

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2003	2002 (restated)	2003	2002 (restated)
REVENUES:				
Video.....	\$ 866	\$ 862	\$ 2,607	\$ 2,553
High-speed data.....	145	91	403	231
Advertising sales.....	64	86	188	216
Commercial.....	52	41	149	117
Other.....	80	86	255	260
Total revenues.....	<u>1,207</u>	<u>1,166</u>	<u>3,602</u>	<u>3,377</u>
COSTS AND EXPENSES:				
Programming costs.....	307	296	934	873
Advertising sales.....	21	23	65	63
Service.....	156	138	458	394
General and administrative.....	204	201	622	595
Marketing.....	31	42	80	113
Operating costs and expenses.....	<u>719</u>	<u>700</u>	<u>2,159</u>	<u>2,038</u>
Adjusted EBITDA.....	488	466	1,443	1,339
Depreciation and amortization.....	362	374	1,118	1,061
Option compensation expense, net.....	1	1	1	4
Special charges, net.....	8	-	18	1
Income from operations.....	<u>117</u>	<u>91</u>	<u>306</u>	<u>273</u>
OTHER INCOME AND EXPENSES:				
Interest expense, net.....	(387)	(379)	(1,163)	(1,114)
Gain (loss) on derivative instruments and hedging activities, net..	31	(76)	35	(106)
Gain on debt exchange, net.....	267	-	267	-
Other, net.....	(5)	(3)	(9)	(8)
	<u>(94)</u>	<u>(458)</u>	<u>(870)</u>	<u>(1,228)</u>
Income (loss) before minority interest, income taxes and cumulative effect of accounting change.....	23	(367)	(564)	(955)
Minority interest.....	(14)	195	297	507
Income (loss) before income taxes and cumulative effect of accounting change.....	9	(172)	(267)	(448)
Income tax benefit.....	28	6	86	12
Income (loss) before cumulative effect of accounting change.....	37	(166)	(181)	(436)
Cumulative effect of accounting change, net of tax.....	-	-	-	(206)
Net income (loss).....	37	(166)	(181)	(642)
Dividends on preferred stock - redeemable.....	(1)	(1)	(3)	(3)
Net income (loss) applicable to common stock.....	<u>\$ 36</u>	<u>\$ (167)</u>	<u>\$ (184)</u>	<u>\$ (645)</u>
EARNINGS (LOSS) PER SHARE:				
Basic.....	<u>\$ 0.12</u>	<u>\$ (0.57)</u>	<u>\$ (0.62)</u>	<u>\$ (2.19)</u>
Diluted.....	<u>\$ 0.07</u>	<u>\$ (0.57)</u>	<u>\$ (0.62)</u>	<u>\$ (2.19)</u>
Weighted average common shares outstanding, basic.....	<u>294,566,878</u>	<u>294,454,659</u>	<u>294,503,840</u>	<u>294,434,575</u>
Weighted average common shares outstanding, diluted.....	<u>637,822,843</u>	<u>294,454,659</u>	<u>294,503,840</u>	<u>294,434,575</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>September 30,</u> <u>2003</u>	<u>December 31,</u> <u>2002</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents.....	\$ 135	\$ 321
Accounts receivable, net of allowance for doubtful accounts.....	190	259
Receivables from related party.....	-	8
Prepaid expenses and other current assets.....	<u>33</u>	<u>45</u>
Total current assets.....	<u>358</u>	<u>633</u>
INVESTMENT IN CABLE PROPERTIES:		
Property, plant and equipment, net	7,053	7,679
Franchises, net	<u>13,721</u>	<u>13,727</u>
Total investment in cable properties, net.....	<u>20,774</u>	<u>21,406</u>
OTHER NONCURRENT ASSETS.....	319	345
Total assets.....	<u>\$ 21,451</u>	<u>\$ 22,384</u>
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses.....	\$ <u>1,216</u>	\$ <u>1,345</u>
Total current liabilities.....	<u>1,216</u>	<u>1,345</u>
LONG-TERM DEBT.....	18,498	18,671
DEFERRED MANAGEMENT FEES - RELATED PARTY.....	14	14
OTHER LONG-TERM LIABILITIES.....	1,032	1,212
MINORITY INTEREST.....	763	1,050
PREFERRED STOCK - REDEEMABLE.....	55	51
SHAREHOLDERS' EQUITY (DEFICIT).....	(127)	41
Total liabilities and shareholders' equity (deficit).....	<u>\$ 21,451</u>	<u>\$ 22,384</u>

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

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

	Nine Month Ended September 30,	
	2003	2002
		(restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss.....	\$ (181)	\$ (642)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Minority interest.....	(297)	(507)
Depreciation and amortization.....	1,118	1,061
Noncash interest expense.....	319	291
Loss (gain) on derivative instruments and hedging activities, net.....	(35)	106
Gain on debt exchange, net.....	(267)	-
Deferred income taxes.....	(86)	(12)
Change in accounting principle, net.....	-	206
Other, net.....	5	7
Changes in operating assets and liabilities, net of effects from acquisitions:		
Accounts receivable.....	70	45
Prepaid expenses and other assets.....	7	7
Accounts payable, accrued expenses and other.....	(24)	(37)
Receivables from and payables to related party, including deferred management fees.....	9	(3)
Net cash flows from operating activities.....	638	522
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment.....	(503)	(1,588)
Change in accounts payable and accrued expenses related to capital expenditures....	(109)	(89)
Payments for acquisitions, net of cash acquired.....	-	(139)
Purchases of investments.....	(8)	(10)
Other, net.....	(8)	1
Net cash flows from investing activities.....	(628)	(1,825)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings of long-term debt.....	450	2,440
Repayments of long-term debt.....	(646)	(1,487)
Proceeds from issuance of debt.....	29	895
Payments for debt issuance costs.....	(29)	(40)
Capital contributions	-	1
Net cash flows from financing activities.....	(196)	1,809
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	(186)	506
CASH AND CASH EQUIVALENTS, beginning of period.....	321	2
CASH AND CASH EQUIVALENTS, end of period.....	\$ 135	\$ 508
CASH PAID FOR INTEREST.....	\$ 756	\$ 696
NONCASH TRANSACTIONS:		
Issuance of debt by CCH II, LLC.....	\$ 1,572	\$ -
Retirement of debt.....	\$ 1,866	\$ -

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

	Approximate as of		
	September 30, 2003 (a)	June 30, 2003 (a)	September 30, 2002 (a)
Customer Summary:			
Customer Relationships:			
Video customers (b) (c).....	6,498,100	6,486,900	6,647,600
Non-video customers (b).....	54,800	52,000	50,300
Total customer relationships (d).....	<u>6,552,900</u>	<u>6,538,900</u>	<u>6,697,900</u>
Average monthly revenue per customer relationship (e).....	\$ 61.46	\$ 61.82	\$ 57.66
Bundled customers (f).....	1,434,900	1,297,000	919,600
Revenue Generating Units:			
Analog video customers (b) (c).....	6,498,100	6,486,900	6,647,600
Digital video customers (g).....	2,664,800	2,603,900	2,527,700
High-speed data customers (h) (i).....	1,489,700	1,349,000	969,900
Telephony customers (j).....	24,100	23,700	19,700
Total revenue generating units (k).....	<u>10,676,700</u>	<u>10,463,500</u>	<u>10,164,900</u>
Video Services:			
Analog Video:			
Estimated homes passed (l).....	12,403,400	12,189,400	11,972,600
Analog video customers (b) (c)	6,498,100	6,486,900	6,647,600
Estimated penetration of analog video homes passed (b) (c) (l) (m).....	52%	53%	56%
Average monthly analog revenue per analog video customer (n).....	\$ 36.66	\$ 36.98	\$ 35.75
Digital Video:			
Estimated digital homes passed (l).....	12,243,300	11,958,200	11,492,800
Digital video customers (g).....	2,664,800	2,603,900	2,527,700
Estimated penetration of digital homes passed (g) (l) (m).....	22%	22%	22%
Digital percentage of analog video customers (b) (c) (g) (o).....	41%	40%	38%
Digital set-top terminals deployed.....	3,749,200	3,680,000	3,537,800
Average incremental monthly digital revenue per digital customer (n).....	\$ 23.41	\$ 23.47	\$ 23.77
Estimated video on demand homes passed (l).....	3,948,700	3,371,900	1,994,700
Non-Video Services:			
High-Speed Data Services:			
Estimated high-speed data homes passed (l).....	10,496,900	10,013,100	8,973,200
Residential high-speed data customers (h) (i).....	1,489,700	1,349,000	969,900
Estimated penetration of high-speed data homes passed (h) (i) (l) (m).....	14%	13%	11%
Average monthly high-speed data revenue per high-speed data customer (n).....	\$ 34.05	\$ 34.59	\$ 33.70
Dial-up customers	10,900	11,700	15,800
Telephony customers (j).....	24,100	23,700	19,700

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) Analog video customers include all customers who purchase video services (including those who also purchase high-speed data and telephony services), but excludes approximately 54,800, 52,000 and 50,300 customer relationships, respectively, who pay for high-speed data service only and who are only counted as high-speed data customers (and therefore are shown as "non-video" 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 through an ongoing study, we have determined that 13,400 of these high-speed data customers have been receiving or were otherwise upgraded to receive, analog video services. This resulted in 11,100 customers being added to the June 30, 2003 analog video customers and an

additional 2,300 being added to the September 30, 2003 analog video customers. Additionally, 135,200 of our analog video customers have been added during this quarter pursuant to promotional programs, which include the initial two months of service for free. There is no assurance that they will remain as customers once the period of free service expires.

(c) Included within video customers are 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 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.

(d) Customer relationships include the number of customers that receive at least one level of service encompassing video and data services, without regard to which service(s) such customers purchase. 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) as an industry standard.

(e) Average monthly revenue per customer relationship is calculated as total quarterly revenue divided by three divided by average customer relationships during the respective quarter.

(f) Bundled customers include customers subscribing to Charter's video service and data service. 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 at September 30, 2003, June 30, 2003 and September 30, 2002 are 12,600, 13,300 and 13,400 customers, respectively, that receive digital video service directly through satellite transmission. Additionally, 121,000 of our digital video customers have been added during this quarter pursuant to promotional programs which include the initial two months of service for free. There is no assurance that they will remain as customers once the period of free service expires.

(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 54,800, 52,000 and 50,300 of these customers at September 30, 2003, June 30, 2003 and September 30, 2002, respectively, who were high-speed data only customers. Additionally, 103,800 of our high-speed data customers have been added during this quarter pursuant to promotional programs which include the initial two months of service for free. There is no assurance that they will remain as customers once the period of free service expires.

(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 85,500 EMUs that were previously reported in our September 30, 2002 customer totals for comparative purposes.

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

(k) Revenue generating units represent the sum total of all primary analog video, digital video, high-speed data and telephony customers (including those under promotional pricing programs that may not generate cash revenues initially or at all), 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 NCTA that have been adopted by eleven publicly traded cable operators (including Charter) as an industry standard.

(l) 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 September 30, 2003 in our estimated homes passed from that previously reported for June 30, 2003. This increase is in part due to a refinement of methods used to estimate homes passed and in part due to line mileage within our network that was not previously reflected.

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

(n) Average monthly revenue represents quarterly revenue for the service indicated divided by three divided by average number of customers for the service indicated during the respective quarter.

(o) 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>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Adjusted EBITDA	\$ 488	\$ 466	\$ 1,443	\$ 1,339
Depreciation and amortization	(362)	(374)	(1,118)	(1,061)
Option compensation expense, net	(1)	(1)	(1)	(4)
Special charge, net	(8)	-	(18)	(1)
Income from operations	<u>\$ 117</u>	<u>\$ 91</u>	<u>\$ 306</u>	<u>\$ 273</u>
Adjusted EBITDA	\$ 488	\$ 466	\$ 1,443	\$ 1,339
Less: Interest on cash pay obligations (a)	(279)	(279)	(844)	(823)
Less: Purchases of property, plant and equipment	(239)	(550)	(503)	(1,588)
Free cash flow	(30)	(363)	96	(1,072)
Purchase of property, plant and equipment	239	550	503	1,588
Special charges, net	(8)	-	(18)	(1)
Other, net	(3)	(3)	(5)	(5)
Change in operating assets and liabilities	155	101	62	12
Net cash flows from operating activities	<u>\$ 353</u>	<u>\$ 285</u>	<u>\$ 638</u>	<u>\$ 522</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 operating cash flow 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)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Customer premise equipment (a)	\$ 118	\$ 182	\$ 253	\$ 593
Scalable infrastructure (b)	15	60	35	179
Line extensions (c)	38	26	69	69
Upgrade/Rebuild (d)	33	214	76	558
Support capital (e)	<u>35</u>	<u>68</u>	<u>70</u>	<u>189</u>
Total capital expenditures (f)	<u>\$ 239</u>	<u>\$ 550</u>	<u>\$ 503</u>	<u>\$ 1,588</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 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 expenditures made during the three and nine months ended September 30, 2003 and 2002, respectively.