

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 4, 2010



Charter Communications, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

001-33664

(Commission File Number)

43-1857213

(I.R.S. Employer Identification Number)

12405 Powerscourt Drive

St. Louis, Missouri 63131

(Address of principal executive offices including zip code)

(314) 965-0555

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On August 4, 2010, Charter Communications, Inc. issued a press release announcing its results for the second quarter ended June 30, 2010. The following information, including the entirety of the press release appearing in Exhibit 99.1 hereto, is not filed but is furnished pursuant to item 2.02, "Results of Operations and Financial Condition."

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

Exhibit Number	Description
99.1	Press Release dated August 4, 2010. *

* furnished herewith

Cautionary Statement Regarding Forward-Looking Statements:

This current report includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), 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, including, without limitation, the factors described under "Risk Factors" from time to time in our filings with the Securities and Exchange Commission ("SEC"). Many of the forward-looking statements contained in this current report may be identified by the use of forward-looking words such as "believe," "expect," "anticipate," "should," "planned," "will," "may," "intend," "estimated," "aim," "on track," "target," "opportunity," "tentative," "positioning" and "potential," among others. Important factors that could cause actual results to differ materially from the forward-looking statements we make in this current report are set forth in other reports or documents that we file from time to time with the SEC, and include, but are not limited to:

- our ability to sustain and grow revenues and cash flows from operating activities by offering video, high-speed Internet, telephone and other services to residential and commercial customers, and to maintain and grow our customer base, particularly in the face of increasingly aggressive competition and the difficult economic conditions in the United States;
- the impact of competition from other distributors, including but not limited to incumbent telephone companies, direct broadcast satellite operators, wireless broadband providers, and digital subscriber line ("DSL") providers and competition from video provided over the Internet;
- general business conditions, economic uncertainty or downturn, high unemployment levels and the significant downturn in the housing sector and overall economy;
- our ability to obtain programming at reasonable prices or to raise prices to offset, in whole or in part, the effects of higher programming costs (including retransmission consents);
- our ability to adequately deliver customer service;
- the effects of governmental regulation on our business;
- the availability and access, in general, of funds to meet our debt obligations, prior to or when they become due, and to fund our operations and necessary capital expenditures, either through (i) cash on hand, (ii) cash flows from operating activities, (iii) access to the capital or credit markets including through new issuances, exchange offers or otherwise, especially given recent volatility and disruption in the capital and credit markets, or (iv) other sources and our ability to fund debt obligations (by dividend, investment or otherwise) to the applicable obligor of such debt; and
- our ability to comply with all covenants in our indentures and credit facilities, any violation of which, if not cured in a timely manner, could trigger a default of our other obligations under cross-default provisions.

All forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by this cautionary statement. We are under no duty or obligation to update any of the forward-looking statements after the date of this current report.

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 4, 2010

By: /s/ Kevin D. Howard

Name: Kevin D. Howard

*Title: Interim Chief Financial Officer, Senior Vice President-Finance, Controller
and Chief Accounting Officer*

EXHIBIT INDEX

Exhibit Number	Description
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99.1	Press Release dated August 4, 2010. *
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* furnished herewith



NEWS

Charter Reports Second Quarter 2010 Financial and Operating Results

*Strong growth from Internet, phone, commercial services
and advertising drives improved results*

St. Louis, Missouri – August 4, 2010 – Charter Communications, Inc. (along with its subsidiaries, the “Company” or “Charter”) today reported financial and operating results for the three and six months ended June 30, 2010.

Second Quarter Highlights:

- Compared with the prior year, second quarter revenues grew 4.9% on a *pro forma*¹ basis and 4.8% on an actual basis, driven by increases in Internet, phone and commercial customers and improved advertising sales.
- Total average monthly revenue per basic video customer (ARPU) for the second quarter increased 9.4% year-over-year to \$124.06, driven by increased sales of The Charter Bundle and advanced services.
- Second quarter adjusted EBITDA² grew 1.3% year-over-year on both a *pro forma* and actual basis, and net loss attributable to Charter shareholders was reduced to \$81 million in the second quarter of 2010 compared to \$112 million in the second quarter of 2009.
- Free cash flow² for the first six months of 2010 was \$332 million and cash flows from operating activities were \$981 million.
- Internet customer additions doubled compared to the second quarter of 2009, and we continue to reinforce our competitive superiority through expanded DOCSIS 3.0 availability.

¹*Pro forma* results are described below in the “Use of Non-GAAP Financial Metrics” section and are provided in the addendum of this news release.

²Adjusted EBITDA and free cash flow are defined in the “Use of Non-GAAP Financial Metrics” section and are reconciled to consolidated net income (loss) and net cash flows from operating activities, respectively, in the addendum of this news release.

“We’re pleased with our second quarter results as Charter continues to enhance our products; drive deeper Internet, digital and bundled penetration; and invest for future growth,” said Mike Lovett, President and Chief Executive Officer. “We’re confident that our strategy to strengthen our product and service capabilities while expanding our commercial offerings will further improve our position for long-term success.”

Key Operating Results

All of the following customer and ARPU statistics are presented on a *pro forma* basis. Charter served approximately 12.9 million revenue generating units (RGUs) as of June 30, 2010, an increase of 423,900 RGUs, or about 3.4%, over the prior year. Approximately 59.3% of Charter’s residential customers subscribe to a bundle, compared to 55.4% a year ago. Charter’s ARPU for the second quarter of 2010 was \$124.06, an increase of 9.4% compared to second quarter 2009, primarily as a result of strong triple play and advanced services growth.

Second quarter 2010 customer highlights included the following:

- Digital video customers increased by approximately 25,500 and basic video customers decreased by approximately 76,600 during the second quarter. Year to date 2010 digital customer additions are six times greater than year ago net additions due to product and service enhancements. Video ARPU was \$68.90 for the second quarter of 2010, up 4.8% year-over-year as we continue to increase digital, high definition and digital video recorder (DVR) penetration.
- Internet customers grew by approximately 21,900 during the second quarter of 2010, more than doubling net additions in the second quarter of 2009. Internet ARPU of \$42.20 increased approximately 1.9% compared to the year-ago quarter, as consumer demand for higher Internet speeds and home networking continues.
- Second quarter 2010 net gains of phone customers were approximately 35,200. Phone penetration reached 15.9% as of June 30, 2010. Phone ARPU of \$41.74 decreased approximately 4.2%.

As of June 30, 2010, Charter served approximately 5.3 million customers, and the Company’s 12.9 million RGUs were comprised of 4.7 million basic video, 3.3 million digital video, 3.2 million Internet and 1.7 million phone customers.

Second Quarter Results – Actual and Pro Forma

Second quarter revenues were \$1.770 billion, up 4.9%, on a *pro forma* basis and \$1.771 billion, up 4.8%, on an actual basis, compared to the year-ago quarter, as the Company continued to grow its Internet, phone, commercial and ad sales businesses.

Second quarter 2010 video revenues were \$932 million, essentially flat with the year-ago quarter, as digital and advanced services revenue growth was offset by a decline in basic video customers. Internet revenues were \$402 million, up 9.5% year-over-year due to an increased number of customers and ARPU growth. Telephone revenues for the 2010 second quarter were \$206 million, a 10.8% increase over second quarter 2009, as growth in the triple play bundle continues. Commercial revenues rose to \$121 million, a 10.0% increase year-over-year, reflecting increased sales of the Charter Business Bundle and customer growth. Advertising sales revenues were \$72 million for the second quarter of 2010, a 16.1% increase compared to the second quarter of 2009, as a result of improvements across all sectors, primarily the political, automotive and furniture sectors.

Operating costs and expenses totaled \$1.124 billion, an increase of 7.0% for the second quarter of 2010, on a *pro forma* basis and \$1.125 billion, an increase of 6.9% on an actual basis, compared to the year-ago period, primarily due to increases in programming expenses, labor costs and expenses related to investments in our commercial business and strategic bandwidth initiatives. Programming expenses increased as a result of annual rate increases while labor costs increased as a result of increases in activity related to our strategic investments and RGU growth.

Adjusted EBITDA for the second quarter of 2010 totaled \$646 million, an increase of 1.3% compared to the *pro forma* and actual results for the year-ago period.

Charter reported \$254 million of income from operations in the second quarter of 2010, compared to \$301 million in the second quarter of 2009. Income from operations declined as a result of increased amortization related to customer relationships resulting from fresh start accounting.

Net loss attributable to Charter shareholders was \$81 million in the second quarter of 2010, compared to a loss of \$112 million in the second quarter of 2009. The improvement resulted primarily from a reduction in reorganization costs related to Charter's restructuring in 2009 offset by the decline in income from operations in 2010,

the elimination of net loss allocated to non-controlling interest and a loss on extinguishment of debt. Charter reported net loss per common share of \$0.72 in the second quarter of 2010, compared with a loss of \$0.30 during the same period last year. The increase in loss per common share is a result of a decrease in the number of shares outstanding as a result of recapitalization upon emergence from Chapter 11 proceedings under the U.S. Bankruptcy Code.

Expenditures for property, plant and equipment for the second quarter of 2010 increased to \$339 million, compared to second quarter 2009 expenditures of \$271 million, as a result of strategic investments including DOCSIS 3.0; bandwidth reclamation projects, such as switched digital video (SDV) launches; and investments made to move into new commercial segments.

Free cash flow for the second quarter of 2010 was \$127 million, compared to \$175 million in the same period last year. The decrease in free cash flow is primarily due to increases in capital investments to enhance our residential and commercial products and service capabilities.

Net cash flows from operating activities for the second quarter of 2010 were \$451 million, compared to \$438 million in the second quarter of 2009.

Year to Date Results – Actual and Pro Forma

Pro Forma revenues for the six months ended June 30, 2010 were \$3.504 billion, up 4.7% year-over-year, and actual revenues for the six months ended June 30, 2010 were \$3.506 billion, up 4.6% year-over-year.

Operating costs and expenses totaled \$2.221 billion, an increase of 6.1% for the six months ended June 30, 2010, on a *pro forma* basis and \$2.223 billion, an increase of 6.0%, on an actual basis, compared to the year-ago period.

Adjusted EBITDA for the six months ended June 30, 2010 totaled \$1.283 billion, an increase of 2.4%, on a *pro forma* basis and 2.3% on an actual basis, compared to the year-ago period.

Charter reported \$505 million of income from operations for the six months ended June 30, 2010, compared to \$635 million for the first six months of 2009.

Net loss attributable to Charter shareholders was \$57 million for the six months ended June 30, 2010, compared to a loss of \$317 million for the first six months of 2009. Charter reported net loss per common share of \$0.51 for the six months ended June 30, 2010, compared to a loss of \$0.84 in the same period last year.

Expenditures for property, plant and equipment for the six months ended June 30, 2010 were \$649 million, compared to \$540 million in the same period last year. The Company expects capital spending for the full year to be approximately \$1.2 billion, and intends to deploy SDV to more than 60% of its footprint and DOCSIS 3.0 to approximately half of its footprint by year end 2010.

Free cash flow for the first six months of 2010 was \$332 million, compared to \$66 million in the same period last year. The increase in free cash flow is primarily due to decreases in interest expense and cash reorganization items and increases in RGU growth, partially offset by increases in investments to enhance our residential and commercial products and service capabilities.

Net cash flows from operating activities for the first six months of 2010 were \$981 million, compared to \$625 million in the first six months of 2009. The increase in cash flows from operating activities is primarily due to reduced interest expense and cash reorganization costs.

Total principal amount of debt was approximately \$12.7 billion as of June 30, 2010. At the end of the second quarter, the Company had availability under its revolving credit facility of approximately \$800 million.

Recent Events

The Company recently announced that Craig A. Jacobson has been appointed to the Board of Directors (the "Board"). Mr. Jacobson will serve as a member of the Audit Committee of the Board, joining David C. Merritt and Christopher M. Temple. With the appointment of Mr. Jacobson to the Audit Committee of the Board, Charter believes that it satisfies the requirements for listing its Class A common stock on the NASDAQ Stock Market and expects to complete the listing process in the coming weeks.

Conference Call

The Company will host a conference call on Wednesday, August 4, 2010 at 9:00 a.m. Eastern Time (ET) related to the contents of this release.

The conference call will be webcast live via the Company's website at charter.com. The webcast can be accessed by selecting "Investor & News Center" from the lower menu on the home page. The call will be archived in the "Investor & News Center" in the "Financial Information" section on the left beginning two hours after completion of the call. Participants should go to the call link no later than 10 minutes prior to the start time to register.

Those participating via telephone should dial 866-726-7983 no later than 10 minutes prior to the call. International participants should dial 706-758-7055. The conference ID code for the call is 85580395.

A replay of the call will be available at 800-642-1687 or 706-645-9291 beginning two hours after the completion of the call through the end of business on August 18, 2010. The conference ID code for the replay is 85580395.

Additional Information Available on Website

A slide presentation to accompany the conference call will be available on the "Investor & News Center" of our website at charter.com in the "Financial Information" section. A trending schedule containing historical customer and financial data can also be found in the "Financial Information" section.

Use of Non-GAAP Financial Metrics

The Company uses certain measures that are not defined by Generally Accepted Accounting Principles (“GAAP”) to evaluate various aspects of its business. Adjusted EBITDA, adjusted EBITDA less capital expenditures and free cash flow are non-GAAP financial measures and should be considered in addition to, not as a substitute for, net income (loss) or cash flows from operating activities reported in accordance with GAAP. These terms, as defined by Charter, may not be comparable to similarly titled measures used by other companies. Adjusted EBITDA is reconciled to consolidated net income (loss) and free cash flow is reconciled to net cash flows from operating activities in the addendum of this news release.

Adjusted EBITDA is defined as consolidated net loss plus net interest expense, income taxes, depreciation and amortization, reorganization items, stock compensation expense, loss on extinguishment of debt, and other expenses, such as special charges and loss on sale or retirement of assets. As such, it eliminates the significant non-cash depreciation and amortization expense that results from the capital-intensive nature of the Company’s businesses as well as other non-cash or special items, and is unaffected by the Company’s capital structure or investment activities. Adjusted EBITDA less capital expenditures is defined as Adjusted EBITDA minus purchases of property, plant and equipment. Adjusted EBITDA and adjusted EBITDA less capital expenditures are used by management and the Company’s Board to evaluate the performance of the Company’s business. For this reason, they are significant components of Charter’s annual incentive compensation program. However, these measures are limited in that they do not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenues and the cash cost of financing. Management evaluates these costs through other financial measures.

Free cash flow is defined as net cash flows from operating activities, less purchases of property, plant and equipment and changes in accrued expenses related to capital expenditures.

The Company believes that adjusted EBITDA and free cash flow provide information useful to investors in assessing Charter’s performance and its ability to service its debt, fund operations and make additional investments with internally

generated funds. In addition, adjusted EBITDA generally correlates to the leverage ratio calculation under the Company's credit facilities or outstanding notes to determine compliance with the covenants contained in the facilities and notes (all such documents have been previously filed with the United States Securities and Exchange Commission). Adjusted EBITDA, as presented, includes management fee expenses in the amount of \$36 million and \$34 million for the three months ended June 30, 2010 and 2009, respectively, which expense amounts are excluded for the purposes of calculating compliance with leverage covenants.

In addition to the actual results for the three and six months ended June 30, 2010 and 2009, we have provided *pro forma* results in this release for the three and six months ended June 30, 2010 and 2009. We believe these *pro forma* results facilitate meaningful analysis of the results of operations. *Pro forma* results in this release reflect certain sales of cable systems in 2009 and 2010 as if they occurred as of January 1, 2009. *Pro forma* statements of operations for the three and six months ended June 30, 2010 and 2009; and *pro forma* customer statistics as of December 31, 2009 and June 30, 2009; are provided in the addendum of this news release.

About Charter

Charter Communications, Inc. (CCMM - OTC Bulletin Board) is a leading broadband communications company and the fourth-largest cable operator in the United States. Charter provides a full range of advanced broadband services, including advanced Charter TV™ video entertainment programming, Charter Internet™ access, and Charter Phone™. Charter Business® similarly provides scalable, tailored, and cost-effective broadband communications solutions to business organizations, such as business-to-business Internet access, data networking, business telephone, video and music entertainment services and wireless backhaul. Charter's advertising sales and production services are sold under the Charter Media® brand. More information about Charter can be found at charter.com.

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Contact:

Media:

Anita Lamont
314-543-2215

Analysts:

Mary Jo Moehle
314-543-2397

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), 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, including, without limitation, the factors described under "Risk Factors" from time to time in our filings with the Securities and Exchange Commission ("SEC"). Many of the forward-looking statements contained in this release may be identified by the use of forward-looking words such as "believe," "expect," "anticipate," "should," "planned," "will," "may," "intend," "estimated," "aim," "on track," "target," "opportunity," "tentative," "positioning" and "potential," among others. Important factors that could cause actual results to differ materially from the forward-looking statements we make in this release are set forth in other reports or documents that we file from time to time with the SEC, and include, but are not limited to:

- our ability to sustain and grow revenues and cash flows from operating activities by offering video, high-speed Internet, telephone and other services to residential and commercial customers, and to maintain and grow our customer base, particularly in the face of increasingly aggressive competition and the difficult economic conditions in the United States;
- the impact of competition from other distributors, including but not limited to incumbent telephone companies, direct broadcast satellite operators, wireless broadband providers, and digital subscriber line ("DSL") providers and competition from video provided over the Internet;
- general business conditions, economic uncertainty or downturn, high unemployment levels and the significant downturn in the housing sector and overall economy;
- our ability to obtain programming at reasonable prices or to raise prices to offset, in whole or in part, the effects of higher programming costs (including retransmission consents);
- our ability to adequately deliver customer service;
- the effects of governmental regulation on our business;
- the availability and access, in general, of funds to meet our debt obligations, prior to or when they become due, and to fund our operations and necessary capital expenditures, either through (i) cash on hand, (ii) cash flows from operating activities, (iii) access to the capital or credit markets including through new issuances, exchange offers or otherwise, especially given recent volatility and disruption in the capital and credit markets, or (iv) other sources and our ability to fund debt obligations (by dividend, investment or otherwise) to the applicable obligor of such debt; and
- our ability to comply with all covenants in our indentures and credit facilities, any violation of which, if not cured in a timely manner, could trigger a default of our other obligations under cross-default provisions.

All forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by this cautionary statement. We are under no duty or obligation to update any of the forward-looking statements after the date of this release.

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

	Successor Actual Three Months Ended June 30, 2010	Predecessor Actual Three Months Ended June 30, 2009	<u>% Change</u>	Successor Actual Six Months Ended June 30, 2010	Predecessor Actual Six Months Ended June 30, 2009	<u>% Change</u>
REVENUES:						
Video (a)	\$ 932	\$ 928	0.4%	\$ 1,858	\$ 1,856	0.1%
High-speed Internet	402	367	9.5%	797	727	9.6%
Telephone (a)	206	186	10.8%	404	363	11.3%
Commercial	121	110	10.0%	239	217	10.1%
Advertising sales	72	62	16.1%	131	116	12.9%
Other (a)	38	37	2.7%	77	73	5.5%
Total revenues	<u>1,771</u>	<u>1,690</u>	4.8%	<u>3,506</u>	<u>3,352</u>	4.6%
COSTS AND EXPENSES:						
Operating (excluding depreciation and amortization) (b)	766	715	7.1%	1,517	1,428	6.2%
Selling, general and administrative (excluding stock compensation expense) (c)	359	337	6.5%	706	670	5.4%
Operating costs and expenses	<u>1,125</u>	<u>1,052</u>	6.9%	<u>2,223</u>	<u>2,098</u>	6.0%
Adjusted EBITDA	<u>646</u>	<u>638</u>	1.3%	<u>1,283</u>	<u>1,254</u>	2.3%
Adjusted EBITDA margin	<u>36.5%</u>	<u>37.8%</u>		<u>36.6%</u>	<u>37.4%</u>	
Depreciation and amortization	380	329		749	650	
Stock compensation expense	5	6		10	17	
Other operating (income) expenses, net	<u>7</u>	<u>2</u>		<u>19</u>	<u>(48)</u>	
Income from operations	<u>254</u>	<u>301</u>		<u>505</u>	<u>635</u>	
OTHER INCOME (EXPENSES):						
Interest expense, net (excluding unrecorded contractual interest expense of \$206 and \$215 for the three and six months ended June 30, 2009, respectively)	(219)	(216)		(423)	(679)	
Reorganization items, net	(1)	(184)		(5)	(325)	
Loss on extinguishment of debt	(34)	-		(35)	-	
Other income (expense), net	<u>2</u>	<u>-</u>		<u>3</u>	<u>(3)</u>	
	<u>(252)</u>	<u>(400)</u>		<u>(460)</u>	<u>(1,007)</u>	
Income (loss) before income taxes	2	(99)		45	(372)	
Income tax expense	<u>(83)</u>	<u>(60)</u>		<u>(102)</u>	<u>(121)</u>	
Consolidated net loss	(81)	(159)		(57)	(493)	
Less: Net loss - noncontrolling interest	<u>-</u>	<u>47</u>		<u>-</u>	<u>176</u>	
Net loss - Charter shareholders	<u>\$ (81)</u>	<u>\$ (112)</u>		<u>\$ (57)</u>	<u>\$ (317)</u>	
Loss per common share, basic and diluted:						
Net loss - Charter shareholders:	<u>\$ (0.72)</u>	<u>\$ (0.30)</u>		<u>\$ (0.51)</u>	<u>\$ (0.84)</u>	
Weighted average common shares outstanding, basic and diluted	<u>113,110,882</u>	<u>378,982,037</u>		<u>113,066,173</u>	<u>378,541,155</u>	

(a) Certain prior year amounts have been reclassified to conform with the 2010 presentation, including the reflection of franchise fees, equipment rental and video customer installations revenue as video revenue, and telephone regulatory fees as telephone revenue, rather than other revenue.

(b) Operating expenses include programming, service, and advertising sales expenses.

(c) Selling, general and administrative expenses include general and administrative and marketing expenses.

Adjusted EBITDA is a non-GAAP term. See page 7 of this addendum for the reconciliation of adjusted EBITDA to consolidated net income (loss) as defined by GAAP.

Addendum to Charter Communications, Inc. Second Quarter 2010 Earnings Release

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

	Successor Pro Forma Three Months Ended June 30, 2010 <u>(a)</u>	Predecessor Pro Forma Three Months Ended June 30, 2009 <u>(a)</u>	%	Successor Pro Forma Six Months Ended June 30, 2010 <u>(a)</u>	Predecessor Pro Forma Six Months Ended June 30, 2009 <u>(a)</u>	%
			<i>Change</i>			<i>Change</i>
REVENUES:						
Video (b)	\$ 931	\$ 926	0.5%	\$ 1,856	\$ 1,851	0.3%
High-speed Internet	402	367	9.5%	797	727	9.6%
Telephone (b)	206	186	10.8%	404	363	11.3%
Commercial	121	110	10.0%	239	217	10.1%
Advertising sales	72	62	16.1%	131	116	12.9%
Other (b)	38	37	2.7%	77	73	5.5%
Total revenues	<u>1,770</u>	<u>1,688</u>	4.9%	<u>3,504</u>	<u>3,347</u>	4.7%
COSTS AND EXPENSES:						
Operating (excluding depreciation and amortization) (c)	765	714	7.1%	1,516	1,425	6.4%
Selling, general and administrative (excluding stock compensation expense) (d)	359	336	6.8%	705	669	5.4%
Operating costs and expenses	<u>1,124</u>	<u>1,050</u>	7.0%	<u>2,221</u>	<u>2,094</u>	6.1%
Adjusted EBITDA	646	638	1.3%	1,283	1,253	2.4%
Adjusted EBITDA margin	36.5%	37.8%		36.6%	37.4%	
Depreciation and amortization	380	328		749	649	
Stock compensation expense	5	6		10	17	
Other operating (income) expenses, net	7	2		19	(50)	
Income from operations	<u>254</u>	<u>302</u>		<u>505</u>	<u>637</u>	
OTHER INCOME (EXPENSES):						
Interest expense, net (excluding unrecorded contractual interest expense of \$206 and \$215 for the three and six months ended June 30, 2009, respectively)	(219)	(216)		(423)	(679)	
Reorganization items, net	(1)	(184)		(5)	(325)	
Loss on extinguishment of debt	(34)	-		(35)	-	
Other income (expense), net	2	-		3	(3)	
	<u>(252)</u>	<u>(400)</u>		<u>(460)</u>	<u>(1,007)</u>	
Income (loss) before income taxes	2	(98)		45	(370)	
Income tax expense	(80)	(60)		(99)	(121)	
Consolidated net loss	(78)	(158)		(54)	(491)	
Less: Net loss - noncontrolling interest	-	47		-	176	
Net loss - Charter shareholders	<u>\$ (78)</u>	<u>\$ (111)</u>		<u>\$ (54)</u>	<u>\$ (315)</u>	
Loss per common share, basic and diluted:						
Net loss - Charter shareholders:	<u>\$ (0.69)</u>	<u>\$ (0.30)</u>		<u>\$ (0.48)</u>	<u>\$ (0.83)</u>	
Weighted average common shares outstanding, basic and diluted	<u>113,110,882</u>	<u>378,982,037</u>		<u>113,066,173</u>	<u>378,541,155</u>	

(a) Pro forma results reflect certain sales of cable systems in 2009 and 2010 as if they occurred as of January 1, 2009. The pro forma statements of operations do not include adjustments for financing transactions completed by Charter during the periods presented or certain other dispositions or acquisitions of assets because those transactions did not significantly impact Charter's revenue and operating costs and expenses. However, all transactions completed in 2009 and 2010 have been reflected in the operating statistics. The pro forma data is based on information available to Charter as of the date of this document and certain assumptions that we believe are reasonable under the circumstances. The financial data required allocation of certain revenues and expenses and such information has been presented for comparative purposes and is not intended to provide any indication of what our actual financial

position, or results of operations would have been had the transactions described above been completed on the dates indicated or to project our results of operations for any future date.

(b) Certain prior year amounts have been reclassified to conform with the 2010 presentation, including the reflection of franchise fees, equipment rental and video customer installations revenue as video revenue, and telephone regulatory fees as telephone revenue, rather than other revenue.

(c) Operating expenses include programming, service, and advertising sales expenses.

(d) Selling, general and administrative expenses include general and administrative and marketing expenses.

June 30, 2010 Pro forma revenues, operating costs and expenses and net loss were reduced by \$1 million, \$1 million and \$3 million, respectively, for the three months ended June 30, 2010. Pro forma revenues, operating costs and expenses and net loss were reduced by \$2 million, \$2 million and \$3 million, respectively, for the six months ended June 30, 2010.

June 30, 2009 Pro forma revenues, operating costs and expenses and net loss were reduced by \$2 million, \$2 million, and \$1 million, respectively, for the three months ended June 30, 2009. Pro forma revenues, operating costs and expenses and net loss were reduced by \$5 million, \$4 million and \$2 million, respectively, for the six months ended June 30, 2009.

Adjusted EBITDA is a non-GAAP term. See page 7 of this addendum for the reconciliation of adjusted EBITDA to consolidated net income (loss) as defined by GAAP.

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

	June 30, 2010	December 31, 2009
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 40	\$ 709
Restricted cash and cash equivalents	27	45
Accounts receivable, net of allowance for doubtful accounts	249	248
Prepaid expenses and other current assets	57	69
Total current assets	373	1,071
INVESTMENT IN CABLE PROPERTIES:		
Property, plant and equipment, net	6,902	6,833
Franchises, net	5,269	5,272
Customer relationships, net	2,167	2,335
Goodwill	951	951
Total investment in cable properties, net	15,289	15,391
OTHER NONCURRENT ASSETS	345	196
Total assets	\$ 16,007	\$ 16,658
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 1,014	\$ 898
Current portion of long-term debt	-	70
Total current liabilities	1,014	968
LONG-TERM DEBT	12,657	13,252
OTHER LONG-TERM LIABILITIES	692	520
TEMPORARY EQUITY	12	1
SHAREHOLDERS' EQUITY:		
Charter shareholders' equity	1,632	1,915
Noncontrolling interest	-	2
Total shareholders' equity	1,632	1,917
Total liabilities and shareholders' equity	\$ 16,007	\$ 16,658

Addendum to Charter Communications, Inc. Second Quarter 2010 Earnings Release

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

	Three Months Ended		Six Months Ended	
	Successor June 30, 2010	Predecessor June 30, 2009	Successor June 30, 2010	Predecessor June 30, 2009
CASH FLOWS FROM OPERATING ACTIVITIES:				
Consolidated net loss	\$ (81)	\$ (159)	\$ (57)	\$ (493)
Adjustments to reconcile net loss to net cash flows from operating activities:				
Depreciation and amortization	380	329	749	650
Noncash interest expense	18	11	36	26
Noncash reorganization items, net	-	23	-	131
Loss on extinguishment of debt	31	-	32	-
Deferred income taxes	82	57	98	116
Other, net	5	7	11	23
Changes in operating assets and liabilities, net of effects from dispositions				
Accounts receivable	(26)	(27)	(1)	7
Prepaid expenses and other assets	12	34	12	(44)
Accounts payable, accrued expenses and other	30	163	101	209
Net cash flows from operating activities	<u>451</u>	<u>438</u>	<u>981</u>	<u>625</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of property, plant and equipment	(339)	(271)	(649)	(540)
Change in accrued expenses related to capital expenditures	15	8	-	(19)
Other, net	1	(4)	(4)	-
Net cash flows from investing activities	<u>(323)</u>	<u>(267)</u>	<u>(653)</u>	<u>(559)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Borrowings of long-term debt	1,625	-	1,625	-
Repayments of long-term debt	(1,773)	(17)	(2,440)	(34)
Repayment of preferred stock	(138)	-	(138)	-
Payments for debt issuance costs	(28)	-	(59)	-
Other, net	(1)	2	(3)	-
Net cash flows from financing activities	<u>(315)</u>	<u>(15)</u>	<u>(1,015)</u>	<u>(34)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(187)	156	(687)	32
CASH AND CASH EQUIVALENTS, beginning of period	254	836	754	960
CASH AND CASH EQUIVALENTS, end of period	<u>\$ 67</u>	<u>\$ 992</u>	<u>\$ 67</u>	<u>\$ 992</u>
CASH PAID FOR INTEREST	<u>\$ 185</u>	<u>\$ 310</u>	<u>\$ 337</u>	<u>\$ 531</u>

Addendum to Charter Communications, Inc. Second Quarter 2010 Earnings Release

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

	Approximate as of			
	Actual	Pro Forma		
	June 30, 2010 (a)	March 31, 2010 (a)	December 31, 2009 (a)	June 30, 2009 (a)
Customer Summary:				
Customer Relationships:				
Residential (non-bulk) basic video customers (b)	4,466,600	4,540,700	4,555,700	4,662,100
Multi-dwelling (bulk) and commercial unit customers (c)	249,900	252,400	260,700	257,200
Total basic video customers	<u>4,716,500</u>	<u>4,793,100</u>	<u>4,816,400</u>	<u>4,919,300</u>
Non-video customers (b)	538,900	518,200	493,100	431,500
Total customer relationships (d)	<u>5,255,400</u>	<u>5,311,300</u>	<u>5,309,500</u>	<u>5,350,800</u>
Pro forma average monthly revenue per basic video customer (e)	\$ 124.06	\$ 120.55	\$ 117.53	\$ 113.39
Pro forma average monthly video revenue per basic video customer (f)	\$ 68.90	\$ 67.90	\$ 66.34	\$ 65.74
Residential bundled customers (g)	2,969,800	2,965,800	2,889,500	2,821,700
Revenue Generating Units:				
Basic video customers (b) (c)	4,716,500	4,793,100	4,816,400	4,919,300
Digital video customers (h)	3,337,500	3,312,000	3,216,200	3,150,100
Residential high-speed Internet customers (i)	3,187,900	3,166,000	3,062,300	2,958,100
Residential telephone customers (j)	1,658,100	1,622,900	1,556,000	1,448,600
Total revenue generating units (k)	<u>12,900,000</u>	<u>12,894,000</u>	<u>12,650,900</u>	<u>12,476,100</u>
Total Video Services:				
Estimated homes passed (l)	11,989,900	11,940,000	11,887,800	11,817,300
Basic video customers (b)(c)	4,716,500	4,793,100	4,816,400	4,919,300
Estimated penetration of basic homes passed (b) (c) (l) (m)	39.3%	40.1%	40.5%	41.6%
Pro forma basic video customers quarterly net loss (b) (c) (n)	(76,600)	(23,300)	(56,700)	(73,000)
Digital video customers (h)	3,337,500	3,312,000	3,216,200	3,150,100
Digital penetration of basic video customers (b) (c) (h) (o)	70.8%	69.1%	66.8%	64.0%
Digital set-top terminals deployed	4,974,800	4,934,000	4,791,600	4,598,400
Pro forma digital video customers quarterly net gain (h) (n)	25,500	95,800	43,300	(5,800)
High-Speed Internet Services:				
Estimated high-speed Internet homes passed (l)	11,468,300	11,424,500	11,360,200	11,236,200
Residential high-speed Internet customers (i)	3,187,900	3,166,000	3,062,300	2,958,100
Estimated penetration of high-speed Internet homes passed (i) (l) (m)	27.8%	27.7%	27.0%	26.3%
Pro forma average monthly high-speed Internet revenue per high-speed Internet customer (f)	\$ 42.20	\$ 42.31	\$ 41.48	\$ 41.41
Pro forma high-speed Internet customers quarterly net gain (i) (n)	21,900	103,700	51,800	10,600
Telephone Services:				
Estimated telephone homes passed (l)	10,434,800	10,363,900	10,312,700	10,163,100
Residential telephone customers (j)	1,658,100	1,622,900	1,556,000	1,448,600
Estimated penetration of telephone homes passed (i) (l) (m)	15.9%	15.7%	15.1%	14.3%
Pro forma average monthly telephone revenue per telephone customer (f)	\$ 41.74	\$ 41.68	\$ 42.54	\$ 43.57
Pro forma telephone customers quarterly net gain (j) (n)	35,200	66,900	56,200	52,300

Pro forma operating statistics reflect the sales and acquisitions of cable systems in 2009 and 2010 as if such transactions had occurred as of the last day of the respective period for all periods presented. The pro forma statements of operations do not include adjustments for financing transactions completed by Charter during the periods presented or certain other dispositions or acquisitions of assets because those transactions did not significantly impact Charter's revenue and operating costs and expenses. However, all transactions completed in 2009 and 2010 have been reflected in the operating statistics.

At March 31, 2010 actual basic video customers, digital video customers, high-speed Internet customers and telephone customers were 4,800,600, 3,313,900, 3,166,000, and 1,622,900, respectively.

At December 31, 2009, actual basic video customers, digital video customers, high-speed Internet customers and telephone customers were 4,824,000, 3,218,100, 3,062,300, and 1,556,000, respectively.

At June 30, 2009, actual basic video customers, digital video customers, high-speed Internet customers and telephone customers were 4,929,900, 3,152,000, 2,957,700, and 1,448,600, respectively.

See footnotes to unaudited summary of operating statistics on page 6 of this addendum.

- (a) Our billing systems calculate the aging of customer accounts based on the monthly billing cycle for each account. On that basis, at June 30, 2010, March 31, 2010, December 31, 2009, and June 30, 2009 customers include approximately 20,800, 16,200, 25,900, and 37,200 persons, respectively, whose accounts were over 60 days past due in payment, approximately 2,500, 1,600, 3,500, and 6,200 persons, respectively, whose accounts were over 90 days past due in payment and approximately 1,300, 1,700, 2,200, and 2,900 persons, respectively, whose accounts were over 120 days past due in payment.
- (b) "Basic video customers" include all residential customers who receive video services (including those who also purchase high-speed Internet and telephone services) but excludes approximately 538,900, 518,200, 493,100, and 431,500 customer relationships at June 30, 2010, March 31, 2010, December 31, 2009, and June 30, 2009, respectively, who receive high-speed Internet service only, telephone service only, or both high-speed Internet service and telephone service and who are only counted as high-speed Internet customers or telephone customers.
- (c) Included within "basic video customers" are those in commercial and multi-dwelling structures, which are calculated on an equivalent bulk unit ("EBU") basis. EBUs are calculated by dividing the bulk price charged to accounts in an area by the published rate charged to non-bulk residential customers in that market for the comparable tier of service. This EBU method of estimating basic video customers is consistent with the methodology used in determining costs paid to programmers and is consistent with the methodology used by other multiple system operators (MSOs). As we increase our published video rates to residential customers without a corresponding increase in the prices charged to commercial service or multi-dwelling customers, our EBU count will decline even if there is no real loss in commercial service or multi-dwelling customers.
- (d) "Customer relationships" include the number of customers that receive one or more levels of service, encompassing video, Internet and telephone services, without regard to which service(s) such customers receive. This statistic is computed in accordance with the guidelines of the National Cable & Telecommunications Association (NCTA) that have been adopted by the publicly traded cable operators, including Charter.
- (e) "Pro forma average monthly revenue per basic video customer" is calculated as total quarterly pro forma revenue divided by three divided by average pro forma basic video customers during the respective quarter.
- (f) "Pro forma average monthly revenue per customer" represents quarterly pro forma revenue for the service indicated divided by three divided by the number of pro forma customers for the service indicated during the respective quarter.
- (g) "Residential bundled customers" include residential customers receiving a combination of at least two different types of service, including Charter's video service, high-speed Internet service or telephone. "Residential bundled customers" do not include residential customers who only subscribe to video service.
- (h) "Digital video customers" include all basic video customers that have one or more digital set-top boxes or cable cards deployed.
- (i) "Residential high-speed Internet customers" represent those residential customers who subscribe to our high-speed Internet service. At June 30, 2010, March 31, 2010, December 31, 2009, and June 30, 2009, approximately 2,789,900, 2,784,000, 2,705,300, and 2,644,800 of these high-speed Internet customers, respectively, receive video and/or telephone services from us and are included within the respective statistics above.
- (j) "Residential telephone customers" represent those residential customers who subscribe to our telephone service. As of June 30, 2010, March 31, 2010, December 31 2009, and June 30, 2009 approximately 1,613,600, 1,580,000, 1,508,200, and 1,412,300 of these telephone customers, respectively, receive video and/or high-speed Internet services from us and are included within the respective statistics above.
- (k) "Revenue generating units" represent the sum total of all basic video, digital video, high-speed Internet and telephone customers, not counting additional outlets within one household. For example, a customer who receives two types of service (such as basic video and digital video) would be treated as two revenue generating units, and if that customer added on high-speed Internet service, the customer would be treated as three revenue generating units. This statistic is computed in accordance with the guidelines of the NCTA.
- (l) "Homes passed" represent our estimate of the number of living units, such as single family homes, apartment units and condominium units passed by our cable distribution network in the areas where we offer the service indicated. "Homes passed" exclude commercial units passed by our cable distribution network. These estimates are updated for all periods presented when estimates change.
- (m) "Penetration" represents customers as a percentage of homes passed for the service indicated.
- (n) "Pro forma quarterly net gain (loss)" represents the pro forma net gain or loss in the respective quarter for the service indicated.
- (o) "Digital penetration of basic video customers" represents the number of digital video customers as a percentage of basic video customers.

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
UNAUDITED RECONCILIATION OF NON-GAAP MEASURES TO GAAP MEASURES
(DOLLARS IN MILLIONS)

	Actual Three Months Ended		Actual Six Months Ended	
	Successor June 30, 2010	Predecessor June 30, 2009	Successor June 30, 2010	Predecessor June 30, 2009
Consolidated net loss	\$ (81)	\$ (159)	\$ (57)	\$ (493)
Plus: Interest expense, net	219	216	423	679
Income tax expense	83	60	102	121
Depreciation and amortization	380	329	749	650
Stock compensation expense	5	6	10	17
Reorganization items, net	1	184	5	325
Loss on extinguishment of debt	34	-	35	-
Other, net	5	2	16	(45)
Adjusted EBITDA (b)	646	638	1,283	1,254
Less: Purchases of property, plant and equipment	(339)	(271)	(649)	(540)
Adjusted EBITDA less capital expenditures	<u>\$ 307</u>	<u>\$ 367</u>	<u>\$ 634</u>	<u>\$ 714</u>
Net cash flows from operating activities	\$ 451	\$ 438	\$ 981	\$ 625
Less: Purchases of property, plant and equipment	(339)	(271)	(649)	(540)
Change in accrued expenses related to capital expenditures	15	8	-	(19)
Free cash flow	<u>\$ 127</u>	<u>\$ 175</u>	<u>\$ 332</u>	<u>\$ 66</u>

	Pro Forma Three Months Ended (a)		Pro Forma Six Months Ended (a)	
	Successor June 30, 2010	Predecessor June 30, 2009	Successor June 30, 2010	Predecessor June 30, 2009
Consolidated net loss	\$ (78)	\$ (158)	\$ (54)	\$ (491)
Plus: Interest expense, net	219	216	423	679
Income tax expense	80	60	99	121
Depreciation and amortization	380	328	749	649
Stock compensation expense	5	6	10	17
Reorganization items, net	1	184	5	325
Loss on extinguishment of debt	34	-	35	-
Other, net	5	2	16	(47)
Adjusted EBITDA (b)	646	638	1,283	1,253
Less: Purchases of property, plant and equipment	(339)	(271)	(649)	(540)
Adjusted EBITDA less capital expenditures	<u>\$ 307</u>	<u>\$ 367</u>	<u>\$ 634</u>	<u>\$ 713</u>
Net cash flows from operating activities	\$ 451	\$ 438	\$ 981	\$ 624
Less: Purchases of property, plant and equipment	(339)	(271)	(649)	(540)
Change in accrued expenses related to capital expenditures	15	8	-	(19)
Free cash flow	<u>\$ 127</u>	<u>\$ 175</u>	<u>\$ 332</u>	<u>\$ 65</u>

(a) Pro forma results reflect certain sales of cable systems in 2009 and 2010 as if they occurred as of January 1, 2009.

(b) See page 1 of this addendum for detail of the components included within adjusted EBITDA.

The above schedules are presented in order to reconcile adjusted EBITDA and free cash flows, both non-GAAP measures, to the most directly comparable GAAP measures in accordance with Section 401(b) of the Sarbanes-Oxley Act.

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
CAPITAL EXPENDITURES
(DOLLARS IN MILLIONS)

	Three Months Ended		Six Months Ended	
	Successor June 30, 2010	Predecessor June 30, 2009	Successor June 30, 2010	Predecessor June 30, 2009
Customer premise equipment (a)	\$ 140	\$ 141	\$ 296	\$ 308
Scalable infrastructure (b)	108	50	195	95
Line extensions (c)	22	17	38	31
Upgrade/Rebuild (d)	7	9	16	14
Support capital (e)	62	54	104	92
Total capital expenditures (f)	\$ 339	\$ 271	\$ 649	\$ 540

(a) Customer premise equipment includes costs incurred at the customer residence to secure new customers, revenue units and additional bandwidth revenues. It also includes customer installation costs and customer premise equipment (e.g., set-top boxes and cable modems, etc.).

(b) Scalable infrastructure includes costs, not related to customer premise equipment or our network, to secure growth of new customers, revenue units and additional bandwidth revenues or provide service enhancements (e.g., headend equipment).

(c) Line extensions include network costs associated with entering new service areas (e.g., fiber/coaxial cable, amplifiers, electronic equipment, make-ready and design engineering).

(d) Upgrade/rebuild includes costs to modify or replace existing fiber/coaxial cable networks, including betterments.

(e) Support capital includes costs associated with the replacement or enhancement of non-network assets due to technological and physical obsolescence (e.g., non-network equipment, land, buildings and vehicles).

(f) Total capital expenditures includes \$34 million and \$19 million of capital expenditures related to commercial services for the three months ended June 30, 2010 and 2009, respectively, and \$52 million and \$35 million for the six months ended June 30, 2010 and 2009, respectively.

