



## **ASCENT CAPITAL GROUP ANNOUNCES FINANCIAL RESULTS FOR THE QUARTER AND FULL YEAR ENDED DECEMBER 31, 2011**

**Englewood, CO** – March 1, 2012 - Ascent Capital Group, Inc (“Ascent” or the “Company”) (Nasdaq: ASCMA) has reported results for the quarter and full year ended December 31, 2011. Ascent is a holding company that owns Monitronics International, Inc. (“Monitronics”), one of the nation’s largest and fastest-growing home security alarm monitoring companies.

### **2011 highlights:**

- Monitronics’ full year 2011 revenue increased 10.9% to \$311.9 million, and Monitronics’ full year 2011 recast Adjusted EBITDA<sup>1</sup> increased 11.9% to \$217.1 million with a Company recast net loss from continuing operations<sup>1</sup> of \$25.6 million
- Monitronics surpassed the 700,000 customer mark, finishing 2011 with 700,880 accounts
- Ascent completed its transition out of the media services business with the sale of its content distribution business and closure of its systems integration unit
- Ascent completed the integration of Monitronics and transitioned all corporate and administrative functions from Los Angeles to Dallas and Denver
- Ascent repurchased 269,659 shares of Ascent Series A stock at an average price of \$42.60 per share for a total cost of \$11.5 million, representing approximately 2% of Ascent’s outstanding Series A shares

“During the past year we successfully completed the transformation of Ascent,” said Chief Executive Officer of Ascent, Bill Fitzgerald. “We finalized the sale of our media services business, fully integrated Monitronics into our operations, and transitioned our corporate service activities out of the Los Angeles area. Most important, the Monitronics business continues to generate the very solid financial performance we expected from it when we acquired the business in December 2010.”

“We also continue to evaluate alternatives for refinancing Monitronics’ debt. Given the consistent and predictable nature of the Monitronics business, coupled with the improving conditions in the credit markets, we expect to complete a refinancing of this debt in the first half of this year. Additionally, we continue to seek acquisition opportunities of highly leverageable, recurring revenue, subscription-based businesses, however, with a preference to pursue opportunities that are strategic, allowing us to leverage, as well as expand, the Monitronics platform.”

### **Monitronics**

Headquartered in Dallas, Texas, Monitronics provides monitored business and home security system services to more than 700,000 residential and commercial customers. Monitronics’ long-term monitoring contracts provide high margin, monthly recurring revenues (“RMR”) that result in predictable and stable cash flow.

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<sup>1</sup> For purposes of this press release, we have recast Adjusted EBITDA and net income (loss) from continuing operations for the fourth quarter and full year 2011 to omit the effects of a one-time \$2.6 million reserve taken in connection with an ongoing litigation matter which management views as a non-recurring, non-operating expense.

“The last 18 months have been a period of remarkable change in the alarm monitoring industry,” noted President and Chief Executive Officer of Monitronics, Mike Haislip. “Several businesses were acquired and sold, new investors, including our owners, emerged in the space, and the parent company of one of our largest peers announced a restructuring of its operations. We view these changes as a strong endorsement of the industry and a compelling argument for the continued growth of the space in the future.”

Mr. Haislip continued, “In 2011 we remained disciplined in our approach to quality and cost, evidenced by our disciplined approach to account acquisitions and our ongoing strong operating margins. One of the many strengths of our business model is the flexibility it allows us to efficiently deploy our capital resources based on broader market conditions. Going forward, we intend to continue to drive efficiencies in our business model, grow our subscriber base, evaluate business extensions and seek strategic acquisitions as opportunities arise.”

#### **Fourth Quarter and Full Year 2011 Results**

For the fourth quarter ended December 31, 2011, Monitronics reported net revenue of \$80.9 million, an increase of 14.2% compared to \$70.9 million for the three months ended December 31, 2010. Monitronics recast Adjusted EBITDA for the fourth quarter of 2011 was \$55.8 million, an increase of 13.6% compared to \$49.1 million of Adjusted EBITDA for the three months ended December 31, 2010. Monitronics recast Adjusted EBITDA as a percentage of revenue was 68.9% for the fourth quarter of 2011, compared to 69.2% which was Monitronics Adjusted EBITDA as a percentage of revenue for the three months ended December 31, 2010. The Company reported recast net loss from continuing operations for the fourth quarter of 2011 of \$8.4 million, compared to a net loss from continuing operations of \$14.3 million for the three months ended December 31, 2010.

For the full year 2011, Monitronics reported net revenue of \$311.9 million, an increase of 10.9% compared to \$281.3 million for the calendar year ended December 31, 2010. Monitronics recast Adjusted EBITDA for the full year 2011 was \$217.1 million, an increase of 11.9% compared to \$194.0 million of Adjusted EBITDA for the calendar year ended December 31, 2010. Monitronics recast Adjusted EBITDA as a percentage of revenue was 69.6% for the full year 2011, compared to 69.0% which was Monitronics Adjusted EBITDA as a percentage of revenue for the calendar year 2010. The Company reported recast net loss from continuing operations for the full year 2011 of \$25.6 million, compared to a net loss from continuing operations of \$33.5 million for the calendar year 2010.

The increase in fourth quarter and full year 2011 recast Adjusted EBITDA is primarily attributable to revenue growth, and the revenue growth in these periods is due to a 7.1% increase in weighted average subscriber accounts to 688,774 for the twelve months ended December 31, 2011, coupled with increased average revenue per subscriber.

**Attrition Rates and Recurring Monthly Revenue**

|                                                     | <b>Twelve months<br/>ended December 31,</b> |                |
|-----------------------------------------------------|---------------------------------------------|----------------|
|                                                     | <b>2011</b>                                 | <b>2010</b>    |
| <b>Beginning balance of accounts</b>                | 670,450                                     | 621,186        |
| <b>Accounts purchased</b>                           | 114,691                                     | 126,619        |
| <b>Accounts cancelled (a)</b>                       | (76,067)                                    | (71,501)       |
| <b>Accounts guaranteed to be refunded by dealer</b> | (8,194)                                     | (5,854)        |
| <b>Ending balance of accounts</b>                   | 700,880                                     | 670,450        |
| <b>Monthly weighted average accounts</b>            | 688,774                                     | 643,157        |
| <b>Attrition rate (a)</b>                           | 11.0%                                       | 11.1%          |
| <br><b>Average RMR per subscriber at year end</b>   | <br>\$ 37.49                                | <br>\$ 36.29   |
| <b>Total year end RMR</b>                           | \$26.3 million                              | \$24.3 million |

(a) Net of canceled accounts that are contractually guaranteed by the dealer

For the full year ended December 31, 2011, Monitronics purchased 114,691 subscriber accounts, compared to 126,619 subscriber accounts in the full year ended December 31, 2010. The year-over-year decline in accounts purchased is primarily a result of Monitronics' disciplined approach to account purchases. Consistent with past practice, Monitronics elected to preserve its capital resources by purchasing accounts at a slower pace during a period of increasing industry multiples. This was primarily reflected in a lower level of bulk account purchases during the full year 2011. For the full year 2011, Monitronics attrition rate remained steady at 11.0% compared to 11.1% for the calendar year 2010.

**Liquidity and Capital Resources**

At December 31, 2011, on a consolidated basis, Ascent had \$183.6 million of cash and cash equivalents, \$59.2 million of total restricted cash, and \$40.4 million of marketable securities. Ascent may use a portion of these assets to decrease debt obligations, fund strategic acquisitions or investments or fund stock repurchases.

During the year ended December 31, 2011, the Company used cash of \$162.7 million to purchase subscriber accounts and \$4.2 million to fund capital expenditures.

On June 16, 2011, Ascent announced that it received authorization to implement a stock repurchase program in which it may purchase up to \$25,000,000 of its Series A common stock. During the twelve months ended December 31, 2011, Ascent used cash of \$11.5 million to fund purchases of 269,659 shares of Series A common stock. The repurchased shares have been returned to the status of authorized and unissued shares.

As of December 31, 2011, Ascent had a total of \$963.3 million principal amount of debt, on a consolidated basis, comprised of \$838 million principal amount under Monitronics' securitization facility and \$125.3 million principal amount under Monitronics' senior secured credit facility.

## **Forward Looking Statements**

This press release includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about business strategies, acquisition opportunities, market potential, future financial prospects, the continuation of our stock repurchase plan, and other matters that are not historical facts. These forward-looking statements involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including, without limitation, possible changes in market acceptance of our products or services, competitive issues, continued access to capital on terms acceptable to Ascent, our ability to capitalize on an acquisition opportunity, general market conditions, and changes in law and government regulations. These forward-looking statements speak only as of the date of this press release, and Ascent expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in Ascent's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Please refer to the publicly filed documents of Ascent, including the most recent Form 10-K and any subsequently filed Form 8-K, for additional information about Ascent and about the risks and uncertainties related to Ascent's business which may affect the statements made in this press release.

## **About Ascent Capital Group, Inc.**

Ascent is a holding company and owns 100 percent of its operating subsidiaries, including Monitronics, one of the nation's largest, fastest-growing home security alarm monitoring companies, headquartered in Dallas, TX, and certain former subsidiaries of Ascent Media Group, LLC.

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## APPENDIX: Non-GAAP Financial Measures

This press release includes a presentation of Monitronics recast Adjusted EBITDA, Monitronics Adjusted EBITDA and Ascent recast net income (loss) from continuing operations, which are non-GAAP financial measures, together with a reconciliation of Monitronics Adjusted EBITDA to Monitronics net income (loss) from continuing operations, as determined under GAAP, and a reconciliation of each of Monitronics recast Adjusted EBITDA and Ascent recast net income (loss) from continuing operations to Ascent net income (loss) from continuing operations, as determined under GAAP. We define Monitronics Adjusted EBITDA as net income (loss) before interest expense, interest income, income taxes, depreciation, amortization (including amortization of subscriber accounts and dealer network), realized and unrealized gain/(loss) on derivative instruments, non-cash or non-recurring restructuring charges and stock-based and other non-cash long-term incentive compensation. We define Monitronics recast Adjusted EBITDA as Monitronics Adjusted EBITDA plus a one-time reserve taken in the fourth quarter of 2011 in connection with an ongoing litigation matter that management views as a non-recurring, non-operating expense. Ascent recast net income (loss) from continuing operations is defined as net income (loss) from continuing operations plus the aforementioned litigation reserve.

We believe Monitronics Adjusted EBITDA is an important indicator of the operational strength and performance of our business, including our business' ability to fund its ongoing acquisition of subscriber accounts, to fund its capital expenditures and to service its debt. In addition, this measure is used by management to evaluate operating results and perform analytical comparisons and identify strategies to improve performance. Monitronics Adjusted EBITDA is also a measure that is customarily used by financial analysts to evaluate the financial performance of companies in the security alarm monitoring industry and is one of the financial measures, subject to certain adjustments, by which covenants are calculated under the agreements governing Monitronics' debt obligations. Monitronics Adjusted EBITDA does not represent cash flow from operations as defined by generally accepted accounting principles, should not be construed as an alternative to net income or loss and is indicative neither of our results of operations nor of cash flows available to fund all of our cash needs. It is, however, a measurement that we believe is useful to investors in analyzing its operating performance. Accordingly, Monitronics Adjusted EBITDA should be considered in addition to, but not as a substitute for, net income, cash flow provided by operating activities and other measures of financial performance prepared in accordance with GAAP. Monitronics Adjusted EBITDA is a non-GAAP financial measure. As companies often define non-GAAP financial measures differently, Monitronics Adjusted EBITDA as calculated by us should not be compared to any similarly titled measures reported by other companies. We believe Monitronics recast Adjusted EBITDA and Ascent recast net income (loss) from continuing operations for the periods presented are useful to investors because they permit period to period comparisons of financial results based on core operating performance without giving effect to what management believes to be a non-recurring, non-operating expense.

The following table provides a reconciliation of Monitronics recast Adjusted EBITDA to Ascent net income (loss) from continuing operations calculated in accordance with GAAP for the three months, and calendar year, ended December 31, 2011. The following table further provides a reconciliation of Ascent net income (loss) from continuing operations calculated in accordance with GAAP to Ascent recast net income (loss) from continuing operations for the applicable periods.

|                                          | <b>Three Months Ended<br/>December 31, 2011</b> | <b>Year Ended<br/>December 31, 2011</b> |
|------------------------------------------|-------------------------------------------------|-----------------------------------------|
| Monitronics Recast Adjusted EBITDA ..... | 55,770                                          | 217,085                                 |
| Less: one-time litigation reserve .....  | (2,600)                                         | (2,600)                                 |
| Monitronics Adjusted EBITDA .....        | 53,170                                          | 214,485                                 |
| Corporate Adjusted EBITDA .....          | (3,070)                                         | (12,052)                                |
| Total Adjusted EBITDA .....              | 50,100                                          | 202,433                                 |
| Less:                                    |                                                 |                                         |

|                                                                        | <b>Three Months Ended<br/>December 31, 2011</b> | <b>Year Ended<br/>December 31, 2011</b> |
|------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------|
| Restructuring charges .....                                            | --                                              | (4,258)                                 |
| Amortization .....                                                     | (41,675)                                        | (159,619)                               |
| Depreciation.....                                                      | (1,229)                                         | (7,052)                                 |
| Stock-based and long-term incentive<br>compensation expense.....       | (1,500)                                         | (4,456)                                 |
| Realized and unrealized (gain)/loss on derivative<br>instruments ..... | (487)                                           | (10,601)                                |
| Interest expense (net) .....                                           | (10,272)                                        | (42,142)                                |
| Provision for income taxes.....                                        | (5,954)                                         | (2,457)                                 |
| Net income (loss) from continuing operations.....                      | (11,017)                                        | (28,152)                                |
| Plus: one-time litigation reserve .....                                | 2,600                                           | 2,600                                   |
| Recast net income (loss) from<br>continuing operations.....            | (8,417)                                         | (25,552)                                |

The following table provides a reconciliation of Monitronics Adjusted EBITDA to Monitronics net income (loss) from continuing operations calculated in accordance with GAAP for the three months, and calendar year, ended December 31, 2010.

|                                                                        | <b>Three Months Ended<br/>December 31, 2010</b> | <b>Year Ended<br/>December 31, 2010</b> |
|------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------|
| Monitronics Adjusted EBITDA .....                                      | 49,083                                          | 193,997                                 |
| Less:                                                                  |                                                 |                                         |
| Acquisition-related professional expenses <sup>(1)</sup> ...           | 13,275                                          | 13,275                                  |
| Amortization .....                                                     | 31,980                                          | 123,046                                 |
| Depreciation.....                                                      | 1,496                                           | 6,030                                   |
| Stock-based and long-term incentive<br>compensation expense.....       | 317                                             | 548                                     |
| Realized and unrealized (gain)/loss on derivative<br>instruments ..... | (3,712)                                         | 34,628                                  |
| Interest Expense .....                                                 | 6,315                                           | 20,830                                  |
| Provision for income taxes.....                                        | 603                                             | 2,298                                   |
| Monitronics net income (loss) from<br>continuing operations.....       | (1,191)                                         | (6,658)                                 |

(1) Acquisition-related professional expenses include non-recurring professional and legal expenses related to Ascent's acquisition of Monitronics.

Selected financial information for the Company follows.

**ASCENT CAPITAL GROUP, INC. AND SUBSIDIARIES**  
**Consolidated Balance Sheets**  
**December 31, 2011 and 2010**  
Amounts in thousands, except share amounts

| Assets                                                                                                                                                                          | 2011                | 2010                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Current assets:                                                                                                                                                                 |                     |                     |
| Cash and cash equivalents .....                                                                                                                                                 | \$ 183,558          | 149,857             |
| Restricted cash .....                                                                                                                                                           | 31,196              | 28,915              |
| Trade receivables, net .....                                                                                                                                                    | 10,973              | 11,092              |
| Deferred income tax assets, net .....                                                                                                                                           | 5,881               | 9,070               |
| Investments in marketable securities .....                                                                                                                                      | 40,377              | --                  |
| Assets of discontinued operations .....                                                                                                                                         | --                  | 22,990              |
| Income taxes receivable .....                                                                                                                                                   | 308                 | 8,798               |
| Prepaid and other current assets .....                                                                                                                                          | 17,600              | 9,964               |
| Total current assets .....                                                                                                                                                      | 289,893             | 240,686             |
| Restricted cash .....                                                                                                                                                           | 28,000              | 35,000              |
| Property and equipment, net .....                                                                                                                                               | 74,697              | 78,211              |
| Subscriber accounts, net .....                                                                                                                                                  | 838,441             | 822,811             |
| Dealer network, net .....                                                                                                                                                       | 39,933              | 50,013              |
| Goodwill .....                                                                                                                                                                  | 349,227             | 349,227             |
| Assets of discontinued operations .....                                                                                                                                         | 62                  | 62,420              |
| Other assets, net .....                                                                                                                                                         | 5,706               | 6,514               |
| Total assets .....                                                                                                                                                              | <u>\$ 1,625,959</u> | <u>\$ 1,644,882</u> |
| <b>Liabilities and Stockholders' Equity</b>                                                                                                                                     |                     |                     |
| Current liabilities:                                                                                                                                                            |                     |                     |
| Accounts payable .....                                                                                                                                                          | \$ 3,987            | 7,059               |
| Accrued payroll and related liabilities .....                                                                                                                                   | 5,149               | 8,510               |
| Other accrued liabilities .....                                                                                                                                                 | 19,000              | 14,366              |
| Deferred revenue .....                                                                                                                                                          | 6,803               | 3,382               |
| Purchase holdbacks .....                                                                                                                                                        | 12,273              | 9,818               |
| Current portion of long-term debt .....                                                                                                                                         | 60,000              | 20,000              |
| Liabilities related to assets of discontinued operations .....                                                                                                                  | 7,101               | 30,771              |
| Total current liabilities .....                                                                                                                                                 | 114,313             | 93,906              |
| Non-current liabilities:                                                                                                                                                        |                     |                     |
| Long-term debt .....                                                                                                                                                            | 892,718             | 896,733             |
| Derivative financial instruments .....                                                                                                                                          | 36,279              | 64,745              |
| Deferred income tax liability, net .....                                                                                                                                        | 9,793               | 12,798              |
| Other liabilities .....                                                                                                                                                         | 12,529              | 18,282              |
| Liabilities related to assets of discontinued operations .....                                                                                                                  | --                  | 10,678              |
| Total liabilities .....                                                                                                                                                         | <u>1,065,632</u>    | <u>1,097,142</u>    |
| Commitments and contingencies                                                                                                                                                   |                     |                     |
| Stockholders' Equity:                                                                                                                                                           |                     |                     |
| Preferred stock, \$.01 par value. Authorized 5,000,000 shares; no shares issued .....                                                                                           | --                  | --                  |
| Series A common stock, \$.01 par value. Authorized 45,000,000 shares; issued and outstanding 13,471,594 and 13,553,251 shares at December 31, 2011 and 2010, respectively ..... | 135                 | 136                 |
| Series B common stock, \$.01 par value. Authorized 5,000,000 shares; issued and outstanding 739,894 and 733,599 shares at December 31, 2011 and 2010, respectively .....        | 7                   | 7                   |
| Series C common stock, \$.01 par value. Authorized 45,000,000 shares; no shares issued .....                                                                                    | --                  | --                  |
| Additional paid-in capital .....                                                                                                                                                | 1,461,671           | 1,467,757           |
| Accumulated deficit .....                                                                                                                                                       | (896,710)           | (917,347)           |
| Accumulated other comprehensive loss .....                                                                                                                                      | (4,776)             | (2,813)             |
| Total stockholders' equity .....                                                                                                                                                | <u>560,327</u>      | <u>547,740</u>      |
| Total liabilities and stockholders' equity .....                                                                                                                                | <u>\$ 1,625,959</u> | <u>\$ 1,644,882</u> |

**ASCENT CAPITAL GROUP, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Operations and Comprehensive Income (loss)**  
**Years ended December 31, 2011, 2010 and 2009**  
**Amounts in thousands, except per share amounts**

|                                                                                             | <u>2011</u>      | <u>2010</u>        | <u>2009</u>     |
|---------------------------------------------------------------------------------------------|------------------|--------------------|-----------------|
| Net revenue .....                                                                           | <u>\$311,898</u> | <u>9,129</u>       | <u>--</u>       |
| Operating expenses:                                                                         |                  |                    |                 |
| Cost of services.....                                                                       | 40,553           | 1,422              | --              |
| Selling, general, and administrative, including stock-based and long-term compensation..... | 76,845           | 30,314             | 27,451          |
| Amortization of subscriber accounts and dealer network .....                                | 159,619          | 5,980              | --              |
| Depreciation .....                                                                          | 7,052            | 3,067              | 4,259           |
| Restructuring charges .....                                                                 | 4,258            | 4,604              | 695             |
| Loss (gain) on sale of operating assets, net .....                                          | <u>565</u>       | <u>(2,768)</u>     | <u>152</u>      |
|                                                                                             | <u>288,892</u>   | <u>42,619</u>      | <u>32,557</u>   |
| Operating Income (loss).....                                                                | 23,006           | (33,490)           | (32,557)        |
| Other income (expense):                                                                     |                  |                    |                 |
| Interest income.....                                                                        | 671              | 3,638              | 2,676           |
| Interest expense.....                                                                       | (42,813)         | (2,672)            | (102)           |
| Realized and unrealized loss on derivative financial instruments.....                       | (10,601)         | (1,682)            | --              |
| Other income (expense), net.....                                                            | <u>4,042</u>     | <u>975</u>         | <u>2,899</u>    |
|                                                                                             | <u>(48,701)</u>  | <u>259</u>         | <u>5,473</u>    |
| Loss from continuing operations before income taxes .....                                   | (25,695)         | (33,231)           | (27,084)        |
| Income tax expense from continuing operations .....                                         | <u>(2,457)</u>   | <u>(270)</u>       | <u>(28,721)</u> |
| Net loss from continuing operations .....                                                   | (28,152)         | (33,501)           | (55,805)        |
| Discontinued operations:                                                                    |                  |                    |                 |
| Income (loss) from discontinued operations .....                                            | 48,836           | (12,077)           | (6,682)         |
| Income tax (expense) benefit from discontinued operations .....                             | <u>(47)</u>      | <u>7,084</u>       | <u>9,590</u>    |
| Income (loss) from discontinued operations, net of income taxes.....                        | <u>48,789</u>    | <u>(4,993)</u>     | <u>2,908</u>    |
| Net income (loss) .....                                                                     | <u>\$ 20,637</u> | <u>(38,494)</u>    | <u>(52,897)</u> |
| Other comprehensive income (loss):                                                          |                  |                    |                 |
| Foreign currency translation adjustments.....                                               | (2,950)          | 4,026              | 4,693           |
| Unrealized holding gain (loss), net of income tax .....                                     | 124              | (1,352)            | 1,352           |
| Pension liability adjustment .....                                                          | <u>863</u>       | <u>(1,870)</u>     | <u>(1,709)</u>  |
| Other comprehensive income (loss).....                                                      | <u>(1,963)</u>   | <u>804</u>         | <u>4,336</u>    |
| Comprehensive income (loss).....                                                            | <u>\$ 18,674</u> | <u>\$ (37,690)</u> | <u>(48,561)</u> |
| Basic and diluted earnings (loss) per share                                                 |                  |                    |                 |
| Continuing operations                                                                       | \$ (1.98)        | (2.36)             | (3.97)          |
| Discontinued operations                                                                     | <u>3.43</u>      | <u>(0.35)</u>      | <u>0.21</u>     |
| Net income (loss)                                                                           | <u>\$ 1.45</u>   | <u>(2.71)</u>      | <u>(3.76)</u>   |



**ASCENT CAPITAL GROUP, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**Years ended December 31, 2011, 2010 and 2009**  
**Amounts in thousands**

|                                                                                          | <u>2011</u>      | <u>2010</u>      | <u>2009</u>     |
|------------------------------------------------------------------------------------------|------------------|------------------|-----------------|
| Cash flows from operating activities:                                                    |                  |                  |                 |
| Net income (loss) .....                                                                  | \$ 20,637        | (38,494)         | (52,897)        |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: |                  |                  |                 |
| Loss (income) from discontinued operations, net of income tax.....                       | (48,789)         | 4,993            | (2,908)         |
| Amortization of subscriber accounts and dealer network .....                             | 159,619          | 5,980            | —               |
| Depreciation .....                                                                       | 7,052            | 3,067            | 4,259           |
| Stock-based compensation .....                                                           | 4,732            | 3,148            | 2,443           |
| Deferred income tax expense.....                                                         | 181              | 747              | 22,194          |
| Unrealized (gain) loss on derivative financial instruments.....                          | (28,044)         | 1,682            | —               |
| Long term debt amortization.....                                                         | 16,985           | 780              | —               |
| Loss (gain) on sale of assets, net.....                                                  | 565              | (2,768)          | 152             |
| Other non-cash activity, net.....                                                        | 6,428            | (1,874)          | 2,145           |
| Changes in assets and liabilities, net of acquisitions:                                  |                  |                  |                 |
| Trade receivables.....                                                                   | (5,365)          | 1,806            | —               |
| Prepaid expenses and other assets .....                                                  | 225              | 4,368            | (3,535)         |
| Payables and other liabilities .....                                                     | (4,546)          | 12,388           | (6,695)         |
| Operating activities from discontinued operations, net.....                              | <u>1,558</u>     | <u>54,477</u>    | <u>70,816</u>   |
| Net cash provided by operating activities.....                                           | <u>131,238</u>   | <u>50,300</u>    | <u>35,974</u>   |
| Cash flows from investing activities:                                                    |                  |                  |                 |
| Capital expenditures .....                                                               | (4,242)          | (139)            | (1,420)         |
| Purchases of subscriber accounts .....                                                   | (162,714)        | (4,214)          | —               |
| Purchases of marketable securities .....                                                 | (40,253)         | (41,757)         | (68,126)        |
| Decrease (increase) in restricted cash.....                                              | 4,719            | (13,318)         | —               |
| Cash paid for acquisitions, net of cash acquired .....                                   | —                | (388,401)        | —               |
| Proceeds from sales of marketable securities.....                                        | —                | 96,685           | 16,309          |
| Proceeds from the sale of discontinued operations.....                                   | 99,488           | 92,121           | —               |
| Proceeds from the sale of operating assets .....                                         | —                | 6,201            | 23              |
| Other investing activities, net .....                                                    | —                | 54               | —               |
| Investing activities from discontinued operations, net .....                             | <u>(3,196)</u>   | <u>(37,553)</u>  | <u>(31,674)</u> |
| Net cash used in investing activities.....                                               | <u>(106,198)</u> | <u>(290,321)</u> | <u>(84,888)</u> |
| Cash flows from financing activities:                                                    |                  |                  |                 |
| Proceeds from long-term debt.....                                                        | 78,800           | 110,300          | —               |
| Payments of long-term debt .....                                                         | (59,800)         | (9,000)          | —               |
| Payment of deferred financing costs .....                                                | —                | (2,388)          | —               |
| Stock option exercises .....                                                             | 1,291            | —                | 2,121           |
| Purchases (and retirement) of common stock.....                                          | (11,488)         | —                | —               |
| Other .....                                                                              | —                | 2                | —               |
| Financing activities from discontinued operations, net .....                             | <u>(142)</u>     | <u>(1,950)</u>   | <u>(1,810)</u>  |
| Net cash provided by financing activities .....                                          | <u>8,661</u>     | <u>96,964</u>    | <u>311</u>      |
| Net increase (decrease) in cash and cash equivalents .....                               | <u>33,701</u>    | <u>(143,057)</u> | <u>(48,603)</u> |

|                                                     |                   |                |                |
|-----------------------------------------------------|-------------------|----------------|----------------|
| Cash and cash equivalents at beginning of year..... | <u>149,857</u>    | <u>292,914</u> | <u>341,517</u> |
| Cash and cash equivalents at end of year .....      | <u>\$ 183,558</u> | <u>149,857</u> | <u>292,914</u> |