

Contact: Sandy Colony | SVP, Communications | Insight Communications | 917-286-2300

## For Immediate Release

# Insight Announces Third Quarter 2007 Results

**NEW YORK – November 5, 2007** – Insight Communications Company today announced financial results for the quarter ended September 30, 2007.

“The true test of success for any business is its ability to sustain positive financial results over time,” said Michael Willner, Insight’s chief executive officer. “Our exceedingly strong third quarter results clearly indicate that we have established an operating business model that consistently grows RGUs at a pace that supports ongoing positive financial returns.”

### Third Quarter Highlights

- Revenue of \$362.3 million, an increase of 14% over Q3 2006
- Adjusted Operating Income before Depreciation and Amortization\* of \$143.6 million, an increase of 15% over Q3 2006
- Capital expenditures of \$76.5 million
- Free Cash Flow\* of \$13.6 million, an increase of \$17.9 million over Q3 2006
- Total Customer Relationships of 1,449,400 at September 30, 2007, an increase of 54,000 compared to 1,395,400 at September 30, 2006
- Total Revenue Generating Units (“RGUs”) of 2,993,700 at September 30, 2007, an increase of 385,000, or 15%, from September 30, 2006, comprised of:
  - Basic customer net gain of 21,100, an improvement of 4,700 from Q3 2006 net gain of 16,400, and the best Q3 performance in the company’s history. Total basic customers at quarter end were 1,362,100, representing a 3.3% annual growth rate in basic customers from September 30, 2006
  - High-speed Internet (“HSI”) customer net gain of 47,900, an increase over net additions in Q3 2006 of 44,800 and matching the best net gain performance in the company’s history. Total HSI customers at quarter end were 722,800, a penetration of 29% of HSI homes passed.
  - Digital customer net gain of 26,100, an increase over net additions in Q3 2006 of 25,500. Total digital customers at quarter end were 687,600, a penetration of 53% of the company’s digital universe.
  - Telephone customer net gain of 44,000, surpassing Q2 2007 as the company’s best growth quarter ever, and compared to net additions in Q3 2006 of 5,700. Total telephone customers at quarter end were 221,200, a penetration of 11% of the company’s telephone universe.
- As of September 30, 2007, 98% of the company’s customers were passed by two-way, 750 MHz or higher capacity upgraded network.

\* See explanation of these Non-GAAP measures on page 7.

**Operating Results for the Three Months Ended September 30, 2007 Compared to the Three Months Ended September 30, 2006**

Revenue for the three months ended September 30, 2007, totaled \$362.3 million, an increase of 14% over the prior year, due primarily to RGU growth across all of Insight's services, as well as video rate increases. High-speed Internet service revenue increased 28% over the prior year, which was primarily attributable to an increased customer base, partially offset by promotional discounts. Insight added a net 47,900 high-speed Internet customers during the quarter to end at 722,800 customers.

Basic cable service revenue increased 6% due to an increased customer base and video rate increases, partially offset by promotional discounts. In addition, digital service revenue increased 22% over the prior year due to an increased customer base and a \$1.23 increase in digital average revenue per customer ("ARPU"). Insight added a net 26,100 digital customers during the quarter to end at 687,600 customers.

Insight has been increasing its customer growth and retention efforts by increasing spending on sales and marketing efforts, emphasizing bundling and enhancing and differentiating its video services with video-on-demand, high-definition television and digital video recorders. The company is also continuing to focus on improving customer satisfaction through higher service levels and increased customer education of product offerings.

To increase its bundling opportunities and extend its growth potential in future years, the company successfully rolled out its telephone product in eight previously unserved districts during the second half of 2006 and in January 2007. As a result, the company added a net 44,000 telephone customers during the quarter to end at 221,200 customers.

**Revenue by service offering was as follows for the three months ended September 30 (dollars in thousands):**

	<b>Revenue by Service Offering</b>				<b>% Change in Revenue</b>
	<b>Three Months Ended September 30, 2007</b>	<b>% of Total Revenue</b>	<b>Three Months Ended September 30, 2006</b>	<b>% of Total Revenue</b>	
Basic	\$ 169,510	46.8%	\$ 159,677	50.2%	6.2%
High-speed Internet	76,994	21.2%	60,402	19.0%	27.5%
Digital	42,818	11.8%	34,979	11.0%	22.4%
Telephone	24,631	6.8%	13,249	4.2%	85.9%
Advertising	21,133	5.8%	20,024	6.3%	5.5%
Premium	13,841	3.8%	13,891	4.4%	-0.4%
Franchise fees	8,081	2.2%	7,496	2.3%	7.8%
Other	5,328	1.6%	8,387	2.6%	-36.5%
<b>Total</b>	<b>\$ 362,336</b>	<b>100.0%</b>	<b>\$ 318,105</b>	<b>100.0%</b>	<b>13.9%</b>

Total Customer Relationships were 1,449,400 as of September 30, 2007, an increase of 54,000 from 1,395,400 as of September 30, 2006. Total Customer Relationships represent the number of customers who receive one or more of Insight's products (i.e., basic cable, high-speed Internet or telephone) without regard to which product they purchase.

In the quarter ended September 30, 2007, Insight added 139,100 RGUs, which represent the sum of basic, digital, high-speed Internet and telephone customers, and as of September 30, 2007, had 2,993,700 RGUs, an increase of 15% from September 30, 2006.

RGUs by category were as follows (in thousands):

	<b>September 30, 2007</b>	<b>September 30, 2006</b>
Basic	1,362.1	1,318.8
High-speed Internet	722.8	579.3
Digital	687.6	597.7
Telephone	221.2	112.9
<b>Total RGUs</b>	<b>2,993.7</b>	<b>2,608.7</b>

Average monthly revenue per basic customer was \$89.36 for the three months ended September 30, 2007, compared to \$80.90 for the three months ended September 30, 2006. This primarily reflects the continued growth of high-speed Internet, video and telephone product offerings in all markets, as well as video rate increases.

Programming and other operating costs increased \$14.5 million, or 13%. Increases in programming rates, customers and the addition of new programming content were significant drivers of the cost increase for the quarter ended September

30, 2007. Other direct operating costs increased due to the increase in telephone cost of service as the company successfully rolled out this product in eight previously unserved districts during the second half of 2006 and in January 2007 and an increase in high-speed Internet service costs due to the increased customer base. Other operating costs increased primarily as a result of an increase in installation labor due to increased customer activity.

Selling, general and administrative expenses increased \$14.6 million, or 17%, primarily due to increased payroll, payroll-related costs and temporary help associated with an increase in the number of employees and salary increases for existing employees. The increase in the number of employees represents investments in sales and marketing, customer care and network operations personnel to continue to upgrade and enhance Insight's product offerings, manage its increasingly complex network and increase customer satisfaction. A portion of the network operations personnel increases were in support of the company's recent telephone product launches. Partnership dissolution costs of \$3.5 million recorded in the third quarter of 2007 that primarily related to Insight's planned division of its partnership with Comcast significantly contributed to the increase in selling, general and administrative expenses. Franchise fees, customer billing and collection fees increased primarily due to the increase in revenues and the customer base. Marketing expenses increased over the prior year to support the continued rollout of high-speed Internet, digital and telephone products, and to grow the company's core video customer base.

Depreciation and amortization expense increased \$4.8 million, or 7%, primarily as a result of a continued high level of capital expenditures through September 30, 2007. These expenditures were primarily for purchases of customer premise equipment, installation labor and materials, capitalized labor, headend equipment, network extensions and network capacity and bandwidth increases, all of which Insight considers necessary in order to continue to maintain and grow its customer base and expand its service offerings. Partially offsetting this increase was a decrease in depreciation expense related to certain assets that have become fully depreciated since September 30, 2006.

As a result of the factors discussed above, Adjusted Operating Income before Depreciation and Amortization increased \$18.7 million to \$143.6 million, an increase of 15% over Q3 2006.

Interest expense decreased \$7.1 million, or 11%. In October, 2006, Insight entered into a new \$2.445 billion senior secured credit facility, using the proceeds to refinance its existing senior credit facility and to redeem a portion of the outstanding 9¾% Senior Notes and all of the outstanding 10½% Senior Notes of Insight Midwest. Because of this refinancing, lower borrowing base rates and lower costs of borrowing as a result of improved leverage ratios, the company's interest rate averaged 8.0% for the three months ended September 30, 2007, as compared to 9.1% for the three months ended September 30, 2006.

### **Liquidity and Capital Resources**

Insight's business requires cash for operations, debt service and capital expenditures. The cable television business has substantial ongoing capital requirements for the provision of new services and the construction, expansion and maintenance of its broadband networks. In the past, expenditures have been made for various purposes, including the

upgrade of the existing cable network, and will continue to be made for customer premise equipment (e.g., set-top boxes), installation and deployment of new product and service offerings, capitalized payroll, network capacity, bandwidth increases, network extensions, and, to a lesser extent, network upgrades. Historically, Insight has been able to meet its cash requirements with cash flow from operations, borrowings under its credit facilities and issuances of private and public debt and equity.

Cash provided by operations for the nine months ended September 30, 2007 and 2006 was \$270.5 million and \$200.6 million. The increase was primarily attributable to the decrease in net loss and the timing of cash receipts and payments related to working capital accounts.

Cash used in investing activities for the nine months ended September 30, 2007 and 2006 was \$209.1 million and \$213.5 million, and was primarily for capital expenditures. These expenditures principally constituted purchases of customer premise equipment, installation labor and materials, capitalized labor, telephony equipment, headend equipment, network extensions and network capacity and bandwidth increases, all of which are necessary to grow the customer base and expand the company's service offerings.

Cash used in financing activities for the nine months ended September 30, 2007 was \$65.4 million compared to \$2.4 million of cash provided by financing activities for the nine months ended September 30, 2006. The uses of cash in 2007 were primarily for the repayment of Insight's credit facility and, in 2006 cash was provided by net proceeds from borrowings under the credit facility.

Free Cash Flow for the nine months ended September 30, 2007 totaled \$61.3 million, compared to (\$12.7) million for the nine months ended September 30, 2006. This increase in Free Cash Flow from September 30, 2006 to September 30, 2007 of \$74.0 million was primarily driven by the following:

- A \$59.6 million increase in Adjusted Operating Income before Depreciation and Amortization;
- A \$26.0 million increase in the generation of Free Cash Flow over the same period in the prior year from changes in working capital accounts; and
- A \$4.1 million decrease in capital expenditures.

These increases in cash flow were offset by:

- A \$16.2 million increase in cash interest expense paid, which was primarily driven by interest on the 12¼% Senior Discount Notes, which was paid in cash in February 2007, whereas in February 2006 it was paid in-kind. Partially offsetting this increase was a decrease in interest rates.

Insight believes that the Insight Midwest Holdings credit facility, cash on-hand and cash flow from operations are sufficient to support the company's current operating plan. As of September 30, 2007, Insight had the ability to draw upon \$214.3 million of unused availability to fund any shortfall resulting from the inability of Insight Midwest's cash from

operations to fund its capital expenditures, meet its debt service requirement or otherwise fund its operations. Insight expects to use any available Free Cash Flow to repay its indebtedness.

### **Division of Insight Midwest Partnership**

Insight Midwest holds all of the cable systems served by Insight and is equally owned by Insight and Comcast. On April 1, 2007, Insight Midwest's partnership agreement was amended, and Insight and Comcast agreed on a division of the partnership's assets and liabilities. Upon completion of the transaction, Insight will own all of the cable systems serving customers in Louisville, Lexington, Bowling Green, and Covington, Ky., and in Evansville, Ind. and Columbus, Ohio. Comcast will own all of the cable systems serving customers in Rockford/Dixon, Quincy/Macomb, Springfield, Peoria, and Champaign/Urbana, Ill., and in Bloomington, Anderson, and Lafayette/Kokomo, Ind. Pending completion of the transaction, Insight continues to serve as general partner and manager of all of the cable systems of Insight Midwest. In conjunction with the division of assets and liabilities, the Insight systems group was initially allocated approximately \$1.260 billion of the partnership's debt, and the Comcast systems group was initially allocated approximately \$1.335 billion of the partnership's debt. The closing is subject to closing conditions, including local governmental approvals and regulatory approvals and is expected to be completed by the end of 2007.

The table below shows the company's RGU net additions for the three months ended September 30, 2007 in the Insight Systems Group and the Comcast Systems Group (in thousands).

<b>RGU Net Additions</b>	<b>Insight Systems Group</b>	<b>Comcast Systems Group</b>
Basic	11.5	9.7
Digital	12.9	13.2
High-speed Internet	24.4	23.5
Telephone	25.1	18.8
Total RGUs	73.9	65.2

The tables below show the company's total RGUs as of September 30, 2007 and 2006 in the Insight Systems Group and the Comcast Systems Group (in thousands).

<b>Total RGUs – Insight Systems Group</b>	<b>September 30, 2007</b>	<b>September 30, 2006</b>
Basic	665.8	634.9
Digital	365.6	311.2
High-speed Internet	366.7	291.2
Telephone	164.1	112.5
Total RGUs	1,562.2	1,349.8

<b>Total RGUs – Comcast Systems Group</b>	<b>September 30, 2007</b>	<b>September 30, 2006</b>
Basic	696.3	683.9
Digital	322.0	286.5
High-speed Internet	356.1	288.1
Telephone	57.1	0.4
Total RGUs	1,431.5	1,258.9

### **Use of Adjusted Operating Income before Depreciation and Amortization and Free Cash Flow**

Insight utilizes Adjusted Operating Income before Depreciation and Amortization (defined as operating income before depreciation, amortization, non-cash stock-based compensation and partnership dissolution costs), among other measures, to evaluate the performance of its businesses. Adjusted Operating Income before Depreciation and Amortization is considered an important indicator of the operational strength of Insight's businesses and is a component of its annual compensation programs. In addition, Insight's debt agreements use Adjusted Operating Income before Depreciation and Amortization, adjusted for certain non-recurring items, in their leverage and other covenant calculations. Insight also uses this measure to determine how it will allocate resources and capital. Insight's management finds this measure helpful because it captures all of the revenue and ongoing operating expenses of its businesses and therefore provides a means to directly evaluate the ability of the business operations to generate returns and to compare operating capabilities across its businesses. This measure is also used by equity and fixed income research analysts in their reports to investors evaluating Insight's businesses and other companies in the cable television industry. Insight believes Adjusted Operating Income before Depreciation and Amortization is useful to investors because it enables them to assess its performance in a manner similar to the methods used by Insight's management and provides a measure that can be used to analyze, value and compare companies in the cable television industry that may have different depreciation, amortization and stock-based compensation policies.

A limitation of Adjusted Operating Income before Depreciation and Amortization, however, is that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenues in Insight's businesses. Management evaluates the costs of such tangible and intangible assets through other financial measures such as capital expenditures, investment spending and Free Cash Flow. Management also evaluates the costs of capitalized tangible and intangible assets by analyzing returns provided on the capital dollars deployed. Another limitation of Adjusted Operating Income before Depreciation and Amortization is that it does not reflect income net of interest expense, which is a significant expense for the company because of the substantial debt it has incurred to acquire cable television systems and finance capital expenditures to upgrade its cable network. Management evaluates the impact of interest expense through other measures, including interest expense itself, Free Cash Flow, the returns analysis discussed above and debt service covenant ratios under Insight's credit facility.

Free Cash Flow is net cash provided by operating activities (as defined by accounting principles generally accepted in the United States) less capital expenditures. Free Cash Flow is considered to be an important indicator of Insight's liquidity,

including its ability to repay indebtedness. Insight believes Free Cash Flow is useful for investors because it enables them to assess Insight's ability to service its debt and to fund continued growth with internally generated funds in a manner similar to the methods used by Insight's management, and provides a measure that can be used to analyze, value and compare companies in the cable television industry.

Both Adjusted Operating Income before Depreciation and Amortization and Free Cash Flow should be considered in addition to, not as a substitute for, Operating Income, Net Income and various cash flow measures (e.g., Net Cash Provided by Operating Activities), as well as other measures of financial performance and liquidity reported in accordance with accounting principles generally accepted in the United States.

### Reconciliation of Net Loss to Adjusted Operating Income before Depreciation and Amortization

The following table reconciles Net Loss to Adjusted Operating Income before Depreciation and Amortization. In addition, the table provides the components from Net Loss to Operating Income.

	<b>Three Months</b>		<b>Nine Months</b>	
	<b>Ended September 30,</b>		<b>Ended September 30,</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<i>(in thousands)</i>			
		As restated		As restated
Net loss	\$ (10,224)	\$ (9,637)	\$ (18,527)	\$ (33,170)
Provision for income taxes	1,909	1,815	5,848	5,794
Loss before income taxes	(8,315)	(7,822)	(12,679)	(27,376)
Minority interest income (expense)	9,907	(1,839)	24,151	(6,454)
Income (loss) before minority interest and income taxes	1,592	(9,661)	11,472	(33,830)
Other (income) expense:				
Other expense	6,040	28	5,258	78
Interest income	(309)	(366)	(880)	(1,247)
Interest expense	58,742	65,810	173,141	188,093
Total other expense, net	64,473	65,472	177,519	186,924
Operating income	66,065	55,811	188,991	153,094
Depreciation and amortization	73,554	68,743	214,787	200,398
Partnership dissolution costs	3,479	-	9,327	-
Stock-based compensation	495	335	1,209	1,219
Adjusted Operating Income before Depreciation and Amortization	<u>\$ 143,593</u>	<u>\$ 124,889</u>	<u>\$ 414,314</u>	<u>\$ 354,711</u>

## Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

The following table provides a reconciliation from net cash provided by operating activities to Free Cash Flow. In addition, the table provides the components from net cash provided by operating activities to operating income.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
	<i>(in thousands)</i>			
Operating income	\$ 66,065	\$ 55,811	\$ 188,991	\$ 153,094
Depreciation and amortization	73,554	68,743	214,787	200,398
Partnership dissolution costs	3,479	-	9,327	-
Stock-based compensation	495	335	1,209	1,219
Adjusted Operating Income before Depreciation and Amortization	143,593	124,889	414,314	354,711
Changes in working capital accounts <sup>(1)</sup>	9,089	(6,918)	22,720	(3,246)
Cash paid for interest	(62,529)	(50,603)	(166,251)	(150,074)
Cash paid for taxes	(26)	(64)	(285)	(755)
Net cash provided by operating activities	90,127	67,304	270,498	200,636
Capital expenditures	(76,496)	(71,544)	(209,176)	(213,309)
Free Cash Flow	<u>\$ 13,631</u>	<u>\$ (4,240)</u>	<u>\$ 61,322</u>	<u>\$ (12,673)</u>

(1) Changes in working capital accounts are based on the net cash changes in current assets and current liabilities, excluding changes related to interest and taxes and other non-cash expenses.

## About Insight Communications

Insight Communications is the ninth largest cable operator in the United States with approximately 1.4 million customer relationships in the four contiguous states of Illinois, Kentucky, Indiana and Ohio. Insight offers bundled, state-of-the-art video, high-speed Internet and voice telephony services to its customers.

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Any statements in this press release that are not historical facts are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. The words "estimate," "expect," "anticipate" and other expressions that indicate future events and trends identify forward-looking statements. The above forward-looking statements are subject to risks and uncertainties and are subject to change based upon a variety of factors that could cause actual results to differ materially from those Insight anticipates. Factors that could have a material and adverse impact on actual results include: all of the services offered by Insight face a wide range of competition; Insight has substantial debt and has significant interest payment requirements; upon completion of the division of Insight's joint venture with a subsidiary of Comcast Corporation it will face new challenges as a smaller company; the terms of Insight Midwest's indebtedness limits Insight's ability to access the cash flow of Insight Midwest's subsidiaries; Insight has a history of net losses; Insight's programming costs are substantial; general business conditions, economic uncertainty or slowdown, and the effects of governmental regulation; and the other risk factors described in Insight's annual report on Form 10-K and other periodic filings. Insight does not undertake any obligation to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events, except as required by law.

**Insight Communications Company, Inc.**  
**Consolidated Balance Sheet**  
*(dollars in thousands, except share and per share amounts)*

	<b>September 30, 2007</b>	<b>December 31, 2006</b>
	<i>(unaudited)</i>	
<b>Assets</b>		
Cash and cash equivalents	\$ 39,576	\$ 43,573
Trade accounts receivable, net of allowance for doubtful accounts of \$1,211 and \$1,148 as of September 30, 2007 and December 31, 2006	31,957	31,060
Prepaid expenses and other current assets	8,764	8,828
Total current assets	80,297	83,461
Fixed assets, net	1,146,142	1,151,260
Goodwill	187,982	187,982
Franchise costs	2,361,959	2,361,959
Deferred financing costs, net of accumulated amortization of \$32,121 and \$29,473 as of September 30, 2007 and December 31, 2006	16,817	19,053
Investments	3,137	7,000
Other non-current assets	2,567	2,941
Total assets	\$ 3,798,901	\$ 3,813,656

**Insight Communications Company, Inc.**  
**Consolidated Balance Sheets**  
*(dollars in thousands, except share and per share amounts)*

	<b>September 30, 2007</b>	<b>December 31, 2006</b>
	<i>(unaudited)</i>	
<b>Liabilities and stockholders' equity</b>		
Accounts payable	\$ 47,135	\$ 43,772
Accrued expenses and other current liabilities	58,136	45,521
Accrued property taxes	20,133	13,595
Accrued programming costs (inclusive of \$37,323 and \$30,677 due to related parties as of September 30, 2007 and December 31, 2006)	54,651	45,880
Deferred revenue	1,303	2,076
Interest payable	53,453	49,518
Total current liabilities	<u>234,811</u>	<u>200,362</u>
Deferred revenue	196	683
Deferred tax liability	218,377	212,648
Debt	2,743,878	2,805,722
Other non-current liabilities	874	—
Minority interest	269,783	245,634
Stockholders' equity:		
Voting preferred stock, \$.01 par value:		
Series A - 1,000,000 shares authorized; 848,945 shares issued and outstanding as of September 30, 2007 and December 31, 2006	8	8
Series B - 1,000,000 shares authorized; 517,836 shares issued and outstanding as of September 30, 2007 and December 31, 2006	5	5
Non-voting preferred stock, \$.01 par value:		
Series C - 15,000,000 shares authorized; 13,364,693 shares issued and outstanding as of September 30, 2007 and December 31, 2006	134	134
Series D - 50,000,000 shares authorized; 47,015,659 shares issued and outstanding as of September 30, 2007 and December 31, 2006	470	470
Non-voting common stock, \$.01 par value:		
Series E - 5,000,000 shares authorized; 3,555,497 and 3,536,247 shares issued and outstanding as of September 30, 2007 and December 31, 2006	36	35
Series F - 100,000 shares authorized; 94,660 and 93,250 shares issued and outstanding as of September 30, 2007 and December 31, 2006	1	1
Voting common stock, \$.01 par value:		
Series G - 10,000,000 shares authorized; 0 shares issued and outstanding as of September 30, 2007 and December 31, 2006	—	—
Additional paid-in-capital	827,716	826,509
Accumulated deficit	(497,388)	(478,861)
Accumulated other comprehensive income	—	306
Total stockholders' equity	<u>330,982</u>	<u>348,607</u>
Total liabilities and stockholders' equity	<u>\$ 3,798,901</u>	<u>\$ 3,813,656</u>

**Insight Communications Company, Inc.**  
**Consolidated Statements of Operations**  
*(unaudited)*  
*(dollars in thousands)*

	<b>Three months ended September</b>		<b>Nine months ended September</b>	
	<b>30,</b>	<b>30,</b>	<b>30,</b>	<b>30,</b>
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
		As restated		As restated
Revenue	\$ 362,336	\$ 318,105	\$1,057,308	\$ 931,103
Operating costs and expenses:				
Programming and other operating costs (exclusive of depreciation and amortization) (inclusive of \$52,256 and \$155,182, and \$47,772 and \$135,110 of programming expense incurred through related parties for the three and nine months ended September 30, 2007 and 2006)	123,839	109,307	366,000	333,676
Selling, general and administrative (inclusive of \$495 and \$1,209, and \$335 and \$1,219 of stock-based compensation for the three and nine months ended September 30, 2007 and 2006)	98,878	84,244	287,530	243,935
Depreciation and amortization	73,554	68,743	214,787	200,398
Total operating costs and expenses	<u>296,271</u>	<u>262,294</u>	<u>868,317</u>	<u>778,009</u>
Operating income	66,065	55,811	188,991	153,094
Other income (expense):				
Interest expense	(58,742)	(65,810)	(173,141)	(188,093)
Interest income	309	366	880	1,247
Other expense	(6,040)	(28)	(5,258)	(78)
Total other expense, net	<u>(64,473)</u>	<u>(65,472)</u>	<u>(177,519)</u>	<u>(186,924)</u>
Income (loss) before minority interest and income taxes	1,592	(9,661)	11,472	(33,830)
Minority interest income (expense)	<u>(9,907)</u>	<u>1,839</u>	<u>(24,151)</u>	<u>6,454</u>
Loss before income taxes	(8,315)	(7,822)	(12,679)	(27,376)
Provision for income taxes	<u>(1,909)</u>	<u>(1,815)</u>	<u>(5,848)</u>	<u>(5,794)</u>
Net loss	<u>\$ (10,224)</u>	<u>\$ (9,637)</u>	<u>\$ (18,527)</u>	<u>\$ (33,170)</u>

**Insight Communications Company, Inc.**  
**Consolidated Statement of Cash Flows**  
*(unaudited)*  
*(dollars in thousands)*

	<b>Nine months ended September 30,</b>	
	<b>2007</b>	<b>2006</b> As restated
<b>Operating activities:</b>		
Net loss	\$ (18,527)	\$ (33,170)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	214,787	200,398
Stock-based compensation	1,209	1,219
Minority interest	24,151	(6,454)
Provision for losses on trade accounts receivable	13,272	13,959
Amortization of note discount	3,156	6,663
Impairment of investment	3,863	-
Deferred income taxes	5,729	5,728
Loss on disposal of fixed assets	2,077	-
Changes in operating assets and liabilities:		
Trade accounts receivable	(14,169)	(13,093)
Prepaid expenses and other assets	422	(1,808)
Accounts payable	3,363	(3,236)
Interest payable	3,935	31,324
Accrued expenses and other liabilities	27,230	(894)
Net cash provided by operating activities	<u>270,498</u>	<u>200,636</u>
<b>Investing activities:</b>		
Purchase of fixed assets	(209,176)	(213,309)
Sale of fixed assets	94	572
Purchase of investments	-	(778)
Net cash used in investing activities	<u>(209,082)</u>	<u>(213,515)</u>
<b>Financing activities:</b>		
Repayment of credit facilities	(75,000)	(62,625)
Proceeds from borrowings under credit facilities	10,000	65,000
Debt issuance costs	(412)	-
Other	(1)	1
Net cash (used in) provided by financing activities	<u>(65,413)</u>	<u>2,376</u>
Net decrease in cash and cash equivalents	(3,997)	(10,503)
Cash and cash equivalents, beginning of period	43,573	29,782
Cash and cash equivalents, end of period	<u>\$ 39,576</u>	<u>\$ 19,279</u>

**Insight Communications Company, Inc.**  
**Operating Statistics**  
*(in thousands, except per customer and penetration data)*

	<b>Q3 2007</b>	<b>Q2 2007</b>	<b>Q3 2006</b>
<b>Customer Relationships</b>	1,449.4	1,424.1	1,395.4
<b>Total Average Monthly Revenue per Basic Customer</b>	<b>\$89.36</b>	<b>\$88.27</b>	<b>\$80.90</b>
<b><u>Basic Cable</u></b>			
Homes Passed	2,495.9	2,483.9	2,456.0
Basic Cable Customers	1,362.1	1,341.0	1,318.8
<b>Basic Cable Penetration</b>	<b>54.6%</b>	<b>54.0%</b>	<b>53.7%</b>
<b>Cable Revenue</b>	\$169,510	\$169,891	\$159,677
<b>Average Monthly Cable Revenue per Basic Customer</b>	<b>\$41.81</b>	<b>\$42.18</b>	<b>\$40.61</b>
<b><u>High-Speed Internet ("HSI")</u></b>			
HSI Homes Passed	2,473.2	2,458.0	2,418.5
HSI Customers	722.8	674.9	579.3
<b>HSI Penetration</b>	<b>29.2%</b>	<b>27.5%</b>	<b>24.0%</b>
<b>HSI Revenue</b>	\$76,994	\$73,260	\$60,402
<b>Average Monthly HSI Revenue per Basic Customer</b>	<b>\$18.99</b>	<b>\$18.19</b>	<b>\$15.36</b>
<b>Average Monthly HSI Revenue per HSI Customer</b>	<b>\$36.72</b>	<b>\$36.70</b>	<b>\$36.15</b>
<b><u>Digital Cable</u></b>			
Digital Universe	1,296.4	1,281.3	1,255.2
Digital Customers	687.6	661.5	597.7
<b>Digital Cable Penetration</b>	<b>53.0%</b>	<b>51.6%</b>	<b>47.6%</b>
<b>Digital Revenue</b>	\$42,818	\$42,954	\$34,979
<b>Average Monthly Digital Revenue per Basic Customer</b>	<b>\$10.56</b>	<b>\$10.66</b>	<b>\$8.90</b>
<b>Average Monthly Digital Revenue per Digital Customer</b>	<b>\$21.16</b>	<b>\$21.77</b>	<b>\$19.93</b>
<b><u>Telephone</u></b>			
Telephone Universe (marketable homes)	2,031.6	1,973.6	1,008.1
Telephone Customers	221.2	177.2	112.9
<b>Telephone Penetration (to marketable homes)</b>	<b>10.9%</b>	<b>9.0%</b>	<b>11.2%</b>
<b>Telephone Revenue</b>	\$24,631	\$20,083	\$13,249
<b>Average Monthly Telephone Revenue per Basic Customer</b>	<b>\$6.07</b>	<b>\$4.99</b>	<b>\$3.37</b>
<b>Average Monthly Telephone Revenue per Telephone Customer</b>	<b>\$41.22</b>	<b>\$41.20</b>	<b>\$40.13</b>
<b><u>Advertising Revenue</u></b>			
<b>Advertising Revenue</b>	\$21,133	\$21,674	\$20,024
<b>Average Monthly Advertising Revenue per Basic Customer</b>	<b>\$5.21</b>	<b>\$5.38</b>	<b>\$5.09</b>
<b><u>Other Revenue</u></b>			
<b>Other Revenue</b>	\$27,250	\$27,641	\$29,774
<b>Average Monthly Other Revenue per Basic Customer</b>	<b>\$6.72</b>	<b>\$6.87</b>	<b>\$7.57</b>

Insight Communications Company, Inc.  
NCTA Standard Reporting Categories  
Capital Expenditures  
(unaudited)  
(in thousands)

<i><b>Insight Consolidated</b></i>	<b>Three Months Ended September 30, 2007</b>	<b>Three Months Ended September 30, 2006</b>
Customer Premise Equipment	\$ 51,784	\$ 37,661
Scaleable Infrastructure	5,300	15,454
Line Extensions	6,435	7,022
Upgrade/Rebuild	6,446	3,096
Support Capital	6,531	8,311
<b>Total Insight Consolidated</b>	<b>\$ 76,496</b>	<b>\$ 71,544</b>

<i><b>Insight Consolidated</b></i>	<b>Nine Months Ended September 30, 2007</b>	<b>Nine Months Ended September 30, 2006</b>
Customer Premise Equipment	\$ 141,066	\$ 123,339
Scaleable Infrastructure	18,308	28,115
Line Extensions	17,603	20,185
Upgrade/Rebuild	14,028	11,552
Support Capital	18,171	30,118
<b>Total Insight Consolidated</b>	<b>\$ 209,176</b>	<b>\$ 213,309</b>