

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): August 6, 2002

CHARTER COMMUNICATIONS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

000-27927

(Commission File Number)

43-1857213

(I.R.S. Employer Identification Number)

12405 Powerscourt Drive
St. Louis, Missouri

(Address of Principal Executive Offices)

63131

(Zip Code)

(314) 965-0555

(Registrant's telephone number, including area code)

ITEM 5. OTHER ITEMS.

On July 31, 2002, a purported class action lawsuit was filed in the United States District Court for the Central District of California against Charter Communications, Inc. and certain of its executive officers on behalf of purchasers of securities of Charter Communications, Inc. from November 9, 1999 through July 17, 2002. The complaint alleges that Charter Communications, Inc. and certain of its executive officers violated federal securities laws by issuing materially false and misleading statements relating to the financial performance of Charter Communications, Inc. Charter Communications, Inc. believes that the lawsuit is without merit and intends to vigorously defend the action.

On August 6, 2002, Charter Communications, Inc. issued a press release announcing its results for the second quarter ended June 30, 2002. The full text of the press release, which is set forth in Exhibit 99.1 hereto, is filed and incorporated in this Report as if fully set forth herein, except for (1) the second paragraph, in its entirety; (2) under the heading "Second Quarter Financial Highlights", the second and third sentences; (3) under the heading "Demand for Advanced Services Continues", the last two sentences of the second paragraph and the third paragraph, in its entirety; and (4) under the heading "Looking Ahead", both paragraphs, in their entirety.

ITEM 7. EXHIBITS.

99.1 Press release dated August 6, 2002. *

* filed herewith

ITEM 9. REGULATION FD DISCLOSURE

The following portions of the press release, appearing in Exhibit 99.1 hereto, are not filed but are furnished pursuant to Regulation FD: (1) the second paragraph, in its entirety; (2) under the heading "Second Quarter Financial Highlights", the second and third sentences; (3) under the heading "Demand for Advanced Services Continues", the last two sentences of the second paragraph and the third paragraph, in its entirety; and (4) under the heading "Looking Ahead", both paragraphs, in their entirety.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS:

This Report includes forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, regarding, among other things, our plans, strategies and prospects, both business and financial. Although we believe that our plans, intentions and expectations reflected in or suggested by these forward-looking statements are reasonable, we cannot assure you that we will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions. Many of the forward-looking statements contained in this Report may be identified by the use of forward-looking words such as "believe," "expect," "anticipate," "should," "planned," "will," "may," "intend," "estimated" and "potential," among others. Important factors that could cause actual results to differ materially from the forward-looking statements we make in this Report are set forth in this Report and in reports or documents that we file from time to time with the United States Securities and Exchange Commission or the SEC, and include, but are not limited to: our plans to achieve growth by offering advanced products and services; our anticipated capital expenditures for our upgrades and new equipment and facilities; our ability to fund capital expenditures and any future acquisitions; the effects of governmental regulation on our business; our ability to compete effectively in a highly competitive and changing environment; our ability to sustain basic customers; our ability to obtain programming as needed and at reasonable prices; our ability to continue to do business with existing vendors, particularly high-tech companies that do not have a long operating history; and general business and economic conditions, particularly in light of the uncertainty stemming from the armed conflict related to the September 11, 2001 terrorist activities in the United States.

All forward-looking statements attributable to us or a person acting on our behalf are expressly qualified in their entirety by this cautionary statement. We are under no obligation to update any of the forward-looking statements after the date of this Report to conform these statements to actual results or to changes in our expectations.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Charter Communications, Inc. has duly caused this Current Report to be signed on its behalf by the undersigned hereunto duly authorized.

CHARTER COMMUNICATIONS, INC.,

Registrant

Dated: August 6, 2002

By: /s/ Kent D. Kalkwarf

Name: Kent D. Kalkwarf
Title: Executive Vice President and Chief
Financial Officer (Principal Financial
Officer)

EXHIBIT INDEX

EXHIBIT
NUMBER DESCRIPTION
- - - - - - - - - -

99.1 Press release dated August 6, 2002.

FOR RELEASE: 7:00 A.M. CT TUESDAY, AUGUST 6, 2002

CHARTER EXCEEDS REVENUE GROWTH TARGET
FOR THE SECOND QUARTER OF 2002

RECORD CABLE MODEM DEMAND FUELS GROWTH

ST. LOUIS - Charter Communications, Inc. (Nasdaq: CHTR) reported today that second quarter 2002 revenue exceeded expectations, and that operating cash flow and revenue generating unit (RGU) growth were in-line with growth targets. Charter executives will discuss second quarter financial results and expectations for the remainder of the year in a conference call this morning.

"We're aggressively executing on our business strategy," Carl Vogel, President and CEO, said. "At the same time, we're continuing to address the need to maintain the confidence of the marketplace, including an increased level of disclosure as provided in the Form 10-Q filed with the SEC today," he continued. "We're committed to continuing careful oversight on issues related to integrity, accounting practices, financial health, and corporate governance, which are fundamental to maintaining that confidence."

SECOND QUARTER FINANCIAL HIGHLIGHTS

Revenue during the second quarter of 2002 increased 14.3% to \$1.158 billion, and operating cash flow increased 13.8% to \$501 million compared to pro forma results for the second quarter of 2001. "The business of broadband has excellent momentum and continues to demonstrate significant consumer demand. Charter is capitalizing on this demand and delivering revenue growth for the quarter exceeding the high end of our expectations," Mr. Vogel said. Charter reported basic and diluted loss per share of \$.69 for the second quarter of 2002, compared to a loss per share of \$1.07 for the second quarter of 2001, an improvement primarily due to the adoption of the new accounting standard relating to the amortization of goodwill and other intangible assets.

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DEMAND FOR ADVANCED SERVICES CONTINUES

Charter added 286,900 RGUs during the second quarter, excluding customers added through acquisition, fueled by a record 157,800 cable modem customers additions. Charter now provides high-speed Internet service to over 905,000 customers.

Charter's advanced broadband network also delivers a wide range of television channels and programs to approximately 6.8 million households. As of June 30, 2002, Charter Digital Cable(R) customers totaled 2,380,500, or approximately 35% of Charter's video customer base. "Even as we've expanded our service offerings, ventured into new areas and found more applications for our broadband pipe, we continue to produce excellent results from our video business," said Mr. Vogel. "When our broadband Internet service is combined in a bundle with our digital video product, the effect on customer retention is significant."

Mr. Vogel said Charter's challenge in the future will be to effectively market analog and digital video, video on demand, high-speed data, home networking, and other interactive services and products with compelling offers that emphasize the value of these services. "We're focused on effective ways of communicating the benefits of bundling to the general marketplace, both in terms of value and convenience. Each home and business we pass provides an opportunity to sell one or more of these products," Mr. Vogel said.

LOOKING AHEAD

Charter expects revenue for the third quarter of 2002 to range from \$1.185 billion to \$1.20 billion, representing a 13.2% to 14.6% increase over the year ago pro forma results. Operating cash flow for the third quarter is expected to be between \$520 million and \$530 million, representing 13.7% to 15.9% growth over the same prior year period pro forma results. Charter expects to add 350,000 to 375,000 RGUs in the third quarter. RGUs are comprised of basic, digital and cable modem customers.

Charter expects 2002 annual revenue of between \$4.6 billion and \$4.7 billion. Annual operating cash flow is expected to range between \$2.035 billion and \$2.070 billion. Charter expects to add a total of approximately 1,100,000 to 1,200,000 RGUs during 2002. Growth in digital and cable modem customers is expected to offset a decline in basic customers compared to actual December 31, 2001 customers. Charter expects to end the year with over 6.8 million basic customers. Annual capital expenditures are expected to be \$2.350 billion, down \$125 million from original guidance of \$2.475 billion. The capital expenditure savings will

- more-

CHARTER, PAGE THREE...

primarily come from efficiencies, decreased churn, increased self installations, reduced installation time and improved inventory management.

Effective July 1, 2002, Charter will adopt certain provisions of Statement of Financial Accounting Standards No. 123 under which compensation expense of stock-based awards to employees will be recognized over the vesting period based on the fair value of the awards on the grant dates.

ABOUT CHARTER COMMUNICATIONS

Charter Communications, A Wired World Company(TM), is among the nation's largest broadband communications companies, currently serving some 6.8 million customers in 40 states. Charter provides a full range of advanced broadband services to the home, including cable television on an advanced digital video programming platform marketed under the Charter Digital Cable(R) brand and high-speed Internet access via Charter Pipeline(R). Commercial high-speed data, video and Internet solutions are provided under the Charter Business Networks(TM) brand. Advertising sales and production services are sold under Charter Media.

A Fortune 500 and NASDAQ 100 Company, Charter was the 2001 recipient of the Outstanding Corporate Growth Award from the Association for Corporate Growth, the 2001 R.E. "Ted" Turner Innovator of the Year Award from the Southern Cable Telecommunications Association, and the 2001 Fast 50 Award for Growth from the St. Louis Regional Chamber and Growth Association.

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More information about Charter can be found at www.charter.com.

Detailed financial information is included in the attached addendum.

Charter will conduct a conference call to discuss their operating results on Tuesday, August 6, 2002 at 11:00 AM Eastern Time. The call will be available live via webcast at www.charter.com. The call will be available on the "Investor Center" portion of the website, via "About Us." Participants should go to the call link at least 10 minutes prior to the start time to register. The call will be archived on the website.

STATEMENTS IN THIS PRESS RELEASE REGARDING CHARTER COMMUNICATIONS' BUSINESS THAT ARE NOT HISTORICAL FACTS MAY BE "FORWARD-LOOKING STATEMENTS." FORWARD-LOOKING STATEMENTS ARE INHERENTLY SUBJECT TO RISKS, UNCERTAINTIES AND ASSUMPTIONS. IMPORTANT FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM ANY SUCH FORWARD-LOOKING STATEMENTS ARE IDENTIFIED IN THE REPORTS AND DOCUMENTS CHARTER FILES FROM TIME TO TIME WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION.

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CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
 UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
 (DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

	THREE MONTHS ENDED JUNE 30,		% CHANGE
	ACTUAL 2002	ACTUAL 2001	
REVENUES:			
Analog video	\$ 776,915	\$ 666,725	
Digital video	117,560	68,192	
Cable modem	83,410	32,850	
Advertising sales	90,352	64,514	
Other	90,176	96,194	
	-----	-----	
Total revenues	1,158,413	928,475	24.8%
	-----	-----	
OPERATING EXPENSES:			
Analog video programming	265,947	211,839	
Digital video	40,827	24,081	
Cable modem	39,013	20,440	
Advertising sales	21,435	13,665	
Service	53,377	44,083	
General and administrative	194,973	153,703	
Marketing	25,088	18,617	
Corporate expenses	16,660	13,993	
	-----	-----	
Operating expenses	657,320	500,421	31.4%
	-----	-----	
Operating cash flow	501,093	428,054	17.1%
	-----	-----	
Depreciation and amortization	492,168	720,952	
Option compensation expense	717	4,850	
Interest, net	373,388	314,910	
Other, net	66,241	23,991	
	-----	-----	
	932,514	1,064,703	
	-----	-----	
Loss before minority interest	(431,421)	(636,649)	
Minority interest	229,422	362,784	
	-----	-----	
Net loss	(201,999)	(273,865)	
Dividends of preferred stock - redeemable	727	--	
	-----	-----	
Net loss applicable to common stock	\$ (202,726)	\$ (273,865)	
	=====	=====	
Basic and diluted loss per share	\$ (0.69)	\$ (1.07)	
	=====	=====	
Weighted average common shares outstanding	294,453,454	255,027,543	
	=====	=====	

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
 UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
 (DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

	SIX MONTHS ENDED JUNE 30,		% CHANGE
	ACTUAL 2002	ACTUAL 2001	
REVENUES:			
Analog video	\$ 1,531,537	\$ 1,316,080	
Digital video	221,273	123,239	
Cable modem	150,671	58,016	
Advertising sales	149,893	120,155	
Other	183,373	184,783	
Total revenues	2,236,747	1,802,273	24.1%
OPERATING EXPENSES:			
Analog video programming	527,587	422,213	
Digital video	75,954	44,690	
Cable modem	73,921	38,086	
Advertising sales	40,628	28,930	
Service	104,583	86,034	
General and administrative	387,832	303,382	
Marketing	43,861	35,241	
Corporate expenses	32,091	27,715	
Operating expenses	1,286,457	986,291	30.4%
Operating cash flow	950,290	815,982	16.5%
Depreciation and amortization	979,137	1,416,847	
Option compensation expense	1,353	10,888	
Interest, net	736,555	625,650	
Other, net	36,231	83,908	
Loss before minority interest	(802,986)	(1,321,311)	
Minority interest	426,820	766,746	
Net loss	(376,166)	(554,565)	
Dividends of preferred stock - redeemable	1,454	--	
Net loss applicable to common stock	\$ (377,620)	\$ (554,565)	
Basic and diluted loss per share	\$ (1.28)	\$ (2.27)	
Weighted average common shares outstanding	294,424,366	244,461,311	

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
 UNAUDITED CONSOLIDATED BALANCE SHEETS
 (DOLLARS IN THOUSANDS)

	ACTUAL JUNE 30, 2002	ACTUAL DECEMBER 31, 2001
	-----	-----
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 6,552	\$ 1,679
Accounts receivable, net of allowance for doubtful accounts	231,066	290,504
Receivables from related party	6,782	4,634
Prepaid expenses and other current assets	69,262	70,362
	-----	-----
Total current assets	313,662	367,179
	-----	-----
INVESTMENT IN CABLE PROPERTIES:		
Property, plant and equipment, net	7,313,082	7,149,483
Franchises, net	17,175,085	17,138,774
	-----	-----
Total investment in cable properties, net	24,488,167	24,288,257
	-----	-----
OTHER ASSETS	373,037	306,388
	-----	-----
Total assets	\$25,174,866	\$24,961,824
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 1,160,712	\$ 1,374,994
	-----	-----
Total current liabilities	1,160,712	1,374,994
	-----	-----
LONG-TERM DEBT	17,572,357	16,342,873
DEFERRED MANAGEMENT FEES - RELATED PARTY	13,751	13,751
OTHER LONG-TERM LIABILITIES	373,650	341,057
MINORITY INTEREST	3,523,913	3,976,791
PREFERRED STOCK - REDEEMABLE	50,566	50,566
SHAREHOLDERS' EQUITY	2,479,917	2,861,792
	-----	-----
Total liabilities and shareholders' equity	\$25,174,866	\$24,961,824
	=====	=====

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
 UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (DOLLARS IN THOUSANDS)

SIX MONTHS ENDED
 JUNE 30,

	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (376,166)	\$ (554,565)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Minority interest	(426,820)	(766,746)
Depreciation and amortization	979,137	1,416,847
Option compensation expense	1,353	10,888
Noncash interest expense	192,200	127,375
Loss on equity investments	1,547	36,094
Loss on derivative instruments and hedging activities	29,665	17,593
Changes in operating assets and liabilities, net of effects from acquisitions:		
Accounts receivable	54,148	10,572
Prepaid expenses and other current assets	1,471	(12,311)
Accounts payable and accrued expenses	(227,406)	(285,235)
Receivables from and payables to related party, including deferred management fees	(2,148)	17,621
Net cash flows from operating activities	226,981	18,133
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(1,113,902)	(1,362,260)
Payments for acquisitions, net of cash acquired	(125,025)	(1,747,657)
Purchases of investments	(8,399)	(3,600)
Other investing activities	(1,051)	(3,394)
Net cash flows from investing activities	(1,248,377)	(3,116,911)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock	1,182	1,227,927
Borrowings of long-term debt	2,452,947	6,536,554
Repayments of long-term debt	(1,393,182)	(4,139,588)
Payments for debt issuance costs	(34,678)	(84,084)
Net cash flows from financing activities	1,026,269	3,540,809
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,873	442,031
CASH AND CASH EQUIVALENTS, beginning of period	1,679	130,702
CASH AND CASH EQUIVALENTS, end of period	\$ 6,552	\$ 572,733
CASH PAID FOR INTEREST	\$ 532,921	\$ 445,521
NONCASH TRANSACTIONS:		
Reclassification of redeemable securities to equity and minority interest	\$ --	\$ 1,104,327
Exchange of cable system for acquisition	\$ --	\$ 24,440

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(DOLLARS IN THOUSANDS)

	THREE MONTHS ENDED JUNE 30,			SIX MONTHS ENDED JUNE 30,		
	ACTUAL 2002	PRO FORMA 2001 (a)	% CHANGE	ACTUAL 2002	PRO FORMA 2001 (a)	% CHANGE
REVENUES:						
Analog video	\$ 776,915	\$ 730,430		\$1,531,537	\$1,443,558	
Digital video	117,560	72,166		221,273	130,962	
Cable modem	83,410	35,542		150,671	62,271	
Advertising sales	90,352	80,015		149,893	140,480	
Other	90,176	95,327		183,373	189,290	
Total revenues	1,158,413	1,013,480	14.3%	2,236,747	1,966,561	13.7%
OPERATING EXPENSES:						
Analog video programming .	265,947	237,210		527,587	471,661	
Digital video	40,827	22,212		75,954	40,075	
Cable modem	39,013	35,308		73,921	58,971	
Advertising sales	21,435	15,654		40,628	33,083	
Service	53,377	48,650		104,583	91,552	
General and administrative	194,973	172,488		387,832	342,121	
Marketing	25,088	22,976		43,861	44,486	
Corporate expenses	16,660	18,543		32,091	37,269	
Operating expenses	657,320	573,041	14.7%	1,286,457	1,119,218	14.9%
Operating cash flow (b)	\$ 501,093	\$ 440,439	13.8%	\$ 950,290	\$ 847,343	12.1%

(a) The pro forma results reflect all significant acquisitions and dispositions closed during 2002 and 2001, as if the transactions closed on January 1, 2001. Pro forma revenues exceed actual revenues for the three and six months ended June 30, 2001 by \$85.0 million and \$164.3 million, respectively. Pro forma operating cash flow (OCF) exceeds actual OCF for three and six months ended June 30, 2001 by \$12.4 million and \$31.4 million, respectively. The unaudited pro forma financial information has been presented for comparative purposes and does not purport to be indicative of the consolidated results of operations had these transactions been completed as of the assumed date or which may be obtained in the future. See page 1 of 7 and page 2 of 7 of this addendum to the earnings release for a comparison of actual operating results.

(b) Information concerning OCF has been included as it is used by certain investors as one measure of financial performance. OCF is not a measure of financial performance under accounting principles generally accepted in the United States and is not necessarily comparable to similarly titled measures used by other companies. OCF should not be construed as an alternative to operating income or to cash flows from operating activities as determined in accordance with accounting principles generally accepted in the United States.

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
 UNAUDITED COMPARATIVE QUARTERLY OPERATING STATISTICS
 (DOLLARS IN THOUSANDS)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2002	2001	2002	2001
Pro Forma Operating Cash Flow Margin (a)	43.3%	43.5%	42.5%	43.1%
Capital Expenditures	\$ 642,603	\$ 837,737	\$ 1,113,902	\$ 1,362,260
Pro Forma Operating Cash Flow per Pro Forma Basic Customer (a)(b)	\$ 73.87	\$ 63.19	\$ 140.08	\$ 121.57
Capital Expenditures per Basic Customer (c)	\$ 94.72	\$ 131.14	\$ 164.20	\$ 213.24

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2002	2001	2002	2001
FREE CASH FLOW CALCULATION				
Historical Operating Cash Flow	\$ 501,093	\$ 428,054	\$ 950,290	\$ 815,982
Less: Capital Expenditures	(642,603)	(837,737)	(1,113,902)	(1,362,260)
Operating Free Cash Flow (d)	(141,510)	(409,683)	(163,612)	(546,278)
Less: Cash Change in Working Capital (e)	73,118	4,852	(185,960)	(332,225)
Less: Cash Paid for Interest	(389,871)	(279,317)	(532,921)	(445,521)
Free Cash Flow (d)	\$ (458,263)	\$ (684,148)	\$ (882,493)	\$(1,324,024)

- (a) Refer to footnote (a) on page 5 of 7 of this addendum to the earnings release for details related to the nature of the pro forma information provided.
- (b) Pro forma operating cash flow per pro forma basic customer is calculated by dividing pro forma operating cash flow during the respective period by pro forma basic customers as of the end of the period.
- (c) Capital expenditures per basic customer represent capital expenditures during the respective period divided by basic customers as of the end of the period. The capital expenditures and basic customer number for June 30, 2001 does not include the systems acquired from AT&T Broadband on June 30, 2001.
- (d) Operating free cash flow and free cash flow are not measures of performance calculated in accordance with accounting principles generally accepted in the United States. However, we believe that operating free cash flow and free cash flow are useful in evaluating our performance based on liquidity, operating performance and leverage. Operating free cash flow and free cash flow should not be construed as alternatives to operating income as an indicator of our performance and may not be comparable to similarly titled measures used by other companies.
- (e) Cash change in working capital is calculated based on the cash flow changes in current assets and current liabilities during the respective period, excluding changes related to interest.

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
UNAUDITED SUMMARY OF OPERATING STATISTICS

	ACTUAL ----- JUNE 30, 2002 -----	PRO FORMA ----- DECEMBER 31, 2001 (a) -----	PRO FORMA ----- JUNE 30, 2001 (a) -----
BASIC ANALOG VIDEO			
Basic Homes Passed (b)	11,800,700	11,502,300	11,481,500
Basic Customers (c)	6,783,900	6,953,700	6,969,900
Penetration of Basic Homes Passed (d)	57.5%	60.5%	60.7%
Average Monthly Revenue (for the quarter ended) per Basic Customer (as of quarter end)	\$ 56.92	\$ 53.07	\$ 48.47
DIGITAL VIDEO			
Digital Homes Passed (b)	11,222,500	10,638,300	10,042,500
Digital Customers (e)	2,380,500	2,144,800	1,701,500
Penetration of Digital Homes Passed (d)	21.2%	20.2%	16.9%
Penetration of Basic Customers (f)	35.1%	30.8%	24.4%
Digital Converters Deployed	3,305,300	2,951,400	2,100,400
DATA SERVICES			
Cable Modem Homes Passed (b)	8,795,200	7,560,600	6,399,000
Data Customers:			
Cable Modem Customers (g)	905,500	607,700	405,400
Dial-up Customers	18,600	37,100	40,300
Total Data Customers	----- 924,100 =====	----- 644,800 =====	----- 445,700 =====
Penetration of Cable Modem Homes Passed (d)	10.3%	8.0%	6.3%
REVENUE GENERATING UNITS			
Basic Customers (c)	6,783,900	6,953,700	6,969,900
New Services (Digital Video and Cable Modem Customers) (e) (g)	3,286,000	2,752,500	2,106,900
Total Revenue Generating Units	----- 10,069,900 =====	----- 9,706,200 =====	----- 9,076,800 =====

- (a) The pro forma statistics reflect all significant acquisitions and dispositions closed during 2002 and 2001, as if such transactions had occurred on January 1, 2001.
- (b) Homes passed represent the number of living units, such as single residence homes, apartments and condominium units, passed by the cable television distribution network in a given cable system service area to which we offer the service indicated.
- (c) As of June 30, 2002 and 2001, basic customers include: 1) approximately 43,800 and 18,000 (0.6% and 0.3% of total customers), respectively, customers who pay an additional \$10 per month over the standard modem retail rate and are entitled to receive "lifeline basic" service as a result of their purchase of cable modem service and 2) approximately 217,800 and 218,500, respectively, commercial customers who are calculated on an equivalent bulk unit ("EBU") basis. EBU is calculated by dividing the bulk rate charged to respective accounts by the most prevalent rate charged in each system for the comparable tier of service to determine the equivalent customers. The EBU method of calculating basic customers is consistent with the methodology used in determining costs paid to programmers and has been consistently applied.
- (d) Penetration represents the number of customers as a percentage of homes passed.
- (e) Digital customers include all households that have one or more digital converter boxes. Included in digital customers at June 30, 2002 and 2001 are 11,900 and 0, respectively, customers that receive digital service directly through satellite transmission.
- (f) Penetration represents the number of digital customers as a percentage of basic customers.
- (g) As of June 30, 2002 and 2001, cable modem customers include approximately 75,300 and 28,000, respectively, commercial customers who are calculated on an equivalent modem unit ("EMU") basis. EMU is calculated by dividing commercial revenue by the average effective rate charged in each system for modem services to determine the equivalent customers. We have utilized this methodology since 1999, as it conforms to the internal practices followed for operating and capital expenditure budgeting.

