or waiver) of the conditions thereto set forth in Section 6, the date and the time of the issuance and sale of the Third Shares, or delivery of the Alternate Cash Consideration, pursuant to this Agreement (the "Third Closing") shall be within five business days after the earlier of (a) Stockholder Approval or (b) March 31, 2000, at 650 Townsend Street, Suite 225, San Francisco, CA, or at such later date, time and place as the Company and Mediacom mutually agree upon orally or in writing (the "Third Closing Date"); provided, that the Third Closing shall be unnecessary in the event Stockholder Approval is not required by Section 6.5.

8. Protective Provision. In the event ISP Channel, Inc. or the Company enter into agreements with any other cable operator that have, in the aggregate, terms, rates and conditions more favorable than set forth in this Agreement and the Ancillary Agreements, taken as a whole, then such party shall offer to Mediacom such set of terms, rates and conditions offered to the other cable operator; provided, however, that this provision shall not apply to agreements for test or demonstration purposes.

9. Miscellaneous.

9.1 Survival of Representations and Warranties; Indemnity.

(a) The representations and warranties contained in this Agreement shall survive the execution and delivery of this Agreement regardless of any investigation made by or on behalf of either party hereto, until the fifth anniversary of the date hereof.

(b) The Company hereby agrees to indemnify, defend and hold harmless Mediacom, any affiliate of Mediacom, and any director, officer, employee, representative or agent of any of them (an "Indemnified Party") from and against, and agrees to pay or cause to be paid to such Indemnified Party the amounts ("Losses") equal to the sum of any and all claims, demands, costs, expenses or other liabilities of any kind that any Indemnified Party may incur or suffer, directly or indirectly, including without limitation the cost of investigation (including without limitation attorneys' fees) which arise out of, result from or relate to (i) any misrepresentation or breach by the Company of any of its representations or warranties or covenants contained in this Agreement, or in any schedule, certificate, exhibit, or other instrument furnished by, or on behalf of, the Company under this Agreement or (ii) any claim by any stockholders of the Company arising under or in connection with this Agreement. Each Indemnified Party shall give prompt notice to the Company of the commencement of any suit, action or proceeding against such Indemnified Party in respect of which indemnity may be sought hereunder. The Company may, at its own expense, participate in and upon notice to the Indemnified Party, assume the defense any such suit, action or proceeding; provided that (A) the Company's counsel is reasonable satisfactory to such Indemnified Party and (B) the Company shall thereafter consult with such Indemnified Party upon such Indemnified Party's reasonable request for such consultation from time to time with respect to such suit, action or proceeding. If the Company assumes such defense, such Indemnified Party shall have the right (but not the duty) to participate in the defense thereof and to employ counsel, at its own expense, separate from the counsel employed by the Company. The Company shall be liable for the fees and expenses of counsel employed by such Indemnified Party for any period during which the Company has not assumed the defense thereof. Whether or not the Company chooses to defend or prosecute any claim, all of the parties hereto shall cooperate in the defense or prosecution thereof. The Company shall not be liable hereunder for any settlement effected without its consent or resulting from a proceeding against an Indemnified Party in which the Company was not permitted an opportunity to participate unless (1) such settlement includes an unconditional release of the Company from all liability on claims that are the subject matter of such claim, litigation or proceeding, and (2) such settlement shall not require that the Company incur any obligation (monetary or otherwise) or forego any rights. The Company shall not effect any settlement relating to a proceeding against any Indemnified Party without the consent of such Indemnified Party (which consent shall not be unreasonably withheld) unless such settlement includes (as to such Indemnified Party) money damages only and an unconditional release of such Indemnified Party from all Losses related to such proceeding.

9.2 Notices. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given when delivered personally to the recipient, sent to the recipient by reputable overnight courier service (charges prepaid), mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, or transmitted by facsimile (with request for immediate confirmation of receipt in a manner customary for communications of such type and with physical delivery of the communication being made by one of the other means specified in this Section as promptly as practicable thereafter). Such notices, demands and other communications shall be addressed as follows:

If to the Company:

SOFTNET SYSTEMS, INC.
650 Townsend Street, Suite 225
San Francisco, California 94103
Attn: Steven Harris, Secretary
Telephone: (415) 365-2500
Telecopy: (415) 365-2556

If to Mediacom

MEDIACOM LLC
100 Crystal Run Road
Middletown, NY 10941
Attention: Rocco B. Commisso
Chairman and Chief Executive Officer
Telephone: (914) 695-2600
Telecopy: (914) 695-2639

with a copy to:

Cooperman Levitt Winikoff Lester & Newman, P.C.
800 Third Avenue
New York, NY 10022
Attention: Robert L. Winikoff, Esq.
Telephone: (212) 688-7000
Telecopy: (212) 755-2839

or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party (provided that notice of a change of address shall be effective only upon receipt thereof).

9.3 Expenses. The Company shall pay, and hold Mediacom harmless from and against liability for the payment of, stamp and other taxes which may be payable in respect of the execution and delivery of this Agreement or the delivery or acquisition of any Common Shares.

9.4 Remedies. The parties shall have all rights and remedies set forth in this Agreement and all rights which such holders have under any law. Any person having any rights under any provision of this agreement shall be entitled to enforce such rights specifically (without posting a bond or other security), to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law. The losing party shall pay the reasonable fees and expenses incurred by the prevailing party for the enforcement of the rights granted under this Agreement.

9.5 Entire Agreement; Waivers and Amendments. This Agreement (including the exhibits and schedules hereto and the documents and instruments referred to herein) contains the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes all prior written or oral agreements and understandings with respect thereto. This Agreement may only be amended or modified, and the terms hereof may only be waived, by a writing signed by both parties hereto or, in the case of a waiver, by the party entitled to the benefit of the terms being waived.

9.6 <u>Assignment; Binding Effect.</u> This Agreement may not be assigned or delegated, in whole or in part, by either party hereto without the prior written consent of the other party hereto, except by operation of law in connection with a merger, consolidation or other reorganization or sale of all or substantially all of the assets of Mediacom; <u>provided</u>, that Mediacom may assign, in its sole discretion, all of its rights, interests and obligations under this Agreement to any buyer who assumes all of Mediacom's obligations under this Agreement and the Ancillary Agreements. Mediacom may assign any or all of its rights and obligations hereunder to its direct or indirect wholly-owned Subsidiaries if such Subsidiaries agrees in writing in form satisfactory to the Company to be bound by this agreement and make the representations and warranties hereunder to the same extent as Mediacom. In the event Mediacom assigns such rights to any such Subsidiary, such Subsidiary shall be deemed to be "Mediacom" for all purposes of this Agreement, and the Company shall re-issue the applicable Common Shares in the name of any such Subsidiary at the direction in writing by Mediacom. The assignment by Mediacom of any rights, interest or obligations under the Registration Rights Agreement to a transferee of the Unrestricted Shares acquired hereunder shall not affect or diminish the rights or obligations of Mediacom under this Agreement. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

9.7 <u>Severability.</u> In the event that any provision of this Agreement shall be declared invalid or unenforceable by a court of competent jurisdiction in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent declared invalid or unenforceable without affecting the validity or enforceability of the other provisions of this Agreement, and the remainder of this Agreement shall remain binding on the parties hereto.

9.8 <u>Governing Law; Jurisdiction and Venue.</u> This Agreement shall be governed by, construed and enforced in accordance with the internal laws of the State of Delaware, excluding the conflict of laws provisions thereof that would otherwise require the application of the law of any other jurisdiction. The parties hereto acknowledge and agree that the state and federal courts sitting in the State of Delaware shall have jurisdiction in any matter arising out of this Agreement, and the parties hereby consent to such jurisdiction and agree that the venue of any such matter shall also be proper in such state and federal courts sitting in the State of Delaware.

9.9 <u>Captions.</u> The Section and subsection headings in this Agreement are inserted for convenience of reference only, and shall not affect the interpretation of this Agreement.

9.10 <u>Counterparts.</u> This Agreement may be executed in counterparts, each of which shall be deemed an original and both of which together shall be considered one and the same agreement.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed on its behalf as of the date first written above.

SOFTNET SYSTEMS, INC.

/s/ Lawrence B. Brilliant

By: Lawrence B. Brilliant
Title: Chief Executive Officer

MEDIACOM LLC

/s/Rocco B. Commisso

By: Rocco B. Commisso
Title: Chairman and Chief Executive Officer

Exhibit A

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "Agreement"), is made as of November 4, 1999, by and among SoftNet Systems, Inc., a Delaware corporation (the "Company"), with headquarters located at 650 Townsend Street, Suite 225, San Francisco, CA 94103 and Mediacom LLC, a New York limited liability company (the "Initial Purchaser"), with headquarters located at 100 Crystal Run Road, Middletown, New York 10941.

WHEREAS, in connection with the Stock Purchase Agreement dated of even date herewith by and between the Company and the Initial Purchaser (the "Stock Purchase Agreement"), the Company has agreed, upon the terms and subject to the conditions contained therein, to issue to the Initial Purchaser 3,500,000 shares of common stock of the Company, par value $0.01 per share (the "Common Stock"), and to issue additional shares of Common Stock under certain circumstances set forth in the Stock Purchase Agreement (collectively, the "Shares").

WHEREAS, the Shares are being issued in order to induce the Initial Purchaser to enter into an affiliate agreement pursuant to which, subject to the terms and provisions contained therein, the Initial Purchaser agrees to use the Company's subsidiary, ISP Channel, Inc., as the exclusive provider of Internet access and other Internet services to customers passed by the Initial Purchaser's cable infrastructure; and

WHEREAS, to induce the Initial Purchaser to execute and deliver the Stock Purchase Agreement, the Company has agreed to provide certain registration rights under the Securities Act of 1933, as amended, and the rules and regulations thereunder, or any similar successor statute (collectively, the "Securities Act"), and applicable state securities laws.

WHEREAS, the Shares are subject to a Stockholder Agreement by and between the Company and the Initial Purchaser, of even date herewith (the "Stockholder Agreement"), that governs certain rights and obligations with respect to the parties.

NOW THEREFORE, in consideration of the premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company, and the Initial Purchaser hereby agree as follows:

ARTICLE I
DEFINITIONS

1.1 <u>Definitions.</u>

(a) <u>"Purchaser"</u> means, collectively, the Initial Purchaser and any transferees or assignees who agree to become bound by the provisions of this Agreement in accordance with Article IX hereof or who otherwise take rights under this Agreement in accordance with the terms hereof.

(b) "register," "registered," and "registration" refer to a registration effected by preparing and filing a Registration Statement or Statements in compliance with the Securities Act, and the declaration or ordering of effectiveness of such Registration Statement by the United States Securities and Exchange Commission (the "SEC").

(c) "Registrable Securities" means the Unrestricted Shares (as defined in the Stockholder Agreement), and any shares of capital stock issued or issuable, from time to time (with any adjustments) on or in exchange for or otherwise with respect to the Unrestricted Shares or any other Registrable Securities. The Unrestricted Shares shall cease to be Registrable Securities to the extent that they (in the reasonable opinion of counsel to the Purchaser) have been sold to the public without registration and without restriction, whether pursuant to Rule 144 or otherwise.

(d) "Registration Statement" means any registration statement of the Company under the Securities Act subject to or pursuant to Article II or another provision of this Agreement, as applicable.

ARTICLE II
REGISTRATION

2.1 Demand Registration. At any time after December 31, 1999 and subject to Section 2.5 of the Stockholder Agreement, if the Purchaser holds at least 500,000 shares of Registrable Securities, the Purchaser shall have the right to request that the Company prepare, and file with the SEC a Registration Statement on Form S-3 covering the resale of all or any portion of the then issued Registrable Securities (a "Demand Registration"). The Registration Statement shall have a minimum aggregate offering price (as set forth on the facing page of the Registration Statement) to the public of $10,000,000. The Purchaser may demand that any Registration Statement be a shelf-registration in accordance with Rule 415 under the Securities Act or any successor rule providing for offering securities on a continuous basis ("Rule 415"). The Company shall send to all other Purchasers, if any, written notice of such request and if any such Purchasers respond within fifteen (15) days after the effective date of such notice (in accordance with Section 2.6 below), the Company shall include all Registrable Securities requested by any such Purchaser to be registered in the Demand Registration in accordance with this Section 2.1. The Registration Statement (and each amendment or material supplement thereto, and each request for acceleration of effectiveness thereof) shall be provided to (and subject to the approval of (which approval shall not be unreasonably withheld or denied)) the Purchaser and its counsel prior to its filing. After receiving the Registration Statement, the Purchaser shall provide the Company with either its approval of the Registration Statement or its comments or corrections to the Registration Statement within five (5) business days of receipt of the draft Registration Statement. If the Purchaser does not respond with approval or comments within five business days, it shall be deemed to approve the Registration Statement. Without limiting the Company's obligations under this Section, if Form S-3 is not available to the Company in connection with re-sales, the Company shall file a Registration Statement on such form as is then available to effect a registration, subject to the consent of the Purchaser (as determined pursuant to Section 11.10 hereof) as to the form used for such filing. The Purchaser shall have the right to request the filing of one Registration Statement under this Section 2.1 in any twelve (12) month period; provided, however, that if the Purchaser requests the filing of more than one Registration Statement in a twelve month period then the Purchaser shall pay for all expenses of such Registration.

2.2 Underwritten Offering. If any offering pursuant to a Registration Statement pursuant to Section 2.1 hereof involves an underwritten offering, the Purchaser who holds a majority in interest of the Registrable Securities subject to such underwritten offering shall have the right to select the investment banker or bankers and manager or managers to administer the offering, which investment banker or bankers or manager or managers shall be reasonably satisfactory to the Company. If the underwriter of an underwritten offering advises the Company that in its opinion the number of Registrable Securities requested to be included in such offering exceeds the number of Registrable Securities which can be sold in an orderly manner in such offering within a price range acceptable to the Purchaser initially requesting such registration, then the Company shall include in such registration prior to the inclusion of any securities which are not Registrable Securities the number of Registrable Securities requested to be included which, in the opinion of such underwriters, can be sold in an orderly manner within the price range of such offering without adversely affecting the marketability of the offering, pro rata among the holders of such Registrable Securities. The Company shall agree to such reasonable lock-up provisions as may be requested by such underwriter.

2.3 Registration and Permitted Delays. The Company shall file the Registration Statement within thirty (30) days of a demand pursuant to Section 2.1 above, and shall use its best efforts to cause the Registration Statement to become effective as soon as practicable, but in no event later than the sixtieth (60th) day following the date of the filing of the Registration Statement, except in instances representing Permitted Delay (as defined below); provided, however, that if, notwithstanding such best efforts, the Registration Statement is not declared effective on or prior to the 60th day following the date of the filing of the Registration Statement as a result of the SEC review process, the Company shall, so long as it continues to use such best efforts, have an additional sixty (60) days to cause the registration statement to become effective. The Company shall respond to each item of correspondence from the SEC or the staff of the SEC relating to such registration statement as promptly as practicable. If to the actual knowledge of a senior officer of the Company or the Company's outside counsel the SEC and the staff of the SEC have no comments (or no further comments) concerning such Registration Statement, the Company shall as soon as practicable request acceleration of effectiveness of the Registration Statement from the SEC. For purposes of this Agreement, "Permitted Delay" shall mean the suspension of, or delay in filing of in response to a demand, of the Registration Statement for up to seventy-five (75) days upon the good faith determination by the Company's Board of Directors that such Registration Statement would have a material adverse effect on any proposed material financing, acquisition or other extraordinary corporate transaction as a result of which such suspension or delay is in the best interest of the Company and the holders of its outstanding Common Stock, provided, however, that no more than two (2) such Permitted Delays may be imposed during any period of twelve (12) consecutive months; and provided, however that no Permitted Delay shall be imposed with respect to a demand by the Purchaser where such Permitted Delay is not imposed on all other stockholders, and only to the same extent it is imposed on all other stockholders holding registration rights with respect to shares of capital stock of the Company; and provided further, that in the event of a Permitted Delay, the holders of Registrable Securities initially requesting registration shall be entitled to withdraw such request and, if such request is withdrawn, such Demand Registration shall not count as one of the permitted Demand Registrations hereunder and the Company shall pay all expenses in connection with such registration in accordance with Article V.

2.4 "Piggyback" Registration. If, after the date hereof, the Company shall decide to file with the SEC a Registration Statement relating to an offering for its own account or the account of others (other than a registration statement on Form S-4 or Form S-8 or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with stock option, stock purchase or other employee benefit plans), including a Demand Registration pursuant to Section 2.1 (unless inclusion therein would require the consent of such other party, and the Company is unable, despite exercise of good faith efforts, to obtain such consent) under the Securities Act of any of its equity securities (any such Registration Statement, a "Company Registration Statement"), the Company shall send to the Purchaser written notice of such determination and, if within fifteen (15) days after the effective date of such notice (in accordance with Section 2.6 below), the Purchaser shall so request in writing, the Company shall include in such Company Registration Statement all or any part of the Registrable Securities the Purchaser requests to be registered, except that if, in connection with any underwritten public offering for the account of the Company the managing underwriter(s) thereof shall impose a limitation on the number of shares of Common Stock which may be included in a Company Registration Statement because, in such underwriter(s)' judgment, marketing or other factors dictate such limitation is necessary to facilitate public distribution, then the Company shall be obligated to include in such Company Registration Statement only such limited portion of the Registrable Securities with respect to which the Purchaser has requested inclusion hereunder as the underwriter shall permit; provided, however, that the Company shall not exclude any Registrable Securities unless the Company has first excluded all outstanding securities, the holders of which are not entitled to inclusion of such securities in such Company Registration Statement; and provided, further, however, that, after giving effect to the immediately preceding proviso, any exclusion of Registrable Securities shall be made pro rata with holders of other securities having the right to include such securities in a Company Registration Statement and holders of securities not subject to a similar cut-back provision.

(b) If an offering in connection with which a Purchaser is entitled to registration under this Section 2.4 is an underwritten offering, then each Purchaser whose Registrable Securities are included in such Company Registration Statement shall, unless otherwise agreed by the Company, offer and sell such Registrable Securities in an underwritten offering using the same underwriter or underwriters and, subject to the provisions of this Agreement, on the same terms and conditions as other shares of Common Stock included in such underwritten offering.

2.5 Eligibility for Form S-3. The Company represents and warrants that it currently meets the requirements for the use of Form S-3 for registration of the re-sale by the Purchaser and that the Company shall use its best efforts to continue to meet such requirements, and that such re-sales may currently be effected pursuant to Form S-3; the Company shall file all reports required to be filed by the Company with the SEC in a timely manner so as to maintain such eligibility for the use of Form S-3 and shall use its best efforts in all other respects to maintain such eligibility.

2.6 Notices. Upon receipt of a request for a Demand Registration, the Company shall give all other Purchasers, if any, prompt written notice of such Demand Registration, which other Purchasers shall otherwise have the right to participate in such Demand Registration either pursuant to (i) Section 2.1, in the case of the Initial Purchaser, any affiliates of the Initial Purchaser, or Purchasers holding at least 500,000 shares of Common Stock, or (ii) Section 2.4, hereof, in the case of Purchasers not otherwise described in (i).

ARTICLE III
OBLIGATIONS OF THE COMPANY

In connection with the registration of the Registrable Securities, the Company shall have the following obligations:

3.1 Availability of Registration Statement. The Company shall prepare promptly and file with the SEC the Registration Statement required by Section 2.1, and use its best efforts to cause such Registration Statement relating to Registrable Securities to become effective as soon as practicable after such filing, and, if shelf-registration under Rule 415 is requested by Purchaser, keep the Registration Statement continuously effective pursuant to Rule 415 and available for use at all times, except as set forth herein, until such date as all of the Registrable Securities covered by such Registration Statement have been sold (the "Registration Period").

3.2 Amendments to Registration Statement. The Company shall prepare and file with the SEC such amendments (including post-effective amendments) and supplements to a Registration Statement and the prospectus used in connection with the Registration Statement as may be necessary to keep the Registration Statement effective and, subject to Section 3.7, available for use at all times during the Registration Period, (including, without limitation, amendments and supplements necessary in connection with a change in the "Plan of Distribution" section in any Registration Statement or prospectus) and, during such period, comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities of the Company covered by the Registration Statement until the termination of the Registration Period or, if earlier, such time as all of such Registrable Securities have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof as set forth in the Registration Statement. The Company shall cause such amendment and/or new Registration Statement to become effective as soon as practicable following the filing thereof.

3.3 Information. Upon written request, the Company shall furnish to the Purchaser whose Registrable Securities are included in the Registration Statement and its legal counsel promptly after the same is prepared and publicly distributed, filed with the SEC, or received by the Company, one copy of the Registration Statement and any amendment thereto, each preliminary prospectus and prospectus and each amendment or supplement thereto and, such number of copies of a prospectus, including a preliminary prospectus, and all amendments and supplements thereto and such other documents as the Purchaser may reasonably request in order to facilitate the disposition of the Registrable Securities owned (or to be owned) by the Purchaser. The Company shall promptly notify the Purchaser of the effectiveness of any Registration Statement or post-effective amendments thereto.

3.4 Blue Sky. The Company shall (a) register and qualify the Registrable Securities covered by the Registration Statement under securities laws of such jurisdictions in the United States (including Puerto Rico) as each Purchaser who holds (or has the right to hold) Registrable Securities being offered reasonably requests, (b) prepare and file in those jurisdictions such amendments (including post-effective amendments) and supplements to such registrations and qualifications as may be necessary to maintain the effectiveness thereof and availability for use during the Registration Period, (c) take such other actions as may be reasonably necessary to maintain such registrations and qualifications in effect at all times during the Registration Period, and (d) take all other actions reasonably necessary or advisable to qualify the Registrable Securities for sale in such jurisdictions; provided, however, that the Company shall not be required in connection therewith or as a condition thereto to (i) qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 3.4, (ii) subject itself to general taxation in any such jurisdiction, (iii) file a general consent to service of process in any such jurisdiction, (iv) provide any undertakings that cause the Company material expense or burden, or (v) make any change in its charter or by-laws, which in each case the board of directors of the Company determines to be contrary to the best interests of the Company and its stockholders.

3.5 Underwriters. In the event the Purchaser, holding a majority in interest of the Registrable Securities being offered in an offering pursuant to a Registration Statement or any amendment or supplement thereto under Section 2.1 or 2.4 hereof, selects underwriters for the offering, the Company shall enter into and perform its obligations under an underwriting agreement, in usual and customary form, including, without limitation, customary indemnification and contribution obligations, with the underwriters of such offering.

3.6 Correction of Statements or Omissions. As soon as practicable after becoming aware of such event, the Company shall publicly announce or notify by facsimile the Purchaser (at the facsimile number for such Purchaser set forth on the signature page hereto) of the happening of any event, of which the Company has actual knowledge, as a result of which the prospectus included in the Registration Statement, as then in effect, includes an untrue statement of a material fact or omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and use its best efforts as soon as possible to (but in any event within five (5) business days) prepare a supplement or amendment to the Registration Statement (and make all required filings with the SEC) to correct such untrue statement or omission if not otherwise satisfied through the filing of a report with the SEC or otherwise pursuant to applicable securities laws (but such a supplement or amendment or other filing shall not be required if, notwithstanding the Company's best efforts to so prepare and file such supplement, amendment or other filing, such a supplement, amendment or other filing is no longer required by applicable law to correct such untrue statement or omission because such untrue statement or omission no longer exists) and the Company shall simultaneously (and thereafter as requested) deliver such number of copies of such supplement or amendment to each Purchaser (or other applicable document) as such Purchaser may request in writing. Unless such an event is publicly announced, the Company shall not, without the consent of a Purchaser, give such Purchaser any material non-public information, but shall inform the Purchaser that the prospectus includes an untrue statement of a material fact or omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

3.7 Material Non-Public Information. If at any time during the Registration Period, counsel to the Company should determine in good faith that the compliance by the Company with its disclosure obligations in connection with the Registration Statement may require the disclosure of information which the Board of Directors of the Company has identified as material and which the Board of Directors has determined that the Company has a bona fide business purpose for preserving as confidential, the Company shall promptly, (i) notify the Purchasers in writing of the existence of material non-public information (but in no event, without the prior written consent of a Purchaser, shall the Company disclose to such Purchasers any of the facts or circumstances regarding such information) and (ii) advise the Purchasers in writing to cease all sales under the Registration Statement until such information is disclosed to the public or ceases to be material.

3.8 Stop Orders. The Company shall use its best efforts to prevent the issuance of any stop order or other suspension of effectiveness of a Registration Statement, and, if such an order is issued, to obtain the withdrawal of such order at the earliest practicable time, and the Company shall immediately notify by facsimile the Purchaser (at the facsimile number set forth on the signature page hereto) or, in the event of an underwritten offering, the managing underwriters, of the issuance of such order and the resolution thereof.

3.9 Opinions of Counsel. If reasonably requested by the Purchaser in writing (taking into account any applicable legal precedent and any SEC staff positions), the Company shall use its reasonable efforts to furnish, on the date of effectiveness of the Registration Statement and thereafter from time to time on such dates as the Purchaser may reasonably request (a) an opinion, dated as of such applicable date, from counsel representing the Company addressed to the Purchaser and in form, scope and substances as is customarily given in an underwritten public offering and reasonably satisfactory to such counsel and (b) a letter, dated as of such applicable date, from the Company's independent certified public accountants addressed to the Purchaser and in form, scope and substance as is customarily given to underwriters in an underwritten public offering; provided, however, that the Purchaser shall only be entitled to the foregoing to the extent it is reasonably requested by the Purchaser and consented to by the Company after consultation with its counsel (which consent will not be unreasonably withheld based upon all relevant facts and circumstances and taking into account the advice of such counsel) and in any event no more than one time in any three-month period (unless a shorter period would otherwise be reasonable under the applicable circumstances).

3.10 Inspection of Records. The Company shall provide the Purchaser, and any underwriter who may participate in the distribution of Registrable Securities, registered pursuant to the Registration Statement and their respective representatives, the opportunity, each at its own expense, to conduct a reasonable inquiry of the Company's financial and other records during normal business hours and make available its officers, directors and employees for questions regarding information which the Purchaser may reasonably request in connection with the Registration Statement; provided, however, the Purchaser shall hold in confidence and shall not make any disclosure of any record or other information which the Company determines in good faith to be confidential, and of which determination the inspectors are so notified in writing, unless (a) the disclosure of such records is necessary to avoid or correct a misstatement or omission in any Registration Statement, (b) the release of such records is ordered pursuant to a subpoena or other order from a court or government body of competent jurisdiction, or is otherwise required by applicable law or legal process or (c) the information in such records has been made generally available to the public other than by disclosure in violation of this or any other agreement (to the knowledge of the relevant inspector); provided further, that the Company is not required to waive the attorney-client privilege and the Company shall not provide the Purchaser with material non-public information in connection with such inquiry.

3.11 Purchaser Information. The Company shall hold in confidence and not make any disclosure of non-public information concerning the Purchaser provided to the Company by the Purchaser unless (a) disclosure of such information is necessary to comply with federal or state securities laws, rules, statutes or regulations, (b) the disclosure of such information is necessary to avoid or correct a misstatement or omission in any Registration Statement or other public filing by the Company, (c) the release of such information is ordered pursuant to a subpoena or other order from a court or governmental body of competent jurisdiction or is otherwise required by applicable law or legal process, (d) such information has been made generally available to the public other than by disclosure in violation, to the knowledge of the Company, of this or any other agreement, or (e) the Purchaser consents to the form and content of any such disclosure. The Company agrees that it shall, upon learning that disclosure of such information concerning the Purchaser is sought in or by a court or governmental body of competent jurisdiction in or through other means, give prompt notice to the Purchaser prior to making such disclosure, and allow the Purchaser, at its expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, such information.

3.12 Listing. The Company shall use its best efforts to cause the listing and the continuation of listing of all the Registrable Securities covered by the Registration Statement on the American Stock Exchange, The Nasdaq National Market System, The Nasdaq SmallCap Market or the New York Stock Exchange, and cause the Registrable Securities to be quoted or listed on each additional national securities exchange or quotation system upon which the other Common Stock of the Company is then listed or quoted.

3.13 Transfer Agent. The Company shall provide a transfer agent and registrar, which may be a single entity, for the Registrable Securities not later than the effective date of the Registration Statement.

3.14 Delivery of Certificates. The Company shall cooperate with the Purchaser who holds Registrable Securities being offered and the managing underwriter or underwriters, if any, to facilitate the timely preparation and delivery of certificates (not bearing any restrictive legends) representing Registrable Securities to be offered pursuant to the Registration Statement and enable such certificates to be in such denominations or amounts, as the case may be, as the managing underwriter or underwriters, if any, or the Purchaser may reasonably request and registered in such names as the managing underwriter or underwriters, if any, or the Purchaser may request, and, within two (2) business days after a Registration Statement which includes Registrable Securities is ordered effective by the SEC, the Company shall cause legal counsel selected by the Company to deliver, to the transfer agent for the Registrable Securities (with copies to the Purchaser whose Registrable Securities are included in such Registration Statement) an opinion of such counsel substantially in the form attached hereto as Exhibit 1.

3.15 Compliance with Laws. The Company shall comply with all applicable laws related to a Registration Statement and offering and sale of securities covered by the Registration

Statement and all applicable rules and regulations of governmental authorities in connection therewith (including, without limitation, the Securities Act and the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated by the SEC).

3.16 Other Registration Rights. The Company has not and shall not hereafter enter into any other registration agreement with respect to its securities which is inconsistent with or violates or adversely affects the rights granted to the holders of Registrable Securities in this Agreement.

ARTICLE IV
OBLIGATIONS OF THE PURCHASER

In connection with the registration of the Registrable Securities, the Purchaser shall have the following obligations:

4.1 Information Concerning Purchasers. Purchaser shall furnish to the Company such information regarding itself, the Registrable Securities held by it and the intended method of disposition of the Registrable Securities held by it as shall be required to effect the registration of such Registrable Securities. At least five (5) business days prior to the first anticipated filing date of the Registration Statement, the Company shall notify each Purchaser of the information the Company so required from each such Purchaser.

4.2 Cooperation. Purchaser, by such Purchaser's acceptance of the Registrable Securities, agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of the Registration Statements hereunder, unless such Purchaser has notified the Company in writing of such Purchaser's election to exclude all of such Purchaser's Registrable Securities from the Registration Statement.

4.3 Prospectus Delivery Requirements. The Purchaser understands that the Securities Act may require delivery of a prospectus relating thereto in connection with any sale thereof pursuant to such Registration Statement, and each such Purchaser shall comply with any applicable prospectus delivery requirements of the Securities Act in connection with any such sale.

4.4 Discontinuance of Distribution. The Purchaser agrees that, upon receipt of written notice from the Company of the happening of any event of the kind described in Sections 3.6 and 3.7, the Purchaser will immediately discontinue disposition of Registrable Securities pursuant to the Registration Statement covering such Registrable Securities until such Purchaser's receipt of the copies of the supplemented or amended prospectus contemplated by Sections 3.6 or 3.7 or advice that a supplement or amendment is not required and, if so directed by the Company, the Purchaser shall deliver to the Company (at the expense of the Company) or destroy (and deliver to the Company a certificate of destruction) all copies in such Purchaser's possession (other than a limited number of permanent file copies), of the prospectus covering such Registrable Securities current at the time of receipt of such notice.

4.5 Underwriting Agreements. Without limiting Purchaser's rights under Section 2.1 or 2.4 hereof, no Purchaser may participate in any underwritten distribution hereunder unless such Purchaser (a) agrees to sell the Purchaser's Registrable Securities on the basis provided in any underwriting agreements in usual and customary form entered into by the Company pursuant to Section 3.5 hereof, (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements, and (c) agrees to pay its pro rata share of all underwriting discounts and commissions and any expenses in excess of those payable by the Company pursuant to Article V.

4.6 SEC. The Purchaser agrees to use reasonable efforts to cooperate with the Company (at the Company's expense) in responding to comments of the staff of the SEC, provided nothing in this Section 4.6 shall affect any obligations of the Company under this Agreement or otherwise create any liability on the part of the Purchaser or require any change to the terms and conditions of this Agreement or the Stock Purchase Agreement.

ARTICLE V
EXPENSES OF REGISTRATION

Subject to Section 2.1, all reasonable expenses, other than underwriting discounts and commissions, incurred by Purchaser in connection with registrations, filings or qualifications pursuant to Articles II and III, including, without limitation, the reasonable fees and disbursements of one counsel to the Purchaser, including any of its transferees (such fees and expenses not to exceed $5,000), and all registration, listing and qualification fees, printers and accounting fees, and the fees and disbursements of counsel for the Company and other expenses of the Company, shall be borne by the Company.

ARTICLE VI
INDEMNIFICATION

In the event any Registrable Securities are included in a Registration Statement under this Agreement:

6.1 Indemnification. To the extent permitted by law, the Company will indemnify, hold harmless and defend (a) the Purchaser, (b) each underwriter of Registrable Securities and (c) the directors, officers, partners, members, employees, agents and persons who control the Purchaser and any such underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), if any (each, an "Indemnified Person"), against any losses, claims, damages, liabilities or expenses (collectively, together with actions, proceedings or inquiries whether or not in any court, before any administrative body or by any regulatory or self-regulatory organization, whether commenced or threatened, in respect thereof, "Claims") to which any of them may become subject insofar as such Claims arise out of or are based upon: (i) any untrue statement or alleged untrue statement of a material fact in a Registration Statement or the omission or alleged omission to state therein a material fact required to be stated or necessary to make the statements therein not misleading, (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus if used prior to the effective date of such Registration Statement, or contained in the final prospectus (as amended or supplemented, if the Company files any amendment thereof or supplement thereto with the SEC) or the omission or alleged omission to state therein any material fact necessary to make the statements made therein, in light of the circumstances under which the statements therein were made, not misleading, or

(iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any other law, including, without limitation, any state securities law, or any rule or regulation thereunder relating to the offer or sale of the Registrable Securities (the matters in the foregoing clauses (i) through (iii) being, collectively, "Violations"). The Company shall reimburse each such Indemnified Person, promptly as such expenses are incurred and are due and payable, for any reasonable legal fees or other reasonable expenses incurred by them in connection with investigating or defending any such Claim. Notwithstanding anything to the contrary contained herein, the indemnification agreement contained in this Section 6.1: (x) shall not apply to an Indemnified Person with respect to a Claim arising out of or based upon a Violation which occurs in reliance upon and in conformity with information furnished in writing to the Company by such Indemnified Person expressly for use in the Registration Statement or any such amendment thereof or supplement thereto; (y) shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Company, which consent shall not be unreasonably withheld; and (z) with respect to any preliminary prospectus, shall not inure to the benefit of any Indemnified Person if the untrue statement or omission of material fact contained in the preliminary prospectus was corrected on a timely basis in the prospectus, as then amended or supplemented, if such corrected prospectus was timely made available by the Company pursuant to Section 3.3 hereof, and the Indemnified Person was promptly advised in writing not to use the incorrect prospectus prior to the use giving rise to a Violation and such Indemnified Person, notwithstanding such advice, used it. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Indemnified Person and shall survive the transfer of the Registrable Securities by a Purchaser pursuant to Article IX.

6.2 Claims. To the extent permitted by law, the Purchaser agrees to indemnify, hold harmless and defend, to the same extent and in the same manner set forth in Section 6.1, the Company, each of its directors, each of its officers who signs the Registration Statement, its employees, agents and persons, if any, who control the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, and any other stockholder selling securities pursuant to the Registration Statement, together with its directors, officers and members, and any person who controls such stockholder or underwriter within the meaning of the Securities Act or the Exchange Act (such an "Indemnified Party"), against any Claim to which any of them may become subject, under the Securities Act, the Exchange Act or otherwise, insofar as such Claim arises out of or is based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished to the Company by the Purchaser expressly for use in connection with such Registration Statement; and the Purchaser will reimburse any legal or other expenses (promptly as such expenses are incurred and are due and payable) reasonably incurred by them in connection with investigating or defending any such Claim; provided, however, that the indemnity agreement contained in this Section 6.2 shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Purchaser, which consent shall not be unreasonably withheld; provided, further, however, that the Purchaser shall be liable under this Agreement (including this Section 6.2 and Article VII) for only that amount as does not exceed the net proceeds actually received by the Purchaser as a result of the sale of Registrable Securities pursuant to such Registration Statement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Indemnified Party and shall survive the transfer of the Registrable Securities by the Purchaser pursuant to Article IX. Notwithstanding anything to the contrary contained herein, the indemnification agreement contained in this Section 6.2 with respect to any preliminary prospectus shall not inure to the benefit of any Indemnified Party if the untrue statement or omission of material fact contained in the preliminary prospectus was corrected on a timely basis in the prospectus, as then amended or supplemented, and the Indemnified Party failed to utilize such corrected prospectus.

6.3 *Notices*. Promptly after receipt by an Indemnified Person or Indemnified Party under this Article VI of notice of the commencement of any action (including any governmental action), such Indemnified Person or Indemnified Party shall, if a Claim in respect thereof is to be made against any indemnifying party under this Article VI, deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right (at its expense) to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume and continue control of the defense thereof with counsel mutually satisfactory to the indemnifying party and the Indemnified Person or the Indemnified Party, as the case may be; *provided*, however, that such indemnifying party shall diligently pursue such defense and an indemnifying party shall not be entitled to assume (or continue) such defense if the representation by such counsel of the Indemnified Person or Indemnified Party and the indemnifying party would be inappropriate due to actual or potential conflicts of interest between such Indemnified Person or Indemnified Party and any other party represented by such counsel in such proceeding or the actual or potential defendants in, or targets of, any such action include both the Indemnified Person or the Indemnified Party and the indemnifying party, and any such Indemnified Person or Indemnified Party reasonably determines that there may be legal defenses available to such Indemnified Person or Indemnified Party which are different from or in addition to those available to such indemnifying party. Notwithstanding any assumption of such defense and without limiting any indemnification obligation *provided* for in Section 6.1 or 6.2, the Indemnified Party or Indemnified Person, as the case may be, shall be entitled to be represented by counsel (at its own expense if the indemnifying party is permitted to assume and continue control of the defense and otherwise at the expense of the indemnifying party) and such counsel shall be entitled to participate in such defense. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to the Indemnified Person or Indemnified Party under this Article VI, except to the extent that the indemnifying party is actually prejudiced in its ability to defend such action. The indemnification required by this Article VI shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as such expense, loss, damage or liability is incurred and is due and payable.

ARTICLE VII
CONTRIBUTION

To the extent any indemnification by an indemnifying party is prohibited or limited by law, the indemnifying party agrees to make the maximum contribution with respect to any amounts for which it would otherwise be liable under Article VI to the fullest extent permitted by law; *provided*, however, that (i) no party shall be liable for contribution if it is not liable for indemnification pursuant to the provisions of Article VI hereof; (ii) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation; and (iii) contribution (together with any indemnification or other obligations under this Agreement) by any Purchaser of Registrable Securities shall be limited in amount to the net amount of proceeds received by such Purchaser from the sale of its Registrable Securities.

ARTICLE VIII
REPORTS UNDER THE EXCHANGE ACT

With a view to making available to each Purchaser the benefits of Rule 144, the Company agrees that so long as a Purchaser holds Registrable Securities, the Company shall use its best efforts to:

(a) Not terminate its status as an issuer required to file reports under the Exchange Act even if the Exchange Act or the rules and regulations thereunder would permit such termination;

(b) File with the SEC in a timely manner and make and keep available all reports and other documents required of the Company under the Securities Act and the Exchange Act so long as the filing and availability of such reports and other documents is required for the applicable provisions of Rule 144; and

(c) Furnish to the Purchaser promptly upon written request, (i) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (iii) such other information as may be reasonably requested to permit the Purchaser to sell such securities pursuant to Rule 144 without registration.

(d) Take such further action as the Purchaser may reasonably request to enable the Purchaser to sell Registrable Securities without registration under Rule 144, including any opinion of counsel to the Company required by the Company's transfer agent.

ARTICLE IX
ASSIGNMENT OF REGISTRATION RIGHTS

The rights of the Purchaser hereunder as to Registrable Securities transferred by the Purchaser, including the right to have the Company register Registrable Securities pursuant to this Agreement, shall be automatically assigned by the Purchaser to any transferee of all or any portion of the Registrable Securities who either (x) is an affiliate or subsidiary of the Purchaser or (y) acquires at least 1,000,000 shares of Common Stock of the Company, whether such transfer occurs before or after the Registration Statement becomes effective, if: (a) the Purchaser agrees in writing with the transferee or assignee to assign such rights, and a copy of such agreement is furnished to the Company within a reasonable time after such assignment, (b) the Company is, within a reasonable time after such transfer or assignment, furnished with written notice of (i) the name and address of such transferee or assignee, and (ii) the securities with respect to which such registration rights are being transferred or assigned, (c) following such transfer or assignment, the further disposition of such securities by the transferee or assignee is restricted under the Securities Act or applicable state securities laws, and (d) at or before the time the Company receives the written notice contemplated by clause (ii) of this sentence, the transferee or assignee agrees in writing for the benefit of the Company to be bound by all of the provisions contained herein. The rights of the Purchaser hereunder with respect to any Registrable Securities not shall not be assigned by virtue of the transfer of other Registrable Securities or transferred Registrable Securities.

ARTICLE X
AMENDMENT OF REGISTRATION RIGHTS

Provisions of this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only with written consent of the Company and the Purchaser. Any amendment or waiver effected in accordance with this Article X shall be binding upon the Purchaser and the Company.

ARTICLE XI
MISCELLANEOUS

11.1 Registered Holders. A person or entity is deemed to be a holder (or a holder in interest) of Registrable Securities whenever such person or entity owns of record such Registrable Securities. If the Company receives conflicting instructions, notices or elections from two or more persons or entities with respect to the same Registrable Securities, the Company shall act upon the basis of instructions, notice or election received from the registered owner of such Registrable Securities.

11.2 Notices. Any notices herein required or permitted to be given shall be in writing and may be personally served or delivered by courier or by machine generated confirmed telecopy, and shall be deemed delivered at the time and date of receipt (which shall include telephone line facsimile transmission). The addresses for such communications shall be:

If to the Company:
SoftNet Systems, Inc.
650 Townsend Street, Suite 225
San Francisco, California 94103
Telecopy: (415) 365-2556
Attention: Steven Harris, Secretary

If to the Purchaser, as shown on the signature page hereto and if to any other Purchaser, at such address as such Purchaser shall have provided in writing to the Company, or at such other address as each such party furnishes by notice given in accordance with this Section 11.2.

11.3 Waiver. Failure of any party to exercise any right or remedy under this Agreement or otherwise, or delay by a party in exercising such right or remedy, shall not operate as a waiver thereof.

11.4 <u>Governing Law; Jurisdiction and Venue</u>. This Agreement shall be governed by, construed and enforced in accordance with the internal laws of the State of Delaware, excluding the conflict of laws provisions thereof that would otherwise require the application of the law of any other jurisdiction. The parties hereto acknowledge and agree that the state and federal courts sitting in the State of Delaware shall have jurisdiction in any matter arising out of this Agreement, and the parties hereby consent to such jurisdiction and agree that the venue of any such matter shall also be proper in such state and federal courts sitting in the State of Delaware.

11.5 <u>Entire Agreement</u>. This Agreement and the Stock Purchase Agreement (including all schedules and exhibits thereto and all certificates and opinions and other documents required thereby) constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein and therein. This Agreement and the Stock Purchase Agreement supersede all prior agreements and understandings among the parties hereto with respect to the subject matter hereof and thereof.

11.6 <u>Successors and Assigns</u>. Subject to the requirements of Article IX hereof, this Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties hereto.

11.7 <u>Headings</u>. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

11.8 <u>Counterparts</u>. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement. This Agreement, once executed by a party, may be delivered to the other party hereto, by facsimile transmission of a copy of this Agreement bearing the signature of the party so delivering this Agreement.

11.9 <u>Further Assurances</u>. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

11.10 <u>Consents</u>. Unless otherwise provided herein, all consents and other determinations to be made pursuant to this Agreement shall be made on the basis of a majority in interest with respect to the Registrable Securities.

11.11 <u>Transferees</u>. The number of Registrable Securities included in any Registration Statement pursuant to Section 2.4 shall be allocated pro rata among the Purchasers based on the number of Registrable Securities held by each Purchaser at the time of establishment of such number. In the event a Purchaser shall sell or otherwise transfer any of such holder's Registrable Securities, each transferee shall be allocated a pro rata portion of the number of Registrable Securities included on a Registration Statement for such transferor. Any shares of Common Stock included on a Registration Statement and which remain allocated to any person or entity which does not hold any Registrable Securities shall be allocated to the remaining Purchasers, pro rata based on the number of shares of Registrable Securities then held by such remaining Purchasers.

11.12 Severability. If any provision of this Agreement shall be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement.

* * *

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be duly executed as of the date first above written.

SOFTNET SYSTEMS, INC.

By: ________________________
Lawrence B. Brilliant
Chief Executive Officer

MEDIACOM LLC

By:_________________________
Name:_______________________
Title_______________________

Address: 100 Crystal Run Road
Middletown, NY 10941
Telecopy: (914) 695-2639

with a copy to:

Cooperman Levitt Winikoff Lester & Newman, P.C.
800 Third Avenue
New York, NY 10022
Attention: Robert L. Winikoff, Esq.
Facsimile: (212) 755-2839

EXHIBIT 1
to Registration
Rights Agreement

[Date]

[Name and address
of transfer agent]

RE: SoftNet Systems, Inc.

Ladies and Gentlemen:

We are counsel to SoftNet Systems, Inc., a Delaware corporation (the "Company"), and we understand that [Name of Purchaser] (the "Holder") has purchased from the Company Common Stock of the Company, par value $.01 per share (the "Common Stock"). The Common Stock was purchased by the Holder pursuant to a Stock Purchase Agreement, dated as of November 4, 1999, by and among the Company and the signatories thereto (the "Agreement"). Pursuant to a Registration Rights Agreement, dated as of November 4, 1999, by and among the Company and the Holder (the "Registration Rights Agreement"), the Company agreed with the Holder, among other things, to register the Registrable Securities (as that term is defined in the Registration Rights Agreement) under the Securities Act of 1933, as amended (the "Securities Act"), upon the terms provided in the Registration Rights Agreement. In connection with the Company's obligations under the Registration Rights Agreement, on __________ __, ____, the Company filed a Registration Statement on Form S-3 (File No. 333- __________) (the "Registration Statement") with the Securities and Exchange Commission (the "SEC") relating to the Registrable Securities, which names the Holder as a selling stockholder thereunder.

[Other customary introductory and scope of examination language to be inserted, in each case as acceptable to Holders.]

Based on the foregoing, we are of the opinion that the Registrable Securities have been registered under the Securities Act.

[Other appropriate customary language to be included, in each case as acceptable to Holders.]

Very truly yours,

cc: [Name of Purchaser]

Exhibit 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report (and to all references to our Firm) included in or made a part of this registration statement.

/s/ Arthur Andersen LLP

Stamford, Connecticut
December 20, 1999

Exhibit 23.2

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report (and to all references to our Firm) included in or made a part of this registration statement.

/s/ Arthur Andersen LLP

Denver, Colorado
December 20, 1999

Exhibit 23.3

CONSENT OF INDEPENDENT ACCOUNTANTS

The Board of Directors
Cablevision Systems Corporation

We consent to the inclusion of our report dated March 20, 1998, on the consolidated balance sheets of U.S. Cable Television Group, L.P. and subsidiaries as of December 31, 1997 and 1996, and the related consolidated statements of operations and partners' capital (deficiency) and cash flows for the year ended December 31, 1997, and for the periods from January 1, 1996 to August 12, 1996, and Augus 13, 1996 to December 31, 1996, in the registration statement on Amendment No. 1 to Form S-1 and related prospectus of Mediacom Communications Corporation. We also consent to the inclusion of our report dated April 1, 1997, except as to Note 11 which is as of January 23, 1998, on the consolidated balance sheets of U.S. Cable Television Group, L.P. and subsidiaries as of December 31, 1996 and 1995 and the related consolidated statements of operations and partners' capital (deficiency) and cash flows for the periods from January 1, 1996 to August 12, 1996, and August 13, 1996 to December 31, 1996, and for the years ended December 31, 1995 and 1994, in the registration statement on Amendment No. 1 to Form S-1 and related prospectus of Mediacom Communications Corporation and to the reference to our firm under the heading "Experts" in the registration statement and related prospectus. Such reports include an explanatory paragraph related to a change in cost basis of the consolidated financial information as a result of a redemption of certain limited and general partnership interests effective August 13, 1996.

/s/ KPMG LLP

Melville, New York
December 20, 1999

Exhibit 23.5

CONSENT

The undersigned hereby consents to being named a nominee to become a member of the board of directors of Mediacom Communications Corporation ("Mediacom") upon the completion of Mediacom's public offering in Mediacom's Registration Statement on Form S-1 (File No.: 333-90879).

/s/ William S. Morris III

Name: William S. Morris III

Dated: December 20, 1999

Exhibit 23.6

CONSENT

The undersigned hereby consents to being named a nominee to become a member of the board of directors of Mediacom Communications Corporation ("Mediacom") upon the completion of Mediacom's public offering in Mediacom's Registration Statement on Form S-1 (File No.: 333-90879).

/s/ Craig S. Mitchell

Name: Craig S. Mitchell

Dated: December 20, 1999

Exhibit 23.7

CONSENT

The undersigned hereby consents to being named a nominee to become a member of the board of directors of Mediacom Communications Corporation ("Mediacom") upon the completion of Mediacom's public offering in Mediacom's Registration Statement on Form S-1 (File No.: 333-90879).

/s/ Thomas V. Reifenheiser

Name: Thomas V. Reifenheiser

Dated: December 20, 1999

Exhibit 23.8

CONSENT

The undersigned hereby consents to being named a nominee to become a member of the board of directors of Mediacom Communications Corporation ("Mediacom") upon the completion of Mediacom's public offering in Mediacom's Registration Statement on Form S-1 (File No.: 333-90879).

/s/ Natale S. Ricciardi

Name: Natale S. Ricciardi

Dated: December 20, 1999

Exhibit 23.9

CONSENT

The undersigned hereby consents to being named a nominee to become a member of the board of directors of Mediacom Communications Corporation ("Mediacom") upon the completion of Mediacom's public offering in Mediacom's Registration Statement on Form S-1 (File No.: 333-90879).

/s/ Robert L. Winikoff

Name: Robert L. Winikoff

Dated: December 20, 1999