



RCN Corporation
2009 Reconciliation of Non-GAAP Information

(1) EBITDA

EBITDA is defined as net income (loss) plus income tax benefit (expense), other income (loss) net, interest expense, investment income, depreciation and amortization, non-cash stock-based compensation and other special items including impairments, exit costs and other charges. EBITDA margin represents EBITDA divided by total revenues. We believe that EBITDA provides useful information to investors because it is an indicator of the strength and performance of our ongoing business operations, including our ability to fund discretionary spending such as capital expenditures and other investments and our ability to incur and service debt. While depreciation and amortization are considered operating costs under generally accepted accounting principles, these expenses represent non-cash current period allocation of costs associated with long-lived assets acquired or constructed in prior periods. EBITDA is a calculation commonly used as a basis for investors, analysts and credit rating agencies to evaluate and compare the periodic and future operating performance and value of companies within the cable industry. EBITDA, as defined above, may not be similar to EBITDA measures of other companies, is not a measurement under accounting principles generally accepted in the United States and should be considered in addition to, but not as a substitute for, the information contained in our statement of operations.

CONSOLIDATED
(\$ in millions)

	For the three months ended		
	March 31, 2009	June 30, 2009	September 30, 2009
Net loss	\$ (9.6)	\$ (9.4)	\$ (5.7)
Income tax expense	-	0.8	-
Other (income) expense, net	-	0.3	-
Interest expense	11.0	11.0	10.4
Investment income	(0.3)	(0.1)	-
Depreciation and amortization	48.5	50.8	49.4
Non-cash stock-based compensation expense	2.4	2.1	2.1
Exit costs and restructuring charges, net	0.3	-	0.3
EBITDA	\$ 52.3	\$ 55.5	\$ 56.4
EBITDA Margin	27.6%	28.9%	29.4%

RESIDENTIAL / SMALL-MEDIUM BUSINESS
(\$ in millions)

	For the three months ended		
	March 31, 2009	June 30, 2009	September 30, 2009
Operating loss	\$ (4.1)	\$ (3.9)	\$ (8.1)
Depreciation and amortization	39.6	42.2	42.3
Non-cash stock-based compensation expense	1.8	1.6	2.0
Exit costs and restructuring charges, net	0.4	-	0.5
EBITDA	\$ 37.8	\$ 39.9	\$ 36.7
EBITDA Margin	26.3%	27.5%	25.6%

RCN METRO OPTICAL NETWORKS
(\$ in millions)

	For the three months ended		
	March 31, 2009	June 30, 2009	September 30, 2009
Operating income	\$ 5.1	\$ 6.5	\$ 5.4
Depreciation and amortization	8.9	8.5	7.3
Non-cash stock-based compensation expense	0.6	0.5	0.6
Exit costs and restructuring charges, net	(0.1)	-	0.4
EBITDA	\$ 14.5	\$ 15.6	\$ 13.6
EBITDA Margin	31.8%	33.0%	31.5%

(2) ARPC

Average monthly revenue per customer, or ARPC, is an industry metric that measures revenues, excluding Metro and other residential revenue (consisting of dial-up, reciprocal compensation and web hosting revenue) per period divided by the average number of customers during that period. We believe that ARPC provides useful information concerning the appeal of our service offerings and our rate plans. ARPC as defined above may not be similar to ARPC measures of other companies, is not a measurement under accounting principles generally accepted in the United States and should be considered in addition to, but not as a substitute for, the information contained in our statements of operations.

(\$ in millions, except ARPC)

	For the three months ended		
	March 31, 2009	June 30, 2009	September 30, 2009
Total Revenues	\$ 189.2	\$ 192.3	\$ 191.9
Less: Metro Revenue	(45.5)	(47.2)	(48.0)
Less: Other Residential Revenue	(2.2)	(1.9)	(1.8)
Customer Revenues	\$ 141.5	\$ 143.2	\$ 142.1
ARPC	\$ 110	\$ 111	\$ 111

(3) Debt to EBITDA

The ratio of total debt to EBITDA is calculated by dividing our total debt at quarter end by EBITDA on a trailing 12 month basis. The ratio of total debt to EBITDA is a credit metric commonly used by investors and credit agencies as an indicator of financial risk, including our ability to repay or refinance our debt obligations. The ratio of total debt to EBITDA as defined above may not be similar to measures of other companies, is not a measurement under accounting principles generally accepted in the United States and should be considered in addition to, but not as a substitute for, the information contained in our financial statements.

(\$ in millions, except Ratio of total debt to EBITDA)

	For the three months ended		
	March 31, 2009	June 30, 2009	September 30, 2009
Total Debt	\$ 740.8	\$ 738.9	\$ 737.1
Divided by trailing 12 months RCN Consolidated EBITDA	\$ 202.9	\$ 211.3	\$ 217.4
Ratio of total debt to EBITDA	3.7x	3.5x	3.4x



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(4) Net Debt to EBITDA

The ratio of net debt to EBITDA is calculated by dividing our net debt at quarter end by EBITDA on a trailing 12 month basis. The ratio of net debt to EBITDA is a credit metric commonly used by investors and credit agencies as an indicator of financial risk, including our ability to repay or refinance our debt obligations. The ratio of net debt to EBITDA as defined above may not be similar to measures of other companies, is not a measurement under accounting principles generally accepted in the United States and should be considered in addition to, but not as a substitute for, the information contained in our financial statements.

	For the three months ended		
	March 31, 2009	June 30, 2009	September 30, 2009
(\$ in millions, except Ratio of net debt to EBITDA)			
Total Debt	\$ 740.8	\$ 738.9	\$ 737.1
Less: cash & cash equivalents and short-term investments	(71.1)	(74.9)	(83.5)
Net Debt	\$ 669.7	\$ 664.0	\$ 653.6
Divided by trailing 12 months RCN Consolidated EBITDA	\$ 202.9	\$ 211.3	\$ 217.4
Ratio of net debt to EBITDA	3.3x	3.1x	3.0x

(5) Free Cash Flow

Free cash flow is defined as net cash from operating activities, plus net cash from investing activities, activity in short-term investments and restricted investments. We believe that free cash flow provides useful information to investors, analysts and our management about the cash generated by our core operations after interest and our ability to fund scheduled debt maturities and other financing activities. Free cash flow, as defined, may not be comparable to free cash flow measures of other companies, is not a measurement under accounting principles generally accepted in the United States and should be considered in addition to, but not as a substitute for the information contained in our statements of cash flows.

	For the three months ended		
	March 31, 2009	June 30, 2009	September 30, 2009
(\$ in millions)			
Net cash provided by operating activities	\$ 29.8	\$ 36.5	\$ 49.0
Net cash used in investing activities	(18.4)	(26.8)	(30.7)
Increase in short-term investments	0.1	0.1	(7.2)
Change in accrued interest on short-term investments	(0.1)	0.1	-
Decrease in restricted investments	(3.7)	-	-
Free Cash Flow	\$ 7.7	\$ 9.9	\$ 11.0