

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2003	2002 (restated)	2003	2002 (restated)
REVENUES:				
Analog video.....	\$ 722	\$ 716	\$ 1,441	\$ 1,407
Digital video.....	185	176	364	341
High-speed data.....	136	79	258	143
Advertising sales.....	67	72	124	130
Other.....	107	94	208	190
Total revenues.....	<u>1,217</u>	<u>1,137</u>	<u>2,395</u>	<u>2,211</u>
COSTS AND EXPENSES:				
Programming costs.....	313	294	627	577
Advertising sales.....	23	21	44	40
Service.....	152	132	302	256
General and administrative.....	203	200	418	394
Marketing.....	29	43	49	71
Depreciation and amortization.....	377	361	756	687
Option compensation expense, net.....	-	1	-	3
Special charges, net.....	8	-	10	1
Total costs and expenses.....	<u>1,105</u>	<u>1,052</u>	<u>2,206</u>	<u>2,029</u>
Income from operations.....	112	85	189	182
OTHER EXPENSES:				
Interest, net.....	(386)	(373)	(776)	(735)
Other, net.....	(12)	(66)	-	(35)
	<u>(398)</u>	<u>(439)</u>	<u>(776)</u>	<u>(770)</u>
Loss before minority interest, income taxes and cumulative effect of accounting change.....	(286)	(354)	(587)	(588)
Minority interest.....	151	188	311	312
Loss before income taxes and cumulative effect of accounting change.....	(135)	(166)	(276)	(276)
Income tax benefit.....	98	6	58	6
Loss before cumulative effect of accounting change.....	(37)	(160)	(218)	(270)
Cumulative effect of accounting change, net of tax.....	-	-	-	(206)
Net loss.....	(37)	(160)	(218)	(476)
Dividends on preferred stock - redeemable.....	(1)	(1)	(2)	(2)
Net loss applicable to common stock.....	<u>\$ (38)</u>	<u>\$ (161)</u>	<u>\$ (220)</u>	<u>\$ (478)</u>
Basic and diluted loss per share.....	<u>\$ (0.13)</u>	<u>\$ (0.55)</u>	<u>\$ (0.75)</u>	<u>\$ (1.62)</u>
Weighted average common shares outstanding.....	<u>294,474,596</u>	<u>294,453,454</u>	<u>294,471,798</u>	<u>294,424,366</u>

NOTE: Certain 2002 amounts have been reclassified to conform with the 2003 presentation.

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

	<u>June 30, 2003</u>	<u>December 31, 2002</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents.....	\$ 212	\$ 321
Accounts receivable, net of allowance for doubtful accounts.....	228	259
Receivables from related party.....	-	8
Prepaid expenses and other current assets.....	33	45
Total current assets.....	<u>473</u>	<u>633</u>
INVESTMENT IN CABLE PROPERTIES:		
Property, plant and equipment, net	7,194	7,679
Franchises, net	13,723	13,727
Total investment in cable properties, net.....	<u>20,917</u>	<u>21,406</u>
OTHER ASSETS.....	340	345
Total assets.....	<u>\$ 21,730</u>	<u>\$ 22,384</u>
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses.....	\$ 1,180	\$ 1,405
Total current liabilities.....	<u>1,180</u>	<u>1,405</u>
LONG-TERM DEBT.....	18,867	18,671
DEFERRED MANAGEMENT FEES - RELATED PARTY.....	14	14
OTHER LONG-TERM LIABILITIES.....	1,074	1,177
MINORITY INTEREST.....	714	1,025
PREFERRED STOCK - REDEEMABLE.....	55	51
SHAREHOLDERS' EQUITY (DEFICIT).....	(174)	41
Total liabilities and shareholders' equity.....	<u>\$ 21,730</u>	<u>\$ 22,384</u>

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

	Six Month Ended June 30,	
	2003	2002
		(restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss.....	\$ (218)	\$ (476)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Minority interest.....	(311)	(312)
Depreciation and amortization.....	756	687
Noncash interest expense.....	211	191
Loss (gain) on derivative instruments and hedging activities.....	(4)	30
Deferred income taxes.....	(58)	(6)
Change in accounting principle.....	-	206
Other, net.....	2	6
Changes in operating assets and liabilities, net of effects from acquisitions:		
Accounts receivable.....	32	58
Prepaid expenses and other assets.....	7	(3)
Accounts payable, accrued expenses and other.....	(140)	(142)
Receivables from and payables to related party, including deferred management fees.....	8	(2)
Net cash flows from operating activities.....	285	237
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment.....	(264)	(1,038)
Change in accounts payable and accrued expenses related to capital expenditures....	(113)	(84)
Payments for acquisitions, net of cash acquired.....	-	(125)
Purchases of investments.....	(4)	(8)
Other, net.....	(5)	1
Net cash flows from investing activities.....	(386)	(1,254)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings of long-term debt.....	346	2,453
Repayments of long-term debt.....	(340)	(1,393)
Payments for debt issuance costs.....	(14)	(39)
Capital contributions	-	1
Net cash flows from financing activities.....	(8)	1,022
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	(109)	5
CASH AND CASH EQUIVALENTS, beginning of period.....	321	2
CASH AND CASH EQUIVALENTS, end of period.....	\$ 212	\$ 7
CASH PAID FOR INTEREST.....	\$ 562	\$ 534

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

	Approximate as of		
	<u>June 30,</u> <u>2003 (a)</u>	<u>December 31,</u> <u>2002 (a)</u>	<u>June 30,</u> <u>2002 (a)</u>
Video Services:			
Analog Video:			
Estimated homes passed (b).....	12,189,400	11,925,000	11,800,700
Residential (non-bulk) analog video customers (c).....	6,234,500	6,328,900	6,496,500
Multi-dwelling (bulk) and commercial unit customers (d).....	252,400	249,900	243,600
Total analog video customers (c) (d).....	<u>6,486,900</u>	<u>6,578,800</u>	<u>6,740,100</u>
Estimated penetration of analog video homes passed (b) (c) (d) (e).....	53%	55%	57%
Digital Video:			
Estimated digital homes passed (b).....	11,958,200	11,547,000	11,222,500
Digital customers (f).....	2,603,900	2,682,800	2,380,500
Estimated penetration of digital homes passed (b) (e) (f).....	22%	23%	21%
Digital percentage of analog video customers (c) (d) (f) (g).....	40%	41%	35%
Digital set-top terminals deployed.....	3,680,000	3,772,600	3,305,300
Estimated video-on-demand homes passed (b).....	3,371,900	3,195,000	1,994,700
High-Speed Data Services:			
Estimated high-speed data homes passed (b).....	10,013,100	9,826,000	8,795,200
Residential high-speed data customers (h) (i).....	1,349,000	1,138,100	830,200
Estimated penetration of high-speed data homes passed (b) (e) (h) (i).....	13%	12%	9%
Dial-up customers.....	11,700	14,200	18,600
Revenue Generating Units (j):			
Analog video customers (c) (d).....	6,486,900	6,578,800	6,740,100
Digital customers (f).....	2,603,900	2,682,800	2,380,500
High-speed data customers (h) (i).....	1,349,000	1,138,100	830,200
Telephony customers (k).....	23,700	22,800	17,600
Total revenue generating units (j).....	<u>10,463,500</u>	<u>10,422,500</u>	<u>9,968,400</u>
Customer relationships (l).....	6,538,900	6,634,700	6,783,900

See footnotes to unaudited summary of operating statistics on page 5 of this Addendum.

(a) "Customers" include all persons corporate billing records show as receiving service, regardless of their payment status, except for complimentary accounts (such as our employees).

(b) Homes passed represents our estimate of the number of living units, such as single family homes, apartment units and condominium units passed by the cable distribution network in the areas in which we offer the service indicated. Homes passed excludes commercial units passed by the cable distribution network. The figures in this table reflect an increase at June 30, 2003 from our estimated homes passed from that previously reported for March 31, 2003. This increase is in part due to a refinement of methods used to estimate homes passed and in part due to increased line mileage within our network that was not previously reflected.

(c) Analog video customers include all customers who receive video services (including those who also purchase high-speed data and telephony services), but excludes approximately 52,000, 55,900 and 43,800 customer relationships, respectively, who pay for high-speed data service only and who are only counted as high-speed data customers. This represents a change in our methodology from prior reports through September 30, 2002, in which high-speed data service only customers were included within our analog video customers. We made this change because we determined that most of these customers were unable to receive our most basic level of analog video service because this service was physically secured or blocked, was unavailable in certain areas or the customers were unaware that this service was available to them. However, this year we initiated a detailed study and determined that 11,100 high-speed data customers have been receiving, or were otherwise upgraded to receive, analog video service. These 11,100 customers have been added to the June 30, 2003 analog video customers since our last quarterly filing.

(d) Commercial and multi-dwelling structures 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 consistently applied year over year. As we increase our effective analog 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. Our policy is not to count complimentary accounts (such as our employees) as customers.

(e) Penetration represents customers as a percentage of homes passed.

(f) Digital video customers include all households that have one or more digital set-top terminals. Included in digital video customers at June 30, 2003, December 31, 2002 and June 30, 2002 are 13,300, 27,500 and 11,900 customers, respectively, that receive digital video service directly through satellite transmission.

(g) Represents the number of digital video customers as a percentage of analog video customers.

(h) As noted above, all of these customers also receive video service and are included in the video statistics above, except that the video statistics do not include approximately 52,000, 55,900 and 43,800 customers at June 30, 2003, December 31, 2002 and June 30, 2002, respectively, who were high-speed data only customers.

(i) During the first three quarters of 2002, commercial high-speed data customers were calculated on an Equivalent Modem Unit or EMU basis, which involves converting commercial revenues to residential customer counts. Given the growth plans for our commercial data business, we do not believe that converting commercial revenues to residential customer counts is the most meaningful way to disclose or describe this growing business. We, therefore, excluded 75,300 EMUs that were previously reported in our June 30, 2002 customer totals for comparative purposes.

(j) Revenue generating units represent the sum total of all primary analog video, digital video, high-speed data and telephony customers, not counting additional outlets within one household. For example, a customer who receives two types of services (such as analog video and digital video) would be treated as two revenue generating units, and if that customer added on high-speed data service, the customer would be treated as three revenue generating units. 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 Communications, Inc.) as an industry standard.

(k) Telephony customers include all households purchasing telephone service.

(l) Customer relationships include the number of customers that receive at least one level of service encompassing video, data and telephony services, without regard to which service(s) such customers purchase. This statistic is computed in accordance with the guidelines of the NCTA that have been adopted by eleven publicly traded cable operators (including Charter Communications, Inc.) as an industry standard.

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

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Income from operations	\$ 112	\$ 85	\$ 189	\$ 182
Depreciation and amortization	377	361	756	687
Option compensation expense, net	-	1	-	3
Special charge, net	8	-	10	1
Adjusted EBITDA	497	447	955	873
Interest on cash pay obligations (a)	(281)	(276)	(565)	(544)
Special charges, net	(8)	-	(10)	(1)
Other, net	(2)	(2)	(2)	(2)
Change in operating assets and liabilities	(83)	(34)	(93)	(89)
Net cash flows from operating activities	<u>\$ 123</u>	<u>\$ 135</u>	<u>\$ 285</u>	<u>\$ 237</u>
Income from operations	\$ 112	\$ 85	\$ 189	\$ 182
Depreciation and amortization	377	361	756	687
Option compensation expense, net	-	1	-	3
Special charge, net	8	-	10	1
Less: Interest on cash pay obligations (a)	(281)	(276)	(565)	(544)
Less: Purchases of property, plant and equipment	(160)	(603)	(264)	(1,038)
Free cash flows	56	(432)	126	(709)
Purchase of property, plant and equipment	160	603	264	1,038
Special charges, net	(8)	-	(10)	(1)
Other, net	(2)	(2)	(2)	(2)
Change in operating assets and liabilities	(83)	(34)	(93)	(89)
Net cash flows from operating activities	<u>\$ 123</u>	<u>\$ 135</u>	<u>\$ 285</u>	<u>\$ 237</u>

(a) 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 statement of operations.

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 June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Customer premise equipment (a)	\$ 68	\$ 205	\$ 132	\$ 411
Scalable infrastructure (b)	12	75	20	119
Line extensions (c)	17	26	25	43
Upgrade/Rebuild (d)	37	218	52	344
Support capital (e)	26	79	35	121
Total capital expenditures (f)	\$ 160	\$ 603	\$ 264	\$ 1,038

(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 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).

(f) Represents all capital purchases made during the three and six months ended June 30, 2003 and 2002, respectively.