



TPG Capital to Acquire RCN Telecommunications and Grande Communications for \$2.25 Billion

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Companies to be combined into a market leading high-speed data services provider

Fort Worth, TX and San Francisco – August 15, 2016 – TPG Capital, the global private equity fund of leading alternative asset firm TPG, today announced it has entered into definitive agreements to acquire two regional broadband services providers, RCN Telecom Services, LLC ("RCN") and Grande Communications Networks LLC ("Grande"), in separate transactions from ABRY Partners ("ABRY") for \$1.6 billion and \$650 million, respectively. TPG will combine the assets to create a top ten U.S. cable company and a regional market-leading provider of next-generation, high-speed data to residential and business customers. The transaction is expected to close in the first quarter of 2017 and is subject to customary closing conditions, including regulatory approvals.

TPG is partnering with Patriot Media, the industry-leading management team headed by Steve Simmons and Jim Holanda that currently manages both RCN and Grande. RCN and Grande are leading local broadband providers with technologically-advanced networks that offer a full suite of internet, video, and phone services to both residential and business customers. The companies have built modern, high-quality, high-speed communications networks that together serve markets in Austin, Boston, Chicago, Dallas, Lehigh Valley, New York, Pennsylvania, San Antonio, and Washington, DC. Patriot Media, which has managed RCN since 2010 and Grande since 2013, has led both businesses through significant periods of growth.

"The way that content is distributed and consumed has evolved significantly in ways that create an overwhelming demand for affordable, high-speed cable networks. There is an unprecedented amount of diverse, creative content being produced that is extremely bandwidth intensive," said David Trujillo, Partner at TPG. "Consumers are craving access to that content through various internet-connected devices in the home all at once. This places never-before-seen demands on the underlying infrastructure. High-speed data has become, and will remain, the essential connection for both consumers and businesses. Both RCN and Grande are proven leaders in providing fast, affordable, and reliable data services. We look forward to partnering with the Patriot Media management team to invest in this critical communications infrastructure."

The combined entity of RCN and Grande will challenge incumbent telco and cable operators by focusing on providing high-quality and more reliable communications services along with better value and customer service than incumbent competitors. By providing access to great high-speed broadband connectivity, the new company will be at the forefront of high-speed data disruption. As part of the partnership with TPG, Patriot Media will continue to make significant investments in the network and in technology that will enable RCN and Grande to expand Gigabit per second high-speed data services, creating the premier internet experience in their markets.

"On behalf of our 2,000 plus team members we are very eager and excited about partnering with a premier investor such as TPG to take the two companies to new levels of customer satisfaction and performance," said Jim Holanda, Chief Executive Officer of Patriot Media. "Their deep experience creating and growing networks makes them the ideal partner to help us build on a vision of delivering the best broadband and overall customer experience."

"We thank ABRY and all our existing partners and lenders for their confidence, support, and shared vision, which have enabled us to build these two great companies over the years," said Steve Simmons, Chairman of Patriot Media. "As a partner, TPG is a great fit with our mission and management team vision and will facilitate continued delivery of outstanding service to our customers and results for our investors."

Jay Grossman, Managing Partner and Co-Chief Executive Officer, ABRY said: "This has been a long and successful partnership with Patriot Media in conjunction with our investments in RCN and Grande, as well as a successful outcome for ABRY. We wish the Patriot Media team well as they continue to operate the combined business together with TPG."

This investment reflects TPG's strategy of identifying and partnering with unique companies that are at the forefront of thriving and evolving industries. For more than a decade, TPG has been engaged with the changing landscape of content creation, distribution, and consumption. The firm has partnered with companies poised to take advantage of growth trends in the space, such as leading sports and entertainment intermediary CAA; live entertainment company Cirque du Soleil; leading online education platform Lynda.com; leading music streaming service Spotify; motion picture, television, and digital content studio STX; and Spanish-language broadcast television network Univision. Additional investments made by TPG in the internet and digital media space include Airbnb, Ipsy, RentPath, and Uber.

TPG was advised on the transaction by PJT Partners, UBS, Cleary Gottlieb, and Deloitte. ABRY, Patriot Media, RCN, and Grande were advised by Credit Suisse, Kirkland & Ellis, Locke Lord and PwC.

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About TPG

TPG is a leading global private investment firm founded in 1992 with over \$70 billion of assets under management and offices in Austin, Beijing, Dallas, Fort Worth, Hong Kong, Houston, Istanbul, London, Luxembourg, Melbourne, Moscow, Mumbai, New York, San Francisco, São Paulo, Singapore, and Tokyo. TPG's investment platforms are across a wide range of asset classes, including private equity, growth venture, real estate, credit, and public equity. TPG aims to build dynamic products and options for its investors while also instituting discipline and operational excellence across the investment strategy and performance of its portfolio. For more information, visit www.tpg.com.

About ABRY Partners

Founded in 1989, ABRY Partners is an experienced and successful private equity firm focused on media, communications, business and information services companies in North America. Since its founding, ABRY has completed over \$61 billion of transactions, representing investments in over 550 properties. For more information, visit www.abry.com.

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