

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2006 Actual	2005 Actual	% Change	2006 Actual	2005 Actual	% Change
REVENUES:						
Video	\$ 836	\$ 811	3.1%	\$ 2,520	\$ 2,434	3.5%
High-speed Internet	267	222	20.3%	773	647	19.5%
Telephone	37	9	311.1%	86	23	273.9%
Advertising sales	81	72	12.5%	228	207	10.1%
Commercial	78	68	14.7%	227	196	15.8%
Other	89	83	7.2%	257	239	7.5%
Total revenues	<u>1,388</u>	<u>1,265</u>	9.7%	<u>4,091</u>	<u>3,746</u>	9.2%
COSTS AND EXPENSES:						
Programming	371	343	8.2%	1,126	1,021	10.3%
Service	216	196	10.2%	624	552	13.0%
Advertising sales	28	25	12.0%	80	72	11.1%
General and administrative	250	223	12.1%	714	633	12.8%
Marketing	56	37	51.4%	136	102	33.3%
Operating costs and expenses	<u>921</u>	<u>824</u>	11.8%	<u>2,680</u>	<u>2,380</u>	12.6%
Adjusted EBITDA	<u>467</u>	<u>441</u>	5.9%	<u>1,411</u>	<u>1,366</u>	3.3%
Adjusted EBITDA margin	<u>33.6%</u>	<u>34.9%</u>		<u>34.5%</u>	<u>36.5%</u>	
Depreciation and amortization	334	362		1,024	1,092	
Asset impairment charges	60	-		159	39	
Loss on sale of assets, net	2	1		2	5	
Option compensation expense, net	3	3		10	11	
Hurricane asset retirement loss	-	19		-	19	
Special charges, net	2	2		12	4	
Operating income from continuing operations	<u>66</u>	<u>54</u>		<u>204</u>	<u>196</u>	
OTHER INCOME AND (EXPENSES):						
Interest expense, net	(466)	(462)		(1,409)	(1,333)	
Gain (loss) on derivative instruments and hedging activities, net	(3)	17		8	43	
Gain on extinguishment of debt	128	490		101	498	
Other, net	6	(3)		12	12	
	<u>(335)</u>	<u>42</u>		<u>(1,288)</u>	<u>(780)</u>	
Income (loss) from continuing operations before income taxes	(269)	96		(1,084)	(584)	
Income tax expense	(64)	(24)		(124)	(80)	
Income (loss) from continuing operations	(333)	72		(1,208)	(664)	
Income (loss) from discontinued operations, net of tax	200	4		234	33	
Net income (loss)	(133)	76		(974)	(631)	
Dividends on preferred stock - redeemable	-	(1)		-	(3)	
Net income (loss) applicable to common stock	<u>\$ (133)</u>	<u>\$ 75</u>		<u>\$ (974)</u>	<u>\$ (634)</u>	
EARNINGS (LOSS) PER SHARE:						
Income (loss) from continuing operations, basic	\$ (1.02)	\$ 0.23		\$ (3.77)	\$ (2.16)	
Income (loss) from continuing operations, diluted	\$ (1.02)	\$ 0.08		\$ (3.77)	\$ (2.16)	
Net income (loss), basic	\$ (0.41)	\$ 0.24		\$ (3.04)	\$ (2.06)	
Net income (loss), diluted	\$ (0.41)	\$ 0.09		\$ (3.04)	\$ (2.06)	
Weighted average common shares outstanding, basic	<u>326,910,632</u>	<u>316,214,740</u>		<u>320,680,698</u>	<u>307,761,930</u>	
Weighted average common shares outstanding, diluted	<u>326,910,632</u>	<u>1,012,591,842</u>		<u>320,680,698</u>	<u>307,761,930</u>	

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2006	2005	% Change	2006	2005	% Change
	Pro Forma (a)	Pro Forma (a)		Pro Forma (a)	Pro Forma (a)	
REVENUES:						
Video	\$ 830	\$ 794	4.5%	\$ 2,478	\$ 2,383	4.0%
High-speed Internet	265	219	21.0%	763	639	19.4%
Telephone	37	11	236.4%	86	28	207.1%
Advertising sales	81	71	14.1%	225	204	10.3%
Commercial	76	66	15.2%	220	190	15.8%
Other	88	81	8.6%	252	233	8.2%
Total revenues	<u>1,377</u>	<u>1,242</u>	10.9%	<u>4,024</u>	<u>3,677</u>	9.4%
COSTS AND EXPENSES:						
Programming	368	336	9.5%	1,105	1,000	10.5%
Service	214	193	10.9%	612	544	12.5%
Advertising sales	28	24	16.7%	78	70	11.4%
General and administrative	248	219	13.2%	705	621	13.5%
Marketing	56	37	51.4%	135	101	33.7%
Operating costs and expenses	<u>914</u>	<u>809</u>	13.0%	<u>2,635</u>	<u>2,336</u>	12.8%
Adjusted EBITDA	<u>463</u>	<u>433</u>	6.9%	<u>1,389</u>	<u>1,341</u>	3.6%
Adjusted EBITDA margin	<u>33.6%</u>	<u>34.9%</u>		<u>34.5%</u>	<u>36.5%</u>	
Depreciation and amortization	332	354		1,013	1,080	
Asset impairment charges	20	-		20	-	
Loss on sale of assets, net	-	1		-	5	
Option compensation expense, net	3	3		10	10	
Hurricane asset retirement loss	-	19		-	19	
Special charges, net	2	2		12	4	
Operating income from operations	<u>106</u>	<u>54</u>		<u>334</u>	<u>223</u>	
OTHER INCOME AND (EXPENSES):						
Interest expense, net	(466)	(452)		(1,383)	(1,312)	
Gain (loss) on derivative instruments and hedging activities, net	(3)	17		8	43	
Gain on extinguishment of debt	128	490		101	498	
Other, net	6	(3)		12	12	
	<u>(335)</u>	<u>52</u>		<u>(1,262)</u>	<u>(759)</u>	
Income (loss) before income taxes	(229)	106		(928)	(536)	
Income tax expense	(53)	(23)		(132)	(78)	
Net income (loss)	(282)	83		(1,060)	(614)	
Dividends on preferred stock - redeemable	-	(1)		-	(3)	
Net income (loss) applicable to common stock	<u>\$ (282)</u>	<u>\$ 82</u>		<u>\$ (1,060)</u>	<u>\$ (617)</u>	
EARNINGS (LOSS) PER SHARE:						
Basic	<u>\$ (0.86)</u>	<u>\$ 0.26</u>		<u>\$ (3.31)</u>	<u>\$ (2.00)</u>	
Diluted	<u>\$ (0.86)</u>	<u>\$ 0.09</u>		<u>\$ (3.31)</u>	<u>\$ (2.00)</u>	
Weighted average common shares outstanding, basic	<u>326,272,226</u>	<u>316,214,740</u>		<u>320,466,343</u>	<u>307,761,930</u>	
Weighted average common shares outstanding, diluted	<u>326,272,226</u>	<u>1,012,591,842</u>		<u>320,466,343</u>	<u>307,761,930</u>	

(a) Pro forma results reflect the acquisition of cable systems in January 2006 and the sales of cable systems in July 2005 and certain sales of cable systems in the third quarter of 2006 as if they occurred as of January 1, 2005 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 dispositions of assets because those transactions did not materially impact Charter's adjusted EBITDA. However, all transactions completed in July 2005, January 2006 and the third quarter of 2006 have been reflected in the operating statistics. The pro forma data are 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.

September 30, 2006. Pro forma revenues were reduced by \$11 million and \$67 million for the three and nine months ended September 30, 2006, respectively. Pro forma operating costs and expenses were reduced by \$7 million and \$45 million for the three and nine months ended September 30, 2006, respectively. Pro forma net loss was increased by \$149 million and \$86 million for the three and nine months ended September 30, 2006, respectively.

September 30, 2005. Pro forma revenues were reduced by \$23 million and \$69 million for the three and nine months ended September 30, 2005, respectively. Pro forma operating costs and expenses were reduced by \$15 million and \$44 million for the three and nine months ended September 30, 2005, respectively. Pro forma net income was increased by \$7 million for the three months ended September 30, 2005. Pro forma net loss was reduced by \$17 million for the nine months ended September 30, 2005.

Adjusted EBITDA is a non-GAAP term. See page 7 of this addendum for the reconciliation of adjusted EBITDA to net cash flows from operating activities as defined by GAAP.

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

	<u>September 30, 2006</u>	<u>December 31, 2005</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 85	\$ 21
Accounts receivable, net of allowance for doubtful accounts	186	214
Prepaid expenses and other current assets	<u>90</u>	<u>92</u>
Total current assets	<u>361</u>	<u>327</u>
INVESTMENT IN CABLE PROPERTIES:		
Property, plant and equipment, net	5,263	5,840
Franchises, net	<u>9,221</u>	<u>9,826</u>
Total investment in cable properties, net	<u>14,484</u>	<u>15,666</u>
OTHER NONCURRENT ASSETS:		
Total assets	<u>\$ 15,198</u>	<u>\$ 16,431</u>
LIABILITIES AND SHAREHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ <u>1,360</u>	\$ <u>1,191</u>
Total current liabilities	<u>1,360</u>	<u>1,191</u>
LONG-TERM DEBT	18,799	19,388
NOTE PAYABLE - RELATED PARTY	55	49
DEFERRED MANAGEMENT FEES - RELATED PARTY	14	14
OTHER LONG-TERM LIABILITIES	602	517
MINORITY INTEREST	191	188
PREFERRED STOCK - REDEEMABLE	4	4
SHAREHOLDERS' DEFICIT	<u>(5,827)</u>	<u>(4,920)</u>
Total liabilities and shareholders' deficit	<u>\$ 15,198</u>	<u>\$ 16,431</u>

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

	Nine Months Ended September 30,	
	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (974)	\$ (631)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Depreciation and amortization	1,032	1,134
Asset impairment charges	159	39
Noncash interest expense	108	188
Deferred income taxes	123	71
(Gain) loss on sale of assets, net	(198)	5
Option compensation expense, net	10	11
Gain on derivative instruments and hedging activities, net	(8)	(43)
Gain on extinguishment of debt	(101)	(504)
Other, net	(12)	7
Changes in operating assets and liabilities, net of effects from acquisitions and dispositions:		
Accounts receivable	46	(3)
Prepaid expenses and other assets	23	85
Accounts payable, accrued expenses and other	140	(241)
Net cash flows from operating activities	348	118
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(795)	(815)
Change in accrued expenses related to capital expenditures	4	36
Proceeds from sale of assets, including cable systems	988	38
Purchase of cable system	(42)	-
Purchase of investments	-	(3)
Proceeds from investments	42	17
Other, net	(1)	(2)
Net cash flows from investing activities	196	(729)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings of long-term debt	5,970	897
Repayments of long-term debt	(6,846)	(1,141)
Proceeds from issuance of debt	440	294
Payments for debt and equity issuance costs	(44)	(67)
Net cash flows from financing activities	(480)	(17)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	64	(628)
CASH AND CASH EQUIVALENTS, beginning of period	21	650
CASH AND CASH EQUIVALENTS, end of period	\$ 85	\$ 22
CASH PAID FOR INTEREST	\$ 1,121	\$ 1,170
NONCASH TRANSACTIONS:		
Issuance of debt by CCH I Holdings, LLC	\$ -	\$ 2,423
Issuance of debt by CCH I, LLC	\$ 419	\$ 3,686
Issuance of debt by CCH II, LLC	\$ 410	\$ -
Issuance of debt by Charter Communications Operating, LLC	\$ 37	\$ 333
Retirement of Charter Communications Holdings, LLC debt	\$ (796)	\$ (7,000)
Retirement of Renaissance Media Group LLC debt	\$ (37)	\$ -
Issuance of Class A common stock	\$ 68	\$ -
Retirement of convertible notes	\$ (255)	\$ -

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

	<u>Actual</u>	<u>Approximate Pro forma as of</u>		
	<u>September 30, 2006 (a)</u>	<u>June 30, 2006 (a)</u>	<u>December 31, 2005 (a)</u>	<u>September 30, 2005 (a)</u>
Customer Summary:				
Customer Relationships:				
Residential (non-bulk) analog video customers (b)	5,216,900	5,234,700	5,262,900	5,277,400
Multi-dwelling (bulk) and commercial unit customers (c)	259,700	251,100	243,900	246,100
Total analog video customers (b) (c)	<u>5,476,600</u>	<u>5,485,800</u>	<u>5,506,800</u>	<u>5,523,500</u>
Non-video customers (b)	289,700	284,600	258,700	245,000
Total customer relationships (d)	<u>5,766,300</u>	<u>5,770,400</u>	<u>5,765,500</u>	<u>5,768,500</u>
Pro forma average monthly revenue per analog video customer (e)	\$ 83.76	\$ 81.92	\$ 76.27	\$ 74.86
Bundled customers (f)	2,124,600	2,028,700	1,856,100	1,785,600
Revenue Generating Units:				
Analog video customers (b) (c)	5,476,600	5,485,800	5,506,800	5,523,500
Digital video customers (g)	2,767,900	2,718,500	2,638,500	2,588,700
Residential high-speed Internet customers (h)	2,343,200	2,255,100	2,097,700	2,023,900
Residential telephone customers (i)	339,600	257,600	136,000	104,700
Total revenue generating units (j)	<u>10,927,300</u>	<u>10,717,000</u>	<u>10,379,000</u>	<u>10,240,800</u>
Video Cable Services:				
Analog Video:				
Estimated homes passed (k)	11,811,400	11,770,600	11,643,900	11,450,000
Analog video customers (b)(c)	5,476,600	5,485,800	5,506,800	5,523,500
Estimated penetration of analog video homes passed (b) (c) (k) (l)	46%	47%	47%	48%
Pro forma average monthly analog revenue per analog video customer (m)	\$ 38.22	\$ 38.29	\$ 37.45	\$ 37.84
Analog video customers quarterly net gain (loss) (b) (c) (n)	(9,200)	(30,700)	(16,700)	(10,100)
Digital Video:				
Estimated digital video homes passed (k)	11,774,800	11,723,500	11,588,300	11,391,100
Digital video customers (g)	2,767,900	2,718,500	2,638,500	2,588,700
Estimated penetration of digital homes passed (g) (k) (l)	24%	23%	23%	23%
Digital penetration of analog video customers (b) (c) (g) (o)	51%	50%	48%	47%
Digital set-top terminals deployed	3,946,000	3,874,800	3,740,700	3,668,000
Pro forma average incremental monthly digital revenue per digital video customer (m)	\$ 28.96	\$ 29.09	\$ 26.60	\$ 26.12
Digital video customers quarterly net gain (loss) (g) (n)	49,400	23,500	49,800	68,900
Non-Video Cable Services:				
High-Speed Internet Services:				
Estimated high-speed Internet homes passed (k)	10,763,300	10,665,700	10,543,500	10,268,600
Residential high-speed Internet customers (h)	2,343,200	2,255,100	2,097,700	2,023,900
Estimated penetration of high-speed Internet homes passed (h) (k) (l)	22%	21%	20%	20%
Pro forma average monthly high-speed Internet revenue per high-speed Internet customer (m)	\$ 38.60	\$ 38.30	\$ 36.55	\$ 37.01
Residential high-speed Internet customers quarterly net gain (loss) (h) (n)	88,100	52,000	73,800	94,600
Telephone Services:				
Estimated telephone homes passed (k)	5,892,000	4,658,500	2,918,000	2,365,400
Residential telephone customers (i)	339,600	257,600	136,000	104,700
Pro forma average monthly telephone revenue per telephone customer (m)	\$ 42.40	\$ 43.19	\$ 39.38	\$ 39.27
Residential telephone customers quarterly net gain (i) (n)	82,000	66,500	31,300	22,100

Pro forma results reflect the acquisition of cable systems in January 2006 and the sales of cable systems in July 2005 and the third quarter of 2006 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 dispositions of assets because those transactions did not materially impact Charter's adjusted EBITDA. However, all transactions completed in July 2005, January 2006 and the third quarter of 2006 have been reflected in the operating statistics.

At June 30, 2006, actual analog video customers, digital video customers, high-speed Internet customers and telephone customers were 5,876,100, 2,889,000, 2,375,100 and 257,600, respectively.

At December 31, 2005, actual analog video customers, digital video customers, high-speed Internet customers and telephone customers were 5,884,500, 2,796,600, 2,196,400 and 121,500, respectively.

At September 30, 2005, actual analog video customers, digital video customers, high-speed Internet customers and telephone customers were 5,906,300, 2,749,400, 2,120,000 and 89,900, respectively.

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

- (a) "Customers" include all persons our corporate billing records show as receiving service (regardless of their payment status), except for complimentary accounts (such as our employees). In addition, at September 30, 2006, June 30, 2006, December 31, 2005 and September 30, 2005, "customers" include approximately 51,200, 55,900, 50,500 and 49,300 persons whose accounts were over 60 days past due in payment, approximately 11,300, 14,300, 14,300 and 9,900 persons whose accounts were over 90 days past due in payment and approximately 6,200, 8,900, 7,400 and 6,000 of which were over 120 days past due in payment, respectively.
- (b) "Analog video customers" include all customers who receive video services (including those who also purchase high-speed Internet and telephone services) but excludes approximately 289,700, 284,600, 258,700 and 245,000 customer relationships at September 30, 2006, June 30, 2006, December 31, 2005 and September 30, 2005, respectively, who receive high-speed Internet service only or telephone service only and who are only counted as high-speed Internet customers or telephone customers.
- (c) Included within "analog video customers" are those in commercial and multi-dwelling structures, which are calculated on an equivalent bulk unit ("EBU") basis. EBU is calculated for a system by dividing the bulk price charged to accounts in an area by the most prevalent price charged to non-bulk residential customers in that market for the comparable tier of service. The EBU method of estimating analog video customers is consistent with the methodology used in determining costs paid to programmers and has been used consistently. As we increase our effective analog video prices 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 eleven publicly traded cable operators, including Charter.
- (e) "Pro forma average monthly revenue per analog video customer" is calculated as total quarterly pro forma revenue divided by three divided by average pro forma analog video customers during the respective quarter.
- (f) "Bundled customers" include customers receiving a combination of at least two different types of service, including Charter's video service, high-speed Internet service or telephone. "Bundled customers" do not include customers who only subscribe to video service.
- (g) "Digital video customers" include all households that have one or more digital set-top terminals. Included in "digital video customers" on September 30, 2006, June 30, 2006, December 31, 2005 and September 30, 2005 are approximately 6,700, 8,400, 8,600 and 8,900 customers, respectively, that receive digital video service directly through satellite transmission.
- (h) "Residential high-speed Internet customers" represent those customers who subscribe to our high-speed Internet service. At September 30, 2006, June 30, 2006, December 31, 2005 and September 30, 2005, approximately 2,079,000, 1,996,400, 1,860,000 and 1,798,800 of these high-speed Internet customers, respectively, receive video and/or telephone services from us and are included within the respective statistics above.
- (i) "Residential telephone customers" include all households receiving telephone service. As of September 30, 2006, June 30, 2006, December 31, 2005 and September 30, 2005, approximately 314,000, 233,500, 116,600 and 86,900 of these telephone customers, respectively, receive video and/or high-speed Internet services from us and are included within the respective statistics above.
- (j) "Revenue generating units" represent the sum total of all analog 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 analog 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 that have been adopted by eleven publicly traded cable operators, including Charter.
- (k) "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.
- (l) "Penetration" represents customers as a percentage of homes passed for the service indicated.
- (m) "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.
- (n) "Quarterly net gain (loss)" represents the net gain or loss in the respective quarter for the service indicated.
- (o) "Digital penetration of analog video customers" represents the number of digital video customers as a percentage of analog video customers.

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

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Adjusted EBITDA from continuing and discontinued operations (a)	\$ 467	\$ 463	\$ 1,457	\$ 1,436
Less: Purchases of property, plant and equipment	(256)	(273)	(795)	(815)
Un-levered free cash flow	211	190	662	621
Less: Interest on cash pay obligations (b)	(445)	(388)	(1,301)	(1,145)
Free cash flow	(234)	(198)	(639)	(524)
Purchases of property, plant and equipment	256	273	795	815
Special charges, net	(2)	-	(12)	(4)
Other, net	(1)	(1)	(5)	(10)
Change in operating assets and liabilities	124	(137)	209	(159)
Net cash flows from operating activities	<u>\$ 143</u>	<u>\$ (63)</u>	<u>\$ 348</u>	<u>\$ 118</u>

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
	<u>Pro forma (c)</u>	<u>Pro forma (c)</u>	<u>Pro forma (c)</u>	<u>Pro forma (c)</u>
Adjusted EBITDA (a)	\$ 463	\$ 433	\$ 1,389	\$ 1,341
Less: Purchases of property, plant and equipment	(254)	(264)	(777)	(788)
Un-levered free cash flow	209	169	612	553
Less: Interest on cash pay obligations (b)	(445)	(378)	(1,275)	(1,124)
Free cash flow	(236)	(209)	(663)	(571)
Purchases of property, plant and equipment	254	264	777	788
Special charges, net	(2)	-	(12)	(4)
Other, net	(1)	(1)	(5)	(10)
Change in operating assets and liabilities	124	(137)	209	(159)
Net cash flows from operating activities	<u>\$ 139</u>	<u>\$ (83)</u>	<u>\$ 306</u>	<u>\$ 44</u>

(a) Adjusted EBITDA is calculated from page 1 of the addendum by taking revenue from continuing operations less operating costs and expenses from continuing operations plus adjusted EBITDA from discontinued operations.

(b) Interest on cash pay obligations excludes accretion of original issue discounts on certain debt securities and amortization of deferred financing costs that are reflected as interest expense in our consolidated statements of operations.

(c) Pro forma results reflect the acquisition of cable systems in January 2006 and the sales of systems in July 2005 and certain sales of cable systems in the third quarter of 2006 as if they occurred as of January 1, 2005 for all periods presented.

The above schedules are presented in order to reconcile adjusted EBITDA, un-levered free cash flows and free cash flows, all 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
UNAUDITED CAPITAL EXPENDITURES
(DOLLARS IN MILLIONS)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Customer premise equipment (a)	\$ 120	\$ 94	\$ 378	\$ 322
Scalable infrastructure (b)	49	49	146	138
Line extensions (c)	23	37	82	114
Upgrade/Rebuild (d)	13	13	36	35
Support capital (e)	51	80	153	206
Total capital expenditures	<u>\$ 256</u>	<u>\$ 273</u>	<u>\$ 795</u>	<u>\$ 815</u>

(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 in accordance with SFAS No. 51 and customer premise equipment (e.g., set-top terminals 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).